

Leeton Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2024

"Preserving the Past, Enhancing the Future"



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Leeton Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

"Preserving the Past, Enhancing the Future"



LEETON
SHIRE COUNCIL

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Leeton Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

23-25 Chelmsford Place
Leeton NSW 2705

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

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

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

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

Leeton Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

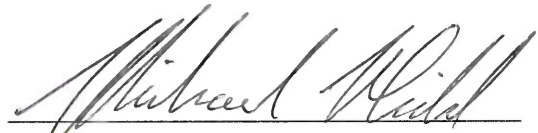
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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


Signed in accordance with a resolution of Council made on 29 October 2024.



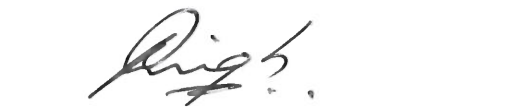
George Weston
Mayor
29 October 2024



Michael Kidd
Deputy Mayor
29 October 2024



Jacqueline Kruger
General Manager



Avtar Singh
Responsible Accounting Officer

Leeton Shire Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
	Income from continuing operations			
14,931	Rates and annual charges	B2-1	15,011	14,205
8,660	User charges and fees	B2-2	8,679	8,674
558	Other revenues	B2-3	842	711
7,350	Grants and contributions provided for operating purposes	B2-4	10,858	10,787
1,579	Grants and contributions provided for capital purposes	B2-4	6,277	4,948
749	Interest and investment income	B2-5	2,421	1,522
294	Other income	B2-6	396	374
430	Net gain from the disposal of assets	B4-1	264	168
34,551	Total income from continuing operations		44,748	41,389
	Expenses from continuing operations			
13,508	Employee benefits and on-costs	B3-1	13,961	13,043
12,162	Materials and services	B3-2	13,448	12,210
456	Borrowing costs	B3-3	81	87
8,991	Depreciation, amortisation and impairment of non-financial assets	B3-4	10,259	9,012
617	Other expenses	B3-5	603	538
650	Net loss from the disposal of assets	B4-1	-	-
36,384	Total expenses from continuing operations		38,352	34,890
(1,833)	Operating result from continuing operations		6,396	6,499
(1,833)	Net operating result for the year attributable to Council		6,396	6,499
(3,411)	Net operating result for the year before grants and contributions provided for capital purposes		119	1,551

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

Leeton Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
Net operating result for the year – from Income Statement		6,396	6,499
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain on revaluation of IPP&E	C1-6	13,694	14,658
Other movements in reserves – Intangible Assets Revaluation	C1-7	(117)	201
Total items which will not be reclassified subsequently to the operating result		13,577	14,859
Total comprehensive income for the year attributable to Council		19,973	21,358

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

Leeton Shire Council

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	17,974	20,254
Investments	C1-2	18,500	22,000
Receivables	C1-4	6,131	3,328
Inventories	C1-5	1,122	1,109
Other		62	49
Total current assets		43,789	46,740
Non-current assets			
Investments	C1-2	14,900	12,300
Receivables	C1-4	15	16
Infrastructure, property, plant and equipment (IPPE)	C1-6	357,025	333,942
Intangible assets	C1-7	9,649	9,766
Total non-current assets		381,589	356,024
Total assets		425,378	402,764
LIABILITIES			
Current liabilities			
Payables	C3-1	6,921	2,899
Contract liabilities	C3-2	1,816	3,534
Borrowings	C3-3	235	295
Employee benefit provisions	C3-4	2,837	2,639
Total current liabilities		11,809	9,367
Non-current liabilities			
Borrowings	C3-3	1,904	2,139
Employee benefit provisions	C3-4	253	143
Provisions	C3-5	4,909	4,585
Total non-current liabilities		7,066	6,867
Total liabilities		18,875	16,234
Net assets		406,503	386,530
EQUITY			
Accumulated surplus		149,631	143,235
IPPE revaluation reserve		256,872	243,295
Council equity interest		406,503	386,530
Total equity		406,503	386,530

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

Leeton Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		143,235	243,295	386,530	136,736	228,436	365,172
Net operating result for the year		6,396	–	6,396	6,499	–	6,499
Restated net operating result for the period		6,396	–	6,396	6,499	–	6,499
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	13,694	13,694	–	14,658	14,658
– Gain (loss) on revaluation of intangible assets	C1-7	–	(117)	(117)	–	201	201
Other comprehensive income		–	13,577	13,577	–	14,859	14,859
Total comprehensive income		6,396	13,577	19,973	6,499	14,859	21,358
Closing balance at 30 June		149,631	256,872	406,503	143,235	243,295	386,530

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

Leeton Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Actual 2024 \$ '000	Actual 2023 \$ '000
	Notes		
Cash flows from operating activities			
<i>Receipts:</i>			
14,931	Rates and annual charges	14,975	13,952
8,660	User charges and fees	7,481	9,613
749	Interest received	2,176	1,271
8,130	Grants and contributions	13,610	15,970
294	Bonds, deposits and retentions received	157	379
558	Other	1,207	4,357
<i>Payments:</i>			
(13,508)	Payments to employees	(13,604)	(13,412)
(12,162)	Payments for materials and services	(10,198)	(13,674)
(456)	Borrowing costs	(69)	4
(337)	Other	209	(1,543)
6,859	Net cash flows from operating activities	15,944	16,917
	G1-1		
Cash flows from investing activities			
<i>Receipts:</i>			
4,000	Sale of investments	6,000	20,760
4,150	Sale of real estate assets	-	140
655	Proceeds from sale of IPPE	842	666
-	Deferred debtors receipts	267	32
<i>Payments:</i>			
-	Purchase of investments	(5,100)	(21,720)
(23,929)	Payments for IPPE	(19,938)	(11,184)
-	Purchase of real estate assets	-	69
-	Deferred debtors and advances made	-	(16)
(15,124)	Net cash flows used in investing activities	(17,929)	(11,253)
Cash flows from financing activities			
<i>Receipts:</i>			
10,592	Proceeds from borrowings	-	-
<i>Payments:</i>			
(5,001)	Repayment of borrowings	(295)	(417)
5,591	Net cash flows Used in financing activities	(295)	(417)
(2,674)	Net change in cash and cash equivalents	(2,280)	5,247
13,099	Cash and cash equivalents at beginning of year	20,254	15,007
10,425	Cash and cash equivalents at end of year	17,974	20,254
	C1-1		
29,260	plus: Investments on hand at end of year	33,400	34,300
39,685	Total cash, cash equivalents and investments	51,374	54,554
	C1-2		

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

Leeton 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 29 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- i. estimated fair values of intangible assets – refer Note C1-7
- ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- iii. estimated landfill remediation provisions – refer Note C3-5
- iv. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – Council reviewed receivables for impairment and found there to be minimal impairments – 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.

The Consolidated Fund has been included in the financial statements of the Council.

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

- General purpose operations

A1-1 Basis of preparation (continued)

- Water service
- Sewerage service.

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.

Volunteer services

Council relies on the commitment made by volunteers to help run some of its venues and events. These volunteer services are not recognised in Council's Income Statement as they would not be purchased if not donated and they are deemed to be immaterial.

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 2024 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

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

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.

In particular, this standard provides guidance on:

- (a) highest and best use
- (b) financially feasible uses
- (c) use of assumptions
- (d) nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach.

The standard applies prospectively to annual periods beginning on or after 1 January 2024, i.e Council's financial statements for the year ended 30 June 2025, with earlier application not permitted.

New accounting standards adopted during the year

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

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

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

The most significant change introduced by these standards is to remove the requirement to disclose significant accounting policies and instead require disclosure of material accounting policy information. 'Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.'

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

B Financial Performance

B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
Functions or activities										
Community Services and Community Development	3,003	3,191	3,399	4,037	(396)	(846)	650	871	12,079	9,312
Museum, Arts and Cultural Services	1,930	2,213	1,219	1,009	711	1,204	1,920	1,010	15,768	5,860
Parks, Streetscapes and Sporting Facilities	960	148	4,534	3,860	(3,574)	(3,712)	95	124	26,991	26,462
Economic Development	1,782	797	2,229	1,098	(447)	(301)	1,411	207	5,100	3,030
Planning, Building and Public Health	788	202	1,512	1,187	(724)	(985)	383	29	419	–
Roads and Drainage	7,848	8,896	6,974	7,016	874	1,880	7,244	5,985	188,545	173,487
Water and Sewer Services	10,413	8,672	8,325	7,481	2,088	1,191	939	591	125,765	123,849
Environmental Sustainability and Emergency Services	3,900	3,309	4,415	3,489	(515)	(180)	129	126	11,840	13,257
Governance and Administration	14,124	13,961	5,745	5,713	8,379	8,248	4,364	5,480	38,871	47,470
Other	–	–	–	–	–	–	–	1,312	–	37
Total functions and activities	44,748	41,389	38,352	34,890	6,396	6,499	17,135	15,735	425,378	402,764

B1-2 Components of functions or activities

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

Community Services and Community Development

Includes administration social protection (welfare); migrant, youth services; aged and disabled persons services; child care; Library; and other family and children services. Further inclusions are provision of free WiFi, the operation of CCTV and advocacy for improved health services and adequate policing.

Museum, Arts and Cultural Services

Includes operating the Leeton Museum and Art Gallery, supporting the Whitton and Yanco Museums, maintaining strong working relationships with Western Riverina Arts and the Leeton Family and Local History Society as well as the the Roxy Theatre.

Parks, Streetscapes and Sporting Facilities

Includes provision of attractive town entrances, streetscapes and town centres; quality parks, ovals, sporting fields and public toilets; safe, accessible, interesting and fun playgrounds and exercise spaces; safe, accessible and fun sports and outdoor entertainment facilities and swimming pools; cemeteries and burial support services.

Economic Development

Includes implementation of local and regional economic development strategies: developing land at Vance Industrial Estate and WR Connect Freight Intermodal; continue to enhance the CBD and invest in the Narrandera – Leeton Airport; grow jobs; develop new business units for Council-owned quarry and Gogeldrie Weir Riverside Park; support local economy and promote and market Leeton as a visitor destination and host and promote important destination events.

Planning, Building and Public Health

Includes undertaking and implementation of strategic land use planning; provide planning and building assessment services; collect developer contributions and review developer contribution plans; provision of built heritage services, including access to a heritage advisor and heritage grant funding; preparation and issue of development engineering guidelines; provision of regulatory / ranger services and public health services through inspections and education campaigns.

Roads and Drainage

Includes provision of a network of safe sealed and gravel roads; bridges, culverts, kerb and guttering, bus stops, street furniture and carparking; undertaking active transport planning and provide a network of footpaths cycleways and road safety programs; undertaking of "private works" for local residents and businesses as well as TfNSW.

Water and Sewer Services

Includes provision of potable water and sewer services (including trade waste) to the urban areas; development of strategic plans to support security of service and growth of the Shire.

Environmental Sustainability and Emergency Services

Delivery of recycling and solid waste management; enhancing Leeton Shire's climate resilience; improving Leeton Shire's emergency preparedness; advocate for water security and biodiversity.

Governance and Administration

Includes provision of enhanced customer service; undertaking of authentic and timely community engagement; provision of respected and effective representation, leadership and advocacy; nurturing of strong partnerships with Murray Darling Association, RAMJO, MI Ltd, NSW Government, Commonwealth; fostering a valued and committed workforce; deployment of corporate and project governance including audit, risk and improvement and corporate management; undertaking of service reviews and the attraction of grant funding for capital works and operations.

B2 Sources of income

B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
Ordinary rates		
Residential	4,324	4,214
Farmland	3,201	3,133
Business	498	494
Less: pensioner rebates (mandatory)	(83)	(85)
Less: pensioner rebates (Council policy)	(150)	(153)
Rates levied to ratepayers	7,790	7,603
Pensioner rate subsidies received	82	85
Total ordinary rates	7,872	7,688
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,503	1,357
Stormwater management services	92	91
Water supply services	1,782	1,638
Sewerage services	2,948	2,714
Waste management services (non-domestic)	210	191
Other	25	18
Recycling	723	653
Trade waste	19	18
Less: pensioner rebates (mandatory)	(89)	(89)
Less: pensioner rebates (Council policy)	(163)	(163)
Annual charges levied	7,050	6,428
Pensioner annual charges subsidies received:		
– Water	34	35
– Sewerage	28	28
– Domestic waste management	27	26
Total annual charges	7,139	6,517
Total rates and annual charges	15,011	14,205

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

Material accounting policy information

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate.

Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government. Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance a rate payment.

B2-2 User charges and fees

	Timing	2024 \$ '000	2023 \$ '000
Specific user charges (per s502 - specific 'actual use' charges)			
Domestic waste management services	1	88	57
Water supply services	1	3,150	2,411
Sewerage services	1	112	284
Total specific user charges		3,350	2,752
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Building regulation	2	61	116
Inspection services	2	18	10
Private works – section 67	1	19	57
Regulatory/ statutory fees	2	41	23
Registration fees	2	13	16
Section 10.7 certificates (EP&A Act)	2	27	25
Section 603 certificates	2	23	23
Tapping fees	2	20	47
Town planning	2	142	156
Total fees and charges – statutory/regulatory		364	473
(ii) Fees and charges – other (incl. general user charges (per s608))			
Cemeteries	2	250	307
Child care	1	2,285	1,940
Employee Contributions (FBT reduction) – Council vehicles	2	72	72
Library and art gallery	2	23	49
Transport for NSW works (state roads not controlled by Council)	1	498	1,658
Swimming centres	2	158	131
Tourism	2	95	45
Waste disposal tipping fees	2	1,114	825
Golf course	2	374	314
Stadium	2	62	64
User group contributions	2	17	26
Other	2	17	18
Total fees and charges – other		4,965	5,449
Total other user charges and fees		5,329	5,922
Total user charges and fees		8,679	8,674
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		6,152	6,407
User charges and fees recognised at a point in time (2)		2,527	2,267
Total user charges and fees		8,679	8,674

Material accounting policy information

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

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

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

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

B2-3 Other revenues

	Timing	2024 \$ '000	2023 \$ '000
Fines – other	2	30	32
Diesel rebate	2	47	30
Insurance claims recoveries	2	71	199
Recycling income (non-domestic)	2	18	17
Sales – general	2	203	124
Sale of Investment Water	2	183	62
Sale of Town Water	2	12	16
Donations and sponsorship received	2	2	19
Child care operations	2	–	14
Insurance rebates	2	37	48
Other	2	239	150
Total other revenue		842	711
Timing of revenue recognition for other revenue			
Other revenue recognised at a point in time (2)		842	711
Total other revenue		842	711

Material accounting policy information for other revenue

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

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

B2-4 Grants and contributions

	Timing	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	307	1,132	–	–
Financial assistance – local roads component	2	55	340	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	4,024	4,301	–	–
Financial assistance – local roads component	2	1,164	1,358	–	–
Other					
Other grants	2	–	–	24	209
Amount recognised as income during current year		5,550	7,131	24	209

Special purpose grants and non-developer contributions (tied)

Cash contributions

Previously specific grants:

Sewerage services	1	–	–	679	501
Child care	1	77	162	–	–
Economic development	2	475	195	–	–
Employment and training programs	2	118	105	–	–
Environmental programs	2	4	29	–	–
Heritage and cultural	2	–	24	829	677
Library	2	3	–	–	–
Library – per capita	2	79	76	–	–

B2-4 Grants and contributions (continued)

	Timing	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Library – special projects	2	97	52	–	–
LIRS subsidy	2	7	16	–	–
Noxious weeds	2	50	50	–	–
NSW rural fire services	2	78	77	–	–
Recreation and culture	2	25	154	1,757	1,022
Storm/flood damage	2	398	270	–	–
Street lighting	2	66	76	–	–
Transport (roads to recovery)	1	804	509	–	–
Transport (other roads and bridges funding)	2	2,387	1,590	18	700
Other specific grants	2	377	14	92	11
Previously contributions:					
Roads and bridges	1	–	–	2,074	1,071
Transport for NSW contributions (regional roads, block grant)	2	263	257	93	431
Total special purpose grants and non-developer contributions – cash		5,308	3,656	5,542	4,413
Non-cash contributions					
Child care	1	–	–	288	–
Total other contributions – non-cash		–	–	288	–
Total special purpose grants and non-developer contributions (tied)		5,308	3,656	5,830	4,413
Total grants and non-developer contributions		10,858	10,787	5,854	4,622
Comprising:					
– Commonwealth funding		935	7,775	1,439	1,220
– State funding		9,389	1,604	2,677	3,402
– Other funding		534	1,408	1,738	–
		10,858	10,787	5,854	4,622

B2-4 Grants and contributions (continued)

Developer contributions

	Notes	Timing	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Developer contributions: (S7.11 & S7.12 - EPA Act, S64 of the LGA):						
	G3					
Cash contributions						
S7.12 (formally S94A) – fixed development consent levies		2	–	–	160	239
S 64 – water supply contributions		2	–	–	133	70
S 64 – sewerage service contributions		2	–	–	127	16
S 64 – stormwater contributions		2	–	–	3	1
Total developer contributions – cash			–	–	423	326
Total developer contributions			–	–	423	326
Total contributions			–	–	423	326
Total grants and contributions			10,858	10,787	6,277	4,948
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			787	671	2,272	2,272
Grants and contributions recognised at a point in time (2)			10,071	10,116	4,005	2,676
Total grants and contributions			10,858	10,787	6,277	4,948

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:

	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	3,701	962	1,810	2,997
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	2,578	412	882	–
Add: Funds received and not recognised as revenue in the current year	58	2,520	1,432	911
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(2,455)	–	(261)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(485)	(193)	(1,344)	(2,098)
Reclassification to operating from capital grant	(666)	–	666	–
Unspent funds at 30 June	2,731	3,701	3,185	1,810

Material accounting policy information

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenues are recognised when control of each performance obligations is satisfied.

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

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

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.

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at the assets 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.

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable 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 as there is no profit margin.

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

Developer Contributions

B2-4 Grants and contributions (continued)

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*.

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 the Council may apply contributions according to the priorities established in work schedules.

B2-5 Interest and investment income

	2024 \$ '000	2023 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	138	77
– Cash and investments	2,283	1,444
– Deferred debtors	–	1
Total interest and investment income	2,421	1,522
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	60	42
General Council cash and investments	842	545
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11	45	20
Water fund operations	882	553
Sewerage fund operations	459	314
Domestic waste management operations	133	48
Total interest and investment income	2,421	1,522

B2-6 Other income

	2024 \$ '000	2023 \$ '000
Rental income		
Other lease income		
Office Space / commercial / land	171	160
Housing	138	144
Other lease income	87	70
Total other lease income	396	374
Total rental income	396	374
	C2-2	
Total other income	396	374

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2024 \$ '000	2023 \$ '000
Salaries and wages	11,432	10,992
Travel expenses	72	34
Employee leave entitlements (ELE)	1,203	1,073
ELE on-costs	10	3
Superannuation	1,328	1,255
Workers' compensation insurance	409	347
Fringe benefit tax (FBT)	16	15
Payroll tax	20	21
Training costs (other than salaries and wages)	141	142
Protective clothing	36	34
Other	54	(122)
Total employee costs	14,721	13,794
Less: capitalised costs	(760)	(751)
Total employee costs expensed	13,961	13,043

Material accounting policy information

Superannuation plans

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

B3-2 Materials and services

	Notes	2024 \$ '000	2023 \$ '000
Consultancy costs		81	54
Raw materials and consumables		25,771	19,302
Contractor costs		197	130
Contractor and consultancy costs			
– Garbage collection charges		1,147	955
– Contractor and consultancy costs – Administration		108	110
– Contractor and consultancy costs – Building & Planning		31	35
– Contractor and consultancy costs – Engineering		35	73
– Other contractor and consultancy costs		636	220
Audit Fees	F2-1	160	93
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	171	176
Advertising		35	76
Bank charges		84	78
Election expenses		179	35
Electricity and heating		702	659
Insurance		535	466
Office expenses (including computer expenses)		671	598
Postage		31	30
Printing and stationery		133	106
Street lighting		274	221
Subscriptions and publications		198	136
Telephone and communications		141	149
Valuation fees		184	63
Commissions / agency fees		23	29
Licences and permits		300	278
Regional arts board		12	12
Other expenses		286	26
Legal fees		27	98
Expenses from leases of low value assets		1	3
Film and other hire expenses		12	14
Water Charges (fixed and volumetric)		231	221
Other		71	55
Total materials and services		32,467	24,501
Less: capitalised costs		(19,019)	(12,291)
Total materials and services		13,448	12,210

B3-3 Borrowing costs

	2024 \$ '000	2023 \$ '000
(i) Interest bearing liability costs		
Interest on loans	81	87
Total interest bearing liability costs	81	87
Total interest bearing liability costs expensed	81	87
Total borrowing costs expensed	81	87

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

	Notes	2024 \$ '000	2023 \$ '000
Depreciation, amortisation and impairment			
Plant and equipment		823	743
Office furniture and equipment		219	232
Land improvements (depreciable)		81	54
Capital work in progress (Impairment)		–	304
Infrastructure:	C1-6		
– Buildings – non-specialised		20	5
– Buildings – specialised		1,589	961
– Other structures		825	538
– Roads		3,203	2,970
– Bridges		83	79
– Footpaths		171	162
– Stormwater drainage		358	343
– Water supply network		1,560	1,418
– Sewerage network		1,049	925
Other assets:			
– Other		38	38
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-6	240	240
Total gross depreciation and amortisation costs		10,259	9,012
Total depreciation and amortisation costs		10,259	9,012
Total depreciation, amortisation and impairment for non-financial assets		10,259	9,012

Material accounting policy information

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets.

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

	Notes	2024 \$ '000	2023 \$ '000
Impairment of receivables			
Other		–	2
Total impairment of receivables	C1-4	–	2
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		52	30
– NSW fire brigade levy		46	39
– NSW rural fire service levy		194	194
Donations, contributions and assistance to other organisations (Section 356):			
– Annual donations		20	24
– Discretionary donations, contributions and assistance		12	21
Remediation liability		279	228
Total other		603	536
Total other expenses		603	538

B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		205	140
Less: carrying amount of property assets sold/written off		(45)	(69)
Gain (or loss) on disposal		160	71
Gain (or loss) on disposal of plant and equipment			
	C1-6		
Proceeds from disposal – plant and equipment		637	401
Less: carrying amount of plant and equipment assets sold/written off		(533)	(304)
Gain (or loss) on disposal		104	97
Net gain (or loss) from disposal of assets		264	168

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----		
Revenues					
Rates and annual charges	14,931	15,011	80	1%	F
User charges and fees	8,660	8,679	19	0%	F
Other revenues	558	842	284	51%	F
Bulk water sales, Pool Kiosk sales and RAMJO wage subsidy above budget forecasts and identified at March Budget Review.					
Operating grants and contributions	7,350	10,858	3,508	48%	F
Council received additional grants not included in the original budget forecast and presented at quarterly budget reviews for Regional Emergency Road Repair Funds (RERRF), Integrated Land Use Strategy, Local Roads Community Infrastructure (LRCI).					
Capital grants and contributions	1,579	6,277	4,698	298%	F
Council received additional grants not included in the original budget forecast and presented at quarterly budget reviews for Wamoon Sewerage, Roxy Theatre works, Canal road, CBD enhancement and Disaster Recovery Funding.					
Interest and investment revenue	749	2,421	1,672	223%	F
Higher interest rates through out the year resulted in achieving better return on investments compared to the budget.					
Net gains from disposal of assets	430	264	(166)	(39)%	U
Land development sales for Vance estate delayed and reported to December Budget review.					
Other income	294	396	102	35%	F
Lease revenue above budget forecasts.					

