

yass valley council

the country the people

2022/23
Annual Report

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Mayoral and CEO

Message

It is with great pleasure that we present to you Yass Valley Council's 2022-23 Annual Report.

The Annual Report provides us with an important opportunity to share our achievements from the past 12 months with our local residents.

We believe the most significant improvements are:

- The Yass Soldiers' Memorial Hall has received multiple restoration upgrades over the past year. The much-needed work has included repairs to the hall's roof, front door restoration, a new paint job and further improvements to the shrine area of the hall. The current improvements to the Memorial Hall are due to be complete in 2024.
- The stage one upgrade works for Yass' Water Treatment Plant were completed in February 2023. Stage one involved improving the existing water treatment plant to reduce issues with discolouration and odour of water. Preparation of a business case for the overall upgrade of the water treatment plant is continuing, to improve the quality of water supply further and to secure additional funding. Council is also preparing a program to upgrade water reticulation to reduce water discolouration.
- Construction of a new amenities building at the Murrumbateman Recreation Grounds is well underway with expected completion by March 2024. Murrumbateman Recreation Grounds are used by over 100 sporting and community activities throughout the year. The new amenities building will provide facilities designed to be accessible, inclusive and multi-functional.
- Council has successfully replaced 18 old timber bridges across the Yass Valley LGA as part of the Timber Bridge Replacement Program which commenced in 2015. The program had originally been estimated to take over 25 years to complete with an end year of 2041. However, seven years and eight successful grant applications later and the last of the bridges was successfully completed 18 years ahead of schedule.

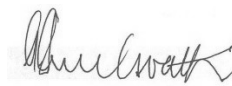
May 2023 saw the Development Application for the new Crago Mill Precinct approved. The precinct will include a new administration building and Council chamber, but it will also include a number of community services. The precinct will feature a new local community library including providing a children's area and study centre. The precinct will also include business meeting rooms which are available for community hire, a space for long-term tenants and community groups, public amenities and a dedicated plaza area.

Following last year's flooding and wet weather road disruptions, Council has been hard at work repairing and upgrading the roads following significant damage. This has been an ongoing process, given the scope of the damage, the Council would like to thank the community for their ongoing understanding and support on this work.

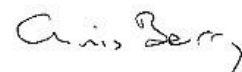
Looking ahead, the community can be assured that Council remains in a sound financial position due to substantial capital project funding. The sustainable provision of services to communities is a challenge for most Councils in an environment where more is expected of them from both the community and other tiers of government. Council has an ongoing commitment to continuous improvement to deliver value for money when providing services to its community.

We appreciate and acknowledge the hard work of our Councillors and Council staff over the past year upholding the values of the Yass Valley Council. We also acknowledge the work of the many dedicated volunteers who give up their time to help their community and make Yass Valley a great place to live.

We commend this Annual Report to you.



Allan McGrath
Mayor



Chris Berry
Chief Executive Officer



Corporate & Community Directorate

It has been a busy year for staff involved in this directorate due to difficulties hiring key staff, while at the same time increasing events and programs for the Yass Valley. The directorate includes the Communication & Media, Customer Services, Community & Economic Development, Finance, Governance & Risk, Information Communication Technology, Library and Organisation Development departments.

Finance

Council lost key finance staff and due to difficulties hiring professional staff we have managed by staff stepping up and taking on additional duties, as well as various contractors to ensure that we maintained our ongoing compliance requirements.

The annual 2021/22FY external audit was delayed, with a request for extension granted by the Office of Local Government. This work was not completed until February 2023, which meant that we were once again required to apply for an extension to complete the 2022/23FY Annual Financial Statements. It is anticipated that the 2022/23FY statements will be completed by December 2023, at which time they will be added to this Annual Report (refer to **Attachment A**).

Community & Economic Development Department

Staff in community services focused on increasing community events and supporting the community by hosting the following activities: Yass Valley Community Christmas Parade and Night Markets – December 2022; Reconnect activities (after COVID) – calendar of multiple events targeting seniors, youth, and community in the Yass Valley Region; School Holiday activities each break; Seniors Month – September 2022; How to Adult, Youth program – April 2023; Local Government Week; International Women’s Day; Australia Day; Alive in the Park; Small Business Month, and a Jobs & Skills Fair.



The variety and number of activities could not have been held without staff applying, and winning, State Government grant funding.

Council engaged and supported various economic development activities for the region. We hosted 11 events across the Yass Valley for small business month in November of 2022, which saw over 200 attendees upskilling our local small businesses.

In November 2022, we launched the 'Why Leave Town – Shop Yass Valley' gift cards. The focus was on the circular economy for the region, with over 400 gift cards available to be spent locally. This project was very successful with approx. \$23,210 worth of cards purchased in the first 2 months. This program continues to provide a boost to local small businesses.



Council worked with the following organisations: Yass Valley Business Chamber, Canberra Region Joint Organisation (CRJO) Economic Development managers, Destination Southern NSW, RDASI, Regional NSW, Southern Tablelands Steering Committee, Visit Canberra, interagency services, Service NSW.



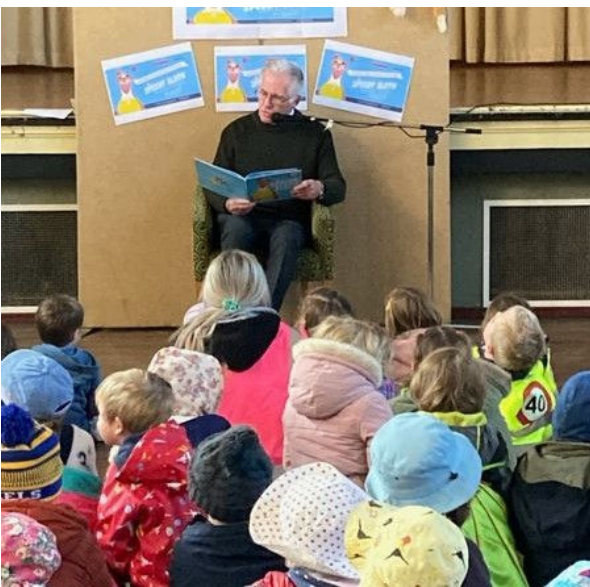
Staff also supported three destination workshops; attended and supported all Yass Valley Business Chamber breakfast meetings; operated the Yass Valley Information Centre 363 days of the year; supported the Hume & Hovell strategic planning; Regional Connectivity forums; opening of the Murrumbateman Winery Trail and Z-Card; and regional marketing.

Yass Library

Staff continued to offer a wide range of events and activities for the community in 2023. Some included Storytime, book groups, tech help, knitting group, author talks, and Men's Health Week. We also ran a range of school holiday programs, which we have been able to extend thanks to additional funding from the NSW Government.

Some of the highlights of the year included:

- Author talks by Chris Hammer, "The Tilt" and Emma Grey, "The Last Love Note".
- A visit from Canberra author Jack Heath, who writes fiction for both adults and young adults.
- Mayor Allan McGrath reading National Simultaneous Storytime book "Speedy Sloth" to local preschoolers.
- Installation of a Gallery Box, by Southern Tablelands Art (STA), in the foyer of the library which housed micro exhibitions by Peter Crisp, Robyn Booth, Peter Minson, and Walter Brecky.



Yass Library is committed to providing a welcoming and inclusive space for all members of the community. The library's events program is designed to cater to a wide range of interests and ages, and to promote literacy, creativity, and learning.

1. Council's Achievements in Implementing the Delivery Program

Councils' achievements during 2022/23 include, but are not limited to:

- Replacement of 18 old timber bridges throughout the Yass region,
- Continued work on the Crago Mill Precinct,



- Completed stage one upgrade works for Yass Water Treatment Plant,
- Coordinated community events such as Yass Valley Christmas Parade, and Alive in the Park,
- Continued upgrades of Yass Soldiers' Memorial Hall,
- Introduced a successful *Shop Yass Valley* voucher program,
- Held a wonderful Small Business Month program with the Yass Valley Business Chamber, and
- Regular community events for seniors and youth, including but not limited to activities such as visits to the National Museum of Australia and Junee Chocolate Factory, Skate Boarding, Author talks, Poppy Bubbles, movies, and Little Wing Puppetry.



2. Rates and Charges Written Off

| | |
|--|--------------|
| Pensioner Concessions Granted | \$120,622.26 |
| Postponed Rates | \$7,304.06 |
| Rates and Charges (including interest) | \$47,958.40 |

3. Overseas visits by Councillors, Council Staff, or other representatives

Nil

4. Payment of Expenses and Provision of Facilities to Councillors

A total of \$162,095 was attributed to the provision of Councilor facilities and payment of expenses, including conferences, travel costs, accommodation, meals and reimbursement of travel for use of Councilor private vehicles on Council business.

There were no interstate visits undertaken by Councillors, other than regional meetings in the ACT, which is included above.

Mayoral and Councilor Fees and related expenses

| | |
|---------------------|-----------|
| Mayoral Allowance | \$27,600 |
| Councillor Fees | \$113,850 |
| Councillor Expenses | \$15,060 |

Other Expenses

| | |
|-------------------------------|----------|
| Mayoral Car (travel expenses) | \$23,181 |
| Conference/meeting attendance | \$5,585 |

| | |
|--|------------------|
| Total Elected Members expenditure | \$185,276 |
|--|------------------|



5. Contracts Awarded Above \$150,000

| Nature of Contract | Name | Amount (\$) |
|--|---|---|
| Supply and Delivery of 14T 4x2 Commercial Waste collection Truck | Isuzu Australia Limited | 294,096 |
| Supply and Delivery of Truck mounted road repair unit | Ausroad Manufacturing Pty Ltd | 521,957 |
| Supply and Delivery of Truck mounted Road suction and Broom Sweeper | Bucher Municipal Pty Ltd | 376,571 |
| Supply and Delivery of two (2) Backhoe loaders | Westrac Equipment Pty Ltd | 411,385 |
| Roadside Slashing | Triniem Pty Ltd, trading as Ultimate property solutions | 366,300 |
| Roads – Line marking (various locations) | Capital Lines and Signs Pty Ltd | 210,000 |
| Laidlaw SPS Decommissioning - increased capacity of Yarrah SPS1 | WMD Construction Pty. Ltd. | 160,402 |
| Yass WTP Upgrade Business Case & High-level Concept Design | HunterH2O Holdings Pty Ltd | 440,604 |
| Yass Sewer Relining | Interflow Pty Ltd | 514,693 |
| Primary School SPS Refurbishment – Civil Package | QMax Pumping Systems | 212,262 |
| Murrumbateman Landfill Capping & Rehabilitation | Complete Civil Pty Ltd | \$168,036 |
| Jeir Creek Bridge Replacement | Complete Civil Pty Ltd | 1,300,000 |
| Back Creek Road Stage 1 - Sealing | Lentro Earthworks Pty Ltd | 2,900,000 |
| Wee Jasper Road Stage 2 Seg 70 & 71 - Rehabilitation | Lentro Earthworks Pty Ltd | 720,000 |
| Strategic Assessment - Yass Rail Trail | Burchills Engineering Solutions Pty Ltd | 190,000 |
| Jeir Creek Bridge Replacement | Complete Civil Pty Ltd | 1,300,000 |
| Back Creek Road Stage 1 - Sealing | Lentro Earthworks Pty Ltd | 2,900,000 |
| Wee Jasper Road Stage 2 Seg 70 & 71 - Rehabilitation | Lentro Earthworks Pty Ltd | 720,000 |
| Strategic Assessment - Yass Rail Trail | Burchills Engineering Solutions Pty Ltd | 190,000 |
| Browne Street Drainage - Stormwater Augmentation | Lentro Earthworks Pty Ltd | 190,000 |
| Provision of Geotechnical Services - 3 year contract (+ 2 years) | D&N Geotechnical Services Pty Ltd | based on unit rates and expected to be >\$150k pa |
| Provision of Engineering Survey Services - 3 year contract (+ 2 years) | Diverse Project Solutions Pty Ltd | based on unit rates and expected to be >\$150k pa |
| Provision of Environmental Services Reporting - 3 year contract (+ 2 years) | Ozark Environment & Heritage Pty Ltd | based on unit rates and expected to be >\$150k pa |
| Provision of Engineering Project Management Services - 3 year contract (+ 2 years) | Genium Civil Engineering Pty Ltd | based on unit rates and expected to be >\$150k pa |
| Provision of Engineering Design Services - 3 year contract (+ 2 years) | Genium Civil Engineering Pty Ltd | based on unit rates and expected to be >\$150k pa |

6. Amounts Incurred in Relation to Legal Proceedings

- a) \$9,585 the Trustee for a DA.
- b) \$51,267 Pikes & Vereker for planning legal
- c) \$ 55,208 Bradley Allen for planning legal.

7. Summary of Resolutions made under section 67 concerning work carried out on private land

Council has not undertaken any work on Private Land during 2022/23FY.

8. Grants and Donations under Section 356

| | |
|--|----------|
| <i>Binalong Brahmans RLFC (seating)</i> | \$1,000 |
| <i>Binalong Brahmans RLFC (park visitor seating)</i> | \$3,000 |
| <i>Binalong Mechanics Institute Land Manager (Windows)</i> | \$2,000 |
| <i>Binalong Mechanics Institute Land Manager (Rates)</i> | \$750 |
| <i>Binalong Progress Association Inc (Basketball System)</i> | \$1,901 |
| <i>Bookham War Memorial Hall Inc (Rates)</i> | \$130 |
| <i>Bowling & District Progress Association (Rec Ground Fencing)</i> | \$1,434 |
| <i>Bowling Hall Association (Rates)</i> | \$1,120 |
| <i>Bowling Hall Association (Wheelchair Access)</i> | \$2,710 |
| <i>Chantal Fleming (Beauty pageant)</i> | \$200 |
| <i>Country Women's Association Yass Branch (rates)</i> | \$1,325 |
| <i>Goulburn & Southern Highlands Amateur Radio Society (UHF CB Repeater)</i> | \$1,000 |
| <i>Gundaroo Community Association (Rates)</i> | \$381 |
| <i>Gundaroo Literary Institute (Rates)</i> | \$710 |
| <i>Gundaroo Park Land Manager (Amenities Block)</i> | \$4,000 |
| <i>Gundaroo Soldiers Memorial Hall (Film & Sound Projection)</i> | \$1,000 |
| <i>Gundaroo Soldiers Memorial Hall (Dishwasher)</i> | \$2,370 |
| <i>Gundaroo Soldiers Memorial Hall (Rates)</i> | \$1,000 |
| <i>Headspace Yass (Youth Mental Health First Aid)</i> | \$12,000 |
| <i>Irish & Celtic Music Festival Inc</i> | \$1,000 |
| <i>Murrumbateman Progress Association (Rural Talk Tent)</i> | \$1,903 |
| <i>Vine Church Inc (Rates)</i> | \$1,500 |
| <i>Visual Arts Society of Yass Inc (event signage)</i> | \$380 |
| <i>Yass Apex Homes (Pergola)</i> | \$2,000 |
| <i>Yass Bowling Club Ltd (Rates)</i> | \$1,000 |
| <i>Yass Golf Club Inc (Rates)</i> | \$1,000 |
| <i>Yass Lawn Tennis Club Inc (Rates)</i> | \$1,000 |
| <i>Yass Senior Citizens Club Inc (Tile work)</i> | \$2,624 |

| | |
|--|-----------------|
| Yass Swimming Club (Equipment improvements) | \$4,000 |
| Yass Touch Association (Megaphone and Line Marker) | \$3,000 |
| Yass Valley Concert Band (New music, instruments, banners) | \$4,000 |
| Yass Valley Triathlon Club (Equipment) | \$5,000 |
| 2022/23 Village Improvement Funds for Bookham, Sutton, Wee Jasper (\$5,000 each – other villages are included in applications above) | \$15,000 |
| Total | \$81,438 |

9. Statement of all external bodies that exercised functions delegated by Council

No external bodies exercised any delegated functions of Council during the reporting period.

10. Statement of all Corporations, Partnerships, Trusts, Joint Ventures, Syndicates or other Bodies in which Council held a controlling Interest

Council held no controlling interest in any such entity during the reporting period.

11. Statement of all Corporations, Partnerships, Trusts, Joint Ventures, Syndicates or other Bodies in which Council participated

| | |
|--|---|
| Canberra Region Joint Organisation (CRJO) | South East Australia Transport Strategy Inc (SEATS) |
| ACT and Region Catchment Management Coordination Group | Country Mayors Association |
| Southern Tablelands Arts (STARTS) Inc | Local Government NSW |
| South West Regional Waste Management Committee | Statewide Mutual (Insurance) |
| | South East Weight of Loads Group |

12. Activities to Implement Council's Equal Employment Opportunity (EEO) Management Plan

Council's *EEO Management Plan 2019/2023* was adopted in June 2019. An EEO action plan was developed to ensure the objectives of the EEO management plan are achieved. The following activities were undertaken in 2022/2023:

Objective 1 All staff understand EEO principles, their responsibilities and rights with EEO

- The *EEO Management Plan* is accessible to all staff.
- New staff receive a copy of the plan during onboarding.

Objective 2 Ensure Council HR policies and procedures comply with EEO principles

- HR policies and procedures conform with EEO principles, with no complaints received in 2022/2023 regarding EEO practices.
- Recruitment activities comply with EEO principles, with no complaints received in 2022/2023 regarding recruitment practices.
- Selection panels comprised of a least one representative of the same gender as candidates being interviewed where possible.
- Position descriptions were reviewed prior to recruitment of a position to ensure EEO compliance.
- Applications for flexible working arrangements were considered and reviewed based on merit.

Objective 3 EEO Management Plan was successfully implemented, evaluated, and periodically reviewed

- New employees were asked to complete EEO questions on commencement (voluntary).
- EEO data has been collected on a voluntary basis for submission in Annual Report (details below).

Objective 4 EEO TARGET GROUPS: Council’s workforce diversity is reflective and representative of the broader community.

- Aboriginal and Torres Strait Islander staff were advised of their entitlement under the Local Government (State) Award 2020 to take 1 day of leave to participate in NAIDOC day celebrations.
- Aboriginal and Torres Strait Islander people are encouraged to apply for vacant positions, as stated on Council’s website in information on how to apply.
- The number of women in management position has been reviewed.
- Staff facilities have been adapted to accommodate staff with disabilities.

The below table shows the number of employees including casuals in each EEO target group by salary levels as at 30 June 2022:

| Salary range | No. employees | Male | Female | NESB* | ATSI* | PWD* |
|---------------------|---------------|------------|-----------|----------|----------|----------|
| \$40,000 - \$49,999 | 43 | 18 | 25 | 0 | 2 | 2 |
| \$50,000 - \$59,999 | 39 | 36 | 3 | 2 | 0 | 4 |
| \$60,000 - \$69,999 | 41 | 23 | 18 | 0 | 1 | 0 |
| \$70,000 - \$79,999 | 17 | 10 | 7 | 1 | 0 | 0 |
| \$80,000 - \$89,999 | 14 | 10 | 4 | 2 | 0 | 0 |
| \$90,000 - \$99,999 | 4 | 2 | 2 | 1 | 0 | 0 |
| >\$100,000 | 16 | 10 | 6 | 0 | 0 | 0 |
| TOTAL | 174 | 109 | 65 | 6 | 3 | 6 |

*NESB – Non-English-Speaking Background; ATSI - Aboriginal and Torres Strait Islanders; PWD - People with a Disability

13. Statement of total number of persons who performed paid work on Wednesday 25 May 2022

| | |
|--|-----|
| Persons employed by the council on a permanent full-time, permanent part-time or casual basis or under a fixed-term contract | 139 |
| Persons employed by the council as senior staff members | 4 |
| 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 | 5 |
| Persons supplied to the council, under a contract or other arrangement with the person’s employer, as an apprentice or trainee | Nil |

14. Total Remuneration Package of the Chief Executive Officer

The value of the General Manager's TRP as of 30 June 2022 was \$269,984.

15. Total Remuneration Package of all Senior Staff

The value of the TRP for all senior staff as of 30 June 2022 was \$569,340. The value is expressed as the combined total TRP of the senior staff members.

