



Narrandera

Shire Council

**Government Information (Public Access) Act
2009 - Annual Report ending 30 June 2023**

APPENDIX A

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 |
| Yes | Yes |

Clause 8B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)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 |
| 2 |

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 | 0 | 0 |
| % of Total | 0% | 0% | |

Schedule 2 Statistical information about access applications to be included in annual report

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

| | Access Granted in Full | Access Granted in Part | Access Refused in Full | Information not Held | Information Already Available | Refuse to Deal with Application | Refuse to Confirm/Deny whether information is held | Application Withdrawn | Total | % of Total |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 | 50% |
| Not for profit organisations or community groups | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Members of the public (by legal representative) | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 50% |
| Members of the public (other) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | |
| % of Total | 50% | 50% | 0% | 0% | 0% | 0% | 0% | 0% | | |

* 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 | Information not Held | Information Already Available | Refuse to Deal with Application | Refuse to Confirm/Deny whether information 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) | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 100% |
| Access applications that are partly personal information applications and partly other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | |
| % of Total | 50% | 50% | 0% | 0% | 0% | 0% | 0% | 0% | | |

* 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% |

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 | |

*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 | 0 | 0% |
| Law enforcement and security | 0 | 0% |
| Individual rights, judicial processes and natural justice | 1 | 100% |
| 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 | |

Table F: Timeliness

| | Number of applications* | % of Total |
|--|-------------------------|------------|
| Decided within the statutory timeframe (20 days plus any extensions) | 2 | 100% |
| Decided after 35 days (by agreement with applicant) | 0 | 0% |
| Not decided within time (deemed refusal) | 0 | 0% |
| Total | 2 | |

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 | |
| % of Total | 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 | |

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 | |



Narrandera

Shire Council

**Public Interest Disclosures Act 1994 –
Annual Report for the year ending 30 June
2023**

APPENDIX B

NARRANDERA SHIRE
COUNCIL PUBLIC INTEREST
DISCLOSURES ACT
ANNUAL REPORT
1 JULY 2022 – 30 JUNE 2023



NARRANDERA SHIRE COUNCIL

Narrandera Shire Council
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NARRANDERA NSW 2700
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2022 – 2023 ANNUAL REPORT

1. Background

The Narrandera Shire Council is required to report annually on its obligations under Council *Public Interest Disclosures Act, 1994* (PID Act).

The report must be in accordance with the requirements of section 31 of the PID Act and clause 4 of the *Public Interest Disclosures Regulation, 2011* (PID Regulation).

This report is for the period 1 July 2022 to 30 June 2023.

Statistical Information

Detail required by clause 4(2)(a) – (c) of the PID Regulation, is shown as per the following table:

| | 1 July 2022 to 30 June 2023 |
|---|------------------------------------|
| Number of public officials who made PIDs | Nil |
| Number of PIDs received | Nil |
| Of PIDs received, number primarily about: | Nil |
| Corrupt Conduct | Nil |
| Maladministration | Nil |
| Serious and substantial waste of local government money | Nil |
| Government Information contravention | Nil |
| Local Government pecuniary interest convention | Nil |
| Number of PIDs finalised | Nil |

Public Interest Disclosures Internal Reporting Policy (clause 4(2)(d) - PID Regulation)

Council's current Public Interest Disclosures Internal Reporting Policy and Internal Reporting system was reviewed and adopted on 21 March 2023 but is currently undergoing further review given the commencement of the *Public Interest Disclosures Act, 2022* on 1 October 2023. The new policy version will be based on the model policy and guidelines issued by the NSW Ombudsman.

Staff Awareness of Public Interest Disclosures Policy (clause 4(2)(e) - PID Regulation)

All staff, including Councillors, undertook refresher training and information on the PID on 27 March 2014 with this training facilitated by a representative of the NSW Ombudsman Office.

The Deputy General Manager Corporate and Community Services (the Disclosures Co-Ordinator) also the Human Resources Manager (the Disclosures Officer) undertook training on 28 February 2019 at Leeton Shire Council by a representative of the NSW Ombudsman Office.

The NSW Ombudsman has provided SCORM files so that Council can deliver training sessions to staff using the PULSE eLearning module – staff need to undertake this training within 6 months of 1 October 2023.

Council is meeting its obligations for staff awareness by:

- Placement of the Public Interest Disclosures Internal Reporting Policy on the Intranet which is accessible by all members of staff;
- The Public Interest Disclosures Internal Reporting Policy is provided and explained as part of staff induction for new staff on commencement;
- Key staff attend relevant training when it is being conducted in our region;
- Public Interest Disclosure Information posters from the NSW Ombudsman have been placed in strategic locations such as adjacent to photocopiers and on staff notice boards advising of how to report wrong doings within the organisation and who to make these reports to;
- Public Interest Disclosure Information is regularly placed within a fortnightly communique issued to both Councillors and staff.



Narrandera

Shire Council

Modern Slavery - Annual Report 2022-2023

APPENDIX C

Appendix C - Narrandera Shire Council Modern Slavery Annual Report 2022-23

Actions taken to 30 June 2023 and future initiatives

| Activity | Description | Actions Taken | Future Initiatives |
|------------------------------|---|---|--|
| Staff awareness and training | Staff awareness of modern slavery and Council's policy and expectations | Communicated to all staff via intranet; updated Procurement Manual available on intranet. | Awareness training at future all staff events. |
| | Staff training | Training available to key staff, however awareness to all staff communicated through staff fortnightly Communique newsletter. | Awareness training at future all staff events and inclusion as part of the induction process for new employees. |
| Supplier engagement | Awareness of Council's policy and expectations | Awareness included as part of the induction process for new employees. | Awareness training at future all staff events and inclusion as part of the induction process for new employees. |
| | Supplier training | Yet to be completely actioned. | A proposed supplier event to be organised by Council on how to use VendorPanel will include information on Modern Slavery. |
| | Supplier self-assessment questionnaire (SAQ) | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | High risk supplier engagement | Apart from requiring a Modern Slavery Questionnaire/ Statement on all purchases above \$4,999, more work is required in this space. | Internal audit to gauge whether staff are obtaining this information. |
| Risk assessment | Inherent risk assessment at a category level | Yet to be actioned. | Yet to be actioned. |
| | Pre-purchase checklist to identify higher risk procurements | Yet to be actioned. | Yet to be actioned. |
| | Supplier risk assessment – existing suppliers | Yet to be actioned. | Yet to be actioned. |
| | Supplier risk assessment – new and potential suppliers | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |

| | | | |
|------------------------------------|---|--|---|
| Tendering and contracting | Modern slavery tender criteria | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Procurement process/procedure includes the requirement to assess that the tendered price allows for at least the minimum level of wages and other entitlements required by law. | Yet to be actioned. | Yet to be actioned. |
| | Modern slavery contract clauses | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Supplier Code of Conduct | Yet to be actioned. | Yet to be actioned. |
| Reporting and grievance mechanisms | Confidential reporting mechanism/process for staff, contractors, community to report concerns related to modern slavery. | Yet to be actioned, however there is the ability to make such a report through the <i>Public Interest Disclosures Act, 2022</i> . | Yet to be actioned. |
| Response and remedy framework | Response and remedy framework involving actions, such as facilitation of access to health, legal or psychosocial services, financial compensation, and prevention of future harm. | Yet to be actioned, however Council staff have access to the Employee Assistance Program which can be access 24/7 with the first 2 sessions paid for by Council. | Yet to be actioned. |
| Monitoring and review | Monitoring and review of the effectiveness of modern slavery related processes. | Yet to be actioned. | Potentially could be the subject of an Internal Audit by the Audit, Risk and Improvement Committee. |

Management of High-Risk Categories

| Category | Due Diligence Measure | Progress | Planned |
|---------------------------------|--|---|--|
| ICT hardware | Supplier engagement | Yet to be actioned. | A proposed supplier event to be organised by Council on how to use VendorPanel will include information on Modern Slavery. |
| | Modern slavery risk assessment of suppliers | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Modern slavery tender criteria | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Modern slavery contract clauses | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Supplier Code of Conduct | Yet to be actioned. | Yet to be actioned. |
| | Contract KPIs in relation to modern slavery in place | Yet to be actioned. | Yet to be actioned. |
| | KPI measurement | Yet to be actioned. | Yet to be actioned. |
| Renewable energy (solar panels) | Supplier engagement | Yet to be actioned. | A proposed supplier event to be organised by Council on how to use VendorPanel will include information on Modern Slavery. |
| | Modern slavery risk assessment of suppliers | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Modern slavery tender criteria | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Modern slavery contract clauses | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Supplier Code of Conduct | Yet to be actioned. | Yet to be actioned. |

| | | | |
|-------------------|--|---|--|
| | Contract KPIs in relation to modern slavery in place | Yet to be actioned. | Yet to be actioned. |
| | KPI measurement | Yet to be actioned. | Yet to be actioned. |
| Cleaning services | Supplier engagement | Yet to be actioned. | A proposed supplier event to be organised by Council on how to use VendorPanel will include information on Modern Slavery. |
| | Modern slavery risk assessment of suppliers | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Modern slavery tender criteria | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Modern slavery contract clauses | Modern Slavery Questionnaire/Statement required on all purchases above \$4,999. | Internal audit to gauge whether staff are obtaining this information. |
| | Supplier Code of Conduct | Yet to be actioned. | Yet to be actioned. |
| | Contract KPIs in relation to modern slavery in place | Yet to be actioned. | Yet to be actioned. |
| | KPI measurement | Yet to be actioned. | Yet to be actioned. |



Narrandera

Shire Council

Audited Financial Reports for 2022-23

APPENDIX D

Engagement Closing Report

for the year ended 30 June 2023

Narrandera Shire Council



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1. INTRODUCTION

We have audited the Narrandera Shire Council (the Council):




- general purpose financial statements (GPFS)
- special purpose financial statements (SPFS) for the:
 - Council's Declared Business Activities
 - Special Schedule 'Permissible income for general rates' (the Schedule)







This report informs the General Manager, Mayor and the Audit, Risk and Improvement Committee of audit findings relevant to their responsibilities and oversight of the Council's financial statements. We will inform you if significant new matters are found while finalising the audit.

An audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify all matters of governance interest, nor is it conducted to express an opinion on the effectiveness of internal control. Matters of governance interest identified during the audit are included in this report.

2. AUDIT OVERVIEW

The table below provides an overview of findings identified during the audit of the Council.

| Impact assessment | | |
|---|-----------------|---|
|  | High | Matters identified which had a high impact on the financial statements and/or audit. |
|  | Moderate | Matters identified which had a moderate impact on the financial statements and/or audit. |
|  | Low | No matters or matters identified which had a low impact on the financial statements and/or audit. |

| Section | Outcome | | Reference |
|---|-----------------------------|---|---------------------|
| Audit outcome: | | | |
| GPFS | Unqualified opinion |  | 3.1 |
| SPFS for Council's Declared Business Activities | Unqualified opinion |  | 3.1 |
| Special Schedule 'Permissible income for general rates' | Unqualified opinion |  | 3.1 |
| Response to key issues and audit risks | Matters partially addressed |  | 4.1 |
| Misstatements | Misstatements noted |  | 4.2 |
| Compliance with legislative requirements | No matters noted |  | 4.3 |

3. AUDIT OUTCOME AND REPORTS

3.1 Audit outcome

We are likely to express an unmodified opinion on the GPFS, the SPFS for Declared Business Activities and the Schedule.

The Independent Auditor's Report for the SPFS engagements and Schedule will advise users the SPFS engagements and Schedule have been prepared in accordance with a special purpose framework to fulfil the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code). As a result, the SPFS engagements and Schedule may not be suitable for another purpose.

The Independent Auditor's Reports will be signed after the outstanding matters listed below are completed and the signed financial statements and management representation letters are received.

The following matters are outstanding at the date of this report:

- Reviewing and accepting final amendments to the financial statements
- Completion of our events after reporting period procedures up to the date of signing the audit reports.

Promptly resolving these matters will avoid delays in issuing the Independent Auditor's Reports.

'Other Information' section

The Council's annual report will include information in addition to the financial statements and Independent Auditor's Report. For the purposes of our audit this is considered 'other information'. Auditing Standards require us to consider whether the other information is materially consistent with the financial statements and the knowledge we obtained during the audit. Where matters are identified, we are required to disclose them in the Independent Auditor's Report.

3.2 Report on the Conduct of the Audit

We will issue the Report on the Conduct of the Audit required by section 417(3) of the *Local Government Act 1993* at the same time as the Independent Auditor's Reports. The Report on the Conduct of the Audit will incorporate comments we consider appropriate, based on the audit of the Council's financial statements.

3.3 Auditor-General's Report to Parliament

The 2023 Auditor-General's Report to Parliament will incorporate the results of the audit.

3.4 Management Letter

Enclosed is our Management letter which includes our observations from the final phase of the audit.

4. AUDIT FINDINGS

4.1 Response to key issues and audit risks

The Annual Engagement Plan sent on 15 March 2023, identified key issues affecting the Council and how the audit team planned to respond to them. The results of the audit work are detailed below.

| Issue or risk | Audit outcome |
|---|--|
| Assessing the fair value of Council’s infrastructure, property, plant and equipment (IPPE) | |
| <p>The Australian Accounting Standards require Council to annually assess:</p> <ul style="list-style-type: none"> • whether the carrying value of IPPE materially reflects fair value • useful lives remain reasonable • whether any assets are impaired | <p>We reviewed management’s procedures for assessing fair value at reporting date. We also considered relevant externally available information to ensure assets’ carrying amounts materially reflect fair value.</p> <p>Refer to the Appendix for corrected monetary misstatement.</p> |
| <p>This annual assessment along with significant judgements and assumptions should be documented.</p> | |
| Revaluation of Infrastructure, property, plant and equipment (IPPE) | |
| <p>Community land and operational land will be comprehensively revalued this year.</p> <p>Insufficient governance over the valuation process can impact on the quality and timeliness of financial reporting.</p> | <p>We assessed the:</p> <ul style="list-style-type: none"> • methodology of the revaluation to ensure it complied with AASB 13 Fair Value Measurement • qualifications and experience of experts used • completeness and accuracy of data provided to valuers • effectiveness of management’s process in assessing the valuation outcomes • process used to assess the assets’ condition • whether key asset management systems are regularly reconciled to the general ledger • reasonableness of useful lives and depreciation • accuracy of adjustments made to the fixed asset register and general ledger • adequacy of financial statement disclosures. <p>No exceptions were identified from our review of the comprehensive revaluations.</p> |
| Information Technology General Controls | |
| <p>Australian Auditing Standards require the auditor to understand the Council's control activities and obtain an understanding of how it has responded to risks arising from Information Technology (IT).</p> | <p>For all systems relevant to financial reporting, we:</p> <ul style="list-style-type: none"> • updated our understanding of the IT general controls and IT dependencies and identify related risks relevant to our audit approach; and • understood, evaluated and, where appropriate validated the IT general controls management has implemented to address these risks. <p>We are reporting one low risk rated issue relating to IT policies in our Management Letter.</p> |

Cyber security

| Issue or risk | Audit outcome |
|--|---|
| <p>The Council relies on digital technology to deliver services, organise and store information, manage business processes, and control critical infrastructure. The increasing global interconnectivity between computer networks has dramatically increased the risk of cyber security incidents. Such incidents can harm the Council's service delivery and may include the theft of information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent.</p> | <p>As part of the 2022–23 financial audit we assessed whether cyber security risks represent a risk of material misstatement to the Council's financial statements. Our audit procedures included:</p> <ul style="list-style-type: none"> • assessing whether the risk assessment process considers cyber security risks • determining how the roles and responsibilities for cyber security are established • obtaining an understanding of the process. <p>No issues were identified.</p> |
| Rehabilitation provision | |
| <p>The Council is responsible for rehabilitating closed and operating landfill sites. The rehabilitation obligations over the next 30 years were estimated at \$0.4 million at 30 June 2022. Management will reassess the rehabilitation provision at 30 June 2023.</p> | <p>We reviewed management's rehabilitation provision. We have checked calculation and inputs for completeness, and reviewed the methodology was according to the requirements of AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.</p> <p>The reassessed rehabilitation provision was \$0.5 million at 30 June 2023. No exceptions identified.</p> |
| Natural Disasters | |
| <p>The Council was recently impacted by severe weather and flooding (AGRN 1030 and 1034). It is important that the Council considers the potential financial implications of the event, which may include:</p> <ul style="list-style-type: none"> • asset impairment • insurance recoveries • restructuring costs • decommissioning obligations • regulatory requirements • impact to financial statement disclosures | <p>We have assessed:</p> <ul style="list-style-type: none"> • whether there are impairment indicators, requiring assets to be impaired • that assets have been appropriately disposed of • whether insurance recoveries have been appropriately accounted for • if decommissioning obligations arise • the appropriateness of disclosure in the financial statements. <p>Refer to the Appendix for corrected monetary misstatement of \$341,000. No exceptions identified.</p> |

4.2 Misstatements

Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance.

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the Council's financial reporting framework. Misstatements can arise from error or fraud. Misstatements that resulted from failures in internal controls and / or systemic deficiencies will be reported in the Management Letter.

General Purpose Financial Statements (GPFS)

The appendix lists and explains the nature and impact of the misstatements contained in the GPFS.

- Table one reports significant uncorrected misstatements and disclosure deficiencies
- Table two reports the effect on the reported net operating result of misstatements that have not been corrected in the period in which they occurred
- Table three reports significant corrected misstatements and disclosure deficiencies.

Based on our evaluation, none of the misstatements reported are due to fraud.

Special Purpose Financial Statements (SPFS)

Declared Business Activities

The SPFS for Declared Business Activities did not contain misstatements.

Special Schedule 'Permissible income for general rates' (the Schedule)

The Schedule did not contain misstatements.

4.3 Compliance with legislative requirements

The Annual Engagement Plan and Terms of Engagement explain that audit procedures are targeted specifically towards forming an opinion on the Council's financial statements. This includes testing whether the Council has complied with legislative requirements that may materially impact the financial statements.

Our audit procedures did not identify reportable findings on compliance with legislative requirements.

5. THE AUDIT PROCESS

5.1 Management co-operation

We appreciated the co-operation and help received from the Council's staff, in particular the finance team.

5.2 Next year's audit

Your comments about the audit process are welcomed.

APPENDIX – GENERAL PURPOSE FINANCIAL STATEMENTS

Table one: Uncorrected monetary misstatements and disclosure deficiencies

Uncorrected monetary misstatements

The following uncorrected monetary misstatements were identified and discussed with management. Management believes the effect of not correcting these misstatements is immaterial, individually and in aggregate, to the GPFS as a whole. We agree with management's determination and do not consider the uncorrected misstatements significant enough to modify the opinion in the Independent Auditor's Report. Management is required to attach the schedules of uncorrected misstatements to the Representation Letter. The misstatements were discussed with management on 14 September 2023.

| Description | Assets | Liabilities | Net result for the year | Other comprehensive income |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Increase/ (decrease) \$'000 | (Increase)/ decrease \$'000 | (Increase)/ decrease \$'000 | (Increase)/ decrease \$'000 |
| Factual misstatements | | | | |
| Investment in Western Riverina Library Investments was not recorded | 48 | - | (48) | - |
| Expenses incorrectly recognised in 2023-24 | - | (107) | 107 | - |
| Total impact if misstatements were corrected | 48 | (107) | 59 | - |

Uncorrected disclosure deficiencies

We did not detect any reportable disclosure deficiencies that remain uncorrected in the GPFS.

Table two: Effect of misstatements on the reported net operating result

To fully understand the current year's financial result, those charged with governance should consider the impact of misstatements from previous years corrected in the current period and current period errors that remain uncorrected.

This table illustrates the effect of misstatements that have not been corrected in the period in which they occurred.

| Description and effect | Net result for the year |
|---|-----------------------------------|
| | (Increase)/ decrease \$'000 |
| Net operating result as reported | (9,764) |
| Current year misstatements that have not been corrected | 59 |
| Adjusted current year net operating result | (9,705) |

Table three: Corrected monetary misstatements and disclosure deficiencies

Corrected monetary misstatements

Management corrected the following monetary misstatements in the current year's GPFS. We agree with management's determination and confirm this treatment complies with Australian Accounting Standards.

| Description | Assets | Liabilities | Net result for the year | Other comprehensive income |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Effect of correction | Increase/ (decrease) \$'000 | (Increase)/ decrease \$'000 | (Increase)/ decrease \$'000 | (Increase)/ decrease \$'000 |
| Factual misstatements | | | | |
| To recognise fair value decrement through the asset revaluation reserve | - | - | (341) | 341 |
| To recognise grant funding for performance obligations met | - | 42 | (42) | - |
| To correct fair value decrement reversal | (43) | - | - | 43 |
| Total impact of corrected misstatements | (43) | 42 | 299 | (298) |

Corrected disclosure deficiencies

Management corrected the following disclosure deficiencies in the current year's GPFS. We agree with management's determination and confirm this treatment complies with Australian Accounting Standards.

| AASB reference | Disclosure title | Description of disclosure deficiency |
|----------------|------------------|---|
| Various | Various | Various minor amendments and corrections were made to the financial statement disclosures |

Final management letter

for the year ended 30 June 2023

Narrandera Shire Council





We have rated the risk of each issue as 'Extreme', 'High', 'Moderate' or 'Low' based on the likelihood of the risk occurring and the consequences if the risk does occur.

The risk assessment matrix used is based on principles within the risk management framework in [TPP12-03 'Risk Management Toolkit for the NSW Public Sector'](#).

This framework may be used as better practice for councils.

| | | CONSEQUENCE | | | |
|------------|----------------|-------------|--------|------|-----------|
| | | Low | Medium | High | Very high |
| LIKELIHOOD | Almost certain | M | M | H | E |
| | Likely | L | M | H | H |
| | Possible | L | M | M | H |
| | Rare | L | L | M | M |

The risk level is a combination of the consequences and likelihood. The position within the matrix corresponds to the risk levels below.

| RISK LEVELS | MATRIX REFERENCE |
|---|------------------|
|  Extreme: | E |
|  High: | H |
|  Moderate: | M |
|  Low: | L |

For each issue identified, the principles within the consequence and likelihood tables, which are based on the principles within [TPP12-03](#) have been used to guide our assessment.

Consequence levels and descriptors

When assessing the consequence of each issue, we have regard to the length of time the issue remains unresolved. The lack of timeliness in resolving issues may indicate systemic issues and/or poor governance practices, which warrant an increase in the consequence level. As such, unresolved or unaddressed issues from prior periods are re-assessed annually. This re-assessment may lead to an increase in the risk rating adopted.

| Consequence level | Consequence level description |
|-------------------|--|
| Very high | <ul style="list-style-type: none"> Affects the ability of the entire entity to achieve its objectives and may require third party intervention; Arises from a fundamental systemic failure of governance practices and/or internal controls across the entity or across a critical/significant part of the entity; or May result in an inability for the auditor to issue an audit opinion or issue an unqualified audit opinion, and/or significant management work arounds and substantive tests of details was required in order to issue an unqualified opinion. |
| High | <ul style="list-style-type: none"> Requires coordinated management effort at the executive level; Arises from a widespread failure of governance practices and/or internal controls affecting most parts of the entity or across a significant/important part of the entity (eg. as demonstrated through a lack of timely resolution of unresolved/repeat issues); or May result in an inability for the auditor to issue an unqualified audit opinion, and/or significant management workarounds and substantive tests of details was required in order to issue an unqualified opinion. |
| Medium | <ul style="list-style-type: none"> Requires management effort from areas outside the business unit; or Arises from ineffective governance practices and/or internal controls affecting several parts or a key part of the entity (eg. as demonstrated through a lack of timely resolution of unresolved/repeat issues). |
| Low | <ul style="list-style-type: none"> Can be managed within normal management practices; or Arises from isolated ineffective governance practices and/or internal controls affecting a small part of the entity that are largely administrative in nature. |

Likelihood levels and descriptors

When assessing the likelihood of each issue, we have regard to the length of time the issue remains unresolved because the longer the risk remains unresolved the greater the chance the weakness could be exploited, or an adverse event or events could occur. As such, unresolved or unaddressed issues from prior periods are re-assessed annually. This re-assessment may lead to an increase in the risk rating adopted.

| Likelihood level | Frequency | Probability |
|------------------|--|---|
| Almost certain | The event is expected to occur in most circumstances, and frequently during the year | More than 99 per cent |
| Likely | The event will probably occur once during the year | More than 20 per cent and up to 99 per cent |
| Possible | The event might occur at some time in the next five years | More than 1 per cent and up to 20 per cent |
| Rare | The event could occur in exceptional circumstances | Less than 1 per cent |

Summary of issues


| Issue | Detail | Likelihood | Consequence | Risk assessment |
|-----------------------------|--------------------------------------|------------|-------------|---|
| Current year matters | | | | |
| 1 | Outdated IT Policies | Likely | Low |  Low |

Appendix

[Review of matters raised in prior year management letters that have been addressed](#)

Current year matters

Issue 1: Outdated IT Policies

| Likelihood | Consequence | Systemic issue | Category | Risk assessment |
|------------|-------------|----------------|-------------|---|
| Likely | Low | No | Operational |  Low |

Observation

The review date for the following policies were due on 1 June 2023:

- Information Security Policy
- Data Privacy and Protection Policy
- IT Access Control Policy
- IT Security Policy
- IT Acceptable Use Policy

These policies were not reviewed in 2022-23.

Implications

Increased risk in disruption in operations due to policies not updated for the current business practices and technology.

Increased cybersecurity risk.

Recommendation

Management should review and update the outdated policies to ensure that current processes reflect the procedural requirements. Key changes should be communicated to relevant staff.

Management response

Agree

Policy review due at 1 June was underway but incomplete at 30 June 2023.