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Expenses				
Employee benefits and on-costs	13,508	13,961	(453)	(3)% U
Materials and services	12,162	13,448	(1,286)	(11)% U
Primarily relates to additional expenditure on grants received during the year for and recognised during the quarterly budget reviews.				
Borrowing costs	456	81	375	82% F
New loans for Roxy, LELC and Vance not drawn during the year, resulted in interest savings.				
Depreciation, amortisation and impairment of non-financial assets	8,991	10,259	(1,268)	(14)% U
Additional depreciation due to upward movement in asset values caused by revaluations in prior year as well as additions during the year.				
Net losses from disposal of assets	650	-	650	100% F
Original budget included a write off of assets relating to Roxy theatre works - project to be finalised 24/25.				
Statement of cash flows				
Cash flows from operating activities	6,859	15,944	9,085	132% F
Higher interest rates throughout the year resulted in achieving better return on investments compared to the budget, coupled with significantly more grant revenue being received for the year and savings in loan interest repayments as new loans not drawn.				
Cash flows from investing activities	(15,124)	(17,929)	(2,805)	19% U
Vance estate sales delayed due to works not being complete plus the large carryover works included in the quarterly budget reviews resulted in increase capital works program.				
Cash flows from financing activities	5,591	(295)	(5,886)	(105)% U
New loans for Roxy, LELC and Vance not drawn during the year.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
Cash assets		
Cash on hand and at bank	7,631	2,255
Cash equivalent assets		
– Deposits at call	10,343	17,999
Total cash and cash equivalents	17,974	20,254
Total cash and cash equivalents per Statement of Financial Position	17,974	20,254
Balance as per the Statement of Cash Flows	17,974	20,254

C1-2 Financial investments

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Debt securities at amortised cost				
Long term deposits	16,500	6,000	22,000	6,500
Floating rate notes (with maturities > 3 months)	2,000	8,900	–	5,800
Total	18,500	14,900	22,000	12,300
Total financial investments	18,500	14,900	22,000	12,300
Total cash assets, cash equivalents and investments	36,474	14,900	42,254	12,300

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	51,374	54,554
Less: Externally restricted cash, cash equivalents and investments	(42,793)	(39,818)
Cash, cash equivalents and investments not subject to external restrictions	8,581	14,736
External restrictions		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	1,168	960
Developer contributions – water fund	31	31
Specific purpose unexpended grants – general fund	4,667	4,368
Specific purpose unexpended grants - water fund	50	–
Water fund	19,757	18,293
Water supplies – carry over works	743	209
Sewer fund	9,382	9,068
Sewerage services – carry over works	409	355
Stormwater management	259	231
Deposits, retention and bonds	923	767
Domestic waste management	818	986
DWM - Landfill Provision	4,586	4,550
External restrictions	42,793	39,818
Total external restrictions	42,793	39,818

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

	2024 \$ '000	2023 \$ '000
(b) Internal allocations		
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	595	1,401
Infrastructure replacement	–	1,000
Employees leave entitlement	1,391	1,391
Unfinished Works	1,449	1,204
Buildings	–	500
Childcare centre	200	200
Financial assistance advance payment	5,188	5,659
Aerodrome	200	200
Roads general	–	1,000
Sportsgrounds improvements	–	300
Swimming pool	–	450
Land development	255	500
Renewable Energy Efficiencies	120	120
Leeton Museum & Art Gallery	300	300
Election Reserve	80	35
Mainstreet Project - Facade Painting	102	102
Total internal allocations	9,880	14,362

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

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

Unfinished works are to be covered by the planned borrowings, to be drawn in 2024-2025.

C1-4 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	1,185	–	1,109	–
Interest and extra charges	129	–	90	–
User charges and fees	1,813	–	621	–
Accrued revenues				
– Interest on investments	668	–	462	–
– Other income accruals	156	–	347	–
Deferred debtors	48	15	314	16
Government grants and subsidies	1,586	–	61	–
Net GST receivable	562	–	340	–
Total	6,147	15	3,344	16
Less: provision for impairment				
Rates and annual charges	(11)	–	(11)	–
User charges and fees	(5)	–	(5)	–
Total provision for impairment – receivables	(16)	–	(16)	–
Total net receivables	6,131	15	3,328	16

Material accounting policy information

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(i) Inventories at cost				
Real estate for resale	945	-	945	-
Stores and materials	177	-	164	-
Total inventories at cost	1,122	-	1,109	-
Total inventories	1,122	-	1,109	-

C1-5 Inventories (continued)

(ii) Other disclosures

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
(a) Details for real estate development				
Residential	41	–	41	–
Industrial/commercial	881	–	881	–
Other properties	23	–	23	–
Total real estate for resale	945	–	945	–

(Valued at the lower of cost and net realisable value)

Represented by:

Acquisition costs	866	–	866	–
Development costs	79	–	79	–
Total costs	945	–	945	–
Total real estate for resale	945	–	945	–

Movements:

Real estate assets at beginning of the year	945	–	1,014	–
– Purchases and other costs	–	–	(69)	–
Total real estate for resale	945	–	945	–

Material accounting policy information**Raw materials and stores, work in progress and finished goods**

Costs are assigned to individual items of inventory on the basis of weighted average costs.

Real Estate held for resale

Real Estate 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 Real Estate 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 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation/Impairment expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	13,116	–	13,116	11,098	2,354	–	–	(6,170)	–	20,398	–	20,398
Plant and equipment	9,351	(2,528)	6,823	1,276	177	(533)	(823)	36	–	9,960	(3,004)	6,956
Office Furniture & Equipment	1,524	(667)	857	–	116	–	(219)	61	–	1,707	(892)	815
Land:												
– Operational land	6,254	–	6,254	–	–	(45)	–	–	–	6,209	–	6,209
– Community land	13,643	–	13,643	–	–	–	–	–	–	13,643	–	13,643
Land improvements – depreciable	2,890	(1,231)	1,659	–	46	–	(81)	–	86	3,100	(1,390)	1,710
Infrastructure:												
– Buildings – non-specialised	563	(176)	387	–	–	–	(20)	–	18	590	(205)	385
– Buildings – specialised	52,838	(24,803)	28,035	77	165	–	(1,589)	654	1,320	56,371	(27,709)	28,662
– Other structures	13,077	(5,341)	7,736	678	32	–	(825)	971	402	15,443	(6,449)	8,994
– Roads	151,328	(66,036)	85,292	1,672	252	(4)	(3,203)	2,473	3,992	162,985	(72,511)	90,474
– Bridges	6,905	(2,001)	4,904	–	–	–	(83)	–	231	7,236	(2,184)	5,052
– Footpaths	12,610	(3,141)	9,469	34	11	–	(171)	144	446	13,404	(3,471)	9,933
– Bulk earthworks (non-depreciable)	41,145	–	41,145	–	–	–	–	–	1,975	43,120	–	43,120
– Stormwater drainage	38,248	(9,701)	28,547	–	–	(5)	(358)	192	1,353	40,271	(10,542)	29,729
– Water supply network	101,681	(56,459)	45,222	425	–	–	(1,560)	57	2,030	106,890	(60,716)	46,174
– Sewerage network	73,548	(33,262)	40,286	669	1,153	–	(1,049)	1,582	1,841	80,402	(35,920)	44,482
Other assets:												
– Other assets	197	(110)	87	–	–	–	(38)	–	–	197	(148)	49
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Quarry assets	–	–	–	–	–	–	–	–	–	–	–	–
– Tip assets	720	(240)	480	–	–	–	(240)	–	–	720	(480)	240
Total infrastructure, property, plant and equipment	539,638	(205,696)	333,942	15,929	4,306	(587)	(10,259)	–	13,694	582,646	(225,621)	357,025

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

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

	At 1 July 2022			Asset movements during the reporting period						At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	4,463	–	4,463	7,410	2,679	(1)	(304)	(1,131)	–	13,116	–	13,116
Plant and equipment	8,728	(2,068)	6,660	1,001	208	(303)	(743)	–	–	9,351	(2,528)	6,823
Office equipment	1,493	(435)	1,058	31	–	–	(232)	–	–	1,524	(667)	857
Land:												
– Operational land	5,148	–	5,148	–	–	–	–	–	1,106	6,254	–	6,254
– Community land	8,029	–	8,029	–	–	–	–	–	5,614	13,643	–	13,643
Land improvements – depreciable	2,143	(724)	1,419	7	–	–	(54)	–	287	2,890	(1,231)	1,659
Infrastructure:												
– Buildings – non-specialised	230	(22)	208	–	–	–	(5)	–	184	563	(176)	387
– Buildings – specialised	32,736	(3,908)	28,828	–	205	–	(961)	439	(476)	52,838	(24,803)	28,035
– Other structures	14,502	(1,596)	12,906	156	77	–	(538)	17	(4,882)	13,077	(5,341)	7,736
– Roads	90,608	(6,088)	84,520	121	153	–	(2,970)	669	2,799	151,328	(66,036)	85,292
– Bridges	4,938	(159)	4,779	–	–	–	(79)	–	204	6,905	(2,001)	4,904
– Footpaths	9,551	(315)	9,236	–	–	–	(162)	–	395	12,610	(3,141)	9,469
– Bulk earthworks (non-depreciable)	38,930	–	38,930	–	–	–	–	–	2,215	41,145	–	41,145
– Stormwater drainage	28,334	(665)	27,669	–	–	–	(343)	–	1,221	38,248	(9,701)	28,547
– Water supply network	93,906	(50,925)	42,981	176	303	–	(1,418)	–	3,180	101,681	(56,459)	45,222
– Sewerage network	66,285	(28,259)	38,026	346	34	–	(925)	6	2,799	73,548	(33,262)	40,286
Other assets:												
– Other assets	197	(72)	125	–	–	–	(38)	–	–	197	(110)	87
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Tip assets	720	–	720	–	–	–	(240)	–	–	720	(240)	480
Total infrastructure, property, plant and equipment	410,941	(95,236)	315,705	9,248	3,659	(304)	(9,012)	–	14,646	539,638	(205,696)	333,942

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

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment and Furniture	3 to 50	Playground equipment	15 to 100
Computer equipment	3 to 5	Benches, seats etc.	20 to 25
Vehicles	5 to 10		
Heavy plant/road making equipment	2 to 50	Buildings	
Other plant and equipment	5 to 15	Buildings: masonry	10 to 150
		Buildings: other	10 to 125
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	10 to 200
Water Treatment Plants	10 to 100	Culverts	50 to 100
Reticulation pipes	10 to 100	Flood control structures	60 to 100
Earthworks	80 to 120	Water	10 to 150
Pumps and telemetry	15 to 80	Sewer	11 to 180
Transportation assets		Other infrastructure assets	
Sealed roads: surface	12 to 20	Bulk earthworks	infinite
Sealed roads: structure	40 to 80	Swimming pools	50 to 60
Unsealed roads	20 to 150	Other open space/recreational assets	15 to 200
Bridges	40 to 100	Other infrastructure	15 to 100
Other Road Assets	20 to 100	Tip Assets	2 to 5
Kerb, gutter and footpaths	20 to 100	Solar Panels	10 to 20

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

Revaluation model

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

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

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

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

Historical cost model

Plant and equipment, office furniture and other assets are held at historical cost less accumulated depreciation as they are high turnover and or low cost.

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 fire fighting equipment has been purchased or constructed".

However, pursuant to the Council's Rural Fire District Agreement with the Commissioner of the NSW Rural Fire Service, the Council has transferred substantially all of the rights and obligations in respect to all fire fighting equipment vested in the Council to the Commissioner for the foreseeable future. In accordance with the requirements of the Australian Accounting Standards and the Code of Accounting Practice, the Leeton Shire Council has continued not to recognise in their financial statements any rural firefighting plant and equipment assets that have been "vested" in Council.

Until such times as discussions on this matter have concluded and the legislation changed, Council will not recognise the rural fire service's plant and vehicles.

Land under roads

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

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

Crown reserves

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

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note C2-1.

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

C1-7 Intangible assets

Intangible assets are as follows:

	2024 \$ '000	2023 \$ '000
Water Licenses		
Opening values at 1 July		
Gross book value	9,766	9,565
Net book value – opening balance	9,766	9,565
Movements for the year		
– Revaluation	(117)	201
Closing values at 30 June		
Gross book value	9,649	9,766
Total Water Licences – net book value	9,649	9,766
Total intangible assets – net book value	9,649	9,766

Material accounting policy information

Council holds a number of high and general security water licences which it recognises as an intangible asset.