16. Stormwater Management Services

Nil stormwater projects identified.

17. Coastal Protection Services

Not applicable

18. Environmental upgrade agreements, in accordance with s406

No environmental upgrade agreements have been entered into by Council that require compliance with section 406.

19. Special Rate Variation (SRV)

No special rate variation for 2022/23FY

20. Report on Capital Works Projects

Below is the list of capital works projects undertaken during the 2022/23FY.

- Shingle Hill Way Bridge Replacement
- Shingle Hill Way Bridge Replacement
- Bango Bridge
- Back Creek Bridge
- Jeir Creek Bridge - Nanima Road
- Murrumbateman Crk Bridge - Greenwood Rd
- Yass River Bridge - Greenwood Road
- Browne Street Stormwater Upgrade
- YV Rail Trail Feasibility Study Engineering
- Wee Jasper Rd Rehab Seg 70 & 71 Stage 1 & 2
- Winery Trail
- Nanima Rd Rehabilitation
- Construction of Shared Paths
- Dog Trap Seg 8
- Hillview Road Seq 1 rehab
- Morton Avenue
- Resealing (Capital)
- FLR Grant Rd 2 Resealing program
- Lot St, Gundaroo - Pedestrian Refuge
- Safer Roads Program
- Rossi St, Mt Carmel - Upgrade existing children's crossing
- Grand Junction Rd, Berinba - Shared Path & pedestrian facility at intersection
- Mulligans Flat Road - Safety Improvements
- Back Creek Road, Gundaroo Rehab Stage 1
- Berinba St footpath Stage 2
- Unscheduled renewal work
- Resheeting - Tallagandra Lane, Seg 5-8
- Resheeting - Yass River Road, Seg 12-15
- Resheeting - Corregans Road, Seg 1-2
- Resheeting - Dairy Creek Road, Seg 1-2
- Resheeting - Gum's Lane, Seg 8-11
- Resheeting - Longrail Gully Road, Seg 3-8
- Regional Roads
- Regional Roads
- Annual Resealing - Regional Roads Network
- Murrumbateman Road - Safety Improvements
- Recreational Assets
- Recreational Assets
- Murrumbateman sand arena stabilisation
- Murrumbateman Rec grounds Dog park
- Bowning Rec Ground new septic system
- Murrumbateman Rec Ground Amenities
- Murrumbateman Rec Ground Amenities
- Adventure Playground - Riverbank Park
- Bowning Rec Ground Amenities
- O'Connor Park Boat Ramp re-construction
- Parks, Gardens & Recreation
- Village Ovals Bore water investigations
- Murrumbateman Equestrian Ground/Oval Upgrade
- Murrumbateman Rec Grounds Club House
- Murrumbateman Rec Ground Storage & Horse Yards Upgrade
- Plant & Equipment

- Plant & Equipment
- Caravan Park
- Amenities Upgrade
- Concrete Steps & damaged path replacement
- Water Supply Network
- Water Supply Network
- Integrated Water Cycle Management Plan
- Village Water Main Extension
- Water Pump / Motor Replacement (Capital)
- WTP Improvement
- Yass to Murrumbateman WS Easement
- Yass Tto Murrumbateman WS construction
- Developer Servicing Plan
- Telemetry System Upgrade Strategy - Water & Sewer
- Water Quality Improvements Yass
- Water Reservoir Upgrade program
- Water Reticulation Upgrade program
- Water Main Extension Murrumbateman North
- Water Source Strategy Water Meter Replacement
- Morton Low Level Reservoir Repair
- WTP Upgrade: Stage 1 Construction (HAF)
- Sewer Network
- Sewer Network
- Sewer Main Upgrade program
- Ford Street SPS Generator Design
- Wellington Road Sewerage Pump Station
- Integrated Water Cycle Management Plan - Sewer (capital)
- Wastewater Treatment Plant Upgrade program
- Wastewater Pump Station Upgrade Program
- Telemetry Upgrade
- Laidlaw street SPS - decommissioning
- Developer Servicing Plan
- Facility & Waste
- Facility & Waste
- Old sale yard remediation
- Community centre repairs
- Stadium site remediation
- Cemeteries strategic plan
- Sutton Rec Round Stage 1
- Goodradigbee Centre Subdivision
- Monitor Gas Works
- 116 Laidlaw St Sale Preparation
- Memorial Hall Roof Restoration
- Waste Management
- Waste Management
- Solar irrigation pump Murrumbateman landfill
- Yass Transfer station recyclable storage cover
- 3 x Bulk Skip bins with Tarps
- Landfill Closure Plans
- Concrete pad for scales Yass T/S
- Closure Murrumbateman Landfill
- 3 x 23m3 Bulk skip bins with Tarps
- Murrumbateman Stage 2 Landfill Rehabilitation
- Property Management
- Crago Mill Precinct
- Property Management
- Solar panel Installation
- Cemeteries
- Construction of Yass Lawn Cemetery Concrete Plinth

21. Companion Animals Act 1998 and Companion Animals Regulation 2008

During 2022/23, Council carried out companion animal community education programs using local media, community notice boards, Facebook and the Council website. Educational letters and fact sheets were sent to individual owners and areas with a high number of reported animal incidents. . A microchipping program in conjunction with SELEX (stock sales facility), the NSW Farmers Association and local rural suppliers was also held over three events with a total of 41 working dogs microchipped. To assist with the identification of companion animals received at the impound facility; the Compliance Ranger received training and is now authorised to implant microchips on animals that have no identification.

Through the year, there were:

- 56 incidents involving dog attacks. These were predominately on stock and animals.
- 9 Orders were issued for Menacing and Nuisance dogs
- 27 Infringement Notices were issued – totaling \$22,470
- 80 Advisory and education letters forwarded to owners of companion animals
- 51 dogs were impounded, 37 of those were returned to owners and 14 were rehomed through rescue organisations. Impounding rates were lower due to Covid restrictions and dogs being able to be returned prior to impounding.

The rehome and return to owner's rate for suitable dogs in 2022/23 was 100%.

Council provides unfenced off leash areas within the Local Government Area at:

- Lower Walker Park; below Joe O'Connor Park at the riverbank
- Bowring Recreation Ground
- Binalong Recreation Ground
- Nirta Drive Common
- Murrumbateman Recreation Area.

A fenced off leash park is provided in Yass on Laidlaw Street below the Yass Pool. There is ongoing Council consultation with a user group to develop appropriate facilities for dog owners and their companions. A fenced off-leash area has been identified in 2021 Strategic Plan for Murrumbateman Recreation Grounds.

Council received \$11,118 in animal registration fees and \$7,965 in companion animal infringements during 2022/23. This income offsets council's costs directly related to animal control in 2022/23.

Daily activities are undertaken by Council to promote compliance with the Companion Animals Act 1998 including patrols of parks and public areas across the LGA.

22. Details Inspection of private Swimming Pools - Swimming Pools Act & Regulation

| Swimming Pool Inspections | No. Inspections | No. Certificates of Compliance | No. Certificates of Non-Compliance |
|---|-----------------|--------------------------------|------------------------------------|
| Tourist and Visitor Accommodation | 0 | 0 | 0 |
| Premises which there are more than 2 dwellings | 0 | 0 | 0 |
| Inspections that resulted in issuance a Certificate of Compliance under s.22D SP Act | 17 | 17 | 0 |
| Inspections that resulted in issuance a certificate of non-compliance under cl.21 SP Regulation | 17 | 0 | 17 |

23. Government Information (Public Access) Act 2009 and Regulation

The Government Information (Public Access) Act 2009 (GIPA Act) replaced the Freedom of Information Act 1989 on 1 July 2010. The GIPA Act provides four ways for government information to be released:

1. Open access information

Yass Valley Council publishes certain categories of information on our website as a matter of course; this is known as Open Access Information. Open Access Information includes details of contracts, policies and many other categories of information.

2. Proactive release

Yass Valley Council releases as much other information as possible to the public free of charge and publishes as much as possible on our website.

3. Informal access request

Members of the public may contact Council and ask for information. This is known as an informal access request.

4. Formal access application for release of information

If information cannot be accessed through any of the above ways, members of the public may submit a formal access application.

This report provides an account of the work of Yass Valley Council for the period 1 July 2016 to 30 June 2017. During this time Council's aim was to meet the requirements of the GIPA Act with regard to Open Access Information and to establish simple processes for dealing with the informal and formal access applications.

During the reporting period the following categories of information have been published on Yass Valley Council's website:

- Policies
- Delegations
- Contracts
- Political donations
- Environmental Planning Instruments

During the reporting period the following documents relevant to the GIPA Act have been published on Yass Valley Council's website:

- Access to Information Policy
- How can I gain access to Council Information, Documents or Records?
- Delegations to Staff
- Informal Access Request Form
- Formal Access Application Form
- Publication Guide
- Disclosure Log
- Contracts Register

Council's focus for 2017-2018 is to continue to review the information held by Yass Valley Council and to work with internal stakeholders to encourage proactive publication of information and to develop procedures and guidance material.

Clause 8A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review.

| Reviews carried out by the agency | Information made publicly available by the agency |
|-----------------------------------|---|
| No | No |

Clause 8B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

| | |
|---------------------------------------|---|
| Total number of applications received | 9 |
|---------------------------------------|---|

Clause 8C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

| Number of Applications Refused | Wholly | Partly | Total |
|--------------------------------|--------|--------|-------|
| | 0 | 1 | 1 |
| % of Total | 0% | 11% | 11% |

Table A: Number of applications by type of applicant and outcome*

| | Access granted in Full | Access granted in Part | Access refused in Full | Info. not held | Info already available | Refuse to deal with appl. | Refuse to confirm/deny whether info. is held | Application withdrawn | Total | % of Total |
|---|------------------------|------------------------|------------------------|----------------|------------------------|---------------------------|--|-----------------------|----------|-------------|
| Media | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Members of Parliament | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Private sector business | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 11% |
| Not for profit org. or community groups | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Members of the public (by legal rep.) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Members of the public (other) | 5 | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 8 | 89% |
| Total | 6 | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 9 | |
| % of Total | 67% | 11% | 0% | 11% | 11% | 0% | 0% | 0% | | 100% |

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.



Table B: Number of applications by type of application and outcome*

| | Access granted in Full | Access granted in Part | Access refused in Full | Info. not held | Info already available | Refuse to deal with appl. | Refuse to confirm/deny whether info. is held | Application withdrawn | Total | % of Total |
|--|------------------------|------------------------|------------------------|----------------|------------------------|---------------------------|--|-----------------------|----------|-------------|
| Personal information applications * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Access applications (other than personal information applications) | 6 | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 9 | 100% |
| Access applications that are partly personal information applications and partly other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 6 | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 9 | |
| % of Total | 67% | 11% | 0% | 11% | 11% | 0% | 0% | 0% | | 100% |

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

| Reason for invalidity | No of applications | % of Total |
|---|---------------------------|-------------------|
| Application does not comply with formal requirements (section 41 of the Act) | 0 | 0% |
| Application is for excluded information of the agency (section 43 of the Act) | 0 | 0% |
| Application contravenes restraint order (section 110 of the Act) | 0 | 0% |
| Total number of invalid applications received | 0 | 0% |
| Invalid applications that subsequently became valid applications | 0 | 0% |
| Total | 0 | |

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of Act

| | Number of times consideration used* | % of Total |
|--|-------------------------------------|------------|
| Overriding secrecy laws | 0 | 0% |
| Cabinet information | 0 | 0% |
| Executive Council information | 0 | 0% |
| Contempt | 0 | 0% |
| Legal professional privilege | 0 | 0% |
| Excluded information | 0 | 0% |
| Documents affecting law enforcement and public safety | 0 | 0% |
| Transport safety | 0 | 0% |
| Adoption | 0 | 0% |
| Care and protection of children | 0 | 0% |
| Ministerial code of conduct | 0 | 0% |
| Aboriginal and environmental heritage | 0 | 0% |
| Privilege generally - Sch 1(5A) | 0 | 0% |
| Information provided to High Risk Offenders Assessment Committee | 0 | 0% |
| Total | 0 | 0% |

*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act.

| | Number of times consideration used* | % of Total |
|--|-------------------------------------|------------|
| Responsible and effective government | 1 | 11% |
| Law enforcement and security | 0 | 0% |
| Individual rights, judicial processes and natural justice | 0 | 0% |
| Business interests of agencies and other persons | 0 | 0% |
| Environment, culture, economy and general matters | 0 | 0% |
| Secrecy provisions | 0 | 0% |
| Exempt documents under interstate Freedom of Information legislation | 0 | 0% |
| Total | 1 | 11% |

Table F: Timeliness

| | Number of applications* | % of Total |
|--|-------------------------|------------|
| Decided within the statutory timeframe (20 days plus any extensions) | 9 | 100% |
| Decided after 35 days (by agreement with applicant) | 0 | 0% |
| Not decided within time (deemed refusal) | 0 | 0% |
| Total | 9 | 100% |

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

| | Decision varied | Decision upheld | Total | % of Total |
|--|-----------------|-----------------|-------|------------|
| Internal review | 0 | 0 | 0 | 0% |
| Review by Information Commissioner* | 0 | 0 | 0 | 0% |
| Internal review following recommendation under section 93 of Act | 0 | 0 | 0 | 0% |
| Review by NCAT | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0% |
| % of Total | 0% | 0% | 0 | 0% |

*The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

| | Number of applications for review | % of Total |
|---|-----------------------------------|------------|
| Applications by access applicants | 0 | 0% |
| Applications by persons to whom information the subject of access application relates (see section 54 of the Act) | 0 | 0% |
| Total | 0 | 0% |

Table I: Applications transferred to other agencies.

| | Number of applications transferred | % of Total |
|---------------------------------|------------------------------------|------------|
| Agency-Initiated Transfers | 0 | 0% |
| Applicant - Initiated Transfers | 0 | 0% |
| Total | 0 | 0% |

24. Environmental Planning & Assessment Act 1979

Following planning agreements in accordance with the *Environmental Planning & Assessment Act 1979*:

| | |
|---------------------------------|---|
| Date PA was entered into | 224 November 2022 |
| PA Parties | Yass Valley Council & CVC Projects |
| Development Description | 58 lot subdivision including open space lot and a future development lot. Widening and upgrading of Grand Junction Road and Burrai Place. Construction of new road and associated infrastructure. |
| Land to which the PA applies | Lot 1 DP1185454, 3 Burrai Place, Yass |

25. Public Interest Disclosures

Section 6CA *Public Interest Disclosures Act 1994* requires Council to provide the NSW Ombudsman with information about Council's obligations in relation to public interest disclosures every six months. The following information was provided to the Ombudsman during 2022/23.

| | Made by public officials performing their day-to-day functions | Under a statutory or other legal obligation | All other PIDs |
|---|--|---|----------------|
| No. of public officials who made public interest disclosures to Council | 0 | 0 | 0 |
| No. of public interest disclosure received by Council | 0 | 0 | 0 |
| Of public interest disclosures received, how many were primarily about: | | | |
| Corrupt conduct | 0 | 0 | 0 |
| Maladministration | 0 | 0 | 0 |
| Serious and substantial waste | 0 | 0 | 0 |
| Government information contravention | 0 | 0 | 0 |
| Local government pecuniary interest contravention | 0 | 0 | 0 |
| No of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period | 0 | 0 | 0 |
| Has Council established an internal reporting policy? | YES | | |
| Has the head of your public authority taken action to meet their staff awareness obligations? | YES | Training by Council, Links on Council's internet and intranet site, Training provided to new staff during induction | |

26. Compliance with the NSW Carers (Recognition) Act 2010

As no staff identified themselves as carers in accordance with the Act, no follow up consultation was required. Council was not required to adopt new policies or make any amendments to existing policies.

27. Disability Inclusion Act 2014

Introduction

Council's *Disability Inclusion Action Plan* (DIAP) is currently under review and will be presented for adoption in 2024.

28. Fisheries Management ACT 1994

Not applicable

Attachment A: 2022/23 Financial Statements



Yass Valley Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023

"A diverse rural region that provides lifestyle, business and recreation choices, while sustaining our environment, history and community"



Yass Valley Council

General Purpose Financial Statements

for the year ended 30 June 2023

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Overview

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

209 Comur Street
YASS NSW 2582

Council's guiding principles are detailed in Chapter 3 of the *Local Government Act 1993 (NSW)* (the Act) and includes:

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

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

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

Yass Valley Council

General Purpose Financial Statements

for the year ended 30 June 2023

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 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 Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on 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.

Yass Valley Council

General Purpose Financial Statements

for the year ended 30 June 2023

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 20 December 2023.



Allan McGrath
Mayor
20 December 2023



Cayla Pothan
Councillor
20 December 2023



Chris Berry
Chief Executive Officer
20 December 2023



Lynette Safranek
Director Corporate & Community
20 December 2023

Yass Valley Council

Income Statement

for the year ended 30 June 2023

| Original unaudited budget 2023 | \$ '000 | Notes | Actual 2023 | Actual 2022 |
|--|--|-------|----------------|----------------|
| Income from continuing operations | | | | |
| 19,275 | Rates and annual charges | B2-1 | 19,788 | 18,663 |
| 6,071 | User charges and fees | B2-2 | 5,622 | 5,883 |
| 300 | Other revenues | B2-3 | 458 | 607 |
| 5,092 | Grants and contributions provided for operating purposes | B2-4 | 9,978 | 7,929 |
| 11,578 | Grants and contributions provided for capital purposes | B2-4 | 17,684 | 18,450 |
| 139 | Interest and investment income | B2-5 | 1,220 | 201 |
| 507 | Other income | B2-6 | 401 | 2,739 |
| 1,896 | Net gain from the disposal of assets | B4-1 | - | - |
| 44,858 | Total income from continuing operations | | 55,151 | 54,472 |
| Expenses from continuing operations | | | | |
| 15,085 | Employee benefits and on-costs | B3-1 | 12,850 | 12,448 |
| 11,133 | Materials and services | B3-2 | 14,894 | 10,121 |
| 1,097 | Borrowing costs | B3-3 | 693 | 845 |
| 5,997 | Depreciation, amortisation and impairment of non-financial assets | B3-4 | 9,141 | 8,017 |
| 880 | Other expenses | B3-5 | 963 | 1,008 |
| - | Net loss from the disposal of assets | B4-1 | 2,344 | 2,452 |
| 34,192 | Total expenses from continuing operations | | 40,885 | 34,891 |
| 10,666 | Operating result from continuing operations | | 14,266 | 19,581 |
| 10,666 | Net operating result for the year attributable to Council | | 14,266 | 19,581 |
| (912) | Net operating result for the year before grants and contributions provided for capital purposes | | (3,418) | 1,131 |

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

Yass Valley Council

Statement of Comprehensive Income

for the year ended 30 June 2023

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|---------------|--------|
| Net operating result for the year – from Income Statement | | 14,266 | 19,581 |
| Other comprehensive income: | | | |
| Amounts which will not be reclassified subsequently to the operating result | | | |
| - Gain (loss) on revaluation of infrastructure, property, plant and equipment | C1-7 | 54,584 | 31,560 |
| Total items which will not be reclassified subsequently to the operating result | | 54,584 | 31,560 |
| Total comprehensive income for the year attributable to Council | | 68,850 | 51,141 |

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

Yass Valley Council

Statement of Financial Position

as at 30 June 2023

| \$ '000 | Notes | 2023 | Restated 2022 | Restated 1 July 2021 |
|--|-------|----------------|------------------|-------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | C1-1 | 11,333 | 14,475 | 9,554 |
| Investments | C1-2 | 25,100 | 21,200 | 24,200 |
| Receivables | C1-4 | 7,859 | 4,585 | 4,525 |
| Inventories | C1-5 | 119 | 141 | 167 |
| Contract assets | C1-6 | 2,604 | 4,889 | 1,856 |
| Other | C1-9 | 644 | 222 | 271 |
| Total current assets | | 47,659 | 45,512 | 40,573 |
| Non-current assets | | | | |
| Infrastructure, property, plant and equipment ¹ | C1-7 | 538,027 | 474,826 | 426,262 |
| Investment property | C1-8 | 6,688 | 6,688 | 4,350 |
| Right of use assets | C2-1 | 181 | 180 | 391 |
| Total non-current assets | | 544,896 | 481,694 | 431,003 |
| Total assets | | 592,555 | 527,206 | 471,576 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Payables | C3-1 | 6,731 | 8,936 | 5,239 |
| Contract liabilities | C3-2 | 4,273 | 4,873 | 3,024 |
| Lease liabilities | C2-1 | 119 | 178 | 214 |
| Borrowings | C3-3 | 824 | 683 | 871 |
| Employee benefit provisions | C3-4 | 2,998 | 2,948 | 2,852 |
| Other provisions | C3-5 | 940 | 584 | 578 |
| Total current liabilities | | 15,885 | 18,202 | 12,778 |
| Non-current liabilities | | | | |
| Payables | C3-1 | – | – | 134 |
| Lease liabilities | C2-1 | 62 | 9 | 187 |
| Borrowings | C3-3 | 13,024 | 13,910 | 14,592 |
| Employee benefit provisions | C3-4 | 121 | 116 | 119 |
| Other provisions | C3-5 | 602 | 958 | 896 |
| Total non-current liabilities | | 13,809 | 14,993 | 15,928 |
| Total liabilities | | 29,694 | 33,195 | 28,706 |
| Net assets | | 562,861 | 494,011 | 442,870 |
| EQUITY | | | | |
| Accumulated surplus | | 295,176 | 280,910 | 261,329 |
| IPPE revaluation reserve ¹ | C4-1 | 267,685 | 213,101 | 181,541 |
| Total equity | | 562,861 | 494,011 | 442,870 |

(1) Refer to Note G4-1 for details regarding restatement of prior year.

