

Central Tablelands Water

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2024

*"An independent Regional Water Authority providing a
quality water supply - Reliably and Sustainably"*



**Central
Tablelands
Water**

Central Tablelands Water

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024

*"An independent Regional Water Authority providing a
quality water supply - Reliably and Sustainably"*



Central Tablelands Water

General Purpose Financial Statements

for the year ended 30 June 2024

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Overview

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

30 Church Street
Blayney NSW 2799

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.ctw.nsw.gov.au

Central Tablelands Water

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Central Tablelands Water

General Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

- present fairly 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 20 August 2024.



Cllr Andrew Rawson
Chairperson
20 August 2024



Cllr David Somerville
Councillor
20 August 2024



Graeme Haley
Acting General Manager
20 August 2024



Peter McFarlane
Responsible Accounting Officer
20 August 2024

Central Tablelands Water

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
2,175	Annual charges	B2-1	1,848	1,720
5,872	User charges and fees	B2-2	5,557	4,956
126	Other revenues	B2-3	125	267
40	Grants and contributions provided for operating purposes	B2-4	–	17
444	Grants and contributions provided for capital purposes	B2-4	2,817	1,654
277	Interest and investment income	B2-5	546	289
25	Other income	B2-6	26	25
60	Net gain from the disposal of assets	B4-1	–	–
<u>9,019</u>	Total income from continuing operations		<u>10,919</u>	<u>8,928</u>
Expenses from continuing operations				
2,870	Employee benefits and on-costs	B3-1	2,643	2,384
2,919	Materials and services	B3-2	2,492	2,583
2,726	Depreciation, amortisation and impairment of non-financial assets	B3-3	3,014	2,727
14	Other expenses	B3-4	16	55
–	Net loss from the disposal of assets	B4-1	77	51
<u>8,529</u>	Total expenses from continuing operations		<u>8,242</u>	<u>7,800</u>
<u>490</u>	Operating result from continuing operations		<u>2,677</u>	<u>1,128</u>
<u>490</u>	Net operating result for the year attributable to Council		<u>2,677</u>	<u>1,128</u>
<u>46</u>	Net operating result for the year before grants and contributions provided for capital purposes		<u>(140)</u>	<u>(526)</u>

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

Central Tablelands Water

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		2,677	1,128
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	4,767	7,557
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	-	(127)
Total items which will not be reclassified subsequently to the operating result		4,767	7,430
Total other comprehensive income for the year		4,767	7,430
Total comprehensive income for the year attributable to Council		7,444	8,558

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

Central Tablelands Water

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	1,658	2,268
Investments	C1-2	9,100	7,700
Receivables	C1-4	1,455	1,040
Inventories	C1-5	256	210
Contract assets and contract cost assets	C1-6	2	–
Other		54	8
Total current assets		12,525	11,226
Non-current assets			
Receivables	C1-4	–	1
Infrastructure, property, plant and equipment (IPPE)	C1-7	109,769	103,071
Intangible assets	C1-8	11	25
Total non-current assets		109,780	103,097
Total assets		122,305	114,323
LIABILITIES			
Current liabilities			
Payables	C3-1	938	567
Income received in advance	C3-1	27	27
Employee benefit provisions	C3-3	1,136	975
Total current liabilities		2,101	1,569
Non-current liabilities			
Employee benefit provisions	C3-3	27	21
Total non-current liabilities		27	21
Total liabilities		2,128	1,590
Net assets		120,177	112,733
EQUITY			
Accumulated surplus	C4-1	51,804	49,127
IPPE revaluation reserve	C4-1	68,373	63,606
Council equity interest		120,177	112,733
Total equity		120,177	112,733

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

Central Tablelands Water

Statement of Changes in Equity

for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		49,127	63,606	112,733	47,999	56,176	104,175
Net operating result for the year		2,677	–	2,677	1,128	–	1,128
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	4,767	4,767	–	7,557	7,557
– Impairment (loss) reversal relating to IPP&E	C1-7	–	–	–	–	(127)	(127)
Other comprehensive income		–	4,767	4,767	–	7,430	7,430
Total comprehensive income		2,677	4,767	7,444	1,128	7,430	8,558
Closing balance at 30 June		51,804	68,373	120,177	49,127	63,606	112,733

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

Central Tablelands Water

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
2,175	Rates and annual charges		1,865	1,727
5,872	User charges and fees		5,545	4,855
277	Interest received		454	142
484	Grants and contributions		2,612	1,813
151	Other		821	791
<i>Payments:</i>				
(2,870)	Payments to employees		(2,472)	(2,316)
(2,716)	Payments for materials and services		(2,385)	(2,804)
(15)	Other		(611)	(209)
<u>3,358</u>	Net cash flows from operating activities	F1-1	<u>5,829</u>	<u>3,999</u>
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investments		7,700	7,600
292	Proceeds from sale of IPPE		140	130
8	Deferred debtors receipts		4	18
<i>Payments:</i>				
(1,500)	Acquisition of term deposits		(1,400)	(100)
–	Deferred debtors and advances made		(35)	(19)
(2,083)	Payments for IPPE		(5,148)	(2,693)
–	Purchase of investments		(7,700)	(7,600)
<u>(3,283)</u>	Net cash flows from investing activities		<u>(6,439)</u>	<u>(2,664)</u>
<u>75</u>	Net change in cash and cash equivalents		<u>(610)</u>	<u>1,335</u>
2,100	Cash and cash equivalents at beginning of year		2,268	933
<u>2,175</u>	Cash and cash equivalents at end of year	C1-1	<u>1,658</u>	<u>2,268</u>
8,000	plus: Investments on hand at end of year	C1-2	9,100	7,700
<u>10,175</u>	Total cash, cash equivalents and investments		<u>10,758</u>	<u>9,968</u>

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

Central Tablelands Water

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 20 August 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- i. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- ii. employee benefit provisions – refer Note C3-3.

Significant judgements in applying the Council's accounting policies

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

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

AASB 2021-2 Amendment to AAS - Disclosure of Accounting Policies and Definition of Accounting Estimates.

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

New accounting standards adopted during the year

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

None of these standards have had any impact on Council's reported financial position.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Governance	–	–	229	274	(229)	(274)	–	–	–	–
Water supplies	10,919	8,928	8,013	7,526	2,906	1,402	2,817	1,671	122,305	114,323
Total functions and activities	10,919	8,928	8,242	7,800	2,677	1,128	2,817	1,671	122,305	114,323

B1-2 Components of functions or activities

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

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policymaking committees, public disclosure (e.g.GIPA), and legislative compliance.

Water supplies

Comprising the water supply systems servicing towns and villages within the Blayney, Cabonne, Weddin, Bland and Cowra Local Government Areas.

B2 Sources of income

B2-1 Annual charges

\$ '000	2024	2023
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Residential	1,262	1,177
Commercial	299	279
Rural	213	199
Industrial	39	37
Other	76	69
Less: pensioner rebates (mandatory)	(91)	(92)
Annual charges levied	1,798	1,669
Pensioner annual charges subsidies received:		
– Water	50	51
Total annual charges	1,848	1,720
TOTAL ANNUAL CHARGES	1,848	1,720

Material accounting policy information

Annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in certain annual charges for eligible pensioners' place of residence in the local government council area. These rebates are funded 55% by the NSW Government and 45% by Council.

Pensioner subsidies are received from the NSW Government to provide a contribution 55% towards the pensioner rebates.

Control over assets acquired from annual charges is obtained when a quarterly water account is issued as it is an enforceable debt linked to the serviced property.