- No amortisation costs are applicable, as high and general security licences have an indefinite life.
- Water licences purchased are initially recorded at cost and are revalued annually based on market evidence.
- Water licences are tested for impairment annually based on market evidence. If the recoverable amount is less than the carrying amount the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.

C2 Leasing activities

C2-1 Council as a lessee

Office equipment

Leases for office equipment are generally for low value assets. The leases are for 5 years with no renewal option, the payments are fixed.

(a) Income Statement

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

	2024 \$ '000	2023 \$ '000
Expenses relating to leases of low-value assets	1	3
	1	3

(b) Statement of Cash Flows

Total cash outflow for leases	25	4
	25	4

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for 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 no concessionary leases or below market value leases.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups, training providers, emergency services, businesses and individuals. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E. They have not been classified under AASB 140 *Investment Property* as they are held for strategic purposes.

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

	2024 \$ '000	2023 \$ '000
Lease income (excluding variable lease payments not dependent on an index or rate)	396	374
Total income relating to operating leases for Council assets	396	374

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

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

C2-2 Council as a lessor (continued)

	2024 \$ '000	2023 \$ '000
< 1 year	340	254
1–2 years	314	225
2–3 years	318	189
3–4 years	328	191
4–5 years	333	193
> 5 years	343	196
Total undiscounted lease payments to be received	1,976	1,248

C3 Liabilities of Council

C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Goods and services	4,198	–	935	–
Accrued expenses:				
– Accrued Interest on Borrowings	40	–	28	–
– Salaries and wages	613	–	564	–
– Other expenditure accruals	593	–	92	–
Security bonds, deposits and retentions	923	–	766	–
Prepaid rates	554	–	514	–
Total payables	6,921	–	2,899	–

Material accounting policy information

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

	Notes	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Unexpended capital grants (to construct Council controlled assets)	(i)	1,572	–	1,627	–
Unexpended operating grants (enforceable contracts)	(ii)	153	–	1,810	–
Child Care Fees in Advance - Leeton Early Learning Centre	(iii)	91	–	84	–
Other		–	–	13	–
Total contract liabilities		1,816	–	3,534	–

Notes

(i) Council has received funding to construct assets including Roxy Theatre, Canal Street Upgrade, Drought Relief Round #3 & CBD Enhancement Projects and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 1058 being an enforceable contract.

(iii) Childcare fees are paid 2 weeks in advance with 2 weeks notice required for non-attendance/cancellation. No option for refunds is available if the child does not attend. Parents sign an enrolment form that details all the relevant terms and conditions. Revenue is recognised as Council provides the service.

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

	2024 \$ '000	2023 \$ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	1,343	1,036
Operating grants (received prior to performance obligation being satisfied)	485	211
Total revenue recognised that was included in the contract liability balance at the beginning of the period	1,828	1,247

C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured ¹	235	1,904	295	2,139
Total borrowings	235	1,904	295	2,139

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

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

(a) Changes in liabilities arising from financing activities

	2023 Opening Balance \$ '000	Cash flows \$ '000	2024 Closing balance \$ '000
Loans – secured	2,434	(295)	2,139
Total liabilities from financing activities	2,434	(295)	2,139

	2022 Opening Balance \$ '000	Cash flows \$ '000	2023 Closing balance \$ '000
Loans – secured	2,851	(417)	2,434
Total liabilities from financing activities	2,851	(417)	2,434

(b) Financing arrangements

	2024 \$ '000	2023 \$ '000
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	545	545
Credit cards/purchase cards	100	100
Total financing arrangements	645	645
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	16	17
Total drawn financing arrangements	16	17
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	545	545
– Credit cards/purchase cards	84	83
Total undrawn financing arrangements	629	628

Additional financing arrangements information

continued on next page ...

C3-3 Borrowings (continued)

Breaches and defaults

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

Security over loans

Council's loans are secured by future cash flows.

Leased liabilities are secured by the underlying leased assets.

Bank overdrafts

The bank overdraft of Council is secured by future cashflows of Council.

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

C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	1,158	–	1,030	–
Long service leave	1,322	221	1,352	131
ELE on-costs	357	32	257	12
Total employee benefit provisions	2,837	253	2,639	143

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,406	1,254
	1,406	1,254

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

Provisions – employees benefits	1,406	1,254
	1,406	1,254

Other long-term employee benefit obligations

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

C3-5 Provisions

	2024 Current \$ '000	2024 Non-Current \$ '000	2023 Current \$ '000	2023 Non-Current \$ '000
Other provisions				
Election Provision	–	80	–	35
Sub-total – other provisions	–	80	–	35
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	4,829	–	4,550
Sub-total – asset remediation/restoration	–	4,829	–	4,550
Total provisions	–	4,909	–	4,585

Description of and movements in provisions

	Other provisions		
	Asset remediation \$ '000	Election Provision \$ '000	Total \$ '000
2024			
At beginning of year	4,550	35	4,585
Other	279	–	279
Total other provisions at end of year	4,829	35	4,864
2023			
At beginning of year	4,322	–	4,322
Unwinding of discount	228	–	228
Additional provisions	–	35	35
Total other provisions at end of year	4,550	35	4,585

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

Water Licences

The reserve for high security water licences is used to record increments/decrements in the value of tradable water licences.

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
Income from continuing operations			
Rates and annual charges	10,479	1,671	2,861
User charges and fees	5,220	3,272	187
Interest and investment revenue	1,080	882	459
Other revenues	762	80	–
Grants and contributions provided for operating purposes	10,796	34	28
Grants and contributions provided for capital purposes	5,338	133	806
Net gains from disposal of assets	264	–	–
Other income	396	–	–
Total income from continuing operations	34,335	6,072	4,341
Expenses from continuing operations			
Employee benefits and on-costs	11,952	1,111	898
Materials and services	9,986	2,215	1,247
Borrowing costs	81	–	–
Depreciation, amortisation and impairment of non-financial assets	7,537	1,628	1,094
Other expenses	346	–	257
Total expenses from continuing operations	29,902	4,954	3,496
Operating result from continuing operations	4,433	1,118	845
Net operating result for the year	4,433	1,118	845
Net operating result attributable to each council fund	4,433	1,118	845
Net operating result for the year before grants and contributions provided for capital purposes	(905)	985	39

D1-2 Statement of Financial Position by fund

	General 2024 \$ '000	Water 2024 \$ '000	Sewer 2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	14,502	1,681	1,791
Investments	4,500	8,000	6,000
Receivables	5,233	606	292
Inventories	1,122	–	–
Other	62	–	–
Total current assets	25,419	10,287	8,083
Non-current assets			
Investments	2,000	10,900	2,000
Receivables	4	8	3
Infrastructure, property, plant and equipment	264,117	47,552	45,356
Intangible assets	9,649	–	–
Total non-current assets	275,770	58,460	47,359
Total assets	301,189	68,747	55,442
LIABILITIES			
Current liabilities			
Payables	6,899	14	8
Contract liabilities	1,766	50	–
Borrowings	235	–	–
Employee benefit provision	2,837	–	–
Total current liabilities	11,737	64	8
Non-current liabilities			
Borrowings	1,904	–	–
Employee benefit provision	253	–	–
Provisions	4,909	–	–
Total non-current liabilities	7,066	–	–
Total liabilities	18,803	64	8
Net assets	282,386	68,683	55,434
EQUITY			
Accumulated surplus	99,976	26,695	22,960
Revaluation reserves	182,410	41,988	32,474
Council equity interest	282,386	68,683	55,434
Total equity	282,386	68,683	55,434

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

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

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

The risks associated with the instruments held are:

- **Market risk - interest rate risk** – the risk that movements in interest rates could affect returns
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

(a) Market risk – interest rate and price risk

	2024	2023
	\$ '000	\$ '000

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	514	523

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

(b) Credit risk

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
2024				
Gross carrying amount	–	1,156	29	1,185
2023				
Gross carrying amount	–	1,096	13	1,109

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

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts \$ '000			Total \$ '000
			31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
2024						
Gross carrying amount	4,977	–	–	–	–	4,977
Expected loss rate (%)	0.00%	0.00%	1.50%	1.50%	1.50%	0.00%
ECL provision	–	–	–	–	–	–
2023						
Gross carrying amount	2,251	–	–	–	–	2,251
Expected loss rate (%)	0.00%	0.00%	1.50%	1.50%	1.50%	0.00%
ECL provision	–	–	–	–	–	–

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

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2024							
Payables	0.00%	923	5,432	–	–	6,355	6,921
Borrowings	2.93%	–	235	493	1,296	2,024	2,139
Total financial liabilities		923	5,667	493	1,296	8,379	9,060
2023							
Payables	0.00%	766	2,217	–	–	2,983	2,899
Borrowings	3.04%	–	295	728	1,411	2,434	2,434
Total financial liabilities		766	2,512	728	1,411	5,417	5,333

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
- Intangibles

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

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

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

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

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

E2-1 Fair value measurement (continued)

Recurring fair value measurements

\$ '000	Notes	Fair value measurement hierarchy									
		Date of latest comprehensive or Indexation valuation		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements											
Infrastructure, property, plant and equipment											
	C1-6										
Plant and equipment		30/06/18	30/06/2018	-	-	-	-	-	-	-	-
Office Furniture & Equipment		30/06/18	30/06/2018	-	-	-	-	-	-	-	-
Operational land		30/06/24	30/06/2023	-	-	6,209	6,254	-	-	6,209	6,254
Community land		30/06/24	30/06/2023	-	-	-	-	13,643	13,643	13,643	13,643
Land improvements		30/06/24	30/06/2023	-	-	-	-	1,710	1,659	1,710	1,659
Buildings – specialised		30/06/24	30/06/2023	-	-	-	-	28,662	28,035	28,662	28,035
Buildings – non-specialised		30/06/24	30/06/2023	-	-	385	387	-	-	385	387
Other structures		30/06/24	30/06/2023	-	-	-	-	8,994	7,736	8,994	7,736
Roads		30/06/24	30/06/2020	-	-	-	-	90,474	85,292	90,474	85,292
Bridges		30/06/24	30/06/2020	-	-	-	-	5,052	4,904	5,052	4,904
Footpaths		30/06/24	30/06/2020	-	-	-	-	9,933	9,469	9,933	9,469
Bulk earthworks		30/06/24	30/06/2020	-	-	-	-	43,120	41,145	43,120	41,145
Stormwater drainage		30/06/24	30/06/2020	-	-	-	-	29,729	28,547	29,729	28,547
Water supply network		30/06/24	30/06/2021	-	-	-	-	46,174	45,222	46,174	45,222
Sewerage network		30/06/24	30/06/2021	-	-	-	-	44,482	40,286	44,482	40,286
Tip Assets		30/06/24	30/06/2021	-	-	-	-	240	480	240	480
Other assets		30/06/24	30/06/2018	-	-	-	-	49	87	49	87
Total infrastructure, property, plant and equipment				-	-	6,594	6,641	322,262	306,505	328,856	313,146
Intangible assets											
Water Licences		30/06/24	30/06/2023	9,649	9,766	-	-	-	-	9,649	9,766
Total intangible assets				9,649	9,766	-	-	-	-	9,649	9,766

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 objective of using a valuation technique is to estimate the price at which an orderly transaction to sell or to transfer the liability would take place between market participants at the measurement date under current market conditions. Three widely used valuation techniques are the market approach, the cost approach and the income approach. Leeton Shire Council use valuation techniques consistent with one or more of those approaches to measure fair value on all its asset classes.

Cost Approach

A valuation technique that reflects the amount that could be required to replace the service capacity of an asset.

Income Approach

Valuation technique that converts future amounts (cash flows or income and expenses) to a single current (discount) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Market Approach

A valuation technique that uses prices and other relevant information, generated by the market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities such as a business.

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

Council assesses the expertise required for the valuation of all assets classes in determining who will undertake the valuations. All asset classes with the exception of Operational and Community Land and Buildings are undertaken by Council's assets officer in conjunction with the various technical staff.