Person responsible:

Nick Price - IT Manager



Date (to be) actioned:

Prior 31 December 2023

Appendix

Review of matters raised in prior year management letters that have been addressed

The issues in this appendix were raised in previous management letters. For each of these issues, we have determined how management has addressed the issue in the current year.

| Prior issues raised | Risk assessment | Assessment of action taken | Recommendation |
|--------------------------------|--|--|-------------------------|
| Disaster Recovery Plan testing |  Moderate | Matter has been addressed by management. | Nil as matter addressed |
| Water billing cycle cut off |  Low | Matter has been addressed by management. | Nil as matter addressed |



Cr Neville Kschenka
Mayor
Narrandera Shire Council
141 East Street
NARRANDERA NSW 2705

Contact: Hong Wee Soh
Phone no: 02 9275 7397
Our ref: R008-16585809-44612/1768

18 September 2023

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

| | 2023 | 2022 | Variance |
|--|------|------|----------|
| | \$'m | \$m | % |
| Rates and annual charges revenue | 8.6 | 8.4 | ↑ 2.3 |
| Grants and contributions revenue | 19.4 | 16.1 | ↑ 20.4 |
| Operating result from continuing operations | 9.8 | 7.2 | ↑ 36.1 |
| Net operating result before capital grants and contributions | 4.5 | 0.3 | ↑ >100 |

The Council's operating result from continuing operations (\$9.8 million including depreciation and amortisation expense of \$6.3 million) was \$2.6 million higher than the 2021–22 result.

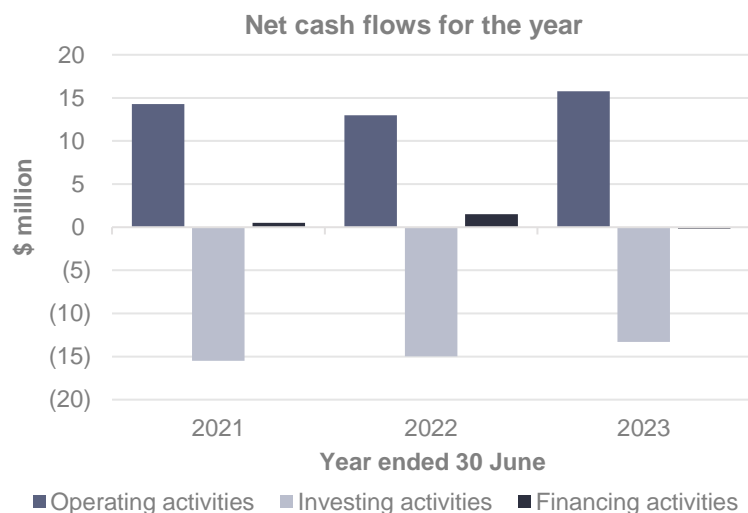
The net operating result before capital grants and contributions (\$4.5 million) was \$4.2 million higher than the 2021–22 result.

Rates and annual charges revenue (\$8.6 million) increased by \$0.2 million (2.3 per cent) in 2022–23 due to increase in rateable properties and increase in rate peg to 2.0%.

Grants and contributions revenue (\$19.4 million) increased by \$3.3 million (20.5 per cent) in 2022–23 due to a \$3.4 million increase in transport operational grants.

STATEMENT OF CASH FLOWS

- The Council's cash and cash equivalents was \$3.7 million at 30 June 2023 (\$1.4 million at 30 June 2022). There was a net increase in cash and cash equivalents of \$2.3 million during 2022-23.
- Net cash provided by operating activities has increased by \$2.8 million. This is mainly due to the increase in grants and contributions of \$3.9 million.
- Net cash used in investing activities has decreased by \$1.7 million, which is driven by the increase in purchase of infrastructure, property, plant and equipment of \$2.0 million.
- Net cash used in financing activities decreased by \$1.7 million, as \$1.6 million external borrowing was drawn by the Council during 2021-22.



FINANCIAL POSITION

Cash and investments

| Cash and investments | 2023 | 2022 | Commentary |
|---|-------------|-------------|--|
| | \$m | \$m | |
| Total cash, cash equivalents and investments | 36.3 | 29.2 | <ul style="list-style-type: none"> Externally restricted balances comprise mainly of developer contributions, water and sewer funds. The increase of \$7.1 million is primarily due to a \$4.2 million increase in specific purpose unexpended grants |
| Restricted cash and investments: | | | <ul style="list-style-type: none"> Internal allocations are determined by council policies or decisions, which are subject to change. |
| • External restrictions | 20.0 | 14.7 | |
| • Internal allocations | 16.1 | 14.4 | The increase of \$1.7 million in the internal allocations is primarily due to a \$2.0 million increase in the Financial Assistance Grant received in advance |

Debt

The Council has \$1.9 million of borrowings as at 30 June 2023 (2022: \$2.0 million). The borrowings are drawn through CBA related to the refurbishment and upgrading of Lake Talbot Water Park, and New South Wales Treasury Corporation related to the Barellan sewer project.

The Council also has a \$0.35 million bank overdraft facility, which was not drawn as at 30 June 2023 and 30 June 2022.

PERFORMANCE

Performance measures

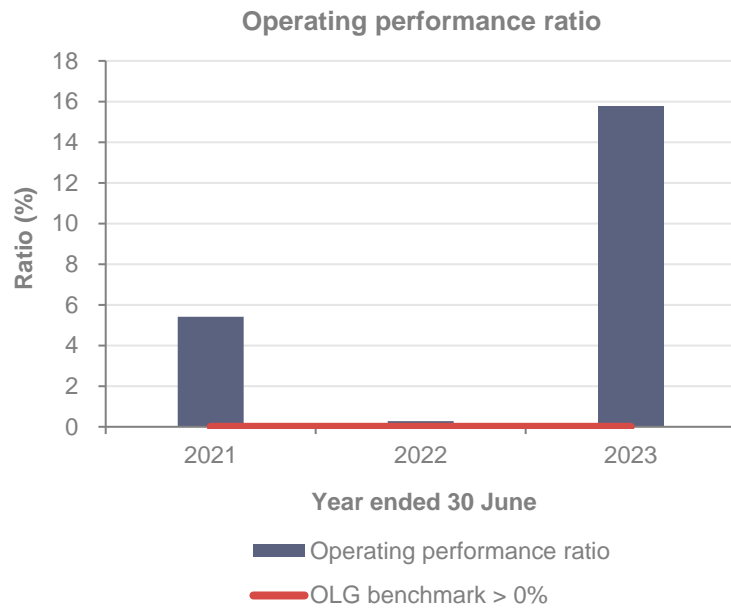
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

Operating performance ratio

The '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.

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

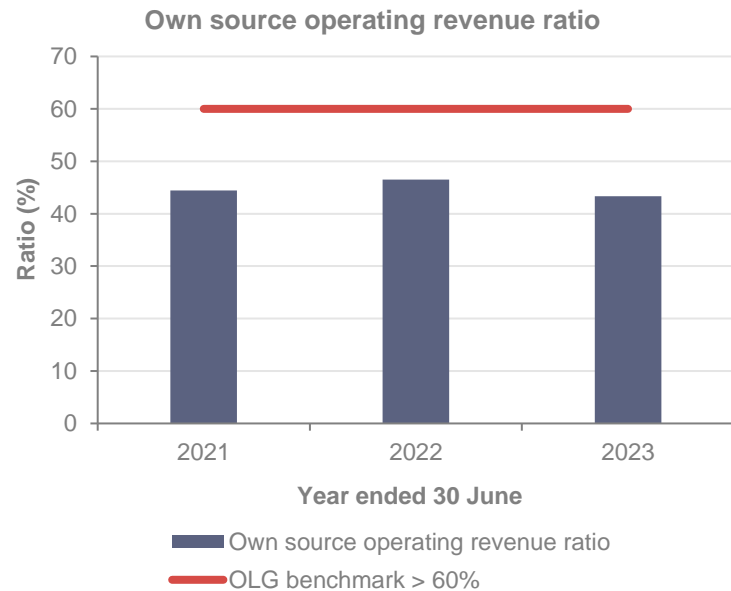
The performance improved due to a \$4.9 million increase in operating grants and contributions.



Own source operating revenue ratio

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.

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

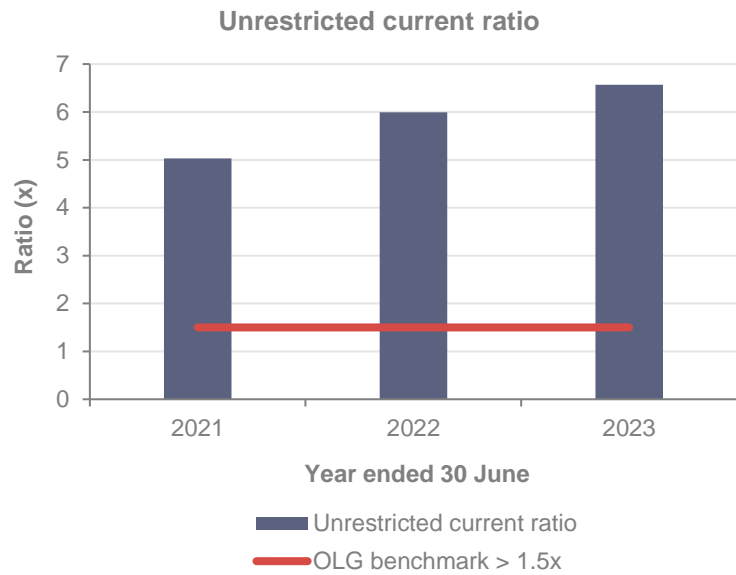


Unrestricted current ratio

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.

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

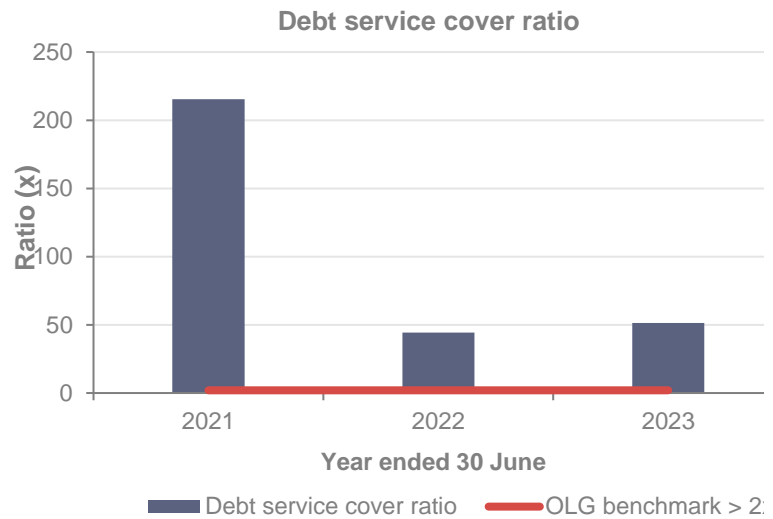
The current ratio improved due to a \$7.0 million increase in cash, cash equivalents and investments.



Debt service cover ratio

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.

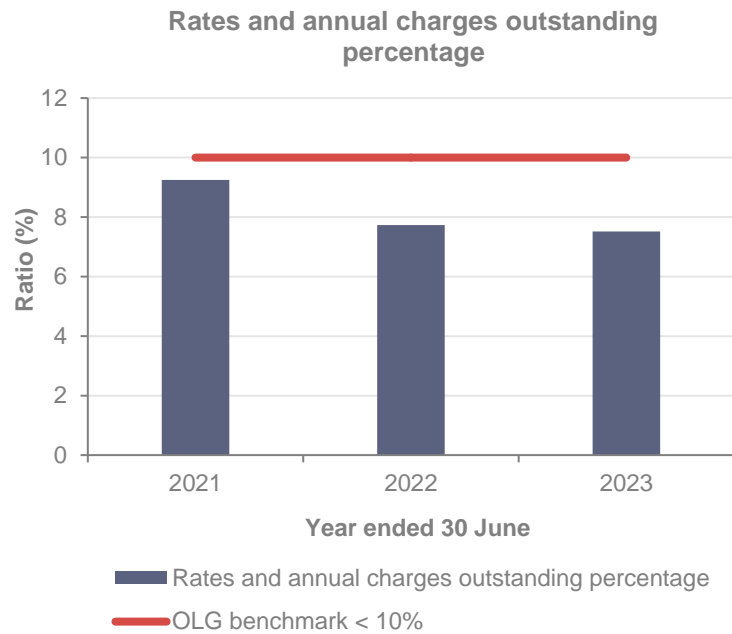
The Council met the OLG benchmark for the current reporting period.



Rates and annual charges outstanding percentage

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

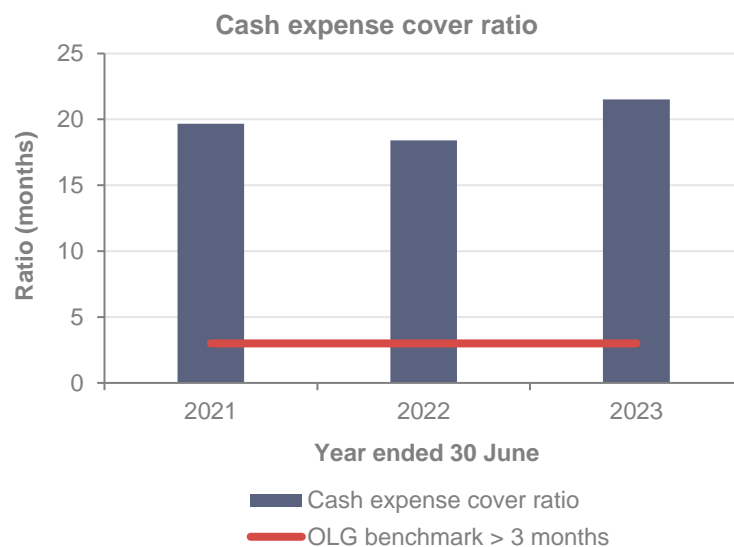
The Council met the OLG benchmark for the current reporting period.



Cash expense cover ratio

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.

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



Infrastructure, property, plant and equipment renewals

The Council renewed \$2.3 million of assets in 2022-23, compared to \$7.6 million of assets in 2021-22.

OTHER MATTERS

Legislative compliance

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

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



Hong Wee Soh

Delegate of the Auditor-General for New South Wales

cc: Mr George Cowan, General Manager
Mr John Batchelor, Chair of the Audit, Risk and Improvement Committee
Ms Kiersten Fishburn, Secretary of the Department of Planning and Environment

General Purpose Financial Statements

Year Ended
30 June 2023



Narrandera
Shire Council

Narrandera Shire Council

General Purpose Financial Statements

for the year ended 30 June 2023

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Overview

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

141 East St
Narrandera NSW 2700

Council's guiding principles are detailed in Chapter 3 of the *Local Government Act 1993* (NSW) 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.narrandera.nsw.gov.au

Narrandera Shire 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 the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

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

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

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

Narrandera Shire Council

General Purpose Financial Statements

for the year ended 30 June 2023

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

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

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

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

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

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

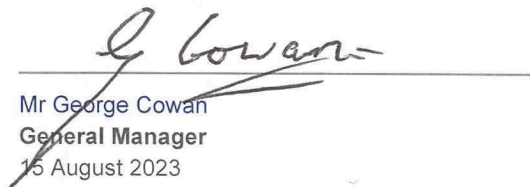
Signed in accordance with a resolution of Council made on 15 August 2023.



Neville Kschenka
Mayor
15 August 2023



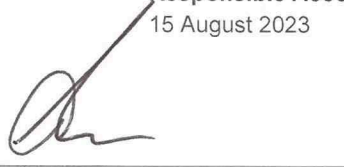
Narelle Payne
Councillor
15 August 2023



Mr George Cowan
General Manager
15 August 2023



Mr Martin Hiscox
Responsible Accounting Officer
15 August 2023



Mr Shane Wilson
Deputy General Manager Infrastructure
15 August 2023

Narrandera Shire Council

Income Statement

for the year ended 30 June 2023

| Original unaudited budget 2023 | \$ '000 | Notes | Actual 2023 | Actual 2022 |
|--|--|-------|----------------|----------------|
| Income from continuing operations | | | | |
| 8,597 | Rates and annual charges | B2-1 | 8,586 | 8,362 |
| 3,213 | User charges and fees | B2-2 | 3,854 | 3,873 |
| 721 | Other revenues | B2-3 | 1,508 | 1,357 |
| 7,643 | Grants and contributions provided for operating purposes | B2-4 | 14,187 | 9,267 |
| 7,739 | Grants and contributions provided for capital purposes | B2-4 | 5,217 | 6,824 |
| 226 | Interest and investment income | B2-5 | 658 | 188 |
| 225 | Other income | B2-6 | 217 | 209 |
| 92 | Net gain from the disposal of assets | B4-1 | – | 363 |
| 28,456 | Total income from continuing operations | | 34,227 | 30,443 |
| Expenses from continuing operations | | | | |
| 8,450 | Employee benefits and on-costs | B3-1 | 8,559 | 8,234 |
| 5,732 | Materials and services | B3-2 | 9,007 | 8,392 |
| 46 | Borrowing costs | B3-3 | 64 | 39 |
| 6,123 | Depreciation, amortisation and impairment of non-financial assets | B3-4 | 6,298 | 5,980 |
| 403 | Other expenses | B3-5 | 514 | 637 |
| – | Net loss from the disposal of assets | B4-1 | 22 | – |
| 20,754 | Total expenses from continuing operations | | 24,464 | 23,282 |
| 7,702 | Operating result from continuing operations | | 9,763 | 7,161 |
| 7,702 | Net operating result for the year attributable to Council | | 9,763 | 7,161 |
| (37) | Net operating result for the year before grants and contributions provided for capital purposes | | 4,546 | 337 |

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

Narrandera Shire 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 | | 9,763 | 7,161 |
| 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 | 29,053 | (1,082) |
| Total items which will not be reclassified subsequently to the operating result | | 29,053 | (1,082) |
| Total other comprehensive income for the year | | 29,053 | (1,082) |
| Total comprehensive income for the year attributable to Council | | 38,816 | 6,079 |

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

Narrandera Shire Council

Statement of Financial Position

as at 30 June 2023

| \$ '000 | Notes | 2023 | 2022 |
|--|-------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | C1-1 | 3,716 | 1,396 |
| Investments | C1-2 | 32,563 | 27,846 |
| Receivables | C1-4 | 2,360 | 2,201 |
| Inventories | C1-5 | 447 | 791 |
| Contract assets and contract cost assets | C1-6 | 1,224 | 644 |
| Other | C1-8 | 26 | – |
| Total current assets | | 40,336 | 32,878 |
| Non-current assets | | | |
| Receivables | C1-4 | – | 26 |
| Inventories | C1-5 | 161 | – |
| Infrastructure, property, plant and equipment (IPPE) | C1-7 | 255,696 | 224,164 |
| Right of use assets | C2-1 | 12 | – |
| Total non-current assets | | 255,869 | 224,190 |
| Total assets | | 296,205 | 257,068 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | C3-1 | 1,862 | 2,003 |
| Contract liabilities | C3-2 | 2,661 | 2,057 |
| Lease liabilities | C2-1 | 5 | – |
| Borrowings | C3-3 | 147 | 144 |
| Employee benefit provisions | C3-4 | 2,443 | 2,518 |
| Total current liabilities | | 7,118 | 6,722 |
| Non-current liabilities | | | |
| Lease liabilities | C2-1 | 6 | – |
| Borrowings | C3-3 | 1,757 | 1,904 |
| Employee benefit provisions | C3-4 | 88 | 90 |
| Provisions | C3-5 | 500 | 432 |
| Total non-current liabilities | | 2,351 | 2,426 |
| Total liabilities | | 9,469 | 9,148 |
| Net assets | | 286,736 | 247,920 |
| EQUITY | | | |
| Accumulated surplus | C4-1 | 175,638 | 165,875 |
| IPPE revaluation reserve | C4-1 | 111,098 | 82,045 |
| Total equity | | 286,736 | 247,920 |

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

Narrandera Shire Council

Statement of Changes in Equity

for the year ended 30 June 2023

| \$ '000 | Notes | 2023 | | | 2022 | | |
|---|-------|---------------------|--------------------------|----------------|---------------------|--------------------------|----------------|
| | | Accumulated surplus | IPPE revaluation reserve | Total equity | Accumulated surplus | IPPE revaluation reserve | Total equity |
| Opening balance at 1 July | | 165,875 | 82,045 | 247,920 | 158,714 | 83,127 | 241,841 |
| Opening balance | | 165,875 | 82,045 | 247,920 | 158,714 | 83,127 | 241,841 |
| Net operating result for the year | | 9,763 | – | 9,763 | 7,161 | – | 7,161 |
| Net operating result for the period | | 9,763 | – | 9,763 | 7,161 | – | 7,161 |
| Other comprehensive income | | | | | | | |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment | C1-7 | – | 29,053 | 29,053 | – | (1,082) | (1,082) |
| Other comprehensive income | | – | 29,053 | 29,053 | – | (1,082) | (1,082) |
| Total comprehensive income | | 9,763 | 29,053 | 38,816 | 7,161 | (1,082) | 6,079 |
| Closing balance at 30 June | | 175,638 | 111,098 | 286,736 | 165,875 | 82,045 | 247,920 |

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

Narrandera Shire 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> | | | | |
| 8,604 | Rates and annual charges | | 8,651 | 8,502 |
| 3,175 | User charges and fees | | 3,752 | 4,091 |
| 224 | Interest received | | 409 | 173 |
| 15,132 | Grants and contributions | | 19,427 | 15,494 |
| – | Bonds, deposits and retentions received | | 30 | – |
| 1,095 | Other | | 3,599 | 3,705 |
| <i>Payments:</i> | | | | |
| (8,380) | Payments to employees | | (8,679) | (8,184) |
| (5,814) | Payments for materials and services | | (9,198) | (8,626) |
| (46) | Borrowing costs | | (47) | (28) |
| – | Bonds, deposits and retentions refunded | | – | (66) |
| (401) | Other | | (2,162) | (2,066) |
| 13,589 | Net cash flows from operating activities | G1-1 | 15,782 | 12,995 |
| Cash flows from investing activities | | | | |
| <i>Receipts:</i> | | | | |
| 592 | Sale of investments | | 27,846 | 25,836 |
| – | Sale of real estate assets | | 1,325 | 212 |
| 455 | Proceeds from sale of IPPE | | 101 | 339 |
| – | Deferred debtors receipts | | – | 1 |
| <i>Payments:</i> | | | | |
| – | Purchase of investments | | (27,846) | (25,836) |
| – | Acquisition of term deposits | | (4,717) | (3,000) |
| (15,913) | Payments for IPPE | | (9,175) | (12,519) |
| – | Purchase of real estate assets | | (774) | (5) |
| – | Deferred debtors and advances made | | (73) | – |
| (14,866) | Net cash flows from investing activities | | (13,313) | (14,972) |
| Cash flows from financing activities | | | | |
| <i>Receipts:</i> | | | | |
| 2,000 | Proceeds from borrowings | | – | 1,620 |
| <i>Payments:</i> | | | | |
| (144) | Repayment of borrowings | | (144) | (97) |
| – | Principal component of lease payments | | (5) | – |
| 1,856 | Net cash flows from financing activities | | (149) | 1,523 |
| 579 | Net change in cash and cash equivalents | | 2,320 | (454) |
| – | Cash and cash equivalents at beginning of year | | 1,396 | 1,850 |
| 579 | Cash and cash equivalents at end of year | C1-1 | 3,716 | 1,396 |
| 17,339 | plus: Investments on hand at end of year | C1-2 | 32,563 | 27,846 |
| 17,918 | Total cash, cash equivalents and investments | | 36,279 | 29,242 |

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

Narrandera Shire Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

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Narrandera Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 15 August 2023. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimations and assumptions concerning the future.

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

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

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

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service
- Barellan Hall and Museum
- Grong Grong Hall
- Narrandera Railway Management Committee
- Narrandera Koala Regeneration Centre Supervisory Committee

A1-1 Basis of preparation (continued)

- Arts Centre and Narrandera Museum

The Trust Fund

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

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

A separate statement of monies held in the Trust Fund is available for inspection at the 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 makes use of volunteers for the community transport program, museums at Narrandera and Barellan and also library services. The estimated value of these services has been included in the financial statements based on an average salary and on costs council would be required to pay if the services were not donated.

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

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

New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2023.

None of these standards had an impact on the reported position or performance.

B Financial Performance

B1 Functions or activities

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

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

| \$ '000 | Income | | Expenses | | Operating result | | Grants and contributions | | Carrying amount of assets | |
|---------------------------------------|---------------|---------------|---------------|---------------|------------------|--------------|--------------------------|---------------|---------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Functions or activities | | | | | | | | | | |
| Our Community | 7,193 | 5,579 | 6,253 | 6,117 | 940 | (538) | 5,915 | 4,357 | 40,024 | 34,636 |
| Our Environment | 1,324 | 1,488 | 1,636 | 1,624 | (312) | (136) | 219 | 496 | 3,129 | 2,891 |
| Our Economy | 1,644 | 2,655 | 2,853 | 3,332 | (1,209) | (677) | 7 | 343 | 7,540 | 7,096 |
| Our Infrastructure | 10,104 | 7,581 | 10,359 | 9,014 | (255) | (1,433) | 5,531 | 4,006 | 223,235 | 193,645 |
| Our Civic Leadership | 13,962 | 13,140 | 3,363 | 3,195 | 10,599 | 9,945 | 7,732 | 6,889 | 22,277 | 18,800 |
| Total functions and activities | 34,227 | 30,443 | 24,464 | 23,282 | 9,763 | 7,161 | 19,404 | 16,091 | 296,205 | 257,068 |

B1-2 Components of functions or activities

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

Our Community

Security cameras, emergency services, health, aged & disabled services, social support, home modification and maintenance, community transport, community options, youth and childcare services, street lighting, public cemeteries, library, swimming pools, sportsgrounds, parks & reserves, Lake Talbot, sports stadium, cultural services, roads safety officer, arts centre.