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

Yass Valley Council

Statement of Changes in Equity

for the year ended 30 June 2023

| | Notes | 2023 | | | 2022 | | |
|--|-------|---------------------|--------------------------|----------------|---------------------|--------------------------------------|--------------------------|
| | | Accumulated surplus | IPPE revaluation reserve | Total equity | Accumulated surplus | IPPE revaluation reserve Restated | Total equity Restated |
| \$ '000 | | | | | | | |
| Opening balance at 1 July | | 280,910 | 213,101 | 494,011 | 261,329 | 185,015 | 446,344 |
| Correction of prior period errors ¹ | G4-1 | – | – | – | – | (3,474) | (3,474) |
| Restated opening balance | | 280,910 | 213,101 | 494,011 | 261,329 | 181,541 | 442,870 |
| Net operating result for the year | | 14,266 | – | 14,266 | 19,581 | – | 19,581 |
| Other comprehensive income | | | | | | | |
| - Gain on IPPE revaluation | C1-7 | – | 54,584 | 54,584 | – | 31,560 | 31,560 |
| Total comprehensive income | | 14,266 | 54,584 | 68,850 | 19,581 | 31,560 | 51,141 |
| Closing balance at 30 June | | 295,176 | 267,685 | 562,861 | 280,910 | 213,101 | 494,011 |

(1) Refer to Note G4-1 for details regarding restatement of prior year.

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

Yass Valley Council

Statement of Cash Flows

for the year ended 30 June 2023

| Original unaudited budget 2023 | \$ '000 | Notes | Actual 2023 | Actual 2022 |
|---|---|-----------|-----------------|-----------------|
| Cash flows from operating activities | | | | |
| <i>Receipts:</i> | | | | |
| 18,977 | Rates and annual charges | | 19,064 | 18,816 |
| 6,735 | User charges and fees | | 6,951 | 5,820 |
| 193 | Interest received | | 966 | 149 |
| 13,327 | Grants and contributions | | 29,340 | 23,275 |
| – | Bonds, deposits and retentions received | | – | 927 |
| 764 | Other | | 1,417 | 4,472 |
| <i>Payments:</i> | | | | |
| (15,025) | Payments to employees | | (12,362) | (12,348) |
| (12,484) | Payments for materials and services | | (20,020) | (11,771) |
| (1,069) | Borrowing costs | | (848) | (853) |
| – | Bonds, deposits and retentions refunded | | (1,019) | – |
| (1,563) | Other | | (1,949) | (38) |
| 9,855 | Net cash flows from operating activities | G1-1 | 21,540 | 28,449 |
| Cash flows from investing activities | | | | |
| <i>Receipts:</i> | | | | |
| 3,298 | Redemption of term deposits | | 27,800 | 11,500 |
| 2,310 | Proceeds from sale of IPPE | B4-1 | 253 | 242 |
| <i>Payments:</i> | | | | |
| – | Acquisition of term deposits | | (31,700) | (8,500) |
| (23,316) | Payments for IPPE | | (20,112) | (25,686) |
| (17,708) | Net cash flows from investing activities | | (23,759) | (22,444) |
| Cash flows from financing activities | | | | |
| <i>Receipts:</i> | | | | |
| 11,000 | Proceeds from borrowings | C3-3 | 8,277 | – |
| <i>Payments:</i> | | | | |
| (9,161) | Repayment of borrowings | C3-3 | (9,022) | (870) |
| (201) | Principal component of lease payments | C2-1,C3-3 | (178) | (214) |
| 1,638 | Net cash flows from financing activities | | (923) | (1,084) |
| (6,215) | Net change in cash and cash equivalents | | (3,142) | 4,921 |
| 14,475 | Cash and cash equivalents at beginning of year | | 14,475 | 9,554 |
| 8,260 | Cash and cash equivalents at end of year | C1-1 | 11,333 | 14,475 |
| – | plus: Investments on hand at end of year | C1-2 | 25,100 | 21,200 |
| 8,260 | Total cash, cash equivalents and investments | | 36,433 | 35,675 |

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

Yass Valley Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 20 December 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 NSW Office of Local Government (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* (the Act) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying 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 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. fair values of investment property – refer Note C1-8
- ii. fair values of infrastructure, property, plant and equipment (IPPE) – refer Note C1-7
- iii. tip remediation provisions – refer Note C3-5
- iv. employee benefit provisions – refer Note C3-4.

Significant judgements in applying Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 - B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease - refer to Note C2-1.

Monies and other assets received by Council

The Consolidated Fund

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

The Trust Fund

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

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

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council receives volunteer services from the community advisory committees for a number of purposes, which unquestionably provide value to Council. However, the value of volunteer services has not been recognised within Council's financial statements. This is because the value of the services provided often cannot be reliably measured in order to meet the recognition requirements within Australian Accounting Standards. Where the volunteer services could be reliably measured, Council has assessed those services in accordance with the relevant Australian Accounting Standards and has determined that the services would not be purchased if they were not donated. As such, recognition in Council's financial statements is not required.

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 (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2023 reporting period. Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

For example the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Council is to assess and does not expect any material impact from the above amendments and to its classification of liabilities as current or non-current.

This standard has an effective date for the 30 June 2024 reporting period.

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

This Standard amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 from Contracts with Customers to be accounted for as a sale.

AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a

A1-1 Basis of preparation (continued)

seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.

Council does not expect any material impact from the above amendments due to there is no lease liability in a sale and leaseback business activity.

This standard has an effective date for the 30 June 2025 reporting period.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [amends AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

This Standard amends a number of standards as follows:

- AASB 7 to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101 to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108 to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134 to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Council is to assess and does not expect any impact on reported financial performance or position.

This standard has an effective date for the 30 June 2024 reporting period.

Comparative figures

Certain comparative information in the financial statements and the accompanying notes have been restated as a result of correction of prior year errors for IPPE operational land carrying value to conform to current year's representation. Refer to Note G4-1 Correction of Errors for more information.

B Financial Performance

B1 Functions or activities

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

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

| | Income | | Expenses | | Operating result | | Grants and contributions | | Carrying amount of assets | |
|---------------------------------|---------------|---------------|---------------|---------------|------------------|---------------|--------------------------|---------------|---------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| \$ '000 | | | | | | | | | | Restated |
| Functions/activities | | | | | | | | | | |
| Our Civic Leadership | 16,373 | 14,497 | 6,895 | 5,086 | 9,478 | 9,411 | 2,846 | 2,636 | 44,802 | 40,427 |
| Our Community | 399 | 825 | 3,296 | 1,447 | (2,897) | (622) | 120 | 452 | 1,897 | 2,327 |
| Our Economy | 1,120 | 858 | 1,813 | 1,519 | (693) | (661) | 286 | 8 | 6,722 | 6,718 |
| Our Environment | 1,457 | 1,369 | 2,599 | 2,301 | (1,142) | (932) | 1,218 | 1,137 | 53,595 | 45,088 |
| Our Infrastructure ¹ | 35,802 | 36,923 | 26,282 | 24,538 | 9,520 | 12,385 | 23,192 | 22,146 | 485,539 | 432,646 |
| Total ¹ | 55,151 | 54,472 | 40,885 | 34,891 | 14,266 | 19,581 | 27,662 | 26,379 | 592,555 | 527,206 |

(1) Refer to Note G4-1 for details regarding restatement of prior year.

B1-2 Components of functions or activities

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

Our Civic Leadership (Systems of Government of Management)

Our leaders operate ethically and implement good governance. We empower our residents with the tools to participate actively in the development of our communities. Civic leadership includes:

- Continuous Improvements
- Accountability and Compliance
- Participation and Communication
- Resourcing and Support

Our Infrastructure (Facilities, Transport and Systems serving the area)

Our community is well serviced and connected to built, social and communications infrastructure. Providing infrastructure includes:

- Quality built environment and places
- Efficient Transport and access
- Effective essential services

Our Community (Life and Welfare in the community)

We are a network of vibrant, inclusive and diverse communities that value our cooperative spirit, self sufficiency, and rural lifestyle. Working for our community includes:

- Community health and wellbeing
- Creative culture and recreation
- Good community relations
- Community resilience

Our Environment (Conditions and influences in the area and sustainability)

We appreciate our range of rural landscapes and habitats, and act as custodians of the natural environment for future generations. Working for our environment includes:

- Protecting the land
- Maintaining healthy waterways
- Protecting Biodiversity

Our Economy (Generation, Distribution, Use of Income and Business development)

We have a strong regional economy experiencing sustainable growth, which provides for a diverse range of employment opportunities. Providing for our economy includes:

- Efficient and careful resource use
- Healthy economic activity
- Meaningful work and employment

B2 Sources of income

B2-1 Rates and annual charges

| \$ '000 | 2023 | 2022 |
|---|---------------|---------------|
| Ordinary rates | | |
| Residential | 7,088 | 6,335 |
| Farmland | 4,506 | 4,438 |
| Business | 886 | 845 |
| Less: pensioner rebates (mandatory) | (136) | (134) |
| Rates levied to ratepayers | 12,344 | 11,484 |
| Pensioner rate subsidies received | 72 | 71 |
| Total ordinary rates | 12,416 | 11,555 |
| Annual charges (pursuant to s496, 496A, 496B, 501 & 611) | | |
| Domestic waste management services | 1,862 | 1,805 |
| Water supply services | 1,959 | 1,890 |
| Sewerage services | 2,514 | 2,427 |
| Drainage | 60 | 59 |
| Waste management services (non-domestic) | 1,035 | 986 |
| Less: pensioner rebates (mandatory) | (132) | (133) |
| Annual charges levied | 7,298 | 7,034 |
| Pensioner annual charges subsidies received: | | |
| – Water | 26 | 26 |
| – Sewerage | 21 | 21 |
| – Domestic waste management | 27 | 27 |
| Total annual charges | 7,372 | 7,108 |
| Total rates and annual charges | 19,788 | 18,663 |

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. (refer Note C3-1)

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 | 2023 | 2022 |
|--|--------------|--------------|
| Specific user charges (per s502 - specific 'actual use' charges) | | |
| Water supply services | 2,104 | 2,103 |
| Sewerage services | 55 | 33 |
| Waste management services (non-domestic) | 730 | 810 |
| Total specific user charges | 2,889 | 2,946 |
| Other user charges and fees | | |
| (i) Fees and charges – statutory and regulatory functions (per s608) | | |
| Planning and building regulation | 671 | – |
| Section 10.7 certificates (EP&A Act) | 90 | 89 |
| Section 603 certificates | 30 | 40 |
| Town planning and building - regulatory | – | 706 |
| Total fees and charges – statutory/regulatory | 791 | 835 |
| (ii) Fees and charges – other (incl. general user charges (per s608)) | | |
| Caravan park | 623 | 394 |
| Cemeteries | 89 | 143 |
| Companion animals | 43 | 31 |
| Emergency services reimbursements | 267 | 347 |
| Engineering Income | 213 | 110 |
| Health fees and charges | 165 | 163 |
| Library and art gallery | 14 | 11 |
| Transport for NSW works (state roads not controlled by Council) | 284 | 667 |
| Sporting grounds | 25 | 26 |
| Swimming centres | 123 | 113 |
| Visitors centre sales | 84 | 73 |
| Other | 12 | 24 |
| Total fees and charges – other | 1,942 | 2,102 |
| Total other user charges and fees | 2,733 | 2,937 |
| Total user charges and fees | 5,622 | 5,883 |
| Timing of revenue recognition for user charges and fees | | |
| User charges and fees recognised over time | – | – |
| User charges and fees recognised at a point in time | 5,622 | 5,883 |
| Total user charges and fees | 5,622 | 5,883 |

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

| \$ '000 | 2023 | 2022 |
|--|------------|------------|
| Diesel rebate | 20 | 48 |
| Fines | 20 | 10 |
| Insurance claims recoveries | 5 | – |
| Legal fees recovery – other | 36 | 46 |
| Recycling income (non-domestic) | 217 | 376 |
| Investment recovery income | 125 | – |
| Other | 35 | 127 |
| Total other revenue | 458 | 607 |
| Timing of revenue recognition for other revenue | | |
| Other revenue recognised over time | – | – |
| Other revenue recognised at a point in time | 458 | 607 |
| Total other revenue | 458 | 607 |

Accounting policy for other revenue

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

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

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

B2-4 Grants and contributions

| \$ '000 | Notes | Operating 2023 | Operating 2022 | Capital 2023 | Capital 2022 |
|--|-------|-------------------|-------------------|-----------------|-----------------|
| General purpose grants and non-developer contributions (untied) | | | | | |
| Current year allocation | | | | | |
| Financial assistance | | 986 | 1,792 | - | - |
| Payment in advance - future year allocation | | | | | |
| Financial assistance | | 4,003 | 2,756 | - | - |
| Amount recognised as income during current year | | 4,989 | 4,548 | - | - |
| Special purpose grants and non-developer contributions (tied) | | | | | |
| Cash contributions | | | | | |
| Heritage and cultural | | 34 | 20 | - | - |
| Library – per capita | | 106 | 102 | - | - |
| Noxious weeds | | 251 | 123 | - | - |
| Emergency Services Levy | | - | 255 | - | - |
| Road safety officer | | 17 | 56 | - | - |
| Transport (roads to recovery) | | 857 | 684 | - | - |
| Transport for NSW (regional roads, block grant) | | 377 | 800 | 1,524 | 1,629 |
| Transport (other roads and bridges funding) | | 2,970 | 410 | 6,379 | 7,840 |
| Other Roads and bridges | | - | - | 2,149 | 4,716 |
| Water supplies | | - | 740 | 829 | 929 |
| Other specific grants | | 377 | 162 | - | - |
| Training incentives | | - | 29 | - | - |
| Recreation and culture | | - | - | 2,381 | 246 |
| Stormwater | | - | - | - | 105 |
| Total special purpose grants and non-developer contributions – cash | | 4,989 | 3,381 | 13,262 | 15,465 |
| Non-cash contributions | | | | | |
| Drainage | | - | - | - | 346 |
| Roads and bridges | | - | - | 69 | 1,574 |
| Water supplies (excl. section 64 contributions) | | - | - | 3 | - |
| Total other contributions – non-cash | G1-1 | - | - | 72 | 1,920 |
| Total special purpose grants and non-developer contributions (tied) | | 4,989 | 3,381 | 13,334 | 17,385 |
| Total grants and non-developer contributions | | 9,978 | 7,929 | 13,334 | 17,385 |
| Comprising: | | | | | |
| – Commonwealth funding | | 5,846 | 5,422 | 1,944 | 2,013 |
| – State funding | | 4,132 | 2,507 | 11,318 | 13,452 |
| – Other funding | | - | - | 72 | 1,920 |
| | | 9,978 | 7,929 | 13,334 | 17,385 |

B2-4 Grants and contributions (continued)

Developer contributions

| \$ '000 | Notes | Operating 2023 | Operating 2022 | Capital 2023 | Capital 2022 |
|--|-------|-------------------|-------------------|-----------------|-----------------|
| Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA): | | | | | |
| Cash contributions | | | | | |
| S 7.4 – contributions using planning agreements | | – | – | 840 | 772 |
| S 7.12 – fixed development consent levies | | – | – | 52 | 175 |
| S 64 – water supply contributions | | – | – | 2,233 | 89 |
| S 64 – sewerage service contributions | | – | – | 1,225 | 29 |
| Total developer contributions – cash | | – | – | 4,350 | 1,065 |
| Total developer contributions | G5-1 | – | – | 4,350 | 1,065 |
| Total grants and contributions | B1-1 | 9,978 | 7,929 | 17,684 | 18,450 |
| Timing of revenue recognition for grants and contributions | | | | | |
| Grants and contributions recognised over time | | – | 1,950 | 13,262 | 16,179 |
| Grants and contributions recognised at a point in time | | 9,978 | 5,979 | 4,422 | 2,271 |
| Total grants and contributions | | 9,978 | 7,929 | 17,684 | 18,450 |

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 | Notes | Operating 2023 | Operating 2022 | Capital 2023 | Capital 2022 |
|---|-------------|-------------------|-------------------|-----------------|-----------------|
| Unspent grants | | | | | |
| Unspent funds at 1 July | C3-2 | 151 | 211 | 4,722 | 4,986 |
| Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions | | 520 | – | – | – |
| Add: Grants received and not recognised as revenue in the current year | | 2,314 | 135 | 4,593 | 4,510 |
| Less: Funds recognised as revenue in previous years that have been spent during the reporting year | | (822) | (195) | (6,685) | (4,774) |
| Unspent funds at 30 June | C1-3a, C3-2 | 2,163 | 151 | 2,630 | 4,722 |
| Unspent contributions | | | | | |
| Unspent funds at 1 July | | – | – | 10,722 | 10,190 |
| Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions | | – | – | 4,690 | 1,114 |
| Less: contributions recognised as revenue in previous years that have been spent during the reporting year | | – | – | (858) | (582) |
| Unspent contributions at 30 June | C1-3a | – | – | 14,554 | 10,722 |

B2-4 Grants and contributions (continued)

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 successful completion of milestone progress for the projects being funded. 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 Council.