Operational Land and Building valuations are conducted by a qualified external valuer, Community Land is valued using the Valuer Generals valuation. All the other infrastructure assets valuations are also conducted by the external qualified valuer.

Management reviews the valuations reports for consistency and accuracy and to ensure all valuations movements are fully explained.

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

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

	Valuation technique/s	Unobservable inputs
Community Land	Rate per square metre. \$0.08 - \$360.80.	Land value, land area
Land Improvements	Cost used to approximate fair value	Asset condition, remaining lives, residual value
Specialised buildings	Cost approach based on sq metre rate	Asset condition, consumption rate, remaining lives
Other structures (Includes Swimming Pools and other Recreational assets)	Cost used to approximate fair value	Gross replacement cost, useful life and residual value or Asset Condition, consumption rate and remaining life.
Roads, bridges, footpaths, bulkworks	Unit rates per sq metre or length	Asset condition, remaining lives, residual value
Stormwater drainage	Unit rates per sq metre or length	Asset condition, remaining lives, residual value
Water Supply and Sewerage Network	Based on NSW Office of Water Reference Rates Manual	Asset condition, pattern of consumption, residual value, components, dimensions and specification, unit rates
Other assets	Cost used to approximate fair value	Gross replacement cost, useful life and residual value

E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Tip Assets	Cost used to approximate fair value	Gross replacement cost, useful life and residual value or Asset Condition, consumption rate and remaining life.

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

	Total Assets	
	2024	2023
	\$ '000	\$ '000
Opening balance	306,505	298,206
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	13,676	13,356
Other movements		
Purchases (GBV)	11,288	3,949
Disposals (WDV)	(9)	(303)
Depreciation and impairment	(9,198)	(8,703)
Closing balance	322,262	306,505

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

There are no transfers into or out of the level 3 fair valuation hierarchy.

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 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.

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

E3-1 Contingencies (continued)

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

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

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

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

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023.

These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation, the next of which is due effective 30 June 2024, and monitored annually between triennials.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$91,517.89. The last formal valuation of the Scheme was undertaken by Fund Actuary, Richard Boyfield, FIAA as at 30 June 2023.

Based on a Past Service Liabilities methodology, the share of any funding surplus or deficit that can be attributed to Council is 0.27%. It is estimated that there are \$26,922.89 past service contributions remaining.

Council's expected contribution to the plan for the next annual reporting period is \$61,159.01.

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

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

* excluding other accumulation accounts and reserves in both assets and liabilities.

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	3.5% for FY 23/24 2.5% per annum thereafter

E3-1 Contingencies (continued)

* 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 will be completed by December 2024.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

E3-1 Contingencies (continued)

2. Other

(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) S7.11 & 7.12 Plans

Council levies section S7.11 and S7.12A contributions upon various developments across the Council area through the required contribution plans.

As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

As well, these plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's general funds.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

(iii) Tips and quarries

Council operates tips and quarries and will have to rehabilitate the sites at some future date. As at 30 June 2024 Council has established a rehabilitation provision relating to the Leeton landfill but is unable to reliably estimate the financial cost of such work at any other site.

(iv) Deferred Trade Waste fees

Council has responded to a request for leniency, with regard to Trade Waste Fees, by offering to potentially reduce the amount owing if the organisation undertakes a specific improvement program in a timely fashion. Council cannot provide a value on this agreement as there is no way to be sure how much, if any, reduction will be granted.

(v) Land under roads

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

(vi) 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.

(vii) Riverina and Murray Joint Organisation

Council is a member of the Riverina and Murray Joint Organisation (RAMJO), established under the *Local Government Act 1993 (NSW)* together with the Albury City, Berrigan Shire, Carrathool Shire, Edward River, Federation, Griffith City, Hay Shire, Murray River, Murrumbidgee and Narrandera Shire Councils. Council has not recognised our share of the net assets of the Joint Organisation based on materiality and accordingly these have not been included as part of the primary financial statements.

(viii) Riverina Regional Library

Leeton Shire Council joined the Riverina Regional Library service and as such is potentially entitled to a share of assets if the service was to wind up.

Council has not been able to establish what, if any, the share is and has been advised to report nil for the 2023/24 financial year.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

	2024	2023
	\$ '000	\$ '000
Compensation:		
Short-term benefits	880	992
Post-employment benefits	85	81
Other long-term benefits	53	84
Total	1,018	1,157

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

Other transactions with KMP and their related parties

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

Nature of the transaction	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2024						
Airconditioning Maintenance and Servicing	1	251	–	30 day terms on invoices, market value	–	–
2023						
Airconditioning Maintenance and Servicing	1	15	–	30 day terms on invoices, market value	–	–

1 Council transacts with the KMP controlled Weston and Weston. Contracts are awarded through a competitive procurement process.

F1-2 Councillor and Mayoral fees and associated expenses

	2024 \$ '000	2023 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	26	27
Councillors' fees	104	112
Other Councillors' expenses (including Mayor)	41	37
Total	171	176

F2 Other relationships

F2-1 Audit fees

	2024 \$ '000	2023 \$ '000
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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

Remuneration for audit and other assurance services

Total Auditor-General remuneration

115	58
115	58
115	58

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
Net operating result from Income Statement	6,396	6,499
Add / (less) non-cash items:		
Depreciation and amortisation	10,259	9,012
(Gain) / loss on disposal of assets	(264)	(168)
Non-cash capital grants and contributions	(288)	–
Unwinding of discount rates on reinstatement provisions	(279)	228
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(3,069)	1,246
Increase / (decrease) in provision for impairment of receivables	–	(35)
(Increase) / decrease of inventories	(13)	(12)
(Increase) / decrease of other current assets	(13)	–
Increase / (decrease) in payables	3,263	(337)
Increase / (decrease) in accrued interest payable	12	(137)
Increase / (decrease) in other accrued expenses payable	550	98
Increase / (decrease) in other liabilities	197	423
Increase / (decrease) in contract liabilities	(1,718)	267
Increase / (decrease) in employee benefit provision	308	(202)
Increase / (decrease) in other provisions	603	35
Net cash flows from operating activities	15,944	16,917

G2-1 Commitments

Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	3,554	934
Plant and equipment	244	–
Water infrastructure	743	209
Sewer infrastructure	409	355
Roads and drainage	893	399
Parks Improvements	151	–
Other Structures	201	713
Other	288	–
Total commitments	6,483	2,610

These expenditures are payable as follows:

Within the next year	6,483	2,610
Total payable	6,483	2,610

Sources for funding of capital commitments:

Unrestricted general funds	–	1,035
Future grants and contributions	120	–
Sect 64 and 94 funds/reserves	800	–
Unexpended/Future grants/Contract	131	75
Externally restricted reserves	1,353	572
Internally restricted reserves	1,759	–
New loans (to be raised)	2,320	928
Total sources of funding	6,483	2,610

Details of capital commitments

Capital commitments includes Purchase Orders raised but items not yet supplied, unfinished works and revoked works.

G3 Statement of developer contributions

G3-1 Summary of developer contributions

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Held as restricted asset at 30 June 2024 \$ '000
		Cash \$ '000	Non-cash Land \$ '000			
Drainage	17	3	–	1	–	21
Traffic facilities	40	–	–	2	–	42
Recreation facilities	–	–	–	–	–	–
Plan administration	–	–	–	–	–	–
S7.11 contributions – under a plan	57	3	–	3	–	63
S7.12 levies – under a plan	903	160	–	42	–	1,105
Total S7.11 and S7.12 revenue under plans	960	163	–	45	–	1,168
S64 contributions	31	133	–	–	(133)	31
Total contributions	991	296	–	45	(133)	1,199

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

G3-2 Developer contributions by plan

	Opening balance at 1 July 2023 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Held as restricted asset at 30 June 2024 \$ '000
		Cash \$ '000	Non-cash Land \$ '000			
LEETON S7.11 FIXED LEVY PLAN						
Drainage	17	3	-	1	-	21
Traffic facilities	40	-	-	2	-	42
Total	57	3	-	3	-	63

S7.12 Levies – under a plan

Leeton S7.12 Fixed Levy Plan						
Section S7.12	903	160	-	42	-	1,105
Total	903	160	-	42	-	1,105

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
1. Operating performance ratio						
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(145)	(0.38)%	3.82%	0.12%	(13.88)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	38,207					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions ¹	27,349	61.48%	61.83%	65.02%	59.63%	> 60.00%
Total continuing operating revenue	44,484					
3. Unrestricted current ratio						
Current assets less all external restrictions	14,998	1.44x	2.15x	4.27x	3.41x	> 1.50x
Current liabilities less specific purpose liabilities	10,381					
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	10,195	27.11x	20.80x	14.98x	5.35x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	376					
5. Rates, annual charges, interest and extra charges outstanding percentage						
Rates and annual charges outstanding	1,303	7.98%	7.82%	6.20%	3.49%	< 10.00%
Rates and annual charges collectable	16,337					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	40,474	20.27 months	20.14 months	19.57 months	17.58 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	1,996					

(1) Excludes fair value adjustments, reversal of revaluation decrements and net gain on sale of assets.

(2) Excludes impairment/revaluation decrements and net loss on sale of assets.

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(4.07)%	2.92%	16.59%	2.94%	1.10%	12.66%	> 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	52.65%	53.72%	97.25%	97.73%	80.79%	85.88%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	1.44x	2.15x	160.73x	5,311.50x	1,010.38x	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	17.15x	14.83x	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates and annual charges outstanding	11.04%	10.76%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	18.53 months	18.63 months	∞	∞	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

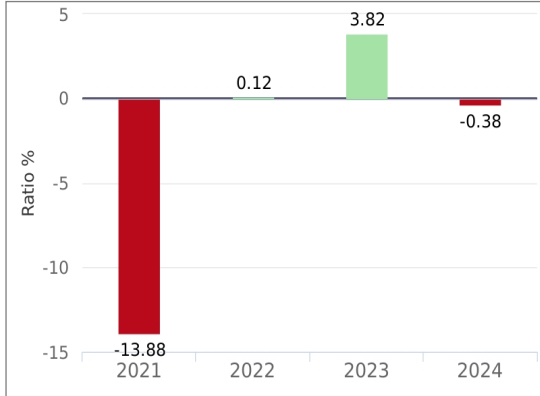
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2023/24 result

2023/24 ratio (0.38)%

Council had a small surplus operating result this year of \$119K. The ratio has slightly slipped into negative due to adjustment/exclusion of net gain from the disposal of assets. The operating result is higher compared to the original budget, but lower than the previous year due to increase in depreciation, materials and services costs.

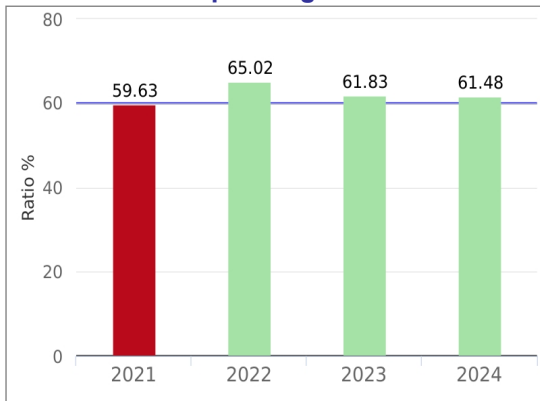
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2023/24 result

2023/24 ratio 61.48%

Council has achieved the "Own Source Revenue" benchmark which is consistent with the previous year.

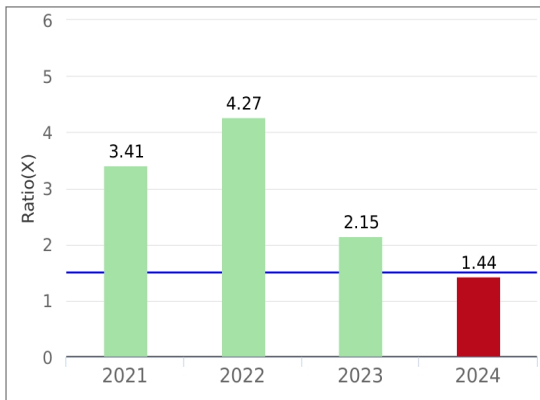
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2023/24 result

2023/24 ratio 1.44x

Council has slightly under performed the benchmark this year, mainly due to the timing of planned loans/borrowings which were drawn in August 2024, and general fund covering some of the costs of major projects.

