



**Date:** Thursday, 24 October 2024  
**Time:** 4:00pm  
**Location:** 105 Loftus Street  
TEMORA NSW 2666

# **MINUTES**

## **Extraordinary Council Meeting**

**24 October 2024**

**Order of Business**

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	<b>The Mayor and Councillors are reminded of their Oath/Affirmation of Office made under Section 23A of the Local Government Act 1993 and their obligations under Council’s Code of Conduct to disclose and appropriately manage conflicts of interest.....</b>	<b>3</b>
<b>2</b>	<b>Acknowledgement of Country .....</b>	<b>3</b>
<b>3</b>	<b>Apologies .....</b>	<b>3</b>
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**MINUTES OF TEMORA SHIRE COUNCIL  
EXTRAORDINARY COUNCIL MEETING  
HELD AT 105 LOFTUS STREET, TEMORA NSW 2666  
ON THURSDAY, 24 OCTOBER 2024 AT 4:00PM**

**PRESENT:** Cr Rick Firman (Mayor)(Chair), Cr Graham Sinclair (Deputy Mayor), Cr Nigel Judd, Cr Belinda Bushell, Cr Anthony Irvine (arrived 4:03pm), Cr Brenton Hawken, Cr Ken Smith, Cr Narelle Djukic

**IN ATTENDANCE:** Mr Rob Fisher (Executive Manager Engineering Services), Mr Kris Dunstan (Director of Environmental Services), Mrs Elizabeth Smith (Director of Administration & Finance), Ms Melissa Boxall (General Manager), Mrs Anne Rands (Executive Assistant)

Media Officer – Lauren Carr

**1 OPEN AND WELCOME**

**ETHICAL OBLIGATIONS**

The Mayor and Councillors are reminded of their Oath/Affirmation of Office made under Section 23A of the Local Government Act 1993 and their obligations under Council's Code of Conduct to disclose and appropriately manage conflicts of interest.

**2 ACKNOWLEDGEMENT OF COUNTRY**

**3 APOLOGIES**

**RESOLUTION 168/2024**

Moved: Cr Narelle Djukic

Seconded: Cr Belinda Bushell

That apologies from Cr Paul Mahon be received and accepted.

**CARRIED**

Cr Anthony Irvine arrived at 4:03pm

**4 OPENING PRAYER**

The opening prayer was conducted by Mayor Rick Firman

**5 DELEGATES REPORTS**

**6 STAFF REPORTS**

**RESOLUTION 169/2024**

Moved: Cr Graham Sinclair

Seconded: Cr Nigel Judd

It was resolved that Council receive Staff reports.

**CARRIED**



## 7 ADMINISTRATION AND FINANCE

### 7.1 DRAFT FINANCIAL STATEMENTS - 30 JUNE 2024

**File Number:** REP24/894

**Author:** Executive Assistant

**Authoriser:** General Manager

**Attachments:** 1. Financial Statements [↓](#) 

#### REPORT

Council's financial statements for 2023/24 were referred to audit by the General Manager under delegation on Monday 16 September 2024 in accordance with the resolution of Council on 15 August 2024.

Council's draft financial statements were presented to the Audit Risk & Improvement Committee on 24 September 2024 where it was resolved:

*That the Committee receives and notes the annual financial statements that have been referred to external audit by Council.*

The financial statements are in the process of being audited and it is anticipated that the Audit Opinions and Report on the Conduct of the Audit will be finalised in the last week of October.

A summary of Council's result and position as at 30 June 2024 (subject to finalisation of the audit) is presented below.

#### Operating Result

Council achieved an operating surplus of \$638k for the year ending 30 June 2024, down from the \$1.625m surplus in 2023. Council's capital grants and contributions amounted to \$6.497m.

User fees and charges increased significantly in 2024 as a result of works conducted under the Road Maintenance Council Contracts (RMCC) for the pavement upgrade of Hoskins Street and additional fees and charges from Council's ageing and disability service provision.

Revenue from interest and investment income increased primarily due to the significant and unexpected increase in interest rates.

Employee costs declined slightly on the previous year. Council's full-time equivalent (FTE) employees declined from 133 to 124 as a result of several vacancies during the year.

Materials and services increased significantly. A number of factors are at play in relation to this increase including the inflationary environment, and the utilisation of contractors to deliver Council works in order to meet grant program deadlines. Further, Council conducted significant RMCC works and natural disaster recovery works.

Depreciation expense increased significantly again due to the ongoing revaluation cycle. The asset categories with the largest increase in depreciation expense are Roads, Bridges & Footpaths (\$259K, 6.58%), Buildings (\$175K, 14.4%), Open Space & Recreational Assets (\$117k, 45%) and Plant & Equipment (\$105k, 20%).

## Balance Sheet

The balance of Cash and Investments increased over the year, primarily due to the receipt of the Regional Local Roads Repair Program (RLRRP) funding of \$3.4 million, along with approximately 85% of the 2024/25 Financial Assistance Grants (FAGs) allocation (\$4.3m).

Receivables increased, primarily due to advancements to long-term debtors and advancements made under the Development Infrastructure Deferred Payments Policy.

Inventory levels were reasonably steady with just a slight decline in the quantity of gravel on hand.

The value of Council's payables is up on the previous year – largely due to the increased volume of works being conducted by contractors and the significant capital works program.

Council's IPPE balances increased by \$23.5 million. This increase arises from additions of \$11m, revaluation increment of \$16m and an impairment reversal of \$4m. Partially offsetting the increase in value is depreciation expense of \$7.8m and disposals with a carrying value of \$187k.

Council has three loans with a combined outstanding balance of \$2.2 million. These loans are for the purchase of the works depot, the construction of a Supported Independent Living House and the upgrade of the Temora Swimming Pool. Balances were reduced during the year in accordance with repayment schedules.

Employee Leave Liabilities declined with the retirement of several long-standing employees.

## Next Steps

The Mayor and Deputy Mayor, along with the General Manager and Responsible Accounting Officer are required to sign the Statement by Councillors and Management in accordance with the Local Government Act. Council must submit its audited financial statements to the Office of Local Government by 31 October 2024. Council's auditor will present the audited financial statements including their Audit Opinions to the November meeting of Council, following public exhibition of the Statements.

## RESOLUTION 170/2024

Moved: Cr Belinda Bushell

Seconded: Cr Graham Sinclair

It was resolved that:

1. Council note that the draft financial statements have been referred to audit;
2. the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer be authorised to sign the Statement by Councillors & Management for the 2023/24 General Purpose and Special Purpose Financial Statements in accordance with section 413(2)(c) of the Local Government Act 1993 (as amended); and
3. Council delegate authority to the General Manager to authorise the accounts for issue upon receipt of the audit report.

**CARRIED**

**Report by Elizabeth Smith**

# Temora Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*"Success through determination and inspiration"*

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# Temora Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*"Success through determination and inspiration"*

## Temora Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2024

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#### Overview

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

105 Loftus Street  
Temora NSW 2666

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.temora.nsw.gov.au](http://www.temora.nsw.gov.au).

## Temora Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 October 2024.

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Rick Firman  
Mayor  
24 October 2024

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Graham Sinclair  
Councillor  
24 October 2024

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Melissa Boxall  
General Manager  
24 October 2024

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Elizabeth Smith  
Responsible Accounting Officer  
24 October 2024

## Temora Shire Council

## Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Income from continuing operations</b>				
6,611	Rates and annual charges	B2-1	6,631	6,302
14,296	User charges and fees	B2-2	17,415	12,412
415	Other revenues	B2-3	489	479
10,343	Grants and contributions provided for operating purposes	B2-4	11,357	11,967
5,810	Grants and contributions provided for capital purposes	B2-4	6,497	4,854
668	Interest and investment income	B2-5	1,120	512
340	Other income	B2-6	363	315
146	Net gain from the disposal of assets	B4-1	164	19
<b>38,629</b>	<b>Total income from continuing operations</b>		<b>44,036</b>	<b>36,860</b>
<b>Expenses from continuing operations</b>				
10,937	Employee benefits and on-costs	B3-1	11,239	11,368
14,229	Materials and services	B3-2	16,978	11,025
70	Borrowing costs	B3-3	69	79
7,240	Depreciation, amortisation and impairment of non-financial assets	B3-4	7,868	7,163
779	Other expenses	B3-5	747	746
<b>33,255</b>	<b>Total expenses from continuing operations</b>		<b>36,901</b>	<b>30,381</b>
<b>5,374</b>	<b>Operating result from continuing operations</b>		<b>7,135</b>	<b>6,479</b>
<b>5,374</b>	<b>Net operating result for the year attributable to Council</b>		<b>7,135</b>	<b>6,479</b>
<b>(435)</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>638</b>	<b>1,625</b>

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

## Temora Shire Council

## Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
<b>Net operating result for the year – from Income Statement</b>		<b>7,135</b>	<b>6,479</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	16,485	47,415
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	4,109	(5,086)
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>20,594</b>	<b>42,329</b>
<b>Total other comprehensive income for the year</b>		<b>20,594</b>	<b>42,329</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>27,729</b>	<b>48,808</b>

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

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## Temora Shire Council

## Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	9,932	3,647
Investments	C1-2	17,488	13,636
Receivables	C1-4	3,614	3,544
Inventories	C1-5	947	1,038
Contract assets and contract cost assets	C1-6	287	130
Other	C1-8	249	248
<b>Total current assets</b>		<u>32,517</u>	<u>22,243</u>
<b>Non-current assets</b>			
Investments	C1-2	3,052	10,143
Receivables	C1-4	1,268	839
Infrastructure, property, plant and equipment (IPPE)	C1-7	350,173	326,620
Investments accounted for using the equity method	D2-1	217	217
<b>Total non-current assets</b>		<u>354,710</u>	<u>337,819</u>
<b>Total assets</b>		<u>387,227</u>	<u>360,062</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	2,032	1,763
Contract liabilities	C3-2	3,315	3,606
Borrowings	C3-3	440	429
Employee benefit provisions	C3-4	3,792	3,933
<b>Total current liabilities</b>		<u>9,579</u>	<u>9,731</u>
<b>Non-current liabilities</b>			
Payables	C3-1	3	-
Borrowings	C3-3	1,798	2,238
Employee benefit provisions	C3-4	91	66
<b>Total non-current liabilities</b>		<u>1,892</u>	<u>2,304</u>
<b>Total liabilities</b>		<u>11,471</u>	<u>12,035</u>
<b>Net assets</b>		<u>375,756</u>	<u>348,027</u>
<b>EQUITY</b>			
Accumulated surplus	C4-1	126,111	118,976
IPPE revaluation reserve	C4-1	249,645	229,051
<b>Total equity</b>		<u>375,756</u>	<u>348,027</u>

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

**Temora Shire Council**  
**Statement of Changes in Equity**  
for the year ended 30 June 2024

	2024			2023		
	Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
\$ '000						
Opening balance at 1 July	118,976	229,051	348,027	112,497	186,722	299,219
Correction of prior period errors	—	—	—	—	—	—
<b>Restated opening balance</b>	<b>118,976</b>	<b>229,051</b>	<b>348,027</b>	<b>112,497</b>	<b>186,722</b>	<b>299,219</b>
Net operating result for the year	7,135	—	7,135	6,479	—	6,479
<b>Restated net operating result for the period</b>	<b>7,135</b>	<b>—</b>	<b>7,135</b>	<b>6,479</b>	<b>—</b>	<b>6,479</b>
<b>Other comprehensive income</b>						
Gain (loss) on revaluation of infrastructure, property, plant and equipment	—	16,485	16,485	—	47,415	47,415
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	—	4,109	4,109	—	(5,086)	(5,086)
<b>Other comprehensive income</b>	<b>—</b>	<b>20,594</b>	<b>20,594</b>	<b>—</b>	<b>42,329</b>	<b>42,329</b>
<b>Total comprehensive income</b>	<b>7,135</b>	<b>20,594</b>	<b>27,729</b>	<b>6,479</b>	<b>42,329</b>	<b>48,808</b>
<b>Closing balance at 30 June</b>	<b>126,111</b>	<b>249,645</b>	<b>375,756</b>	<b>118,976</b>	<b>229,051</b>	<b>348,027</b>

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

## Temora Shire Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
6,607	Rates and annual charges		6,634	6,271
14,451	User charges and fees		18,167	15,419
653	Interest received		972	388
16,180	Grants and contributions		16,832	18,027
–	Bonds, deposits and retentions received		30	–
505	Other		1,760	1,091
<i>Payments:</i>				
(10,884)	Payments to employees		(11,431)	(11,646)
(13,924)	Payments for materials and services		(18,854)	(12,092)
(72)	Borrowing costs		(70)	(81)
–	Bonds, deposits and retentions refunded		–	(11)
(768)	Other		(819)	(977)
<u>12,748</u>	<b>Net cash flows from operating activities</b>	G1-1	<u>13,221</u>	<u>16,389</u>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Redemption of term deposits		3,239	–
–	Sale of real estate assets		–	350
372	Proceeds from sale of IPPE		351	477
295	Deferred debtors receipts		–	–
<i>Payments:</i>				
(3,182)	Acquisition of term deposits		–	(8,633)
(11,895)	Payments for IPPE		(9,195)	(8,636)
–	Purchase of real estate assets		(6)	(132)
–	Deferred debtors and advances made		(896)	(574)
<u>(14,410)</u>	<b>Net cash flows from investing activities</b>		<u>(6,507)</u>	<u>(17,148)</u>
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
(429)	Repayment of borrowings		(429)	(417)
<u>(429)</u>	<b>Net cash flows from financing activities</b>		<u>(429)</u>	<u>(417)</u>
<u>(2,091)</u>	<b>Net change in cash and cash equivalents</b>		<u>6,285</u>	<u>(1,176)</u>
3,339	Cash and cash equivalents at beginning of year		3,647	4,823
<u>1,248</u>	<b>Cash and cash equivalents at end of year</b>	C1-1	<u>9,932</u>	<u>3,647</u>
21,328	plus: Investments on hand at end of year	C1-2	20,540	23,779
<u>22,576</u>	<b>Total cash, cash equivalents and investments</b>		<u>30,472</u>	<u>27,426</u>

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

## Temora Shire Council

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## Temora Shire Council

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## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 09 September 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 consolidated 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 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 Infrastructure, property, plant and equipment note.
- (ii) employee benefit provisions – refer Provisions note.