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|--------------|------------|
| Interest on financial assets measured at amortised cost | | | |
| – Overdue rates and annual charges (incl. special purpose rates) | | 94 | 83 |
| – Cash and investments | | 1,126 | 118 |
| Total interest and investment income | | 1,220 | 201 |
| Interest and investment income is attributable to: | | | |
| Unrestricted investments/financial assets: | | | |
| Overdue rates and annual charges (general fund) | | 94 | 83 |
| General cash and investments | | 432 | 60 |
| Restricted investments/funds – external: | | | |
| Development contributions | | | |
| – Section 7.11 | G5-1 | 210 | 46 |
| – Section 64 | G5-1 | 130 | 3 |
| Water fund operations | | 118 | 3 |
| Sewerage fund operations | | 133 | 4 |
| Domestic waste management operations | | 95 | 2 |
| Stormwater management | | 8 | – |
| Total interest and investment income | | 1,220 | 201 |

Accounting policy

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

B2-6 Other income

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|------------|--------------|
| Fair value increment on investment properties | | | |
| Fair value increment on investment properties | G1-1 | – | 2,338 |
| Total fair value increment on investment properties | C1-8 | – | 2,338 |
| Rental income | | | |
| Investment properties | | | |
| Lease income (excluding variable lease payments not dependent on an index or rate) | | 75 | 58 |
| Total Investment properties | C2-2 | 75 | 58 |
| Other lease income | | | |
| Leaseback fees - council vehicles | | 189 | 162 |
| Other | | 137 | 181 |
| Total other lease income | C2-2 | 326 | 343 |
| Total rental income | | 401 | 401 |
| Total other income | | 401 | 2,739 |

B3 Costs of providing services

B3-1 Employee benefits and on-costs

| \$ '000 | 2023 | 2022 |
|--------------------------------------|---------------|---------------|
| Salaries and wages | 10,620 | 9,752 |
| Employee leave entitlements | 1,041 | 1,434 |
| Superannuation | 1,084 | 1,106 |
| Workers' compensation insurance | 553 | 256 |
| Fringe benefit tax | 15 | 48 |
| Total employee costs | 13,313 | 12,596 |
| Less: capitalised costs | (463) | (148) |
| Total employee costs expensed | 12,850 | 12,448 |

Accounting policy

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

Retirement benefit obligations

All employees of 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

| \$ '000 | Notes | 2023 | 2022 |
|---|-------|---------------|---------------|
| Raw materials and consumables | | 1,445 | 1,210 |
| Consultancy costs | | 198 | 200 |
| Contractor costs | | 7,496 | 3,824 |
| Audit Fees | F2-1 | 147 | 61 |
| Councillor and Mayoral fees and associated expenses | F1-2 | 157 | 149 |
| Advertising | | 38 | 53 |
| Bank charges | | 89 | 87 |
| Cleaning | | 190 | 126 |
| Computer related charges | | 678 | 613 |
| Repairs and maintenance | | 177 | 316 |
| Electricity and heating | | 684 | 532 |
| Fire control expenses | | 303 | 367 |
| Insurance | | 387 | 342 |
| Street lighting | | 110 | 79 |
| Subscriptions and publications | | 287 | 181 |
| Telephone and communications | | 94 | 127 |
| Valuation fees | | 66 | 62 |
| Property rental and equipment hire | C2-1 | 32 | 4 |
| Chemicals | | 322 | 226 |
| Heritage expenses | | 27 | 28 |
| Licencing | | 65 | 70 |
| Postage, printing and stationery | | 105 | 90 |
| Promotions and celebrations | | 72 | 26 |
| Training costs (other than salaries and wages) | | 195 | 105 |
| Uniform | | 66 | 49 |
| Vehicle and plant operation expenses | | 1,277 | 1,027 |
| Other expenses | | 81 | 51 |
| Legal expenses: | | | |
| – Legal expenses: planning and development | | 55 | 81 |
| – Legal expenses: debt recovery | | 19 | 24 |
| – Legal expenses: other | | 32 | 11 |
| Total materials and services | | 14,894 | 10,121 |

Accounting policy

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

B3-3 Borrowing costs

| \$ '000 | Notes | 2023 | 2022 |
|---------------------------------------|-------|------------|------------|
| Interest on loans | | 691 | 838 |
| Interest on leases | C2-1d | 2 | 7 |
| Total borrowing costs expensed | | 693 | 845 |

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 |
|---|-------|--------------|--------------|
| Depreciation and amortisation | | | |
| Plant and equipment | | 991 | 845 |
| Infrastructure: | C1-7 | | |
| – Buildings | | 959 | 858 |
| – Other structures | | 16 | 18 |
| – Roads | | 3,397 | 3,143 |
| – Bridges | | 465 | 513 |
| – Footpaths | | 123 | 103 |
| – Stormwater drainage | | 204 | 194 |
| – Water supply network | | 1,477 | 1,021 |
| – Sewerage network | | 785 | 659 |
| – Swimming pools | | 52 | 50 |
| – Other open space/recreational assets | | 387 | 307 |
| Reinstatement, rehabilitation and restoration assets: | C1-7 | | |
| – Tip assets | | 19 | 19 |
| – Quarry assets | | 2 | 2 |
| Other Assets – Waste | C1-7 | 93 | 74 |
| Right of use assets | C2-1a | 171 | 211 |
| Total depreciation, amortisation and impairment for non-financial assets | G1-1 | 9,141 | 8,017 |

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 C1-7 for IPPE assets and Note C2-1 for right of use assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Other 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

B3-5 Other expenses

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|------------|--------------|
| Impairment of receivables | | | |
| User charges and fees | G1-1 | 55 | 23 |
| Total impairment of receivables | C1-4 | 55 | 23 |
| Contributions/levies to other levels of government | | | |
| – Emergency services levy (includes FRNSW, SES, and RFS levies) | | 825 | 615 |
| – Other contributions/levies | | 16 | 12 |
| Donations, contributions and assistance to other organisations (Section 356) | | 67 | 256 |
| Landfill remediation and restoration provision | G1-1 | – | 102 |
| Total other expenses | | 963 | 1,008 |

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

| \$ '000 | Notes | 2023 | 2022 |
|---|-------|----------------|----------------|
| Gain (or loss) on disposal of property (excl. investment property) | | | |
| Proceeds from disposal – property | | – | – |
| Less: carrying amount of property assets sold/written off | C1-7 | (750) | – |
| Gain (or loss) on disposal | | (750) | – |
| Gain (or loss) on disposal of plant and equipment | | | |
| Proceeds from disposal – plant and equipment | | 253 | 242 |
| Less: carrying amount of plant and equipment assets sold/written off | C1-7 | (123) | (184) |
| Gain (or loss) on disposal | | 130 | 58 |
| Gain (or loss) on disposal of infrastructure | | | |
| Proceeds from disposal – infrastructure | | – | – |
| Less: carrying amount of infrastructure assets sold/written off | C1-7 | (1,724) | (2,510) |
| Gain (or loss) on disposal | | (1,724) | (2,510) |
| Net gain (or loss) from disposal of assets | G1-1 | (2,344) | (2,452) |

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 23 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 *Local Government Act (1993)* 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 ----- | | |
|--|----------------|----------------|------------------------------|--------|----------|
| Revenues | | | | | |
| Rates and annual charges | 19,275 | 19,788 | 513 | 3% | F |
| No material budget variations for the year. | | | | | |
| User charges and fees | 6,071 | 5,622 | (449) | (7)% | U |
| User charges and fees reduction by 7% as compared with the original budget is mainly attributable to the lower level consumption of the water supply services by \$666k, and the improvement of caravan park services income by \$249k for the year. | | | | | |
| Other revenues | 300 | 458 | 158 | 53% | F |
| Other revenues increase of 53% as compared with the original budget is mainly attributable to a \$126k final recovery of Lehman Brothers CDOs invested before 2008. | | | | | |
| Operating grants and contributions | 5,092 | 9,978 | 4,886 | 96% | F |
| Operating grants and contributions increase of 96% or \$4,886k as compared with the original budget is mainly due to Council receiving additional \$1,801k of financial assistance grant (FAG), almost as a 100% payment in advance for future year allocation. Council also received additional \$2,970k operating grants for the roads and bridges maintenance caused by the natural disaster events in the year, and \$146k of crown reserve improvement grant in the year. | | | | | |
| Capital grants and contributions | 11,578 | 17,684 | 6,106 | 53% | F |
| Capital grants and contributions increase of 53% or \$6,106k as compared with the original budget is mainly attributable to Council receiving the developer contributions of \$3,870k over estimate, and the increase of \$2,366k in the capital grants for the specific roads and bridges infrastructure renewal works due to the heavy rains and floodings in the year. | | | | | |
| Interest and investment revenue | 139 | 1,220 | 1,081 | 778% | F |
| The significant increase in interest and investment revenue over the original budget is mainly attributable to the Reserve Bank of Australia lifting the cash rate from 0.1% in the previous year to 4.1% during this year. | | | | | |
| Other income | 507 | 401 | (106) | (21)% | U |
| The decrease in other income by 21% as compared with the original budget is mainly attributable to no revaluation increment of the investment property as at the reporting date. | | | | | |
| Net gains from disposal of assets | 1,896 | - | (1,896) | (100)% | U |
| Council's original budget for the net gains from disposal of assets was based on the expected sale proceeds of plant and equipment. Refer net loss from disposal of assets below for more information. | | | | | |

B5-1 Material budget variations (continued)

| \$ '000 | 2023 Budget | 2023 Actual | 2023 ----- Variance ----- | |
|--|----------------|----------------|------------------------------|-----------------|
| Expenses | | | | |
| Employee benefits and on-costs | 15,085 | 12,850 | 2,235 | 15% F |
| Employee benefits and on-costs reduction by 15% as compared with the original budget is mainly attributable to the salaries from a high level of staff vacancy of \$1,669k and the capitalised salaries by \$463k for the year. | | | | |
| Materials and services | 11,133 | 14,894 | (3,761) | (34)% U |
| Materials and services is above the original budget by 34% mainly attributable to the increase in plant and vehicle operation costs by \$555k, and the increase in contractor costs by \$3,110k for the infrastructure maintenance and services caused by the higher than anticipated storm and flooding natural occurrences in the year, and the additional engagement of contractors to assist with staff vacancies. | | | | |
| Borrowing costs | 1,097 | 693 | 404 | 37% F |
| Borrowing costs reduced by 37% as compared with the original budget mainly attributable to a \$260k for landfill remediation provision included in the budget. | | | | |
| Depreciation, amortisation and impairment of non-financial assets | 5,997 | 9,141 | (3,144) | (52)% U |
| Depreciation expenses increased by \$3,144k as compared with the original budget is mainly attributable to the significant increase in the IPPE additions plus the fair value revaluation and indexation in the last two financial years. | | | | |
| Other expenses | 880 | 963 | (83) | (9)% U |
| Other expenses increased by 9% as compared with the original budget mainly attributable to the increase in Emergency Services Levy by \$45k and the provision for the user charges and fees impairment by \$55k for the year. | | | | |
| Net losses from disposal of assets | - | 2,344 | (2,344) | ∞ U |
| Council did not estimate the net loss from the disposal of IPPE assets as part of the annual budget, instead estimates were based on the expected sales proceeds. Refer net gains from disposal of assets above. | | | | |
| Statement of cash flows | | | | |
| Cash flows from operating activities | 9,855 | 21,540 | 11,685 | 119% F |
| Cash flows from operating activities increased by \$11,685k as compared with the original budget mainly attributable to the increase in the grants and contributions for the year, together with the budget variations of income and expenses from continuing operations identified above. | | | | |
| Cash flows from investing activities | (17,708) | (23,759) | (6,051) | 34% U |
| Cash flows from investing activities decreased by \$6,051k mainly attributable to the placement of \$3,900k term deposits at the reporting date and a \$2,057k from sale proceeds of IPPE less than the original estimates. | | | | |
| Cash flows from financing activities | 1,638 | (923) | (2,561) | (156)% U |
| Cash flows from financing activities reduced by \$2,561k as compared with the original budget mainly due to the refinance of a water damwall borrowings, with lower level of annuity over the loan repayment terms. | | | | |

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

| \$ '000 | 2023 | 2022 |
|--|---------------|---------------|
| Cash assets | | |
| Cash on hand and at bank | 3,307 | 7,642 |
| Cash equivalent assets | | |
| – Managed funds | 5,016 | 4,833 |
| – Short-term deposits | 3,010 | 2,000 |
| Total cash and cash equivalents | 11,333 | 14,475 |

Reconciliation of cash and cash equivalents

| | | |
|---|---------------|---------------|
| Total cash and cash equivalents per Statement of Financial Position | 11,333 | 14,475 |
| Balance as per the Statement of Cash Flows | 11,333 | 14,475 |

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 Financial investments

| \$ '000 | 2023 Current | 2022 Current |
|--|-----------------|-----------------|
| Debt securities at amortised cost | | |
| Term deposits | 25,100 | 21,200 |
| Total financial investments | 25,100 | 21,200 |
| Total cash assets, cash equivalents and investments | 36,433 | 35,675 |

Accounting policy

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

C1-2 Financial investments (continued)

Amortised cost

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

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

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

Council does not have any investments in financial assets classified as FVOCI or FVTPL at the reporting date.

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

| \$ '000 | Notes | 2023 | 2022 |
|--|-----------|-----------------|-----------------|
| (a) Externally restricted cash, cash equivalents and investments | | | |
| Total cash, cash equivalents and investments | | 36,433 | 35,675 |
| Less: Externally restricted cash, cash equivalents and investments | | <u>(29,987)</u> | <u>(26,798)</u> |
| Cash, cash equivalents and investments not subject to external restrictions | | 6,446 | 8,877 |
| External restrictions | | | |
| External restrictions – included in liabilities | | | |
| External restrictions included in cash, cash equivalents and investments above comprise: | | | |
| Specific purpose unexpended grants – general fund | B2-4c | 4,273 | 4,866 |
| Specific purpose unexpended grants – water fund | | <u>–</u> | <u>7</u> |
| External restrictions – included in liabilities | C3-2 | 4,273 | 4,873 |
| External restrictions – other | | | |
| External restrictions included in cash, cash equivalents and investments above comprise: | | | |
| S7.11 Developer contributions – general | G5-1 | 6,901 | 6,656 |
| S64 Developer contributions – water fund | D1-2,G5-1 | 5,369 | 3,040 |
| S64 Developer contributions – sewer fund | D1-2,G5-1 | 2,284 | 1,026 |
| Water fund | D1-2 | 2,884 | 3,738 |
| Sewer fund | D1-2 | 4,682 | 4,222 |
| Domestic waste management | | 2,948 | 2,993 |
| Stormwater management | | 126 | 250 |
| Specific purpose unexpended grants (recognised as revenue) | B2-4c | 520 | – |
| External restrictions – other | | 25,714 | 21,925 |
| Total external restrictions | | 29,987 | 26,798 |

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

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

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

| | | |
|--|----------------|----------------|
| | 6,446 | 8,877 |
| Less: Internally allocated cash, cash equivalents and investments | (6,357) | (8,850) |
| Unrestricted and unallocated cash, cash equivalents and investments | 89 | 27 |

Internal allocations

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

| | | |
|-------------------------------------|--------------|--------------|
| Plant and vehicle replacement | 1,186 | 1,906 |
| Employees leave entitlement | 895 | 919 |
| Carry over works | 196 | 691 |
| Binalong pool | 22 | 22 |
| Comur street rehabilitation | 20 | 20 |
| Land and assets | 1,452 | 1,453 |
| Council elections | 135 | 135 |
| Murrumbateman Library School Ground | 123 | 123 |
| Quarry rehabilitation | 106 | 106 |
| Roads | – | 44 |
| Victoria park | 324 | 578 |
| Electricity Savings Reserve | 97 | 97 |
| Financial Assistance Grant | 1,801 | 2,756 |
| Total internal allocations | 6,357 | 8,850 |

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

(c) Unrestricted and unallocated

| | | |
|--|-----------|-----------|
| Unrestricted and unallocated cash, cash equivalents and investments | 89 | 27 |
|--|-----------|-----------|

C1-4 Receivables

| \$ '000 | Notes | 2023 Current | 2022 Current |
|---|-------|-----------------|-----------------|
| Rates and annual charges | E1-1 | 1,877 | 1,149 |
| Interest and extra charges | | 72 | – |
| User charges and fees | | 1,868 | 2,844 |
| Accrued revenues | | | |
| – Interest on investments | | 267 | 85 |
| – Government grants and subsidies | | 1,427 | – |
| – Other income accruals | | – | 1 |
| Net GST receivable | | 2,460 | 563 |
| Total | E1-1 | 7,971 | 4,642 |
| Less: provision for impairment | | | |
| Rates and annual charges | | – | (34) |
| User charges and fees | E1-1 | (112) | (23) |
| Total provision for impairment – receivables | | (112) | (57) |
| Total net receivables | | 7,859 | 4,585 |

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

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

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

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

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

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

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

C1-5 Inventories

| \$ '000 | 2023 Current | 2022 Current |
|--------------------------------|-----------------|-----------------|
| (i) Inventories at cost | | |
| Stores and materials | 86 | 111 |
| Trading stock | 33 | 30 |
| Total inventories | 119 | 141 |

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.

C1-6 Contract assets

| \$ '000 | Notes | 2023 Current | 2022 Current |
|------------------------------|-------|-----------------|-----------------|
| Contract assets | E1-1 | 2,604 | 4,889 |
| Total contract assets | | 2,604 | 4,889 |

Accounting policy

Contract assets

Contract assets represent Councils right to payment in exchange for goods or services Council has transferred to a customer when that right is conditional on something other than the passage of time.

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

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

C1-7 Infrastructure, property, plant and equipment

| By aggregated asset class | At 1 July 2022 | | | Asset movements during the reporting period | | | | | | | At 30 June 2023 | | |
|---|--------------------------------|---|------------------------------|---|----------------------|-----------------------------|----------------------|---------------|---------------------------|-------------------------------------|-----------------------|---|---------------------|
| | Gross carrying amount Restated | Accumulated depreciation and impairment | Net carrying amount Restated | Additions renewals ¹ | Additions new assets | Carrying value of disposals | Depreciation expense | WIP transfers | Adjustments and transfers | Revaluation increments / decrements | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| \$ '000 | | | | | | | | | | | | | |
| Capital work in progress | 13,086 | – | 13,086 | 6,868 | – | – | – | (8,649) | (742) | (962) | 9,601 | – | 9,601 |
| Plant and equipment | 7,078 | (2,502) | 4,576 | – | 973 | (123) | (991) | – | – | – | 7,691 | (3,256) | 4,435 |
| Land: | | | | | | | | | | | | | |
| – Operational land ² | 18,652 | – | 18,652 | – | 1,149 | (173) | – | – | – | 10,102 | 29,730 | – | 29,730 |
| – Community land | 18,769 | – | 18,769 | – | – | – | – | – | – | 7,676 | 26,445 | – | 26,445 |
| – Land under roads (pre 1/7/08) | 4,333 | – | 4,333 | – | – | – | – | – | – | – | 4,333 | – | 4,333 |
| – Land under roads (post 30/6/08) | 2,932 | – | 2,932 | – | 4 | – | – | – | – | 297 | 3,233 | – | 3,233 |
| Infrastructure: | | | | | | | | | | | | | |
| – Buildings | 43,111 | (27,032) | 16,079 | 396 | – | (577) | (960) | 49 | – | 14,262 | 49,887 | (20,638) | 29,249 |
| – Roads | 233,251 | (63,979) | 169,272 | 5,063 | 33 | (1,546) | (3,396) | 3,096 | – | 8,799 | 251,034 | (69,713) | 181,321 |
| – Bridges | 41,206 | (22,633) | 18,573 | 2,433 | 386 | (93) | (466) | 200 | – | 1,073 | 46,282 | (24,176) | 22,106 |
| – Footpaths | 7,427 | (1,540) | 5,887 | 203 | – | – | (122) | 2,275 | – | 420 | 10,411 | (1,748) | 8,663 |
| – Bulk earthworks (non-depreciable) | 83,069 | – | 83,069 | 120 | 32 | (70) | – | 999 | – | 4,292 | 88,442 | – | 88,442 |
| – Other structures | 1,376 | (980) | 396 | 67 | 97 | – | (17) | 73 | – | 31 | 1,694 | (1,047) | 647 |
| – Stormwater drainage | 20,396 | (5,243) | 15,153 | – | – | – | (205) | 299 | – | 778 | 21,750 | (5,725) | 16,025 |
| – Water supply network | 97,841 | (36,060) | 61,781 | 982 | 3 | (15) | (1,477) | 1,594 | – | 4,847 | 107,872 | (40,157) | 67,715 |
| – Sewerage network | 48,089 | (18,297) | 29,792 | 602 | – | – | (785) | 39 | – | 2,286 | 52,487 | (20,553) | 31,934 |
| – Swimming pools | 3,375 | (1,450) | 1,925 | – | – | – | (52) | – | – | 95 | 3,547 | (1,579) | 1,968 |
| – Other open space/recreational assets | 12,050 | (3,341) | 8,709 | 1,515 | – | – | (385) | 25 | – | 503 | 14,284 | (3,917) | 10,367 |
| Other assets: | | | | | | | | | | | | | |
| – Waste | 2,533 | (773) | 1,760 | – | – | – | (92) | – | – | 85 | 2,663 | (910) | 1,753 |
| Reinstatement, rehabilitation and restoration assets: | | | | | | | | | | | | | |
| – Tip assets | 1,236 | (1,159) | 77 | – | – | – | (19) | – | – | – | 1,236 | (1,178) | 58 |
| – Quarry assets | 102 | (97) | 5 | – | – | – | (3) | – | – | – | 102 | (100) | 2 |
| Total infrastructure, property, plant and equipment ² | 659,912 | (185,086) | 474,826 | 18,249 | 2,677 | (2,597) | (8,970) | – | (742) | 54,584 | 732,724 | (194,697) | 538,027 |

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

(2) Refer to Note G4-1 for details regarding restatement of prior year.