Benchmark: — > 1.50x

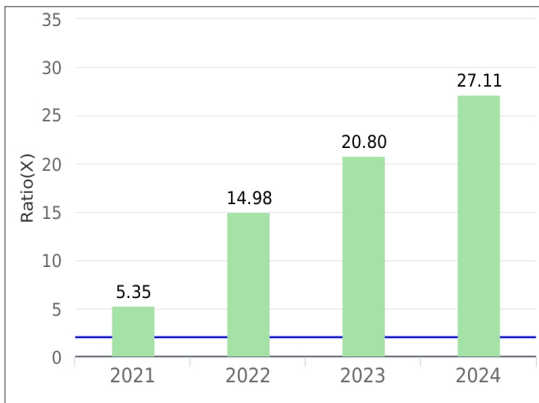
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 27.11x

While Council has plans to undertake a number of borrowings these loans have been delayed. This combined with the lowering of existing loan balances has seen a favorable increase in this ratio.

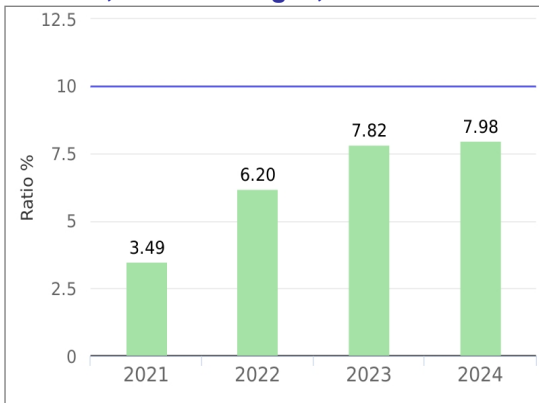
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2023/24 result

2023/24 ratio 7.98%

Council is still comfortably under the benchmark but again the ratio is worsening and council will need to ensure collection of outstanding rates and charges is maintained.

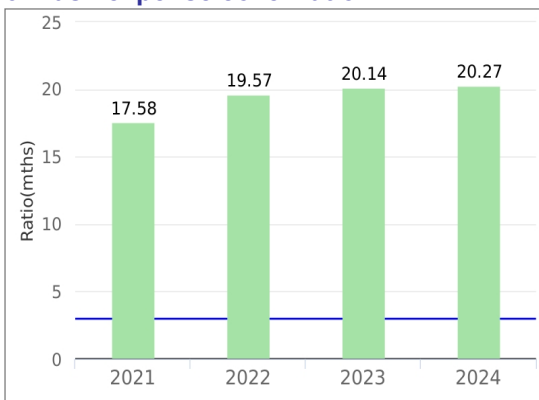
Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 20.27 months

Council has a strong Cash Expense cover ratio with almost no shift from last year.

Benchmark: — > 3.00months

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

23-25 Chelmsford Place
Leeton NSW 2705

Contact details

Mailing Address:

23-25 Chelmsford Place
Leeton NSW 2705

Telephone: 02 6953 0911

Facsimile: 02 6953 0977

Opening hours:

Office Hours: 8:30am to 5:00pm

Cashier Hours: 9:00am to 4:00pm (Mon - Fri)

Internet: www.leeton.nsw.gov.au

Email: council@leeton.nsw.gov.au

Officers

General Manager

Jacqueline Kruger

Responsible Accounting Officer

Avtar Singh

Public Officer

Sarah Graham

Auditors

NSW Audit Office
Level 15, 1 Margaret Street
Sydney NSW 2000

Elected members

Mayor

Cr George Weston

Councillors

Cr Michael Kidd (Deputy Mayor)

Cr Stephen Tynan

Cr Tracey Morris

Cr Krystal Maytom

Cr Boston Edwards

Cr Sandra Nardi

Cr Nicholas Wright

Cr Sarah Tiffen

Other information

ABN: 59 217 957 665

Leeton Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Leeton Shire Council

To the Councillors of Leeton Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

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

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



Quentin Wong
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Leeton Shire Council

General Purpose Financial Statements

for the year ended 30 June 2024

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report



Cr George Weston
Mayor
Leeton Shire Council
23-25 Chelmsford Place
LEETON NSW 2705

Contact: Quentin Wong
Phone no: 02 9275 7454
Our ref: R008-2124742775-7357

30 October 2024

Dear Mayor

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

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

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

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

INCOME STATEMENT

Operating result

	2024	2023	Variance
	\$m	\$m	%
Rates and annual charges revenue	15.0	14.2	↑ 5.6
Grants and contributions revenue	17.1	15.7	↑ 8.9
Operating result from continuing operations	6.4	6.5	↓ 1.5
Net operating result before capital grants and contributions	0.1	1.6	↓ 93.8

Rates and annual charges revenue (\$15.0 million) increased by \$0.8 million (5.6 per cent) in 2023–24, mainly due to the rate peg increase of 3.7 per cent.

Grants and contributions revenue (\$17.1 million) increased by \$1.4 million (8.9 per cent) in 2023–24, mainly due to the increase in revenue recognised for the Roxy theatre redevelopment of \$1.7 million and funding for regional roads emergency repairs for \$2.2 million. This was offset by a decrease of \$1.5 million due to receiving 85 per cent of the financial assistance grants for 2024–25 in advance (compared to 100 per cent received in advance for 2023–24, in 2022–23).

Council’s operating result from continuing operations (\$6.4 million including depreciation, amortisation and impairment expense of \$10.3 million) was largely consistent with prior year being only \$0.1 million lower than the 2022–23 result.

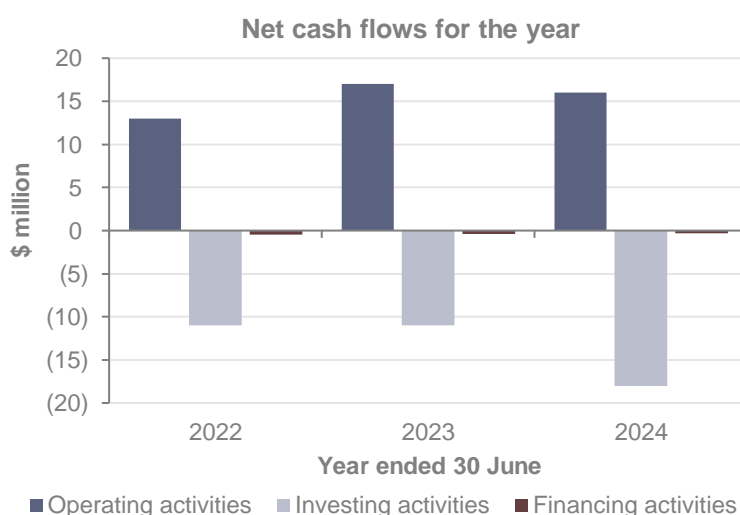
The net operating result before capital grants and contributions of \$0.1 million was \$1.5 million lower than the 2022–23 result. The decline is mainly attributed to decrease of \$1.5 million in grants revenue due to receiving 85 per cent of the financial assistance grants for 2024–25 in advance (compared to 100 per cent received in advance for 2023–24, in 2022–23).

STATEMENT OF CASH FLOWS

Cash flows from operating activities decreased by \$1.0 million mainly due to lower cash inflows from user charges and fees and grants and contributions.

Cash flows used in investing activities increased by \$6.7 million mainly due to payments for infrastructure, property, plant and equipment.

Cash flows from financing activities have remained steady over the past three years.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	51.4	54.6	Externally restricted balances comprise specific purpose unexpended grants, developer contributions, water and sewer funds. Externally restricted funds increased by \$3.0 million mainly due to \$2.0 million increase in water funds, \$0.2 million in developer contributions and \$0.3 million in sewer fund. Internal allocations are determined by council policies or decisions, which are subject to change. The decrease of \$4.5 million is mainly due to reduced allocations for plant and vehicle replacement, infrastructure replacement, buildings, roads, financial assistance advance payment and swimming pool.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	42.8	39.8	
• Internal allocations	9.9	14.4	

Debt

At 30 June 2024, Council had:

- \$2.1 million in secured loans (\$2.4 million in 2022–23)
- \$545,000 in approved overdraft facility with \$nil drawn down (\$545,000 with \$nil drawn down in 2022–23)
- \$100,000 in credit card facility with \$16,000 used (\$100,000 with \$17,000 used in 2022–23).

PERFORMANCE

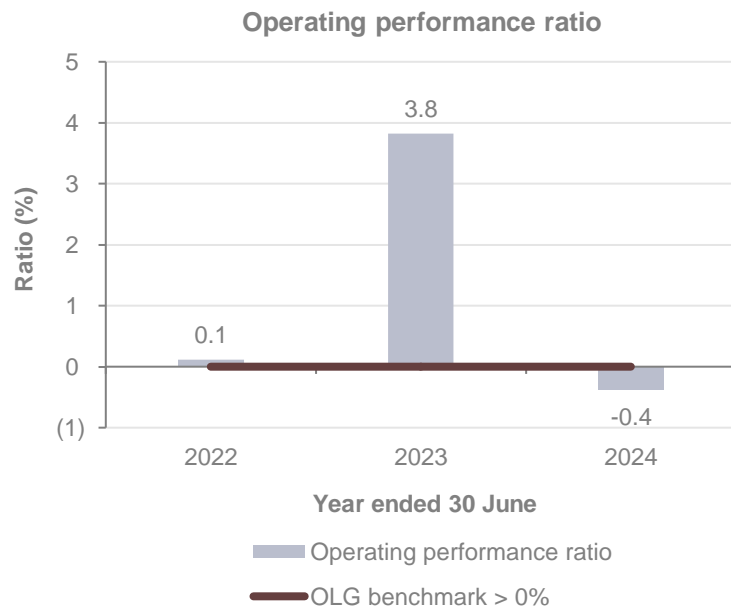
Performance measures

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

Operating performance ratio

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

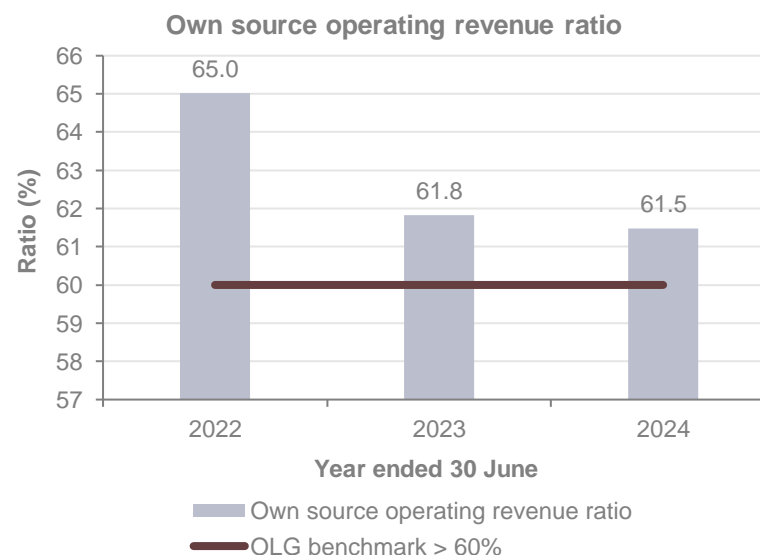
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council met the benchmark for the current reporting period.

