

# New England Weeds Authority

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

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**New England Weeds Authority**  
**General Purpose Financial Statements**  
for the year ended 30 June 2023

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# New England Weeds Authority

## General Purpose Financial Statements

for the year ended 30 June 2023

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

##### 2. The Statement of Comprehensive Income

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

##### 3. The Statement of Financial Position

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

##### 4. The Statement of Changes in Equity

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

##### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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

# New England Weeds Authority

## General Purpose Financial Statements

for the year ended 30 June 2023

### Statement by Councillors and Management

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

During preparation of the 2022-23 financial statements, underlying issues were identified relating to Council's internal control environment and the maintenance of appropriate books and records. These issues related to the year ended 30 June 2023.

Although Council prepared the 2022-23 financial statements based on the underlying books and records, deficiencies in maintaining the books and records and other internal controls means the councillors and management are unable to warrant the completeness and reliability of the financial statements taken as a whole.

**As a result we are unable to certify that 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.

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



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Clr Dorothy Robinson  
Chairperson  
25 March 2024



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Clr Tim Bower  
Deputy Chairperson  
25 March 2024



Tim Weeks  
General Manager  
25 March 2024

# New England Weeds Authority

## Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Income from continuing operations</b>				
310	User charges and fees	B2-1	<b>102</b>	380
7	Other revenues	B2-2	<b>25</b>	11
1,695	Grants and contributions provided for operating purposes	B2-3	<b>1,688</b>	1,326
11	Interest and investment income	B2-4	<b>28</b>	3
46	Net gain from the disposal of assets	B4-1	<b>33</b>	15
<b>2,069</b>	<b>Total income from continuing operations</b>		<b>1,876</b>	1,735
<b>Expenses from continuing operations</b>				
915	Employee benefits and on-costs	B3-1	<b>827</b>	970
840	Materials and services	B3-2	<b>863</b>	503
18	Borrowing costs	B3-3	<b>—</b>	—
67	Depreciation, amortisation and impairment of non-financial assets	B3-3	<b>145</b>	107
—	Other expenses	B3-4	<b>1</b>	—
<b>1,840</b>	<b>Total expenses from continuing operations</b>		<b>1,836</b>	1,580
<b>229</b>	<b>Operating result from continuing operations</b>		<b>40</b>	155
<b>229</b>	<b>Net operating result for the year attributable to Council</b>		<b>40</b>	155
<b>229</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>40</b>	155

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

## New England Weeds Authority

### Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Net operating result for the year – from Income Statement</b>		<b>40</b>	<b>155</b>
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<b>50</b>	–
<b>Total comprehensive income for the year attributable to Council</b>		<b>90</b>	<b>155</b>

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

# New England Weeds Authority

## Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	<b>870</b>	1,467
Investments	C1-2	<b>666</b>	502
Receivables	C1-4	<b>33</b>	62
Inventories	C1-5	<b>18</b>	25
Other	C1-7	<b>71</b>	—
<b>Total current assets</b>		<b>1,658</b>	2,056
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-6	<b>683</b>	590
<b>Total non-current assets</b>		<b>683</b>	590
<b>Total assets</b>		<b>2,341</b>	2,646
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	<b>268</b>	252
Contract liabilities	C3-2	<b>7</b>	380
Employee benefit provisions	C3-4	<b>61</b>	108
<b>Total current liabilities</b>		<b>336</b>	740
<b>Non-current liabilities</b>			
Employee benefit provisions	C3-4	<b>9</b>	—
<b>Total non-current liabilities</b>		<b>9</b>	—
<b>Total liabilities</b>		<b>345</b>	740
<b>Net assets</b>		<b>1,996</b>	1,906
<b>EQUITY</b>			
Accumulated surplus		<b>1,946</b>	1,906
IPPE revaluation reserve	C4-1	<b>50</b>	—
<b>Total equity</b>		<b>1,996</b>	1,906
<b>Total equity</b>		<b>1,996</b>	1,906

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

## New England Weeds Authority

### Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		1,906	–	1,906	1,751	–	1,751
Net operating result for the year		40	–	40	155	–	155
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	50	50	–	–	–
<b>Other comprehensive income</b>		–	50	50	–	–	–
<b>Total comprehensive income</b>		40	50	90	155	–	155
<b>Closing balance at 30 June</b>		1,946	50	1,996	1,906	–	1,906

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

# New England Weeds Authority

## Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
167	User charges and fees		111	417
11	Interest received		26	3
1,695	Grants and contributions		1,454	1,449
150	Other		55	12
<i>Payments:</i>				
(915)	Payments to employees		(864)	(901)
(761)	Payments for materials and services		(881)	(553)
(18)	Borrowing costs		—	—
(62)	Other		(179)	(172)
<b>267</b>	<b>Net cash flows from operating activities</b>	F1-1	<b>(278)</b>	<b>255</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
—	Sale of investments		1,956	1,301
46	Proceeds from sale of IPPE		33	15
<i>Payments:</i>				
—	Purchase of investments		(2,120)	(502)
(961)	Payments for IPPE		(188)	(303)
<b>(915)</b>	<b>Net cash flows from investing activities</b>		<b>(319)</b>	<b>511</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
600	Proceeds from borrowings		—	—
<i>Payments:</i>				
(18)	Repayment of borrowings		—	—
<b>582</b>	<b>Net cash flows from financing activities</b>		<b>—</b>	<b>—</b>
<b>(66)</b>	<b>Net change in cash and cash equivalents</b>		<b>(597)</b>	<b>766</b>
608	Cash and cash equivalents at beginning of year		<b>1,467</b>	701
<b>542</b>	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>870</b>	<b>1,467</b>
220	plus: Investments on hand at end of year	C1-2	<b>666</b>	502
<b>762</b>	<b>Total cash, cash equivalents and investments</b>		<b>1,536</b>	<b>1,969</b>

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

# New England Weeds Authority

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# New England Weeds Authority

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## A About Council and these financial statements

### A1-1 Basis of preparation

New England Weeds Authority (Council), is the registered trading name of the New England County Council.