C1-7 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 Restated | Accumulated depreciation and impairment | Net carrying amount Restated | Additions renewals ¹ | Additions new assets | Carrying value of disposals | Depreciation expense | Adjustments and transfers | Revaluation increments to equity (ARR) | Gross carrying amount Restated | Accumulated depreciation and impairment | Net carrying amount Restated |
| \$ '000 | | | | | | | | | | | | |
| Capital work in progress | 9,419 | – | 9,419 | 3,667 | – | – | – | – | – | 13,086 | – | 13,086 |
| Plant and equipment | 5,643 | (1,812) | 3,831 | 1,774 | – | (184) | (845) | – | – | 7,078 | (2,502) | 4,576 |
| Land: | | | | | | | | | | | | |
| – Operational land ² | 11,633 | – | 11,633 | – | 193 | – | – | – | 6,826 | 18,652 | – | 18,652 |
| – Community land | 18,769 | – | 18,769 | – | – | – | – | – | – | 18,769 | – | 18,769 |
| – Land under roads (pre 1/7/08) | 4,333 | – | 4,333 | – | – | – | – | – | – | 4,333 | – | 4,333 |
| – Land under roads (post 30/6/08) | 2,915 | – | 2,915 | – | 17 | – | – | – | – | 2,932 | – | 2,932 |
| Infrastructure: | | | | | | | | | | | | |
| – Buildings | – | – | – | 1,031 | – | (4) | (858) | 14,470 | 1,440 | 43,111 | (27,032) | 16,079 |
| – Buildings – non-specialised | 5,715 | (2,657) | 3,058 | – | – | – | – | (3,058) | – | – | – | – |
| – Buildings – specialised | 32,573 | (21,161) | 11,412 | – | – | – | – | (11,412) | – | – | – | – |
| – Other structures | 1,118 | (782) | 336 | – | – | – | (18) | – | 78 | 1,376 | (980) | 396 |
| – Roads | 211,782 | (60,029) | 151,753 | 14,986 | 1,054 | (2,435) | (3,143) | – | 7,057 | 233,251 | (63,979) | 169,272 |
| – Bridges | 39,375 | (21,137) | 18,238 | – | – | – | (513) | – | 848 | 41,206 | (22,633) | 18,573 |
| – Footpaths | 6,257 | (1,374) | 4,883 | 692 | 188 | – | (103) | – | 227 | 7,427 | (1,540) | 5,887 |
| – Bulk earthworks (non-depreciable) | 78,289 | – | 78,289 | 826 | 314 | – | – | – | 3,640 | 83,069 | – | 83,069 |
| – Stormwater drainage | 19,158 | (4,825) | 14,333 | – | 347 | – | (194) | – | 667 | 20,396 | (5,243) | 15,153 |
| – Water supply network | 85,411 | (29,199) | 56,212 | 351 | – | (59) | (1,021) | – | 6,298 | 97,841 | (36,060) | 61,781 |
| – Sewerage network | 48,706 | (22,469) | 26,237 | 1,824 | – | (12) | (659) | – | 2,402 | 48,089 | (18,297) | 29,792 |
| – Swimming pools | 3,207 | (1,338) | 1,869 | 20 | – | – | (50) | – | 86 | 3,375 | (1,450) | 1,925 |
| – Other open space/recreational assets | 9,660 | (2,465) | 7,195 | 163 | – | – | (307) | – | 1,658 | 12,050 | (3,341) | 8,709 |
| Other assets: | | | | | | | | | | | | |
| – Waste | 2,012 | (568) | 1,444 | 57 | – | – | (74) | – | 333 | 2,533 | (773) | 1,760 |
| Reinstatement, rehabilitation and restoration assets: | | | | | | | | | | | | |
| – Tip assets | 1,236 | (1,140) | 96 | – | – | – | (19) | – | – | 1,236 | (1,159) | 77 |
| – Quarry assets | 102 | (95) | 7 | – | – | – | (2) | – | – | 102 | (97) | 5 |
| Total infrastructure, property, plant and equipment ² | 597,313 | (171,051) | 426,262 | 25,391 | 2,113 | (2,694) | (7,806) | – | 31,560 | 659,912 | (185,086) | 474,826 |

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

(2) Refer to Note G4-1 for details regarding restatement of prior year.

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

Accounting policy

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

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

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

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

Useful lives of IPPE

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

| | | | |
|-----------------------------------|--------------|--------------------------------------|--------------|
| Plant and equipment | Years | Other equipment | Years |
| Office equipment | 5 to 10 | Playground equipment | 5 to 15 |
| Office furniture | 10 to 20 | Benches, seats etc. | 10 to 35 |
| Computer equipment | 4 | | |
| Vehicles | 5 to 8 | Buildings | Years |
| Heavy plant/road making equipment | 5 to 8 | Buildings: masonry | 50 to 100 |
| Other plant and equipment | 5 to 15 | Buildings: other | 20 to 40 |
| Water and sewer assets | Years | Stormwater assets | Years |
| 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 | | |
| Transportation assets | Years | Other infrastructure assets | Years |
| Sealed roads: surface | 20 | Bulk earthworks | infinite |
| Sealed roads: structure | 50 | Swimming pools | 50 |
| Unsealed roads | 20 | Other open space/recreational assets | 35 |
| 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.

Revaluation model

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

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

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

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

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 to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Crown reserves

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

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

C1-8 Investment properties

| \$ '000 | Notes | 2023 | 2022 |
|---|-------|--------------|--------------|
| Owned investment property | | | |
| Investment property on hand at fair value | E2-1 | 6,688 | 6,688 |
| Total owned investment property | | 6,688 | 6,688 |
| Owned investment property | | | |
| At fair value | | | |
| Opening balance at 1 July | | 6,688 | 4,350 |
| Net gain/(loss) from fair value adjustments | B2-6 | - | 2,338 |
| Closing balance at 30 June | | 6,688 | 6,688 |

Accounting policy

Investment property, principally comprising of a property and farm land in Murrumbateman, is held for long-term rental yields and is not occupied by Council. Changes in fair values are recorded in the Income Statement as part of other income.

C1-9 Other

Other assets

| \$ '000 | 2023 Current | 2022 Current |
|---------------------------|-----------------|-----------------|
| Prepayments | 644 | 222 |
| Total other assets | 644 | 222 |

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Plant and Equipment

Council leases plant and equipment with lease terms varying from 3 to 8 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 3 years with no renewal option, the payments are fixed.

Extension options

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

(a) Right of use assets

| \$ '000 | Notes | Plant & Equipment | Total |
|----------------------------------|-------|-------------------|------------|
| 2023 | | | |
| Opening balance at 1 July | | 180 | 180 |
| Additions to right-of-use assets | C3-3a | 172 | 172 |
| Depreciation charge | B3-4 | (171) | (171) |
| Balance at 30 June | C3-3a | 181 | 181 |
| 2022 | | | |
| Opening balance at 1 July | | 391 | 391 |
| Depreciation charge | B3-4 | (211) | (211) |
| Balance at 30 June | C3-3a | 180 | 180 |

(b) Lease liabilities

| \$ '000 | Notes | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|--------------------------------|-------|-----------------|---------------------|-----------------|---------------------|
| Lease liabilities | | 119 | 62 | 178 | 9 |
| Total lease liabilities | C3-3a | 119 | 62 | 178 | 9 |

(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 |
|-------------|----------|-------------|-----------|-------|--|
| 2023 | | | | | |
| Cash flows | 119 | 62 | – | 181 | 181 |
| 2022 | | | | | |
| Cash flows | 178 | 9 | – | 187 | 187 |

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 | Notes | 2023 | 2022 |
|--|-------|------------|------------|
| Interest on lease liabilities | B3-3 | 2 | 7 |
| Depreciation of right of use assets | B3-4 | 171 | 211 |
| Expenses relating to short-term leases | B3-2 | 32 | – |
| | | 205 | 218 |

(e) Statement of Cash Flows

| | | | |
|-------------------------------|-------|------------|------------|
| Total cash outflow for leases | C3-3a | 178 | 214 |
| | | 178 | 214 |

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

Council has a lease at significantly below market for land and buildings which is used for:

- Community Centre

The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide. These services are detailed in the lease.

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

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 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 out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- investment property: where the asset is held predominantly for rental or capital growth purposes (refer Note C1-8)
- property, plant and equipment: where the rental is incidental, or the asset is held to meet Council's service delivery objective (refer Note C1-7).

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

| \$ '000 | Notes | 2023 | 2022 |
|---|-------|------------|------------|
| (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 | | | |
| Lease income (excluding variable lease payments not dependent on an index or rate) | B2-6 | 75 | 58 |
| Total income relating to operating leases for investment property assets | | 75 | 58 |
| Operating lease expenses | | | |
| Direct operating expenses that generated rental income | | 5 | 10 |
| Total expenses relating to operating leases | | 5 | 10 |
| (ii) Assets held as property, plant and equipment | | | |
| Lease income (excluding variable lease payments not dependent on an index or rate) | B2-6 | 326 | 343 |
| Total income relating to operating leases for Council assets | | 326 | 343 |
| Other leased assets expenses | | | |
| Other | | 42 | 30 |
| Total expenses relating to other leases assets | | 42 | 30 |
| (iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases: | | | |
| Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for all operating leases: | | | |
| < 1 year | | 104 | 27 |
| 1–2 years | | 96 | 27 |
| 2–3 years | | 99 | 17 |
| 3–4 years | | 25 | 17 |
| 4–5 years | | 11 | 17 |
| > 5 years | | – | 5 |
| Total undiscounted lease payments to be received | | 335 | 110 |

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.

C2-2 Council as a lessor (continued)

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 | Notes | 2023 Current | 2022 Current |
|--|-------|-----------------|-----------------|
| Goods and services – operating expenditure | | 3,192 | 4,206 |
| Accrued expenses: | | | |
| – Salaries and wages | | 492 | 4 |
| – Borrowing costs | | 78 | 233 |
| – Other expenditure accruals | | 1,088 | 1,631 |
| Security bonds, deposits and retentions | | 1,254 | 2,273 |
| Prepaid rates and water charges | | 627 | 589 |
| Total payables | E1-1c | 6,731 | 8,936 |

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

| \$ '000 | 2023 | 2022 |
|---|--------------|--------------|
| The following liabilities, even though classified as current, are not expected to be settled in the next 12 months. | | |
| Security bonds, deposits and retentions | 1,003 | 1,818 |
| Total payables | 1,003 | 1,818 |

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 | 2022 Current |
|--|-------|-----------------|-----------------|
| Grants and contributions received in advance: | | | |
| Unexpended capital grants (to construct Council controlled assets) | (i) | 4,273 | 4,722 |
| Unexpended operating grants (received prior to performance obligation being satisfied) | (ii) | - | 151 |
| Total grants received in advance | B2-4c | 4,273 | 4,873 |
| Total contract liabilities | C1-3a | 4,273 | 4,873 |

Notes

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

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

(iii) User fees and charges received in advance do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

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

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|--------------|--------------|
| Grants and contributions received in advance: | | | |
| Capital grants (to construct Council controlled assets) | | 4,722 | 4,774 |
| Operating grants (received prior to performance obligation being satisfied) | | 151 | 195 |
| Total revenue recognised that was included in the contract liability balance at the beginning of the period | B2-4c | 4,873 | 4,969 |

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 Borrowings

| \$ '000 | Notes | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|------------------------------|-------|-----------------|---------------------|-----------------|---------------------|
| Loans – secured ¹ | | 824 | 13,024 | 683 | 13,910 |
| Total borrowings | E1-1c | 824 | 13,024 | 683 | 13,910 |

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

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

Loan funds were used to undertake Water and Sewer upgrade works.

TCorp loans financial covenants - cash expense ratio, debt service cover ratio and interest cover ratio.

C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

| \$ '000 | Notes | 2022 | | Non-cash movements | | | 2023 | |
|--|-------|-----------------|----------------|--------------------|--------------------|--|-------------------------|-----------------|
| | | Opening Balance | Cash flows | Acquisition | Fair value changes | Acquisition due to change in accounting policy | Other non-cash movement | Closing balance |
| Loans – secured | | 14,593 | (9,022) | 8,277 | – | – | – | 13,848 |
| Lease liability | C2-1b | 187 | (178) | – | – | – | 172 | 181 |
| Total liabilities from financing activities | | 14,780 | (9,200) | 8,277 | – | – | 172 | 14,029 |

| \$ '000 | | 2021 | | Non-cash movements | | | 2022 | |
|--|--|-----------------|----------------|--------------------|--------------------|--|-------------------------|-----------------|
| | | Opening Balance | Cash flows | Acquisition | Fair value changes | Acquisition due to change in accounting policy | Other non-cash movement | Closing balance |
| Loans – secured | | 15,463 | (870) | – | – | – | – | 14,593 |
| Lease liability (Note C2-1b) | | 401 | (214) | – | – | – | – | 187 |
| Total liabilities from financing activities | | 15,864 | (1,084) | – | – | – | – | 14,780 |

(b) Financing arrangements

| \$ '000 | 2023 | 2022 |
|---|-----------|-----------|
| Total facilities | | |
| Credit cards/purchase cards | 91 | 55 |
| Total financing arrangements | 91 | 55 |
| Drawn facilities | | |
| – Credit cards/purchase cards | 20 | 20 |
| Total drawn financing arrangements | 20 | 20 |
| Undrawn facilities | | |
| – Credit cards/purchase cards | 51 | 15 |
| Total undrawn financing arrangements | 51 | 15 |

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans are secured over future cash flows and leased liabilities are secured by the underlying leased assets.

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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

C3-4 Employee benefit provisions

| \$ '000 | 2023 | 2023 | 2022 | 2022 |
|--|--------------|-------------|--------------|-------------|
| | Current | Non-current | Current | Non-current |
| Annual leave | 1,072 | – | 1,375 | – |
| Long service leave | 1,567 | 110 | 1,546 | 116 |
| ELE on-costs | 316 | 11 | – | – |
| Other leave (RDOs/VDOs and TILs) | 43 | – | 27 | – |
| Total employee benefit provisions | 2,998 | 121 | 2,948 | 116 |

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 | 2,495 | 2,451 |
| | 2,495 | 2,451 |

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.

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 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.

C3-5 Other Provisions

| \$ '000 | 2023 | 2023 | 2022 | 2022 |
|--|------------|-------------|------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Asset remediation/restoration: | | | | |
| Asset remediation/restoration (future works) | 940 | 602 | 584 | 958 |
| Total provisions | 940 | 602 | 584 | 958 |

C3-5 Other Provisions (continued)

Description of and movements in provisions

| \$ '000 | Asset remediation | Total |
|---------------------------------------|----------------------|-------|
| 2023 | | |
| At beginning of year | 1,542 | 1,542 |
| Total other provisions at end of year | 1,542 | 1,542 |
| 2022 | | |
| At beginning of year | 1,474 | 1,474 |
| Remeasurement effects | 68 | 68 |
| Total other provisions at end of year | 1,542 | 1,542 |

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the council tips and quarries as a result of past operations. The discount rate used is the RBA Indicative Mid Rates of Selected Commonwealth Government Securities.

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

| \$ '000 | General 2023 | Water 2023 | Sewer 2023 |
|--|-----------------|---------------|---------------|
| Income from continuing operations | | | |
| Rates and annual charges | 15,354 | 1,938 | 2,496 |
| User charges and fees | 3,325 | 2,240 | 57 |
| Other revenues | 446 | 12 | – |
| Grants and contributions provided for operating purposes | 9,978 | – | – |
| Grants and contributions provided for capital purposes | 13,394 | 3,065 | 1,225 |
| Interest and investment income | 840 | 214 | 166 |
| Other income | 401 | – | – |
| Total income from continuing operations | 43,738 | 7,469 | 3,944 |
| Expenses from continuing operations | | | |
| Employee benefits and on-costs | 11,455 | 1,189 | 206 |
| Materials and services | 13,117 | 1,056 | 721 |
| Borrowing costs | 2 | 516 | 175 |
| Depreciation, amortisation and impairment of non-financial assets | 6,879 | 1,477 | 785 |
| Other expenses | 963 | – | – |
| Net losses from the disposal of assets | 2,329 | 15 | – |
| Total expenses from continuing operations | 34,745 | 4,253 | 1,887 |
| Net operating result for the year | 8,993 | 3,216 | 2,057 |
| Net operating result attributable to each council fund | 8,993 | 3,216 | 2,057 |
| Net operating result for the year before grants and contributions provided for capital purposes | (4,401) | 151 | 832 |

D1-2 Statement of Financial Position by fund

| \$ '000 | Notes | General 2023 | Water 2023 | Sewer 2023 |
|---|-------|-----------------|---------------|---------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | C1-3a | 3,767 | 2,884 | 4,682 |
| Investments | C1-3a | 17,447 | 5,369 | 2,284 |
| Receivables | | 6,851 | 971 | 37 |
| Inventories | | 119 | – | – |
| Contract assets and contract cost assets | | 2,565 | 39 | – |
| Other | | 644 | – | – |
| Total current assets | | 31,393 | 9,263 | 7,003 |
| Non-current assets | | | | |
| Infrastructure, property, plant and equipment | | 430,108 | 72,854 | 35,065 |
| Investment property | | 6,688 | – | – |
| Right of use assets | | 181 | – | – |
| Total non-current assets | | 436,977 | 72,854 | 35,065 |
| Total assets | | 468,370 | 82,117 | 42,068 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Payables | | 6,502 | 193 | 36 |
| Contract liabilities | | 4,273 | – | – |
| Lease liabilities | | 119 | – | – |
| Borrowings | | – | 582 | 242 |
| Employee benefit provision | | 2,651 | 224 | 123 |
| Provisions | | 940 | – | – |
| Total current liabilities | | 14,485 | 999 | 401 |
| Non-current liabilities | | | | |
| Lease liabilities | | 62 | – | – |
| Borrowings | | – | 9,615 | 3,409 |
| Employee benefit provision | | 121 | – | – |
| Provisions | | 602 | – | – |
| Total non-current liabilities | | 785 | 9,615 | 3,409 |
| Total liabilities | | 15,270 | 10,614 | 3,810 |
| Net assets | | 453,100 | 71,503 | 38,258 |
| EQUITY | | | | |
| Accumulated surplus | | 226,158 | 44,552 | 24,466 |
| Revaluation reserves | | 226,942 | 26,951 | 13,792 |
| Total equity | | 453,100 | 71,503 | 38,258 |

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

The risks associated with the financial instruments held are:

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

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

(a) Market risk – interest rate and price risk

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|-------|-------|
| 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 | C1-2 | 364 | 357 |
| Impact of a 10% movement in price of investments | | | |
| – Equity / Income Statement | C1-2 | 2,511 | 2,120 |

(b) Credit risk

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

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

| \$ '000 | Notes | Not yet overdue rates and annual charges | | | Total |
|-----------------------|-------|--|-----------|-----------|-------|
| | | overdue | < 5 years | ≥ 5 years | |
| 2023 | | | | | |
| Gross carrying amount | C1-4 | – | 1,869 | 8 | 1,877 |
| 2022 | | | | | |
| Gross carrying amount | C1-4 | (4) | 1,105 | 48 | 1,149 |

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 | Notes | Not yet overdue | Overdue debts | | | | Total |
|------------------------|-----------|-----------------|---------------|--------------|--------------|-----------|-------|
| | | | 0 - 30 days | 31 - 60 days | 61 - 90 days | > 91 days | |
| 2023 | | | | | | | |
| Gross carrying amount | C1-4,C1-6 | 7,919 | 183 | 29 | 343 | 224 | 8,698 |
| Expected loss rate (%) | | 0.00% | 0.00% | 0.00% | 15.74% | 25.89% | 1.29% |
| ECL provision | C1-4 | – | – | – | 54 | 58 | 112 |
| 2022 | | | | | | | |
| Gross carrying amount | C1-4,C1-6 | 7,809 | 74 | 22 | 204 | 273 | 8,382 |
| Expected loss rate (%) | | 0.00% | 0.00% | 0.00% | 16.70% | 8.40% | 0.68% |
| ECL provision | C1-4 | – | – | – | 34 | 23 | 57 |

(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.