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

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Receivables note.

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

#### **The Consolidated Fund**

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

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

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### A1-1 Basis of preparation (continued)

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- General purpose operations
- Sewerage service
- Pinnacle Community Services
- Temora Agricultural Innovation Centre

#### The Trust Fund

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

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

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

#### Goods and Services Tax (GST)

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

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

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

#### Volunteer services

Whilst Council has an extensive network of volunteers across a broad section of Council functions, Council would not purchase the services if they were not provided voluntarily and Council is unable to reliably measure the value of these services. Consequently the value of volunteer services has not been recognised in these financial statements.

#### New accounting standards and interpretations issued but not yet effective

##### New accounting standards and interpretations issued but not yet effective

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

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 for the first time at 30 June 2024.

Any newly adopted standards which had a material impact on Council's reported financial position, performance and/or associated financial statement disclosures are further discussed in the Changes in Accounting Policy Note, if applicable.

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements for the year ended 30 June 2024

#### 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
<b>Functions or activities</b>										
Building a Strong Local Economy	14,864	12,469	14,001	10,590	863	1,879	7,256	6,771	220,920	130,574
Enhancing our Quality of Life	15,654	12,091	17,633	15,060	(1,979)	(2,969)	3,971	2,991	140,148	204,996
Enjoying our Beautiful Environment	2,676	1,378	2,201	1,878	475	(500)	1,485	173	20,544	18,963
Providing Local Leadership	–	140	176	613	(176)	(473)	–	132	16	22
Administration & General Purpose	10,842	10,782	2,890	2,240	7,952	8,542	5,142	6,754	5,599	5,507
<b>Total functions and activities</b>	<b>44,036</b>	<b>36,860</b>	<b>36,901</b>	<b>30,381</b>	<b>7,135</b>	<b>6,479</b>	<b>17,854</b>	<b>16,821</b>	<b>387,227</b>	<b>360,062</b>



## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B1-2 Components of functions or activities

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

##### Enhancing our Quality of Life

Strategic objectives are to have a community with appropriate services and care for our ageing population and people with disability; a community with opportunities to be healthy; a community with services and facilities for our children and young people; a community that offers opportunities for sport and recreation; a community that enjoys arts and cultural activities and events; and a community that is safe and inclusive and looks after people who are experiencing disadvantage.

##### Providing Local Leadership

Strategic objectives are to have a community with strong local leadership; a community that acknowledges and celebrates its heritage and diversity; a community that is supported by our volunteers; a community that speaks up and advocates for itself; and a community that is well informed through engagement and communication.

##### Building a Strong Local Economy

Strategic objectives are to have a community with a variety of thriving businesses and industries; a community with opportunities for local employment; a community with opportunities for local education; a community with good access to a range of appropriate and affordable housing; a community with a strong agricultural sector; a community that celebrates and benefits from its aviation history and facilities; a community that benefits from tourism; and a community with a transport network that enables economic and social outcomes.

##### Enjoying our Beautiful Environment

Strategic objectives are to have a community that is liveable and provides for enjoyable town and village life; a community that enjoys appropriate urban infrastructure; a community that strives to minimise its environmental impacts; a community that enjoys a variety of open spaces for leisure; and a community that sustainably plans for its future.

##### Administration & General Purpose

Includes items of an administrative nature or general purpose which do not fall under any of the four Integrated Planning & Reporting themes detailed above.

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B2 Sources of income

##### B2-1 Rates and annual charges

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	1,779	1,706
Farmland	2,097	2,023
Business	570	540
Less: pensioner rebates (mandatory)	(54)	(55)
Less: pensioner rebates (Council policy)	(44)	(45)
<b>Rates levied to ratepayers</b>	<u>4,348</u>	<u>4,169</u>
Pensioner rate subsidies received	54	55
<b>Total ordinary rates</b>	<u>4,402</u>	<u>4,224</u>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	684	647
Stormwater management services	55	49
Sewerage services	1,390	1,289
Waste management services (non-domestic)	136	129
Less: pensioner rebates (mandatory)	(43)	(43)
Less: pensioner rebates (Council policy)	(35)	(35)
<b>Annual charges levied</b>	<u>2,187</u>	<u>2,036</u>
Pensioner annual charges subsidies received:		
– Sewerage	20	21
– Domestic waste management	22	21
<b>Total annual charges</b>	<u>2,229</u>	<u>2,078</u>
<b>Total rates and annual charges</b>	<u>6,631</u>	<u>6,302</u>

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

#### Material accounting policy information

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

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

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B2-2 User charges and fees

\$ '000	Timing	2024	2023
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Domestic waste management services	2	120	131
Sewerage services	2	20	15
Waste management services (non-domestic)	2	49	49
<b>Total specific user charges</b>		<b>189</b>	<b>195</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Planning and building regulation	2	252	156
Private works – section 67	2	169	70
Section 10.7 certificates (EP&A Act)	2	15	13
Section 603 certificates	2	14	15
<b>Total fees and charges – statutory/regulatory</b>		<b>450</b>	<b>254</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Aerodrome	2	41	85
Caravan park	2	71	125
Cemeteries	2	162	94
Transport for NSW works (state roads not controlled by Council)	2	6,617	4,023
Swimming centres	2	252	181
Animal control	2	3	2
Art Centre	2	5	1
Cinema	2	88	93
Community Technology Centre – printing and laminating	2	6	4
Frail and aged	2	9,482	7,313
Sports stadium	2	13	13
Tourism information centre	2	21	16
Other	2	15	13
<b>Total fees and charges – other</b>		<b>16,776</b>	<b>11,963</b>
<b>Total other user charges and fees</b>		<b>17,226</b>	<b>12,217</b>
<b>Total user charges and fees</b>		<b>17,415</b>	<b>12,412</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		17,415	12,412
<b>Total user charges and fees</b>		<b>17,415</b>	<b>12,412</b>

#### Material accounting policy information

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

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

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B2-3 Other revenues

\$ '000	Timing	2024	2023
Legal fees recovery – rates and charges (extra charges)	2	10	10
Diesel rebate	2	89	79
Insurance claims recoveries	2	57	60
Commissions and agency fees – Service NSW	2	150	144
Reimbursement from Service NSW – travel and training costs	2	–	2
Donations	2	9	6
Gravel royalties	2	5	7
Risk management bonus	2	34	34
Agricultural Innovation Centre revenues	2	2	–
Youth Activities	2	4	8
Other	2	43	28
Sale of Gravel	2	86	101
<b>Total other revenue</b>		<b>489</b>	<b>479</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		489	479
<b>Total other revenue</b>		<b>489</b>	<b>479</b>

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

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	218	811	–	–
Financial assistance – local roads component	2	52	506	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	2	2,814	3,035	–	–
Financial assistance – local roads component	2	1,459	1,656	–	–
<b>Amount recognised as income during current year</b>		<b>4,543</b>	<b>6,008</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
Aerodrome Upgrades	1	–	–	–	509
Aged Services	2	960	896	–	–
Bob Aldridge Park	2	–	–	181	311
Bundawarra Centre	1	–	56	–	–
Bushfire and emergency services	2	313	307	–	–
Economic development	1	111	–	–	–
Employment and training programs	2	51	99	–	–
Flood Study Grant	2	67	54	–	–
Heritage and cultural	2	20	26	–	–
Library	2	66	62	40	55
Local Government Recovery Grant	1	–	–	81	–
Local Roads & Community Infrastructure Funding	1	10	6	492	639
Pedestrian Access Mobility Plan (PAMP) Works	2	–	–	55	55
Noxious weeds	2	54	53	–	–
RFS Community Engagement Centre	2	7	–	–	–
Road Safety Officer	2	126	120	–	–
Street lighting	1	45	42	–	–
Stronger Country Communities Funding	1	–	–	716	316
Transport (flood damage)	2	238	140	–	–
Transport (fixing country roads)	1	–	–	867	1,387
Transport (regional roads block grant)	2	334	156	408	572
Transport (repair program)	2	–	–	199	134
Transport (roads to recovery)	2	820	832	–	–
Transport (fixing local roads)	1	–	–	732	374
Health and safety	1	1	7	–	–
Recreation and culture	2	–	3	–	–
Other Councils – ELEs transferred	2	45	6	–	–
Youth services	2	24	41	–	–
Town Hall Theatre	2	–	–	8	–
Art Centre	1	18	15	–	–
Australia Day Community Grant	1	15	20	–	–
Economic Development	1	–	1	–	–
Nixon Park	1	–	–	5	–
Driver Reviver Upgrade - Springdale	2	–	–	–	(2)
Community Events Program	1	4	236	–	–
Emergency Services Levy	2	–	133	–	–
Other grants and contributions	2	–	10	–	–

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Footpath contributions	2	–	–	4	60
Sporting Fields Upgrades - Club contributions	2	–	–	62	93
Planning	1	32	5	–	–
Sport Facilities Lighting Upgrade	2	–	–	159	–
Swimming Pool Upgrade	2	–	–	–	227
Integrated Water Cycle Management Plan	1	–	156	–	–
Resilience Project	1	8	42	–	–
Railway Precinct Master Plan	2	38	4	–	–
Places to Play	2	–	–	345	–
Places to Swim	2	–	–	26	–
Recreation Centre	2	–	–	–	6
Regional Local Roads Repair Program	2	3,407	2,431	–	–
Contributions from Developers - Contributed Assets	2	–	–	1,769	–
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>6,814</b>	<b>5,959</b>	<b>6,149</b>	<b>4,736</b>
<b>Total grants and non-developer contributions</b>		<b>11,357</b>	<b>11,967</b>	<b>6,149</b>	<b>4,736</b>
<b>Comprising:</b>					
– Commonwealth funding		1,452	6,821	492	509
– State funding		9,772	4,362	3,777	3,401
– Other funding		133	784	1,880	826
		<b>11,357</b>	<b>11,967</b>	<b>6,149</b>	<b>4,736</b>

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## B2-4 Grants and contributions (continued)

## Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Developer contributions:</b>						
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
	G4					
<b>Cash contributions</b>						
S 7.12 – fixed development consent levies		2	–	–	348	118
<b>Total developer contributions – cash</b>			–	–	348	118
<b>Total developer contributions</b>			–	–	348	118
<b>Total contributions</b>			–	–	348	118
<b>Total grants and contributions</b>			11,357	11,967	6,497	4,854
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			244	586	2,893	3,225
Grants and contributions recognised at a point in time (2)			11,113	11,381	3,604	1,629
<b>Total grants and contributions</b>			11,357	11,967	6,497	4,854

## Unspent grants and contributions

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	1,101	746	2,470	1,600
<b>Add:</b> Funds received and not recognised as revenue in the current year	685	753	1,742	1,537
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(621)	(398)	(2,062)	(667)
<b>Unspent funds at 30 June</b>	1,165	1,101	2,150	2,470
<b>Contributions</b>				
Unspent funds at 1 July	34	–	–	–
<b>Add:</b> contributions received and not recognised as revenue in the current year	–	34	–	–
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(34)	–	–	–
<b>Unspent contributions at 30 June</b>	–	34	–	–

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B2-4 Grants and contributions (continued)

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##### **Material accounting policy information**

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed above.

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of section 7.12 of the *Environmental Planning and Assessment Act 1979*.