These financial statements were authorised for issue by Council on 20 February 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 principal accounting policies adopted in the preparation of these financial statements are set out below.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, 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.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note B5-1 – Material budget variations

and are clearly marked.

#### ***Historical cost convention***

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

#### ***Significant accounting estimates and judgements***

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

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

#### ***Critical accounting estimates and assumptions***

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) employee benefit provisions – refer Note C3-4.

#### ***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.

## A1-1 Basis of preparation (continued)

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### **Volunteer services**

Council has a limited reliance on volunteer services and any contributions would not be material.

### **Covid-19 Impacts**

Covid-19 has not impacted Council's financial results for the year ending 30 June 2023. Staff continued to be fully employed and bio-security inspections and spraying operations have continued as normal. Staff who contracted Covid-19 were managed within the sick leave system. Where appropriate, staff and third-party meetings were held using MS Teams.

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

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2023 reporting period.

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

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.

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Functions or activities</b>										
Civic Leadership	13	30	443	457	(430)	(427)	–	–	1,981	1,465
Environment	829	788	1,154	636	(325)	152	726	904	357	368
Economic Affairs	39	378	4	370	35	8	–	–	3	15
NSW Weeds Action Program	995	539	235	117	760	422	962	422	–	798
<b>Total functions and activities</b>	<b>1,876</b>	<b>1,735</b>	<b>1,836</b>	<b>1,580</b>	<b>40</b>	<b>155</b>	<b>1,688</b>	<b>1,326</b>	<b>2,341</b>	<b>2,646</b>

## 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:**

### **Civic Leadership**

Covers Key Civic Leadership activities including governance, administration, finance and risk management.

### **Environment**

Includes activities regarding priority weeds management and control.

### **Economic Affairs**

Includes activities of a private works nature.

### **NSW Weeds Action Program**

Supports NSW wide programs specifically through the Northern Tablelands Regional Weed Committee.

## B2 Sources of income

### B2-1 User charges and fees

\$ '000	Timing	2023	2022
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Private works	1	<b>102</b>	377
Regulatory fees	2	–	3
<b>Total fees and charges – statutory/regulatory</b>		<b>102</b>	380
<b>Total user charges and fees</b>		<b>102</b>	380
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		<b>102</b>	377
User charges and fees recognised at a point in time (2)		–	3
<b>Total user charges and fees</b>		<b>102</b>	380

#### Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service.

### B2-2 Other revenues

\$ '000	Timing	2023	2022
Insurance claims recoveries			
	2	<b>13</b>	–
Sales – general	1	–	6
Other	2	<b>12</b>	5
<b>Total other revenue</b>		<b>25</b>	11
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		<b>25</b>	11
<b>Total other revenue</b>		<b>25</b>	11

#### Accounting policy for other revenue

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

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

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

## B2-3 Grants and contributions

\$ '000	Timing	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Priority weeds	2	<b>1,154</b>	732	-	-
Other councils – joint works/services	2	<b>534</b>	594	-	-
<b>Total grants and non-developer contributions</b>		<b>1,688</b>	<b>1,326</b>	-	-
<b>Comprising:</b>					
– State funding		<b>794</b>	422	-	-
– Other funding		<b>894</b>	904	-	-
		<b>1,688</b>	<b>1,326</b>	-	-

The timing column notation (above) identifies the revenue recognition pattern for material items of Council's revenue:

- (1) indicates income recognised under AASB 15 or AASB 1058 "over time",
- (2) indicates income recognised under AASB 15 or AASB 1058 "at a point in time".

## B2-3 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	<b>604</b>	602	-	-
<b>Add:</b> Funds received and available for expenditure in the current or future periods	<b>720</b>	370	-	-
<b>Less:</b> Funds recognised as revenue in the reporting year and now spent in accordance with the conditions	<b>(668)</b>	-	-	-
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	<b>(96)</b>	(5)	-	-
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	<b>(434)</b>	(363)	-	-
<b>Unspent funds at 30 June</b>	<b>126</b>	<b>604</b>	-	-

Council is completing a project to assist landholders with their obligations for Tropical Soda Apple under the Biosecurity Act (2015)

### Accounting policy

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

## B2-4 Interest and investment income

\$ '000	2023	2022
<b>Interest on financial assets measured at amortised cost</b>		
– Cash and investments	<b>28</b>	3
<b>Total interest and investment income (losses)</b>	<b>28</b>	3

### Accounting policy

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

## B3 Costs of providing services

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

\$ '000	2023	2022
Salaries and wages	760	871
Employee leave entitlements (ELE)	(38)	(8)
Superannuation	81	78
Workers' compensation insurance	7	16
Other	17	13
<b>Total employee costs</b>	<b>827</b>	<b>970</b>
<b>Total employee costs expensed</b>	<b>827</b>	<b>970</b>

Number of 'full-time equivalent' employees (FTE) at year end 7 8  
 Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies) 15 15