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

| \$ '000 | Notes | Weighted average interest rate | Subject to no maturity | payable in: | | | Total cash outflows | Actual carrying values |
|------------------------------------|-------|--------------------------------|------------------------|--------------|--------------|--------------|---------------------|------------------------|
| | | | | ≤ 1 Year | 1 - 5 Years | > 5 Years | | |
| 2023 | | | | | | | | |
| Payables | C3-1 | 0.00% | 1,254 | 3,976 | – | – | 5,230 | 6,731 |
| Borrowings | C3-3 | 4.98% | – | 1,465 | 7,334 | 9,702 | 18,501 | 13,848 |
| Total financial liabilities | | | 1,254 | 5,441 | 7,334 | 9,702 | 23,731 | 20,579 |
| 2022 | | | | | | | | |
| Payables | C3-1 | 0.00% | 2,273 | 6,226 | – | – | 8,499 | 8,936 |
| Borrowings | C3-3 | 5.52% | – | 810 | 4,525 | 9,258 | 14,593 | 14,593 |
| Total financial liabilities | | | 2,273 | 7,036 | 4,525 | 9,258 | 23,092 | 23,529 |

E2-1 Fair value measurement

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).

| \$ '000 | Notes | Fair value measurement hierarchy | | | | | |
|--|-------|---------------------------------------|--------------|---|----------|--------------|--------------|
| | | Level 2 Significant observable inputs | | Level 3 Significant unobservable inputs | | Total | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | | | | | Restated | | Restated |
| Recurring fair value measurements | | | | | | | |
| Investment property | | | | | | | |
| Investment property | C1-8 | 6,688 | 6,688 | – | – | 6,688 | 6,688 |
| Total investment property | | 6,688 | 6,688 | – | – | 6,688 | 6,688 |
| Infrastructure, property, plant and equipment | | | | | | | |
| Plant and equipment | | – | – | 4,435 | 4,576 | 4,435 | 4,576 |
| Operational land ¹ | | – | – | 29,730 | 18,652 | 29,730 | 18,652 |
| Community land | | – | – | 26,445 | 18,769 | 26,445 | 18,769 |
| Land under roads | | – | – | 7,566 | 7,265 | 7,566 | 7,265 |
| Buildings | | – | – | 29,249 | 16,079 | 29,249 | 16,079 |
| Roads | | – | – | 181,321 | 169,272 | 181,321 | 169,272 |
| Bridges | | – | – | 22,106 | 18,573 | 22,106 | 18,573 |
| Footpaths | | – | – | 8,663 | 5,887 | 8,663 | 5,887 |
| Bulk earthworks | | – | – | 88,442 | 83,069 | 88,442 | 83,069 |
| Other structures | | – | – | 647 | 396 | 647 | 396 |
| Stormwater drainage | | – | – | 16,025 | 15,153 | 16,025 | 15,153 |
| Water supply network | | – | – | 67,715 | 61,781 | 67,715 | 61,781 |
| Sewerage network | | – | – | 31,934 | 29,792 | 31,934 | 29,792 |
| Swimming pools | | – | – | 1,968 | 1,925 | 1,968 | 1,925 |

continued on next page ...

E2-1 Fair value measurement (continued)

| \$ '000 | Notes | Fair value measurement hierarchy | | | | | |
|--------------------------------|-------|---------------------------------------|----------|---|----------------|----------------|----------------|
| | | Level 2 Significant observable inputs | | Level 3 Significant unobservable inputs | | Total | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | | | | | Restated | | Restated |
| Open space/recreation | | – | – | 10,367 | 8,709 | 10,367 | 8,709 |
| Waste | | – | – | 1,753 | 1,760 | 1,753 | 1,760 |
| Remediation and restoration | | – | – | 60 | 82 | 60 | 82 |
| Total IPPE ¹ | C1-7 | – | – | 528,426 | 461,740 | 528,426 | 461,740 |

(1) Refer to Note G4-1 for details regarding restatement of prior year.

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:

Investment property

Investment property is subject to the external valuation based on market approach.

Infrastructure, property, plant and equipment (IPPE)

Most infrastructure is subject to external valuation or externally validated methodology applied by Council. This is subject to variability based on changing unit rates.

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.

| \$ '000 | Fair value 2023 | Valuation technique/s | Unobservable inputs |
|---|-----------------|-------------------------------|--|
| Infrastructure, property, plant and equipment | | | |
| Plant and equipment | 4,435 | Cost approach | Current replacement cost of modern equivalent asset, asset condition, useful life and residual value. |
| Operational land | 29,730 | Market approach | Price per square metre. |
| Community land | 26,445 | NSW Valuer-General land value | Land value, land area, level of restriction. |
| Land under roads | 7,566 | Englobo valuation basis | Extent and impact of use, market cost of land per square metre, restrictions. |
| Buildings (including other structures) | 29,896 | Cost approach | Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining life, residual value. |
| Roads (including bridges, footpaths, bulk earthworks) | 300,532 | Cost approach | Asset condition, remaining lives using componentisation. Unit rates per square metre or length. |
| Stormwater drainage | 16,025 | Cost approach | Asset condition, remaining lives at unit rates per square metre or length. |
| Water supply and sewerage network | 99,649 | Cost approach | Asset condition, remaining lives using componentisation. Unit rates per square metre or length. |
| Swimming pools and open space / recreational assets | 12,335 | Cost approach | Asset condition, remaining lives using componentisation. Unit rates per square metre. |
| Waste assets | 1,753 | Cost approach | Asset condition, remaining lives and residual value. |
| Tips and quarry assets | 60 | Cost approach | Environmental legislation, timing of expected cash outflows, asset condition. |

continued on next page ...

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 | Notes | IPP&E | |
|-------------------------------------|-------|----------------|------------------|
| | | 2023 | 2022 Restated |
| Opening balance ¹ | | 461,740 | 416,843 |
| Other movements | | | |
| Purchases (GBV) | | 22,707 | 23,837 |
| Disposals (WDV) | C1-7 | (2,597) | (2,694) |
| Depreciation and impairment | C1-7 | (8,970) | (7,806) |
| Revaluations through equity | C1-7 | 55,546 | 31,560 |
| Closing balance | | 528,426 | 461,740 |

(1) Refer to Note G4-1 for details regarding restatement of prior year.

Highest and best use

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

Council has scheduled the comprehensive revaluation of IPPE assets in the next few years as follows:

- 2024 - Land under roads, tips and quarry assets
- 2025 - Infrastructure assets (roads, bridges, footpaths, bulk earthworks, stormwater
- 2026 - Community land, open space and recreational assets
- 2027 - Water and sewerage networks

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 (Active Super), named The Local Government Superannuation Scheme–Pool B (the Fund) 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, including the method used to determine Council's rate of contributions and any minimum funding requirements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

The future 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 standard employer contribution rates are:

| | |
|------------|--|
| Division B | 1.9 times member contributions for non-180 point members and nil for 180 point members |
| Division C | 2.5% salaries |
| Division D | 1.64 times employee contributions |

*For 180 Point Members, Employers are required to contribute 8.0% (2022: 7.5%) of salaries for the 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 million per annum (2022: \$40.0 million per annum for 1 July 2019 to 31 December 2021) 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 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 defined benefit section of the Fund and recognised as an expense for the year ended 30 June 2023 was \$50,440 (2022: \$78,467). The last valuation of the Fund was performed by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2022.

Council's expected contributions to the Fund for the next annual reporting period are \$46,277 (2022: \$59,558).

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 other accumulation accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.20% (2022: 0.27%).

Council's share of that deficiency cannot be accurately calculated as the Fund 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 Fund 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 (2022:5.75%) |
| Salary inflation * | 3.5% per annum (2022: 3.5%) |
| Increase in CPI | 6.0% for FY2022/23, 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.

The estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2023.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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 had provided a bank guarantee of \$10,000 as security for a project work in 2019. The bank guarantee was returned to Council for cancellation in July 2023.

E3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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 not classified any privately owned land parcels as local open space or bushland.

As a result there are no potential land acquisitions due to planning restrictions imposed by Council.

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.

(ii) Rural Fire Services 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 during 2022/23 that it does not have control over Rural Fire Services (RFS) fleet assets, and as such has not performed a stocktake or recognised them in the financial statements. The estimated total new replacement costs RFS fleet assets in the Yass Valley District as at the reporting date was \$9,537,397 (2022: \$5,701,817), based on data provided by NSW Treasury.

Council does have a level of control over Rural Fire Services land and buildings and continues to recognise these in the financial statements.

Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire assets including land and buildings and exclude plant and vehicles.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

Key management personnel (KMP) of Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. KMP personnel of Council include 9 Councillors (refer Note F1-2), Chief Executive Officer and 3 Directors.

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

| \$ '000 | 2023 | 2022 |
|----------------------|------------|------------|
| Compensation: | | |
| Short-term benefits | 761 | 780 |
| Total | 761 | 780 |

Other transactions with KMP and their related parties

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

As at the reporting date, there is no other transactions with KMP and their related parties identified (2022: nil).

F1-2 Councillor and Mayoral fees and associated expenses

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|------------|------------|
| The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are: | | | |
| Mayoral fee | | 28 | 25 |
| Councillors' fees | | 114 | 106 |
| Other Councillors' expenses (including Mayor) | | 15 | 18 |
| Total | B3-2 | 157 | 149 |

F2 Other relationships

F2-1 Audit fees

| \$ '000 | Notes | 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 | | 147 | 61 |
| Total audit fees | B3-2 | 147 | 61 |

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

| \$ '000 | Notes | 2023 | 2022 |
|--|-----------|---------------|---------------|
| Net operating result from Income Statement | | 14,266 | 19,581 |
| Add / (less) non-cash items: | | | |
| Depreciation and amortisation | B3-4 | 9,141 | 8,017 |
| (Gain) / loss on disposal of assets | B4-1 | 2,344 | 2,452 |
| Non-cash capital grants and contributions | B2-4 | (72) | (1,920) |
| Landfill remediation and restoration | B3-5 | - | 102 |
| Losses/(gains) recognised on fair value re-measurements through the P&L: | | | |
| – Investment property | B2-6 | - | (2,338) |
| Movements in operating assets and liabilities and other cash items: | | | |
| (Increase) / decrease of receivables | | (3,329) | (304) |
| Increase / (decrease) in provision for impairment of receivables | B3-5,C1-4 | 55 | 22 |
| (Increase) / decrease of inventories | | 22 | 26 |
| (Increase) / decrease of other current assets | | (422) | 271 |
| (Increase) / decrease of contract asset | | 2,285 | (3,033) |
| Increase / (decrease) in payables | | (1,014) | 1,772 |
| Increase / (decrease) in accrued interest payable | | (155) | (8) |
| Increase / (decrease) in other accrued expenses payable | | (55) | 784 |
| Increase / (decrease) in other liabilities | | (981) | 1,015 |
| Increase / (decrease) in contract liabilities | | (600) | 1,849 |
| Increase / (decrease) in employee benefit provision | | 55 | 93 |
| Increase / (decrease) in other provisions | | - | 68 |
| Net cash flows from operating activities | | 21,540 | 28,449 |

(b) Non-cash investing and financing activities

| | | | |
|--|------|-----------|--------------|
| Dedications | B2-4 | 72 | 1,920 |
| Total non-cash investing and financing activities | | 72 | 1,920 |

G2-1 Commitments

Capital commitments (exclusive of GST)

| \$ '000 | 2023 | 2022 |
|--|---------------|--------------|
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: | | |
| Property, plant and equipment | | |
| Plant and equipment | 579 | – |
| Sewerage and water infrastructure | 2,128 | 1,253 |
| Road infrastructure | 5,373 | 1,328 |
| Parks and recreational assets | 1,145 | 176 |
| Buildings facility and waste assets | 470 | 84 |
| Waste management and landfill rehabilitation | 387 | 449 |
| Total commitments | 10,082 | 3,290 |
| Sources for funding of capital commitments: | | |
| Unexpended grants | 5,501 | 658 |
| Externally restricted reserves | 2,046 | 1,701 |
| Internally allocated reserves | 2,535 | 931 |
| Total sources of funding | 10,082 | 3,290 |

Details of capital commitments

Purchase of heavy plant and equipment, projects for roads, water, sewer, waste and stormwater infrastructure, building and lighting upgrades and recreation ground upgrades.

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant adjusting events and non-adjusting events occurring after the reporting date that should be disclosed.

G4 Changes from prior year statements

G4-1 Correction of errors

Council has undertaken an external revaluation of operational land as at 30 June 2023. It is found that the carrying value of the operational land for the year ended 30 June 2022 included an amount of \$3,474k not relating to operational land but duplicated to other community land category.

The error identified above is considered to be material and has been corrected by restating the balance of IPPE at 1 July 2021 and taken the adjustment to asset revaluation reserve at that date. The correction does not impact on the income statement for the year ended 30 June 2022.

Comparatives have been changed to reflect the correction of errors. The impact on each line is shown in the table below.

Changes to the opening Statement of Financial Position at 1 July 2021

Statement of Financial Position

| \$ '000 | Original Balance 1 July, 2021 | Impact Increase/ (decrease) | Restated Balance 1 July, 2021 |
|---|-------------------------------------|-----------------------------------|-------------------------------------|
| Infrastructure, property, Plant and equipment | 429,736 | (3,474) | 426,262 |
| Total non-current assets | 434,477 | (3,474) | 431,003 |
| Total assets | 475,050 | (3,474) | 471,576 |

continued on next page ...

G4-1 Correction of errors (continued)

| \$ '000 | Original Balance 1 July, 2021 | Impact Increase/ (decrease) | Restated Balance 1 July, 2021 |
|---------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| Net assets | 446,344 | (3,474) | 442,870 |
| Revaluation Reserve | 185,015 | (3,474) | 181,541 |
| Total equity | 446,344 | (3,474) | 442,870 |

Adjustments to the comparative figures for the year ended 30 June 2022

Statement of Financial Position

| \$ '000 | Original Balance 30 June, 2022 | Impact Increase/ (decrease) | Restated Balance 30 June, 2022 |
|---|--------------------------------------|-----------------------------------|--------------------------------------|
| Infrastructure, property, Plant and equipment | 478,300 | (3,474) | 474,826 |
| Total non-current assets | 485,168 | (3,474) | 481,694 |
| Total assets | 530,680 | (3,474) | 527,206 |
| Net assets | 497,485 | (3,474) | 494,011 |
| Revaluation Reserve | 216,575 | (3,474) | 213,101 |
| Total equity | 497,485 | (3,474) | 494,011 |

G5 Statement of developer contributions as at 30 June 2023

G5-1 Summary of developer contributions by a Plan

| \$ '000 | Notes | Opening balance at 1 July 2022 | Contributions received during the year - Cash | Interest and investment income earned | Amounts expended | Held as restricted asset at 30 June 2023 |
|--|----------------|--------------------------------------|---|---|---------------------|---|
| Council Area | | 5,088 | 840 | 161 | (858) | 5,231 |
| Heavy Haulage | | 1,569 | 52 | 49 | - | 1,670 |
| Total S7.11 and S7.12 revenue under plans | C1-3a | 6,657 | 892 | 210 | (858) | 6,901 |
| S64 contributions - water | C1-3a | 3,039 | 2,233 | 97 | - | 5,369 |
| S64 contributions - sewer | C1-3a | 1,026 | 1,225 | 33 | - | 2,284 |
| Total contributions | B2-4b,B2- 5 | 10,722 | 4,350 | 340 | (858) | 14,554 |

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

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

| \$ '000 | Amounts 2023 | Indicator 2023 | Indicators 2022 2021 | | Benchmark |
|--|-----------------|-------------------|------------------------------|---------|-----------|
| 1. Operating performance ratio | | | | | |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2} | (1,019) | (2.72)% | 4.07% | (1.35)% | > 0.00% |
| Total continuing operating revenue excluding capital grants and contributions ¹ | 37,467 | | | | |
| 2. Own source operating revenue ratio | | | | | |
| Total continuing operating revenue excluding all grants and contributions ¹ | 27,489 | 49.84% | 49.40% | 51.50% | > 60.00% |
| Total continuing operating revenue ¹ | 55,151 | | | | |
| 3. Unrestricted current ratio | | | | | |
| Current assets less all external restrictions | 16,625 | 2.52x | 2.39x | 3.36x | > 1.50x |
| Current liabilities less specific purpose liabilities | 6,595 | | | | |
| 4. Debt service cover ratio | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 8,815 | 5.45x | 5.30x | 3.38x | > 2.00x |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) | 1,616 | | | | |
| 5. Rates and annual charges outstanding percentage | | | | | |
| Rates and annual charges outstanding | 1,949 | 9.27% | 5.59% | 6.25% | < 10.00% |
| Rates and annual charges collectable | 21,031 | | | | |
| 6. Cash expense cover ratio | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 36,433 | 11.78 | 16.41 | 4.16 | > 3.00 |
| Monthly payments from cash flow of operating and financing activities | 3,093 | months | months | months | months |

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

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

G6-2 Statement of performance measures by fund

| \$ '000 | General Indicators ³ | | Water Indicators | | Sewer Indicators | | Benchmark |
|--|---------------------------------|--------------|---------------------|--------------|---------------------|--------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| 1. Operating performance ratio | | | | | | | |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2} | (6.60)% | (1.63)% | 3.43% | 22.33% | 30.60% | 30.39% | > 0.00% |
| Total continuing operating revenue excluding capital grants and contributions ¹ | | | | | | | |
| 2. Own source operating revenue ratio | | | | | | | |
| Total continuing operating revenue excluding capital grants and contributions ¹ | 46.56% | 44.01% | 58.96% | 69.03% | 68.94% | 98.83% | > 60.00% |
| Total continuing operating revenue ¹ | | | | | | | |
| 3. Unrestricted current ratio | | | | | | | |
| Current assets less all external restrictions | 2.52x | 2.39x | 6.39x | 3.71x | 17.46x | 2.51x | > 1.50x |
| Current liabilities less specific purpose liabilities | | | | | | | |
| 4. Debt service cover ratio | | | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 27.02x | 5.48x | 1.87x | 4.09x | 4.40x | 8.53x | > 2.00x |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) | | | | | | | |
| 5. Rates and annual charges outstanding percentage | | | | | | | |
| Rates and annual charges outstanding | 11.74% | 7.12% | 0.00% | 0.00% | 0.00% | 0.00% | < 10.00% |
| Rates and annual charges collectable | | | | | | | |
| 6. Cash expense cover ratio | | | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 6.25 months | 13.19 months | 29.62 months | 24.64 months | 62.24 months | 49.51 months | > 3.00 months |
| Monthly payments from cash flow of operating and financing activities | | | | | | | |

(1) - (2) Refer to Notes at Note G5-1 above.