B2-2 User charges and fees

\$ '000	2024	2023
Specific user charges (per s502 - specific 'actual use' charges)		
Residential	2,480	2,292
Commercial	684	607
Rural	942	901
Industrial	684	617
Bulk supplies to Council	120	76
Other	376	289
Total specific user charges	5,286	4,782
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Private works – section 67	243	142
Section 603 certificates	23	25
Total fees and charges – statutory/regulatory	266	167
(ii) Fees and charges – other (incl. general user charges (per s608))		
Special meter readings and reconnection fees	5	7
Total fees and charges – other	5	7
Total other user charges and fees	271	174
Total user charges and fees	5,557	4,956
Total user charges and fees	5,557	4,956

Material accounting policy information

User charges and fees are recognised as revenue when the service has been provided. Water user charges are recognised after the water has passed the point of supply (usually the water meter) and the actual usage has been determined by a meter reading.

B2-3 Other revenues

\$ '000	2024	2023
Legal fees recovery – rates and charges (extra charges)	17	27
Diesel rebate	1	1
Employee contributions to motor vehicles	33	30
Insurance incentives and rebates	7	9
Investments recovery	–	25
Workers compensation claim reimbursement	62	174
Other	5	1
Total other revenue	125	267
Total other revenue	125	267

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Special purpose grants and non-developer contributions (tied)				
Water supplies	-	17	2,407	998
Other councils – joint works/services	-	-	-	37
Developer charges – mains extensions	-	-	28	140
Total grants and non-developer contributions	-	17	2,435	1,175
Comprising:				
– State funding	-	17	-	-
– Other funding	-	-	2,435	1,175
	-	17	2,435	1,175

Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 64 – water supply contributions		2	-	-	382	479
Total developer contributions – cash			-	-	382	479
Total developer contributions			-	-	382	479
Total contributions			-	-	382	479
Total grants and contributions			-	17	2,817	1,654
Total grants and contributions			-	17	2,817	1,654

B2-4 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include milestones within AASB 15 grants. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Overdue user and annual charges	31	19
– Cash and investments	515	270
Total interest and investment income (losses)	546	289

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Land		26	25
Total rental income	C2-2	<u>26</u>	<u>25</u>
Total other income		<u>26</u>	<u>25</u>

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	2,081	1,839
Employee leave entitlements (ELE)	262	303
Superannuation – defined contribution plans	220	190
Superannuation – defined benefit plans	16	16
Workers' compensation insurance	59	49
Fringe benefit tax (FBT)	26	25
Payroll tax	68	60
Employee assistance program	1	10
Total employee costs	2,733	2,492
Less: capitalised costs	(90)	(108)
Total employee costs expensed	2,643	2,384
Number of 'full-time equivalent' employees (FTE) at year end	26	24

Material accounting policy information

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

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		755	901
Contractor costs		690	652
Audit Fees	E2-1	52	63
Councillor and Chairperson's fees and associated expenses	E1-2	106	101
Advertising		10	17
Bank charges		36	34
Electricity and heating		299	318
Insurance		202	168
Postage		31	29
Printing and stationery		23	20
Subscriptions and publications		55	49
Telephone and communications		60	55
Travel expenses		11	9
Demand management (water wise programme) expenses		21	6
Groundwater and unregulated access fees		25	28
Training costs (other than salaries and wages)		31	42
Other expenses		64	60
Legal expenses:			
– Legal expenses: debt recovery		17	25
– Legal expenses: other		1	3
Expenses from leases of low value assets		3	3
Total materials and services		2,492	2,583
Total materials and services		2,492	2,583

B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		185	175
Office equipment		14	17
Furniture and fittings		1	1
Infrastructure:			
– Buildings – non-specialised	C1-7	93	66
– Water supply network		2,707	2,444
Intangible assets	C1-8	14	24
Total gross depreciation and amortisation costs		3,014	2,727
Total depreciation and amortisation costs		3,014	2,727
Impairment / revaluation decrement of IPPE			
Infrastructure:			
– Water supply network	C1-7	–	127
Total gross IPPE impairment / revaluation decrement costs		–	127
Amounts taken through revaluation reserve	C1-7	–	(127)
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		3,014	2,727

Material accounting policy information

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets

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

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

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

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

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

B3-4 Other expenses

\$ '000	2024	2023
Other		
Donations, contributions and assistance to other organisations (Section 356)	16	55
Total other expenses	16	55

B4 Gains or losses

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of plant and equipment	C1-7		
Proceeds from disposal – plant and equipment		140	130
Less: carrying amount of plant and equipment assets sold/written off		(90)	(78)
Gain (or loss) on disposal		50	52
Gain (or loss) on disposal of infrastructure	C1-7		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(127)	(103)
Gain (or loss) on disposal		(127)	(103)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		7,700	7,600
Less: carrying amount of investments sold/redeemed/matured		(7,700)	(7,600)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(77)	(51)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 21 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				
Annual charges	2,175	1,848	(327)	(15)% U
Annual charges were overstated in the original budget by \$160,000 due to an overestimate of connections due to the wrong growth factor being applied. Annual charges were also overstated by a further \$195,000 as the pension rebate was factored in as revenue rather than as revenue forgone. These errors were corrected as part of the the September 23 Quarterly Budget Review.				
Operating grants and contributions	40	-	(40)	(100)% U
Council had budgeted for a grant for the Integrated Water Cycle Management Plan that was not undertaken in 23/24 which was not completed in 2023/24.				
Capital grants and contributions	444	2,817	2,373	534% F
The new 12 ML reservoir constructed at Carcoar Water Treatment Plant was not completed until December, 23 which resulted in grants still being received in 23/24.				
Interest and investment revenue	277	546	269	97% F
Interest on investments was much higher due to higher interest rates and higher average funds invested then those used in the budget.				
Net gains from disposal of assets	60	-	(60)	(100)% U
See note on Net losses from disposal of assets.				
Expenses				
Materials and services	2,919	2,492	427	15% F
Materials and Contracts were lower than budget due to:				
<ul style="list-style-type: none"> • Savings in electricity used at Canomadine Pump Station and Carcoar Water Filtration Plant resulting from the full year impact of the solar panel installations at those sites. • Lower maintenance costs at the Blayney and Carcoar Water Filtration Plants. • Lower pump station maintenance resulting from the renewal program undertaken at a number of sites. • Consultants expenses being less than estimated. 				
Net losses from disposal of assets	-	77	(77)	∞ U
Council actually received a profit on the sale of plant of \$50,000, however losses on the disposal of infrastructure assets \$127,000, resulted in a net loss of \$77,000.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	3,358	5,829	2,471	74% F
The additional capital grants accounted for the increase in cash flows.				
Cash flows from investing activities	(3,283)	(6,439)	(3,156)	96% U
The completion of large capital projects increased cash flows from investing activities, mostly offset by additional grants.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash assets		
Cash on hand and at bank	1,458	1,568
Cash equivalent assets		
– Deposits at call	200	200
– Short-term deposits	–	500
Total cash and cash equivalents	1,658	2,268

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,658	2,268
Balance as per the Statement of Cash Flows	1,658	2,268

C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Debt securities at amortised cost				
Long term deposits	9,100	–	7,700	–
Total	9,100	–	7,700	–
Total financial investments	9,100	–	7,700	–
Total cash assets, cash equivalents and investments	10,758	–	9,968	–

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.

Financial assets are not reclassified subsequent to their initial recognition. All Council's existing investments are measured at amortised cost.