#### Accounting policy

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

### B3-2 Materials and services

\$ '000	Notes	2023	2022
Consultancy costs		76	–
Raw materials and consumables		134	230
Contractor costs		371	72
Advertising		7	4
Audit Fees	E2-1	27	13
Councillor and Mayoral fees and associated expenses	E1-2	55	15
Computer software charges		6	–
Electricity and heating		1	2
Insurance		45	26
Office expenses (including computer expenses)		20	12
Postage		1	1
Printing and stationery		11	3
Repairs and maintenance		1	–
Rent		15	14
Aircraft hire		–	13
Subscriptions and publications		23	21
Telephone and communications		39	27
Training costs (other than salaries and wages)		10	22
Other expenses		–	7
Legal expenses		15	11
<b>Total materials and services</b>		<b>863</b>	<b>503</b>

#### Accounting policy

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

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

\$ '000	2023	2022
<b>Depreciation and amortisation</b>		
Plant and equipment	130	97
Office equipment	15	10
<b>Total depreciation and amortisation costs</b>	<b>145</b>	<b>107</b>

#### Accounting policy

##### Depreciation and amortisation

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

### B3-4 Other expenses

\$ '000	Notes	2023	2022
<b>Impairment of receivables</b>			
User charges and fees		1	—
<b>Total impairment of receivables</b>	C1-4	<b>1</b>	<b>—</b>
<b>Total other expenses</b>		<b>1</b>	<b>—</b>

#### Accounting policy

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

Impairment expenses are recognised when identified.

## B4 Gains or losses

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

\$ '000	Notes	2023	2022
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		<b>33</b>	15
Less: carrying amount of plant and equipment assets sold/written off		<b>–</b>	–
<b>Gain (or loss) on disposal</b>		<b>33</b>	15
<b>Net gain (or loss) from disposal of assets</b>		<b>33</b>	15

#### Accounting policy

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

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 02 November 2022 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2023 Budget	2023 Actual	2023 Variance	
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#### Revenues

<b>User charges and fees</b>	310	102	(208)	(67)%	<span style="font-size: 2em;">U</span>
Council's activities focused more on delivering and completing grant programs during the year, which reduced the capacity to undertake project and private works, with a consequent reduction in fee income.					
<b>Other revenues</b>	7	25	18	257%	<span style="font-size: 2em;">F</span>
Variable minor income items, including reimbursement of Workers Compensation costs and refunds on ATO payments have contributed to this item.					
<b>Operating grants and contributions</b>	1,695	1,688	(7)	0%	<span style="font-size: 2em;">U</span>
Several anticipated grant programs did not eventuate during the year. The completion of various projects held over from previous years was able to supplement reduced current year income, acting as a partial offset.					
<b>Interest and investment revenue</b>	11	28	17	155%	<span style="font-size: 2em;">F</span>
Council was able to capitalise on increasing interest rates, coupled with a sound cash position for the majority of the year.					
<b>Net gains from disposal of assets</b>	46	33	(13)	(28)%	<span style="font-size: 2em;">U</span>
While only a small contribution to overall income, the sale of surplus or retiring plant items was not as high as expected in the original budget.					

#### Expenses

<b>Employee benefits and on-costs</b>	915	827	88	10%	<span style="font-size: 2em;">F</span>
Council's workforce has been reducing over the past 2 years, which has resulted in lower than anticipated wages and salary costs.					
<b>Materials and services</b>	840	863	(23)	(3)%	<span style="font-size: 2em;">U</span>
Reduced staffing levels has contributed to a reduced utilisation of materials, however contained within this item is an increased use of external contractors to deliver core services which has resulted in operating costs exceeding original budget.					
<b>Borrowing costs</b>	18	-	18	100%	<span style="font-size: 2em;">F</span>
The anticipated takeup of loan funds to commence construction of Council's new works depot and office facilities, was delayed until the 2023/24 FY, resulting in nil expenditure on loan costs.					
<b>Depreciation, amortisation and impairment of non-financial assets</b>	67	145	(78)	(116)%	<span style="font-size: 2em;">U</span>
Depreciation charges for Council's property, plant and equipment were understated in the original budget. Council has also acquired a range of new plant assets over the past 2 years which has contributed to increased charges.					

## B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 Variance
Other expenses	–	1	(1) <span style="color: red;">∞ U</span>

### Statement of cash flows

**Cash flows from operating activities** **267** **(278)** **(545)** **(204)%** U

Reduced operating income, coupled with increased cost of services, resulted in reductions in the cash position for the FY.

**Cash flows from investing activities** **(915)** **(319)** **596** **(65)%** F

Commencement of the construction of new works depot and office facilities was deferred until 2023/24 FY.

**Cash flows from financing activities** **582** **–** **(582)** **(100)%** U

Anticipated loan funds were not taken up in the current FY.