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

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Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B2-5 Interest and investment income

\$ '000	2024	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	20	13
– Cash and investments	1,100	499
<b>Total interest and investment income (losses)</b>	<b>1,120</b>	<b>512</b>

#### Material accounting policy information

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

#### B2-6 Other income

\$ '000	Notes	2024	2023
<b>Rental income</b>			
<b>Other lease income</b>			
Room/Facility Hire		258	234
Leaseback fees - council vehicles		24	29
Other		18	–
Aerodrome Hangars		26	25
Sporting Grounds		17	14
Vacant Land		5	5
Caravan Park		15	8
<b>Total other lease income</b>		<b>363</b>	<b>315</b>
<b>Total rental income</b>	C2-2	<b>363</b>	<b>315</b>
<b>Total other income</b>		<b>363</b>	<b>315</b>

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B3 Costs of providing services

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

\$ '000	2024	2023
Salaries and wages	9,057	9,285
Employee termination costs	–	4
Travel expenses	2	–
Employee leave entitlements (ELE)	1,305	1,262
ELE on-costs	(34)	20
Superannuation	1,114	1,041
Workers' compensation insurance	229	276
Fringe benefit tax (FBT)	90	65
Training costs (other than salaries and wages)	195	119
Staff uniforms and safety clothing	31	24
Other	–	28
<b>Total employee costs</b>	<b>11,989</b>	<b>12,124</b>
Less: capitalised costs	(750)	(756)
<b>Total employee costs expensed</b>	<b>11,239</b>	<b>11,368</b>
Number of 'full-time equivalent' employees (FTE) at year end	124	133

#### Material accounting policy information

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

##### *Retirement benefit obligations*

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

##### *Superannuation plans*

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

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B3-2 Materials and services

\$ '000	Notes	2024	2023
Raw materials and consumables		9,788	7,968
Contractor costs		14,259	8,123
Audit Fees	F2-1	51	48
Councillor and Mayoral fees and associated expenses	F1-2	176	189
Advertising		43	53
Bank charges		25	14
Cleaning		197	192
Electricity and heating		226	235
Insurance		637	582
Office expenses (including computer expenses)		511	458
Postage & Freight		62	63
Printing and stationery		56	72
Street lighting		86	79
Subscriptions and publications		63	64
Telephone and communications		87	92
Valuation fees		34	32
Other expenses		8	1
Conferences		4	1
Water		101	94
<b>Legal expenses:</b>			
– Legal expenses: debt recovery		10	8
– Legal expenses: other		86	35
Expenses from short-term leases		7	7
Expenses from leases of low value assets		46	45
Expenses from Peppercorn leases		1	1
Variable lease expense relating to usage		12	18
<b>Total materials and services</b>		<b>26,576</b>	<b>18,474</b>
Less: capitalised costs		(9,598)	(7,449)
<b>Total materials and services</b>		<b>16,978</b>	<b>11,025</b>

#### Material accounting policy information

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

#### B3-3 Borrowing costs

\$ '000	2024	2023
<b>(i) Interest bearing liability costs</b>		
Interest on loans	69	79
<b>Total interest bearing liability costs</b>	<b>69</b>	<b>79</b>
<b>Total interest bearing liability costs expensed</b>	<b>69</b>	<b>79</b>
<b>Total borrowing costs expensed</b>	<b>69</b>	<b>79</b>

#### Material accounting policy information

Borrowing costs are expensed when incurred.

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		627	521
Office equipment		56	66
Furniture and fittings		23	22
Land improvements (depreciable)		7	7
<b>Infrastructure:</b>			
– Buildings – non-specialised	C1-7	480	358
– Buildings – specialised		905	852
– Other structures		131	111
– Roads (incl Kerb & Gutter)		3,858	3,618
– Bridges		230	217
– Footpaths		108	102
– Stormwater drainage		133	128
– Sewerage network		336	318
– Swimming pools		112	128
– Other open space/recreational assets		378	261
– Other infrastructure		366	333
Leasehold improvements		32	34
<b>Other assets:</b>			
– Other		86	87
<b>Total gross depreciation and amortisation costs</b>		<u>7,868</u>	<u>7,163</u>
<b>Total depreciation and amortisation costs</b>		<u>7,868</u>	<u>7,163</u>
<b>Impairment / revaluation decrement of IPPE</b>			
<b>Infrastructure:</b>			
– Roads (incl Kerb & Gutter)	C1-7	(4,109)	5,086
<b>Total gross IPPE impairment / revaluation decrement costs</b>		<u>(4,109)</u>	<u>5,086</u>
Amounts taken through revaluation reserve	C1-7	4,109	(5,086)
<b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b>		<u>–</u>	<u>–</u>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<u>7,868</u>	<u>7,163</u>

#### Material accounting policy information

##### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in the Infrastructure, Property, Plant & Equipment Note and the Intangible Assets Note.

##### 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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

#### B3-5 Other expenses

\$ '000	Notes	2024	2023
<b>Impairment of receivables</b>			
User charges and fees		2	7
Other		(6)	–
<b>Total impairment of receivables/(reversal)</b>	C1-4	<b>(4)</b>	<b>7</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		502	482
Donations, contributions and assistance to other organisations (Section 356)		249	257
<b>Total other</b>		<b>751</b>	<b>739</b>
<b>Total other expenses</b>		<b>747</b>	<b>746</b>

#### Material accounting policy information

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

Impairment expenses are recognised when identified.

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## B4 Gains or losses

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

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		9	–
<b>Gain (or loss) on disposal</b>		<b>9</b>	<b>–</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
Proceeds from disposal – plant and equipment	C1-7	342	477
Less: carrying amount of plant and equipment assets sold/written off		(187)	(498)
<b>Gain (or loss) on disposal</b>		<b>155</b>	<b>(21)</b>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>			
Proceeds from disposal – real estate assets	C1-5	–	350
Less: carrying amount of real estate assets sold/written off		–	(310)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>40</b>
<b>Gain (or loss) on disposal of investments</b>			
Proceeds from disposal/redemptions/maturities – investments	C1-2	–	8,633
Less: carrying amount of investments sold/redeemed/matured		–	(8,633)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>164</b>	<b>19</b>

**Material accounting policy information**

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### B5 Performance against budget

##### B5-1 Material budget variations

Council's original budget was adopted by the Council on 15 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 -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	6,611	6,631	20	0% <b>F</b>
<b>User charges and fees</b>	14,296	17,415	3,119	22% <b>F</b>
Revenues from Council's aged and disability services was higher than anticipated.				
<b>Other revenues</b>	415	489	74	18% <b>F</b>
Council received an Insurance Claim payment along with the sale of old materials all of which were unbudgeted.				
<b>Operating grants and contributions</b>	10,343	11,357	1,014	10% <b>F</b>
Council received further funding under the Regional Local Roads Repair Program and the Severe Weather Grant which were partially unbudgeted. Additionally, Council received several unbudgeted smaller grants for the Arts Centre, Australia Day, Youth Services and Drought Resilience projects.				
<b>Capital grants and contributions</b>	5,810	6,497	687	12% <b>F</b>
Council received funding under the Local Roads Community Infrastructure (LRCI) Round 4 program which was unbudgeted. Additionally several projects under LRCI, Stronger Country Communities Fund (SCCF) and Fixing Local Roads (FLR) that were budgeted and due to be completed in the 2023 financial year, were carried over to the 2024 financial year for completion, with income recognition aligning to the timing of expenditure.				
<b>Interest and investment revenue</b>	668	1,120	452	68% <b>F</b>
Interest revenue is higher than budget as a result of interest rates rising unexpectedly.				
<b>Net gains from disposal of assets</b>	146	164	18	12% <b>F</b>
Sale prices for several items of plant were greater than anticipated. Additionally, several small items of plant and two small parcels of land were sold which were unbudgeted.				
<b>Other income</b>	340	363	23	7% <b>F</b>
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	10,937	11,239	(302)	(3)% <b>U</b>
<b>Materials and services</b>	14,229	16,978	(2,749)	(19)% <b>U</b>
Council's aged and disability services expenditure was higher than anticipated. Additionally, the use of contractors to deliver Council works in order to meet grant program deadlines has seen an increase in expenditure on materials and services. Grant funding, including natural disaster support funding, is at an all-time high.				

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Borrowing costs</b>	70	69	1	1% <b>F</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	7,240	7,868	(628)	(9)% <b>U</b>
Depreciation expense was in excess of budget following revaluations.				
<b>Other expenses</b>	779	747	32	4% <b>F</b>
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	12,748	13,221	473	4% <b>F</b>
<b>Cash flows from investing activities</b>	(14,410)	(6,507)	7,903	(55)% <b>F</b>
The cash and cash equivalents balance is higher than budgeted resulting in Cash flows from investing activities being lower than budgeted.				
<b>Cash flows from financing activities</b>	(429)	(429)	-	0% <b>F</b>

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Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C Financial position

##### C1 Assets we manage

##### C1-1 Cash and cash equivalents

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	9,932	3,647
<b>Total cash and cash equivalents</b>	<b>9,932</b>	<b>3,647</b>

##### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	9,932	3,647
<b>Balance as per the Statement of Cash Flows</b>	<b>9,932</b>	<b>3,647</b>

##### Material accounting policy information

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

##### C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	17,488	3,052	13,636	10,143
<b>Total</b>	<b>17,488</b>	<b>3,052</b>	<b>13,636</b>	<b>10,143</b>
<b>Total financial investments</b>	<b>17,488</b>	<b>3,052</b>	<b>13,636</b>	<b>10,143</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>27,420</b>	<b>3,052</b>	<b>17,283</b>	<b>10,143</b>

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C1-2 Financial investments (continued)

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##### Material accounting policy information

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

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

##### Financial assets

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

##### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

##### Amortised cost

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

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

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	30,472	27,426
Less: Externally restricted cash, cash equivalents and investments	(9,068)	(8,616)
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>21,404</b>	<b>18,810</b>
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	2,642	3,059
<b>External restrictions – included in liabilities</b>	<b>2,642</b>	<b>3,059</b>
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	562	264
Sewer fund	3,929	3,641
Stormwater management	423	351
Domestic waste management	1,512	1,301
<b>External restrictions – other</b>	<b>6,426</b>	<b>5,557</b>
<b>Total external restrictions</b>	<b>9,068</b>	<b>8,616</b>

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

\$ '000	2024	2023
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>21,404</b>	<b>18,810</b>
Less: Internally restricted cash, cash equivalents and investments	(20,236)	(18,275)
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>1,168</b>	<b>535</b>

**Internal allocations**

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

Plant and vehicle replacement	500	500
Infrastructure replacement	1,369	1,512
Employees leave entitlement	1,944	1,978
Carry over works	1,116	1,494
355 Committees Unexpended Funds	52	57
Airside Maintenance	148	114
Computer Upgrade	252	235
Financial Assistance Grants Received in Advance	2,814	3,035
Gravel royalty	1,202	1,005

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

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

\$ '000	2024	2023
Industrial development	–	338
Izumizaki donation	–	2
Local roads reserve	2,299	1,588
Medical complex	26	5
Other Equipment Reserve	95	80
Other Waste Management	518	696
Pinnacle Internal Restricted reserves	4,214	3,100
Roads reserve	500	565
Other	29	12
Temora Agricultural Innovation Centre maintenance reserve	4	10
Regional Local Roads Repair Program	3,154	1,949
<b>Total internal allocations</b>	<b>20,236</b>	<b>18,275</b>

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		
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>1,168</b>	<b>535</b>

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	239	–	227	–
Interest and extra charges	15	–	11	–
User charges and fees	1,062	–	1,041	–
Accrued revenues				
– Interest on investments	341	–	197	–
– Other income accruals	377	–	347	–
Deferred debtors	892	1,268	425	839
Government grants and subsidies	633	–	1,218	–
Net GST receivable	32	–	64	–
Other debtors	24	–	28	–
<b>Total</b>	<b>3,615</b>	<b>1,268</b>	<b>3,558</b>	<b>839</b>
<b>Less: provision for impairment</b>				
User charges and fees	(1)	–	(14)	–
<b>Total provision for impairment – receivables</b>	<b>(1)</b>	<b>–</b>	<b>(14)</b>	<b>–</b>
<b>Total net receivables</b>	<b>3,614</b>	<b>1,268</b>	<b>3,544</b>	<b>839</b>

\$ '000	2024	2023
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	14	13
+ new provisions recognised during the year	3	7
– amounts already provided for and written off this year	(16)	(6)
<b>Balance at the end of the year</b>	<b>1</b>	<b>14</b>

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

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

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

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

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C1-4 Receivables (continued)

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

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Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(i) Inventories at cost</b>				
Real estate for resale	471	–	465	–
Stores and materials	476	–	573	–
<b>Total inventories at cost</b>	<b>947</b>	<b>–</b>	<b>1,038</b>	<b>–</b>
<b>Total inventories</b>	<b>947</b>	<b>–</b>	<b>1,038</b>	<b>–</b>

**(ii) Other disclosures**

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>(a) Details for real estate development</b>					
Residential		471	–	465	–
<b>Total real estate for resale</b>		<b>471</b>	<b>–</b>	<b>465</b>	<b>–</b>
(Valued at the lower of cost and net realisable value)					
<b>Represented by:</b>					
Acquisition & development costs		471	–	465	–
<b>Total costs</b>		<b>471</b>	<b>–</b>	<b>465</b>	<b>–</b>
<b>Total real estate for resale</b>		<b>471</b>	<b>–</b>	<b>465</b>	<b>–</b>
<b>Movements:</b>					
Real estate assets at beginning of the year		465	–	643	–
– Purchases and other costs		6	–	132	–
– WDV of sales (expense)	B4-1	–	–	(310)	–
<b>Total real estate for resale</b>		<b>471</b>	<b>–</b>	<b>465</b>	<b>–</b>

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C1-5 Inventories (continued)

##### (b) Current inventories not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

\$ '000	2024	2023
Real estate for resale	471	464
	<u>471</u>	<u>464</u>

##### Material accounting policy information

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

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

###### Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition and development.