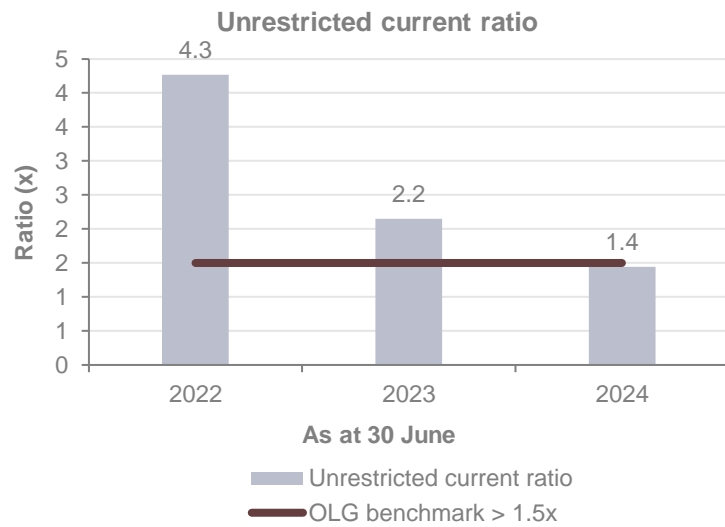
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

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

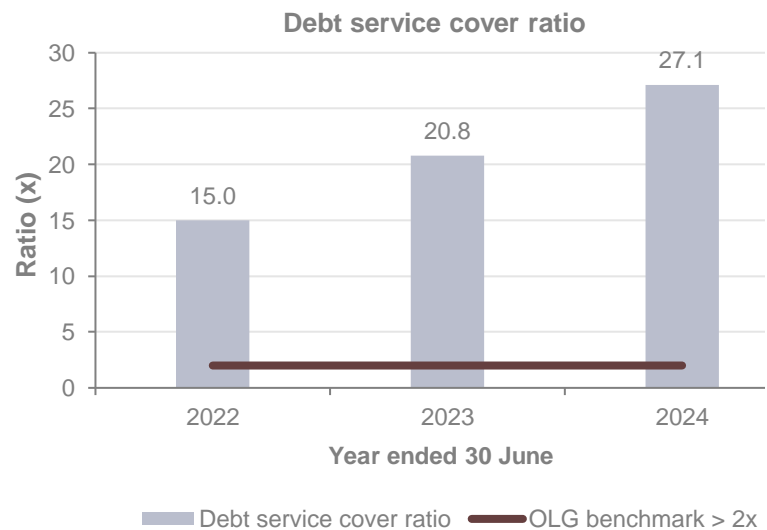
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council met the benchmark for the current reporting period.

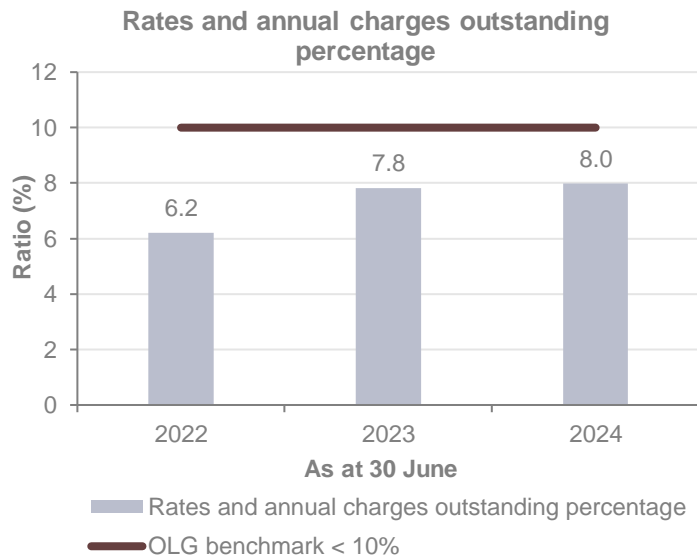
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council met the benchmark for the current reporting period.

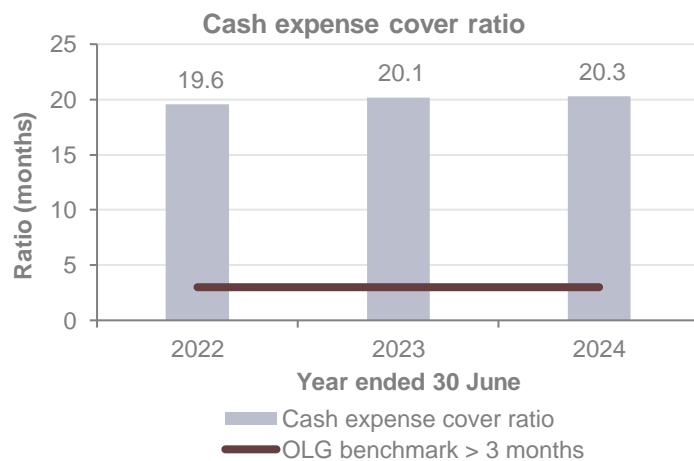
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council met the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$15.9 million of infrastructure, property, plant and equipment during the 2023–24 financial year, mainly spent on roads and bridges (\$9.2 million in 2022–23). A further \$4.3 million was spent on new assets (\$3.7 million in 2022–23).

Legislative compliance

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

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



Quentin Wong
A/Director, Financial Audit

Delegate of the Auditor-General for New South Wales

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Leeton Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

"Preserving the Past, Enhancing the Future"



LEETON
SHIRE COUNCIL

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Income Statement of sewerage business activity	86
Statement of Financial Position of water supply business activity	87
Statement of Financial Position of sewerage business activity	88
Note – Material accounting policy information	89
Auditor's Report on Special Purpose Financial Statements	92

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).

Leeton Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

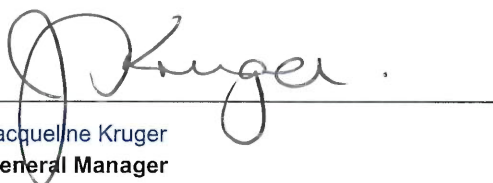
Signed in accordance with a resolution of Council made on 29 October 2024.



George Weston
Mayor



Michael Kidd
Deputy Mayor



Jacqueline Kruger
General Manager



Avtar Singh
Responsible Accounting Officer

Leeton Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	1,671	1,526
User charges	3,272	2,530
Interest and investment income	882	553
Grants and contributions provided for operating purposes	34	38
Other income	80	48
Total income from continuing operations	5,939	4,695
Expenses from continuing operations		
Employee benefits and on-costs	1,111	1,671
Materials and services	1,984	1,196
Depreciation, amortisation and impairment	1,628	1,469
Water purchase charges	231	221
Total expenses from continuing operations	4,954	4,557
Surplus (deficit) from continuing operations before capital amounts	985	138
Grants and contributions provided for capital purposes	133	70
Surplus (deficit) from continuing operations after capital amounts	1,118	208
Surplus (deficit) from all operations before tax	1,118	208
Less: corporate taxation equivalent (25%) [based on result before capital]	(246)	(35)
Surplus (deficit) after tax	872	173
Plus accumulated surplus	25,577	25,369
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	246	35
Closing accumulated surplus	26,695	25,577
Return on capital %	2.1%	0.3%
Subsidy from Council	1,060	1,714
Calculation of dividend payable:		
Surplus (deficit) after tax	872	174
Less: capital grants and contributions (excluding developer contributions)	–	(70)
Surplus for dividend calculation purposes	872	104
Potential dividend calculated from surplus	436	52

Leeton Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2024

	2024 \$ '000	2023 \$ '000
Income from continuing operations		
Access charges	2,861	2,625
User charges	–	10
Liquid trade waste charges	187	351
Interest and investment income	459	314
Grants and contributions provided for operating purposes	28	28
Other income	–	21
Total income from continuing operations	3,535	3,349
Expenses from continuing operations		
Employee benefits and on-costs	898	1,112
Materials and services	1,247	834
Depreciation, amortisation and impairment	1,094	979
Other expenses	257	–
Total expenses from continuing operations	3,496	2,925
Surplus (deficit) from continuing operations before capital amounts	39	424
Grants and contributions provided for capital purposes	806	518
Surplus (deficit) from continuing operations after capital amounts	845	942
Surplus (deficit) from all operations before tax	845	942
Less: corporate taxation equivalent (25%) [based on result before capital]	(10)	(106)
Surplus (deficit) after tax	835	836
Plus accumulated surplus	22,115	21,173
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	10	106
Closing accumulated surplus	22,960	22,115
Return on capital %	0.1%	1.0%
Subsidy from Council	1,911	1,272
Calculation of dividend payable:		
Surplus (deficit) after tax	835	836
Less: capital grants and contributions (excluding developer contributions)	(679)	(518)
Surplus for dividend calculation purposes	156	318
Potential dividend calculated from surplus	78	159

Leeton Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
Current assets		
Cash and cash equivalents	1,681	2,233
Investments	8,000	8,000
Receivables	606	390
Total current assets	10,287	10,623
Non-current assets		
Investments	10,900	8,300
Receivables	8	5
Infrastructure, property, plant and equipment	47,552	46,067
Total non-current assets	58,460	54,372
Total assets	68,747	64,995
LIABILITIES		
Current liabilities		
Contract liabilities	50	–
Payables	14	2
Total current liabilities	64	2
Total liabilities	64	2
Net assets	68,683	64,993
EQUITY		
Accumulated surplus	26,695	25,577
Revaluation reserves	41,988	39,416
Total equity	68,683	64,993

Leeton Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2024

	2024 \$ '000	2023 \$ '000
Current assets		
Cash and cash equivalents	1,791	1,423
Investments	6,000	6,000
Receivables	292	734
Total current assets	8,083	8,157
Non-current assets		
Investments	2,000	2,000
Receivables	3	5
Infrastructure, property, plant and equipment	45,356	42,187
Total non-current assets	47,359	44,192
Total assets	55,442	52,349
LIABILITIES		
Current liabilities		
Payables	8	–
Total current liabilities	8	–
Total liabilities	8	–
Net assets	55,434	52,349
EQUITY		
Accumulated surplus	22,960	22,115
Revaluation reserves	32,474	30,234
Total equity	55,434	52,349

Note – Material accounting policy information

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2022* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Water Supply

Comprising the whole of the operations and net assets of Council's water supply activities servicing the towns of Leeton, Yanco, Whitton and Murrumbidgee which are established as a separate Special Rate Fund.

b. Sewerage Service

Comprising the whole of the operations and net assets of Council's sewerage reticulation & treatment activities servicing the towns of Leeton, Whitton and Yanco, which are established as a separate Special Rate Fund.

Category 2

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

Council has no Category 2 Business Activities

Taxation equivalent charges

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

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

Note – Material accounting policy information (continued)

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

Notional rate applied (%)

Corporate income tax rate – 25%

Land tax – the first \$1,075,000 of combined land values attracts 0%. For the combined land values in excess of \$1,075,001 up to \$6,571,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of 2.0% applies.

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

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

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

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

Income tax

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

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

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

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

Note – Material accounting policy information (continued)

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective 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 4.42% at 30 June 2024.

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.

Leeton Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2024



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Leeton Shire Council

To the Councillors of Leeton Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Leeton 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 2024, the Statement of Financial Position of each Declared Business Activity as at 30 June 2024 and the Material accounting policy information 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 2024, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

Quentin Wong
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Leeton Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2024

"Preserving the Past, Enhancing the Future"



Leeton Shire Council

Special Schedules

for the year ended 30 June 2024

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Leeton Shire Council

Permissible income for general rates

	Notes	Calculation 2023/24 \$ '000	Calculation 2024/25 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	7,936	8,136
Plus or minus adjustments ²	b	33	12
Notional general income	c = a + b	7,969	8,148
Permissible income calculation			
Percentage increase	d	3.70%	4.50%
	SS3C		
Plus percentage increase amount ³	f = d x (c + e)	295	367
Sub-total	g = (c + e + f)	8,264	8,515
Plus (or minus) last year's carry forward total	h	10	138
Sub-total	j = (h + i)	10	138
Total permissible income	o = k + n	8,274	8,653
Less notional general income yield	l	8,136	8,650
Catch-up or (excess) result	m = k - l	138	3
Carry forward to next year ⁴	p = m + n + o	138	3

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) 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

Leeton Shire Council

To the Councillors of Leeton Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

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

Quentin Wong
Delegate of the Auditor-General for New South Wales

30 October 2024
SYDNEY

Leeton Shire Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings – non-specialised	87	87	30	30	429	634	37.0%	39.0%	24.0%	0.0%	0.0%
	Buildings – specialised	15,724	15,724	323	323	26,729	52,649	15.0%	25.0%	46.0%	13.0%	1.0%
	Water buildings	1,037	1,037	13	13	1,700	3,237	25.0%	9.0%	34.0%	32.0%	0.0%
	Sewer Buildings	167	167	4	4	189	435	24.0%	6.0%	21.0%	49.0%	0.0%
	Sub-total	17,015	17,015	370	370	29,047	56,955	15.9%	24.1%	44.9%	14.2%	0.9%
Other structures	Other	1,133	1,133	1,343	1,343	6,558	9,302	62.0%	20.0%	16.0%	2.0%	0.0%
	Sub-total	1,133	1,133	1,343	1,343	8,994	9,302	62.0%	20.0%	16.0%	2.0%	0.0%
Roads	Sealed roads	31,732	31,732	1,871	1,871	65,998	116,500	26.0%	39.0%	20.0%	9.0%	6.0%
	Unsealed roads	3,735	3,735	902	902	9,772	16,908	12.0%	49.0%	35.0%	0.0%	4.0%
	Bridges	737	737	–	–	5,052	7,237	57.0%	34.0%	8.0%	1.0%	0.0%
	Footpaths	1,065	1,065	25	25	9,934	13,404	76.0%	18.0%	6.0%	1.0%	(1.0%)
	Other road assets	3,472	3,472	9	9	4,181	9,523	15.0%	29.0%	32.0%	8.0%	16.0%
	Bulk earthworks	–	–	–	–	43,120	43,120	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb & Guttering	5,633	5,633	81	81	10,522	20,053	15.0%	47.0%	31.0%	7.0%	0.0%
	Sub-total	46,374	46,374	2,888	2,888	148,579	226,745	41.5%	31.2%	17.6%	5.7%	4.0%
Water supply network	Mains	16,351	16,351	974	974	21,636	47,078	3.0%	47.0%	34.0%	13.0%	3.0%
	Dams/Weirs	2,053	2,053	–	–	4,226	7,848	6.0%	94.0%	0.0%	0.0%	0.0%
	Pump Stations	663	663	20	20	1,053	2,145	1.0%	65.0%	21.0%	11.0%	2.0%
	Filtration/Treatment Plant	12,813	12,813	787	787	10,532	29,018	3.0%	2.0%	71.0%	21.0%	3.0%
	Reservoirs	5,022	5,022	2	2	6,302	14,149	0.0%	42.0%	47.0%	8.0%	3.0%
	Water Nodes	2,803	2,803	–	–	2,425	6,528	31.0%	10.0%	18.0%	8.0%	33.0%
	Sub-total	39,705	39,705	1,783	1,783	46,174	106,766	4.5%	35.7%	42.0%	13.2%	4.6%
Sewerage network	Sewer Lines	7,025	7,025	234	234	27,910	41,012	54.0%	21.0%	19.0%	6.0%	0.0%
	Pump Stations	4,974	4,974	311	311	7,323	14,540	20.0%	26.0%	28.0%	18.0%	8.0%
	Treatment Plants	10,727	10,727	–	–	9,249	24,849	6.0%	47.0%	6.0%	3.0%	38.0%
	Sewer Nodes	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	22,726	22,726	545	545	44,482	80,401	33.0%	29.9%	16.6%	7.2%	13.3%
	Pipes	2,302	2,302	211	211	23,692	31,545	69.0%	25.0%	6.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%

Leeton Shire Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Stormwater drainage	Pump Stations	158	158	–	–	809	1,209	87.0%	8.0%	3.0%	0.0%	2.0%
Stormwater drainage	Pits & Inlets	566	566	–	–	2,686	4,064	45.0%	47.0%	6.0%	0.0%	2.0%
Stormwater drainage	Channels	–	–	–	–	1,436	1,453	100.0%	0.0%	0.0%	0.0%	0.0%
Stormwater drainage	Culverts	494	494	–	–	1,106	2,000	13.0%	56.0%	29.0%	0.0%	2.0%
	Sub-total	3,520	3,520	211	211	29,729	40,271	65.5%	27.3%	6.8%	0.0%	0.4%
Open space / recreational assets	Recreational assets	2,261	2,261	–	–	–	6,149	42.0%	17.0%	29.0%	4.0%	8.0%
	Sub-total	2,261	2,261	–	–	–	6,149	42.0%	17.0%	29.0%	4.0%	8.0%
	Total – all assets	132,734	132,734	7,140	7,140	307,005	526,589	32.1%	30.5%	24.6%	7.8%	5.0%

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

Infrastructure asset condition assessment 'key'

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

Leeton Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	2023	Indicators 2022	2021	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	11,014					
Depreciation, amortisation and impairment	8,858	124.34%	112.07%	94.16%	123.40%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	132,734					
Net carrying amount of infrastructure assets	327,403	40.54%	28.42%	15.83%	17.36%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	7,140					
Required asset maintenance	7,140	100.00%	100.01%	101.36%	146.32%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	132,734	25.21%	17.62%	12.19%	13.55%	
Gross replacement cost	526,589					

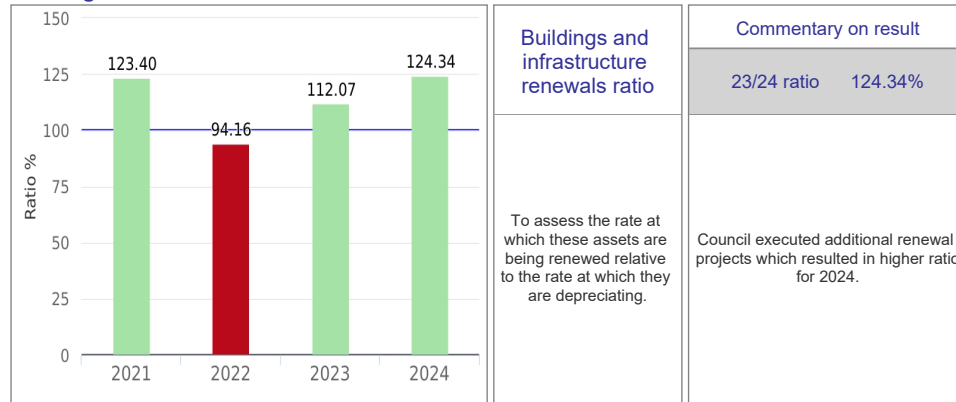
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Leeton Shire Council

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio

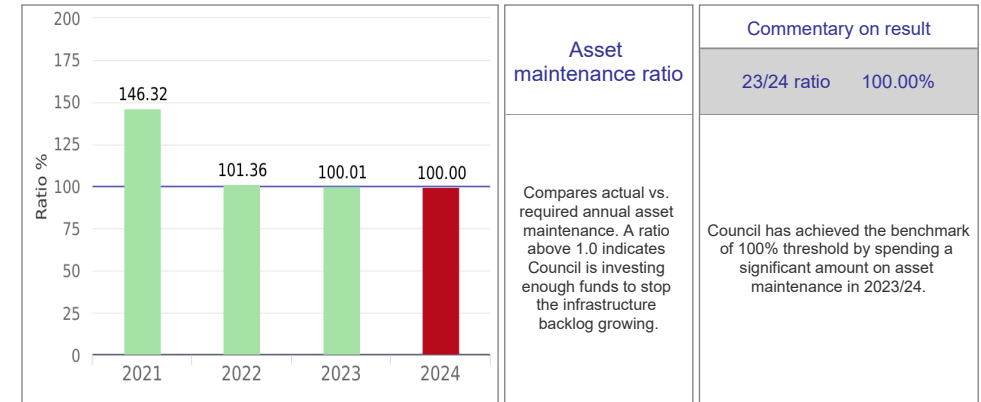


Buildings and infrastructure renewals ratio	
<p>Commentary on result</p> <p>23/24 ratio 124.34%</p>	
<p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p> <p>Council executed additional renewal projects which resulted in higher ratio for 2024.</p>	

Benchmark: — > 100.00%
 Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Asset maintenance ratio

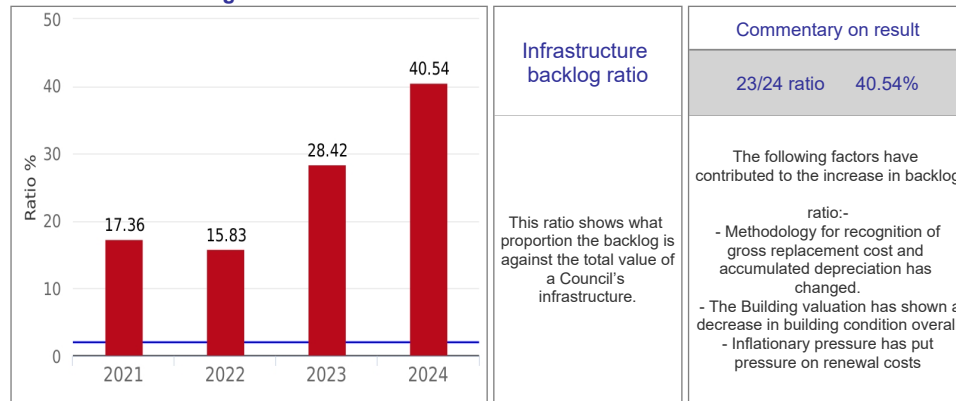


Asset maintenance ratio	
<p>Commentary on result</p> <p>23/24 ratio 100.00%</p>	
<p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p> <p>Council has achieved the benchmark of 100% threshold by spending a significant amount on asset maintenance in 2023/24.</p>	

Benchmark: — > 100.00%
 Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Infrastructure backlog ratio

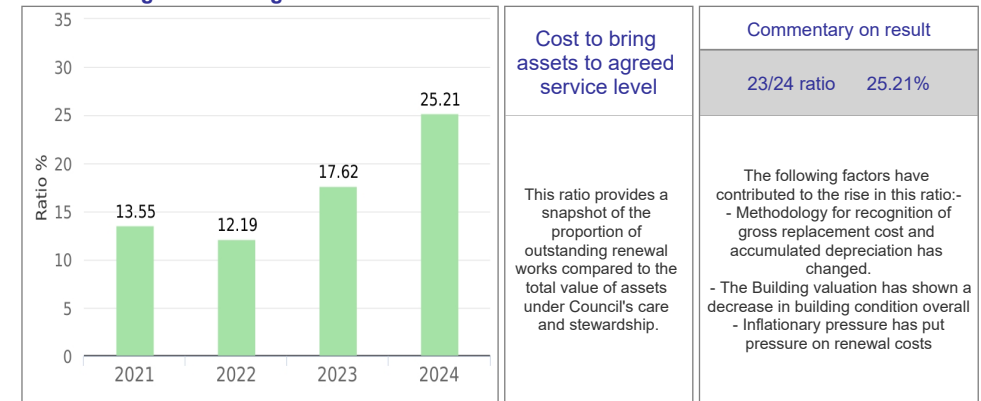


Infrastructure backlog ratio	
<p>Commentary on result</p> <p>23/24 ratio 40.54%</p>	
<p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p> <p>The following factors have contributed to the increase in backlog ratio:-</p> <ul style="list-style-type: none"> - Methodology for recognition of gross replacement cost and accumulated depreciation has changed. - The Building valuation has shown a decrease in building condition overall - Inflationary pressure has put pressure on renewal costs 	

Benchmark: — < 2.00%
 Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level	
<p>Commentary on result</p> <p>23/24 ratio 25.21%</p>	
<p>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.</p> <p>The following factors have contributed to the rise in this ratio:-</p> <ul style="list-style-type: none"> - Methodology for recognition of gross replacement cost and accumulated depreciation has changed. - The Building valuation has shown a decrease in building condition overall - Inflationary pressure has put pressure on renewal costs 	

Benchmark: — < 2.00%
 Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Leeton Shire Council

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	176.25%	163.98%	0.00%	0.00%	0.00%	0.00%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	29.70%	18.90%	85.99%	64.64%	51.09%	39.44%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	100.00%	100.02%	100.00%	100.00%	100.00%	100.00%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	20.71%	13.12%	37.19%	28.75%	28.27%	21.60%	

(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.