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2023	2022
<b>Cash assets</b>		
Cash on hand and at bank	870	1,000
Cash equivalent assets		
– Deposits at call	–	467
<b>Total cash and cash equivalents</b>	<b>870</b>	<b>1,467</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	870	1,467
<b>Balance as per the Statement of Cash Flows</b>	<b>870</b>	<b>1,467</b>

#### Accounting policy

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

#### C1-2 Financial investments

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
<b>Debt securities at amortised cost</b>				
Term deposits	666	–	502	–
<b>Total</b>	<b>666</b>	<b>–</b>	<b>502</b>	<b>–</b>
<b>Total financial investments</b>	<b>666</b>	<b>–</b>	<b>502</b>	<b>–</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>1,536</b>	<b>–</b>	<b>1,969</b>	<b>–</b>

#### Accounting policy

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

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

#### Financial assets

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

#### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

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

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>1,536</b>	1,969
Less: Externally restricted cash, cash equivalents and investments	(126)	(604)
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,410</b>	1,365

#### External restrictions

##### External restrictions – included in liabilities

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

Specific purpose unexpended grants	55	489
<b>External restrictions – included in liabilities</b>	<b>55</b>	<b>489</b>

##### External restrictions – other

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

Specific purpose unexpended grants (recognised as revenue)	71	115
<b>External restrictions – other</b>	<b>71</b>	<b>115</b>
<b>Total external restrictions</b>	<b>126</b>	<b>604</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	2023	2022
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,410</b>	1,365
Less: Internally restricted cash, cash equivalents and investments	(476)	(494)
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>934</b>	<b>871</b>

#### Internal allocations

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

Plant and vehicle replacement	245	224
Employees leave entitlement	69	108
Contribution to works DPI TSA Strategic Plan	162	162
<b>Total internal allocations</b>	<b>476</b>	<b>494</b>

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

\$ '000	2023	2022
(c) Unrestricted and unallocated		
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>934</b>	<b>871</b>

## C1-4 Receivables

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Accrued revenues				
– Interest on investments	3	–	1	–
Net GST receivable	7	–	–	–
Other debtors	25	–	62	–
<b>Total</b>	<b>35</b>	<b>–</b>	<b>63</b>	<b>–</b>
<b>Less: provision for impairment</b>				
User charges and fees	(2)	–	(1)	–
<b>Total provision for impairment – receivables</b>	<b>(2)</b>	<b>–</b>	<b>(1)</b>	<b>–</b>
<b>Total net receivables</b>	<b>33</b>	<b>–</b>	<b>62</b>	<b>–</b>

### Accounting policy

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

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

## C1-5 Inventories

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>(i) Inventories at cost</b>				
Stores and materials	18	–	25	–
<b>Total inventories at cost</b>	<b>18</b>	<b>–</b>	<b>25</b>	<b>–</b>
<b>Total inventories</b>	<b>18</b>	<b>–</b>	<b>25</b>	<b>–</b>

### Accounting policy

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

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

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class \$ '000	At 1 July 2022			Asset movements during the reporting period			At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Depreciation expense	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	6	–	6	28	–	–	35	–	35
Plant and equipment	741	(414)	327	141	(130)	–	803	(465)	338
Office equipment	143	(86)	57	18	(15)	–	161	(101)	60
<b>Land:</b>									
– Operational land	200	–	200	–	–	50	250	–	250
<b>Total infrastructure, property, plant and equipment</b>	<b>1,090</b>	<b>(500)</b>	<b>590</b>	<b>187</b>	<b>(145)</b>	<b>50</b>	<b>1,249</b>	<b>(566)</b>	<b>683</b>

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

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period			At 30 June 2022		
	Gross carrying amount \$ '000	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Depreciation expense	WIP transfers	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	20	–	20	7	–	(20)	6	–	6
Plant and equipment	681	(317)	364	60	(97)	–	741	(414)	327
Office equipment	86	(76)	10	56	(10)	–	143	(86)	57
Land	–	–	–	180	–	20	–	–	–
<b>Land:</b>									
– Operational land	–	–	–	–	–	–	200	–	200
<b>Total infrastructure, property, plant and equipment</b>	<b>787</b>	<b>(393)</b>	<b>394</b>	<b>303</b>	<b>(107)</b>	<b>–</b>	<b>1,090</b>	<b>(500)</b>	<b>590</b>

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

### Accounting policy

Infrastructure, property, plant and equipment are held at cost.

Depreciation for assets is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as follows:

<b>Plant and equipment</b>	Years
Office equipment	5 to 10
Office furniture	10 to 20
Computer equipment	4
Vehicles	5 to 8

## C1-7 Other

### Other assets

\$ '000	2023		2023		2022		2022	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Prepayments		71		-		-		-
<b>Total other assets</b>		<b>71</b>		<b>-</b>		<b>-</b>		<b>-</b>

### Current other assets 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	2023		2023		2022		2022	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Total unrestricted assets		71		-		-		-
<b>Total other assets</b>		<b>71</b>		<b>-</b>		<b>-</b>		<b>-</b>

## C2 Leasing activities

### C2-1 Council as a lessee

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Council has leases over land and buildings. Information relating to the leases in place and associated balances and transactions is provided below.

#### **Terms and conditions of leases**

Council leases office space and depot land and buildings. The lease for both of these terminated on 30 June 2020. Council has continued to extend the lease on a six monthly basis pending construction of new office and depot space. Given the above, Council has not recognised any lease liability.

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Goods and services – operating expenditure	108	–	47	–
Accrued expenses:				
– Salaries and wages	87	–	86	–
– Other expenditure accruals	20	–	7	–
GST payable	–	–	3	–
DPI Weeds Capacity Building	–	–	61	–
DPI Parthinium Fund	48	–	48	–
Other	5	–	–	–
Comment re: DPI Liabilities				
Council has received monies from the NSW Department of Primary Industries (DPI) related to a weed capacity building project and a parthinium management project. These funds have not been included as revenue nor any monies transferred to other entities as expenses.				
The Council has acted merely as an agent.	–	–	–	–
<b>Total payables</b>	<b>268</b>	<b>–</b>	<b>252</b>	<b>–</b>

#### Accounting policy

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

The financial liabilities of the Council comprise trade payables.