Amortised cost

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

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

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	10,758	9,968
Less: Externally restricted cash, cash equivalents and investments	<u>(12)</u>	<u>(12)</u>
Cash, cash equivalents and investments not subject to external restrictions	<u>10,746</u>	<u>9,956</u>
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Other contributions	12	12
Total external restrictions	<u>12</u>	<u>12</u>

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

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

\$ '000	2024	2023
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(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

	10,746	9,956
--	---------------	-------

Less: Internally restricted cash, cash equivalents and investments

	(9,946)	(9,456)
--	----------------	---------

Unrestricted and unallocated cash, cash equivalents and investments

	800	500
--	------------	-----

Internal allocations

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

Plant and vehicle replacement	886	771
Infrastructure replacement	7,646	7,465
Employees leave entitlement	753	598
Development reserve	461	482
Consultancy	200	140
Total internal allocations	9,946	9,456

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

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

(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments

	800	500
--	------------	-----

C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
User charges and fees	582	–	554	–
Accrued revenues				
– Interest on investments	268	–	176	–
Amounts due from other councils	32	–	14	–
Deferred debtors	40	–	8	1
Government grants and subsidies	468	–	265	–
Net GST receivable	51	–	12	–
Other debtors	22	–	19	–
Total	1,463	–	1,048	1
Less: provision for impairment				
User charges and fees	(8)	–	(8)	–
Total provision for impairment – receivables	(8)	–	(8)	–
Total net receivables	1,455	–	1,040	1

Material accounting policy information

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

Impairment

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

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

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

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

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

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

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

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

C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Inventories at cost				
Stores and materials	256	-	210	-
Total inventories at cost	256	-	210	-
Total inventories	256	-	210	-

Raw materials and stores, work in progress and finished goods

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

C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Contract assets	2	-	-	-
Total contract assets and contract cost assets	2	-	-	-

Contract assets

Grants Capital	2	-	-	-
Total contract assets	2	-	-	-

C1-7 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 expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	3,342	–	3,342	326	118	–	–	(2,892)	–	894	–	894
Plant and equipment	1,587	(959)	628	–	516	(90)	(185)	–	–	1,906	(1,037)	869
Office equipment	180	(155)	25	–	35	–	(14)	–	–	112	(66)	46
Furniture and fittings	39	(37)	2	–	10	–	(1)	–	–	23	(12)	11
Land:												
– Operational land	2,981	–	2,981	–	–	–	–	–	–	2,981	–	2,981
Infrastructure:												
– Buildings	3,599	(1,585)	2,014	–	75	–	(93)	–	–	3,674	(1,678)	1,996
– Water supply network	174,783	(80,704)	94,079	718	3,350	(127)	(2,707)	2,892	4,767	190,567	(87,595)	102,972
Total infrastructure, property, plant and equipment	186,511	(83,440)	103,071	1,044	4,104	(217)	(3,000)	–	4,767	200,157	(90,388)	109,769

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	2,656	–	2,656	72	1,006	–	–	–	(392)	–	3,342	–	3,342
Plant and equipment	1,521	(849)	672	–	209	(78)	(175)	–	–	–	1,587	(959)	628
Office equipment	164	(137)	27	–	15	–	(17)	–	–	–	180	(155)	25
Furniture and fittings	39	(36)	3	–	–	–	(1)	–	–	–	39	(37)	2
Land:													
– Operational land	2,366	–	2,366	–	–	–	–	–	–	615	2,981	–	2,981
Infrastructure:													
– Buildings – non-specialised	2,853	(1,199)	1,654	–	12	–	(66)	–	–	414	3,599	(1,585)	2,014
– Water supply network	161,436	(72,982)	88,454	674	705	(103)	(2,444)	(127)	392	6,528	174,783	(80,704)	94,079
Total infrastructure, property, plant and equipment	171,035	(75,203)	95,832	746	1,947	(181)	(2,703)	(127)	–	7,557	186,511	(83,440)	103,071

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

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

Material accounting policy information

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
Office equipment	5 to 10
Office furniture	10 to 20
Computer equipment	3
Vehicles	5 to 8
Other plant and equipment	5 to 15

Water assets

Dams and reservoirs	20 to 200
Bores	30 to 50
Reticulation pipes: PVC	80 to 100
Reticulation pipes: other	50 to 100
Pumps stations	15 to 100
Telemetry	15
Treatment Plants	15 to 80
Trunk mains	50 to 100

Buildings

Buildings: masonry	50 to 100
Buildings: other	20 to 40

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

Revaluation model

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

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

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously 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.

Infrastructure, property, plant and equipment – current year impairments

\$ '000	2024	2023
Impairment losses recognised direct to equity (ARR):		
– Broad Street Eugowra pump station	–	(127)
Total impairment losses	–	(127)
Impairment of assets – direct to equity (ARR)	–	(127)

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Software		
Opening values at 1 July		
Gross book value	117	117
Accumulated amortisation	(92)	(68)
Net book value – opening balance	25	49
Movements for the year		
Amortisation charges	(14)	(24)
Closing values at 30 June		
Gross book value	117	117
Accumulated amortisation	(106)	(92)
Total software – net book value	11	25
Total intangible assets – net book value	11	25

Material accounting policy information

IT development and software

Amortisation is calculated on a straight line basis over periods generally ranging from three to five years.

C2 Leasing activities

C2-1 Council as a lessee

Council has a lease for a photocopier. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Office and IT equipment

The lease for office equipment is for a low value asset. The lease is for 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Income Statement

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

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

(b) Statement of Cash Flows

Total cash outflow for leases	3	3
	3	3

Material accounting policy information

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties for grazing purposes and communication towers. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

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

(i) Assets held as property, plant and equipment

Council provides operating leases on Council land for the purpose of grazing. The table below relates to operating leases on assets disclosed in C1-7. Council also has right of access agreements with the NBN and NSW Telco Authority to allow for the installation and maintenance of communications equipment on council infrastructure such as reservoirs. The agreements give no other rights over the assets and therefore the value of these assets has not been included in the IPP&E table below.

Lease income (excluding variable lease payments not dependent on an index or rate)	26	25
Total income relating to operating leases for Council assets	26	25

Amount of IPPE leased out by Council under operating leases

Land	496	496
Total amount of IPPE leased out by Council under operating leases	496	496

(ii) 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:

< 1 year	26	26
1–2 years	27	26
2–3 years	16	27
3–4 years	16	16
4–5 years	17	16
> 5 years	66	77
Total undiscounted lease payments to be received	168	188

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Payables				
Goods and services	570	-	202	-
Accrued expenses:				
– Salaries and wages	88	-	79	-
– Other expenditure accruals	97	-	120	-
Security bonds, deposits and retentions	12	-	12	-
Prepaid user charges	171	-	154	-
Total payables	938	-	567	-
Income received in advance				
Payments received in advance	27	-	27	-
Total income received in advance	27	-	27	-
Total payables	965	-	594	-

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 Borrowings

Financing arrangements

\$ '000	2024	2023
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	50	45
Total financing arrangements	50	45
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	50	45
Total undrawn financing arrangements	50	45

C3-3 Employee benefit provisions

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Annual leave	435	–	370	–
Long service leave	701	27	605	21
Total employee benefit provisions	1,136	27	975	21

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	842	726
	842	726

Material accounting policy information

Other long-term employee benefit obligations

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Risks and accounting uncertainties

D1-1 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 corporate department under policies approved by the Council.

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

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
<p>Impact of a 1% movement in interest rates</p>		
– Equity / Income Statement	93	84

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing debt recovery procedures. Council also encourages consumers to pay their water charges by the due date to avoid late payment charges.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are approved deposit institutions regulated by the Australian Prudential Regulatory Authority.

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

Council makes suitable provision for doubtful receivables as required.

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

D1-1 Risks relating to financial instruments held (continued)

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2024				
Gross carrying amount	261	283	–	544
2023				
Gross carrying amount	374	180	–	554

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2024						
Gross carrying amount	867	–	35	2	17	921
Expected loss rate (%)	0.96%	0.00%	0.00%	0.00%	0.00%	0.90%
ECL provision	8	–	–	–	–	8
2023						
Gross carrying amount	491	–	1	–	3	495
Expected loss rate (%)	1.60%	0.00%	0.00%	0.00%	0.00%	1.59%
ECL provision	8	–	–	–	–	8

D1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

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

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 and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	12	926	–	–	938	938
Total financial liabilities		12	926	–	–	938	938
2023							
Payables	0.00%	12	555	–	–	567	567
Total financial liabilities		12	555	–	–	567	567

D2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Infrastructure, property, plant and equipment							
	C1-7						
Plant & Equipment		–	–	869	628	869	628
Office Equipment		–	–	46	25	46	25
Furniture & Fittings		–	–	11	2	11	2
Operational Land		–	–	2,981	2,981	2,981	2,981
Buildings		579	524	1,417	1,490	1,996	2,014
Water Supply Network		–	–	102,972	94,079	102,972	94,079
Capital Works in Progress		–	–	894	3,342	894	3,342
Total infrastructure, property, plant and equipment		579	524	109,190	102,547	109,769	103,071

D2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

Loader, vehicles, trucks, computers, desks, chairs, cupboards, etc. - (Level 3)

Valuation Technique - Cost approach

These assets are valued at cost but are disclosed at fair value in Note C1-7. The carrying amount of these assets are assumed to approximate fair value due to the nature of the items and their short useful lives.

Operational Land - (Level 3)

Valuation Technique - Market approach

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2023 and was performed by AssetVal by Regan Kenealy, Certified Practising Valuer AAPI.

Buildings – (Level 2 and 3)

Council Office, Council Depots and Council Filtration Plant Buildings

Council's Buildings were last valued on 30 June 2023 by AssetVal by Regan Kenealy, Certified Practising Valuer AAPI. Fair value was determined using the Cost approach (using depreciated current replacement cost). This method determines the cost to market participant to acquire or construct a similar building of comparable service potential adjusted for depreciation or obsolescence.

The market approach was applied to two buildings where sufficient sales evidence existed to permit recent sales history to permit a market value to be determined.

Water Supply Network

Trunk Mains, Reticulation Mains, Filtration Plants, Reservoirs, Pump Stations, Bores, Dams, Telemetry - (Level 3)

The Water Supply Network was revalued on 30 June 2022 by Australis Asset Advisory Group who have extensive experience and qualifications in the valuation of assets of this type. The valuation was completed in accord with fair valuation principles. These principles lead to valuations being made on the basis of depreciated replacement costs using standard unit rates. The valuation considered the nature and condition of the assets based upon physical inspection and asset data such as asset life.

D2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Equipment	869	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life
Office Equipment	46	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life
Furniture & Fittings	11	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life
Operational Land	2,981	Refer Note D2-1 above	Increase/decrease in land value, land area
Buildings	1,417	Refer Note D2-1 above	Market value
Water Supply Network	109,272	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life, asset condition
Capital Works in Progress	894	Refer Note D2-1 above	Increase/decrease in cost of unit

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

\$ '000	IPP&E 2024	2023
Opening balance	102,547	95,518
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	4,767	7,452
Other movements		
Purchases (GBV)	5,073	2,681
Disposals (WDV)	(217)	(181)
Depreciation and impairment	(2,980)	(2,923)
Closing balance	109,190	102,547

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

There have been no transfers between level 2 and level 3 hierarchy.

Highest and best use

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

D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries or the year ended 30 June 2024 (increasing to 9.0% in line with the increase in 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 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 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.

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 \$ 9,767.43 The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield, FIAA, as at 30 June 2023.

D3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$4,120.18. Council's expected contribution to the plan for the next annual reporting period is \$6,133.30

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 member accounts and reserves in both assets and liabilities.

Based on on Past Service Liabilities Methodology the share of any surplus or deficit can be attributed to Central Tablelands Water is .04%.

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

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

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

* Plus promotional increases

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

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

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	531	554
Post-employment benefits	88	82
Other long-term benefits	16	15
Total	635	651

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. water supply services to KMP) will not be disclosed.

Council engaged Graeme Haley to undertake consulting services in 2023/24. The amount paid for those services was \$1,228. Those services ceased in November , 2023 prior to Graeme Haley becoming a member of the KMP.

E1-2 Councillor and Chair fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Chair fees and associated expenses included in materials and services expenses in the Income Statement are:		
Member expenses – chairperson’s fee	18	17
Member expenses – member fees	65	63
Members Expenses - superannuation	7	7
Member expenses (incl. chairperson) – other (excluding fees above)	16	14
Total	106	101

E2 Other relationships

E2-1 Audit fees

\$ '000	2024	2023
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	45	38
Remuneration for audit and other assurance services	45	38
Total Auditor-General remuneration	45	38
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services – Internal Audit	7	25
Remuneration for audit and other assurance services	7	25
Total remuneration of non NSW Auditor-General audit firms	7	25
Total audit fees	52	63

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	2,677	1,128
Add / (less) non-cash items:		
Depreciation and amortisation	3,014	2,727
(Gain) / loss on disposal of assets	77	51
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(383)	(124)
(Increase) / decrease of inventories	(46)	29
(Increase) / decrease of other current assets	(46)	9
(Increase) / decrease of contract asset	(2)	31
Increase / (decrease) in payables	368	8
Increase / (decrease) in other accrued expenses payable	(14)	74
Increase / (decrease) in other liabilities	17	(2)
Increase / (decrease) in employee benefit provision	167	68
Net cash flows from operating activities	5,829	3,999

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	–	71
Water Infrastructure	233	2,769
Total commitments	233	2,840
These expenditures are payable as follows:		
Within the next year	233	2,840
Total payable	233	2,840
Sources for funding of capital commitments:		
Future grants and contributions	90	1,959
Internally restricted reserves	143	881
Total sources of funding	233	2,840

Details of capital commitments

Council has capital commitments for the Wester Artery Trunk Main project and upgrades of the Automatic Filling Stations which are across the supply network.

F3-1 Events occurring after the reporting date

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

F4 Statement of developer contributions

F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
S64 contributions	–	382	–	–	–	(382)	–	–	–
Total contributions	–	382	–	–	–	(382)	–	–	–

Under Section 64 of the Local Government Act 1993 , Council has obligations to provide water infrastructure in accordance with its Development Servicing Plan.

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.

F5 Statement of performance measures

F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2024	2024	2023	2022	
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾⁽²⁾ excluding capital grants and contributions less operating expenses	(63)	-0.78%	-6.53%	-6.29%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	8,102				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	8,102	74.20%	81.28%	79.95%	> 60.00%
Total continuing operating revenue ⁽¹⁾	10,919				
3. Unrestricted current ratio					
Current assets less all external restrictions	12,513	10.03x	13.49x	13.37x	> 1.5x
Current liabilities less specific purpose liabilities	1,247				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	2,951	0.00x	0.00x	4.61x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	-				
5. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	10,758	23.59 mths	22.5 mths	19.4 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	456				
WATER AVAILABILITY & USER CHARGES RATIO					
Council has operated under a "user pays" system since January 1994 and has not raised rates since that time. Since Council does not have any rates within its income base, the ratios shown below have more relevance:					
6. Annual water charges coverage ratio					
Annual water charges	7,134	87.51%	89.39%	93.49%	
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	8,152				
7. Annual water charges, interest and extra charges outstanding percentage					
Annual water and extra charges outstanding	582	7.55%	7.92%	7.28%	
Annual water and extra charges collectible	7,705				

Notes

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

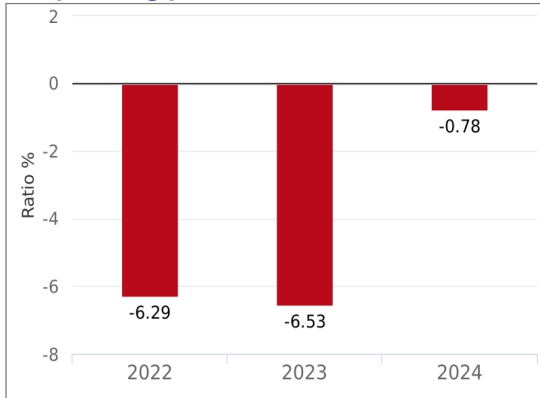
⁽²⁾ Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

End of the audited financial statements

G Additional Council disclosures (unaudited)

G1-1 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 (0.78)%

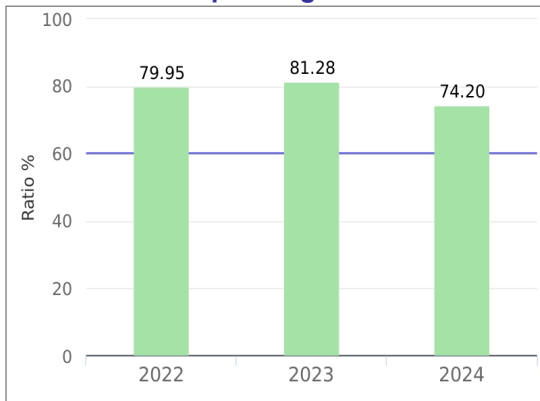
Benchmark: — > 0.00%

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 74.20%

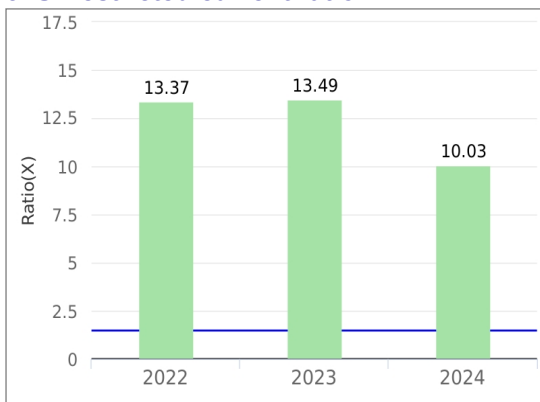
Benchmark: — > 60.00%

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 10.03x

Benchmark: — > 1.50x

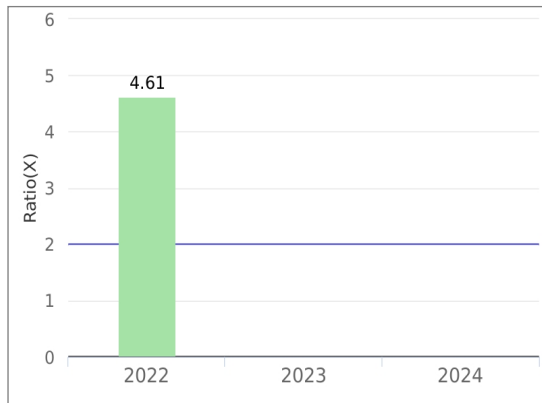
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-1 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 ∞

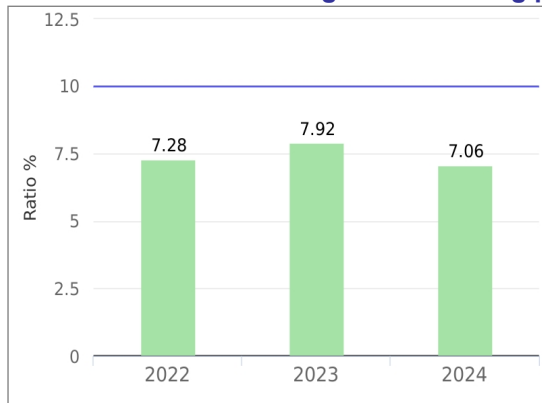
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result

2023/24 ratio 7.06%

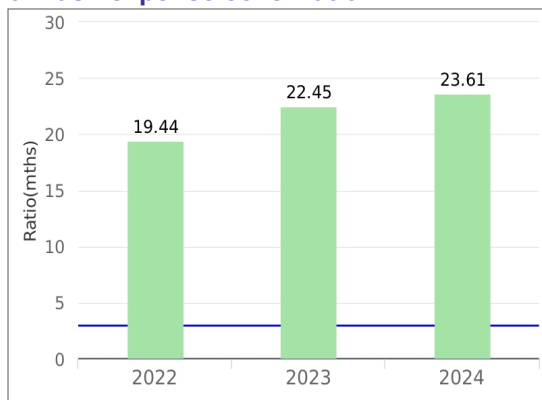
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 23.61 months

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-2 Financial review

Key financial figures of Council over the past 5 years

\$ '000	2024	2023	2022	2021	2020
Inflows:					
Rates and annual charges revenue	1,848	1,720	1,658	1,602	1,573
User charges revenue	5,557	4,956	4,456	3,968	5,015
Interest and investment revenue (losses)	546	289	67	59	120
Grants income – operating and capital	2,435	1,192	949	1,492	630
Total income from continuing operations	10,919	8,928	7,852	7,504	7,720
Sale proceeds from IPPE	140	130	257	97	321
Outflows:					
Employee benefits and on-cost expenses	2,643	2,384	2,133	2,222	1,991
Borrowing costs	–	–	11	49	83
Materials and contracts expenses	2,492	2,583	2,192	2,236	2,232
Total expenses from continuing operations	8,242	7,800	6,757	7,330	7,129
Total cash purchases of IPPE	5,148	2,693	1,852	2,105	2,351
Total loan repayments (incl. leases)	–	–	413	532	497
Operating surplus/(deficit) (excl. capital income)	(140)	(526)	(463)	(1,582)	(265)
Financial position figures					
Current assets	12,525	11,226	9,735	8,504	7,916
Current liabilities	2,101	1,569	1,431	1,962	1,944
Net current assets	10,424	9,657	8,304	6,542	5,972
Available working capital (Unrestricted net current assets)	772	504	(9)	1,844	1,858
Cash and investments – unrestricted	800	500	500	500	499
Cash and investments – internal restrictions	9,946	9,456	8,021	6,817	6,243
Cash and investments – total	10,758	9,968	8,533	7,392	6,815
Total borrowings outstanding (loans, advances and finance leases)	–	–	–	413	945
Total value of IPPE (excl. land and earthworks)	197,176	183,530	168,669	152,875	159,195
Total accumulated depreciation	90,388	83,440	75,203	72,390	78,484
Indicative remaining useful life (as a % of GBV)	54%	55%	55%	53%	51%

Source: published audited financial statements of Council (current year and prior year)

G1-3 Council information and contact details

Principal place of business:

30 Church Street
BLAYNEY NSW 2799

Contact details

Contact Details
Mailing Address
PO Box 61
BLAYNEY NSW 2799

Opening hours:

9.00am - 4.30pm
Monday to Friday

Telephone: 02 6391 7200

Internet: www.ctw.nsw.gov.au

Email: water@ctw.nsw.gov.au

Officers

Acting General Manager

Graeme Haley

Responsible Accounting Officer

Peter McFarlane

Public Officer

Peter McFarlane

Auditors

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

Elected members

CHAIRPERSON

Cllr Andrew Rawson

DEPUTY CHAIRPERSON

Cllr Michelle Cook

Councillors

Cllr David Somerville
Cllr Allan Ewin
Cllr Marlene Nash
Cllr Paul Best

Other information

ABN: 43 721 523 632



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Central Tablelands County Council

To the Councillors of Central Tablelands County Council

Opinion

I have audited the accompanying financial statements of Central Tablelands County 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.

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
- 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.



Farisha Ali
Delegate of the Auditor-General for New South Wales

21 October 2024
SYDNEY

Cr Andrew Rawson
 Chairperson
 Central Tablelands County Council
 PO Box 61
 BLAYNEY NSW 2799

Contact: Farisha Ali
 Phone no: 02 9275 7373
 Our ref: R008-2124742775-7353

21 October 2024

Dear Chairperson

**Report on the Conduct of the Audit
 for the year ended 30 June 2024
 Central Tablelands County Council**






I have audited the general purpose financial statements (GPFS) of the Central Tablelands County 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	%
Annual charges revenue	1.85	1.72	 7.6
User charges revenue	5.56	4.96	 12.1
Grants and contributions revenue	2.82	1.67	 68.9
Operating result from continuing operations	2.68	1.13	 137.2
Net operating result before capital grants and contributions	(0.14)	(0.53)	 73.6

Annual charges revenue (\$1.85 million) increased by \$0.13 million (7.6 per cent) in 2023–24 due to increase in rates charged in line with inflation, as well as increase in residential connections.

User charges revenue (\$5.56 million) increased by \$0.6 million (12.1 per cent) in 2023-24 due to:

- the dryer conditions experienced in the latter part of 2023-24 in the region
- increase in private works and installations
- 4% increase in user charges.

Grants and contributions revenue (\$2.82 million) increased by \$1.15 million (68.9 per cent) in 2023–24 due to:

- Increase of \$1.30 million in capital grant revenue received for Carcoar Reservoir Project.
- Decrease of \$0.11 million of developer charges for mains extensions recognised during the year
- Decrease of \$0.10 million of developer contributions (s.64) recognised during the year

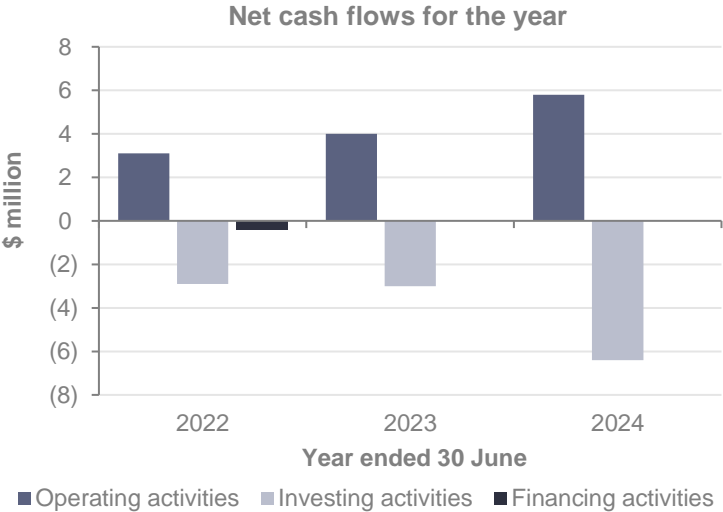
Council’s operating result from continuing operations (\$2.68 million including depreciation, amortisation and impairment expense of \$3.01 million) was \$1.55 million higher than the 2022–23 result. Mainly due to the increase in capital grants of \$1.30 million.

The net operating result before capital grants and contributions (\$0.14 million deficit) was \$0.39 million higher than the 2022–23 deficit result.

STATEMENT OF CASH FLOWS

Cash balances decreased due to the following factors:

- Increase in payments for IPPE of \$2.46 million mainly associated with the Carcoar Reservoir Project
- Increase in acquisition of term deposits of \$1.40 million
- Offset by an increase in grants and contributions of \$0.80 million and an increase in user charges and fees of \$0.70 million



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	10.76	9.97	Externally restricted balances funds held in respect of specific purpose liabilities.
Restricted and allocated cash, cash equivalents and investments:			Balances are internally allocated due to Council policy or decisions for forward plans including work programs.
• External restrictions	0.01	0.01	
• Internal allocations	9.95	9.46	

Debt

At 30 June 2024, Council had:

- nil external borrowings (2023: nil).
- access to a \$50,000 (30 June 2023: \$45,000) credit card facility, which was unused at year-end.

PERFORMANCE

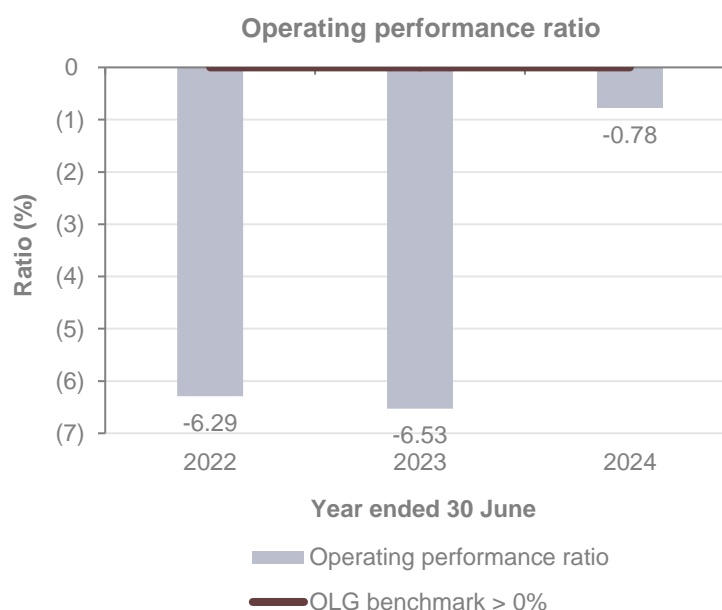
Performance measures

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. Due to Council's relatively small size, small dollar movements can result in large percentage movements.

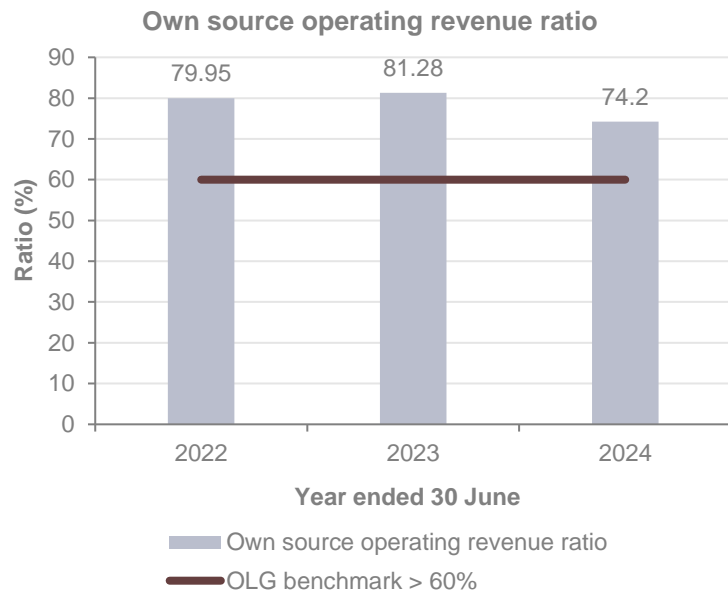
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council exceeded the benchmark for the current reporting period.

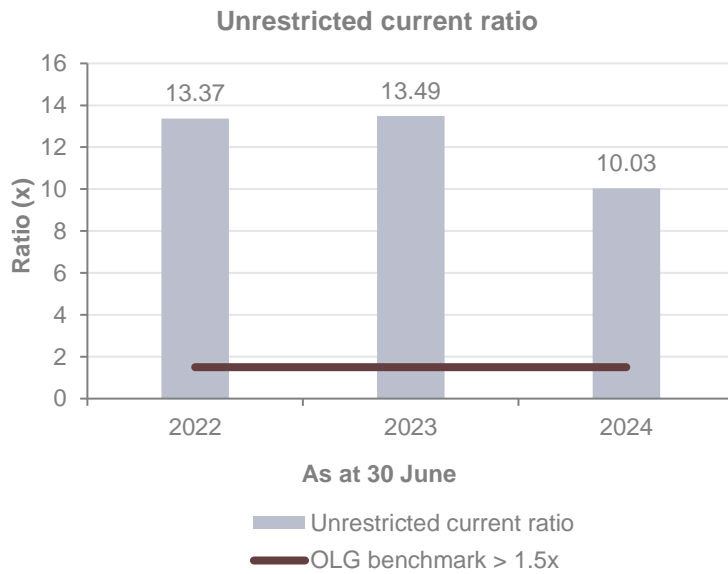
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council exceeded the benchmark for the current reporting period.

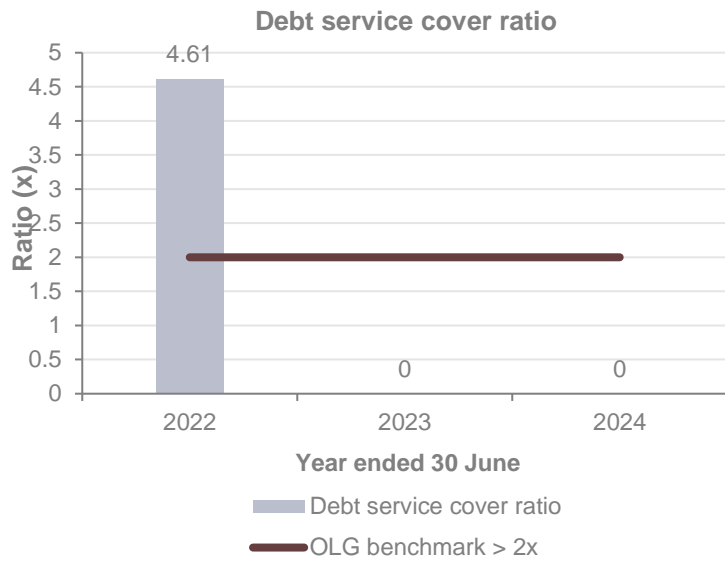
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council did not have any debt in the current and previous reporting period.

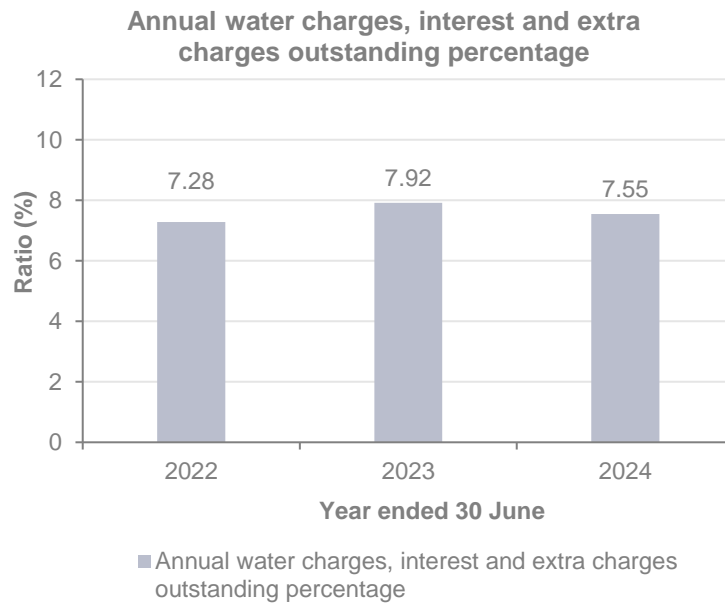
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Annual water charges, interest and extra charges outstanding percentage

Council's annual water charges, interest and extra charges outstanding ratio has remained consistent over the past three years.

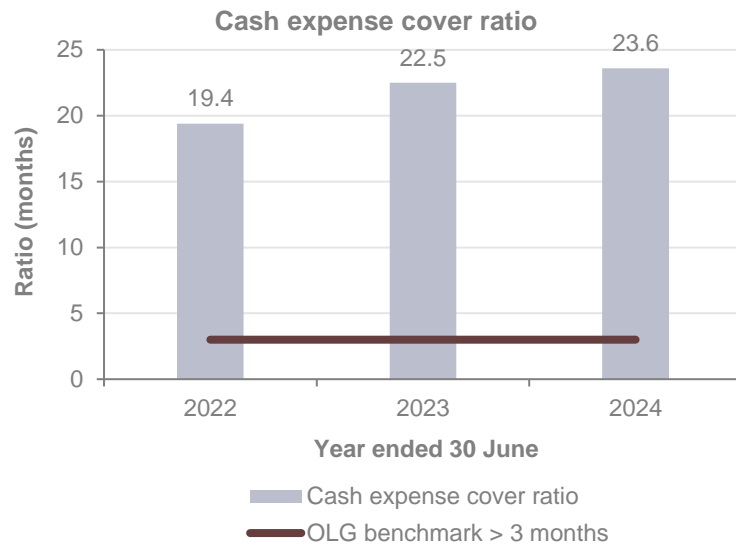
The 'annual water charges, interest and extra charges outstanding percentage' assesses the impact of uncollected charges on council's liquidity and the adequacy of debt recovery efforts. There is no benchmark set by OLG.



Cash expense cover ratio

Council's strong liquidity is reflected by this measure. Council has comfortably exceeded the benchmark and has done so for several years.

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 \$1.04 million of infrastructure, property, plant and equipment during the 2023-24 financial year. A further \$4.10 million was spent on new assets during the 2023-24 financial year. Both were mainly spent on the water supply network.

OTHER MATTERS

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.

Farisha Ali
Associate Director - Financial Audit

Delegate of the Auditor-General for New South Wales

Central Tablelands Water

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

*"An independent Regional Water Authority providing a
quality water supply - Reliably and Sustainably"*



**Central
Tablelands
Water**

Central Tablelands Water

Special Purpose Financial Statements

for the year ended 30 June 2024

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Background

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

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

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

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

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

Central Tablelands Water

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 20 August 2024.



Cllr Andrew Rawson
Chairperson
20 August 2024



Cllr David Somerville
Councillor
20 August 2024



Graeme Haley
Acting General Manager
20 August 2024



Peter McFarlane
Responsible Accounting Officer
20 August 2024

Central Tablelands Water

Income Statement of water supply business activity

for the year ended 30 June 2024

\$ '000	2024	2023
Income from continuing operations		
Access charges	1,848	1,720
User charges	5,557	4,956
Interest and investment income	546	289
Grants and contributions provided for operating purposes	–	17
Other income	125	267
Rental income	26	25
Total income from continuing operations	8,102	7,274
Expenses from continuing operations		
Employee benefits and on-costs	2,643	2,384
Materials and services	2,492	2,583
Depreciation, amortisation and impairment	3,014	2,727
Net loss from the disposal of assets	77	51
Other expenses	16	55
Total expenses from continuing operations	8,242	7,800
Surplus (deficit) from continuing operations before capital amounts	(140)	(526)
Grants and contributions provided for capital purposes	2,817	1,654
Surplus (deficit) from continuing operations after capital amounts	2,677	1,128
Surplus (deficit) from all operations before tax	2,677	1,128
Surplus (deficit) after tax	2,677	1,128
Plus accumulated surplus	49,127	47,999
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	51,804	49,127
Return on capital %	(0.1)%	(0.5)%
Subsidy from Council	4,860	4,669
Calculation of dividend payable:		
Surplus (deficit) after tax	2,677	1,128
Less: capital grants and contributions (excluding developer contributions)	(2,817)	(1,654)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Central Tablelands Water

Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	1,658	2,268
Investments	9,100	7,700
Receivables	1,455	1,040
Inventories	256	210
Contract assets and contract cost assets	2	–
Other	54	8
Total current assets	12,525	11,226
Non-current assets		
Receivables	–	1
Infrastructure, property, plant and equipment	109,769	103,071
Intangible assets	11	25
Total non-current assets	109,780	103,097
Total assets	122,305	114,323
LIABILITIES		
Current liabilities		
Payables	938	567
Income received in advance	27	27
Employee benefit provisions	1,136	975
Total current liabilities	2,101	1,569
Non-current liabilities		
Employee benefit provisions	27	21
Total non-current liabilities	27	21
Total liabilities	2,128	1,590
Net assets	120,177	112,733
EQUITY		
Accumulated surplus	51,804	49,127
Revaluation reserves	68,373	63,606
Total equity	120,177	112,733

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 2021 (Regulation)* and the Local Government Code of Accounting Practice and Financial Reporting.

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

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)

Central Tablelands Water Supplies

Comprising the whole of the operations and net assets of the water supply systems servicing towns and villages within the Local Government Areas of Blayney, Cabonne, Cowra, Bland and Weddin.

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. 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%** (LY 25%)

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

Note – Material accounting policy information (continued)

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

In accordance with DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

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

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

Income tax

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's

Note – Material accounting policy information (continued)

regulatory and assurance framework and must not exceed 50% of the relevant 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 section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Central Tablelands County Council

To the Councillors of Central Tablelands County Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Central Tablelands County Council's (the Council) Declared Business Activity, water supply, which comprise the Statement by Councillors and Management, the Income Statement of the Declared Business Activity for the year ended 30 June 2024, the Statement of Financial Position of the Declared Business Activity as at 30 June 2024 and the Material accounting policy information note.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activity as at 30 June 2024, and its 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.

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.

Fali

Farisha Ali
Delegate of the Auditor-General for New South Wales

21 October 2024
SYDNEY

Central Tablelands Water

SPECIAL SCHEDULES
for the year ended 30 June 2024

*"An independent Regional Water Authority providing a
quality water supply - Reliably and Sustainably"*



Central Tablelands Water

Special Schedules

for the year ended 30 June 2024

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Special Schedules:

Report on infrastructure assets as at 30 June 2024

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Central Tablelands Water

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	600	250	160	163	1,996	3,674	30.0%	35.0%	25.0%	10.0%	0.0%	
	Sub-total	600	250	160	163	1,996	3,674	30.0%	35.0%	25.0%	10.0%	0.0%	
Water supply network	Filtration Plants	2,282	1,295	814	717	9,075	17,203	10.0%	42.0%	38.0%	10.0%	0.0%	
	Reticulation Mains	784	26	475	601	23,616	38,000	56.0%	31.0%	13.0%	0.0%	0.0%	
	Trunk Mains	468	–	218	173	36,674	71,646	41.0%	53.0%	4.0%	0.0%	2.0%	
	Bores	126	83	70	66	376	729	13.0%	34.0%	39.0%	10.0%	4.0%	
	Reservoirs	5,862	4,130	176	101	14,717	26,818	22.0%	12.0%	44.0%	22.0%	0.0%	
	Dams	12,731	12,414	89	37	10,109	23,099	18.0%	1.0%	9.0%	70.0%	2.0%	
	Pump Stations	1,084	790	459	356	7,417	11,742	34.0%	39.0%	18.0%	7.0%	2.0%	
	Telemetry	46	14	60	49	396	676	57.0%	9.0%	32.0%	2.0%	0.0%	
	Other	–	–	12	10	592	654	100.0%	0.0%	0.0%	0.0%	0.0%	
Sub-total	23,383	18,752	2,373	2,110	102,972	190,567	35.5%	34.3%	16.2%	13.0%	1.0%		
Total – all assets		23,983	19,002	2,533	2,273	104,968	194,241	35.3%	34.3%	16.3%	12.9%	1.2%	

(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

The estimated cost to bring assets to satisfactory condition is that estimated expenditure required to bring them to condition rating 2. The estimated cost to bring assets to the agreed level of service set by Council is the estimated expenditure to bring them to condition rating 3.

Central Tablelands Water

Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicator 2024	Indicators		Benchmark
			2023	2022	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	1,044	37.29%	28.29%	29.94%	> 100.00%
Depreciation, amortisation and impairment	2,800				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	23,983	22.65%	24.18%	47.86%	< 2.00%
Net carrying amount of infrastructure assets	105,862				
Asset maintenance ratio					
Actual asset maintenance	2,273	89.74%	95.21%	82.81%	> 100.00%
Required asset maintenance	2,533				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	19,002	9.78%	7.45%	7.34%	
Gross replacement cost	194,241				

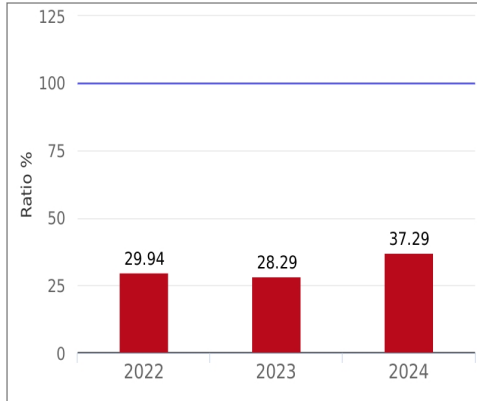
(*) All asset performance indicators are calculated using classes identified in the previous table.

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

Central Tablelands Water

Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result

23/24 ratio 37.29%

Council's ratio has improved slightly on the previous years as Council is undertaking a program of renewal of old asbestos concrete reticulation mains.

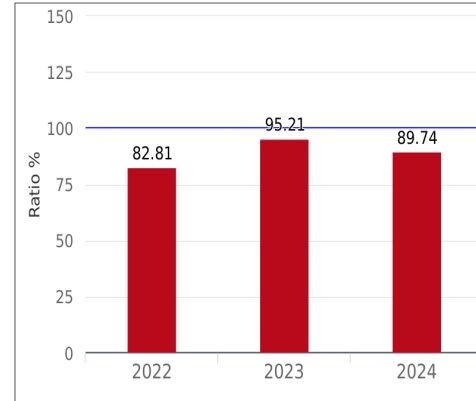
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result

23/24 ratio 89.74%

Council is maintaining a consistent asset maintenance ratio with only minor changes year on year.

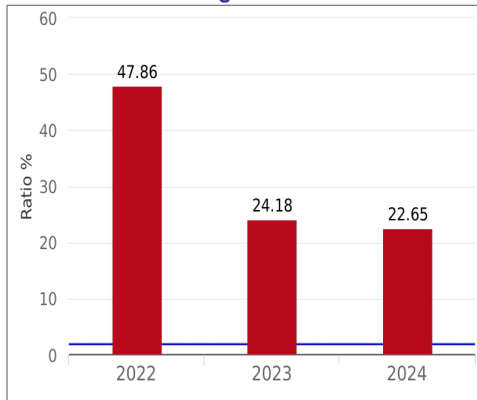
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

23/24 ratio 22.65%

The infrastructure backlog ratio has improved over the past year.

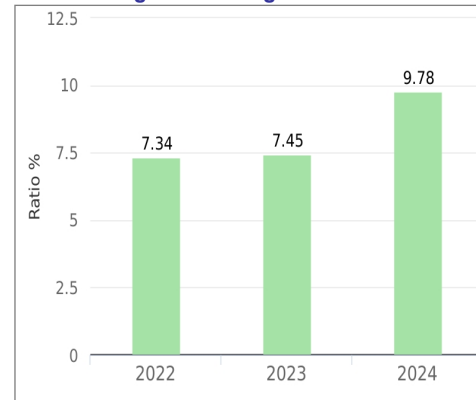
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

23/24 ratio 9.78%

The cost to bring assets to a satisfactory condition rating of 3 has risen in response to increasing asset renewal costs caused by the impact of inflation upon construction costs.