#### C1-6 Contract assets and Contract cost assets

\$ '000	2024 Current	2023 Current
Contract assets	287	130
<b>Total contract assets and contract cost assets</b>	<b><u>287</u></b>	<b><u>130</u></b>

##### Contract assets

Community Events Program	–	44
Flood Study Grant	–	29
Get Active NSW	–	15
Resilience Project	–	42
Local Roads & Community Infrastructure - Round 3	165	–
Stronger Country Communities Fund - Round 5	122	–
<b>Total contract assets</b>	<b><u>287</u></b>	<b><u>130</u></b>

##### Material accounting policy information

###### Contract assets

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

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

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



Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period										At 30 June 2024				
	At 1 July 2023	At 30 June 2024								At 30 June 2024	At 30 June 2024				
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment losses/ decrements (recognised in equity)	WIP transfers	Adjustments and transfers	Other movements (Assets Written Off)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	228	-	228	229	86	-	-	-	(21)	-	(3)	-	519	-	519
Plant and equipment	9,940	(5,009)	4,931	1,300	293	(161)	(627)	-	-	-	-	-	10,827	(5,091)	5,736
Office equipment	613	(491)	122	26	2	-	(56)	-	-	-	-	-	642	(548)	94
Furniture and fittings	452	(338)	114	-	11	-	(23)	-	-	-	-	-	462	(360)	102
<b>Land:</b>															
- Operational land	15,234	-	15,234	-	321	-	-	-	-	-	-	1,325	16,879	1	16,880
- Community land	5,314	-	5,314	-	-	-	-	-	-	-	-	462	5,776	-	5,776
- Land under roads (post 30/6/08)	-	-	-	-	133	-	-	-	-	-	-	-	133	-	133
- Land improvements - depreciable	80	(36)	44	-	-	-	(7)	-	-	-	-	-	80	(43)	37
<b>Infrastructure:</b>															
- Buildings - non-specialised	22,416	(7,713)	14,703	39	25	-	(480)	-	-	-	-	733	23,622	(8,602)	15,020
- Buildings - specialised	44,836	(16,048)	28,788	819	-	-	(905)	-	8	-	-	1,451	47,964	(17,803)	30,161
- Other structures	4,084	(1,438)	2,646	65	35	-	(131)	-	1	-	-	133	4,394	(1,645)	2,749
- Roads	197,089	(98,436)	98,653	3,118	1,123	-	(3,858)	4,109	-	-	-	5,228	211,209	(102,836)	108,373
- Bridges	23,249	(6,144)	17,105	347	-	-	(230)	-	3	-	-	847	24,757	(6,685)	18,072
- Footpaths	8,382	(2,422)	5,960	51	36	-	(108)	-	-	-	-	292	8,885	(2,654)	6,231
- Bulk earthworks (non-depreciable)	71,912	-	71,912	-	23	-	-	-	-	-	-	3,545	75,480	-	75,480
- Stormwater drainage	13,711	(6,229)	7,482	6	525	-	(133)	-	-	(61)	-	193	14,539	(6,527)	8,012
- Sewerage network	32,515	(12,122)	20,393	44	954	(6)	(336)	-	-	-	-	1,017	35,154	(13,088)	22,066
- Swimming pools	5,071	(1,076)	3,995	-	-	-	(112)	-	-	-	-	102	5,203	(1,218)	3,985
- Other open space/recreational assets	9,611	(3,021)	6,590	572	497	-	(378)	-	2	-	-	281	11,107	(3,543)	7,564
- Other infrastructure	24,593	(3,258)	21,335	11	267	-	(366)	-	1	-	-	876	25,879	(3,755)	22,124
Leasehold improvements	626	(332)	294	-	-	-	(32)	-	-	-	-	-	626	(365)	261
<b>Other assets:</b>															
- Other	1,614	(837)	777	72	49	(20)	(86)	-	6	-	-	-	1,698	(900)	798
<b>Total infrastructure, property, plant and equipment</b>	<b>491,570</b>	<b>(164,950)</b>	<b>326,620</b>	<b>6,699</b>	<b>4,380</b>	<b>(187)</b>	<b>(7,868)</b>	<b>4,109</b>	<b>-</b>	<b>(61)</b>	<b>(3)</b>	<b>16,485</b>	<b>525,835</b>	<b>(175,662)</b>	<b>350,173</b>

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements for the year ended 30 June 2024

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

By aggregated asset class	Asset movements during the reporting period															
	At 1 July 2022					At 30 June 2023					Net carrying amount					
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>(1)</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss/ increments (recognised in equity)	WMP transfers	Adjustments and transfers		Other movements (Assets Written Off)	The form/hold for sale category	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment
Capital work in progress	3,513	-	3,513	13	40	-	-	-	(3,338)	-	-	-	-	228	-	228
Plant and equipment	10,056	(5,360)	4,696	1,018	82	(317)	(621)	-	-	-	(27)	-	-	9,940	(5,009)	4,931
Office equipment	585	(425)	160	26	2	-	(66)	-	-	-	-	-	-	613	(491)	122
Furniture and fittings	436	(315)	121	-	15	-	(22)	-	-	-	-	-	-	452	(338)	114
<b>Land:</b>																
- Operational land	3,564	-	3,564	-	-	(101)	-	-	-	-	-	43	11,728	15,234	-	15,234
- Community land	3,980	-	3,980	-	55	-	(7)	-	-	-	-	-	1,279	5,314	-	5,314
Land improvements – depreciable	80	(29)	51	-	-	-	(7)	-	-	-	-	-	-	80	(36)	44
<b>Infrastructure:</b>																
- Buildings – non-specialised	17,918	(9,471)	8,447	49	-	-	(358)	-	-	-	-	-	6,585	22,416	(7,713)	14,703
- Buildings – specialised	36,002	(17,453)	18,549	381	4	-	(852)	-	2	(82)	(18)	-	10,804	44,836	(16,048)	28,788
- Other structures	2,960	(1,445)	1,515	36	47	(35)	(11)	-	1	200	(1)	-	992	4,084	(1,438)	2,646
- Roads	181,851	(84,631)	97,220	2,424	1,750	-	(3,618)	(5,086)	73	-	-	-	5,890	197,089	(98,436)	98,653
- Bridges	21,952	(5,885)	16,067	-	-	-	(217)	-	-	-	-	-	955	23,249	(6,144)	17,105
- Footpaths	7,609	(2,185)	5,424	-	321	-	(102)	-	1	-	-	-	316	8,382	(2,422)	5,960
- Bulk earthworks (non-depreciable)	67,899	-	67,899	-	-	-	-	-	-	-	-	-	4,013	71,912	-	71,912
- Stormwater drainage	12,903	(5,799)	7,104	-	148	-	(128)	-	1	-	-	-	367	13,711	(6,229)	7,482
- Sewerage network	30,167	(10,937)	19,230	21	-	-	(318)	-	-	-	-	-	1,460	32,515	(12,122)	20,393
- Swimming pools	2,574	(1,439)	1,135	1,235	-	-	(128)	-	1,236	-	-	-	517	5,071	(1,076)	3,995
- Other open space/recreational assets	8,612	(3,093)	5,519	260	97	-	(261)	-	18	(446)	(1)	-	1,404	9,611	(3,021)	6,590
- Other infrastructure	20,455	(2,706)	17,749	585	40	-	(333)	-	2,006	153	-	-	1,135	24,593	(3,258)	21,335
Leasehold improvements	626	(298)	328	-	-	-	(34)	-	-	-	-	-	-	626	(332)	294
<b>Other assets:</b>																
- Other	1,233	(633)	600	51	37	-	(87)	-	-	176	-	-	-	1,614	(837)	777
<b>Total infrastructure, property, plant and equipment</b>	<b>434,975</b>	<b>(151,804)</b>	<b>283,171</b>	<b>6,099</b>	<b>2,638</b>	<b>(451)</b>	<b>(7,163)</b>	<b>(5,086)</b>	<b>-</b>	<b>1</b>	<b>(47)</b>	<b>43</b>	<b>47,415</b>	<b>491,570</b>	<b>(164,950)</b>	<b>326,620</b>

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

##### Material accounting policy information

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

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

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

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 10	Playground equipment	10 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 15
Computer equipment	4 to 7		
Vehicles	5 to 10	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 10	Buildings: all	40 to 100
Minor plant and equipment	2 to 10		
		<b>Other infrastructure assets</b>	
<b>Sewer assets</b>		Bulk earthworks	Non-depreciable
Earth Lagoons and reservoirs	200	Swimming pools	50 to 60
Sewer Reticulation Pipes	70 to 120	Other open space/recreational assets	10 to 50
Sewer Maintenance Shafts	150		
Sewer Reticulation Connections	100	<b>Transportation assets</b>	
Pump Stations Structural	100	Sealed roads: surface	18 to 20
Effluent Reticulation Pipes	80	Sealed roads: structure	100
Irrigation Network Structural	40	Unsealed roads: structure	100
Internal Roads	20	Unsealed roads: surface	15 to 40
Mechanical	20 to 30	Bridge: concrete	100
Electrical - 3 phase power	100	Bridge: other	100
Electrical - Other	20	Road pavements	20 to 100
		Kerb, gutter and footpaths	50 to 100
<b>Stormwater assets</b>			
Drains	100		
Culverts	100		

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

##### Land under roads

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

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

##### **Crown reserves**

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

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

##### **Rural Fire Service assets**

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

Council's accounting position on the recognition of Rural Fire Service assets is that Council does not control these assets. These assets are therefore not recognised in Council's Balance Sheet. Until such time as discussions on this matter have concluded and the legislation changed, Council will not recognise Rural Fire Service Red Fleet assets including plant and vehicles.

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Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## Infrastructure, property, plant and equipment – current year impairments

\$ '000	Notes	2024	2023
<b>(i) Impairment losses recognised in the Income Statement:</b>			
– Details of each impaired asset incl. circumstances of impairment		–	–
<b>Total impairment losses</b>		<b>–</b>	<b>–</b>
Impairment of assets – gains/(losses) in P/L	B3-4	–	–
<b>(ii) Impairment losses recognised direct to equity (ARR):</b>			
– Road assets were impaired as a result of flood damage		–	(5,086)
<b>Total impairment losses</b>		<b>–</b>	<b>(5,086)</b>
<b>(iii) Reversals of impairment losses previously recognised direct to equity (ARR):</b>			
– Road Assets previously impaired and reversed		4,109	–
<b>Total impairment reversals</b>		<b>4,109</b>	<b>–</b>
Impairment of assets – direct to equity (ARR)		4,109	(5,086)

## C1-8 Other

## Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	249	–	248	–
<b>Total other assets</b>	<b>249</b>	<b>–</b>	<b>248</b>	<b>–</b>

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

## C2 Leasing activities

### C2-1 Council as a lessee

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

#### Terms and conditions of leases

##### Office and IT equipment

Leases for office and IT equipment are considered low value assets. The leases are for between 3 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

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

#### (a) Income Statement

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

\$ '000	2024	2023
Variable lease payments based on usage not included in the measurement of lease liabilities	12	18
Expenses relating to short-term leases	7	7
Expenses relating to leases of low-value assets	46	45
Expenses relating to Peppercorn leases	1	1
	66	71

#### (b) Statement of Cash Flows

Total cash outflow for leases	67	71
	67	71

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

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

- Youth Programs
- RV Motorhome Free Camp
- Tourism

The leases are generally between 7 and 10 years and require payments of less than \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

##### Material accounting policy information

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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

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

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

##### Exceptions to lease accounting

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

##### Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

#### C2-2 Council as a lessor

##### Operating leases

Council leases out a number of properties and /or plant and equipment to businesses and community groups. 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
<b>(i) Assets held as property, plant and equipment</b>		
Lease income (excluding variable lease payments not dependent on an index or rate)	363	315
<b>Total income relating to operating leases for Council assets</b>	<b>363</b>	<b>315</b>

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C2-2 Council as a lessor (continued)

\$ '000	2024	2023
<b>(ii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:</b>		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	217	205
1–2 years	187	179
2–3 years	183	153
3–4 years	182	150
4–5 years	182	149
> 5 years	182	149
<b>Total undiscounted lease payments to be received</b>	<b>1,133</b>	<b>985</b>

#### Material accounting policy information

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

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

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

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



Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C3 Liabilities of Council

##### C3-1 Payables

\$ '000	2024		2023	
	Current	Non-current	Current	Non-current
Prepaid rates	135	–	120	–
Goods and services – operating expenditure	1,162	–	962	–
Goods and services – capital expenditure	268	–	218	–
Accrued expenses:				
– Borrowings	8	–	9	–
– Salaries and wages	114	3	147	–
– Other expenditure accruals	76	–	68	–
Security bonds, deposits and retentions	269	–	239	–
<b>Total payables</b>	<b>2,032</b>	<b>3</b>	<b>1,763</b>	<b>–</b>

##### Material accounting policy information

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

The financial liabilities of the Council comprise trade payables and bank loans.