#### Payables

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

### C3-2 Contract Liabilities

\$ '000	Notes	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended operating grants (received prior to performance obligation being satisfied)	(i)	7	–	380	–
<b>Total contract liabilities</b>		<b>7</b>	<b>–</b>	<b>380</b>	<b>–</b>

#### Notes

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

## C3-2 Contract Liabilities (continued)

### Contract liabilities relating to restricted assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Externally restricted assets</b>				
Unspent grants held as contract liabilities	7	—	380	—
<b>Contract liabilities relating to externally restricted assets</b>	<b>7</b>	<b>—</b>	<b>380</b>	<b>—</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>7</b>	<b>—</b>	<b>380</b>	<b>—</b>
<b>Total contract liabilities</b>	<b>7</b>	<b>—</b>	<b>380</b>	<b>—</b>

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

\$ '000	2023	2022
<b>Grants and contributions received in advance:</b>		
Operating grants (received prior to performance obligation being satisfied)	321	362
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>321</b>	<b>362</b>

## C3-3 Borrowings

### Financing arrangements

\$ '000	2023	2022
<b>Total facilities</b>		
Credit cards/purchase cards	5	10
<b>Total financing arrangements</b>	<b>5</b>	<b>10</b>
<b>Undrawn facilities</b>		
Credit cards/purchase cards	5	10
<b>Total undrawn financing arrangements</b>	<b>5</b>	<b>10</b>

## C3-4 Employee benefit provisions

\$ '000	2023		2022		2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Annual leave	30	—	54	—	54	—
Long service leave	29	9	49	—	49	—
ELE on-costs	2	—	5	—	5	—
<b>Total employee benefit provisions</b>	<b>61</b>	<b>9</b>	<b>108</b>	<b>—</b>	<b>108</b>	<b>—</b>

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	34	48
	<b>34</b>	<b>48</b>

### Description of and movements in provisions

\$ '000	ELE provisions			
	Annual leave	Long service leave	ELE on-costs	Total
<b>2023</b>				
At beginning of year	54	49	5	108
Additional provisions	25	2	—	27
Amounts used (payments)	(49)	(13)	(4)	(66)
Other	—	—	1	1
<b>Total ELE provisions at end of year</b>	<b>30</b>	<b>38</b>	<b>2</b>	<b>70</b>
<b>2022</b>				
At beginning of year	26	76	14	116
Other	28	(27)	(9)	(8)
<b>Total ELE provisions at end of year</b>	<b>54</b>	<b>49</b>	<b>5</b>	<b>108</b>

### Accounting policy

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

### Short-term obligations

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

### Other long-term employee benefit obligations

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

### On-costs

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

## C3-4 Employee benefit provisions (continued)

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

## D Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

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 General Manager under policies approved by the Council.

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

\$ '000	Carrying value 2023	Carrying value 2022	Fair value 2023	Fair value 2022
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	870	1,467	870	1,467
Receivables	33	62	33	62
Investments				
– Term deposits	666	502	666	502
<b>Total financial assets</b>	<b>1,569</b>	<b>2,031</b>	<b>1,569</b>	<b>2,031</b>
<b>Financial liabilities</b>				
Payables	268	252	268	252
<b>Total financial liabilities</b>	<b>268</b>	<b>252</b>	<b>268</b>	<b>252</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.

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

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

The risks associated with the investments held are:..

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

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

### (a) Market risk – interest rate and price risk

\$ '000	2023	2022
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	16	20
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

### (b) Credit risk

Council's major receivables comprise other debtors.

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 this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

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

The level of outstanding receivables is reported to Council regularly and benchmarks are set and monitored for acceptable collection performance.

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

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

A profile of Council's receivables credit risk at balance date follows:

#### Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due as follows.

Council does not believe there is sufficient risk of losses at reporting date.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2023</b>						
Gross carrying amount	10	–	11	–	14	35
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	45.00%	18.00%
<b>ECL provision</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6</b>	<b>6</b>
<b>2022</b>						
Gross carrying amount	62	–	–	–	1	63
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	100.00%	1.59%
<b>ECL provision</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>1</b>

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

### (c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

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

The contractual undiscounted cash outflows of Council's payables are set out in the maturity 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>2023</b>							
Payables	0.00%	202	48	—	—	250	268
<b>Total financial liabilities</b>		<b>202</b>	<b>48</b>	<b>—</b>	<b>—</b>	<b>250</b>	<b>268</b>
<b>2022</b>							
Payables	0.00%	142	110	—	—	252	252
<b>Total financial liabilities</b>		<b>142</b>	<b>110</b>	<b>—</b>	<b>—</b>	<b>252</b>	<b>252</b>

## D2-1 Fair value measurement

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

- Operational Land
- Financial assets and liabilities

\$ '000	Notes	Fair value measurement hierarchy								
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total		
		2023	2022	2023	2022	2023	2022	2023	2022	
<b>Recurring fair value measurements</b>										
<b>Infrastructure, property, plant and equipment</b>										
C1-6										
Operational Land		30/06/2023		250	—	—	—	250	—	
<b>Total infrastructure, property, plant and equipment</b>				<b>250</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>250</b>	<b>—</b>	

## 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)

IPPE assets acquired and in use by New England County Council consist of Plant & Equipment and Office Equipment assets, which are valued and carried at Cost. Council purchased a parcel of Operational Land in 2021, for the purpose of constructing specific purpose office and depot facilities. Construction of these facilities commenced in 2023 financial year and are expected to be completed by 30 June 2024.