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

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

209 Comur Street
YASS NSW 2582

Contact details

Mailing Address:

PO Box 6
209 Comur Street
YASS NSW 2582

Opening hours:

Office hours: 9:00am to 4:30pm (Monday to Friday)
Cashier hours: 9:00am to 4:30pm (Monday to Friday)

Telephone: 02 6226 1477 or 1300 553 652

Facsimile: 02 6226 2598

Website: www.yassvalley.nsw.gov.au

Email: council@yass.nsw.gov.au

Officers

CHIEF EXECUTIVE OFFICER

Chris Berry

DIRECTOR CORPORATE & COMMUNITY

Lynette Safranek

Elected members

Mayor

Allan McGrath

Councillors

Adrian Cameron
Cayla Pothan
Cecil Burgess OAM
Jasmine Jones
Jim Abbey
Kim Turner
Kristen Butler
Mike Reid

Other information

ABN: 50 119 744 650



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Yass Valley Council

To the Councillors of the Yass Valley Council

Qualified Opinion

I have audited the accompanying financial statements of the Yass Valley 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, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of my report:

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

Basis for Qualified Opinion

Non recognition of rural fire-fighting equipment

As disclosed in Note E3-1 'Contingencies' to the financial statements, the Council has not recognised rural fire-fighting equipment as assets in the Statement of Financial Position at 30 June 2023. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 1 July 2011
- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such the assets are provided to the Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of rural fire-fighting equipment assets that should be recorded in the Statement of Financial Position and related notes as at 30 June 2023
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from any rural fire-fighting equipment assets vested as an asset received free of charge during the year and/or 'Depreciation, amortisation and impairment of non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2023
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G6-1 'Statement of performance measures – consolidated results' and Note G6-2 'Statement of performance measures by fund'.

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 qualified 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:

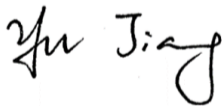
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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. 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.



Reiky Jiang
Delegate of the Auditor-General for New South Wales

21 December 2023
SYDNEY



Mr Allan McGrath
Mayor
Yass Valley Council
209 Comur Street
YASS NSW 2582

Contact: Reiky Jiang
Phone no: 02 9275 7281
Our ref: R008-16585809-49733

21 December 2023

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2023 Yass Valley Council

I have audited the general-purpose financial statements (GPFS) of the Yass Valley 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 a modified 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.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

- Rural fire-fighting equipment - refer to section 'Non-recognition of rural fire-fighting equipment' below for details. This issue will continue to be reported as high risk finding in the management letter.
- IT policies and procedures, user access review and change management - the Council is currently using outdated IT policy documents that are critical to the IT operations. The Council has not developed any policies and procedures around ICT disaster recovery, user access and change management. The Council did not perform periodic comprehensive user access review to validate all user accounts and the appropriateness of user access rights. This issue will be reported as a high risk finding in the management letter.

Modification to the opinion in the Independent Auditor's Report

Non-recognition of rural fire-fighting equipment

The Council has not recognised rural fire-fighting equipment as assets within 'Infrastructure, property, plant and equipment' in the Statement of Financial Position at 30 June 2023. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 1 July 2011
- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such the assets are provided to the Council free of charge.

Consequently, we were unable to determine the carrying values of rural firefighting equipment assets and related amounts that should be recorded and recognised in the Council's 30 June 2023 financial statements.

This has resulted in the audit opinion on the Council's 30 June 2023 GPFS to be modified.

Refer to the Independent Auditor's Report on the GPFS.

INCOME STATEMENT

Operating result

| | 2023 | 2022 | Variance |
|--|-------|------|----------|
| | \$m | \$m | % |
| Rates and annual charges revenue | 19.8 | 18.7 | ↑ 5.9 |
| Grants and contributions revenue | 27.7 | 26.4 | ↑ 4.9 |
| Operating result from continuing operations | 14.3 | 19.6 | ↓ (27) |
| Net operating result before capital grants and contributions | (3.4) | 1.1 | ↓ (409) |

Rates and annual charges revenue (\$19.8 million) increased by \$1.1 million (5.9 per cent) in 2022–23 mainly due to the annual rate peg of 2.3 per cent in 2022-23 comparing to 2 per cent in 2021-22. There was also an increase in rateable residential properties by 1.7 per cent (6,137 rateable properties in 2022-23 compared to 6,034 properties last year).

Grants and contributions revenue (\$27.7 million) increased by \$1.3 million (or 4.9 per cent) in 2022–23 primarily due to:

- Council receiving \$3.3 million more developer contributions compared to last year
- increase in other roads and bridges operating grant funding of \$2.6 million
- the above are partially offset by the decrease in other roads and bridges capital grant funding of \$4.0 million.

Overall, the Council’s operating result from continuing operations (\$14.3 million including depreciation, amortisation and impairment of non-financial assets) was \$5.3 million lower than the 2021–22 result. This is mainly due to the increase in materials and services expense of \$4.8 million as more rectification works were required due to flooding.

The net operating result before capital grants and contributions (-\$3.4 million) was \$4.5 million lower than the 2021–22 result.

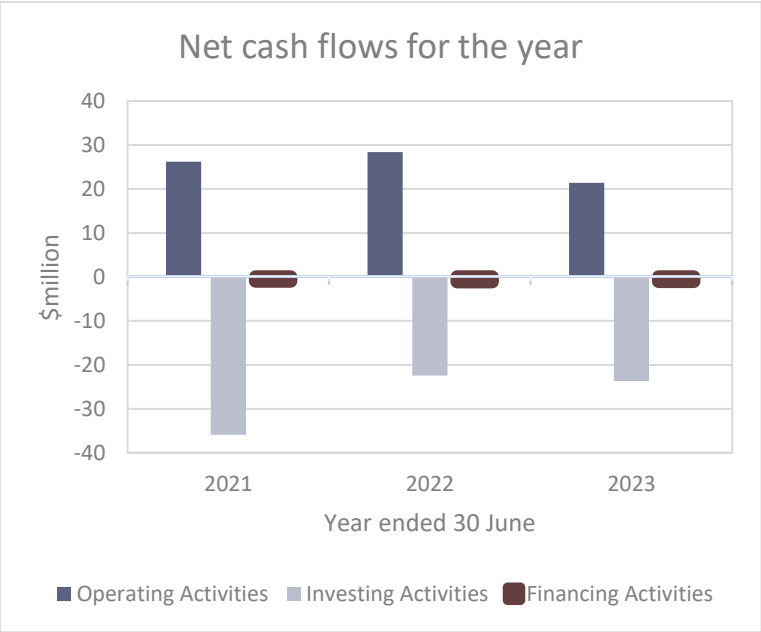
STATEMENT OF CASH FLOWS

The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year. The Council’s cash and cash equivalents decreased by \$3.1 million during the current year.

Net cash inflows from operating activities (\$21.5 million) decreased by \$6.9 million (24.3 per cent) when compared with the prior period majorly due to increase in payment for material and services by \$8.2 million which was offset by an increase in grants and contributions receipt of \$6.1 million.

Net cash outflows from investing activities (\$23.8 million) were \$1.3 million (5.9 per cent) higher than the prior year (\$22.4 million) primarily due to higher net acquisition of investments.

Net cash inflows from financing activities (\$0.9 million) were \$0.1 million (14.9 per cent) lower than the 2022-23 financial year mainly due to decrease in net repayments to borrowings of \$0.1 million.



FINANCIAL POSITION

Cash and investments

| Cash and investments | 2023 | 2022 | Commentary |
|--|-------------|-------------|---|
| | \$m | \$m | |
| Total cash, cash equivalents and investments | 36.4 | 35.7 | <ul style="list-style-type: none"> 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. |
| Restricted and allocated cash, cash equivalents and investments: | | | External restrictions include unspent specific purpose grants, developer contributions, domestic waste management charges, water, sewer and stormwater management charges. |
| • External restrictions | 30.0 | 26.8 | In 2023, there has been an increase in the externally restricted cash, cash equivalents and investments of \$3.2 million, which is mostly attributable to the current year increase in the developer contributions of \$3.8 million and decrease in unspent specific purpose grants – general fund of \$0.6 million. |
| • Internal allocations | 6.4 | 8.9 | <ul style="list-style-type: none"> Internal allocations are determined by council policies or decisions, which are subject to change. Through Council resolution, internal allocations can be adjusted to enable the use of these funds to provide liquidity for general operational use as required. The reduction in internal allocations is primarily due to the decrease in allocated funds for replacement of plant and vehicle and financial assistance grants. |

Debt

At 30 June 2023, Council had:

- \$13.8 million in external borrowings (\$14.6 million in 2021-22)
- \$0.09 million in credit card facility with \$0.02 million used.

PERFORMANCE

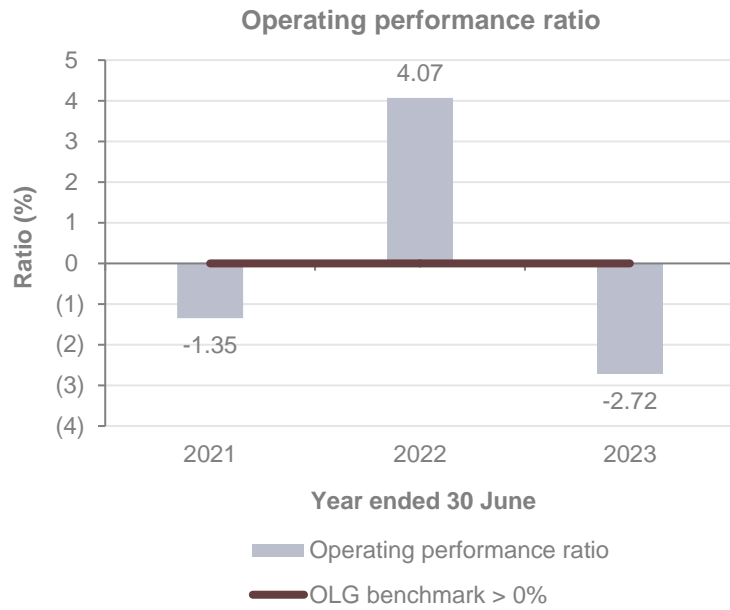
Performance measures

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

Operating performance ratio

The Council did not meet the benchmark for the current reporting period with a ratio of -2.72 per cent. This is mainly because the Council has significant reliance on external grant funding coupled with an increase in expenses from last year (mainly due to the increase in materials and services of \$4.8 million).

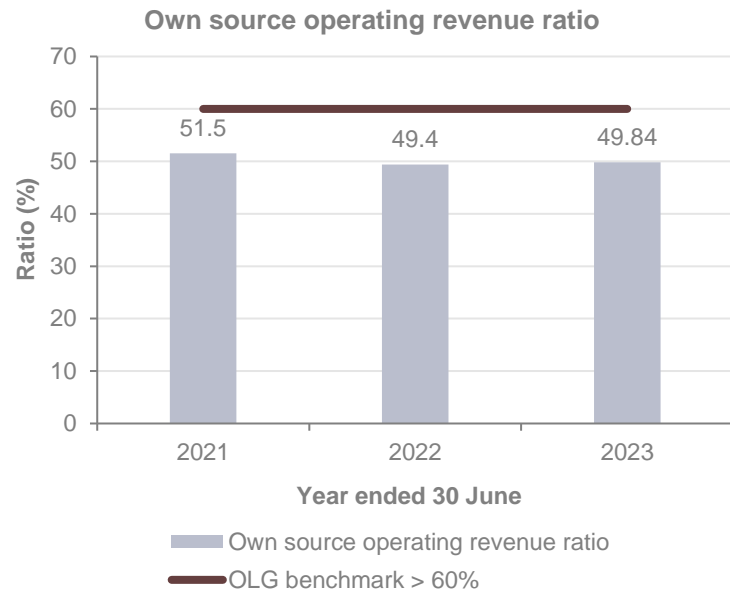
The 'operating performance ratio' measures how well Council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

The Council did not meet the benchmark for the current reporting period with a ratio of 49.84 per cent. This is mainly because the Council has significant reliance on external grant funding.

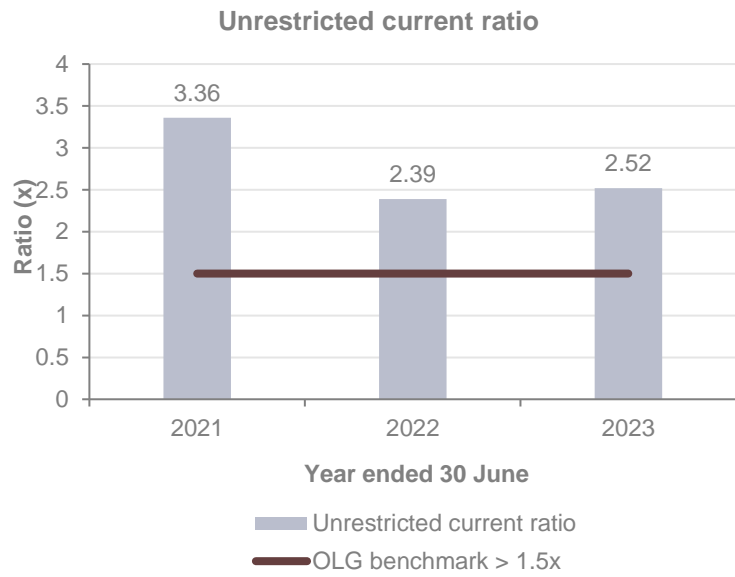
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council met the benchmark for the current reporting period.

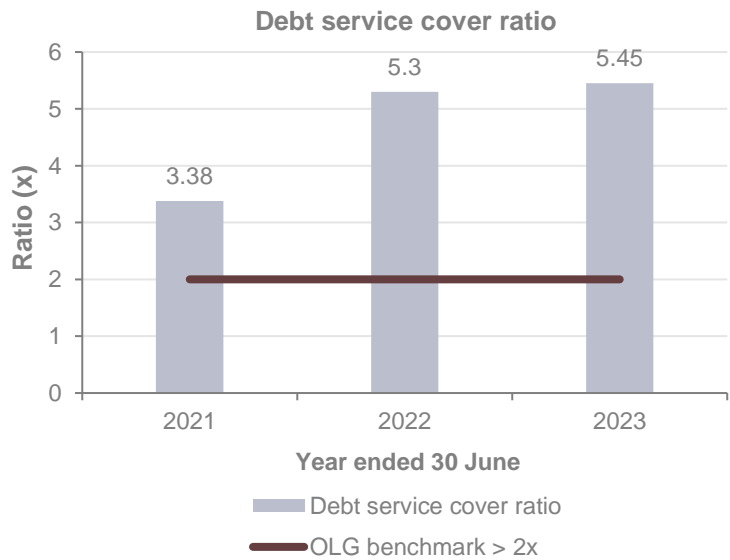
The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council exceeded the benchmark for the current reporting period.

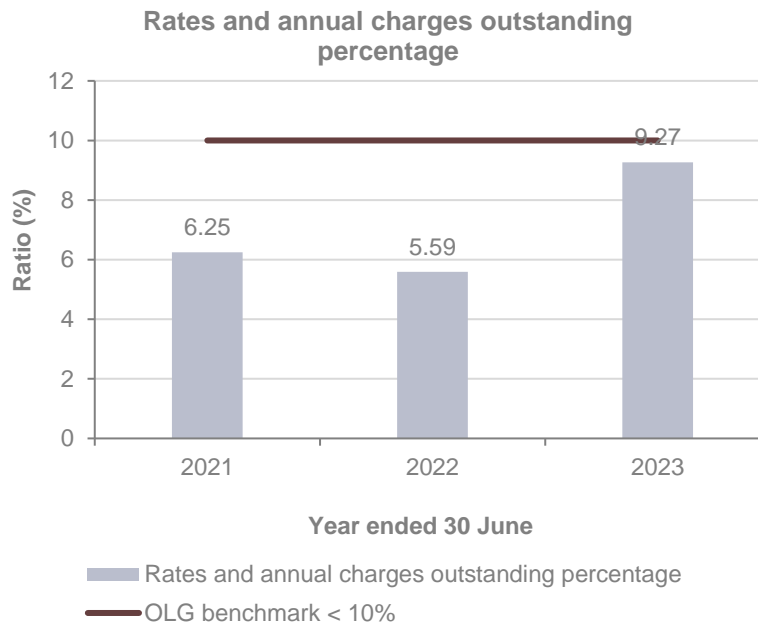
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

The Council met the benchmark for the current reporting period.

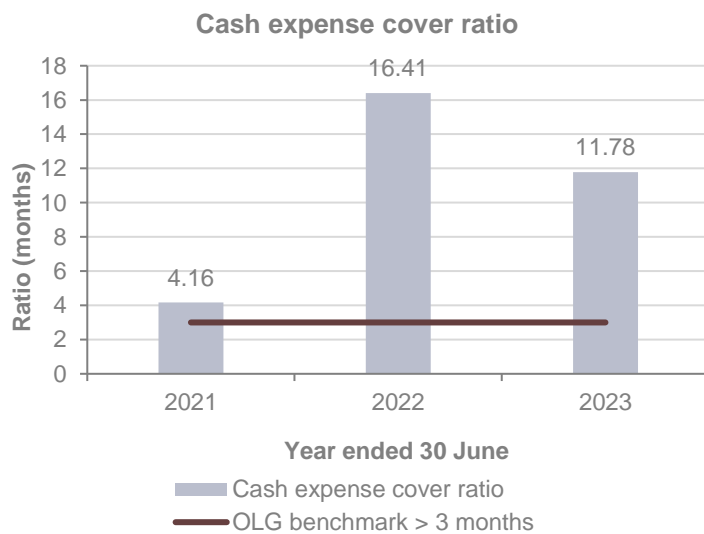
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is for this ratio to be less than 10 per cent for regional and rural councils.



Cash expense cover ratio

The Council exceeded the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$18.2 million of infrastructure, property, plant and equipment during the 2022-23 financial year. A further \$ 2.7 million was spent on new assets. Renewals and new assets combined represented 3.9 per cent of the closing balance of IPPE as at 30 June 2023 and primarily related to renewals additions to road and buildings amounting to \$ 5.1 million and \$2.4 million respectively and additions to new assets to operational land amounting to \$1.1 million.

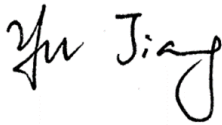
OTHER MATTERS

Legislative compliance

My audit procedures identified a material deficiency in the Council's financial statements due to the non-recognition of rural fire-fighting equipment which will be reported in the Management Letter.

Except for the matter outlined above, 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.



Reiky Jiang
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

Yass Valley Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023

"A diverse rural region that provides lifestyle, business and recreation choices, while sustaining our environment, history and community"



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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).

Yass Valley 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:

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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 20 December 2023.