##### Payables

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	2,150	–	1,894	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	141	–	195	–
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	–	–	35	–
<b>Total grants received in advance</b>		<b>2,291</b>	<b>–</b>	<b>2,124</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Other		–	–	2	–
Homecare Packages	(iii)	1,024	–	1,480	–
<b>Total user fees and charges received in advance</b>		<b>1,024</b>	<b>–</b>	<b>1,482</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>3,315</b>	<b>–</b>	<b>3,606</b>	<b>–</b>

#### Notes

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

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

(iii) The contract liability relates to user fees received for various Pinnacle Homecare Package clients. The funds received are recorded as a contract liability on receipt and recognised as revenue as the packages are provided.

#### Material accounting policy information

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured	440	1,798	429	2,238
<b>Total borrowings</b>	<b>440</b>	<b>1,798</b>	<b>429</b>	<b>2,238</b>

## (a) Changes in liabilities arising from financing activities

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	2,667	(429)	–	–	–	–	2,238
<b>Total liabilities from financing activities</b>	<b>2,667</b>	<b>(429)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,238</b>

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	3,084	(417)	–	–	–	–	2,667
<b>Total liabilities from financing activities</b>	<b>3,084</b>	<b>(417)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,667</b>

## (b) Financing arrangements

\$ '000	2024	2023
<b>Total facilities</b>		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities <sup>1</sup>	200	200
Credit cards/purchase cards	30	30
<b>Total financing arrangements</b>	<b>230</b>	<b>230</b>
<b>Drawn facilities</b>		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	11	10
<b>Total drawn financing arrangements</b>	<b>11</b>	<b>10</b>
<b>Undrawn facilities</b>		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	200	200
– Credit cards/purchase cards	19	20
<b>Total undrawn financing arrangements</b>	<b>219</b>	<b>220</b>

## Additional financing arrangements information

## Breaches and defaults

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C3-3 Borrowings (continued)

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##### **Security over loans**

Loans are secured by a mortgage over future years rate revenue only.

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

##### **Material accounting policy information**

Borrowings are carried at their principal amounts, which represents the present value of future cash flows associated with servicing the debt.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	1,166	–	1,191	–
Sick leave	813	–	928	–
Long service leave	1,813	91	1,814	66
<b>Total employee benefit provisions</b>	<b>3,792</b>	<b>91</b>	<b>3,933</b>	<b>66</b>

#### Employee benefit provisions relating to restricted assets

There are no restricted assets (external or internal) applicable to the above provisions

#### 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	2,137	2,742
	<b>2,137</b>	<b>2,742</b>

#### Description of and movements in provisions

\$ '000	ELE provisions			
	Annual leave	Sick leave	Long service leave	Total
<b>2024</b>				
At beginning of year	1,191	928	1,880	3,999
Additional provisions	611	245	346	1,202
Amounts used (payments)	(638)	(367)	(387)	(1,392)
Other - Remeasurement	2	7	65	74
<b>Total ELE provisions at end of year</b>	<b>1,166</b>	<b>813</b>	<b>1,904</b>	<b>3,883</b>
<b>2023</b>				
At beginning of year	1,191	951	1,820	3,962
Additional provisions	570	343	276	1,189
Amounts used (payments)	(596)	(388)	(240)	(1,224)
Other - Remeasurement	26	22	24	72
<b>Total ELE provisions at end of year</b>	<b>1,191</b>	<b>928</b>	<b>1,880</b>	<b>3,999</b>

#### Material accounting policy information

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

#### Short-term obligations

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### C3-4 Employee benefit provisions (continued)

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##### **Other long-term employee benefit obligations**

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

##### **On-costs**

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

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

#### C3-5 Provisions

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##### Description of and movements in provisions

##### **Material accounting policy information**

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

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

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

##### **Asset remediation – tips and quarries**

##### **Restoration**

Close-down, restoration and remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and remediation of disturbed areas.

Council has undertaken a review of the work and value of inputs required to restore the quarries within its area. It is estimated that with the continuation of current practices the expected timing of remediation is in excess of 50 years. Given the estimated remediation provision costs, along with the estimated timeframe for remediation, the provision has been classified as immaterial and has not been recognised in the financial statements

Council has undertaken a review of the work required to restore the tips within its area. Due to the current working methods being carried out at the sites, restoration costs are considered to be negligible and unable to be accurately identified. It is estimated that with the continuation of current practices the expected timing of remediation is in excess of 40 years. Due to the small cost involved and the estimated timeframe for remediation, the provision has been classified as immaterial and has not been recognised in the financial statements.

## Temora Shire Council

### Notes to the Financial Statements for the year ended 30 June 2024

#### C4 Reserves

##### C4-1 Nature and purpose of reserves

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###### **IPPE Revaluation reserve**

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

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## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### D Council structure

#### D1 Results by fund

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

#### D1-1 Income Statement by fund

\$ '000	General <sup>1</sup> 2024	Sewer 2024
<b>Income from continuing operations</b>		
Rates and annual charges	5,234	1,397
User charges and fees	17,382	33
Interest and investment revenue	972	148
Other revenues	476	13
Grants and contributions provided for operating purposes	11,337	20
Grants and contributions provided for capital purposes	5,543	954
Net gains from disposal of assets	164	–
Other income	363	–
<b>Total income from continuing operations</b>	<b>41,471</b>	<b>2,565</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	11,079	160
Materials and services	16,352	626
Borrowing costs	69	–
Depreciation, amortisation and impairment of non-financial assets	7,526	342
Other expenses	747	–
Net losses from the disposal of assets	(6)	6
<b>Total expenses from continuing operations</b>	<b>35,767</b>	<b>1,134</b>
<b>Operating result from continuing operations</b>	<b>5,704</b>	<b>1,431</b>
<b>Net operating result for the year</b>	<b>5,704</b>	<b>1,431</b>
<b>Net operating result attributable to each council fund</b>	<b>5,704</b>	<b>1,431</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>161</b>	<b>477</b>

(1) General fund refers to all of Council's activities except for its sewer activity which is listed separately.



Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## D1-2 Statement of Financial Position by fund

\$ '000	General <sup>1</sup> 2024	Sewer 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	8,601	1,331
Investments	14,890	2,598
Receivables	147	3,467
Inventories	947	–
Contract assets and contract cost assets	287	–
Other	249	–
<b>Total current assets</b>	<b>25,121</b>	<b>7,396</b>
<b>Non-current assets</b>		
Investments	3,052	–
Receivables	1,268	–
Infrastructure, property, plant and equipment	328,082	22,091
Investments accounted for using the equity method	217	–
<b>Total non-current assets</b>	<b>332,619</b>	<b>22,091</b>
<b>Total assets</b>	<b>357,740</b>	<b>29,487</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	2,032	–
Contract liabilities	3,315	–
Borrowings	440	–
Employee benefit provision	3,792	–
<b>Total current liabilities</b>	<b>9,579</b>	<b>–</b>
<b>Non-current liabilities</b>		
Payables	3	–
Borrowings	1,798	–
Employee benefit provision	91	–
<b>Total non-current liabilities</b>	<b>1,892</b>	<b>–</b>
<b>Total liabilities</b>	<b>11,471</b>	<b>–</b>
<b>Net assets</b>	<b>346,269</b>	<b>29,487</b>
<b>EQUITY</b>		
Accumulated surplus	114,056	12,055
Revaluation reserves	232,213	17,432
<b>Total equity</b>	<b>346,269</b>	<b>29,487</b>

(1) General fund refers to all of Council's activities except for its sewer activity which is listed separately.

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### D2 Interests in other entities

\$ '000	Council's share of net assets	
	2024	2023
<b>Council's share of net assets</b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Joint ventures	217	217
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>217</b>	<b>217</b>
Total Council's share of net assets	217	217

#### D2-1 Interests in joint arrangements

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

\$ '000	Place of business	Nature of relationship	Interest in ownership		2024	2023
			2024	2023		
Riverina Regional Library	Riverina	Joint venture	4.5%	4.5%	217	217
<b>Total carrying amounts – material joint ventures</b>					<b>217</b>	<b>217</b>

##### Riverina Regional Library

Arbitration between Wagga Wagga City Council (previous member) and the remaining Riverina Regional Library Councils was settled late in the 2024 financial year. Financial Statements for RRL have not yet been finalised for 2022, 2023 or 2024 financial years.

##### Material joint ventures

Council has incorporated the following joint ventures into its financial statements.

##### Details

	Principal activity	Measurement method
Riverina Regional Library	Provision of library services	

##### Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2024	2023	2024	2023
Riverina Regional Library	4.5%	4.5%	4.5%	4.5%

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

##### Summarised financial information for joint ventures

\$ '000	Riverina Regional Library	
	2024	2023
<b>Statement of financial position</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,249	3,249
Other current assets	27	27
<b>Non-current assets</b>		
	2,479	2,479
<b>Current liabilities</b>		
Current financial liabilities (excluding trade and other payables and provisions)	899	899
<b>Non-current liabilities</b>		
Non-current financial liabilities (excluding trade and other payables and provisions)	4	4
<b>Net assets</b>	<b>4,852</b>	<b>4,852</b>
<b>Statement of comprehensive income</b>		
<b>Share of income – Council (%)</b>	4.5%	4.5%
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	4,852	4,852
<b>Closing net assets</b>	<b>4,852</b>	<b>4,852</b>
<b>Council's share of net assets (%)</b>	4.5%	4.5%
<b>Council's share of net assets (\$)</b>	217	217

#### County Councils

Council is a member of the Goldenfields Water County Council, a body corporate under the Local Government Act 1993 (NSW) as a Local Water Authority. Council is one of seven constituent members and does not control nor significantly influence the County Council. Accordingly, the County Council has not been consolidated or otherwise included within these financial statements.

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

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

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

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

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

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

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

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the *Local Government Act 1993* and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and a monthly Investment report is provided to Council setting out the make-up and performance of the portfolio as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price Risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

- **Interest Rate Risk** - the risk that movements in interest rates could affect returns and income.

- **Liquidity Risk** - the risk that Council will not be able to pay its debts as and when they fall due.

- **Credit Risk** - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

##### (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	305	274

##### (b) Credit risk

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

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

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

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

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

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

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.

##### Credit risk profile

##### Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
<b>2024</b>				
Gross carrying amount	–	238	1	239
<b>2023</b>				
Gross carrying amount	–	221	6	227

##### 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.

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2024</b>						
Gross carrying amount	4,571	82	11	10	257	4,931
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	15.00%	0.78%
<b>ECL provision</b>	–	–	–	–	39	39
<b>2023</b>						
Gross carrying amount	3,975	60	46	59	160	4,300
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	15.00%	0.56%
<b>ECL provision</b>	–	–	–	–	24	24

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

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

The contractual undiscounted cash outflows of Council's payables and borrowings are set out in the table below:

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
<b>2024</b>							
Payables	0.00%	269	1,766	–	–	2,035	2,035
Borrowings	2.81%	–	440	938	860	2,238	2,238
<b>Total financial liabilities</b>		<b>269</b>	<b>2,206</b>	<b>938</b>	<b>860</b>	<b>4,273</b>	<b>4,273</b>
<b>2023</b>							
Payables	0.00%	239	1,524	–	–	1,763	1,763
Borrowings	2.79%	–	429	1,325	913	2,667	2,667
<b>Total financial liabilities</b>		<b>239</b>	<b>1,953</b>	<b>1,325</b>	<b>913</b>	<b>4,430</b>	<b>4,430</b>

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E2-1 Fair value measurement

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

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

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

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
<b>Infrastructure, property, plant and equipment</b>									
	C1-7								
		N/A	N/A	–	–	5,736	4,931	5,736	4,931
		N/A	N/A	–	–	94	122	94	122
		N/A	N/A	–	–	102	114	102	114
		30/06/23	30/06/23	4,721	4,344	12,159	10,890	16,880	15,234
		30/06/23	30/06/23	–	–	5,776	5,314	5,776	5,314
		30/06/24		–	–	133	–	133	–
		N/A	N/A	–	–	37	44	37	44
		30/06/23	30/06/23	3,576	3,518	11,444	11,185	15,020	14,703
		30/06/23	30/06/23	–	–	30,161	28,787	30,161	28,787
		N/A	N/A	–	–	261	294	261	294
		30/06/23	30/06/23	–	–	2,749	2,646	2,749	2,646
		30/06/20	30/06/20	–	–	108,373	98,654	108,373	98,654
		30/06/20	30/06/20	–	–	18,072	17,105	18,072	17,105
		30/06/20	30/06/20	–	–	6,231	5,960	6,231	5,960
		30/06/20	30/06/20	–	–	75,480	71,912	75,480	71,912
		30/06/20	30/06/20	–	–	8,012	7,482	8,012	7,482
		30/06/22	30/06/22	–	–	22,066	20,393	22,066	20,393
		30/06/23	30/06/23	–	–	3,985	3,995	3,985	3,995
		30/06/23	30/06/23	–	–	7,564	6,590	7,564	6,590
		30/06/22	30/06/22	–	–	22,124	21,335	22,124	21,335
		N/A	N/A	–	–	798	777	798	777
				<b>8,297</b>	<b>7,862</b>	<b>341,357</b>	<b>318,530</b>	<b>349,654</b>	<b>326,392</b>

#### Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E2-1 Fair value measurement (continued)

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##### 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)

###### Roads Infrastructure

This asset class comprises the road surface and pavement, bridges, drainage, kerb & gutter and footpaths. The cost approach was adopted to value these assets based on assessments and calculations from a condition assessment done in-house as part of the valuation project undertaken in 2020. Assets have been componentised and a full review of condition, useful lives and unit rates was undertaken.

Key inputs such as estimated pattern of consumption, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

A desktop revaluation was undertaken in 2024 by Council's officers. Values were indexed in accordance with 6427.0 Producer Price Indexes, Australia - Table 17. Output of the Construction Industries - 3101 Road and Bridge Construction New South Wales as published by the Australian Bureau of Statistics.

Council's road assets have been impacted by multiple flood events in previous years, along with prolonged wet conditions which had hampered maintenance schedules. Council has recognised an impairment reversal of \$4.109m in relation to road assets for the year ended 30 June 2024, with an accumulated road impairment of \$2.874m.

###### Stormwater Drainage Infrastructure

This asset class comprises the pits, pipes, open channels and headwalls.

The cost approach was adopted to value these assets based on assessments and calculations from a condition assessment done in-house as part of the valuation project undertaken in 2020. A full review of useful lives and unit rates was undertaken. Key inputs such as estimated pattern of consumption, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

A desktop revaluation was undertaken in 2024 by Council's officers. Values were indexed in accordance with 6427.0 Producer Price Indexes, Australia - Table 17. Output of the Construction industries - 3109 Other Heavy & Civil Engineering Construction New South Wales as published by the Australian Bureau of Statistics.

###### Sewerage Infrastructure

This asset class comprises the treatment works, pumping station, sewerage mains and effluent reuse.

The cost approach was adopted to value these assets based on assessments and calculations from condition assessments done in-house as part of the valuation project undertaken in 2022. Assets have been componentised and a full review of condition, useful lives and unit rates was undertaken.

Key inputs such as estimated pattern of consumption, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

A desktop revaluation was undertaken in 2024 by Council's officers. Values were indexed in accordance with the NSW Office of Water – Rates Reference Manual indices

###### Community Land

This asset class comprises all of Council's land classified as Community Land under the NSW Local Government Act 1993. Council has used the Valuer General's Unimproved Capital Land Value (UCV) as at 01/07/2022 as the fair value in 2023.

A desktop revaluation was undertaken in 2024 by Council's officers. Values were indexed according to the Regional Summary 2024 Valuer Generals report on NSW land values at 1 July 2023 for the Riverina region.



## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E2-1 Fair value measurement (continued)

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##### **Operational Land**

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. Council engaged Australis Asset Advisory Group to value all of its operational land with an effective date of 30 June 2023.

A desktop revaluation was undertaken in 2024 by Council's officers. Values were indexed according to the Regional Summary 2024 Valuer Generals report on NSW land values at 1 July 2023 for the Riverina region.

##### **Buildings – Specialised & Non-Specialised**

This asset class comprises all of Council's buildings.

Council engaged Australis Asset Advisory Group to value all of its buildings with an effective date of 30 June 2023. The cost approach was adopted to estimate the fair value of these assets using the depreciated replacement cost allowing for professional fees, demolition, removal of debris and escalation in costs.

Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value.

A desktop revaluation was undertaken in 2024 by Council's officers. Values were indexed in accordance with 6427.0 Producer Price Indexes, Australia - Table 17. Output of the Construction industries - 3020 Non-residential building construction New South Wales as published by the Australian Bureau of Statistics.

#### Fair value measurements using significant unobservable inputs (level 3)

##### **The valuation process for level 3 fair value measurements**

The inputs used for applying the Cost Approach to the valuation process were:

- pattern of consumption
- residual value (where appropriate)
- asset condition
- unit rates
- useful lives

When necessary Council has engaged external consultants with specific expertise to work in conjunction with Council staff to establish the fair value of the assets based on the above inputs.

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E2-1 Fair value measurement (continued)

##### 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
<b>Infrastructure, property, plant and equipment</b>			
Plant & Equipment	5,736	Valued at Cost	Cost per unit, useful life, residual value, condition of asset
Office Equipment	94	Valued at Cost	Cost per unit, useful life, residual value, condition of asset
Furniture & Fittings	102	Valued at Cost	Cost per unit, useful life, residual value, condition of asset
Operational Land	12,159	External Valuation using Market or Cost Approach where appropriate indexed	Current replacement cost of modern equivalent asset incorporating unobservable inputs which can include discussions with real estate agents active in the area and review of published reports on specific property segments.
Community Land	5,776	Market approach. Land values obtained from the NSW Valuer-General indexed	Land value, land area, level of restriction
Land Under Roads	133		
Land Improvements	37	Valued at Cost	Cost per unit, useful life, residual value, condition of asset
Buildings Non-Specialised	11,444	External valuation using Market or Cost Approach where appropriate indexed	Current replacement cost of modern equivalent asset with similar service potential using componentisation, asset condition, remaining lives
Buildings – Specialised	30,161	External Valuation using Cost Approach indexed	Current replacement cost of modern equivalent asset with a similar service potential using componentisation, asset condition, remaining lives
Leasehold Improvements	261	Valued at Cost	Cost per unit, useful life, residual value, condition of asset
Other Structures	2,749	External Valuation using Cost Approach indexed	Current replacement cost of modern equivalent asset with similar service potential using componentisation, asset condition, remaining lives
Roads	108,373	Internal Valuation using Cost Approach indexed	Unit rates, useful life, dimensions & specifications, pattern of consumption, components, condition assessment
Bridges	18,072	Internal Valuation using Cost Approach indexed	Unit rates, useful life, dimensions & specifications, pattern of consumption, components, condition assessment
Footpaths	6,231	Internal Valuation using Cost Approach indexed	Unit rates, useful life, dimensions & specifications, pattern of consumption, components, condition assessment
Bulk Earthworks (Roads)	75,480	Internal Valuation using Cost Approach indexed	Cost per sq metre
Stormwater Drainage	8,012	Internal Valuation using Cost Approach indexed	Asset condition, remaining lives. Cost per unit/metre
Sewerage Network	22,066	Internal Valuation using Cost Approach indexed	Unit rates, useful life, pattern of consumption, components, condition assessment

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E2-1 Fair value measurement (continued)

\$ '000	Fair value (30/6/24) 2024	Valuation technique/s	Unobservable inputs
Swimming Pools	3,985	External Valuation using Cost Approach indexed	Current replacement cost of modern equivalent asset with similar service potential using componentisation, asset condition, remaining lives
Other Open Space/Recreational Assets	7,564	External Valuation using Cost Approach indexed	Current replacement cost of modern equivalent asset with similar service potential using componentisation, asset condition, remaining lives
Other Infrastructure	22,124	Internal Valuation using Cost Approach indexed	Unit rates, useful life, pattern of consumption, condition assessment
Other	798	Valued at Cost	Unit Costs

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## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E2-1 Fair value measurement (continued)

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

\$ '000	Level 3 Fair Value Assets	
	2024	2023
<b>Opening balance</b>	318,530	267,646
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	15,933	42,055
<b>Other movements</b>		
Purchases (GBV)	10,763	8,738
Disposals (WDV)	(186)	(451)
Depreciation and impairment	(7,753)	(7,116)
Impairment Loss recognised in Equity	4,109	(5,086)
Transfers	(39)	12,744
<b>Closing balance</b>	<b>341,357</b>	<b>318,530</b>

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

There were no transfers from level 3 during the year.

#### Highest and best use

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E3-1 Contingencies

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

##### LIABILITIES NOT RECOGNISED

###### 1. Guarantees

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

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

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

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

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

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

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

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

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

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

The adequacy of contributions is assessed at each triennial actuarial investigation 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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E3-1 Contingencies (continued)

of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$51,824.21. The last formal valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$40,284.99. Council's expected contribution to the plan for the next annual reporting period is \$29,460.76.

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.

The share of this deficit that is broadly attributed to Council is estimated to be in the order of .20% as at 30 June 2024.

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

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

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

\* Plus promotional increases

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

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

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### E3-1 Contingencies (continued)

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##### (iii) StateCover Limited

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

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

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

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

##### (iv) Other guarantees

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

#### 2. Other liabilities

##### (i) Third party claims

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

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

##### Fencing of Quarries

Council leases various gravel quarries throughout the Shire. Recent changes to the Mining Act mean that Council will now be required to fence off these quarries to restrict access in an attempt to limit Council's possible liabilities.

Council's solicitor has compiled an agreement between Council and the landowners setting out the requirements and possible responsibilities of each party.

These future liabilities have not been brought to account because:

- Council is yet to decide which quarries it will fence off, as it is considering closing a number of the least used sites. Restoration costs on these sites would be negligible.
- Preliminary engineering estimates of the individual amounts required to undertake the fencing works have not yet been made due to the variations between each site's size, distance from access point etc.

#### ASSETS NOT RECOGNISED

##### (i) Land under roads

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

## Temora Shire Council

### Notes to the Financial Statements for the year ended 30 June 2024

#### F People and relationships

##### F1 Related party disclosures

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

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

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

	2024	2023
<b>\$ '000</b>		
<b>Compensation:</b>		
Short-term benefits	1,652	1,260
Post-employment benefits	137	102
Other long-term benefits	44	34
<b>Total</b>	<b>1,833</b>	<b>1,396</b>

##### Other transactions with KMP and their related parties

Pre-amble

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

Nature of the transaction	Transactions during the year		Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
	Ref					
<b>2024</b>						
Employee expenses for close family members of KMP	1	655	–	NSW Local Govt State Award	–	–
Catering Supplies	2	1	–	7 day terms on invoices	–	–
Uniform Purchases	2	14	–	7 day terms on invoices	–	–
Real Estate Services	4	19	–	7 day terms on invoices	–	–
Building Services	3	473	–	7 day terms on invoices	–	–
Private Works	5	76	90	30 day terms on invoices	–	–



Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

Nature of the transaction \$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
Disability Support Services	3	2	—	7 day terms on invoices	—	—
Rental Assistance	3	1	—	7 day terms on invoices	—	—
Signwriting	2	10	—	7 day terms on invoices	—	—
Consultancy	2	3	—	7 day terms on invoices	—	—
Parts Supplier	3	109	—	7 day terms on invoices	—	—
Development Infrastructure Deferred Payments	6	257	542	Development Infrastructure Deferred Payments Policy	—	—
Fees & Charges charged to entities who influence or are influenced by KMP	5	28	—	7 day terms on invoices	—	—
<b>2023</b>						
Employee expenses for close family members of KMP	1	452	—	NSW Local Govt State Award	—	—
Catering Supplies	2	2	—	7 day terms on invoices	—	—
Uniform Purchases	2	3	—	7 day terms on invoices	—	—
Real Estate Services	4	—	—	7 day terms on invoices	—	—
Building Services	3	213	—	7 day terms on invoices	—	—
Private Works	5	—	—	—	—	—
Disability Support Services	3	—	—	—	—	—
Rental Assistance	3	—	—	—	—	—
Signwriting	2	42	—	7 day terms on invoices	—	—
Consultancy	2	3	—	7 day terms on invoices	—	—
Parts Supplier	3	91	—	7 day terms on invoices	—	—
Development Infrastructure Deferred Payments	6	123	—	Development Infrastructure Deferred Payments Policy	—	—
Fees & Charges charged to entities who influence or are influenced by KMP	5	4	—	7 day terms on invoices	—	—

1 All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the role they perform. Council employs 190 staff, of which only 13 are close family members of KMP.

2 Council purchased the following materials and services from entities that are controlled by KMP. All purchases were at arm's length and were in the normal course of Council operations. Amounts were billed based on normal rates for such services/supplies and were due and payable under normal payment terms following Council's procurement processes.  
 – Work Uniforms  
 – Signwriting

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

- Consultancy Services
- Catering Supplies

Council purchased the following materials and services from entities that are controlled by a related party of a KMP. All purchases were at arm's length and were in the normal course of Council operations. Amounts were billed based on normal rates for such services/supplies and were due and payable under normal payment terms following Council's procurement processes

- Parts Supplies
- Building Services
- Disability Support Services
- Rental Assistance to Community Organisation

3

Council engages the services of a local real estate agency, of which one of the principals is a related party of a KMP. The transactions relate to rental payments for residential premises and are on normal terms and conditions for such services.