Council has recognised a revaluation of the Operational Land asset in the financial statements for year ending 30 June 2023. The revaluation was undertaken by an external valuer and relied on Level 2 observable inputs in arriving at the Fair Value of the land in accordance with AASB 13 and AASB 116.

## Highest and best use

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

## E People and relationships

### E1 Related party disclosures

#### E1-1 Key management personnel (KMP)

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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:

	2023	2022
<b>Compensation:</b>		
Short-term benefits	137	231
Post-employment benefits	12	67
<b>Total</b>	<b>149</b>	<b>298</b>

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

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

Nature of the transaction \$ '000	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
<b>2023</b>					
Financial Management Contract	-	-	14 days	-	-
<b>2022</b>					
Financial Management Contract	-	-	14 days	-	-

Council provided no other short term benefits to any related party during 2023.

## E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Councillor expenses – Chairpersons fee	6	4
Councillors' fees	38	9
Other Councillors' expenses (including Mayor)	11	2
<b>Total</b>	<b>55</b>	<b>15</b>

## E2 Other relationships

### E2-1 Audit fees

\$ '000	2023	2022
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	<b>27</b>	13
<b>Remuneration for audit and other assurance services</b>	<b>27</b>	13
<b>Total Auditor-General remuneration</b>	<b>27</b>	13
 Total audit fees	 <b>27</b>	 13

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
<b>Net operating result from Income Statement</b>	<b>40</b>	155
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	145	107
(Gain) / loss on disposal of assets	(33)	(15)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	28	(57)
Increase / (decrease) in provision for impairment of receivables	1	–
(Increase) / decrease of inventories	7	(6)
(Increase) / decrease of other current assets	(71)	–
Increase / (decrease) in payables	61	37
Increase / (decrease) in other accrued expenses payable	14	51
Increase / (decrease) in other liabilities	(59)	(17)
Increase / (decrease) in contract liabilities	(373)	8
Increase / (decrease) in employee benefit provision	(38)	(8)
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>	<b>(278)</b>	255

## F2-1 Commitments

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### Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	1,827	—
<b>Total commitments</b>	<b>1,827</b>	—
<b>These expenditures are payable as follows:</b>		
Within the next year	1,827	—
<b>Total payable</b>	<b>1,827</b>	—
<b>Sources for funding of capital commitments:</b>		
Unrestricted general funds	827	—
New loans (to be raised)	1,000	—
<b>Total sources of funding</b>	<b>1,827</b>	—

### Details of capital commitments

Council has commenced construction of new office and works depot facilities during the current financial year. Works are expected to be completed during the 2024 financial year. There are no other material capital commitments.

## F3 Statement of performance measures

### F3-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022	Indicators 2021	Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup>	<u>8</u>	<b>0.43%</b>	8.14%	(8.46)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>1,843</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<u>155</u>	<b>8.41%</b>	22.91%	25.80%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>1,843</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<u>1,532</u>	<b>5.19x</b>	4.65x	6.14x	> 1.50x
Current liabilities less specific purpose liabilities	<b>295</b>				
<b>4. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<u>1,536</u>	<b>9.58</b>	14.53	19.25	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>160</b>	<b>months</b>	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

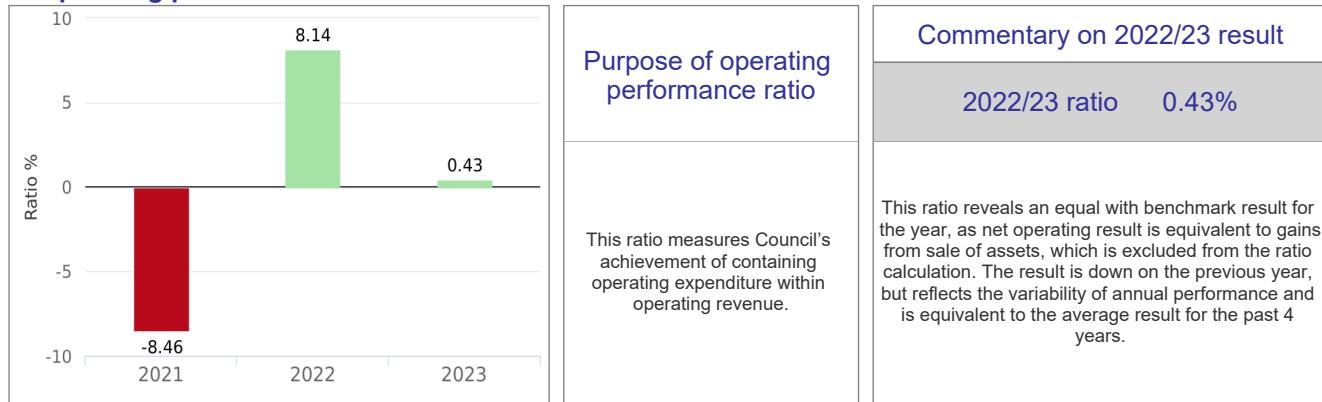
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