Allan McGrath
Mayor
20 December 2023



Cayla Pothan
Councillor
20 December 2023



Chris Berry
Chief Executive Officer
20 December 2023



Lynette Safranek
Director Corporate & Community
20 December 2023

Yass Valley Council

Income Statement of water supply business activity

for the year ended 30 June 2023

| \$ '000 | 2023 | 2022 |
|--|---------------|----------------|
| Income from continuing operations | | |
| Access charges | 1,938 | 1,869 |
| User charges | 2,239 | 2,102 |
| Fees | 1 | 6 |
| Interest and investment income | 214 | 6 |
| Grants and contributions provided for operating purposes | – | 740 |
| Other income | 12 | 11 |
| Total income from continuing operations | 4,404 | 4,734 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 1,189 | 933 |
| Borrowing costs | 516 | 653 |
| Materials and services | 1,056 | 1,070 |
| Depreciation, amortisation and impairment | 1,477 | 1,021 |
| Net loss from the disposal of assets | 15 | 59 |
| Total expenses from continuing operations | 4,253 | 3,736 |
| Surplus (deficit) from continuing operations before capital amounts | 151 | 998 |
| Grants and contributions provided for capital purposes | 3,065 | 1,052 |
| Surplus (deficit) from continuing operations after capital amounts | 3,216 | 2,050 |
| Surplus (deficit) from all operations before tax | 3,216 | 2,050 |
| Less: corporate taxation equivalent (25%) [based on result before capital] | (38) | (250) |
| Surplus (deficit) after tax | 3,178 | 1,800 |
| Plus accumulated surplus | 41,336 | 40,809 |
| Plus/less: other adjustments (transfer to/from general fund) | – | (1,523) |
| Plus adjustments for amounts unpaid: | | |
| – Corporate taxation equivalent | 38 | 250 |
| Closing accumulated surplus | 44,552 | 41,336 |
| Return on capital % | 0.9% | 2.5% |
| Subsidy from Council | 2,262 | 805 |
| Calculation of dividend payable: | | |
| Surplus (deficit) after tax | 3,178 | 1,800 |
| Less: capital grants and contributions (excluding developer contributions) | (3,065) | (1,052) |
| Surplus for dividend calculation purposes | 113 | 748 |
| Potential dividend calculated from surplus | 57 | 374 |

Yass Valley Council

Income Statement of sewerage business activity

for the year ended 30 June 2023

| \$ '000 | 2023 | 2022 |
|--|---------------|---------------|
| Income from continuing operations | | |
| Access charges | 2,496 | 2,409 |
| User charges | 55 | 33 |
| Fees | 2 | 9 |
| Interest and investment income | 166 | 4 |
| Total income from continuing operations | 2,719 | 2,455 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 206 | 174 |
| Borrowing costs | 175 | 185 |
| Materials and services | 721 | 691 |
| Depreciation, amortisation and impairment | 785 | 659 |
| Net loss from the disposal of assets | – | 12 |
| Total expenses from continuing operations | 1,887 | 1,721 |
| Surplus (deficit) from continuing operations before capital amounts | 832 | 734 |
| Grants and contributions provided for capital purposes | 1,225 | 29 |
| Surplus (deficit) from continuing operations after capital amounts | 2,057 | 763 |
| Surplus (deficit) from all operations before tax | 2,057 | 763 |
| Less: corporate taxation equivalent (25%) [based on result before capital] | (208) | (184) |
| Surplus (deficit) after tax | 1,849 | 579 |
| Plus accumulated surplus | 22,409 | 21,631 |
| Plus/less: other adjustments (transfer to/from general fund) | – | 15 |
| Plus adjustments for amounts unpaid: | | |
| – Corporate taxation equivalent | 208 | 184 |
| Closing accumulated surplus | 24,466 | 22,409 |
| Return on capital % | 2.9% | 2.8% |
| Subsidy from Council | 403 | 314 |
| Calculation of dividend payable: | | |
| Surplus (deficit) after tax | 1,849 | 579 |
| Less: capital grants and contributions (excluding developer contributions) | (1,225) | (29) |
| Surplus for dividend calculation purposes | 624 | 550 |
| Potential dividend calculated from surplus | 312 | 275 |

Yass Valley Council

Income Statement of Waste services

for the year ended 30 June 2023

| \$ '000 | 2023 Category 1 | 2022 Category 1 |
|--|--------------------|--------------------|
| Income from continuing operations | | |
| Annual charges | 2,850 | 2,744 |
| User charges | 238 | 807 |
| Fees | 1 | 4 |
| Interest and investment income | 95 | 2 |
| Grants and contributions provided for operating purposes | 27 | 27 |
| Other income | 217 | 376 |
| Total income from continuing operations | 3,428 | 3,960 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 1,076 | 1,031 |
| Borrowing costs | 1 | 102 |
| Materials and services | 1,228 | 1,449 |
| Depreciation, amortisation and impairment | 285 | 93 |
| Total expenses from continuing operations | 2,590 | 2,675 |
| Surplus (deficit) from continuing operations before capital amounts | 838 | 1,285 |
| Surplus (deficit) from continuing operations after capital amounts | 838 | 1,285 |
| Surplus (deficit) from all operations before tax | 838 | 1,285 |
| Less: corporate taxation equivalent (25%) [based on result before capital] | (210) | (321) |
| Surplus (deficit) after tax | 628 | 964 |
| Plus accumulated surplus | 2,442 | 4,428 |
| Plus/less: other adjustments (transfer to/from general fund) | – | (3,271) |
| Plus adjustments for amounts unpaid: | | |
| – Corporate taxation equivalent | 210 | 321 |
| Closing accumulated surplus | 3,280 | 2,442 |
| Return on capital % | 30.9% | 75.5% |
| Subsidy from Council | – | – |

Yass Valley Council

Income Statement of Caravan park

for the year ended 30 June 2023

| \$ '000 | 2023 Category 2 | 2022 Category 2 |
|--|--------------------|--------------------|
| Income from continuing operations | | |
| Fees | 619 | 394 |
| Other income | 4 | – |
| Total income from continuing operations | 623 | 394 |
| Expenses from continuing operations | | |
| Materials and services | 369 | 351 |
| Depreciation, amortisation and impairment | 94 | 186 |
| Total expenses from continuing operations | 463 | 537 |
| Surplus (deficit) from continuing operations before capital amounts | 160 | (143) |
| Surplus (deficit) from continuing operations after capital amounts | 160 | (143) |
| Surplus (deficit) from all operations before tax | 160 | (143) |
| Less: corporate taxation equivalent (25%) [based on result before capital] | (40) | – |
| Surplus (deficit) after tax | 120 | (143) |
| Plus accumulated surplus | 1,354 | 2,279 |
| Plus/less: other adjustments (transfer to/from general fund) | – | (782) |
| Plus adjustments for amounts unpaid: | | |
| – Corporate taxation equivalent | 40 | – |
| Closing accumulated surplus | 1,514 | 1,354 |
| Return on capital % | 13.2% | (18.5)% |
| Subsidy from Council | – | 171 |

Yass Valley Council

Statement of Financial Position of water supply business activity

as at 30 June 2023

| \$ '000 | 2023 | 2022 |
|---|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 2,884 | 3,745 |
| Investments | 5,369 | 3,040 |
| Receivables | 971 | 708 |
| Contract assets and contract cost assets | 39 | 170 |
| Total current assets | 9,263 | 7,663 |
| Non-current assets | | |
| Infrastructure, property, plant and equipment | 72,854 | 67,094 |
| Total non-current assets | 72,854 | 67,094 |
| Total assets | 82,117 | 74,757 |
| LIABILITIES | | |
| Current liabilities | | |
| Payables | 193 | 347 |
| Contract liabilities | – | 7 |
| Borrowings | 582 | 450 |
| Employee benefit provisions | 224 | 254 |
| Total current liabilities | 999 | 1,058 |
| Non-current liabilities | | |
| Borrowings | 9,615 | 10,259 |
| Total non-current liabilities | 9,615 | 10,259 |
| Total liabilities | 10,614 | 11,317 |
| Net assets | 71,503 | 63,440 |
| EQUITY | | |
| Accumulated surplus | 44,552 | 41,336 |
| Revaluation reserves | 26,951 | 22,104 |
| Total equity | 71,503 | 63,440 |

Yass Valley Council

Statement of Financial Position of sewerage business activity

as at 30 June 2023

| \$ '000 | 2023 | 2022 Restated |
|---|---------------|------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 4,682 | 4,222 |
| Investments | 2,284 | 1,026 |
| Receivables | 37 | – |
| Total current assets | 7,003 | 5,248 |
| Non-current assets | | |
| Infrastructure, property, plant and equipment | 35,065 | 32,727 |
| Total non-current assets | 35,065 | 32,727 |
| Total assets | 42,068 | 37,975 |
| LIABILITIES | | |
| Current liabilities | | |
| Payables | 36 | 38 |
| Borrowings | 242 | 232 |
| Employee benefit provisions | 123 | 139 |
| Total current liabilities | 401 | 409 |
| Non-current liabilities | | |
| Borrowings | 3,409 | 3,651 |
| Total non-current liabilities | 3,409 | 3,651 |
| Total liabilities | 3,810 | 4,060 |
| Net assets | 38,258 | 33,915 |
| EQUITY | | |
| Accumulated surplus | 24,466 | 22,409 |
| Revaluation reserves | 13,792 | 11,506 |
| Total equity | 38,258 | 33,915 |

Yass Valley Council

Statement of Financial Position of Waste services

as at 30 June 2023

| \$ '000 | 2023 Category 1 | 2022 Category 1 |
|---|--------------------|--------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 3,992 | 4,013 |
| Total current assets | 3,992 | 4,013 |
| Non-current assets | | |
| Infrastructure, property, plant and equipment | 2,711 | 1,838 |
| Right of use assets | 181 | – |
| Total non-current assets | 2,892 | 1,838 |
| Total assets | 6,884 | 5,851 |
| LIABILITIES | | |
| Current liabilities | | |
| Lease liabilities | 119 | 178 |
| Provisions | 940 | 535 |
| Total current liabilities | 1,059 | 713 |
| Non-current liabilities | | |
| Lease liabilities | 62 | 9 |
| Provisions | 603 | 892 |
| Total non-current liabilities | 665 | 901 |
| Total liabilities | 1,724 | 1,614 |
| Net assets | 5,160 | 4,237 |
| EQUITY | | |
| Accumulated surplus | 3,280 | 2,442 |
| Revaluation reserves | 1,880 | 1,795 |
| Total equity | 5,160 | 4,237 |

Yass Valley Council

Statement of Financial Position of Caravan park

as at 30 June 2023

| \$ '000 | 2023 Category 2 | 2022 Category 2 |
|---|--------------------|--------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 324 | 579 |
| Total current assets | 324 | 579 |
| Non-current assets | | |
| Infrastructure, property, plant and equipment | 1,209 | 775 |
| Total non-current assets | 1,209 | 775 |
| Total assets | 1,533 | 1,354 |
| Net assets | 1,533 | 1,354 |
| EQUITY | | |
| Accumulated surplus | 1,514 | 1,354 |
| Revaluation reserves | 19 | – |
| Total equity | 1,533 | 1,354 |

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, 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 2005* (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)

a. Yass Valley Council Waste Service

Comprising the operations, and net assets of Council's Domestic Waste, and Other Waste activities, servicing the local government area.

b. Yass Valley Council Water Supplies

Comprising the operations, and net assets of Council's water supply activities, servicing the towns of Yass, Bowning, Binalong and Murrumbateman.

c. Yass Valley Council Sewerage Service

Comprising the operations, and net assets, of Council's sewerage reticulation and treatment activities servicing the town of Yass and most recently expanded to include the town of Murrumbateman.

Category 2

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

a. Yass Valley Council Caravan Park

Comprising the operations and net assets of Council's Caravan Park, servicing the town of Yass.

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.

Note – Significant Accounting Policies (continued)

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

Notional rate applied (%)

Corporate income tax rate – **25.0%** (2022: 25.0%)

Land tax – the first \$969,000 (2022: \$822,000) 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 (2022: \$5,026,000) a premium marginal rate of **2.0%** applies.

Payroll tax – **4.85%** (2022:4.85%) on the value of taxable salaries and wages in excess of \$1,200,000.

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

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

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

Income tax

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

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25.0% (2022: 25.0%).

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

The rate applied of 25.0% 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)

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.02% at 30/6/23 (2022: 3.66%).

(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 Department of Industry – Water guidelines 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 Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Planning, Industry and Environment – Water.

Correction of errors

Council undertook an external revaluation of sewerage service network as at 30 June 2022, of which the fair value of the revaluation included the asset of Wellington Road SPS, whereas the project cost of \$962k still remained in the capital work in progress.

The error identified above is considered to be material and has been corrected by restating the balance of sewerage service network capital work in progress at 30 June 2022 and taken the adjustment to the asset revaluation reserve at that date.

Adjustments to the comparative figures for the year ended 30 June 2022

Statement of Financial Position - Sewerage Business Activity

| \$ '000 | Original Balance 30 June, 2022 | Impact Increase/ (decrease) | Restated Balance 30 June, 2022 |
|---|--------------------------------------|-----------------------------------|--------------------------------------|
| Infrastructure, Property, Plant and Equipment | 33,689 | (962) | 32,727 |
| Total non-current assets | 33,689 | (962) | 32,727 |
| Total assets | 38,937 | (962) | 37,975 |
| Net assets | 34,877 | (962) | 33,915 |
| Asset revaluation reserve | 12,468 | (962) | 11,506 |
| Total equity | 34,877 | (962) | 33,915 |



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Yass Valley Council

To the Councillors of the Yass Valley Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of the Yass Valley 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
- waste services
- Caravan park.

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:

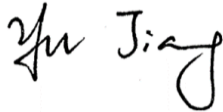
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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. 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 'Yu Jiang'.

Reiky Jiang
Delegate of the Auditor-General for New South Wales

21 December 2023
SYDNEY

Yass Valley Council

SPECIAL SCHEDULES
for the year ended 30 June 2023

"A diverse rural region that provides lifestyle, business and recreation choices, while sustaining our environment, history and community"



Yass Valley Council

Special Schedules

for the year ended 30 June 2023

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| Report on infrastructure assets as at 30 June 2023 | 6 |

Yass Valley Council

Permissible income for general rates

| \$ '000 | Notes | Calculation 2022/23 | Calculation 2023/24 |
|---|-------------------------|------------------------|------------------------|
| Notional general income calculation ¹ | | | |
| Last year notional general income yield | a | 11,676 | 12,081 |
| Plus or minus adjustments ² | b | 149 | 149 |
| Notional general income | c = a + b | 11,825 | 12,230 |
| Permissible income calculation | | | |
| Rate peg percentage | e | 2.30% | 4.20% |
| Plus rate peg amount | i = e x (c + g) | 272 | 514 |
| Sub-total | k = (c + g + h + i + j) | 12,097 | 12,744 |
| Plus (or minus) last year's carry forward total | l | (2) | (1) |
| Less valuation objections claimed in the previous year | m | (16) | (1) |
| Sub-total | n = (l + m) | (18) | (2) |
| Total permissible income | o = k + n | 12,079 | 12,742 |
| Less notional general income yield | p | 12,081 | 12,753 |
| Catch-up or (excess) result | q = o - p | (2) | (11) |
| Plus income lost due to valuation objections claimed ⁴ | r | 1 | - |
| Carry forward to next year ⁶ | t = q + r - s | (1) | (11) |

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)*.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Yass Valley Council

To the Councillors of the Yass Valley Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of the Yass Valley 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:

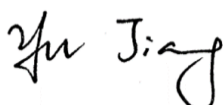
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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. 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.



Reiky Jiang
Delegate of the Auditor-General for New South Wales

21 December 2023
SYDNEY

Yass Valley Council

Report on infrastructure assets as at 30 June 2023

| Asset Class | Asset Category | Estimated cost | | 2022/23 Required maintenance ^a | 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 | | | | | |
| Buildings | Buildings | 1,135 | 1,135 | 430 | 430 | 29,249 | 49,887 | 12.0% | 18.0% | 56.0% | 13.0% | 1.0% |
| | Sub-total | 1,135 | 1,135 | 430 | 430 | 29,249 | 49,887 | 12.0% | 18.0% | 56.0% | 13.0% | 1.0% |
| Other structures | Other structures | – | – | 96 | 96 | 647 | 1,515 | 0.0% | 20.0% | 80.0% | 0.0% | 0.0% |
| | Sub-total | – | – | 96 | 96 | 647 | 1,515 | 0.0% | 20.0% | 80.0% | 0.0% | 0.0% |
| Roads | Sealed roads | 693 | 693 | 679 | 679 | 166,398 | 173,374 | 24.0% | 57.0% | 18.0% | 1.0% | 0.0% |
| | Unsealed roads | 3,810 | 3,810 | 652 | 652 | 11,246 | 31,748 | 20.0% | 10.0% | 40.0% | 25.0% | 5.0% |
| | Bridges | 2,773 | 2,773 | 7 | 7 | 22,106 | 44,036 | 34.0% | 4.0% | 49.0% | 13.0% | 0.0% |
| | Footpaths | – | – | 2 | 2 | 8,663 | 9,926 | 69.0% | 24.0% | 7.0% | 0.0% | 0.0% |
| | Bulk earthworks | – | – | – | – | 88,442 | 84,150 | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Culverts | 152 | 152 | 162 | 162 | 13,694 | 23,674 | 9.0% | 38.0% | 46.0% | 7.0% | 0.0% |
| | Kerbs | 205 | 205 | – | – | 4,102 | 6,410 | 26.0% | 42.0% | 24.0% | 8.0% | 0.0% |
| | Ancillary Assets | – | – | 40 | 40 | 1,013 | 1,104 | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | 7,633 | 7,633 | 1,542 | 1,542 | 300,532 | 374,422 | 42.4% | 31.5% | 21.0% | 4.7% | 0.4% |
| Water supply network | Water supply network | – | – | 871 | 871 | 67,715 | 100,151 | 80.0% | 15.0% | 5.0% | 0.0% | 0.0% |
| | Sub-total | – | – | 871 | 871 | 67,715 | 100,151 | 80.0% | 15.0% | 5.0% | 0.0% | 0.0% |
| Sewerage network | Sewerage network | – | – | 560 | 560 | 31,934 | 48,730 | 45.0% | 44.0% | 11.0% | 0.0% | 0.0% |
| | Sub-total | – | – | 560 | 560 | 31,934 | 48,730 | 45.0% | 44.0% | 11.0% | 0.0% | 0.0% |
| Stormwater drainage | Stormwater drainage | 68 | 68 | 45 | 45 | 16,025 | 20,694 | 28.0% | 54.0% | 17.0% | 1.0% | 0.0% |
| | Sub-total | 68 | 68 | 45 | 45 | 16,025 | 20,694 | 28.0% | 54.0% | 17.0% | 1.0% | 0.0% |

Yass Valley Council

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

| Asset Class | Asset Category | Estimated cost | | 2022/23 Required maintenance ^a | 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 | | | | | |
| Open space / recreational assets | Swimming pools | – | – | 200 | 200 | 1,968 | 3,375 | 0.0% | 0.0% | 100.0% | 0.0% | 0.0% |
| | Parks and Gardens | – | – | 115 | 115 | 10,367 | 13,668 | 14.0% | 68.0% | 18.0% | 0.0% | 0.0% |
| | Sub-total | – | – | 315 | 315 | 12,335 | 17,043 | 11.2% | 54.5% | 34.2% | 0.0% | 0.1% |
| Total – all assets | | 8,836 | 8,836 | 3,859 | 3,859 | 458,437 | 612,442 | 44.8% | 30.1% | 20.8% | 4.0% | 0.3% |

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

Infrastructure asset condition assessment 'key'

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

Yass Valley Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

| \$ '000 | Amounts 2023 | Indicator 2023 | Indicators | | Benchmark |
|--|-----------------|-------------------|------------|---------|-----------|
| | | | 2022 | 2021 | |
| Buildings and infrastructure renewals ratio | | | | | |
| Asset renewals ¹ | 18,149 | 230.76% | 343.15% | 134.30% | > 100.00% |
| Depreciation, amortisation and impairment | 7,865 | | | | |
| Infrastructure backlog ratio | | | | | |
| Estimated cost to bring assets to a satisfactory standard | 8,836 | 1.89% | 2.33% | 1.23% | < 2.00% |
| Net carrying amount of infrastructure assets | 468,038 | | | | |
| Asset maintenance ratio | | | | | |
| Actual asset maintenance | 3,859 | 100.00% | 78.04% | 100.33% | > 100.00% |
| Required asset maintenance | 3,859 | | | | |
| Cost to bring assets to agreed service level | | | | | |
| Estimated cost to bring assets to an agreed service level set by Council | 8,836 | 1.44% | 1.74% | 0.00% | |
| Gross replacement cost | 612,442 | | | | |

(*) 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.

Yass Valley Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (by fund)

| \$ '000 | General fund | | Water fund | | Sewer fund | | Benchmark |
|--|----------------|---------|----------------|---------|----------------|---------|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Buildings and infrastructure renewals ratio | | | | | | | |
| Asset renewals ¹ | | | | | | | |
| Depreciation, amortisation and impairment | 295.65% | 412.38% | 66.49% | 34.38% | 76.69% | 276.78% | > 100.00% |
| Infrastructure backlog ratio | | | | | | | |
| Estimated cost to bring assets to a satisfactory standard | | | | | | | |
| Net carrying amount of infrastructure assets | 2.40% | 2.97% | 0.00% | 0.00% | 0.00% | 0.00% | < 2.00% |
| Asset maintenance ratio | | | | | | | |
| Actual asset maintenance | | | | | | | |
| Required asset maintenance | 100.00% | 73.06% | 100.00% | 100.00% | 100.00% | 100.00% | > 100.00% |
| Cost to bring assets to agreed service level | | | | | | | |
| Estimated cost to bring assets to an agreed service level set by Council | | | | | | | |
| Gross replacement cost | 1.91% | 2.34% | 0.00% | 0.00% | 0.00% | 0.00% | |

(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.