Our Environment

Ordinance and ranger services, insect & vermin control, noxious weeds, waste management, public toilets, environmental protection, development control.

Our Economy

State Roads contract, economic development/real estate, industrial subdivision, industrial promotion, marketing & tourism, visitors centre, saleyards, caravan parks, private works, council land & buildings, aerodrome.

Our Infrastructure

Infrastructure services, stormwater, urban & rural roads, regional roads, bridges, Roads to Recovery, roads ancilliary, car parking, water & sewer services.

Our Civic Leadership

Governance, council chambers, administration, finance, human resources & work health and safety, information technology, property/revenue, employment overheads, plant operations, external plant revenue and general purposes income.

B2 Sources of income

B2-1 Rates and annual charges

| \$ '000 | 2023 | 2022 |
|---|--------------|--------------|
| Ordinary rates | | |
| Residential | 1,712 | 1,674 |
| Farmland | 3,114 | 3,067 |
| Business | 461 | 445 |
| Less: pensioner rebates | (131) | (136) |
| Rates levied to ratepayers | 5,156 | 5,050 |
| Pensioner rate subsidies received | 74 | 74 |
| Total ordinary rates | 5,230 | 5,124 |
| Annual charges (pursuant to s496, 496A, 496B, 501 & 611) | | |
| Domestic waste management services | 807 | 792 |
| Stormwater management services | 75 | 71 |
| Water supply services | 865 | 810 |
| Sewerage services | 1,516 | 1,475 |
| Waste management services | 126 | 124 |
| Less: pensioner rebates | (74) | (76) |
| Annual charges levied | 3,315 | 3,196 |
| Pensioner annual charges subsidies received: | | |
| – Water | 22 | 22 |
| – Sewerage | 19 | 20 |
| Total annual charges | 3,356 | 3,238 |
| Total rates and annual charges | 8,586 | 8,362 |
| Timing of revenue recognition for rates and annual charges | | |
| Rates and annual charges recognised at a point in time | 8,586 | 8,362 |
| Total rates and annual charges | 8,586 | 8,362 |

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

Accounting policy

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

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

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

B2-2 User charges and fees

| \$ '000 | Timing | 2023 | 2022 |
|--|--------|--------------|--------------|
| User charges | | | |
| Water supply services | 2 | 1,334 | 1,067 |
| Sewerage services | 2 | 122 | 116 |
| Total User charges | | 1,456 | 1,183 |
| Fees | | | |
| (i) Fees – statutory and regulatory functions (per s.608) | | | |
| Inspection services | 2 | 4 | 5 |
| Planning and building regulation | 2 | 118 | 123 |
| Private works – section 67 | 2 | 350 | 839 |
| Section 10.7 certificates (EP&A Act) | 2 | 14 | 22 |
| Section 603 certificates | 2 | 15 | 22 |
| Companion animals fees | 2 | 1 | 1 |
| Total Fees – statutory/regulatory | | 502 | 1,012 |
| (ii) Fees – other (incl. general user charges (per s.608)) | | | |
| Aerodrome | 2 | 81 | 34 |
| Aged care | 2 | 741 | 632 |
| Cemeteries | 2 | 173 | 152 |
| Leaseback fees – Council vehicles | 2 | 23 | 28 |
| Multipurpose centre | 2 | 15 | 12 |
| Transport for NSW (formerly RMS) charges (state roads not controlled by Council) | 2 | 662 | 277 |
| Transport for NSW (formerly RMS) charges (ordered works) | 2 | – | 388 |
| Sundry sales | 2 | 2 | 1 |
| Waste disposal tipping fees | 2 | 34 | 22 |
| Connection fees | 2 | 21 | 23 |
| Sportsground Fees | 2 | 20 | 7 |
| Halls | 2 | 1 | – |
| Library | 2 | 5 | 3 |
| Stadium Fees | 2 | 62 | 42 |
| Truck Wash | 2 | 30 | 36 |
| Other | 2 | 26 | 21 |
| Total Fees – other | | 1,896 | 1,678 |
| Total Fees | | 2,398 | 2,690 |
| Total user charges and fees | | 3,854 | 3,873 |
| Timing of revenue recognition for user charges and fees | | | |
| User charges and fees recognised at a point in time (2) | | 3,854 | 3,873 |
| Total user charges and fees | | 3,854 | 3,873 |

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.

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 | Timing | 2023 | 2022 |
|---|--------|--------------|--------------|
| Fines | 2 | 5 | 5 |
| Legal fees recovery – rates and charges (extra charges) | 2 | 54 | 89 |
| Insurance claims recoveries | 2 | 208 | 171 |
| Commissions and agency fees | 2 | 42 | 43 |
| Recycling income (non-domestic) | 2 | 24 | 12 |
| Diesel rebate | 2 | 73 | 68 |
| Sales – general | 2 | 38 | 35 |
| Incentive insurance rebate | 2 | 27 | 27 |
| Insurance reimbursement | 2 | 8 | 34 |
| Rural fire service reimbursement | 2 | 161 | 98 |
| Sale of scrap materials | 2 | 6 | 18 |
| Temporary Sale of Water Allocation | 2 | 288 | 288 |
| Volunteer Services | 2 | 529 | 456 |
| Other | 2 | 45 | 13 |
| Total other revenue | | 1,508 | 1,357 |
| Timing of revenue recognition for other revenue | | | |
| Other revenue recognised at a point in time (2) | | 1,508 | 1,357 |
| Total other revenue | | 1,508 | 1,357 |

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 | Timing | Operating 2023 | Operating 2022 | Capital 2023 | Capital 2022 |
|--|--------|-------------------|-------------------|-----------------|-----------------|
| General purpose grants and non-developer contributions (untied) | | | | | |
| General purpose (untied) | | | | | |
| Current year allocation | | | | | |
| Financial assistance | 2 | 1,597 | 2,682 | - | - |
| Payment in advance - future year allocation | | | | | |
| Financial assistance | 2 | 6,119 | 4,125 | - | - |
| Amount recognised as income during current year | | 7,716 | 6,807 | - | - |
| Special purpose grants and non-developer contributions (tied) | | | | | |
| Cash contributions | | | | | |
| Water supplies | 2 | - | - | 24 | - |
| Sewerage | 1 | - | - | 332 | 226 |
| Aged care | 2 | 11 | - | - | - |
| Bushfire and emergency services | 2 | - | 92 | - | - |
| Employment and training programs | 2 | 16 | 82 | - | - |
| Heritage and cultural | 2 | 65 | 28 | - | - |
| Library | 2 | - | 1 | 36 | - |
| Library – per capita | 2 | 61 | 60 | - | - |
| Library – special projects | 2 | 19 | 19 | - | - |
| Noxious weeds | 2 | 44 | 44 | - | - |
| Community services | 2 | 43 | 10 | - | - |
| Floodplain mapping and land use | 2 | 109 | 153 | - | - |
| Crown Lands | 2 | - | - | - | 87 |
| Street lighting | 2 | 87 | 33 | - | - |
| Stronger Country Communities - Council Projects | 1 | - | - | 297 | 141 |
| Stronger Country Communities - Community Grants | 1 | - | 11 | - | - |
| Drought Communities - Council Projects | 1 | - | - | - | 6 |
| Local Roads & Community Infrastructure | 1 | - | - | 675 | 684 |
| Truck Wash | 2 | - | - | - | - |
| Playground on The Murrumbidgee | 1 | - | - | 2,990 | 1,762 |
| Regional Airports | 1 | - | - | 7 | 344 |
| Recreation and culture | 2 | 9 | - | - | 552 |
| Planning portal | 2 | - | 80 | - | - |
| Community Building Partnership | 1 | - | - | - | 26 |
| Transport (roads to recovery) | 2 | 603 | 997 | - | - |
| Drainage | 1 | - | - | 106 | - |
| Health and safety | 2 | 63 | - | - | - |
| Transport (other roads and bridges funding) | 2 | 3,454 | 51 | 414 | 1,844 |
| Other specific grants | 2 | 238 | 35 | - | - |
| Tourism | 2 | 14 | 132 | - | - |
| Recreation and culture | 1 | - | - | 83 | 73 |
| Transport for NSW contributions (regional roads, block grant) | 2 | 574 | 564 | 92 | 100 |
| Other contributions | 2 | - | - | 1 | - |
| Leeton Shire Council aerodrome contributions | 2 | 61 | 68 | 4 | 149 |
| Disaster Recovery Funding | 2 | 1,000 | - | - | - |
| Total special purpose grants and non-developer contributions – cash | | 6,471 | 2,460 | 5,061 | 5,994 |
| Non-cash contributions | | | | | |
| Rural Fire Services - Red Fleet | 2 | - | - | 46 | 527 |
| Total other contributions – non-cash | | - | - | 46 | 527 |

B2-4 Grants and contributions (continued)

| \$ '000 | Timing | Operating 2023 | Operating 2022 | Capital 2023 | Capital 2022 |
|--|--------|---------------------------|-------------------|-------------------------|-----------------|
| Total special purpose grants and non-developer contributions (tied) | | 6,471 | 2,460 | 5,107 | 6,521 |
| Total grants and non-developer contributions | | 14,187 | 9,267 | 5,107 | 6,521 |

B2-4 Grants and contributions (continued)

| \$ '000 | Timing | Operating 2023 | Operating 2022 | Capital 2023 | Capital 2022 |
|------------------------|--------|-------------------|-------------------|-----------------|-----------------|
| Comprising: | | | | | |
| – Commonwealth funding | | 8,346 | 7,887 | 675 | 1,242 |
| – State funding | | 5,611 | 1,227 | 4,298 | 4,530 |
| – Other funding | | 230 | 153 | 134 | 749 |
| | | 14,187 | 9,267 | 5,107 | 6,521 |

Developer contributions

| \$ '000 | Notes | Timing | 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 | | 2 | – | – | – | 250 |
| S 7.11 – contributions towards amenities/services | | 2 | – | – | – | 20 |
| S 7.12 – fixed development consent levies | | 2 | – | – | 55 | 17 |
| S 64 – water supply contributions | | 2 | – | – | 43 | 16 |
| S 64 – sewerage service contributions | | 2 | – | – | 12 | – |
| Total developer contributions – cash | | | – | – | 110 | 303 |
| Total developer contributions | | | – | – | 110 | 303 |
| Total contributions | | | – | – | 110 | 303 |
| Total grants and contributions | | | 14,187 | 9,267 | 5,217 | 6,824 |
| Timing of revenue recognition for grants and contributions | | | | | | |
| Grants and contributions recognised over time (1) | | | – | 11 | 4,490 | 3,814 |
| Grants and contributions recognised at a point in time (2) | | | 14,187 | 9,256 | 727 | 3,010 |
| Total grants and contributions | | | 14,187 | 9,267 | 5,217 | 6,824 |

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

| \$ '000 | Operating 2023 | Operating 2022 | Capital 2023 | Capital 2022 |
|---|-------------------|-------------------|-----------------|-----------------|
| Unspent grants and contributions | | | | |
| Unspent funds at 1 July | 1,256 | 1,066 | 2,777 | 2,178 |
| Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions | 5,306 | 843 | 129 | 308 |
| Add: Funds received and not recognised as revenue in the current year | – | – | 1,510 | 1,948 |
| Less: Funds recognised as revenue in previous years that have been spent during the reporting year | (784) | (642) | (10) | (179) |
| Less: Funds received in prior year but revenue recognised and funds spent in current year | (5) | (11) | (902) | (1,478) |
| Unspent funds at 30 June | 5,773 | 1,256 | 3,504 | 2,777 |

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 evidence of the event taking place or satisfactory achievement of milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

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.

B2-4 Grants and contributions (continued)

Other grants and contributions

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

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

B2-5 Interest and investment income

| \$ '000 | 2023 | 2022 |
|--|------------|------------|
| Interest on financial assets measured at amortised cost | | |
| – Overdue rates and annual charges (incl. special purpose rates) | 46 | 52 |
| – Cash and investments | 611 | 135 |
| Dividend income (other) | 1 | 1 |
| Total interest and investment income | 658 | 188 |
| Interest and investment income is attributable to: | | |
| Unrestricted investments/financial assets: | | |
| Overdue rates and annual charges (general fund) | 24 | 30 |
| General Council cash and investments | 376 | 71 |
| Restricted investments/funds – external: | | |
| Development contributions | | |
| - Section 7.4 Planning Agreements | 6 | 1 |
| – Section 7.11 | 2 | – |
| - Section 7.12 | 5 | 1 |
| – Section 64 | 7 | 2 |
| Water fund operations | 146 | 50 |
| Sewerage fund operations | 66 | 20 |
| Domestic waste management operations | 26 | 13 |
| Total interest and investment income | 658 | 188 |

Accounting policy

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

Dividends are recognised as income in profit or loss when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B2-6 Other income

| \$ '000 | Notes | 2023 | 2022 |
|---------------------------------|-------|------------|------------|
| Rental income | | | |
| Other lease income | | | |
| Aerodrome Hangers | | 10 | 13 |
| Caravan Park | | 93 | 89 |
| Housing | | 46 | 41 |
| Reverse Vending Machine | | 2 | – |
| Shops & Offices | | 27 | 26 |
| Tower Rental | | 37 | 35 |
| Other | | 2 | 5 |
| Total other lease income | | 217 | 209 |
| Total rental income | C2-2 | 217 | 209 |
| Total other income | | 217 | 209 |

B3 Costs of providing services

B3-1 Employee benefits and on-costs

| \$ '000 | 2023 | 2022 |
|--|--------------|--------------|
| Salaries and wages | 7,002 | 7,074 |
| Employee leave entitlements (ELE) | 1,516 | 1,311 |
| Superannuation | 864 | 833 |
| Workers' compensation insurance | 183 | 282 |
| Fringe benefit tax (FBT) | 38 | 26 |
| Sick leave insurance | – | 14 |
| Other | 10 | 14 |
| Total employee costs | 9,613 | 9,554 |
| Less: capitalised costs | (1,054) | (1,320) |
| Total employee costs expensed | 8,559 | 8,234 |
| Number of 'full-time equivalent' employees (FTE) at year end | 100 | 103 |

Accounting policy

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

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

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

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

B3-2 Materials and services

| \$ '000 | Notes | 2023 | 2022 |
|---|-------|--------------|--------------|
| Advertising | | 11 | 7 |
| Audit Fees | F2-1 | 87 | 89 |
| Bank charges | | 57 | 52 |
| Contractor costs | | 1,213 | 898 |
| Councillor and Mayoral fees and associated expenses | F1-2 | 181 | 145 |
| Election expenses | | – | 55 |
| Electricity and heating | | 662 | 505 |
| Fire control expenses | | 68 | 67 |
| Insurance | | 450 | 428 |
| Other expenses | | 70 | 9 |
| Postage | | 22 | 20 |
| Printing and stationery | | 24 | 30 |
| Raw materials and consumables | | 5,267 | 5,232 |
| Street lighting | | 99 | 87 |
| Subscriptions and publications | | 90 | 86 |
| Telephone and communications | | 80 | 65 |
| Valuation fees | | 31 | 29 |
| Volunteer Services expense | | 529 | 456 |
| Legal expenses: | | | |
| – Legal expenses: planning and development | | – | 6 |
| – Legal expenses: debt recovery | | 54 | 89 |
| – Legal expenses: other | | – | 24 |
| Expenses from leases of low value assets | | 9 | 11 |
| Variable lease expense relating to usage | | 3 | 2 |
| Total materials and services | | 9,007 | 8,392 |
| Total materials and services | | 9,007 | 8,392 |

Accounting policy

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

B3-3 Borrowing costs

| \$ '000 | Notes | 2023 | 2022 |
|---|-------|-----------|-----------|
| (i) Interest bearing liability costs | | | |
| Interest on leases | | 1 | – |
| Interest on loans | | 46 | 28 |
| Discount adjustments relating to movements in provisions (other than ELE) | | – | – |
| – Remediation liabilities | C3-5 | 17 | 11 |
| Total borrowing costs expensed | | 64 | 39 |

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 | | 674 | 684 |
| Plant and equipment - specialised (RFS Red Fleet) | | 181 | 164 |
| Office equipment | | 158 | 162 |
| Furniture and fittings | | 5 | 6 |
| Land improvements | | 5 | 5 |
| Infrastructure: | C1-7 | | |
| – Buildings – non-specialised | | 717 | 717 |
| – Buildings – specialised | | 488 | 431 |
| – Other structures | | 675 | 642 |
| – Roads | | 1,900 | 1,831 |
| – Bridges | | 145 | 149 |
| – Footpaths | | 21 | 19 |
| – Stormwater drainage | | 82 | 79 |
| – Water supply network | | 633 | 497 |
| – Sewerage network | | 348 | 305 |
| – Swimming pools | | 105 | 103 |
| – Other open space/recreational assets | | 116 | 105 |
| Right of use assets | C2-1 | 4 | – |
| Other assets: | | | |
| – Library books | | 26 | 22 |
| Reinstatement, rehabilitation and restoration assets: | | | |
| – Tip assets | C1-7 | 14 | 16 |
| Total gross depreciation and amortisation costs | | 6,297 | 5,937 |
| Impairment / revaluation decrement of IPPE | | | |
| Infrastructure: | C1-7 | | |
| – Buildings – specialised | | – | 43 |
| – Other structures | | 1 | – |
| Total gross IPPE impairment / revaluation decrement costs | | 1 | 43 |
| Total IPPE impairment / revaluation decrement costs charged to Income Statement | | 1 | 43 |
| Total depreciation, amortisation and impairment for non-financial assets | | 6,298 | 5,980 |

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.

Impairment of non-financial assets

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

Other assets 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 | 2023 | 2022 |
|--|------------|------------|
| Impairment of receivables | | |
| Other | 7 | 47 |
| Total impairment of receivables | 7 | 47 |
| Other | | |
| Contributions/levies to other levels of government | | |
| – Emergency services levy (includes FRNSW, SES, and RFS levies) | 342 | 259 |
| – Western Riverina Library | 32 | 33 |
| Donations, contributions and assistance to other organisations (Section 356) | 27 | 28 |
| Street Lighting | 106 | 270 |
| Total other | 507 | 590 |
| Total other expenses | 514 | 637 |

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) | | | |
| Less: carrying amount of property assets sold/written off | | (4) | – |
| Gain (or loss) on disposal | | (4) | – |
| Gain (or loss) on disposal of plant and equipment | C1-7 | | |
| Proceeds from disposal – plant and equipment | | 101 | 339 |
| Less: carrying amount of plant and equipment assets sold/written off | | (22) | (140) |
| Gain (or loss) on disposal | | 79 | 199 |
| Gain (or loss) on disposal of infrastructure | C1-7 | | |
| Proceeds from disposal – infrastructure | | – | – |
| Less: carrying amount of infrastructure assets sold/written off | | (285) | (19) |
| Gain (or loss) on disposal | | (285) | (19) |
| Gain (or loss) on disposal of real estate assets held for sale | C1-5 | | |
| Proceeds from disposal – real estate assets | | 1,325 | 212 |
| Less: carrying amount of real estate assets sold/written off | | (1,000) | (20) |
| Gain (or loss) on disposal | | 325 | 192 |
| Gain (or loss) on disposal of investments | C1-2 | | |
| Proceeds from disposal/redemptions/maturities – investments | | 27,846 | 25,836 |
| Less: carrying amount of investments sold/redeemed/matured | | (27,846) | (25,836) |
| Gain (or loss) on disposal | | – | – |
| Gain (or loss) on disposal of plant and equipment - specialised | | | |
| Proceeds from disposal – plant and equipment - specialised | | – | – |
| Less: carrying amount of plant and equipment - specialised assets sold/written off | | – | (9) |
| Gain (or loss) on disposal | | – | (9) |
| Gain (or loss) on disposal of office equipment | | | |
| Less: carrying amount of office equipment assets sold/written off | | (7) | – |
| Gain (or loss) on disposal | | (7) | – |

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

| \$ '000 | Notes | 2023 | 2022 |
|---|-------|--------------|------------|
| Gain (or loss) on disposal of work in progress | | | |
| Less: carrying amount of work in progress assets sold/written off | | (130) | – |
| Gain (or loss) on disposal | | (130) | – |
| Net gain (or loss) from disposal of assets | | (22) | 363 |

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 21 June 2022 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

| \$ '000 | 2023 Budget | 2023 Actual | 2023 ----- Variance ----- | | |
|--|----------------|----------------|------------------------------|--------|----------|
| Revenues | | | | | |
| Rates and annual charges | 8,597 | 8,586 | (11) | 0% | U |
| User charges and fees | 3,213 | 3,854 | 641 | 20% | F |
| <ul style="list-style-type: none"> Higher than anticipated revenues for: <ul style="list-style-type: none"> Private works \$206,000 State Roads contract (Transport NSW) offset by expenses in materials and services \$483,000 | | | | | |
| Other revenues | 721 | 1,508 | 787 | 109% | F |
| <ul style="list-style-type: none"> Volunteer services revenue of \$529,000 recognised in accordance with the Australian Accounting Standard (offset by expenses in materials and services). Insurance income received relating to the 21-22 storm event \$180,000 | | | | | |
| Operating grants and contributions | 7,643 | 14,187 | 6,544 | 86% | F |
| <ul style="list-style-type: none"> Council received several operating grants in the 22-23 reporting period, including <ul style="list-style-type: none"> Financial Assistance Grant 100% prepayment \$6.119m Pothole repair grant \$535,000 Regional & Local Road Repair Program \$2.837m | | | | | |
| Capital grants and contributions | 7,739 | 5,217 | (2,522) | (33)% | U |
| <ul style="list-style-type: none"> Council has been seeking grants to assist with the cost of the below projects, at reporting date a successful grant has not been received <ul style="list-style-type: none"> Lake Talbot Deepening works \$2m Urban Stormwater Upgrade \$2m | | | | | |
| Interest and investment revenue | 226 | 658 | 432 | 191% | F |
| <ul style="list-style-type: none"> Council has benefited from higher than anticipated term deposit interest rates. | | | | | |
| Net gains from disposal of assets | 92 | - | (92) | (100)% | U |
| <ul style="list-style-type: none"> Council disposed of several infrastructure assets in 22-23 resulting in a loss on disposal of assets | | | | | |
| Other income | 225 | 217 | (8) | (4)% | U |

B5-1 Material budget variations (continued)

| \$ '000 | 2023 Budget | 2023 Actual | 2023 ----- Variance ----- | |
|--|-----------------|-----------------|------------------------------|-----------------|
| Expenses | | | | |
| Employee benefits and on-costs | 8,450 | 8,559 | (109) | (1)% U |
| Materials and services | 5,732 | 9,007 | (3,275) | (57)% U |
| <ul style="list-style-type: none"> Higher than anticipated expenses relating to: <ul style="list-style-type: none"> Volunteer Expenses (offset in other revenues) \$529,000 State road contract expenses (offset by income in user charges & fees) \$483,000 Private works expenses (offset by income in user charges & fees) \$185,000 Flood event expenses \$375,000 Parks expenses \$183,000 Airport expenses \$250,000 Water operation expenses \$140,000 Grant programs \$480,000 Roads expenses \$183,000 Regional roads \$142,000 Gravel Pit expenses \$80,000 Consultant expenses \$110,000 Toilet contract \$65,000 Street Lighting contribution \$105,000 Workshop expenses \$150,000 | | | | |
| Borrowing costs | 46 | 64 | (18) | (39)% U |
| <ul style="list-style-type: none"> Council recognised a provision for the remediation of the landfill area in 21-22, the variance is the subsequent interest applicable to the provision and was not known at the time of budget completion. | | | | |
| Depreciation, amortisation and impairment of non-financial assets | 6,123 | 6,298 | (175) | (3)% U |
| Other expenses | 403 | 514 | (111) | (28)% U |
| <ul style="list-style-type: none"> Council provided a contribution for the costs of LED street lighting replacement. | | | | |
| Statement of cash flows | | | | |
| Cash flows from operating activities | 13,589 | 15,782 | 2,193 | 16% F |
| <ul style="list-style-type: none"> Cash flows from operating activities budget variance relates to higher than anticipated grants and contribution revenues offset by increased materials and services costs | | | | |
| Cash flows from investing activities | (14,866) | (13,313) | 1,553 | (10)% F |
| <ul style="list-style-type: none"> Council was unable to complete the 22-23 capital program due diverting resources to respond to the natural disaster events within the Local Government area. | | | | |
| Cash flows from financing activities | 1,856 | (149) | (2,005) | (108)% U |
| <ul style="list-style-type: none"> Council anticipated the drawdown of a loan for the Urban Stormwater upgrade project, the loan has been deferred to June 2024. | | | | |

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

| \$ '000 | 2023 | 2022 |
|--|--------------|--------------|
| Cash assets | | |
| Cash at bank and on hand | 536 | 338 |
| Cash equivalent assets | | |
| – Deposits at call | 3,180 | 1,058 |
| Total cash and cash equivalents | 3,716 | 1,396 |

Reconciliation of cash and cash equivalents

| | | |
|---|--------------|--------------|
| Total cash and cash equivalents per Statement of Financial Position | 3,716 | 1,396 |
| Balance as per the Statement of Cash Flows | 3,716 | 1,396 |

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes 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.

C1-2 Financial investments

| \$ '000 | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|---|-----------------|---------------------|-----------------|---------------------|
| Financial assets at fair value through the profit and loss | | | | |
| Unlisted equity securities | 10 | – | 10 | – |
| Total | 10 | – | 10 | – |
| Debt securities at amortised cost | | | | |
| Long term deposits | 32,553 | – | 27,836 | – |
| Total | 32,553 | – | 27,836 | – |
| Total financial investments | 32,563 | – | 27,846 | – |
| Total cash assets, cash equivalents and investments | 36,279 | – | 29,242 | – |

Accounting policy

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

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

Financial assets

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

Classification

Council classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at amortised cost;

C1-2 Financial investments (continued)

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss.

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

Council's financial assets measured at fair value through profit or loss are investments in Narrandera District Investments Ltd. (Bendigo Bank).

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

| \$ '000 | 2023 | 2022 |
|--|-----------------|-----------------|
| (a) Externally restricted cash, cash equivalents and investments | | |
| Total cash, cash equivalents and investments | 36,279 | 29,242 |
| Less: Externally restricted cash, cash equivalents and investments | <u>(19,842)</u> | <u>(14,726)</u> |
| Cash, cash equivalents and investments not subject to external restrictions | 16,437 | 14,516 |

External restrictions

External restrictions – included in liabilities

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

| | | |
|--|--------------|-------|
| Specific purpose unexpended loans – sewer | 1,451 | 1,562 |
| Specific purpose unexpended grants – general fund | 2,505 | 1,953 |
| Unexpended contributions - general fund | 155 | 103 |
| External restrictions – included in liabilities | 4,111 | 3,618 |

External restrictions

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

| | | |
|---|---------------|--------|
| Developer contributions – general | 524 | 466 |
| Developer contributions – water fund | 219 | 171 |
| Developer contributions – sewer fund | 92 | 78 |
| Transport for NSW contributions | 103 | 101 |
| Specific purpose unexpended grants (recognised as revenue) – general fund | 5,373 | 1,159 |
| Water fund | 5,121 | 5,113 |
| Water supplies – carry over works | 883 | 1,058 |
| Water supplies – Retention | 21 | 21 |
| Sewer fund | 388 | 268 |
| Sewerage services – carry over works | 732 | 529 |
| Stormwater management | 369 | 500 |
| Crown lands | 302 | 214 |
| Domestic waste management | 1,604 | 1,430 |
| External restrictions | 15,731 | 11,108 |
| Total external restrictions | 19,842 | 14,726 |

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

| \$ '000 | 2023 | 2022 |
|--|-----------------|-----------------|
| (b) Internal allocations | | |
| Cash, cash equivalents and investments not subject to external restrictions | 16,437 | 14,516 |
| Less: Internal allocations restricted cash, cash equivalents and investments | <u>(16,092)</u> | <u>(14,372)</u> |
| Unrestricted and unallocated cash, cash equivalents and investments | 345 | 144 |

Internal allocations

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

| | | |
|--|-------|-------|
| Plant and vehicle replacement | 1,892 | 1,468 |
| Organisational service assets & projects | 2,924 | 5,076 |
| Employees leave entitlement | 1,178 | 1,288 |

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

| \$ '000 | 2023 | 2022 |
|--|---------------|---------------|
| Carry over works revenue funded | 1,198 | 901 |
| Deposits, retentions and bonds | 185 | 156 |
| Financial assistance grant received in advance | 6,119 | 4,124 |
| Information technology renewal & replacement | 670 | 590 |
| Property development | 762 | 244 |
| Quarry rehabilitation | 17 | 35 |
| Cemetery perpetual maintenance | 455 | 404 |
| Council committees | 60 | 57 |
| Other | 632 | 29 |
| Total internal allocations | 16,092 | 14,372 |

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

C1-4 Receivables

| \$ '000 | 2023 | 2023 | 2022 | 2022 |
|---|--------------|-------------|--------------|-------------|
| | Current | Non-current | Current | Non-current |
| Rates and annual charges | 646 | – | 657 | 26 |
| Interest and extra charges | 89 | – | 66 | – |
| User charges and fees | 485 | – | 383 | – |
| Accrued revenues | | | | |
| – Interest on investments | 310 | – | 84 | – |
| – Other income accruals | 126 | – | 256 | – |
| – User charges and fees (Water consumption) | 121 | – | – | – |
| Deferred debtors | 73 | – | – | – |
| Government grants and subsidies | 411 | – | 456 | – |
| Net GST receivable | 39 | – | 258 | – |
| Transport for NSW receivables | 95 | – | 74 | – |
| Other debtors | – | – | 2 | – |
| Total | 2,395 | – | 2,236 | 26 |
| Less: provision for impairment | | | | |
| Rates and annual charges | (26) | – | (26) | – |
| Interest and extra charges | (2) | – | (2) | – |
| User charges and fees | (7) | – | (7) | – |
| Total provision for impairment – receivables | (35) | – | (35) | – |
| Total net receivables | 2,360 | – | 2,201 | 26 |

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, whichever occurs first.

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

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

C1-5 Inventories

| \$ '000 | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|----------------------------------|-----------------|---------------------|-----------------|---------------------|
| (i) Inventories at cost | | | | |
| Real estate for resale | 19 | 161 | 406 | – |
| Stores and materials | 412 | – | 364 | – |
| Trading stock | 16 | – | 21 | – |
| Total inventories at cost | 447 | 161 | 791 | – |
| Total inventories | 447 | 161 | 791 | – |

(i) Other disclosures

| \$ '000 | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|--|-----------------|---------------------|-----------------|---------------------|
| (a) Details for real estate development | | | | |
| Industrial/commercial | 19 | 161 | 406 | – |
| Total real estate for resale | 19 | 161 | 406 | – |

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.

Land held for resale

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

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

C1-6 Contract assets and Contract cost assets

| \$ '000 | 2023 | 2023 | 2022 | 2022 |
|---|--------------|-------------|------------|-------------|
| | Current | Non-current | Current | Non-current |
| Contract assets | 1,224 | – | 644 | – |
| Total contract assets and contract cost assets | 1,224 | – | 644 | – |

Contract assets

| | | | | |
|-----------------------------------|--------------|----------|------------|----------|
| Construction of Transport assets | 25 | – | 269 | – |
| Construction of Sewer assets | 323 | – | 130 | – |
| Construction of Recreation assets | 831 | – | 167 | – |
| Construction of Water assets | 24 | – | – | – |
| Other | 21 | – | 78 | – |
| Total contract assets | 1,224 | – | 644 | – |

Significant changes in contract assets

During 2022-2023 Council has undertaken many large grant programs including assets for recreation, airport, sewer and community activities.

Accounting policy

Contract assets

Contract assets represent Council's right to payment in exchange for goods or services the 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.

Contract cost asset – costs to fulfil a contract

Where costs are incurred to fulfil a contract and these costs are outside the scope of another accounting standard, they are capitalised as contract cost assets if the following criteria are met:

- the costs relate directly to a contract
- the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and
- the costs are expected to be recovered.

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-4 for the accounting policy for impairment of contract cost assets.

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 | Accumulated depreciation and impairment | Net carrying amount | Additions renewals ¹ | Additions new assets | Reinstatement costs for impaired assets | Carrying value of disposals | Depreciation expense | Impairment loss / revaluation decrements (recognised in P/L) | WIP transfers | Re-measurement movements | Revaluation increments to equity (ARR) | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| \$ '000 | | | | | | | | | | | | | | | |
| Capital work in progress | 9,705 | – | 9,705 | 1,567 | 4,503 | – | (126) | – | – | (5,888) | – | – | 9,761 | – | 9,761 |
| Plant and equipment | 8,883 | (5,122) | 3,761 | – | 487 | – | (22) | (674) | – | – | – | – | 9,221 | (5,669) | 3,552 |
| Plant and equipment - specialised | 4,703 | (2,308) | 2,395 | – | 47 | – | – | (181) | – | – | – | – | 4,825 | (2,565) | 2,260 |
| Office equipment | 1,856 | (1,350) | 506 | – | 66 | – | (7) | (158) | – | 24 | – | – | 1,932 | (1,503) | 429 |
| Furniture and fittings | 155 | (143) | 12 | – | – | – | – | (5) | – | – | – | – | 155 | (148) | 7 |
| Land: | | | | | | | | | | | | | | | |
| – Operational land | 2,396 | – | 2,396 | – | 318 | – | (4) | – | – | 22 | – | 888 | 3,622 | – | 3,622 |
| – Community land | 5,021 | – | 5,021 | – | – | – | – | – | – | – | – | 1,640 | 6,661 | – | 6,661 |
| – Land under roads (post 30/6/08) | 25 | – | 25 | – | 16 | – | – | – | – | – | – | 26 | 66 | – | 66 |
| Land improvements – non-depreciable | 251 | – | 251 | – | – | – | – | – | – | – | – | 37 | 288 | – | 288 |
| Land improvements | 223 | (12) | 211 | – | – | – | – | (5) | – | – | – | 30 | 256 | (20) | 236 |
| Infrastructure: | | | | | | | | | | | | | | | |
| – Buildings – non-specialised ² | 29,856 | (19,319) | 10,537 | – | 78 | – | (31) | (717) | – | 351 | – | 595 | 31,054 | (20,243) | 10,811 |
| – Buildings – specialised ² | 16,086 | (8,339) | 7,747 | 284 | 27 | – | (5) | (488) | – | 938 | – | 498 | 17,704 | (8,703) | 9,001 |
| – Other structures ² | 20,234 | (8,505) | 11,729 | 55 | 81 | – | (25) | (675) | (1) | 667 | – | 659 | 22,094 | (9,604) | 12,490 |
| – Roads | 84,519 | (31,429) | 53,090 | 431 | 702 | 263 | (11) | (1,900) | – | 2,052 | – | 9,396 | 101,737 | (37,714) | 64,023 |
| – Bridges | 15,203 | (6,013) | 9,190 | – | – | – | – | (145) | – | – | – | 1,555 | 17,817 | (7,216) | 10,601 |
| – Footpaths | 1,464 | (482) | 982 | – | 71 | – | – | (21) | – | 82 | – | 214 | 1,927 | (600) | 1,327 |
| – Bulk earthworks (non-depreciable) | 58,836 | – | 58,836 | – | – | – | – | – | – | – | – | 10,114 | 68,950 | – | 68,950 |
| – Stormwater drainage | 11,152 | (3,869) | 7,283 | – | 16 | – | – | (82) | – | 69 | – | 424 | 11,891 | (4,181) | 7,710 |
| – Water supply network | 40,666 | (20,431) | 20,235 | – | 94 | – | (212) | (633) | – | 1,662 | – | 1,560 | 44,937 | (22,231) | 22,706 |
| – Sewerage network | 23,780 | (8,215) | 15,565 | – | – | – | – | (348) | – | – | – | 1,200 | 25,613 | (9,197) | 16,416 |
| – Swimming pools ² | 4,217 | (1,182) | 3,035 | – | – | – | – | (105) | – | – | – | 163 | 4,452 | (1,358) | 3,094 |
| – Other open space/recreational assets ² | 1,820 | (758) | 1,062 | – | 2 | – | – | (116) | – | 21 | – | 54 | 1,946 | (922) | 1,024 |
| Other assets: | | | | | | | | | | | | | | | |
| – Library books | 261 | (77) | 184 | – | 61 | – | – | (26) | – | – | – | – | 322 | (103) | 219 |
| Reinstatement, rehabilitation and restoration assets (refer Note C3-5): | | | | | | | | | | | | | | | |
| – Tip assets | 422 | (16) | 406 | – | – | – | – | (14) | – | – | 51 | – | 472 | (30) | 442 |
| Total infrastructure, property, plant and equipment | 341,734 | (117,570) | 224,164 | 2,337 | 6,569 | 263 | (443) | (6,293) | (1) | – | 51 | 29,053 | 387,703 | (132,007) | 255,696 |

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

(2) Buildings, Other Structures, Swimming Pool and Open Space and Recreation assets opening 1/07/2022 has been adjusted \$1.632m between asset classes and the Gross carrying amount and Accumulated Depreciation while the Net carrying amount remained the same opening value

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 | Accumulated depreciation and impairment | Net carrying amount | Additions renewals ¹ | Additions new assets | Carrying value of disposals | Depreciation expense | Impairment loss / revaluation decrements (recognised in P/L) | WIP transfers | Revaluation decrements to equity (ARR) | Revaluation increments to equity (ARR) | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| \$ '000 | | | | | | | | | | | | | | |
| Capital work in progress | 8,207 | – | 8,207 | 5,245 | 2,983 | (354) | – | – | (6,376) | – | – | 9,705 | – | 9,705 |
| Plant and equipment | 9,069 | (5,062) | 4,007 | – | 466 | (127) | (684) | – | 99 | – | – | 8,883 | (5,122) | 3,761 |
| Office equipment | 1,773 | (1,184) | 589 | – | 37 | – | (162) | – | 42 | – | – | 1,856 | (1,350) | 506 |
| Furniture and fittings | 155 | (137) | 18 | – | – | – | (6) | – | – | – | – | 155 | (143) | 12 |
| Plant and equipment - specialised | 4,024 | (1,984) | 2,040 | – | 527 | (9) | (164) | – | – | – | – | 4,703 | (2,308) | 2,395 |
| Land: | | | | | | | | | | | | | | |
| – Operational land | 2,180 | – | 2,180 | – | 9 | – | – | – | – | – | 207 | 2,396 | – | 2,396 |
| – Community land | 5,612 | – | 5,612 | – | – | – | – | – | – | (591) | – | 5,021 | – | 5,021 |
| – Land under roads (post 30/6/08) | – | – | – | – | 25 | – | – | – | – | – | – | 25 | – | 25 |
| Land improvements – non-depreciable | 251 | – | 251 | – | – | – | – | – | – | – | – | 251 | – | 251 |
| Land improvements – depreciable | 224 | (7) | 217 | – | – | – | (5) | – | – | – | – | 223 | (12) | 211 |
| Infrastructure: | | | | | | | | | | | | | | |
| – Buildings – non-specialised | 29,048 | (18,723) | 10,325 | 3 | – | – | (717) | – | 194 | – | 523 | 29,856 | (19,319) | 10,537 |
| – Buildings – specialised | 14,358 | (7,878) | 6,480 | 714 | 143 | (1) | (431) | (43) | 1,660 | – | 282 | 16,086 | (8,339) | 7,747 |
| – Other structures | 18,000 | (8,785) | 9,215 | 464 | 313 | (7) | (642) | – | 1,419 | – | 340 | 20,234 | (8,505) | 11,729 |
| – Roads | 81,922 | (29,652) | 52,270 | 903 | 587 | – | (1,831) | – | 2,010 | (849) | – | 84,519 | (31,429) | 53,090 |
| – Bridges | 15,203 | (5,525) | 9,678 | – | – | – | (149) | – | – | (339) | – | 15,203 | (6,013) | 9,190 |
| – Footpaths | 1,363 | (492) | 871 | – | 82 | – | (19) | – | 48 | – | – | 1,464 | (482) | 982 |
| – Bulk earthworks (non-depreciable) | 58,443 | – | 58,443 | – | 62 | – | – | – | 331 | – | – | 58,836 | – | 58,836 |
| – Stormwater drainage | 10,612 | (3,790) | 6,822 | – | – | – | (79) | – | – | – | 541 | 11,152 | (3,869) | 7,283 |
| – Water supply network | 31,742 | (13,116) | 18,626 | – | – | (18) | (497) | – | 107 | – | 2,017 | 40,666 | (20,431) | 20,235 |
| – Sewerage network | 26,032 | (7,606) | 18,426 | 280 | 14 | – | (305) | – | 466 | (3,316) | – | 23,780 | (8,215) | 15,565 |
| – Swimming pools | 4,143 | (1,078) | 3,065 | – | – | – | (103) | – | – | – | 75 | 4,217 | (1,182) | 3,035 |
| – Other open space/recreational assets | 1,494 | (658) | 836 | – | 80 | – | (105) | – | – | – | 28 | 1,820 | (758) | 1,062 |
| Other assets: | | | | | | | | | | | | | | |
| – Library books | 225 | (55) | 170 | – | 36 | – | (22) | – | – | – | – | 261 | (77) | 184 |
| Reinstatement, rehabilitation and restoration assets (refer Note C3-5): | | | | | | | | | | | | | | |
| – Tip assets | – | – | – | – | 422 | – | (16) | – | – | – | – | 422 | (16) | 406 |
| Total infrastructure, property, plant and equipment | 324,080 | (105,732) | 218,348 | 7,609 | 5,786 | (516) | (5,937) | (43) | – | (5,095) | 4,013 | 341,734 | (117,570) | 224,164 |

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

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

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 | 15 to 40 |
| Office furniture | 5 to 20 | Benches, seats etc. | 30 |
| Computer equipment | 4 | | |
| Vehicles | 5 to 8 | Buildings | |
| Heavy plant/road making equipment | 5 to 15 | Buildings: masonry | 10 to 150 |
| Other plant and equipment | 5 to 15 | Buildings: other | 30 to 50 |
| | | Stormwater assets | |
| Water and sewer assets | | Drains | 135 |
| Reservoirs | 80 to 100 | Culverts | 135 |
| Bores | 20 to 80 | | |
| Reticulation pipes: PVC | 80 | Other infrastructure assets | |
| Reticulation pipes: other | 25 to 75 | Swimming pools | 40 |
| Pumps and telemetry | 15 to 50 | Other open space/recreational assets | 10 to 50 |
| | | Other Structures | 10 to 100 |
| Transportation assets | | | |
| Sealed roads: surface | 23 | | |
| Sealed roads: structure | 40 | | |
| Sealed roads: pavements | 100 | | |
| Bridge: concrete | 100 | | |
| Bridge: other | 50 | | |
| Unsealed road pavements | 30 to 40 | | |
| Kerb, gutter and footpaths | 75 | | |

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 and Environment – Water.

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

Land under roads

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

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

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

Crown reserves

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

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

Rural Fire Service assets

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

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

C1-8 Other

Other assets

| \$ '000 | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|---------------------------|-----------------|---------------------|-----------------|---------------------|
| Prepayments | 26 | - | - | - |
| Total other assets | 26 | - | - | - |

C2 Leasing activities

C2-1 Council as a lessee

(i) Council as a lessee

Council has leases for office equipment and vehicles. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Vehicles

Council leases vehicles with a lease terms varying of 3 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for photocopiers are considered low value assets. The leases are for 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right of use assets

| \$ '000 | Vehicles | Total |
|----------------------------------|-----------|-----------|
| 2023 | | |
| Opening balance at 1 July | – | – |
| Additions to right-of-use assets | 16 | 16 |
| Depreciation charge | (4) | (4) |
| Balance at 30 June | 12 | 12 |
| 2022 | | |
| Opening balance at 1 July | – | – |
| Depreciation charge | – | – |
| Balance at 30 June | – | – |

(b) Lease liabilities

| \$ '000 | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|--------------------------------|-----------------|---------------------|-----------------|---------------------|
| Lease liabilities | 5 | 6 | – | – |
| Total lease liabilities | 5 | 6 | – | – |

(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 | 5 | 6 | – | 11 | 11 |
| 2022 | | | | | |
| Cash flows | – | – | – | – | – |

C2-1 Council as a lessee (continued)

(d) Income Statement

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

| \$ '000 | 2023 | 2022 |
|---|-----------|-----------|
| Interest on lease liabilities | 1 | – |
| Variable lease payments based on usage not included in the measurement of lease liabilities | 3 | 2 |
| Depreciation of right of use assets | 4 | – |
| Expenses relating to low-value leases | 9 | 11 |
| | 17 | 13 |

(e) Statement of Cash Flows

| | | |
|-------------------------------|-----------|-----------|
| Total cash outflow for leases | 17 | 13 |
| | 17 | 13 |

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

Council has a number of leases at significantly below market for land and buildings which are used for:

- Council Works Depot
- Cemetery
- Lake Talbot Water Park
- Old Railway Station

The leases have varying terms and require payments of less than \$1,000 per year. 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 leases.

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 is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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

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

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

Exceptions to lease accounting

C2-1 Council as a lessee (continued)

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

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

(i) Assets held as property, plant and equipment

Council provides operating leases on Council properties for the purpose of staff housing, health services, training providers, emergency services, caravan park and community groups, the table below relates to operating leases on assets disclosed in C1-8.

| | | |
|--|------------|------------|
| Lease income (excluding variable lease payments not dependent on an index or rate) | 217 | 209 |
| Total income relating to operating leases for Council assets | 217 | 209 |

Amount of IPPE leased out by Council under operating leases

| | | |
|--|---------------|---------------|
| Land | 978 | 672 |
| Buildings | 3,519 | 2,880 |
| Structures | 5,155 | 5,214 |
| Other recreation | 81 | 13 |
| Pools | 2,930 | 3,064 |
| Total amount of IPPE leased out by Council under operating leases | 12,663 | 11,843 |

(ii) Maturity analysis of contractual lease income

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

| | | |
|---|--------------|--------------|
| < 1 year | 236 | 236 |
| 1–2 years | 239 | 241 |
| 2–3 years | 243 | 229 |
| 3–4 years | 249 | 250 |
| 4–5 years | 238 | 242 |
| > 5 years | 243 | 230 |
| Total undiscounted lease payments to be received | 1,448 | 1,428 |

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 | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|--|-----------------|---------------------|-----------------|---------------------|
| Payables | | | | |
| Goods and services – operating expenditure | 966 | – | 1,114 | – |
| Accrued expenses: | | | | |
| – Salaries and wages | 323 | – | 366 | – |
| Security bonds, deposits and retentions | 206 | – | 176 | – |
| Other | 8 | – | 16 | – |
| Prepaid rates | 359 | – | 331 | – |
| Total payables | 1,862 | – | 2,003 | – |
| Total payables | 1,862 | – | 2,003 | – |

Accounting policy

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

Payables

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

C3-2 Contract Liabilities

| \$ '000 | Notes | 2023 Current | 2023 Non-current | 2022 Current | 2022 Non-current |
|--|-------|-----------------|---------------------|-----------------|---------------------|
| Grants and contributions received in advance: | | | | | |
| Unexpended capital grants (to construct Council controlled assets) | (i) | 2,506 | - | 1,948 | - |
| Unexpended operating grants (received prior to performance obligation being satisfied) | (ii) | - | - | 5 | - |
| Unexpended capital contributions (to construct Council controlled assets) | (i) | 155 | - | 104 | - |
| Total grants received in advance | | 2,661 | - | 2,057 | - |
| Total contract liabilities | | 2,661 | - | 2,057 | - |

Notes

(i) Council has received funding to construct assets including sporting facilities and other recreation 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.

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

| \$ '000 | 2023 | 2022 |
|--|------------|--------------|
| Grants and contributions received in advance: | | |
| Capital grants (to construct Council controlled assets) | 902 | 1,477 |
| Operating grants (received prior to performance obligation being satisfied) | 5 | 11 |
| Total revenue recognised that was included in the contract liability balance at the beginning of the period | 907 | 1,488 |

Significant changes in contract liabilities

Council has reduced the amount of grant liabilities held at 30 June 2023.