**End of the audited financial statements**

## G Additional Council disclosures (unaudited)

### G1-1 Statement of performance measures – consolidated results (graphs)

#### 1. Operating performance ratio



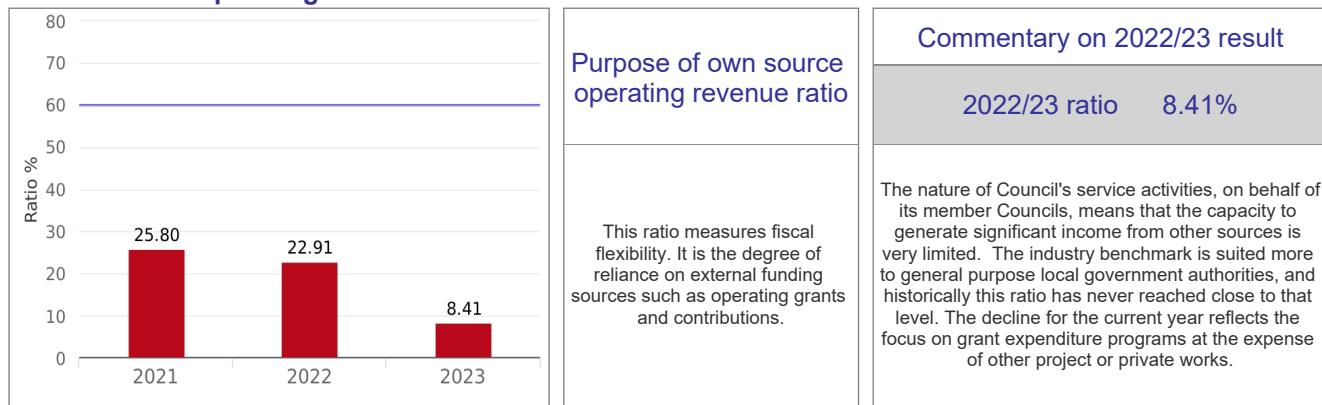
Benchmark: — &gt; 0.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



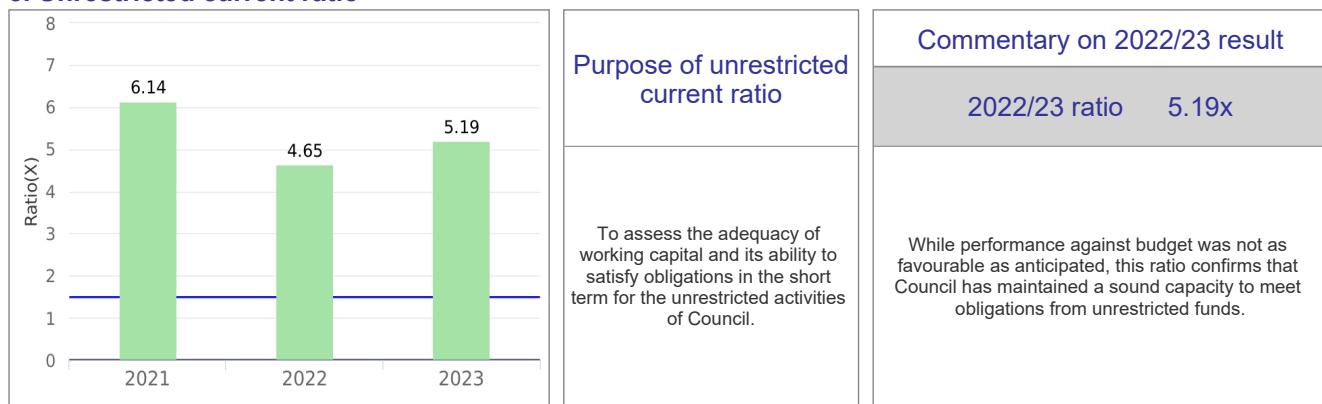
Benchmark: — &gt; 60.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

#### 3. Unrestricted current ratio



Benchmark: — &gt; 1.50x

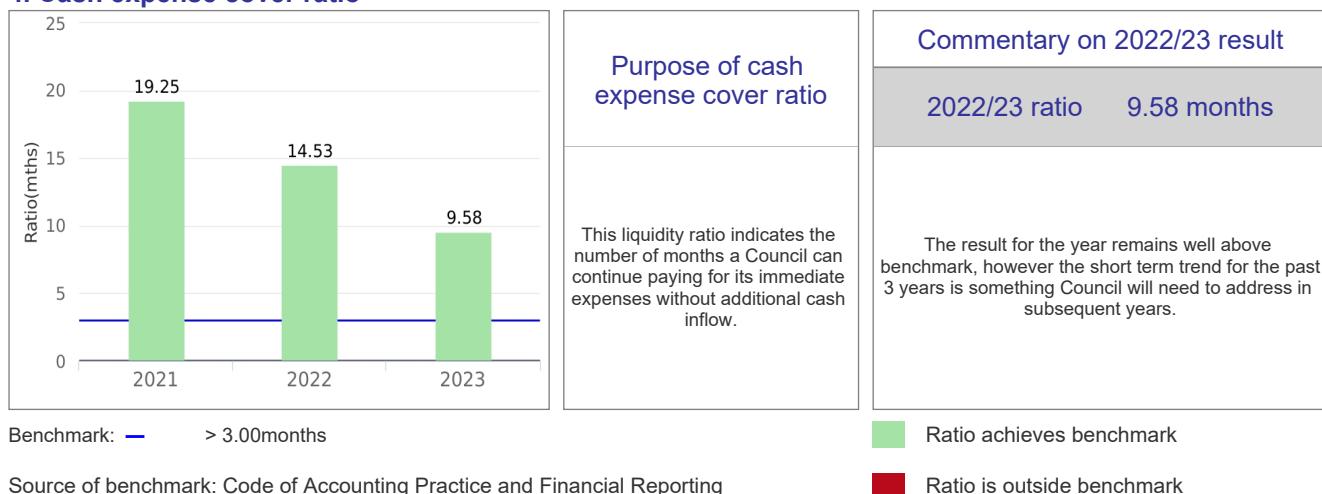
Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