4

The fees & charges charged to entities controlled by KMP or entities that are controlled by a related party of a KMP were in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes:

- Gravel Sales income received from an entity controlled by a KMP. The gravel was supplied in accordance with Council's normal terms and conditions
- Provision of works as private works.

5

Council has entered into an agreement with a developer which is an entity controlled by a related party of a KMP. The agreement and related transactions are in accordance with Council's adopted Development Infrastructure Deferred Payments Policy. The KMP did not participate in any decisions related to the agreement.

6

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

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

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	23	20
Councillor's fees	111	106
Other Councillor's expenses (including Mayor)	42	63
<b>Total</b>	<b>176</b>	<b>189</b>

#### F2 Other relationships

##### F2-1 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		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	45	40
<b>Remuneration for audit and other assurance services</b>	<b>45</b>	<b>40</b>
<b>Total Auditor-General remuneration</b>	<b>45</b>	<b>40</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Other audit and assurance services – Grant Acquittals	6	8
<b>Remuneration for audit and other assurance services</b>	<b>6</b>	<b>8</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>6</b>	<b>8</b>
<b>Total audit fees</b>	<b>51</b>	<b>48</b>

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	7,135	6,479
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	7,868	7,163
(Gain) / loss on disposal of assets	(164)	(19)
Non-cash capital grants and contributions	(1,769)	–
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	410	803
Increase / (decrease) in provision for impairment of receivables	(13)	1
(Increase) / decrease of inventories	97	557
(Increase) / decrease of other current assets	(1)	3
(Increase) / decrease of contract asset	(157)	526
Increase / (decrease) in payables	200	(165)
Increase / (decrease) in accrued interest payable	(1)	(2)
Increase / (decrease) in other accrued expenses payable	(22)	(257)
Increase / (decrease) in other liabilities	45	6
Increase / (decrease) in contract liabilities	(291)	1,257
Increase / (decrease) in employee benefit provision	(116)	37
<b>Net cash flows from operating activities</b>	<b>13,221</b>	<b>16,389</b>

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### G2-1 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

Open Space & Recreational Assets	25	–
Land and Buildings	–	243
Plant and equipment	1,158	794
Other	–	199
<b>Total commitments</b>	<b>1,183</b>	<b>1,236</b>

##### These expenditures are payable as follows:

Within the next year	1,183	1,236
<b>Total payable</b>	<b>1,183</b>	<b>1,236</b>

##### Sources for funding of capital commitments:

Unrestricted general funds	–	12
Grants and Contributions	25	430
Internally restricted reserves	1,158	794
<b>Total sources of funding</b>	<b>1,183</b>	<b>1,236</b>

##### Details of capital commitments

Commitments for open space & recreation assets is comprised of the unperformed works in relation to the upgrade of Bradley Park. Commitments for Plant & Equipment related to the purchase of two new graders and a Toro Mower.

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

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### G4 Statement of developer contributions

##### G4-1 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					
<b>S7.12 levies – under a plan</b>	264	348	–	–	(50)	–	562	–
<b>Total S7.11 and S7.12 revenue under plans</b>	264	348	–	–	(50)	–	562	–
<b>Total contributions</b>	264	348	–	–	(50)	–	562	–

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

##### S7.12 Levies – under a plan

\$ '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					
<b>S7.12 (former S94A) Contributions Plan 2018</b>								
Drainage	153	348	–	–	–	–	501	–
Roads	61	–	–	–	–	–	61	–
Open space	50	–	–	–	(50)	–	–	–
<b>Total</b>	264	348	–	–	(50)	–	562	–

## Temora Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2024

## G5 Statement of performance measures

## G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023	Indicators 2022	Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	470	1.26%	5.04%	4.21%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	37,375				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	26,018	59.30%	54.34%	54.69%	> 60.00%
Total continuing operating revenue <sup>1</sup>	43,872				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	22,563	4.70x	4.77x	4.90x	> 1.50x
Current liabilities less specific purpose liabilities	4,800				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	8,407	16.88x	17.85x	17.48x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	498				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	254	3.68%	3.65%	2.99%	< 10.00%
Rates and annual charges collectable	6,899				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	30,472	11.57	13.05	10.34	> 3.00
Monthly payments from cash flow of operating and financing activities	2,634	months	months	months	months

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

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

Notes to the Financial Statements 30 June 2024

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### G5-2 Statement of performance measures by fund

	General Indicators <sup>3</sup>		Sewer Indicators		Benchmark
	2024	2023	2024	2023	
<b>\$ '000</b>					
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	(0.02)%	3.29%	29.61%	38.68%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>					
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	59.14%	52.79%	62.03%	88.83%	> 60.00%
Total continuing operating revenue <sup>1</sup>					
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	4.70x	4.77x	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities					
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	15.24x	15.96x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)					
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	4.62%	4.56%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable					
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	11.07	12.97	∞	∞	> 3.00
Monthly payments from cash flow of operating and financing activities	months	months			months

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

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

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



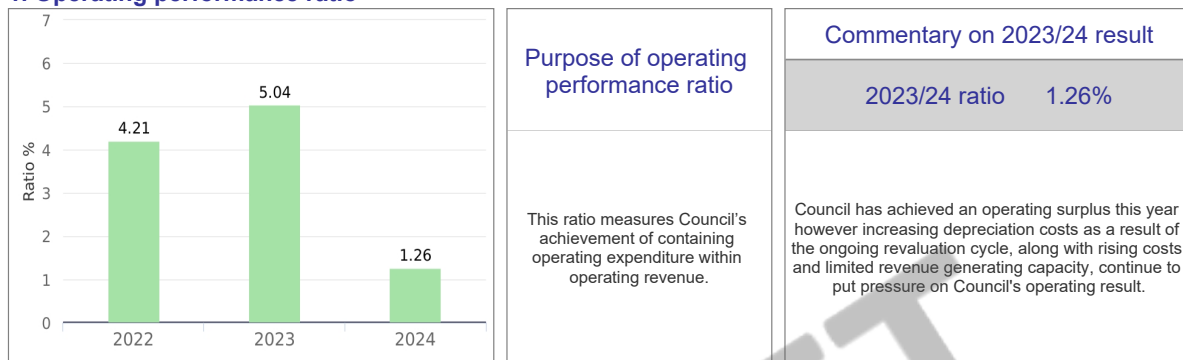
Temora Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2024

H Additional Council disclosures

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

1. Operating performance ratio



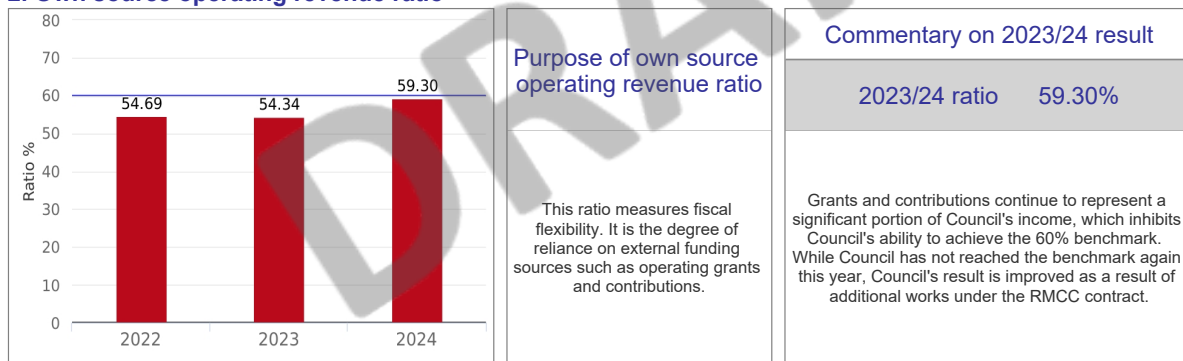
Benchmark: — > 0.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

2. Own source operating revenue ratio



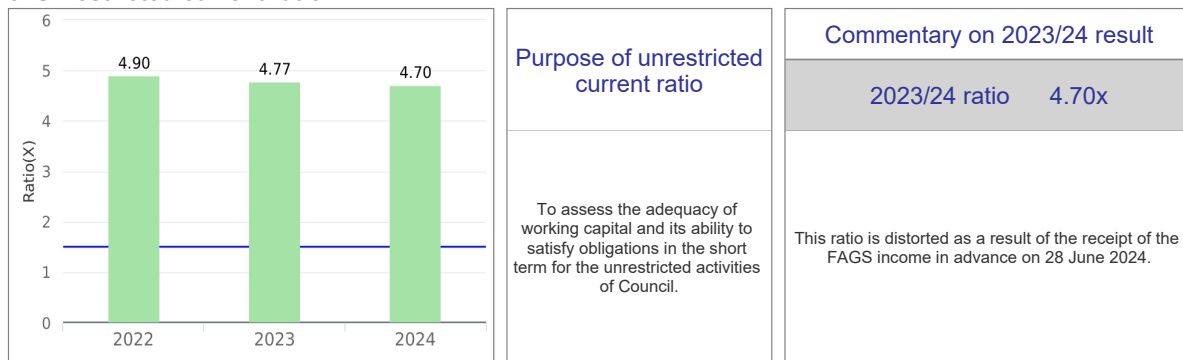
Benchmark: — > 60.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

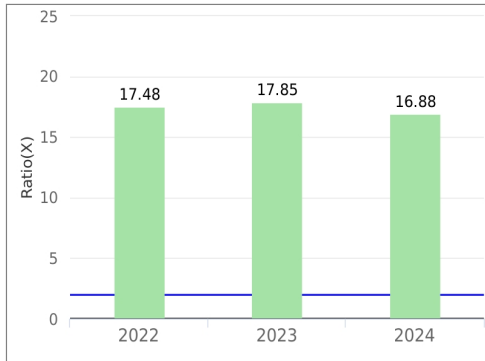
Ratio is outside benchmark

Temora Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2024

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

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 16.88x

Council currently has three loans with a combined balance of \$2.238m and has adequate cash to service this level of debt.

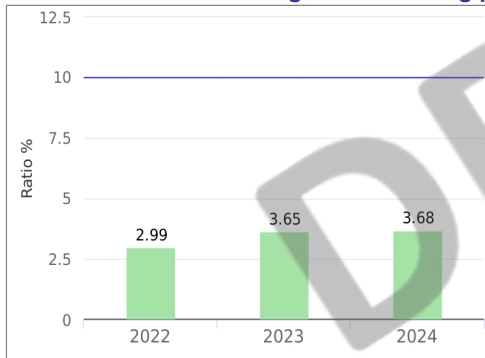
Benchmark: — > 2.00x

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 3.68%

Council continues to perform exceptionally well in this area however the current economic conditions have had an impact on the level of rates outstanding.

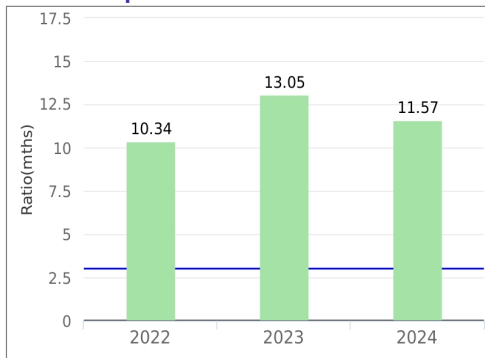
Benchmark: — < 10.00%

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 11.57 months

While Council is continually working to increase reserves, Council's reserves have been partially utilised in supporting policy decisions of Council. This ratio is also distorted by the advance payment of the FAGs grant.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## Temora Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2024

#### H1-2 Council information and contact details

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**Principal place of business:**

105 Loftus Street  
Temora NSW 2666

**Contact details****Mailing Address:**

PO Box 262  
TEMORA NSW 2666

**Telephone:** 02 6980 1100

**Facsimile:** 02 6980 1138

**Opening hours:**

8:00am - 4:30pm  
Monday to Friday

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

**Email:** [temshire@temora.nsw.gov.au](mailto:temshire@temora.nsw.gov.au)

**Officers****General Manager**

Melissa Boxall

**Responsible Accounting Officer**

Elizabeth Smith

**Public Officer**

Elizabeth Smith

**Auditors**

Audit Office of New South Wales  
Level 15, 1 Margaret Street  
SYDNEY NSW 2001

**Elected members****Mayor**

Rick Firman

**Councillors**

Belinda Bushell  
Narelle Djukic  
Brenton Hawken  
Anthony Irvine  
Nigel Judd  
Paul Mahon  
Graham Sinclair  
Ken Smith

**Other information**

**ABN:** 55 048 860 109

## Temora Shire Council

### General Purpose Financial Statements for the year ended 30 June 2024

#### Independent Auditor's Reports:

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On the Financial Statements (Sect 417 [2])

#### **Independent Auditor's Report**

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

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## Temora Shire Council

### General Purpose Financial Statements for the year ended 30 June 2024

#### Independent Auditor's Reports: (continued)

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#### On the Financial Statements (Sect 417 [3])

#### **Independent Auditor's Report**

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

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# Temora Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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*"Success through determination and inspiration"*

## Temora Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

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Contents	Page
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Special Purpose Financial Statements:</b>	
Income Statement of sewerage business activity	4
Statement of Financial Position of sewerage business activity	5
<b>Note – Material accounting policy information</b>	<b>6</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>8</b>

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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).

## Temora Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

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#### 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 24 October 2024.

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Rick Firman  
**Mayor**  
24 October 2024

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Graham Sinclair  
**Councillor**  
24 October 2024

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Melissa Boxall  
**General Manager**  
24 October 2024

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Elizabeth Smith  
**Responsible Accounting Officer**  
24 October 2024



## Temora Shire Council

## Income Statement of sewerage business activity

for the year ended 30 June 2024

\$ '000	2024	2023
<b>Income from continuing operations</b>		
Access charges	1,397	1,298
User charges	33	29
Interest and investment income	148	64
Grants and contributions provided for operating purposes	20	177
Other income	13	17
<b>Total income from continuing operations</b>	<b>1,611</b>	<b>1,585</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	160	167
Materials and services	626	480
Depreciation, amortisation and impairment	342	325
Net loss from the disposal of assets	6	–
<b>Total expenses from continuing operations</b>	<b>1,134</b>	<b>972</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>477</b>	<b>613</b>
Grants and contributions provided for capital purposes	954	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,431</b>	<b>613</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,431</b>	<b>613</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(119)	(153)
<b>Surplus (deficit) after tax</b>	<b>1,312</b>	<b>460</b>
<b>Plus accumulated surplus</b>	<b>10,624</b>	<b>10,011</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	119	153
<b>Closing accumulated surplus</b>	<b>12,055</b>	<b>10,624</b>
<b>Return on capital %</b>	<b>4.5%</b>	<b>3.0%</b>
<b>Subsidy from Council</b>	<b>473</b>	<b>208</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,312	460
Less: capital grants and contributions (excluding developer contributions)	(954)	–
<b>Surplus for dividend calculation purposes</b>	<b>358</b>	<b>460</b>
<b>Potential dividend calculated from surplus</b>	<b>179</b>	<b>230</b>

## Temora Shire Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2024

\$ '000	2024	2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,331	170
Investments	2,598	3,471
Receivables	3,467	2,978
<b>Total current assets</b>	<b>7,396</b>	<b>6,619</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	22,091	20,420
<b>Total non-current assets</b>	<b>22,091</b>	<b>20,420</b>
<b>Total assets</b>	<b>29,487</b>	<b>27,039</b>
<b>Net assets</b>	<b>29,487</b>	<b>27,039</b>
<b>EQUITY</b>		
Accumulated surplus	12,055	10,624
Revaluation reserves	17,432	16,415
<b>Total equity</b>	<b>29,487</b>	<b>27,039</b>

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## Temora Shire Council

### Material accounting policy information

for the year ended 30 June 2024

#### Note – Material accounting policy information

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

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

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

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

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

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

#### National Competition Policy

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

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

#### Declared business activities

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

##### Category 1

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

**Council has no Category 1 business activities.**

##### Category 2

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

##### Sewerage Service

Comprising the whole of the sewerage reticulation and treatment operations and net assets servicing the Shire of Temora.

#### 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 (%)

## Temora Shire Council

### Material accounting policy information

for the year ended 30 June 2024

#### Note – Material accounting policy information (continued)

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##### Corporate income tax rate – 25% (LY 25%)

In accordance with the Department of Climate Change, Energy, the Environment and Water's (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 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 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.

##### **(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.

##### **(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 sewerage business is permitted to pay annual dividends from its sewerage business surpluses. Each dividend must be calculated and approved in accordance with DCCEEW's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with DCCEEW'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 DCCEEW.

Temora Shire Council

Special Purpose Financial Statements  
for the year ended 30 June 2024

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# Temora Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2024

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*"Success through determination and inspiration"*

## Temora Shire Council

### Special Schedules

for the year ended 30 June 2024

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Permissible income for general rates

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## Temora Shire Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2023/24	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	4,334	4,520
Plus or minus adjustments <sup>2</sup>	b	21	35
<b>Notional general income</b>	c = a + b	<b>4,355</b>	<b>4,555</b>
<b>Permissible income calculation</b>			
Percentage increase	d	3.70%	4.50%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	161	205
<b>Sub-total</b>	g = (c + e + f)	<b>4,516</b>	<b>4,760</b>
Plus (or minus) last year's carry forward total	h	5	1
<b>Sub-total</b>	j = (h + i)	<b>5</b>	<b>1</b>
<b>Total permissible income</b>	k = g + j	<b>4,521</b>	<b>4,761</b>
Less notional general income yield	l	4,520	4,756
<b>Catch-up or (excess) result</b>	m = k - l	<b>1</b>	<b>5</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>1</b>	<b>5</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



Permissible income for general rates

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## Temora Shire Council

## Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost			2023/24 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets agreed level of to satisfactory standard \$ '000	Estimated cost to bring assets agreed level of to satisfactory service set by Council maintenance <sup>a</sup> \$ '000	2023/24 Required maintenance <sup>a</sup> \$ '000				1	2	3	4	5	
<b>Buildings</b>	Other	-	-	717	706	45,181	71,586	34.0%	33.0%	33.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	-	-	<b>717</b>	<b>706</b>	<b>45,181</b>	<b>71,586</b>	<b>34.0%</b>	<b>33.0%</b>	<b>33.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	-	-	-	-	2,749	4,394	47.0%	19.0%	34.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	-	-	-	-	<b>2,749</b>	<b>4,394</b>	<b>47.0%</b>	<b>19.0%</b>	<b>34.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Regional Roads	-	-	207	418	16,821	29,922	2.0%	19.0%	78.0%	1.0%	0.0%	0.0%
	Urban Sealed Roads	2,180	2,180	256	631	27,116	52,309	7.0%	18.0%	65.0%	9.0%	1.0%	1.0%
	Urban Unsealed Roads	311	311	39	45	176	687	3.0%	1.0%	54.0%	31.0%	11.0%	0.0%
	Bridges	-	-	6	-	18,072	24,757	68.0%	18.0%	14.0%	0.0%	2.6%	0.0%
	Rural Sealed Roads	165	165	318	1,369	40,333	76,641	4.4%	31.2%	61.8%	0.0%	0.0%	0.0%
	Rural Unsealed Roads	1,271	1,271	995	1,885	15,365	33,367	28.0%	22.0%	41.0%	9.0%	0.0%	0.0%
	Footpaths	780	780	27	53	6,231	8,885	50.0%	10.0%	28.0%	0.0%	0.0%	0.0%
	Bulk earthworks	-	-	-	-	75,480	75,480	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb & Gutter	2,715	2,715	68	62	8,562	17,232	8.0%	17.0%	55.0%	16.0%	4.0%	0.0%
	<b>Other</b>	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-total</b>	<b>7,422</b>	<b>7,422</b>	<b>1,916</b>	<b>4,463</b>	<b>208,156</b>	<b>319,280</b>	<b>12.4%</b>	<b>40.7%</b>	<b>42.0%</b>	<b>4.4%</b>	<b>0.5%</b>	<b>0.0%</b>	
<b>Sewerage network</b>	Other	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Sewerage Reticulation Network	40	40	228	309	9,636	15,529	8.0%	50.0%	35.0%	5.0%	2.0%	0.0%
	Sewerage Reticulation Pump Stations	-	-	19	49	4,997	7,604	18.0%	24.0%	12.0%	46.0%	0.0%	0.0%
	Sewerage Treatment Plant	150	150	146	115	3,472	5,195	0.0%	47.0%	48.0%	5.0%	0.0%	0.0%
	Effluent Reticulation Pipes	-	-	121	78	666	1,085	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Effluent Infrastructure – Storage	-	-	-	-	2,747	4,735	0.0%	6.0%	86.0%	0.0%	8.0%	0.0%
	Effluent Infrastructure – Pump Stations	80	80	-	-	548	702	38.0%	29.0%	21.0%	3.0%	9.0%	0.0%
<b>Sub-total</b>	<b>270</b>	<b>270</b>	<b>514</b>	<b>551</b>	<b>22,066</b>	<b>34,850</b>	<b>8.3%</b>	<b>39.0%</b>	<b>37.5%</b>	<b>13.1%</b>	<b>2.1%</b>	<b>0.0%</b>	
<b>Stormwater drainage</b>	Stormwater drainage	-	-	21	29	8,012	14,539	1.0%	30.0%	61.0%	8.0%	0.0%	0.0%
	Other	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>29</b>	<b>8,012</b>	<b>14,539</b>	<b>1.0%</b>	<b>30.0%</b>	<b>61.0%</b>	<b>8.0%</b>	<b>0.0%</b>	<b>0.0%</b>

## Temora Shire Council

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

Asset Class	Asset Category	Estimated cost		2023/24 Required maintenance <sup>a</sup> \$ '000	2023/24 Actual maintenance \$ '000	Net carrying replacement amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring to the satisfactory standard \$ '000	to bring assets agreed level of service set by Council \$ '000					1	2	3	4	5
Open space / recreational assets	Swimming pools	-	-	152	154	3,985	5,203	57.0%	29.0%	13.0%	1.0%	0.0%
	Open Space Assets	-	-	-	-	7,564	11,107	15.0%	55.0%	30.0%	0.0%	0.0%
	<b>Sub-total</b>	-	-	<b>152</b>	<b>154</b>	<b>11,549</b>	<b>16,310</b>	<b>28.4%</b>	<b>46.7%</b>	<b>24.6%</b>	<b>0.3%</b>	<b>0.0%</b>
Other infrastructure assets	Other	-	-	-	-	22,124	25,879	77.0%	23.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	-	-	-	-	<b>22,124</b>	<b>25,879</b>	<b>77.0%</b>	<b>23.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total – all assets</b>		<b>7,692</b>	<b>7,692</b>	<b>3,320</b>	<b>5,903</b>	<b>319,837</b>	<b>486,838</b>	<b>19.2%</b>	<b>38.2%</b>	<b>38.1%</b>	<b>4.1%</b>	<b>0.4%</b>

(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

## Temora Shire Council

## Report on infrastructure assets as at 30 June 2024

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023	Indicators 2022	Benchmark
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>5,300</b>	<b>181.01%</b>	43.47%	104.42%	> 100.00%
Depreciation, amortisation and impairment	<b>2,928</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>7,692</b>	<b>2.40%</b>	2.68%	2.73%	< 2.00%
Net carrying amount of infrastructure assets	<b>320,356</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>5,903</b>	<b>177.80%</b>	116.32%	116.48%	> 100.00%
Required asset maintenance	<b>3,320</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>7,692</b>	<b>1.58%</b>	1.76%	1.80%	
Gross replacement cost	<b>486,838</b>				

(\*) 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.

## Temora Shire Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (by fund)

	General fund		Sewer fund		Benchmark
	2024	2023	2024	2023	
<b>\$ '000</b>					
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>		44.51%	13.10%	6.60%	> 100.00%
Depreciation, amortisation and impairment	202.78%				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	2.49%	2.65%	1.22%	3.04%	< 2.00%
Net carrying amount of infrastructure assets					
<b>Asset maintenance ratio</b>					
Actual asset maintenance	190.73%	127.00%	107.20%	60.98%	> 100.00%
Required asset maintenance					
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	1.64%	1.74%	0.77%	1.92%	
Gross replacement cost					

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

**8 BUSINESS WITHOUT NOTICE - URGENT**

**9 CONFIDENTIAL REPORTS****RESOLUTION 171/2024**

Moved: Cr Graham Sinclair

Seconded: Cr Nigel Judd

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993 4:13pm:

**9.1 Lease Arrangement**

This matter is considered to be confidential under Section 10A(2) - di of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

**RESOLUTION 169/2024**

Moved: Cr Belinda Bushell

Seconded: Cr Narelle Djukic

It was resolved that

1. Council invites the businesses that submitted an Expression of Interest (EOI) to participate in a selective tender process for the lease of the Pathology space at the Temora Medical Complex, specifying that the term of the lease agreement is by 3-years plus two 3-year options
2. The outcome of the tender process be reported to the 12 November 2024 Asset and Operations Meeting, with the outcome to be ratified at the 28 November 2024 Council Meeting.

**CARRIED**

**RESOLUTION 172/2024**

Moved: Cr Nigel Judd

Seconded: Cr Brenton Hawken

It was resolved that Council adopts the motions from the closed committee of Council.

**CARRIED**

**10 MEETING CLOSE**

The Meeting closed at 4:38pm.

The minutes of this meeting were confirmed at the Ordinary Meeting of the Temora Shire Council held on 28 November 2024.

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**GENERAL MANAGER**

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**CHAIRMAN**