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 | 2023 | 2023 | 2022 | 2022 |
|------------------------------|------------|--------------|------------|--------------|
| | Current | Non-current | Current | Non-current |
| Loans – secured ¹ | 147 | 1,757 | 144 | 1,904 |
| Total borrowings | 147 | 1,757 | 144 | 1,904 |

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

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

(a) Changes in liabilities arising from financing activities

| \$ '000 | 2022 | | Non-cash | 2023 |
|--|--------------------|--------------|--------------------------|--------------------|
| | Opening Balance | Cash flows | movements Acquisition | Closing balance |
| Loans – secured | 2,048 | (144) | – | 1,904 |
| Lease liability (Note C2-1b) | – | (5) | 16 | 11 |
| Total liabilities from financing activities | 2,048 | (149) | 16 | 1,915 |

(b) Financing arrangements

| \$ '000 | 2023 | 2022 |
|---|------------|------------|
| Total financing facilities available to Council at the reporting date are: | | |
| Bank overdraft facilities ¹ | 350 | 350 |
| Credit cards/purchase cards | 45 | 45 |
| Total financing arrangements | 395 | 395 |
| Financing facilities drawn down at the reporting date are: | | |
| – Credit cards/purchase cards | 7 | 8 |
| Total drawn financing arrangements | 7 | 8 |
| Undrawn financing facilities available to the Council at the reporting date are: | | |
| – Bank overdraft facilities | 350 | 350 |
| – Credit cards/purchase cards | 38 | 37 |
| Total undrawn financing arrangements | 388 | 387 |

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

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 | 715 | – | 752 | – |
| Long service leave | 1,679 | 88 | 1,712 | 90 |
| Rostered days off | 49 | – | 54 | – |
| Total employee benefit provisions | 2,443 | 88 | 2,518 | 90 |

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 | 1,434 | 1,631 |
| | 1,434 | 1,631 |

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

C3-5 Provisions

| \$ '000 | 2023 | 2023 | 2022 | 2022 |
|--|----------|-------------|----------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Asset remediation/restoration: | | | | |
| Asset remediation/restoration (future works) | – | 500 | – | 432 |
| Sub-total – asset remediation/restoration | – | 500 | – | 432 |
| Total provisions | – | 500 | – | 432 |

Movements in provisions

C3-5 Provisions (continued)

| \$ '000 | Asset remediation | Net carrying amount |
|---------------------------------------|----------------------|---------------------------|
| as at 30/06/23 | | |
| At beginning of year | 432 | 432 |
| Unwinding of discount | 17 | 17 |
| Remeasurement effects | 51 | 51 |
| Total other provisions at end of year | 500 | 500 |
| as at 30/06/22 | | |
| At beginning of year | 467 | 467 |
| Unwinding of discount | 11 | 11 |
| Remeasurement effects | (46) | (46) |
| Total other provisions at end of year | 432 | 432 |

Nature and purpose of provisions

Asset remediation

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

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

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 | 6,237 | 848 | 1,501 |
| User charges and fees | 2,320 | 1,361 | 173 |
| Interest and investment income | 441 | 153 | 69 |
| Other revenues | 1,508 | – | – |
| Grants and contributions provided for operating purposes | 14,187 | – | – |
| Grants and contributions provided for capital purposes | 4,806 | 67 | 344 |
| Net gains from disposal of assets | 249 | – | – |
| Other income | 217 | – | – |
| Total income from continuing operations | 29,965 | 2,429 | 2,087 |
| Expenses from continuing operations | | | |
| Employee benefits and on-costs | 7,692 | 528 | 339 |
| Materials and services | 6,768 | 1,479 | 760 |
| Borrowing costs | 30 | – | 39 |
| Depreciation, amortisation and impairment of non-financial assets | 5,292 | 651 | 355 |
| Other expenses | 514 | – | – |
| Net losses from the disposal of assets | – | 271 | – |
| Total expenses from continuing operations | 20,296 | 2,929 | 1,493 |
| Operating result from continuing operations | 9,669 | (500) | 594 |
| Net operating result for the year | 9,669 | (500) | 594 |
| Net operating result attributable to each council fund | 9,669 | (500) | 594 |
| Net operating result for the year before grants and contributions provided for capital purposes | 4,863 | (567) | 250 |

D1-2 Statement of Financial Position by fund

| \$ '000 | General 2023 | Water 2023 | Sewer 2023 |
|---|-----------------|---------------|---------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 3,585 | 89 | 42 |
| Investments | 23,787 | 6,155 | 2,621 |
| Receivables | 1,701 | 519 | 176 |
| Inventories | 447 | – | – |
| Contract assets and contract cost assets | 877 | 24 | 323 |
| Other | 26 | – | – |
| Total current assets | 30,423 | 6,787 | 3,162 |
| Non-current assets | | | |
| Receivables | – | 127 | – |
| Inventories | 161 | – | – |
| Infrastructure, property, plant and equipment | 214,059 | 23,951 | 17,686 |
| Right of use assets | 12 | – | – |
| Total non-current assets | 214,232 | 24,078 | 17,686 |
| Total assets | 244,655 | 30,865 | 20,848 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 1,738 | 124 | – |
| Contract liabilities | 2,661 | – | – |
| Lease liabilities | 5 | – | – |
| Borrowings | 90 | – | 93 |
| Employee benefit provision | 2,443 | – | – |
| Total current liabilities | 6,937 | 124 | 93 |
| Non-current liabilities | | | |
| Lease liabilities | 6 | – | – |
| Borrowings | 493 | – | 1,391 |
| Employee benefit provision | 88 | – | – |
| Provisions | 500 | – | – |
| Total non-current liabilities | 1,087 | – | 1,391 |
| Total liabilities | 8,024 | 124 | 1,484 |
| Net assets | 236,631 | 30,741 | 19,364 |
| EQUITY | | | |
| Accumulated surplus | 144,851 | 17,733 | 13,054 |
| Revaluation reserves | 91,780 | 13,008 | 6,310 |
| Council equity interest | 236,631 | 30,741 | 19,364 |
| Total equity | 236,631 | 30,741 | 19,364 |

D1-3 Details of internal loans

(in accordance with s410(3) of the *Local Government Act 1993*)

| Details of individual internal loans | Council ID / Ref 278 | Council ID / Ref 280 | Council ID / Ref 285 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Borrower (by purpose) | Coaches Box | Aerodrome Lighting | Festoon Lighting |
| Lender (by purpose) | Water Fund | Water Fund | Water Fund |
| Date of Minister's approval | 28/06/2017 | 28/06/2017 | 26/10/2017 |
| Date raised | 30/06/2017 | 30/06/2017 | 30/06/2018 |
| Term years | 10 | 10 | 10 |
| Dates of maturity | 30/06/2027 | 30/06/2027 | 30/06/2028 |
| Rate of interest (%) | 2.87% | 2.87% | 2.87% |
| Amount originally raised (\$'000) | 150 | 100 | 60 |

| Details of individual internal loans | Council ID / Ref 284 | Council ID / Ref 287 |
|---|---------------------------------|---------------------------------|
| Borrower (by purpose) | Barellan Change Room | Lake Talbot Water Park |
| Lender (by purpose) | Water Fund | Waste Fund |
| Date of Minister's approval | 26/10/2017 | |
| Date raised | 30/06/2018 | 31/12/2020 |
| Term years | 10 | 15 |
| Dates of maturity | 30/06/2028 | 31/12/2035 |
| Rate of interest (%) | 2.87% | 2.87% |
| Amount originally raised (\$'000) | 50 | 1,450 |

D2 Interests in other entities

D2-1 Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

| Name of entity/operation | Principal activity/type of entity | 2023 ¹ | 2023 ¹ |
|--|--|-------------------|-------------------|
| | | Net profit | Net assets |
| Western Riverina Library Services | Provision of library services to member local government areas | 48 | 670 |

Reasons for non-recognition

Council holds 7.23% equity share in Western Riverina Library Service, and has assessed this as not material, hence not recognised. The information provided above is for 2022 as this is the latest information available at the time of Council preparing the Financial Statements.

(1) The data represents the 2022 financial year for the Western Riverina Library Services

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

The risks associated with the financial instruments held are:

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

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

(a) Market risk – interest rate risk

| \$ '000 | 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 | 357 | 292 |

(b) Credit risk

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

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

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

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

The level of outstanding receivables is reported to Council monthly. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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

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

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

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – 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 the payment of debt.

| \$ '000 | Not yet overdue | overdue rates and annual charges | | Total |
|-----------------------|--------------------|----------------------------------|-----------|-------|
| | | < 5 years | ≥ 5 years | |
| 2023 | | | | |
| Gross carrying amount | – | 625 | 21 | 646 |
| 2022 | | | | |
| Gross carrying amount | – | 642 | 41 | 683 |

Receivables - non-rates and annual charges and contract assets

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

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

| \$ '000 | Not yet overdue | Overdue debts | | | | Total |
|------------------------|--------------------|---------------|--------------|--------------|-----------|-----------|
| | | 0 - 30 days | 31 - 60 days | 61 - 90 days | > 91 days | |
| 2023 | | | | | | |
| Gross carrying amount | 2,886 | – | 36 | 51 | – | 2,973 |
| Expected loss rate (%) | 0.00% | 0.00% | 0.00% | 23.68% | 0.00% | 0.41% |
| ECL provision | – | – | – | 12 | – | 12 |
| 2022 | | | | | | |
| Gross carrying amount | 2,130 | 60 | 10 | 23 | – | 2,223 |
| Expected loss rate (%) | 0.00% | 0.00% | 0.00% | 23.68% | 0.00% | 0.25% |
| ECL provision | – | – | – | 5 | – | 5 |

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

(c) Liquidity risk

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

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

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs.

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

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

| \$ '000 | Weighted average interest rate | Subject to no maturity | payable in: ≤ 1 Year | 1 - 5 Years | > 5 Years | Total cash outflows | Actual carrying values |
|------------------------------------|---|------------------------------|-------------------------|----------------|--------------|------------------------|------------------------------|
| 2023 | | | | | | | |
| Payables | 0.00% | 206 | 1,589 | – | – | 1,795 | 1,862 |
| Borrowings | 2.01% | – | 147 | 783 | 974 | 1,904 | 1,904 |
| Total financial liabilities | | 206 | 1,736 | 783 | 974 | 3,699 | 3,766 |
| 2022 | | | | | | | |
| Payables | 0.00% | 176 | 1,496 | – | – | 1,672 | 2,003 |
| Borrowings | 2.01% | – | 144 | 606 | 1,298 | 2,048 | 2,048 |
| Total financial liabilities | | 176 | 1,640 | 606 | 1,298 | 3,720 | 4,051 |

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

| \$ '000 | Notes | Fair value measurement hierarchy | | | | | |
|--|-------|---------------------------------------|--------------|---|----------------|----------------|----------------|
| | | Level 2 Significant observable inputs | | Level 3 Significant unobservable inputs | | Total | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Recurring fair value measurements | | | | | | | |
| Financial assets | | | | | | | |
| Financial investments | C1-2 | | | | | | |
| At fair value through profit or loss – designated at fair value on initial recognition | | – | – | 10 | 10 | 10 | 10 |
| Total financial assets | | – | – | 10 | 10 | 10 | 10 |
| Infrastructure, property, plant and equipment | | | | | | | |
| | C1-7 | | | | | | |
| Plant and equipment | | – | – | 3,552 | 3,761 | 3,552 | 3,761 |
| Plant and equipment - specialised | | – | – | 2,260 | 2,395 | 2,260 | 2,395 |
| Office equipment | | – | – | 428 | 506 | 428 | 506 |
| Furniture and fittings | | – | – | 7 | 12 | 7 | 12 |
| Operational land | | 3,622 | 2,396 | – | – | 3,622 | 2,396 |
| Community land | | – | – | 6,661 | 5,021 | 6,661 | 5,021 |
| Land under roads (post 30/06/08) | | – | – | 66 | 25 | 66 | 25 |
| Land Improvements – non-depreciable | | – | – | 288 | 251 | 288 | 251 |
| Land Improvements - depreciable | | – | – | 236 | 211 | 236 | 211 |
| Buildings – non-specialised | | – | – | 10,811 | 10,328 | 10,811 | 10,328 |
| Buildings – specialised | | – | – | 9,044 | 8,805 | 9,044 | 8,805 |
| Other structures | | – | – | 12,490 | 11,102 | 12,490 | 11,102 |
| Roads, bridges, footpaths, bulk earthworks | | – | – | 144,901 | 122,098 | 144,901 | 122,098 |
| Stormwater drainage | | – | – | 7,710 | 7,283 | 7,710 | 7,283 |
| Sewerage network | | – | – | 16,416 | 15,565 | 16,416 | 15,565 |
| Water supply network | | – | – | 22,706 | 20,235 | 22,706 | 20,235 |
| Library books | | – | – | 219 | 184 | 219 | 184 |
| Swimming pools | | – | – | 3,094 | 3,036 | 3,094 | 3,036 |
| Other open space/recreational assets | | – | – | 1,024 | 839 | 1,024 | 839 |
| Tip assets | | – | – | 442 | 406 | 442 | 406 |
| Total infrastructure, property, plant and equipment | | 3,622 | 2,396 | 242,355 | 212,063 | 245,977 | 214,459 |

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment, Furniture & Fittings, Land Improvements and Library Books

Plant & Equipment, Office Equipment, Furniture & Fittings, Land Improvements and Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant & Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computer, photocopiers, tablets etc.
- Furniture & Fittings - Chairs, desks, cupboards etc.
- Land Improvements - Formation of land.
- Library Books - Books and audio visual.

Land improvement assets have been revalued internally as at 30 June 2021. An assessment has been undertaken on this asset class resulting in an indexation being applied for 30 June 2023.

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

Operational & Community Land

Community land was revalued as at 30 June 2022 inhouse using the Land Value provided by the Valuer-General where available. Community land has been valued using level 3 valuation inputs.

Operational land was revalued as at 30 June 2023 by an external valuer, Australis Asset Advisory Group. Community land has been valued using level 2 valuation inputs.

The valuation is the valuer's opinion of the Market Value of the property as at the date of inspection having regard to the supply and demand conditions for this category of property.

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

An assessment has been undertaken on community land assets resulting in an indexation applied for 30 June 2023.

Buildings – Non-Specialised & Specialised

Non-Specialised & Specialised Buildings are valued by an external valuer, AssetVal Pty Ltd and have been revalued as at 30 June 2021. The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

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

An assessment has been undertaken resulting in an indexation applied to Buildings non-specialised and Buildings specialised for 30 June 2023.

Other Structures

Other Structures comprise of lighting, irrigation systems, fencing, shade structures etc.

The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Other Structures have been revalued by an external valuer AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Other Structures for 30 June 2023.

E2-1 Fair value measurement (continued)

Roads

Roads include bulk earthworks, carriageway, roadside shoulders & kerb & gutter. The cost approach using level 3 inputs was used to value this asset class. A revaluation was undertaken as at 30 June 2020 in-house based on actual costs and assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

A revaluation increment was recorded for 2023 relating to the reinstatement of impaired road assets from the 21/22 storm and flood events.

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

An assessment has been undertaken resulting in an indexation applied to Roads for 30 June 2023.

Bridges

Bridges were valued under the cost approach using level 3 inputs. A revaluation was undertaken as at 30 June 2020 in-house based on actual costs and assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

An assessment has been undertaken resulting in an indexation applied to Bridges for 30 June 2023.

Footpaths

Footpaths were revalued in-house by Council's Technical Services Department as at 30 June 2020 and were based on actual cost per square meter of works carried out during the year.

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

An assessment has been undertaken resulting in an indexation applied to Roads for 30 June 2023.

Stormwater Drainage

Assets within this class comprise of pits and pipes.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

A revaluation was undertaken as at 30 June 2020 in-house by council technical services staff and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Stormwater drainage for 30 June 2023.

Water Supply Network

Assets within this class comprise of bores, water treatment plant, reservoirs, pumping stations and water pipelines.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were revalued by an external valuer AssetVal Pty Ltd as at 30 June 2022 and there has been no change to the valuation process during the reporting period.

Sewerage Network

Assets within this class comprise of treatment works, pumping stations and sewerage mains.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter

E2-1 Fair value measurement (continued)

pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were revalued by an external valuer AssetVal Pty Ltd as at 30 June 2022 and there has been no change to the valuation process during the reporting period.

Swimming Pools

Swimming pools were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Swimming Pools have been revalued by an external valuer, AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Swimming pool assets for 30 June 2023.

Other Open Space/Recreational Assets

Assets within this class comprise of BBQ's and outdoor play equipment.

Other Open Space/Recreational Assets were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Open Space and Recreation Assets have been revalued by an external valuer, AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Other open space/recreational assets for 30 June 2023.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

| \$ '000 | Fair value (30/6/23) 2023 | Valuation technique/s | Unobservable inputs |
|--|---------------------------------|---|--|
| Financial assets | | | |
| Unlisted equity securities | 10 | Level 3 Valued at cost | |
| Total financial assets | 10 | | |
| Infrastructure, property, plant and equipment | | | |
| Plant and Equipment | 5,812 | Level 3 Valued at cost | <ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value |
| Office Equipment | 428 | Level 3 Valued at cost | <ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value |
| Furniture and Fittings | 7 | Level 3 Valued at cost | <ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value |
| Operational Land | 3,622 | Level 2 Market approach | <ul style="list-style-type: none"> • Land value (price per square metre) |
| Community Land, Land under roads (post 30/06/08) | 6,727 | Level 3 Market approach | <ul style="list-style-type: none"> • Land value (price per square metre) |
| Land Improvements- Non-dep | 288 | Level 3 Valued at cost | <ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life |
| Land Improvements - depreciable | 236 | Level 3 Valued at cost | <ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life |
| Buildings & other Structures | 32,302 | Level 3 External valuation using cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value |
| Roads, bridges, footpaths, bulk earthworks | 144,901 | Level 3 Internal valuation using cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life |
| Stormwater Drainage | 7,710 | Level 3 Internal valuation using cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life |
| Water Supply Network | 22,706 | Level 3 External valuation using cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life |
| Sewerage Network | 16,416 | Level 3 External valuation using cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life |
| Swimming Pools | 3,094 | Level 3 External valuation using cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life |
| Open Space and Recreational | 1,024 | Level 3 External valuation using cost approach | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life |
| Library Books | 219 | Level 3 Valued at cost | <ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value |

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.0% 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 \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$ 78,673.37. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2022.

The amount of additional contributions included in the total employer contribution advised above is \$45,430. Council's expected contribution to the plan for the next annual reporting period is \$70,848.72.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is .17%

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

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

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

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 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 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

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

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

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

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

E3-1 Contingencies (continued)

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

(ii) Quarries

Council operates a number gravel quarries and will have to rehabilitate the sites at some time in the future. As at 30 June 2023 Council is unable to reliably estimate the financial cost of such work.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

| \$ '000 | 2023 | 2022 |
|--------------------------|------------|------------|
| Compensation: | | |
| Short-term benefits | 842 | 802 |
| Post-employment benefits | 67 | 55 |
| Other long-term benefits | 27 | 22 |
| Total | 936 | 879 |

Other transactions with KMP and their related parties

| Nature of the transaction | Transactions during the year | Outstanding balances including commitments | Terms and conditions | Impairment provision on outstanding balances | Impairment expense |
|---|------------------------------|--|---------------------------------------|--|--------------------|
| \$ '000 | | | | | |
| 2023 | | | | | |
| Employee expenses relating to close family members of KMP | 367 | - | Council staff award | - | - |
| Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services. | 38 | - | Contracts, purchase orders or tenders | - | - |
| 2022 | | | | | |
| Employee expenses relating to close family members of KMP | 266 | - | Council staff award | - | - |
| Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services. | 74 | - | Contracts, purchase orders or tenders | - | - |

F1-2 Councillor and Mayoral fees and associated expenses

| \$ '000 | 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 | 103 | 93 |
| Other Councillors' expenses (including Mayor) | 50 | 27 |
| Total | 181 | 145 |

F2 Other relationships

F2-1 Audit fees

| \$ '000 | 2023 | 2022 |
|--|-----------|-----------|
| During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms | | |
| Auditors of the Council - NSW Auditor-General: | | |
| (i) Audit and other assurance services | | |
| Audit and review of financial statements | 54 | 52 |
| Remuneration for audit and other assurance services | 54 | 52 |
| Total Auditor-General remuneration | 54 | 52 |
| Non NSW Auditor-General audit firms | | |
| (i) Audit and other assurance services | | |
| Internal Audit | 33 | 37 |
| Remuneration for audit and other assurance services | 33 | 37 |
| Total audit fees | 87 | 89 |

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

| \$ '000 | 2023 | 2022 |
|--|---------------|--------|
| Net operating result from Income Statement | 9,763 | 7,161 |
| Add / (less) non-cash items: | | |
| Depreciation and amortisation | 6,297 | 5,937 |
| (Gain) / loss on disposal of assets | 22 | (363) |
| Non-cash capital grants and contributions | (46) | (527) |
| – Revaluation decrements / impairments of IPP&E direct to P&L | 1 | 43 |
| Unwinding of discount rates on reinstatement provisions | 17 | 11 |
| Movements in operating assets and liabilities and other cash items: | | |
| (Increase) / decrease of receivables | (60) | 439 |
| (Increase) / decrease of inventories | (43) | 77 |
| (Increase) / decrease of other current assets | (26) | 24 |
| (Increase) / decrease of contract assets | (580) | (393) |
| Increase / (decrease) in payables | (148) | (311) |
| Increase / (decrease) in other accrued expenses payable | (43) | 111 |
| Increase / (decrease) in other liabilities | 50 | (34) |
| Increase / (decrease) in contract liabilities | 604 | 460 |
| Increase / (decrease) in employee benefit provisions | (77) | (61) |
| Increase / (decrease) in other provisions | 51 | 421 |
| Net cash flows from operating activities | 15,782 | 12,995 |

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

| | | |
|--------------------------|--------------|--------------|
| Buildings | 1,093 | 2,585 |
| Recreation | 302 | 172 |
| Road infrastructure | – | 125 |
| Total commitments | 1,395 | 2,882 |

These expenditures are payable as follows:

| | | |
|----------------------|--------------|--------------|
| Within the next year | 1,395 | 2,882 |
| Total payable | 1,395 | 2,882 |

Sources for funding of capital commitments:

| | | |
|---------------------------------|--------------|--------------|
| Future grants and contributions | 857 | 2,359 |
| Unexpended grants | 72 | 302 |
| Unexpended Contributions | – | – |
| Externally restricted reserves | 373 | – |
| Internally restricted reserves | 93 | 221 |
| Total sources of funding | 1,395 | 2,882 |

Details of capital commitments

- Lake Talbot Skywalk \$101,350
- Landervale Fire Station \$601,014
- Solar Panels \$466,050
- Lake Talbot Pedestrian Deck \$154,541
- Henry Mathieson Oval Off leash dog area \$46,350
- Barellan Sportsground Spectator Pavillion \$26.,200

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions as at 30 June 2023

G4-1 Summary of developer contributions

| \$ '000 | Opening balance at 1 July 2022 | Contributions received during the year | | | Interest and investment income earned | Amounts expended | Internal borrowings | Held as restricted asset at 30 June 2023 | Cumulative balance of internal borrowings (to)/from |
|--|--------------------------------|--|---------------|----------------|---------------------------------------|------------------|---------------------|--|---|
| | | Cash | Non-cash Land | Non-cash Other | | | | | |
| Roads | 55 | - | - | - | 2 | - | - | 57 | - |
| S7.11 contributions – under a plan | 55 | - | - | - | 2 | - | - | 57 | - |
| S7.12 levies - under a plan | 161 | 55 | - | - | 5 | (10) | - | 211 | - |
| Total S7.11 and S7.12 revenue under plans | 216 | 55 | - | - | 7 | (10) | - | 268 | - |
| S7.4 planning agreements | 251 | - | - | - | 6 | - | - | 257 | - |
| S64 contributions | 249 | 55 | - | - | 7 | - | - | 311 | - |
| Total contributions | 716 | 110 | - | - | 20 | (10) | - | 836 | - |

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.

G4-2 Developer contributions by plan

| \$ '000 | Opening balance at 1 July 2022 | Contributions received during the year | | | Interest and investment income earned | Amounts expended | Internal borrowings | Held as restricted asset at 30 June 2023 | Cumulative balance of internal borrowings (to)/from |
|--------------------------------------|--------------------------------|--|---------------|----------------|---------------------------------------|------------------|---------------------|--|---|
| | | Cash | Non-cash Land | Non-cash Other | | | | | |
| CONTRIBUTION PLAN - Pine Hill | | | | | | | | | |
| Roads | 55 | - | - | - | 2 | - | - | 57 | - |
| Total | 55 | - | - | - | 2 | - | - | 57 | - |

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

| \$ '000 | Amounts 2023 | Indicator 2023 | 2022 | Indicators 2021 | 2020 | Benchmark |
|--|-----------------|---------------------|--------------|--------------------|--------------|---------------|
| 1. Operating performance ratio | | | | | | |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2} | 4,576 | 15.77% | 0.28% | 5.42% | 8.65% | > 0.00% |
| Total continuing operating revenue excluding capital grants and contributions ¹ | 29,010 | | | | | |
| 2. Own source operating revenue ratio | | | | | | |
| Total continuing operating revenue excluding all grants and contributions ¹ | 14,823 | 43.31% | 46.51% | 44.46% | 56.70% | > 60.00% |
| Total continuing operating revenue | 34,227 | | | | | |
| 3. Unrestricted current ratio | | | | | | |
| Current assets less all external restrictions | 19,452 | 6.57x | 5.99x | 5.03x | 6.07x | > 1.50x |
| Current liabilities less specific purpose liabilities | 2,962 | | | | | |
| 4. Debt service cover ratio | | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 10,937 | 51.35x | 44.41x | 215.52x | 0.00x | > 2.00x |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) | 213 | | | | | |
| 5. Rates and annual charges outstanding percentage | | | | | | |
| Rates and annual charges outstanding | 707 | 7.52% | 7.73% | 9.25% | 8.28% | < 10.00% |
| Rates and annual charges collectable | 9,407 | | | | | |
| 6. Cash expense cover ratio | | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 36,269 | 21.51 months | 18.40 months | 19.67 months | 20.77 months | > 3.00 months |
| Monthly payments from cash flow of operating and financing activities | 1,686 | | | | | |

(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

G5-2 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} | 18.93% | 1.50% | (13.09)% | (19.09)% | 13.75% | 8.70% | > 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 | 35.72% | 39.59% | 95.93% | 99.19% | 82.94% | 87.91% | > 60.00% |
| Total continuing operating revenue ¹ | | | | | | | |
| 3. Unrestricted current ratio | | | | | | | |
| Current assets less all external restrictions | 6.57x | 5.99x | 54.73x | 53.09x | 34.00x | 30.42x | > 1.50x |
| Current liabilities less specific purpose liabilities | | | | | | | |
| 4. Debt service cover ratio | | | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 59.98x | 50.23x | ∞ | ∞ | 16.51x | 7.29x | > 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 | 6.91% | 7.34% | 10.15% | 8.30% | 8.52% | 9.05% | < 10.00% |
| Rates and annual charges collectable | | | | | | | |
| 6. Cash expense cover ratio | | | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 19.07 months | 15.27 months | 41.63 months | 42.42 months | 26.32 months | 24.09 months | > 3.00 months |
| Monthly payments from cash flow of operating and financing activities | | | | | | | |

(1) - (2) Refer to Notes at Note G4-1 above.

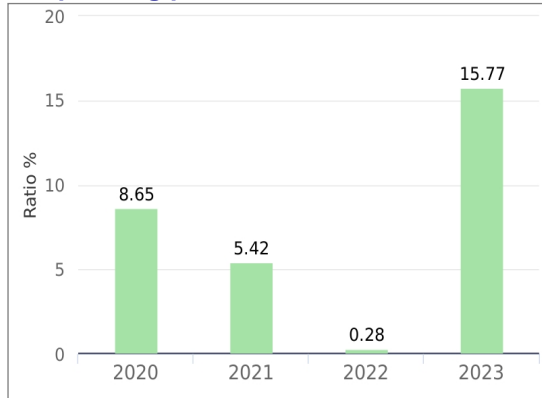
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2022/23 result

2022/23 ratio 15.77%

Council's operating performance has been impacted by the receipt of significant operating grants that remain unspent at 30 June 2023.

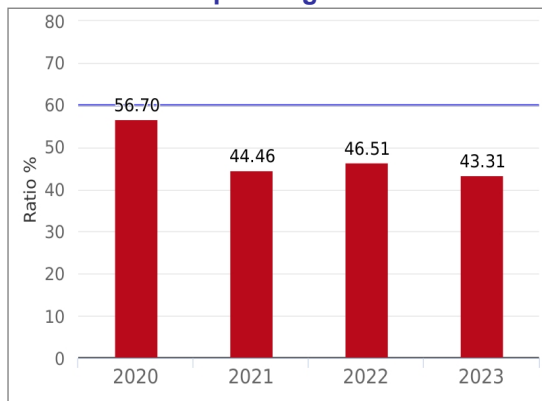
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2022/23 result

2022/23 ratio 43.31%

Own source revenue has again been impacted by additional grant funding for Local Roads and Community Infrastructure (Covid-19 economic stimulus), Fixing Country Bridges, Regional and Local Roads program, Pothole grant and the Financial Assistance Grant 100% prepaid.

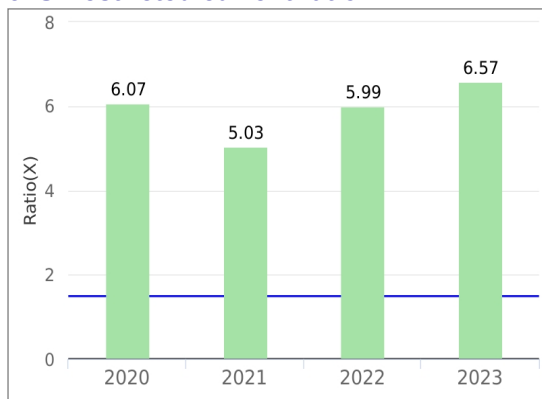
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2022/23 result

2022/23 ratio 6.57x

Council's ratio remains well above the benchmark with more than adequate funds to satisfy its short term obligations.

Benchmark: — > 1.50x

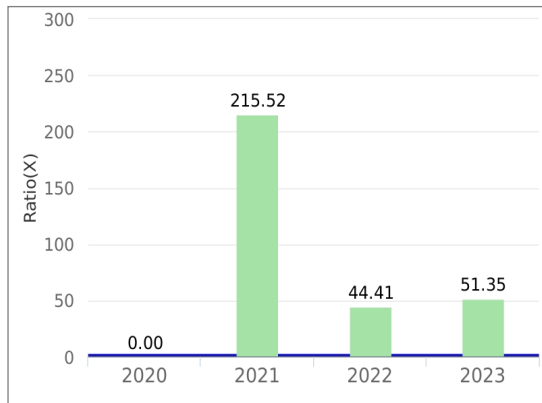
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 51.35x

Council currently has two external loans with the uptake of the Barellan sewer loan in 2022 and Lake Talbot pool in 2021. Internal loans exist from the Water fund to the General fund \$164,000

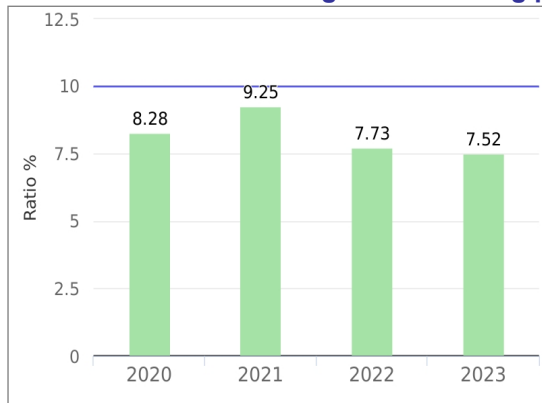
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2022/23 result

2022/23 ratio 7.52%

Council's outstanding rates have improved considerably and are at a satisfactory level having been achieved through a fair debt recovery program.

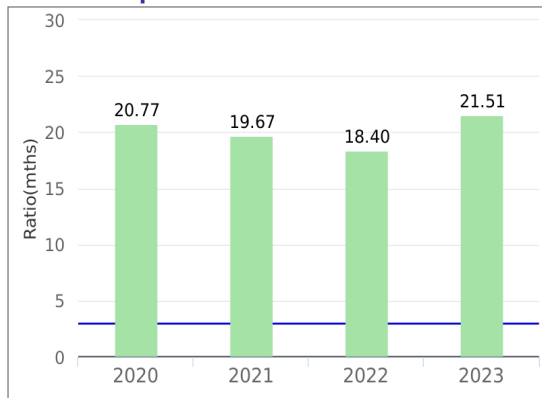
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 21.51 months

Council has more than adequate cash to meet ongoing expenses for over 21 months without requiring additional cash inflows.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

141 East Street
Narrandera NSW 2700

Contact details

Mailing Address:

141 East Street
Narrandera NSW 2700

Telephone: 02 6959 5510

Opening hours:

Office Hours
Monday to Friday
9.00am - 4:30pm

Internet: www.narrandera.nsw.gov.au

Email: council@narrandera.nsw.gov.au

Officers

General Manager

Mr George Cowan

Responsible Accounting Officer

Mr Martin Hiscox

Public Officer

Mr Martin Hiscox

Auditors

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

GPO Box 12
Sydney NSW 2001

Elected members

Mayor

Cr Neville Kschenka

Councillors

Cr Cameron Lander
Cr Jenny Clarke
Cr Tracey Lewis
Cr Kevin Morris
Cr Peter Dawson
Cr Narelle Payne
Cr Braden Lyons
Cr Sue Ruffles

Other information

ABN: 96 547 765 569



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Narrandera Shire Council

To the Councillors of Narrandera Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

18 September 2023
SYDNEY



Cr Neville Kschenka
Mayor
Narrandera Shire Council
141 East Street
NARRANDERA NSW 2705

Contact: Hong Wee Soh
Phone no: 02 9275 7397
Our ref: R008-16585809-44612/1768

18 September 2023

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

| | 2023 \$'m | 2022 \$m | Variance % |
|--|--------------|-------------|---------------|
| Rates and annual charges revenue | 8.6 | 8.4 | ↑ 2.3 |
| Grants and contributions revenue | 19.4 | 16.1 | ↑ 20.4 |
| Operating result from continuing operations | 9.8 | 7.2 | ↑ 36.1 |
| Net operating result before capital grants and contributions | 4.5 | 0.3 | ↑ >100 |

The Council's operating result from continuing operations (\$9.8 million including depreciation and amortisation expense of \$6.3 million) was \$2.6 million higher than the 2021–22 result.

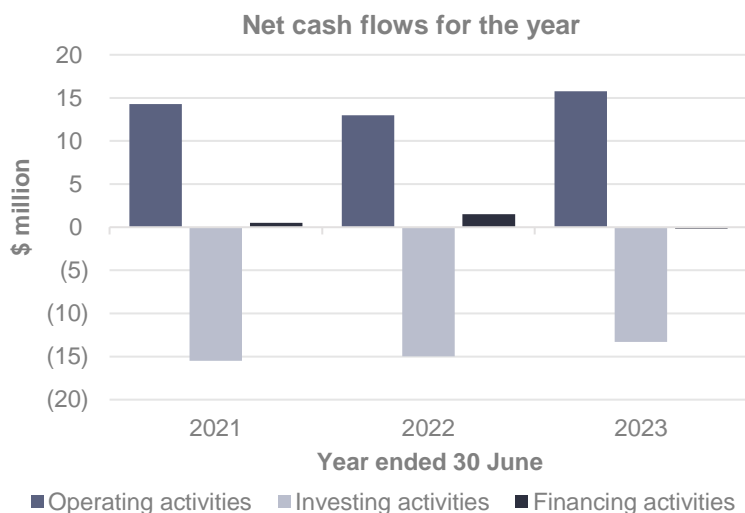
The net operating result before capital grants and contributions (\$4.5 million) was \$4.2 million higher than the 2021–22 result.

Rates and annual charges revenue (\$8.6 million) increased by \$0.2 million (2.3 per cent) in 2022–23 due to increase in rateable properties and increase in rate peg to 2.0%.

Grants and contributions revenue (\$19.4 million) increased by \$3.3 million (20.5 per cent) in 2022–23 due to a \$3.4 million increase in transport operational grants.

STATEMENT OF CASH FLOWS

- The Council's cash and cash equivalents was \$3.7 million at 30 June 2023 (\$1.4 million at 30 June 2022). There was a net increase in cash and cash equivalents of \$2.3 million during 2022-23.
- Net cash provided by operating activities has increased by \$2.8 million. This is mainly due to the increase in grants and contributions of \$3.9 million.
- Net cash used in investing activities has decreased by \$1.7 million, which is driven by the increase in purchase of infrastructure, property, plant and equipment of \$2.0 million.
- Net cash used in financing activities decreased by \$1.7 million, as \$1.6 million external borrowing was drawn by the Council during 2021-22.



FINANCIAL POSITION

Cash and investments

| Cash and investments | 2023 | 2022 | Commentary |
|---|-------------|-------------|--|
| | \$m | \$m | |
| Total cash, cash equivalents and investments | 36.3 | 29.2 | <ul style="list-style-type: none"> Externally restricted balances comprise mainly of developer contributions, water and sewer funds. The increase of \$7.1 million is primarily due to a \$4.2 million increase in specific purpose unexpended grants |
| Restricted cash and investments: | | | <ul style="list-style-type: none"> Internal allocations are determined by council policies or decisions, which are subject to change. |
| • External restrictions | 20.0 | 14.7 | |
| • Internal allocations | 16.1 | 14.4 | <ul style="list-style-type: none"> The increase of \$1.7 million in the internal allocations is primarily due to a \$2.0 million increase in the Financial Assistance Grant received in advance |

Debt

The Council has \$1.9 million of borrowings as at 30 June 2023 (2022: \$2.0 million). The borrowings are drawn through CBA related to the refurbishment and upgrading of Lake Talbot Water Park, and New South Wales Treasury Corporation related to the Barellan sewer project.

The Council also has a \$0.35 million bank overdraft facility, which was not drawn as at 30 June 2023 and 30 June 2022.

PERFORMANCE

Performance measures

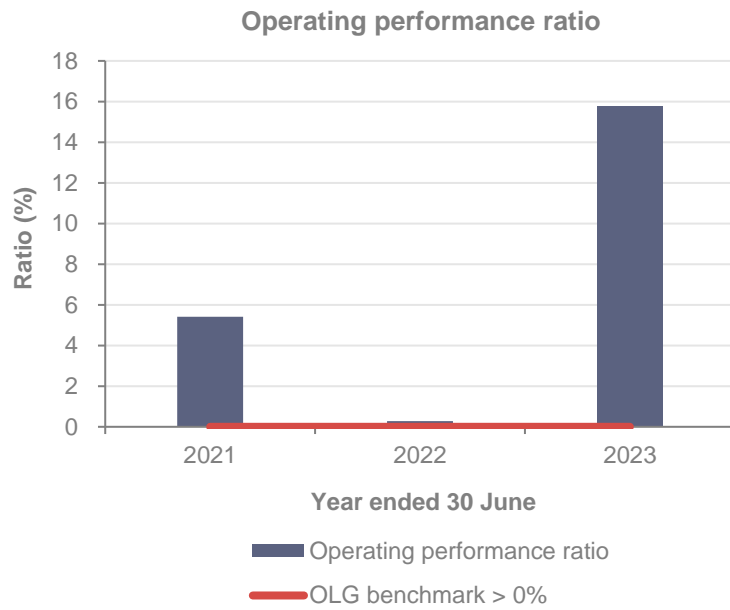
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

Operating performance ratio

The '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.

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

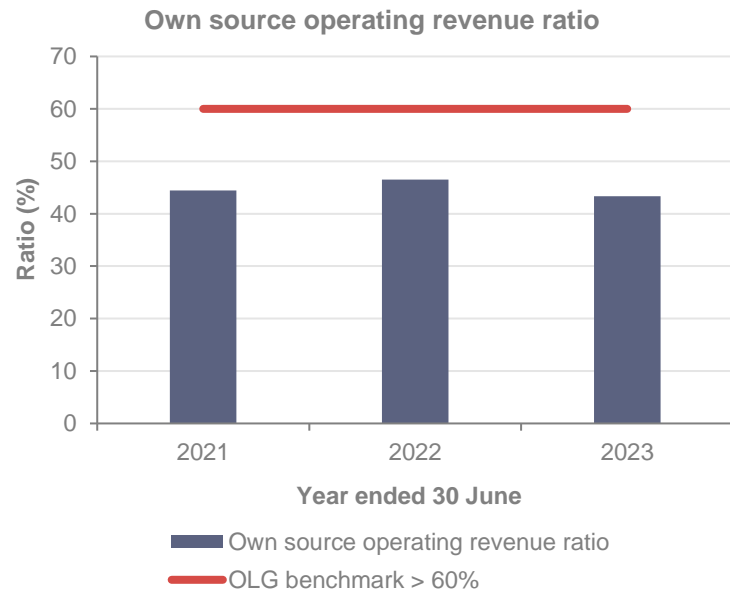
The performance improved due to a \$4.9 million increase in operating grants and contributions.



Own source operating revenue ratio

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.

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

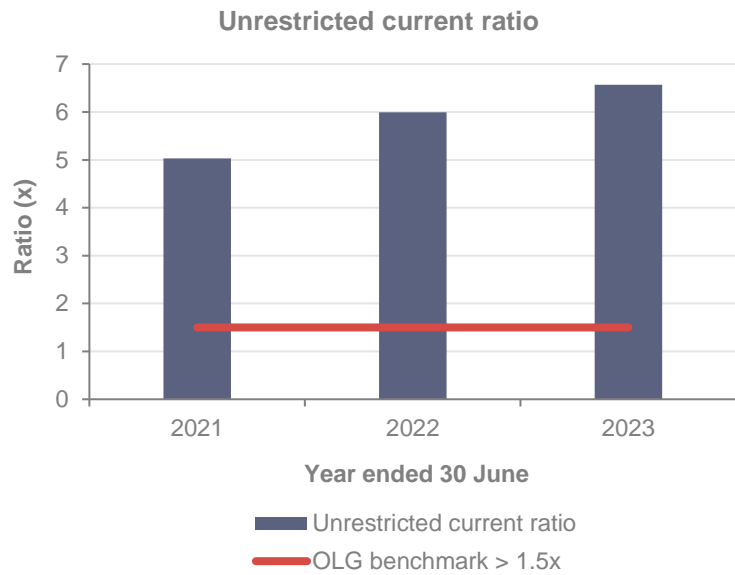


Unrestricted current ratio

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.

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

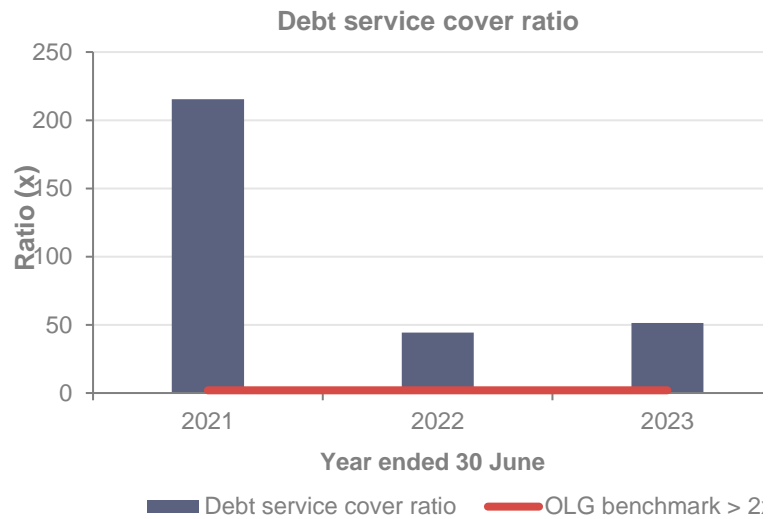
The current ratio improved due to a \$7.0 million increase in cash, cash equivalents and investments.



Debt service cover ratio

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.

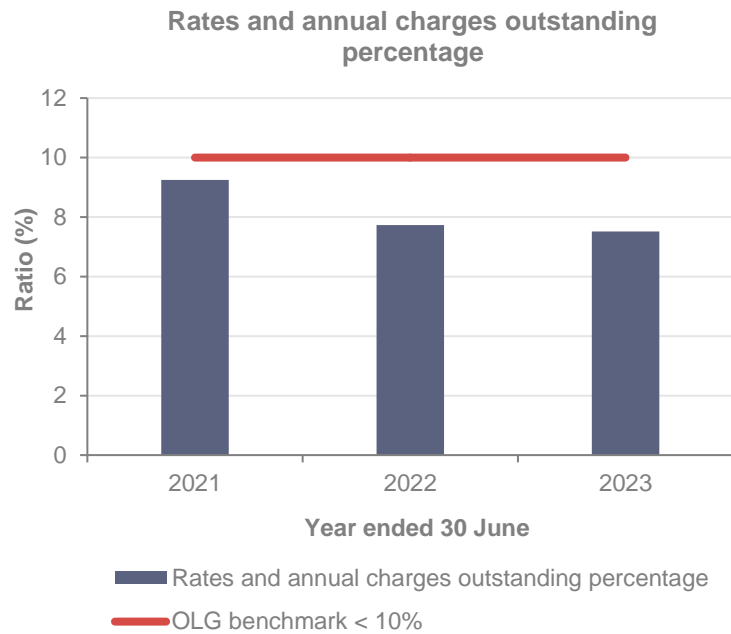
The Council met the OLG benchmark for the current reporting period.



Rates and annual charges outstanding percentage

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

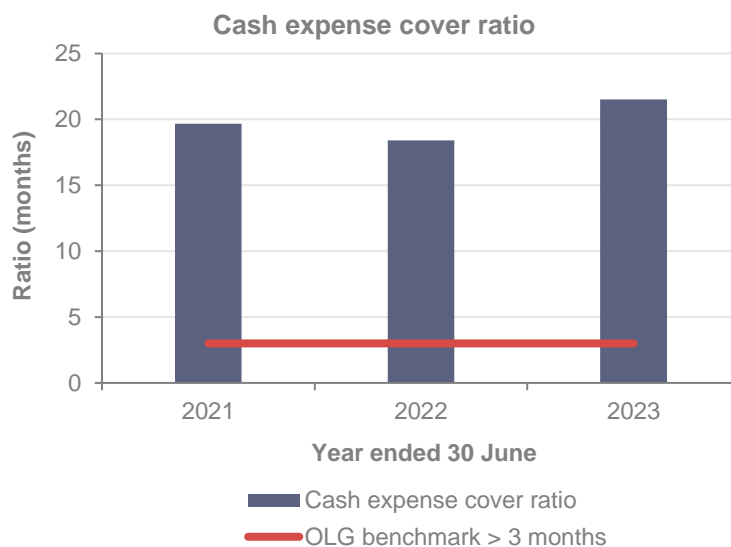
The Council met the OLG benchmark for the current reporting period.



Cash expense cover ratio

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.

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



Infrastructure, property, plant and equipment renewals

The Council renewed \$2.3 million of assets in 2022-23, compared to \$7.6 million of assets in 2021-22.

OTHER MATTERS

Legislative compliance

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

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



Hong Wee Soh

Delegate of the Auditor-General for New South Wales

cc: Mr George Cowan, General Manager
Mr John Batchelor, Chair of the Audit, Risk and Improvement Committee
Ms Kiersten Fishburn, Secretary of the Department of Planning and Environment

Special Purpose Financial Statements

Year Ended
30 June 2023



Narrandera
Shire Council

Narrandera Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2023

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Background

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

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

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

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

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

Narrandera Shire Council
Special Purpose Financial Statements
for the year ended 30 June 2023

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

The attached Special Purpose Financial Statements have been prepared in accordance with:

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

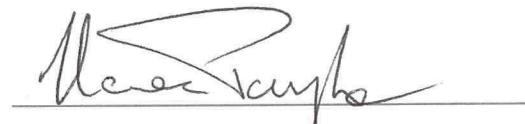
To the best of our knowledge and belief, these statements:

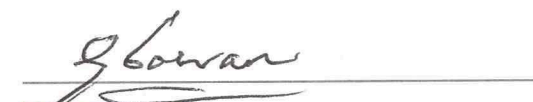
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.


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

Signed in accordance with a resolution of Council made on 15 August 2023.


Neville Kschenka
Mayor
15 August 2023


Narelle Payne
Councillor
15 August 2023


Mr George Cowan
General Manager
15 August 2023


Mr Martin Hiscox
Responsible Accounting Officer
15 August 2023


Mr Shane Wilson
Deputy General Manager Infrastructure
15 August 2023

Narrandera Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2023

| \$ '000 | 2023 | 2022 |
|--|---------------|--------------|
| Income from continuing operations | | |
| Access charges | 848 | 792 |
| User charges | 1,354 | 1,067 |
| Fees | 7 | 31 |
| Interest and investment income | 153 | 51 |
| Total income from continuing operations | 2,362 | 1,941 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 528 | 452 |
| Materials and services | 1,479 | 1,348 |
| Depreciation, amortisation and impairment | 651 | 515 |
| Net loss from the disposal of assets | 271 | 18 |
| Total expenses from continuing operations | 2,929 | 2,333 |
| Surplus (deficit) from continuing operations before capital amounts | (567) | (392) |
| Grants and contributions provided for capital purposes | 67 | 16 |
| Surplus (deficit) from continuing operations after capital amounts | (500) | (376) |
| Surplus (deficit) from all operations before tax | (500) | (376) |
| Surplus (deficit) after tax | (500) | (376) |
| Plus accumulated surplus | 18,233 | 18,609 |
| Plus adjustments for amounts unpaid: | | |
| Closing accumulated surplus | 17,733 | 18,233 |
| Return on capital % | (2.4)% | (1.7)% |
| Subsidy from Council | 1,530 | 1,224 |
| Calculation of dividend payable: | | |
| Surplus (deficit) after tax | (500) | (376) |
| Less: capital grants and contributions (excluding developer contributions) | (67) | (16) |
| Surplus for dividend calculation purposes | - | - |
| Potential dividend calculated from surplus | - | - |

Narrandera Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2023

| \$ '000 | 2023 | 2022 |
|--|---------------|---------------|
| Income from continuing operations | | |
| Access charges | 1,501 | 1,459 |
| User charges | 173 | 164 |
| Interest and investment income | 69 | 20 |
| Total income from continuing operations | 1,743 | 1,643 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 339 | 377 |
| Borrowing costs | 39 | 20 |
| Materials and services | 760 | 792 |
| Depreciation, amortisation and impairment | 355 | 311 |
| Total expenses from continuing operations | 1,493 | 1,500 |
| Surplus (deficit) from continuing operations before capital amounts | 250 | 143 |
| Grants and contributions provided for capital purposes | 344 | 226 |
| Surplus (deficit) from continuing operations after capital amounts | 594 | 369 |
| Surplus (deficit) from all operations before tax | 594 | 369 |
| Less: corporate taxation equivalent (25%) [based on result before capital] | (63) | (36) |
| Surplus (deficit) after tax | 531 | 333 |
| Plus accumulated surplus | 12,460 | 12,091 |
| Plus adjustments for amounts unpaid: | | |
| – Corporate taxation equivalent | 63 | 36 |
| Closing accumulated surplus | 13,054 | 12,460 |
| Return on capital % | 1.6% | 1.0% |
| Subsidy from Council | 422 | 436 |
| Calculation of dividend payable: | | |
| Surplus (deficit) after tax | 532 | 333 |
| Less: capital grants and contributions (excluding developer contributions) | (344) | (226) |
| Surplus for dividend calculation purposes | 188 | 107 |
| Potential dividend calculated from surplus | 94 | 54 |

Narrandera Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2023

| \$ '000 | 2023 | 2022 |
|---|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Contract assets and contract cost assets | 24 | – |
| Cash and cash equivalents | 89 | 313 |
| Investments | 6,155 | 6,050 |
| Receivables | 519 | 326 |
| Total current assets | 6,787 | 6,689 |
| Non-current assets | | |
| Receivables | 127 | 165 |
| Infrastructure, property, plant and equipment | 23,951 | 22,739 |
| Total non-current assets | 24,078 | 22,904 |
| Total assets | 30,865 | 29,593 |
| LIABILITIES | | |
| Current liabilities | | |
| Payables | 124 | 126 |
| Total current liabilities | 124 | 126 |
| Total liabilities | 124 | 126 |
| Net assets | 30,741 | 29,467 |
| EQUITY | | |
| Accumulated surplus | 17,733 | 18,233 |
| Revaluation reserves | 13,008 | 11,234 |
| Total equity | 30,741 | 29,467 |

Narrandera Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2023

| \$ '000 | 2023 | 2022 |
|---|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 42 | 137 |
| Investments | 2,621 | 2,300 |
| Receivables | 176 | 201 |
| Contract assets and contract cost assets | 323 | 130 |
| Total current assets | 3,162 | 2,768 |
| Non-current assets | | |
| Infrastructure, property, plant and equipment | 17,686 | 16,365 |
| Total non-current assets | 17,686 | 16,365 |
| Total assets | 20,848 | 19,133 |
| LIABILITIES | | |
| Current liabilities | | |
| Borrowings | 93 | 91 |
| Total current liabilities | 93 | 91 |
| Non-current liabilities | | |
| Borrowings | 1,391 | 1,484 |
| Total non-current liabilities | 1,391 | 1,484 |
| Total liabilities | 1,484 | 1,575 |
| Net assets | 19,364 | 17,558 |
| EQUITY | | |
| Accumulated surplus | 13,054 | 12,460 |
| Revaluation reserves | 6,310 | 5,098 |
| Total equity | 19,364 | 17,558 |

Note – Significant Accounting Policies

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Narrandera Council Water Supply

Council's water supply activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

Category 2

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

a. Narrandera Sewerage Service

Council's sewerage reticulation & treatment activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

Taxation equivalent charges

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

Notional rate applied (%)

Corporate income tax rate – **25%** (21/22 25%)

Note – Significant Accounting Policies (continued)

Land tax – the first \$822,000 of combined land values attracts **0%**. For the combined land values in excess of \$822,000 up to \$5,026,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,026,000 a premium marginal rate of **\$79,396 + 2.0%** applies.

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

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

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

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

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (21/22 25%).

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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.

Note – Significant Accounting Policies (continued)

(iii) Dividends

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

A local government water supply and sewerage 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 section 4 of DPE - Water's regulatory and assurance framework and must not exceed:

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

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



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

To the Councillors of Narrandera Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- Water supply
- Sewerage

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

18 September 2023
SYDNEY

Special Schedules

Year Ended
30 June 2023



Narrandera Shire Council

Special Schedules

for the year ended 30 June 2023

| Contents | Page |
|--|------|
| Special Schedules: | |
| Permissible income for general rates | 3 |
| Report on infrastructure assets as at 30 June 2023 | 6 |

Narrandera Shire 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 | 5,193 | 5,308 |
| Plus or minus adjustments ² | b | 21 | 10 |
| Notional general income | c = a + b | 5,214 | 5,318 |
| Permissible income calculation | | | |
| Special variation percentage ³ | d | 0.00% | 0.00% |
| Or rate peg percentage | e | 2.00% | 3.70% |
| Or crown land adjustment (incl. rate peg percentage) | f | 0.00% | 0.00% |
| Less expiring special variation amount | g | - | - |
| Plus special variation amount | h = d x (c + g) | - | - |
| Or plus rate peg amount | i = e x (c + g) | 104 | 197 |
| Or plus Crown land adjustment and rate peg amount | j = f x (c + g) | - | - |
| Sub-total | k = (c + g + h + i + j) | 5,318 | 5,515 |
| Plus (or minus) last year's carry forward total | l | 17 | 20 |
| Less valuation objections claimed in the previous year | m | (7) | - |
| Sub-total | n = (l + m) | 10 | 20 |
| Total permissible income | o = k + n | 5,328 | 5,535 |
| Less notional general income yield | p | 5,308 | 5,511 |
| Catch-up or (excess) result | q = o - p | 20 | 24 |
| Plus income lost due to valuation objections claimed ⁴ | r | - | - |
| Less unused catch-up ⁵ | s | - | - |
| Carry forward to next year ⁶ | t = q + r + s | 20 | 24 |

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Narrandera Shire Council

To the Councillors of Narrandera Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Narrandera Shire Council (the Council) for the year ending 30 June 2023.

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.



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

18 September 2023
SYDNEY

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2023

| Asset Class | Asset Category | Estimated cost | | | | Net carrying amount \$ '000 | Gross replacement cost (GRC) \$ '000 | Assets in condition as a percentage of gross replacement cost | | | | |
|---|-----------------------------|--|---|--|---------------------------------------|--------------------------------|---|---|--------------|--------------|--------------|--------------|
| | | Estimated cost to bring assets to satisfactory standard \$ '000 | to bring to the agreed level of service set by Council \$ '000 | 2022/23 Required maintenance ^a \$ '000 | 2022/23 Actual maintenance \$ '000 | | | 1 | 2 | 3 | 4 | 5 |
| Buildings | Buildings – non-specialised | 2,538 | – | 425 | 178 | 10,811 | 31,054 | 2.0% | 11.0% | 46.0% | 39.0% | 2.0% |
| | Buildings – specialised | 1,316 | – | 243 | 154 | 9,044 | 17,703 | 36.0% | 3.0% | 23.0% | 36.0% | 2.0% |
| | Sub-total | 3,854 | – | 668 | 332 | 19,812 | 48,757 | 14.3% | 8.1% | 37.6% | 37.9% | 2.1% |
| Other structures | Other structures | 1,432 | – | 303 | 457 | 12,490 | 22,094 | 40.0% | 6.0% | 25.0% | 25.0% | 4.0% |
| | Sub-total | 1,432 | – | 303 | 457 | 12,490 | 22,094 | 40.0% | 6.0% | 25.0% | 25.0% | 4.0% |
| Water supply network | Water supply network | 3,969 | – | 503 | 1,306 | 22,706 | 44,937 | 18.0% | 6.0% | 41.0% | 28.0% | 7.0% |
| | Sub-total | 3,969 | – | 503 | 1,306 | 22,706 | 44,937 | 18.0% | 6.0% | 41.0% | 28.0% | 7.0% |
| Roads | Sealed roads pavement | 293 | – | 434 | 259 | 27,002 | 41,685 | 60.0% | 7.0% | 10.0% | 5.0% | 18.0% |
| | Sealed roads surface | 3,390 | – | 227 | 1,192 | 9,889 | 21,836 | 19.0% | 4.0% | 15.0% | 50.0% | 12.0% |
| | Unsealed roads pavement | 2,953 | – | 275 | 1,146 | 18,852 | 26,434 | 12.0% | 4.0% | 83.0% | 0.0% | 1.0% |
| | Bridges | 472 | – | 69 | 8 | 10,885 | 18,107 | 7.0% | 45.0% | 43.0% | 0.0% | 5.0% |
| | Footpaths | 6 | – | 28 | 21 | 1,326 | 1,927 | 28.0% | 69.0% | 2.0% | 0.0% | 1.0% |
| | Bulk earthworks | – | – | – | – | 68,950 | 68,950 | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Flood-ways | – | – | 23 | – | 2,179 | 2,239 | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Guardrail | 6 | – | 2 | – | 324 | 438 | 50.0% | 34.0% | 14.0% | 0.0% | 2.0% |
| | Kerb and guttering | – | – | 78 | 25 | 4,357 | 7,462 | 0.0% | 100.0% | 0.0% | 0.0% | 0.0% |
| | Traffic devices | – | – | 14 | – | 1,137 | 1,353 | 79.0% | 4.0% | 17.0% | 0.0% | 0.0% |
| Sub-total | 7,120 | – | 1,150 | 2,651 | 144,901 | 190,431 | 56.0% | 11.5% | 19.7% | 6.8% | 6.0% | |
| Sewerage network | Sewerage network | 639 | – | 287 | 683 | 16,416 | 25,613 | 48.0% | 29.0% | 14.0% | 6.0% | 3.0% |
| | Sub-total | 639 | – | 287 | 683 | 16,416 | 25,613 | 48.0% | 29.0% | 14.0% | 6.0% | 3.0% |
| Stormwater drainage | Stormwater drainage | 2,908 | – | 99 | – | 7,710 | 11,891 | 14.0% | 43.0% | 0.0% | 0.0% | 43.0% |
| | Sub-total | 2,908 | – | 99 | – | 7,710 | 11,891 | 14.0% | 43.0% | 0.0% | 0.0% | 43.0% |
| Open space / recreational assets | Swimming pools | 198 | – | 189 | 168 | 3,094 | 4,452 | 75.0% | 0.0% | 0.0% | 25.0% | 0.0% |
| | Open Space & Recreational | 128 | – | 117 | 37 | 1,024 | 1,946 | 29.0% | 40.0% | 15.0% | 7.0% | 9.0% |
| | Sub-total | 326 | – | 306 | 205 | 4,118 | 6,398 | 61.0% | 12.2% | 4.6% | 19.5% | 2.7% |
| Total – all assets | | 20,248 | – | 3,316 | 5,634 | 228,153 | 350,121 | 42.4% | 12.4% | 23.9% | 15.0% | 6.3% |

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

Narrandera Shire Council

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

Infrastructure asset condition assessment 'key'

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

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

| \$ '000 | Amounts 2023 | Indicator 2023 | 2022 | Indicators 2021 | 2020 | Benchmark |
|--|-----------------|-------------------|---------|--------------------|---------|------------|
| Buildings and infrastructure renewals ratio | | | | | | |
| Asset renewals ¹ | 2,968 | | | | | |
| Depreciation, amortisation and impairment | 5,231 | 56.74% | 154.62% | 214.32% | 113.12% | >= 100.00% |
| Infrastructure backlog ratio | | | | | | |
| Estimated cost to bring assets to a satisfactory standard | 20,248 | | | | | |
| Net carrying amount of infrastructure assets | 237,914 | 8.51% | 14.68% | 14.52% | 10.53% | < 2.00% |
| Asset maintenance ratio | | | | | | |
| Actual asset maintenance | 5,634 | | | | | |
| Required asset maintenance | 3,316 | 169.90% | 190.73% | 119.07% | 170.30% | > 100.00% |
| Cost to bring assets to agreed service level | | | | | | |
| Estimated cost to bring assets to an agreed service level set by Council | – | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross replacement cost | 350,121 | | | | | |

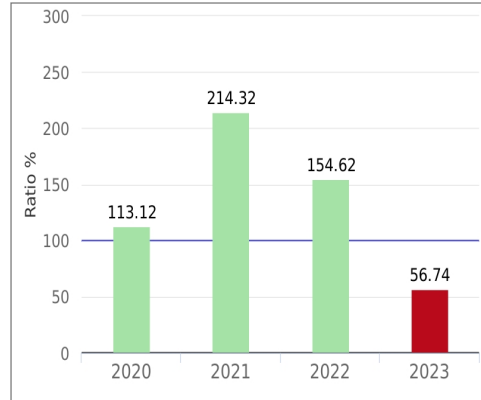
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2023

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

| Commentary on result | |
|--|--------|
| 22/23 ratio | 56.74% |
| Councils ability to meet this ratio has been impacted by flood events and grant programs for the construction of new assets. | |

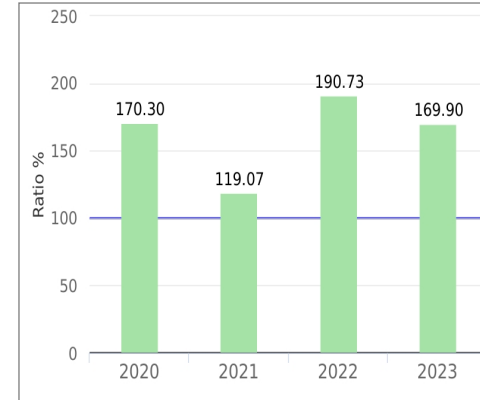
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

| Commentary on result | |
|---|---------|
| 22/23 ratio | 169.90% |
| Council is expending sufficient funds to ensure the infrastructure backlog ratio remains at a satisfactory level. | |

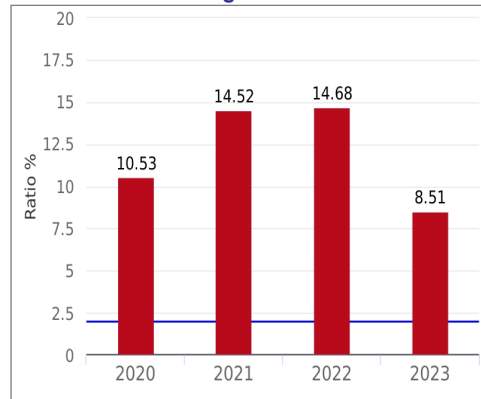
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

| Commentary on result | |
|---|-------|
| 22/23 ratio | 8.51% |
| Council is currently maintaining the infrastructure backlog ratio | |

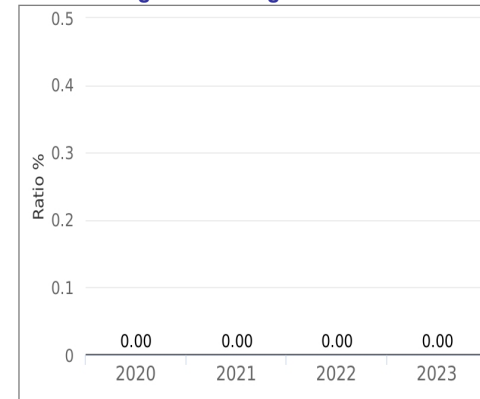
Benchmark: — $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

| Commentary on result | |
|----------------------|-------|
| 22/23 ratio | 0.00% |

Narrandera Shire 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 | 67.67% | 177.93% | 14.53% | 0.00% | 0.00% | 91.80% | >= 100.00% |
| Depreciation, amortisation and impairment | | | | | | | |
| Infrastructure backlog ratio | | | | | | | |
| Estimated cost to bring assets to a satisfactory standard | 7.92% | 10.33% | 16.98% | 48.49% | 3.75% | 19.04% | < 2.00% |
| Net carrying amount of infrastructure assets | | | | | | | |
| Asset maintenance ratio | | | | | | | |
| Actual asset maintenance | 144.30% | 163.67% | 259.64% | 191.57% | 237.98% | 494.44% | > 100.00% |
| Required asset maintenance | | | | | | | |
| Cost to bring assets to agreed service level | | | | | | | |
| Estimated cost to bring assets to an agreed service level set by Council | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Gross replacement cost | | | | | | | |



Narrandera

Shire Council

**Update for the Disability Inclusion Action
Plan
2022-26 ending 30 June 2023**

APPENDIX E



Narrandera
Shire Council

Disability Inclusion Action Plan 2022-2026

Update on progress at 30 June 2023

Reporting Year 2022-2023

DISABILITY INCLUSION ACTION PLAN 2022-2026

POSITIVE COMMUNITY ATTITUDES AND BEHAVIOURS

Elevate the profile and importance of people with a disability in our community

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|---|--|---------------|
| 1.1.1 | Identify opportunities for an inclusive event recognising people with a disability and promoting inclusion. | Community Development (including Library) Manager | The Library plays host and provides a user friendly venue for Kurrajong Waratah clients and activities. It also provides a venue for community groups such as the Men's Group and the Nattering Knitters to meet in a safe, accessible environment. A range of special needs materials such as large print and talking books as well as adaptable E-Books, E-Magazines and E-Audio are available for persons with limited vision, elderly and housebound clients. The Mobile Library service visits housebound clients as well as facilities such as RSL Life Care and Opal Aged Care. The Library also obtained funding and ran a number of Tech Savvy Seniors courses through 2022-2023. In addition, as part of Seniors Festival 2023 Council hosted a highly successful Seniors Expo which brought local seniors together with a range of speakers and representatives of service providers to offer a day of information, advice and firsthand problem solving. | Completed |
| 1.1.2 | Through the Australia Day Committee consider an award recognising a significant contribution to the disability sector or the promotion of inclusivity and/or accessibility. | Events and Visitor Services Team Leader | The 2024 Australia Day Awards will include an award recognising a significant contribution to the disability sector or the promotion of inclusivity and/or accessibility. | Completed |

Include disability awareness within Committee and Advisory Groups Terms of Reference.

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|---|--|---------------|
| 1.2.1 | Education delivered to the organisation on disability awareness also that disability awareness is to be included within the new employee induction program. | Human Resources Manager | The current induction process does not cover disability awareness in detail; however, this will be rectified in the next review of the induction process. A review of the induction process will be conducted soon the review will be aligned with the purchase/subscription to the Pulse onboarding module. | Progressing |
| 1.2.2 | Include disability awareness within Committee and Advisory Groups Terms of Reference. | Community Development (including Library) Manager | When undertaking new works or providing repairs or improvements to existing infrastructure Council takes in to account the needs of the whole community with special consideration given to equity and access. This is supported through the consultation process and the advice provided by Council Committees. The Terms of Reference for S355 and Advisory Committees have not been amended at this stage of the Council cycle however practical evidence of this consideration includes the provision of hand grips for security also trolleys to facilitate safe movement of heavy or large items at the Parkside Museum. This was evidenced throughout the Narrandera Wide Open Arts Program facilitated by the Arts and Cultural Advisory Committee where all events were held at an accessible venue and took in to account the requirements of patrons with special needs. Accessibility is a key consideration for all Committees when events and activities are proposed. | Progressing |
| 1.2.3 | Use media resources to promote disability awareness within the community. | Communications Officer | Council promoted a free online training seminar through The Australian Centre for Disability Law for students with a disability, or parents/carers, focused on learning to working well in with educational providers. | Completed |

LIVEABLE COMMUNITIES

Ensure the needs of people with a disability are properly considered when upgrading or developing Council infrastructure, recreational and cultural areas.

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|--------------------------|--|--------------------|
| 2.1.1 | Commitment to disability awareness when considering, designing and executing projects. | Deputy GM Infrastructure | All projects are designed and constructed to comply with the Disability (Access to Premises — Buildings) Standards 2010 and the National Construction Code - Disability Access provisions. | Ongoing commitment |

Advocate to the Shire business community the importance of disability access to premises.

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|------------------------------|---|---------------|
| 2.2.1 | When opportunities arise, promote disability access to commercial property owners and retailers. | Economic Development Manager | As these opportunities arise Council will ensure advocacy of inclusivity and access to commercial property. | Progressing |

SUPPORT ACCESS TO MEANINGFUL EMPLOYMENT

Consider opportunities for people living with a disability to work with Council

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|-------------------------|--|---------------|
| 3.1.1 | Council's Workforce Management Strategy to include meaningful guidelines for inclusion and Equal Employment Opportunities | Human Resources Manager | Council continues to employ one person with a recognised physical disability who is employed on a part time basis. Modifications have been made to the workplace to accommodate the requirements of this employee. Council continues to work with a local National Disability Insurance Scheme provider to facilitate a meaningful work/volunteer placement for an intellectually disability volunteer, this | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--------|----------------------|---|---------------|
| | | | volunteer works 4 hours each week with the aid of a support person. Recently Council advertised a casual customer service role which this volunteer applied for, Council is currently determining if there is a position available that can utilise the skills and knowledge of the applicant. Council also engages the services of a non-verbal volunteer in a casual arrangement when suitable work is available. The Human Resources team has reviewed the Workforce Management Plan and made the necessary amendments, so is currently in draft format. | |

Recognise workers with a disability and those performing a carer role for people with a disability

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|-------------------------|--|---------------|
| 3.2.1 | Promote Council as an 'employer of choice' by considering flexible working arrangements for staff to facilitate a better work/life balance | Human Resources Manager | Council provides many forms of flexible working arrangements - all applications requesting variations from the standard working arrangements are fully considered. A number of employees have requested and had their work times and/or days of work modified. To date the Human Resources team have not received any requests to vary hours due to care responsibilities for a person living with a disability. Flexible work arrangements are promoted as part of the recruitment processes and the onboarding process. Flexible work arrangements are currently being reviewed as part of the working party reference work initiatives. | Progressing |

Work proactively with employment service providers to match capabilities with workforce needs at Council and other workplaces

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|-------------------------|--|---------------|
| 3.3.1 | Identify and work with disability employment organisations to assist with opportunities for employment at both Council and advocate to other workplaces where possible. | Human Resources Manager | Council has built a working relationship with local NDIS provider Kurrajong Narrandera. Council considers all requests for placement and currently has one long term commitment with a Kurrajong client with this placement being very successful. Council will consider further requests for placement by this and other providers as they arise. | Progressing |

IMPROVING ACCESS TO SERVICES

Identify gaps and limitations in Commonwealth and State services and provide a voice for advocacy

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|---------------------------|--|--------------------|
| 4.1.1 | Where gaps are identified and are impacting members of the community, advocate for appropriate levels of support services | Community Support Manager | Council continues to participate in the weekly hospital discharge planning meeting also the monthly Interagency meeting and the quarterly Narrandera Health Advisory Group meeting - these meetings are used to identify the needs of identified members and the community as a whole. The NDIS provider 'My Plan Connect' held a meet and greet day at the Narrandera Library to help participants and future participants of the National Disability Insurance Scheme to get the most out of their packages. | Ongoing commitment |

Recognise the essential services that provide connectivity and support to members of our community, where necessary provide support and advocacy for improved services

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|---------------------------|--|--------------------|
| 4.2.1 | Strong voice of advocacy where reductions in community connectivity and services occur | Community Support Manager | Narrandera - Leeton Community Transport provides Community Transport to persons 65 years and over or 50 years and over and to persons identifying as Aboriginal or Torres Strait Islander also to those who are transport disadvantaged or participants of the National Disability Insurance Scheme and Home Care Package recipients. The purpose of the transport is for attending medical appointments, shopping or for social inclusion. Other services such as Social Support, Home Modifications and Maintenance and Flexible Respite are available for persons 65 years and over or 50 years and over and who identify as Aboriginal or Torres Strait Islander also participants of the National Disability Insurance Scheme and Home Care Package recipients. | Ongoing commitment |



Narrandera

Shire Council

**Delivery Program 2022-26 Annual Report
ending
30 June 2023**

APPENDIX F



Delivery Program 2022-2026
Annual Report
Reporting Year 2022-2023

DELIVERY PROGRAM 2022-2026

OUR COMMUNITY

To live in an inclusive, healthy and tolerant community with a positive attitude toward others

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|---|---|---------------|
| 1.1.1 | Acknowledge and celebrate our local Wiradjuri culture | Community Support Manager | Council continues to work on the new Wiradjuri Honour Wall located in Marie Bashir Park - this project is a memorial wall to the Wiradjuri people of the Narrungdera nation. The project consists of curved concrete walls with granite etched inlays and a central metal sphere feature. Local Roads & Community Infrastructure Grant and Narrandera Shire Council fund this project. Council continues to meet regularly with the Aboriginal Elders Liaison Group to discuss matters impacting the Aboriginal community. | Progressing |
| 1.1.2 | Support opportunities for community participation in diverse arts and cultural activities | Community Development (including Library) Manager | The Wide Open Narrandera program has run through 2022-2023 with monthly exhibitions. All 12 exhibitions have been held at the Arts Centre which is an accessible venue. Activities for those with special needs are also coordinated and facilitated by the Narrandera Library, with Social Support and transportation provided through HACC and Community Transport. In 2023 a Seniors Expo was held as part of Seniors Festival which connected older people, including those with special needs, with information and service providers who could assist them to learn about available services and to participate more fully in community activities. | Completed |
| 1.1.3 | Work with event organisers to promote and | Events and Visitor Services Team Leader | Contact with and publicity to assist local community groups initiate and promote community events is ongoing. In the past 6 months a number of community events have been | Completed |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|----------------------|---|---------------|
| | improve participation in local events and festivals | | successfully held; some have been assisted at a Council level with the support of the Events and Visitor Services Team Leader (EVSTL) and others on a more informal basis. On June 15th a Volunteer Expo was held at the Emergency Operations Centre to recruit new volunteers for all community organisations. A number of these organisations are the hosts of local community events and others are participants. It was identified that more volunteers are needed to assist in the hosting of events with a new concept introduced to these groups of short term volunteer recruitment - the EVSTL will follow up with a workshop to be held in the 2023-2024 financial year to assist in raising the skill levels of groups with regards to Event Management. | |

Work together to advocate for quality health, education, youth and social services

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|---------------------------|--|--------------------|
| 1.2.1 | Continue to work with the Aboriginal community fostering mutual respect and understanding through consultation seeking valuable feedback on important projects and initiatives | Community Support Manager | The Narrandera Shire Council Aboriginal Elders Liaison Group a number of meeting during the reporting year, discussing many issues of importance including: finalising the wording for the Wiradjuri Honour Wall, NAIDOC Week 2023, maintenance of Koori Beach, a presentation from the administrator looking after the Local Aboriginal Lands Council, meeting with all of the Principals from the local schools to discuss education initiatives offered to Aboriginal students and future projects from Landcare. | Ongoing commitment |
| 1.2.2 | Work with the Youth Council to implement the Youth Strategy | Community Support Manager | During this term the Youth Advisory Council have been successful in receiving funding under the school holiday program for 'winter break funding' and 'spring into action' "Summer Breeze" and "Keeping Out of the Cold" which facilitated activities in Marie Bashir Park, a bus trip to ice- | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|---------------------------|--|--------------------|
| | | | skating, a movie night, a Paint and Picasso event, activities at the Lake Talbot Water Park, Totem Skate School, Roller Disco and Learn to Skate, craft lessons and a slime run held in October. Headspace have attended each 'boredom busters' day held by the Youth Advisory Council, through partnership with Local Health Advisory Committee, the YAC will be participating in the 'blue tree project' which is a mental health initiative to raise awareness and start a conversation around mental health matters. | |
| 1.2.3 | Integrate the Youth Council into official Council and community events | Community Support Manager | Council is still working towards integrating the Youth Council into the operations of the official Council. The Youth Council has attended various community events to provide food and refreshments from the food trailer, as well as many events aimed at youth. These have included roller skating evenings, fun days in the park and a slime run. The Youth Advisory Council were present at Council's Listening Posts, providing feedback on the proposed main street upgrade and they also held their own survey to provide feedback to the Council on important issues facing young people within the community. The information gathered will be presented at the July Council Meeting. The Youth Council also attended a presentation by the Vape Free Action Group to provide education and awareness of the dangers of vaping. This presentation will be made available to the greater community in July. | Progressing |
| 1.2.4 | Continued advocacy for the delivery of integrated health services and well-being programs. | General Manager | Attended two further Council of Australian Governments (GOAG) meetings held by the Murrumbidgee Local Health District (MLHD) and lobbied for the renovation of the former nurses' quarters in Narrandera for onsite accommodation for staff and visiting medical officers. The issue of dialysis services was also raised with the incoming government. | Ongoing commitment |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--------|----------------------|---|---------------|
| | | | Council resolved to continue to fund the Rural Doctors Network Scholarships to the value of \$3,000 and supported the hosting of two trainees in February 2023. Quarterly meetings were also attended, organised by the MLHD. | |

To feel connected also safe

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|--------------------------------|--|--------------------|
| 1.3.1 | Maintain and enhance the connection between Council and the community using available communication channels | Communications Officer | For the 2022-2023 reporting year, Council continued to utilise various channels to communicate Council activity to the community. In the past year, thirty-six media releases were distributed through regional and local media with the Communications Officer assisting with 90 media enquiries. The Council website engaged with 14,779 different users through 35,574 sessions, the top engaged page was the Home Page (12,916) from which many information options are available. | Completed |
| 1.3.2 | Continued advocacy for the strengthening of critical emergency services personnel and 'fit for purpose' infrastructure through the Narrandera Community Safety Precinct Committee | General Manager | Attended three quarterly meetings of NSW Police district commanders along with representatives of Leeton Shire Council. A submission was made to the Department of Regional NSW identifying the state of Police buildings in our Shire and continued to raise the issue of crime within the region. | Ongoing commitment |
| 1.3.3 | Ensure that the CCTV network is functional and there is a program for enhancement | Information Technology Manager | Council staff continue to maintain the existing CCTV infrastructure to respond to any requests for footage from the NSW Police. Council staff are also currently making plans to improve the existing CCTV systems in consultation | Ongoing commitment |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|---------------------------|--|--------------------|
| | | | with the local Police and with the assistance of a government financial grant. | |
| 1.3.4 | Provide transport opportunities to support independent living at home | Community Support Manager | The Narrandera - Leeton Community Transport provided 14,254 trips to residents of the Narrandera and Leeton Shires to attend medical appointments, for social outings and for the purpose of shopping. Of these trips 4,864 were delivered to those who are 65 years and older (or 50 years and older and identify as Aboriginal and Torres Strait Islander), 6,713 were delivered to those who are transport disadvantaged, 224 were delivered to National Disability Insurance Scheme (NDIS) participants and the remainder were delivered through brokerage agreements and non-emergency health related transport. Narrandera - Leeton Community Transport travelled a total of 405,984 kilometres during the reporting 2022-2023 reporting period. | Ongoing commitment |

OUR ENVIRONMENT

To value, care for and protect our natural environment

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|-------------------------------|---|---------------|
| 2.1.1 | Establish strong partnerships to protect, expand and promote Narrandera's unique koala population with a vision to establish a research centre in Narrandera | Economic Development Manager | The Economic Development team continues to work closely with the Koala Regeneration Committee and have a strong relationship. This partnership then works with Charles Sturt University (CSU), Murrumbidgee Landcare and National Parks and Wildlife Service (NPWS) to ensure that our Koala population remains protected and healthy. At the 20 June 2023 meeting, Council resolved to concur with the Department of Planning, Industry and Environment for the issue of a short-term (12 month) to the Koala Science Team for the purpose of Environmental Studies - Koala Surveys. | Progressing |
| 2.1.2 | Key environmentally sensitive areas under the control of Council are managed with awareness and sensitivity | Open Space Recreation Manager | The Narrandera Flora and Fauna Reserve, the Narrandera Wetlands, the Lake Talbot and Rocky Water Holes precincts are all managed in accordance with the Crown Land Management Act, 2016. Targeted weed control program is currently in place for Blackberry and African Boxthorn. | Completed |
| 2.1.3 | Preservation and enhancement of our significant tree assets to maintain our signature streetscapes | Open Space Recreation Manager | The unique treescape of Narrandera is proactively managed with significant trees preserved to ensure the aesthetic value of Narrandera and to remain healthy and unique. Recent significant storm events have resulted in the removal of 130 trees; however, the tree replacement program is progressing. | Completed |

Enhance our public spaces to enrich our community

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|-------------------------------|--|---------------|
| 2.2.1 | Continually assess playgrounds to determine if fit for purpose, ensure compliance with the relevant standards and they meet community needs relevant to the level of use of the area | Open Space Recreation Manager | Community playgrounds are inspected bi-weekly, weekly or monthly depending on their location and the level of use of the playground. The inspection process and findings are documented and saved into council risk management system "Vault". Any remedial actions are assigned as tasks to staff and completed once repairs or replacements have taken place. | Completed |
| 2.2.2 | Implement a renewal and maintenance schedule to support a diverse range of building facilities for the community | Projects and Assets Manager | Council buildings renewal and maintenance program for the 2022-2023 financial year has been finalised. Scheduled air-conditioning servicing, spider spraying, and gutter cleaning have been completed. Renewal activities included an air conditioner replacement, identified fixture and fittings replacements, lighting upgrade, upgrade of some female toilet facilities, roof and gutter works, plumbing renewals, boundary fence replacement and internal /external painting. | Completed |

Maximise greater re-use of resources to increase sustainability within our community

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|-----------------------------|--|---------------|
| 2.3.1 | Implementation of the Narrandera Shire Waste Management Plan and identify realistic opportunities for re-use of waste streams | Deputy GM Infrastructure | The new waste transfer area has been awarded with construction commencing shortly. Site preparation of the new area has been undertaken with internal roadway to commence in August. | Progressing |
| 2.3.2 | Source funding and implement short to | Projects and Assets Manager | Council was unsuccessful in gaining \$600,000 in grant funding under the Building Better Region Fund Round 6 for | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|----------------------|--|---------------|
| | medium term actions from the Narrandera Shire Council Climate Action Strategy | | the 'Power to Save' application. Council has itself funded the construction of 230KW (behind the meter photovoltaic (PV) solar system) and 35kWh of battery storage. The initial high demand sites are the Narrandera Sewer Treatment Plant, the Lake Talbot Water Park, the Narrandera Works Depot, the Truck Wash facility, the Narrandera Sports stadium and finally the Council Administration Centre. | |

OUR ECONOMY

Create strong conditions for investment and job creation through quality infrastructure and proactive business support

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|--|--|--------------------|
| 3.1.1 | Identify and develop targeted campaigns to attract industry/business also building on our distinctive strengths in agriculture and its related supply chains | Economic Development Manager | For the 2022-23 reporting year - Council begun preparing the 2023-2026 Economic Development Strategy (EDS) which will focus on achieving positive economic outcomes and long-term economic growth to support businesses and residents of the Narrandera Shire. | Progressing |
| 3.1.2 | Promote collaborative marketing initiatives through regular meetings between businesses and Council on both a formal and informal basis | Economic Development Manager | For the 2022-23 reporting period Council has work on collaborative marketing initiatives, engaged in consultation sessions for the development of our 2023-26 Economic Development strategy, meet with many industries and businesses, attended business group meetings and engaged government agencies to assist businesses. Through regular meetings with local industries, businesses and attending business group meetings we can gain valuable insights into the needs and aspirations of local businesses. These interactions enable council to develop targeted marketing initiatives, nurture potential collaborations, and create a supportive environment for business growth. | Progressing |
| 3.1.3 | Promotion of Narrandera Shire using our heritage buildings, culture, location, waterways, ecotourism also business and sporting facilities | Tourism and Economic Development Coordinator | The unique natural environment and the built environment of our Shire is promoted in almost all of Council's promotional material ranging from printed brochures to banners used on the website of Council and in social media posts. | Ongoing commitment |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|------------------------------|--|---------------|
| 3.1.4 | Advocate and support the expansion of the Narrandera-Leeton Airport and increased business opportunities | Economic Development Manager | For the 2022-2023 reporting year Council supported the Regional NSW Jobs Creation Funding application for the Australian Airline Pilot Academy (AAPA). We believe that the increased use and capacity at the Narrandera - Leeton Airport will significantly benefit Narrandera Shire and its residents both socially and economically. | Progressing |

Encourage new housing supply to meet the needs of the community

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|------------------------------|--|--------------------|
| 3.2.1 | Actively seek and where possible, assist prospective developers to facilitate a mixed housing development that includes an independent living complex and affordable housing in Narrandera | Economic Development Manager | For the 2022-2023 reporting year, the Economic Development team have created open channels of communication with prospective developers and local real estate agents to help facilitate potential housing developments in Narrandera, which includes an independent living complex and affordable housing. | Progressing |
| 3.2.2 | Strategic land use planning for future housing, recreational, commercial and industrial needs | Deputy GM Infrastructure | Narrandera Local Housing & Employment Zone Land Strategy was adopted by Council in December 2022. The identified actions are now being progressed, with the planning proposal for the identified Employment Zone Land west of the Red Hill Industrial Estate now underway. | Progressing |
| 3.2.3 | Continue to lobby NSW Government to resolve Aboriginal Land Claims on lands suitable for potential development | General Manager | The General Manager met with Minister and relevant staff twice during the reporting year to lobby for the claims to be resolved. At this point in time there has been no progress, due to a lack of resources allocated by the NSW Government. | Ongoing commitment |

OUR INFRASTRUCTURE

To have an improved and appropriately maintained road network

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|----------------------|---|---------------|
| 4.1.1 | Submit funding applications to maximise opportunities to upgrade the local and regional road network | Works Manager | <p>All funding streams eligible for Council to apply for in 2022-2023 were submitted for consideration with a summary of applications below.</p> <p>Council has applied for and is awaiting notification of \$102,500 Regional Roads Repair Program 2023-2024</p> <p>Council has applied for and was successful in receiving:</p> <ul style="list-style-type: none"> \$815,539 Fixing Local Roads Round 4 for Old Wagga Road widening and safety improvements; \$534,331 Fixing Local Roads Pothole Repair Round; \$2,836,998 Regional and Local Roads Repair Program; \$1,923,604 Essential Public Asset Reconstruction Works for Natural Disaster January 2022; \$102,470 Regional Roads Repair Program 2022-2023 for Barellan Road rehabilitation; <p>Additional funding applications will be submitted in 2023-2024 for damage caused by Natural Disaster August to October 2022 also Natural Disaster 2022 Buckingham Road and Federal Park Road.</p> | Completed |
| 4.1.2 | Plan and undertake road maintenance and upgrades based on available funding | Works Manager | <p>The Narrandera Shire Council Local Government Area was heavily impacted by Natural Disaster Events AGRN1030 and AGRN1034 from September 2023 onwards. Significant damage to the sealed and unsealed road network caused by flooding and extended heavy traffic on Council's local roads due to the closure of the Sturt Highway and the Newell Highway.</p> <p>Council has completed 54.5 Kilometres of scheduled Gravel Resheet works, 452 Kilometres of maintenance, 1.7km of sealed road rehabilitation and 550 metres of new industrial</p> | Completed |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|--------------------------|---|--------------------|
| | | | road construction. Included in these figures, Council has undertaken Emergency Works (EW) and Immediate Reconstruction Works (IRW) to 41.6 Kilometres of road network as part of Natural Disaster AGRN1034 (September 2022 onwards) and Essential Public Asset Reconstruction Works (EPA-RW) Gravel Resheet works of 21.5 Kilometres of road network as part of Natural Disaster AGRN1001 (January 2022). | |
| 4.1.3 | Strategic lobbying for the replacement or upgrade of the bridge across the main irrigation canal on Irrigation Way | Deputy GM Infrastructure | Council has ongoing communication with TfNSW and Local Member, but there is no commitment to improve the bridge at this stage. Initial investigations have been conducted by TfNSW, but no budget has been allocated for any detailed design work. | Ongoing commitment |

Actively investigate opportunities to enhance our potable water quality

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|----------------------|---|---------------|
| 4.2.1 | Implement the adopted Integrated Water Cycle Management Plan (IWCM) | Water Sewer Manager | Funding for the Integrated Water Cycle Management Plan (IWCM) additional works has been received with works currently underway - completion of the additional works and the IWCM strategy is expected by the end of September 2023. | Progressing |
| 4.2.2 | Continue to address water quality issues within the potable water supply network | Water Sewer Manager | Funding for the Narrandera Water Treatment Plant Scoping Study was approved, and the project began in May 2023. Potable water testing and initial studies are underway. Household filter installation program is still progressing slowly due to contractor availability. The water mains replacement program is slightly behind schedule due to wet weather, other works being prioritised also staff availability. The hydrant flushing program has been completed. | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|------------------------|--|---------------|
| 4.2.3 | Ensure that wastewater returned to the environment is in line with guidelines from relevant authorities | Water Sewer Manager | There have been issues at the Narrandera Sewer Treatment Plant (STP) with 2 recorded non-conformances for the reporting year - these non-conformance reports can be explained by high levels of rainfall and flooding events, also the delay in upgrading the STP filtration system. | Progressing |
| 4.2.4 | Keep the community informed of water supply matters and proposed infrastructure upgrades, encourage water customers to register and use the new water billing portal | Communications Officer | The water billing portal went live in February 2023 which allows property owners to log into the 'water billing portal' from the website of Council to monitor their water usage and as a tool to identify any possible water leaks - information has and will continue to be issued with rate instalment notices and annual rate notices promoting the portal. A Council staff member monitors the portal for high water consumption which could indicate a water leak, with an alert issued to the property owner by email or SMS text message. Council continues to notify the community of planned and ad-hoc water outages for both planned and unplanned upgrades and repair works using social media resources and the website of Council - where there is a planned major outage a letter box drop is organised for affected properties. | Progressing |

To improve, maintain and value-add to our essential public and recreational infrastructure

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|--------------------------|--|---------------|
| 4.3.1 | Undertake stages 1 & 1A of the Narrandera Business Centre Upgrade, including the implementation of improved stormwater drainage and seek | Deputy GM Infrastructure | Redesign of stage 1B being East Street between Bolton & Twynam Streets was completed and placed on public exhibition, with strong community objection to the proposal. Report presented to the June 2023 council meeting recommended deferring this project. The detailed design of the drainage scheme is underway, with funding to be confirmed for these works. | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|-------------------------------|---|---------------|
| | funding for the additional stages of the project | | | |
| 4.3.2 | Through stakeholder consultation, in any project consider the diverse mobility needs of our community, consistent with the Disability Inclusion Action Plan | Projects and Assets Manager | Council staff are and will continue to undertake stakeholder consultation to determine the mobility needs of our community in accordance with the Disability Inclusion Action Plan. | Progressing |
| 4.3.3 | Through community consultation develop a new masterplan for Marie Bashir Park | Open Space Recreation Manager | A consultant has been engaged to develop a masterplan for Marie Bashir Park including revitalisation of the 'Adventure Playground'. Community engagement has taken place for the concept of the Marie Bahir Park 'Adventure Playground' masterplan with the overall concept plan for the park in the final draft stages. | Progressing |
| 4.3.4 | Through consultation with all user groups of Narrandera Shire sporting facilities, prioritise improvements for venues and seek funding to implement the improvements | Open Space Recreation Manager | Council staff are continuing to collaborate with user groups to improve sporting facilities - some of the latest projects include a new BBQ and undercover spectator area for the Barellan Sportsground, a covered spectator area at the Narrandera Sportsground, internal thermal and soundproof cladding for the interior of the Narrandera Sports Stadium also new stadium score boards. | Completed |
| 4.3.5 | Establish an off-leash companion animal area adjacent to Henry Mathieson Oval | Deputy GM Infrastructure | Construction of the off-leash area adjacent to HRM has commenced with works to be completed by September 2023. | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|--------------------|---|-----------------------------|--|----------------------|
| 4.3.6 | Source funding to improve vehicle parking at the Lake Talbot Water Park | Projects and Assets Manager | Council staff are still searching for suitable grant funding opportunities for this project. | Progressing |

OUR CIVIC LEADERSHIP

Have a Council that provides leadership through actions and effective communication

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|---------------------------------|---|---------------|
| 5.1.1 | Manage the functions of ARIC also the schedule of Internal Audits and Service Reviews. | Governance & Engagement Manager | The reporting year has been a busy one for the Audit, Risk and Improvement Committee (ARIC) with progress achieved to conform with the guidelines for the management of ARIC released by the Office of Local Government mid December 2022. The ARIC have adopted the Terms of Reference and Internal Audit Charter and recently advertised for a 3rd independent person to be appointed to the Committee. For the 2022-2023 reporting year - 4 internal audits have been conducted being Financial Grant Management, Fleet Management, Work Health and Safety Framework, also Events Management. The term of the current internal auditor (National Audits Group) will end 30 September 2023; however, the ARIC have sought Request for Quotation using VendorPanel with a recommendation to be submitted to the August 2023 Council meeting. | Progressing |
| 5.1.2 | Support ethical, transparent and accountable corporate governance | Governance & Engagement Manager | Good governance promotes public confidence and is paramount to service delivery and the economic and efficient use of public money. Governance is the high-level processes and behaviours that ensure an organisation performs by achieving its intended purpose, complies with relevant laws, codes and directions while meeting community expectations of probity, accountability and transparency. Council achieves this in many ways - the most visible is the Council business paper also live streaming of non-confidential Council meetings to the community. The overarching document of Council is the Community Strategic Plan which is supported by key documents like the Delivery Program containing the | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|---------------------------------|---|--------------------|
| | | | strategies, actions and targets of Council which is reported to both Council and the community every 6 months. | |
| 5.1.3 | Gauge customer and resident satisfaction with services and operations | Governance & Engagement Manager | Having a quadrennial Community Survey allows the community to provide their opinion on a range of topics. Council can use this information to develop its long-term Community Strategic Plan also key supporting documents such as the 4 year Delivery Program also the 1 year Operational Plan. One of the key analytical features of the final report is the Performance Gap Analysis where Importance is compared to the Satisfaction - the difference represents the Performance Gap Analysis. Having the 'gap' data available allows the Council to consider options when developing budgets for the Long Term Financial Plan to improve satisfaction - this is the case with Water Supply having the greatest 'gap' from the 2021 survey of 53%. Council has initiated programs such as water mains flushing, projects to renew aged infrastructure also the option to install water filters at no cost to the property owner. The next Community Survey is planned for early 2024. | Progressing |
| 5.1.4 | Report on compliance with the financial performance measures within the annual financial statements | Deputy GM Corporate & Community | Financial reports for the year ending 30 June 2022 have been completed and audited by the NSW Audit Office. The Auditor General expressed an unmodified opinion on Council's General Purpose and Special Purpose Financial Statements. Benchmark ratios for financial performance were exceeded except for the "Own Source Operating Ratio". Council has not achieved this ratio in recent years due to its success in obtaining significant levels of grant funding which has a detrimental impact to this ratio. | Completed |
| 5.1.5 | Continue strategic advocacy for the | General Manager | Held a meeting with each of the school Principals to discuss learning outcomes for students within the Shire, Council has also provided opportunities for work experience and school- | Ongoing commitment |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|-------------------------|--|--------------------|
| | strengthening of the Shire centres of learning | | based traineeships to work within the organisation. Council supports the Clontarf Academy for male students at the Narrandera High School but has also raised an issue with the Minister for Education that opportunities for female students must also be given priority. Council continues with its financial contribution to local schools and TAFE for their annual academic award ceremonies. | |
| 5.1.6 | Continue strategic advocacy for the improvement of telecommunication networks across the Shire | General Manager | Across the reporting year held a single meeting in the chambers with Telstra to discuss telecommunications in the Shire, held four community workshops with NBN and Telstra to allow businesses and residents to meet with technicians and raise issues. Followed up with the Field Solutions Group in relation to the proposed telecommunications site at Grong Grong and raised the issue of a tower for the Sandigo area. | Ongoing commitment |
| 5.1.7 | Make representations to both Federal and State Government agencies to determine the feasibility of the Lake Mejum and Lake Coolah concept | General Manager | A submission has been made to Government in relation to the Murrumbidgee Regional Plan also the Water sharing plan raising the issues of water availability to both the residential and farmer communities of the region. | Ongoing commitment |
| 5.1.8 | Ensure that workforce policies remain current in a changing environment | Human Resources Manager | The Human Resource team use task notifications in MAGIQ to notify when policies are due for review. Policies are reviewed as time permits, recently this has proven difficult due the higher than usual recruitment processes and extra duties in relation to the implementation of outcomes from the working party reference group. During the reporting period the following Human Resources and Enterprise Risk policies have been reviewed or created: <ul style="list-style-type: none"> • Flexible Work Arrangements • Personnel Files | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|-------------------------|---|---------------|
| | | | <ul style="list-style-type: none"> • Study Assistance • Succession Planning • Healthy Catering Options • Retirement and Resignation Gifts • Council Facilities Closure • WHS Planning and reporting Procedure 2022 • WHS Roles and responsibilities Procedure • POL134 Work Health and Safety Policy 2023 • POL135 Health and Safety Committee Policy 2022 • Risk Management Policy 2023 • POL159 Health Monitoring and Vaccination Policy • Health Monitoring and Vaccination Procedure. | |
| 5.1.9 | Maintain the connection with Price Waterhouse Cooper to complete the LG Performance Excellence Program on an annual basis | Human Resources Manager | Council has participated in the Price Waterhouse Cooper survey each year since 2017. The extensive reporting seeks information for a very wide source of data relating to the functions of Council. When finalised a full report is provided to the Executive Leadership Team for information, the information is then used to develop strategic plans such as the Workforce Strategic Plan. The next Price Waterhouse Cooper reporting cycle commences 24 July 2023 with the interim sign off due 29 September 2023. | Completed |
| 5.1.10 | Ensure our workforce is well trained and meets the needs of the organisation now and into the future with succession planning for key roles within the organisation | Human Resources Manager | Council continues to actively encourage employees to undertake external training or embark on tertiary studies to gain accredited qualifications. Council also looks to provide either internally or externally relevant training or short courses to employees as necessary to advise of legislative changes or to refresh and build on skills already acquired. At the present time, 20 employees are undertaking external training at Certificate II level or higher. Succession planning is a requirement of the Workforce Strategic Plan, | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|--------------------------------|---|---------------|
| | | | opportunities for secondment and short-term higher duties are also provided to employees where the opportunity arises. | |
| 5.1.11 | Recognise the achievements of the Council workforce | Human Resources Manager | Council continues to host a staff breakfast event each October, this function provides the ideal opportunity to inform employees of issues affecting their employment and for employees to mingle also for new employees to be introduced to the organisation. This event also provides the perfect occasion to recognise the achievements of employees who may have completed external studies and to recognise those employees who have achieved milestone years of service to the organisation. The next breakfast function is scheduled for October 2023. | Completed |
| 5.1.12 | Maintain an Information Technology Strategy that meets the needs of the organisation, is fit for purpose and provides best value for money | Information Technology Manager | The current Information Management Strategy continues to help Council to maximize the value of its technology investments, to achieve predetermined goals and objectives. Information Technology staff have completed staff consultation for the next strategy update which will be completed as time allows. | Progressing |
| 5.1.13 | Actively protect the organisation from cyber threats such as spear phishing emails and unauthorised access to the network | Information Technology Manager | Information Technology (IT) staff organise annual penetration testing also compulsory training for all staff with the Executive Leadership Team informed of the results. Staff are informed of any threats discovered by the IT section or alerted to Council by Cyber Security NSW. IT staff action any issues identified by regular Australian Cyber Security Centre testing. IT staff are constantly reviewing Council's cyber security infrastructure for improvements. | Progressing |
| 5.1.14 | Monitor the availability of Federal and State funding grants payable to Council | Finance Manager | Council has developed a register that details the name of the Council officer who has applied for grant funding and from where the funding is being sourced. Should the funding | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|--------------------------|---|---------------|
| | | | be successful then the date and the amount of the funding received, the proposed date of acquittal is recorded as well as the actual date of acquittal. At present the Finance Manager and Information Technology officer are undertaking a review of the register - also an internal audit is being conducted by the National Audits Group (on behalf of the Audit Risk and Improvement Committee) on financial grant management which assesses the processes and procedures of the organisation. | |
| 5.1.15 | Maximise the revenue streams of Council | Finance Manager | Council's Revenue Officer closely monitors property arrears and manages these cases in accordance with established policies and procedures. Arrears statistics are reported to Council monthly along with details on the number of assessments being managed by Council's debt recovery agency. Throughout the year assessments are monitored for rateability i.e., rateable to non-rateable and non-rateable to rateable. The Finance Manager regularly reviews financial investments in accordance with the Investment Policy and a monthly report detailing the invested monies of Council is presented to each Council meeting - this report details all transactions that have taken place within the preceding month and gives a snapshot of the portfolio and credit limits to make sure that Council remains within the prescribed amount allowed for each financial institution. | Progressing |
| 5.1.16 | Provide a summary of ranger activities, including the number of dogs and cats registered in accordance with the Companion Animals Act 1998 | Deputy GM Infrastructure | Companion Animal statistics now reported to each Council meeting, with annual reporting made through LG NSW. | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|---|--------------------------|---|---------------|
| 5.1.17 | Provide a summary of Development Applications received and assessed | Deputy GM Infrastructure | Development activity report and statical data provided to each Council meeting. There has been a reduction in the average development assessment time by around 14 days to the same period last year. | Progressing |

Promote a community spirit that encourages volunteerism and values effective partnerships

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--|---|---|---------------|
| 5.2.1 | Through energised Advisory Committees seek input for the improvement of facilities and services under their management | Community Development (including Library) Manager | Corporate Services Advisory and S355 Committees are operating to maintain and improve Council facilities within their Terms of Reference. Financial grants have been applied for where available and programs delivered to activate venues - examples are improved signage and displays at the Shire museums also the very successful Narrandera Wide Open arts program being delivered at the the Arts & Community Centre through the work of the Arts and Cultural Advisory Committee. A range of events have also been managed by the Bettering Barellan and Grong Grong Community Advisory Committees utilising their local halls. Additionally, with great dedication, a volunteer from the Railway Facility Advisory Committee has worked tirelessly, in an interim capacity, to ensure that that venue continues to operate effectively for the community. | Progressing |
| 5.2.2 | Encourage volunteerism within Council operations and across the Shire where possible with recognition of volunteers at key times such as 'National Volunteer Week' | Community Development (including Library) Manager | Volunteer numbers for both community and cultural services remains steady, however availability can be an issue with a recruitment campaign in place. Volunteer work varied such as driving for Community Transport, data entry for Community Services, helping with Library and Visitor Centre tasks, opening and closing of Museums, oversee exhibitions and events at the Arts & Community Centre, also assist with | Progressing |

| Action Code | Action | Responsible Position | Comment | Action Status |
|-------------|--------|----------------------|---|---------------|
| | | | the management of Community Halls at Grong Grong and Barellan. Volunteer hours for Narrandera Shire during 2022-2023 remain high with Community Services at 8,800 hours, Cultural Services at 4,077 hours and Visitor Services recording 132 hours. Council is now required to provide a monetary figure in its annual financial statements for volunteer hours, for 2022-2023 a conservative calculation of \$529,486 has been included. In recognition of their valuable contribution to the Shire community, all volunteers are acknowledged and celebrated with both thank you functions and small gifts. | |