## G1-1 Statement of performance measures – consolidated results (graphs) (continued)

### 4. Cash expense cover ratio



Ratio achieves benchmark

Ratio is outside benchmark

## G1-2 Council information and contact details

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**Principal place of business:**  
2/129 Rusden Street  
ARMIDALE NSW 2350

### Contact details

**Mailing Address:**  
129 Rusden Street  
ARMIDALE NSW 2350

**Telephone:** 02 6770 3602  
**Facsimile:** 02 6771 1893

**Opening hours:**  
7.30am to 4.30pm  
Monday to Friday  
Except Public Holidays

**Internet:** [www.newa.com.au](http://www.newa.com.au)  
**Email:** [newa@newa.nsw.gov.au](mailto:newa@newa.nsw.gov.au)

### Officers

**General Manager**  
Tim Weeks

**Public Officer**  
Tim Weeks

### Auditors

Audit Office of New South Wales  
Level 19, Darling Park Tower 2,  
201 Sussex Street  
SYDNEY NSW 2000.

### Elected members

**Chairperson**  
Clr Dorothy Robinson

### Councillors

Tim Bower  
Lara Gresham  
Scott Kermode  
Margaret O'Connor  
Paul Packham  
Dorothy Robinson

### Other information

**ABN:** 35 514 070 354



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

**New England County Council (trading as the New England Weeds Authority)**

To the Councillors of New England County Council

#### **Disclaimer of Opinion**

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

I do not express an opinion on the accompanying financial statements of the Council. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

#### **Basis for Disclaimer of Opinion**

Councillors and Management declared, in the Statement required by Councillors and Management (the Statement) under section 413(2)(c) of the *Local Government Act 1993* (the LG Act), they were unable to certify as to the completeness and reliability of the financial statements taken as a whole for the year ended 30 June 2023. As a result, I have disclaimed my opinion on the financial statements.

Council has not maintained adequate books and records to support transactions, balances and disclosures reported in the financial statements. The deficiencies in Council's books and records means I have been unable to obtain sufficient appropriate audit evidence or perform alternative testing procedures to enable me to conclude:

- on the completeness and accuracy of the balances and related notes in the Council's financial statements
- on the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements, or whether a material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern.

Accordingly, I have been unable to determine whether adjustments have been necessary in respect of balances and amounts reported in the financial statements. The pervasiveness of these issues means I cannot express an opinion on the accompanying financial statements for the year ended 30 June 2023.

## **The Councillors' Responsibilities for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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

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

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

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

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



Jan-Michael Perez  
Delegate of the Auditor-General for New South Wales

16 April 2024  
SYDNEY



Councillor Dorothy Robinson  
Chair  
New England County Council  
(trading as the New England Weeds Authority)

Contact: Jan-Michael Perez  
Phone no: 02 9275 7115  
Our ref: R008-16585809-52874/1675

16 April 2024

Dear Councillor Robinson

**Report on the Conduct of the Audit  
for the year ended 30 June 2023  
New England County Council**

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

I expressed a disclaimer of opinion on the Council's GPFS. This means I do not express an opinion on the GPFS.

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

**SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

The following significant matters came to my attention during the audit:

- The councillors and management have declared, in the statement required by councillors and management (the Statement) under section 413(2)(c) of the *Local Government Act 1993*, that they are unable to certify as to the completeness and reliability of the financial statements taken as a whole for the year ended 30 June 2023, because the Council has not maintained adequate internal controls or books and records across the reporting period.
- The deficiencies in books and records, which have been acknowledged by councillors and management in their statement, mean I have been unable to obtain sufficient appropriate audit evidence or perform alternative testing procedures to enable me to conclude:
  - on the completeness and accuracy of the balances and related notes in the council's financial statements
  - on the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements, or whether a material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the council's ability to continue as a going concern.

Accordingly, I have been unable to determine whether adjustments have been necessary in respect of balances and amounts reported in the financial statements. The pervasiveness of these issues means I cannot express an opinion on the financial statements for the year ended 30 June 2023.

## **FINANCIAL INFORMATION AND PERFORMANCE RATIOS**

In the circumstances as described above, I do not believe it is meaningful to provide commentary on financial information or performance ratios in this report.

## **OTHER MATTERS**

### **Legislative compliance**

My audit procedures identified non-compliance with legislative requirements.

### **Maintenance of Accounting Records**

The council did not maintain adequate accounting records as required by Section 412 of the Act. Council staff were unable to provide all accounting records and information relevant to the audit.

### **Establishment of an effective internal control environment**

Section 209(c) of the Local Government Regulation (General) Regulation 2021 requires the general manager to ensure that the authorising and recording procedures are established to provide effective control over the council's assets, liabilities, revenue and expenditure, and secure the accuracy of the accounting records, including a proper division of accounting responsibilities among the council staff.

The councillors and management have declared, in the statement required by councillors and management (the Statement) under section 413(2)(c) of the *Local Government Act 1993*, that they are unable to certify as to the completeness and reliability of the financial statements taken as a whole for the year ended 30 June 2023, because the Council has not maintained adequate internal controls or books and records across the reporting period.

### **Submission of financial statements to the Office of Local Government**

As a result of the issues identified above the Council did not submit the audited financial statements for the year ended 30 June 2023 to the Office of Local Government by the agreed deadline 31 March 2024. Section 416(1) of the Act requires the annual financial statements of Councils must be prepared and audited within four months after the end of the year, unless an extension is granted by the Office of Local Government. Council did not meet the revised submission date.



Jan-Michael Perez  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales