

Kyogle Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025



Kyogle Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

1 Stratheden Street
Kyogle NSW 2474

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.kyogle.nsw.gov.au.

Kyogle Council

General Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management

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

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

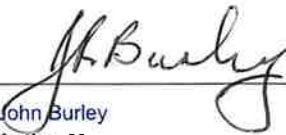
- the *Local Government Act 1993* and the regulations made thereunder
- the Australian Accounting Standards issued by the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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 27 October 2025.


John Burley
Acting Mayor
27 October 2025


Marcus Schintler
General Manager
27 October 2025


Kieran Somerville
Councillor
27 October 2025


Glenn Rose
Responsible Accounting Officer
27 October 2025

Kyogle Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
13,381	Rates and annual charges	B2-1	13,413	12,928
7,351	User charges and fees	B2-2	11,131	14,954
3	Other revenues	B2-3	39	76
7,414	Grants and contributions provided for operating purposes	B2-4	5,953	11,780
27,669	Grants and contributions provided for capital purposes	B2-4	60,503	56,708
1,038	Interest and investment income	B2-5	1,767	2,230
136	Net gain from the disposal of assets	B4-1	—	—
56,992	Total income from continuing operations		92,806	98,676
	Expenses from continuing operations			
11,334	Employee benefits and on-costs	B3-1	11,877	11,050
4,243	Materials and services	B3-2	16,092	13,717
231	Borrowing costs	B3-3	233	283
2,809	Other expenses	B3-5	355	396
—	Net loss from the disposal of assets	B4-1	1,247	5,718
18,617	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		29,804	31,164
38,375	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		63,002	67,512
9,418	Depreciation, amortisation and impairment of non-financial assets	B3-4	11,322	10,228
28,957	Operating result from continuing operations		51,680	57,284
28,957	Net operating result for the year attributable to Council		51,680	57,284
1,288	Net operating result for the year before grants and contributions provided for capital purposes		(8,823)	576

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

Kyogle Council

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Net operating result for the year – from Income Statement		51,680	57,284
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	32,033	33,018
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-6	(4,739)	895
Total items which will not be reclassified subsequent to operating result		27,294	33,913
Total other comprehensive income for the year		27,294	33,913
Total comprehensive income for the year attributable to Council		78,974	91,197

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

Kyogle Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	28,842	60,179
Receivables	C1-3	16,188	6,148
Inventories	C1-4	2,233	2,881
Contract assets	C1-5	3,132	2,876
Total current assets		50,395	72,084
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-6	728,970	648,330
Total non-current assets		728,970	648,330
Total assets		779,365	720,414
LIABILITIES			
Current liabilities			
Payables	C3-1	9,640	8,849
Contract liabilities	C3-2	7,597	27,149
Borrowings	C3-3	1,545	2,089
Employee benefit provisions	C3-4	2,696	2,654
Total current liabilities		21,478	40,741
Non-current liabilities			
Payables	C3-1	158	134
Borrowings	C3-3	8,257	9,802
Employee benefit provisions	C3-4	288	164
Provisions	C3-5	1,398	761
Total non-current liabilities		10,101	10,861
Total liabilities		31,579	51,602
Net assets		747,786	668,812
EQUITY			
Accumulated surplus		409,709	358,029
IPPE revaluation surplus	C4-1	338,077	310,783
Council equity interest		747,786	668,812
Total equity		747,786	668,812

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

Kyogle Council

Statement of Changes in Equity

for the year ended 30 June 2025

\$ '000	Notes	2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
Opening balance at 1 July		358,029	310,783	668,812	300,745	276,870	577,615
Opening balance		358,029	310,783	668,812	300,745	276,870	577,615
Net operating result for the year		51,680	–	51,680	57,284	–	57,284
Net operating result for the period		51,680	–	51,680	57,284	–	57,284
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	32,033	32,033	–	33,018	33,018
– Impairment (loss) reversal relating to IPP&E	C1-6	–	(4,739)	(4,739)	–	895	895
Other comprehensive income		–	27,294	27,294	–	33,913	33,913
Total comprehensive income		51,680	27,294	78,974	57,284	33,913	91,197
Closing balance at 30 June		409,709	338,077	747,786	358,029	310,783	668,812

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

Kyogle Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Cash flows from operating activities				
Receipts:				
13,381	Rates and annual charges		13,195	12,112
7,351	User charges and fees		12,387	16,935
1,038	Interest received		1,881	2,131
35,083	Grants and contributions		36,719	88,680
–	Bonds, deposits and retentions received		124	–
3	Other		6,459	8,637
Payments:				
(11,334)	Payments to employees		(11,752)	(11,081)
(4,243)	Payments for materials and services		(22,872)	(23,880)
(231)	Borrowing costs		(231)	(269)
–	Bonds, deposits and retentions refunded		–	(148)
(2,809)	Other		275	(438)
38,239	Net cash provided from (or used in) operating activities	G1-1	36,185	92,679
Cash flows from investing activities				
Receipts:				
1,017	Proceeds from sale of IPPE		520	415
Payments:				
(39,532)	Payments for IPPE		(65,953)	(82,888)
(38,515)	Net cash provided from (or used in) investing activities		(65,433)	(82,473)
Cash flows from financing activities				
Payments:				
(1,791)	Repayment of borrowings		(2,089)	(1,754)
–	Bank overdraft		–	219
(1,791)	Net cash flow provided from (used in) financing activities		(2,089)	(1,535)
(2,067)	Net change in cash and cash equivalents		(31,337)	8,671
60,179	Cash and cash equivalents at beginning of year		60,179	51,508
58,112	Cash and cash equivalents at end of year	C1-1	28,842	60,179

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

Kyogle Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 27 October 2025. Council has the power to amend and reissue these financial statements.

The material accounting policy information related to these financial statements are set out below.

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

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

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain 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) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

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 Note C1-3.

Monies and other assets received by Council

The Consolidated Fund

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

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

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

- General purpose operations
- Water service
- Sewerage service
- Domestic Waste Management

A1-1 Basis of preparation (continued)

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)*, 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.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- Companion Animals Receipts.
- Unclaimed Monies.
- Monumental Deposits.
- Long Services Levies.

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

Volunteer services

Council has minimal dependence on volunteer services, these services have not been recognised in the income statement as they are not material.

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 current reporting period and which have not been adopted.

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.

New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2025. None of these standards had a significant impact on reported position or performance.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
Governance	–	–	574	806	(574)	(806)	–	–	–	–
Administration	45	1	1,857	1,481	(1,812)	(1,480)	–	–	24,003	44,457
Personnel	219	136	1,387	986	(1,168)	(850)	40	35	–	–
Finance	13,033	13,958	913	981	12,120	12,977	2,812	3,710	–	–
Crown reserves	74	247	225	329	(151)	(82)	74	247	–	–
Town planning	178	208	405	586	(227)	(378)	(13)	13	–	–
Environmental health	364	261	850	686	(486)	(425)	197	93	55	110
Building control	52	51	113	132	(61)	(81)	–	–	–	–
Animal control	32	32	261	161	(229)	(129)	–	–	57	58
Other waste management	1,292	1,725	1,197	1,673	95	52	(4)	223	1,542	1,195
Strategic, community & cultural services	66	186	1,012	1,397	(946)	(1,211)	61	182	1,761	2,020
Pre schools	–	2	68	72	(68)	(70)	–	2	–	48
Public libraries	94	94	606	574	(512)	(480)	94	94	1	6
Regional roads	24,456	19,051	2,756	2,256	21,700	16,795	24,456	19,051	66,541	60,707
Urban roads	2,079	7,697	1,423	1,224	656	6,473	2,080	7,697	17,948	21,277
Rural roads	19,329	27,619	10,270	7,092	9,059	20,527	19,329	27,619	299,618	238,175
Bridges	13,961	6,646	1,762	5,955	12,199	691	13,953	6,646	221,927	210,045
Emergency services	19	1,069	874	862	(855)	207	19	1,069	4,765	5,077
Swimming pools	181	146	992	983	(811)	(837)	–	–	4,237	4,433
Parks & gardens	2,563	1,013	1,262	1,129	1,301	(116)	2,562	980	9,024	7,180
Community buildings	457	292	434	426	23	(134)	346	118	12,362	11,847
Public cemeteries	416	283	312	259	104	24	257	105	654	318
Stormwater drainage	225	250	225	231	–	19	5	39	32,946	31,770
Engineering administration	39	105	(1,878)	(3,615)	1,917	3,720	–	32	–	–
Water supplies	2,089	2,174	1,845	2,217	244	(43)	90	168	27,082	27,400
Sewerage services	2,164	2,256	1,424	1,519	740	737	98	298	39,316	38,370
Domestic waste management	1,396	1,460	1,495	1,350	(99)	110	–	–	43	143
State highways	7,947	11,652	8,099	11,171	(152)	481	–	38	(448)	(296)
Quarries	–	–	588	(373)	(588)	373	–	–	1,808	2,180
Plant fund	36	62	(225)	(1,158)	261	1,220	–	29	14,123	13,894
Total functions and activities	92,806	98,676	41,126	41,392	51,680	57,284	66,456	68,488	779,365	720,414

B1-2 Components of functions or activities

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

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, member's fees and expenses, meetings of Council and policy-making committees, public disclosure (e.g. GIPA), and legislative compliance.

Administration

Includes corporate support and other support services and any Council Policy compliance.

Personnel

Includes costs relating to payroll, human resources and workplace health and safety.

Finance

Includes rates, accounts receivable, accounts payable and annual financial reporting requirements.

Crown reserves

Includes costs relating to reserves not controlled by council.

Town Planning

Includes costs relating to planning activities.

Environmental health

Includes costs relating to environmental activities.

Building control

Includes costs relating to building inspections.

Animal control

Includes costs relating to regulatory activities.

Other waste management

Includes costs relating to waste management.

Strategic, community and cultural services

Includes costs relating to Economic development, tourism, visitor information centre, community services and art galleries.

Pre schools

Includes building maintenance and operating contributions to local pre schools.

Public libraries

Includes costs relating to the regional library.

Regional roads

Includes costs relating to sealed and unsealed regional roads and bridges.

Urban roads

Includes costs relating to sealed and unsealed urban roads and footpaths.

Rural roads

Includes costs relating to sealed and unsealed rural roads.

Bridges

Includes costs relating to rural bridges.

Emergency services

Includes costs relating to rural fire brigades, town brigade and state emergency services.

Swimming pools

Includes costs relating to Kyogle, Bonalbo and Woodenbong pool.

B1-2 Components of functions or activities (continued)

Parks and gardens

Includes costs relating to parks, gardens and sporting fields.

Community buildings

Includes costs relating to community buildings.

Public cemeteries

Includes costs relating to cemeteries, lawn cemetery and columbarium walls.

Stormwater drainage

Includes costs relating to drainage improvements and flood mitigation.

Engineering administration

Includes costs relating to provision of engineering services.

Water supplies

All matters relating to the provision of water supplies.

Sewerage services

All matters relating to the provision of sewerage services.

Domestic waste management

Includes costs relating to collection of residential and commercial bins.

State highways

All matters relating to works conducted on state highways.

Quarries

All matters relating to the production of quarry materials for council roadworks.

Plant fund

All matters relating to councils vehicle fleet.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	4,169	3,968
Farmland	4,015	3,771
Business	373	353
Less: pensioner rebates	(206)	(200)
Rates levied to ratepayers	8,351	7,892
Pensioner rate subsidies received	90	108
Total ordinary rates	8,441	8,000
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,392	1,487
Water supply services	1,194	1,141
Sewerage services	1,662	1,568
Drainage	219	210
Waste management services (non-domestic)	546	593
Less: pensioner rebates	(149)	(153)
Annual charges levied	4,864	4,846
Pensioner annual charges subsidies received:		
– Water	25	25
– Sewerage	25	24
– Domestic waste management	58	33
Total annual charges	4,972	4,928
Total rates and annual charges	13,413	12,928

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.

B2-2 User charges and fees

\$ '000	Timing	2025	2024
User charges			
Water supply services	1	807	860
Sewerage services	1	421	407
Waste management services (non-domestic)	1	897	1,055
Total user charges		2,125	2,322
Fees			
Building services – other	2	48	36
Inspection services	2	88	68
Planning and building regulation	2	166	194
Private works – section 67	1	19	22
Section 603 certificates	2	25	22
Other	2	302	202
Art galleries	2	5	3
Caravan parks	2	66	126
Cemeteries	2	159	178
Pools	2	181	146
Quarries	2	–	21
Transport for NSW works (State roads not controlled by council)	1	7,947	11,614
Total fees		9,006	12,632
Total user charges and fees		11,131	14,954
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		10,091	13,959
User charges and fees recognised at a point in time (2)		1,040	995
Total user charges and fees		11,131	14,954

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.

B2-3 Other revenues

\$ '000	Timing	2025	2024
Other	2	39	76
Total other revenue		39	76
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		—	—
Other revenue recognised at a point in time (2)		39	76
Total other revenue		39	76

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.

B2-4 Grants and contributions

\$ '000	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance ³	2	971	364	—	—
Payment in advance - future year allocation					
Financial assistance ³	2	3,240	5,219	—	—
Amount recognised as income during current year		4,211	5,583	—	—
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Water supplies	1	—	—	82	152
Sewerage services	1	—	—	95	298
Bushfire and emergency services	2	—	—	—	1,048
Library	2	94	94	—	—
LIRS subsidy	2	5	16	—	—
Storm/flood damage	2	—	85	—	—
Community projects	1	262	676	3,164	1,200
Street lighting	2	37	74	—	—
Transport (other roads and bridges funding)	1	28	3,835	57,143	53,985
Transport for NSW contributions (regional roads, block grant)	2	1,126	1,105	—	—
Other contributions	2	143	196	—	25
Total special purpose grants and non-developer contributions – cash		1,695	6,081	60,484	56,708
Total special purpose grants and non-developer contributions (tied)		1,695	6,081	60,484	56,708
Total grants and non-developer contributions		5,906	11,664	60,484	56,708
Comprising:					
– Commonwealth funding		4,241	6,496	5,324	10,026
– State funding		1,522	4,972	55,160	46,682
– Other funding		143	196	—	—
		5,906	11,664	60,484	56,708

(3) \$3.24m of the 2025 - 2026 Financial Assistance Grant from the Commonwealth Government was received by Council in June 2025 and hence is reported as 2024 - 2025 income although it relates to the 2025 - 2026 financial year.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
	G4					
Cash contributions						
S 7.11 – contributions towards amenities/services		2	47	116	19	–
Total developer contributions – cash			47	116	19	–
Total developer contributions			47	116	19	–
Total contributions			47	116	19	–
Total grants and contributions			5,953	11,780	60,503	56,708
Timing of revenue recognition						
Grants and contributions recognised over time (1)			290	4,511	60,484	55,635
Grants and contributions recognised at a point in time (2)			5,663	7,269	19	1,073
Total grants and contributions			5,953	11,780	60,503	56,708

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds at 1 July	2,539	3,645	28,525	10,362
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	2,034	2,539	8,646	28,525
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(2,539)	(3,645)	(28,525)	(10,362)
Less: Funds received in prior year but revenue recognised and funds spent in current year	—	—	—	—
Unspent funds at 30 June	2,034	2,539	8,646	28,525

Various grants for roads, bridges, parks, community buildings and community projects

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

Capital grants

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

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

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

Developer contributions

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

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

B2-4 Grants and contributions (continued)

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	66	52
– Cash and investments	1,701	2,178
Total interest and investment income (losses)	1,767	2,230

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	11,183	10,840
Employee leave entitlements (ELE)	2,394	2,450
Superannuation – defined contribution plans	1,309	1,249
Superannuation – defined benefit plans	124	114
Workers' compensation insurance	345	240
Fringe benefit tax (FBT)	19	64
Training costs (other than salaries and wages)	123	323
Other	367	336
Total employee costs	15,864	15,616
Less: capitalised costs	(3,987)	(4,566)
Total employee costs expensed	11,877	11,050
Number of 'full-time equivalent' employees (FTE) at year end	133	142

Material accounting policy information

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 Note E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		13,559	11,206
Audit Fees	F2-1	104	97
Councillor and Mayoral fees and associated expenses	F1-2	165	165
Advertising		55	47
Electricity and heating		421	339
Insurance		508	537
Street lighting		101	119
Subscriptions and publications		7	18
Telephone and communications		96	106
Emergency services		516	524
Regional library		523	498
Legal expenses:			
– Legal expenses: debt recovery		33	37
– Legal expenses: other		4	24
Total materials and services		16,092	13,717
Total materials and services		16,092	13,717

B3-3 Borrowing costs

\$ '000	Notes	2025	2024
(i) Interest bearing liability costs			
Interest on loans		222	260
Total interest bearing liability costs		222	260
Total interest bearing liability costs expensed		222	260
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	11	23
Total other borrowing costs		11	23
Total borrowing costs expensed		233	283

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

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Plant and equipment		1,767	1,763
Office equipment		20	29
Furniture and fittings		5	1
Land improvements (depreciable)		2	2
Infrastructure:	C1-6		
– Buildings		595	551
– Other structures		466	428
– Roads		5,764	4,731
– Bridges		1,803	1,870
– Footpaths		108	102
– Stormwater drainage		100	99
– Water supply network		399	380
– Sewerage network		291	270
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-6	2	2
Total gross depreciation and amortisation costs		11,322	10,228
Total depreciation and amortisation costs		11,322	10,228
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-6		
– Roads		4,739	(573)
– Bridges		–	(322)
Total gross IPPE impairment / revaluation decrement costs		4,739	(895)
Amounts taken through revaluation reserve	C1-6	(4,739)	895
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	–
Total depreciation, amortisation and impairment for non-financial assets		11,322	10,228

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

B3-5 Other expenses

\$ '000	Notes	2025	2024
Impairment of receivables			
User charges and fees		2	(3)
Total impairment of receivables	C1-3	2	(3)
Other			
Donations, contributions and assistance to other organisations (Section 356)		353	399
Total other		353	399
Total other expenses		355	396

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		520	415
Less: carrying amount of plant and equipment assets sold/written off		(285)	(363)
Gain (or loss) on disposal		235	52
Gain (or loss) on disposal of infrastructure	C1-6		
Less: carrying amount of infrastructure assets sold/written off		(1,482)	(5,770)
Gain (or loss) on disposal		(1,482)	(5,770)
Net gain (or loss) from disposal of assets		(1,247)	(5,718)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 11 June 2024 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	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
User charges and fees Level of Transport NSW works higher than anticipated.	7,351	11,131	3,780	51% F
Other revenues Sundry income higher than anticipated.	3	39	36	1,200% F
Capital grants and contributions Additional funding approved after initial estimates adopted.	27,669	60,503	32,834	119% F
Interest and investment revenue Level of funds invested higher than anticipated.	1,038	1,767	729	70% F
Net gains from disposal of assets Council does not budget for disposal of infrastructure assets.	136	–	(136)	(100)% U
Expenses				
Materials and services Level of Transport NSW works higher than anticipated. Additional projects approved throughout the year.	4,243	16,092	(11,849)	(279)% U
Depreciation, amortisation and impairment of non-financial assets Roads revaluation has led to increased depreciation expense.	9,418	11,322	(1,904)	(20)% U
Other expenses Estimates recategorised during the financial year.	2,809	355	2,454	87% F
Net losses from disposal of assets Council does not budget for disposal of infrastructure assets.	–	1,247	(1,247)	∞ U

Statement of cash flows

Cash flows from investing activities Additional infrastructure expenditure due to flood damage approvals received after initial estimates adopted.	(38,515)	(65,433)	(26,918)	70% U
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C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash assets		
Cash on hand and at bank	11,842	23,179
Cash equivalent assets		
– Deposits at call	17,000	37,000
Total cash and cash equivalents	28,842	60,179
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	28,842	60,179
Balance as per the Statement of Cash Flows	28,842	60,179

C1-2 Restricted and allocated cash, cash equivalents and investments

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	28,842	60,179
Less: Externally restricted cash, cash equivalents and investments	(13,613)	(32,839)
Cash, cash equivalents and investments not subject to external restrictions	15,229	27,340
External restrictions		
External restrictions included in cash, cash equivalents and investments above comprise:		
Retention bonds and deposits	408	284
Specific purpose unexpended grants – general fund	10,680	31,064
External restrictions	11,088	31,348
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	240	169
Developer contributions – sewer fund	65	59
Sewer fund	2,220	1,252
Domestic waste management	–	11
External restrictions – other	2,525	1,491
Total external restrictions	13,613	32,839

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

C1-2 Restricted and allocated cash, cash equivalents and investments (continued)

\$ '000	2025	2024
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	15,229	27,340
Less: Internally allocated cash, cash equivalents and investments	<u>(14,984)</u>	<u>(13,356)</u>
Unrestricted and unallocated cash, cash equivalents and investments	245	13,984

Internal allocations

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

Plant and vehicle replacement	500	2,113
Employees leave entitlement	1,468	1,294
Carry over works	10,130	6,026
Building replacement	150	150
Commercial waste	436	573
Emergency works	500	500
Information technology	100	100
Quarries	500	1,400
Roads and bridges	1,000	1,000
Stormwater management	200	200
Total internal allocations	14,984	13,356

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

C1-3 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	1,119	–	896	–
User charges and fees	2,947	–	3,324	–
Accrued revenues				
– Interest on investments	121	–	235	–
Government grants and subsidies	10,586	–	657	–
Net GST receivable	1,415	–	1,035	–
Other debtors	–	–	1	–
Total	16,188	–	6,148	–
Total net receivables	16,188	–	6,148	–

\$ '000	2025	2024
Movement in provision for impairment of receivables		
Balance at the beginning of the year	–	4
Impairment loss recognised	–	(4)
Balance at the end of the year	–	–

C1-3 Receivables (continued)

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 presumption 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.

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

C1-4 Inventories

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
(i) Inventories at cost				
Stores and materials	1,753	–	2,338	–
Trading stock	480	–	543	–
Total inventories at cost	2,233	–	2,881	–
Total inventories	2,233	–	2,881	–

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.

C1-5 Contract assets and Contract cost assets

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Contract assets	3,132	–	2,876	–
Total contract assets and contract cost assets	3,132	–	2,876	–

Contract assets

Grants - Transport	3,132	–	2,876	–
Total contract assets	3,132	–	2,876	–

Significant changes in contract assets

The 2024 balance related to Remote Roads Upgrade Program, Fixing Local Roads & Flood damage. In 2025 Council has contract assets relating to Flood damage & National water grid funding.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period								At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss recognised in equity (ARR)	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	48,169	–	48,169	46,459	4,038	–	–	–	(25,305)	–	–	73,361	–	73,361
Plant and equipment	25,327	(14,050)	11,277	2,215	–	(285)	(1,767)	–	–	–	–	25,112	(13,673)	11,439
Office equipment	802	(766)	36	7	–	–	(20)	–	–	–	–	809	(786)	23
Furniture and fittings	31	(26)	5	–	–	–	(5)	–	–	–	–	32	(31)	1
Land:														
– Operational land	9,565	–	9,565	–	–	–	–	–	–	–	191	9,756	–	9,756
– Community land	1,687	–	1,687	–	–	–	–	–	–	–	34	1,721	–	1,721
– Land under roads (pre 1/7/08)	2,221	–	2,221	–	–	–	–	–	–	–	44	2,265	–	2,265
– Land under roads (post 30/6/08)	4	–	4	–	–	–	–	–	–	–	–	4	–	4
Land improvements – depreciable	45	(11)	34	–	–	–	(2)	–	–	–	2	46	(12)	34
Infrastructure:														
– Buildings	38,330	(19,577)	18,753	271	–	–	(595)	–	370	–	776	40,654	(21,079)	19,575
– Other structures	18,607	(9,878)	8,729	420	464	(21)	(466)	–	1,502	–	420	21,851	(10,803)	11,048
– Roads	314,871	(90,640)	224,231	2,125	340	(1,312)	(5,764)	(4,739)	11,988	–	20,496	367,677	(120,312)	247,365
– Bridges	267,667	(61,027)	206,640	9,934	53	(94)	(1,803)	–	1,923	–	5,274	278,611	(56,684)	221,927
– Footpaths	7,262	(1,752)	5,510	–	–	–	(108)	–	–	–	141	7,452	(1,909)	5,543
– Bulk earthworks (non-depreciable)	18,641	–	18,641	752	–	–	–	–	7,736	–	2,431	29,560	–	29,560
– Stormwater drainage	36,100	(4,530)	31,570	216	3	(34)	(100)	–	226	–	865	37,506	(4,760)	32,746
– Water supply network	39,930	(13,533)	26,397	7	–	(21)	(399)	–	251	(545)	645	40,644	(14,309)	26,335
– Sewerage network	45,283	(10,468)	34,815	18	262	–	(291)	–	160	545	714	47,337	(11,114)	36,223
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	525	(479)	46	–	–	–	(2)	–	–	–	–	525	(481)	44
– Quarry assets	507	(507)	–	–	–	–	–	–	–	–	–	507	(507)	–
Total infrastructure, property, plant and equipment	875,574	(227,244)	648,330	62,424	5,160	(1,767)	(11,322)	(4,739)	(1,149)	–	32,033	985,430	(256,460)	728,970

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

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss recognised in equity (ARR)	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	17,079	–	17,079	37,153	1,978	–	–	–	(8,041)	–	–	48,169	–	48,169
Plant and equipment	23,682	(12,944)	10,738	2,075	591	(364)	(1,763)	–	–	–	–	25,327	(14,050)	11,277
Office equipment	834	(787)	47	18	–	–	(29)	–	–	–	–	802	(766)	36
Furniture and fittings	31	(25)	6	–	–	–	(1)	–	–	–	–	31	(26)	5
Land:														
– Operational land	9,040	–	9,040	–	–	–	–	–	–	70	455	9,565	–	9,565
– Community land	1,677	–	1,677	–	–	–	–	–	–	(70)	80	1,687	–	1,687
– Land under roads (pre 1/7/08)	2,115	–	2,115	–	–	–	–	–	–	–	106	2,221	–	2,221
– Land under roads (post 30/6/08)	3	–	3	–	–	–	–	–	–	–	1	4	–	4
Land improvements – depreciable	42	(8)	34	–	–	–	(2)	–	–	–	2	45	(11)	34
Infrastructure:														
– Buildings	35,633	(17,510)	18,123	335	69	–	(551)	–	290	–	487	38,330	(19,577)	18,753
– Other structures	10,626	(4,434)	6,192	9	2	–	(428)	–	–	2,508	446	18,607	(9,878)	8,729
– Roads	300,965	(87,097)	213,868	22,397	234	(1,373)	(4,731)	573	684	–	(7,421)	314,871	(90,640)	224,231
– Bridges	215,499	(56,511)	158,988	15,206	–	(4,286)	(1,870)	322	6,544	–	31,736	267,667	(61,027)	206,640
– Footpaths	4,626	(1,032)	3,594	127	–	(9)	(102)	–	–	–	1,900	7,262	(1,752)	5,510
– Bulk earthworks (non-depreciable)	17,626	–	17,626	–	–	–	–	–	–	–	1,015	18,641	–	18,641
– Stormwater drainage	34,318	(4,218)	30,100	219	–	(65)	(99)	–	252	–	1,163	36,100	(4,530)	31,570
– Water supply network	37,899	(12,540)	25,359	73	2	(26)	(380)	–	–	–	1,369	39,930	(13,533)	26,397
– Sewerage network	43,102	(9,707)	33,395	22	–	(10)	(270)	–	–	–	1,679	45,283	(10,468)	34,815
– Swimming pools	6,779	(4,271)	2,508	–	–	–	–	–	–	(2,508)	–	–	–	–
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	491	(477)	14	–	–	–	(2)	–	–	34	–	525	(479)	46
– Quarry assets	507	(507)	–	–	–	–	–	–	–	–	–	507	(507)	–
Total infrastructure, property, plant and equipment	762,574	(212,068)	550,506	77,634	2,876	(6,133)	(10,228)	895	(271)	34	33,018	875,574	(227,244)	648,330

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

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

Material accounting policy information

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

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

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

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

Revaluation model

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

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

Useful lives of IPPE

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5	Playground equipment	5 to 15
Office furniture	5	Benches, seats etc.	10 to 20
Computer equipment	3		
Vehicles	10 to 20	Buildings	
Heavy plant/road making equipment	10	Buildings: masonry	80 to 170
Other plant and equipment	10	Buildings: other	15 to 65
Water and sewer assets		Stormwater assets	
Civil works	15 to 150	Drains	144 to 203
Mechanical and electrical	15 to 60	Culverts	150 to 203
Reticulation pipes: Water	65 to 203		
Reticulation pipes: Sewer	133 to 319		
Transportation assets			
Sealed roads: surface	10 to 35		
Sealed roads: structure	100		
Unsealed roads	20 to 38		
Bridge: concrete	141		
Bridge: timber	141		
Road pavements	125		
Kerb, gutter and footpaths	30 to 70		

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

Land under roads

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

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

Council has elected to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Crown reserves

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

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

Rural Fire Service assets

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

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

C2 Leasing activities

C2-1 Council as a lessee

Council is not party to any lease arrangements that would require recognition under AASB 16.

Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market value for land and buildings which are used for Pre Schools.

The leases are generally between 1 and 20 years and require payments of less than \$1,000 per year.

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

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.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Goods and services – operating expenditure	2,822	–	2,605	–
Goods and services – capital expenditure	5,457	–	4,975	–
Accrued expenses:				
– Borrowings	53	–	62	–
– Salaries and wages	621	–	627	–
– Other expenditure accruals	147	–	145	–
Security bonds, deposits and retentions	250	158	150	134
Prepaid rates	290	–	285	–
Total payables	9,640	158	8,849	134

Current payables not anticipated to be settled within the next twelve months

\$ '000	2025	2024
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	–	–
Other liabilities	–	–
Total payables	–	–

Material accounting policy information

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

C3-2 Contract Liabilities

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	7,597	–	27,149	–
Total grants received in advance		7,597	–	27,149	–
Total contract liabilities		7,597	–	27,149	–

Notes

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

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

\$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	20,870	2,102
Total revenue recognised that was included in the contract liability balance at the beginning of the period	20,870	2,102

Significant changes in contract liabilities

Council has received funding in advance for "Public Spaces Legacy Program", "Betterment Funding", "Flood Immunity", "Regional Tourism Activation Fund", Bushfire Local Economic Recovery Fund" & "Stronger Country Communities Fund".

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Bank overdraft	–	–	298	–
Loans – secured ¹	1,545	8,257	1,791	9,802
Total borrowings	1,545	8,257	2,089	9,802

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

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

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	11,593	(1,791)	–	–	–	–	9,802
Total liabilities from financing activities	11,593	(1,791)	–	–	–	–	9,802

\$ '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	13,347	(1,754)	–	–	–	–	11,593
Total liabilities from financing activities	13,347	(1,754)	–	–	–	–	11,593

(b) Financing arrangements

\$ '000	2025	2024
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Total facilities

Total financing facilities available to Council at the reporting date are:

Credit cards/purchase cards	60	12
Total financing arrangements	60	12

Drawn facilities

Financing facilities drawn down at the reporting date are:

Undrawn facilities

Undrawn financing facilities available to Council at the reporting date are:

– Credit cards/purchase cards	60	12
Total undrawn financing arrangements	60	12

Additional financing arrangements information

Breaches and defaults

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

C3-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	1,138	–	1,182	–
Long service leave	1,345	288	1,272	164
Other leave – time in lieu	61	–	56	–
ELE on-costs	152	–	144	–
Total employee benefit provisions	2,696	288	2,654	164

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

\$ '000	2025	2024
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The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	1,310	1,091
	1,310	1,091

Material accounting policy information

Long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	1,398	–	761
Sub-total – asset remediation/restoration	–	1,398	–	761
Total provisions	–	1,398	–	761

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2025		
At beginning of year	761	761
Changes to provision:		
– Revised costs	675	675
Unwinding of discount	11	11
Remeasurement effects	(49)	(49)
Total other provisions at end of year	1,398	1,398
2024		
At beginning of year	728	728
Changes to provision:		
– Revised costs	34	34
Unwinding of discount	23	23
Remeasurement effects	(24)	(24)
Total other provisions at end of year	761	761

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarries.

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

Asset/operation	Estimated year of restoration	NPV of provision	
		2025	2024
Tip Remediation - Kyogle	2051	294	329
Tip Remediation - Mallanganee	2027	7	10
Tip Remediation - Woodenbong	2048	135	141
Quarry Remediation - Millers	2027	772	71
Quarry Remediation - Medhurst	2034	128	145
Quarry Remediation - Griffiths	2028	21	21
Quarry Remediation - Lloyds	2031	41	44
Balance at the end of the reporting period		1,398	761

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.

C3-5 Provisions (continued)

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 and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

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

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

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2025	Water 2025	Sewer 2025
Income from continuing operations			
Rates and annual charges	10,598	1,173	1,642
User charges and fees	9,888	823	420
Interest and investment revenue	1,761	2	4
Other revenues	39	—	—
Grants and contributions provided for operating purposes	5,948	5	—
Grants and contributions provided for capital purposes	60,320	85	98
Total income from continuing operations	88,554	2,088	2,164
Expenses from continuing operations			
Employee benefits and on-costs	10,977	526	374
Materials and services	13,638	801	1,653
Borrowing costs	173	9	51
Other expenses	63	199	93
Net losses from the disposal of assets	1,226	21	—
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	26,077	1,556	2,171
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	62,477	532	(7)
Depreciation, amortisation and impairment of non-financial assets	10,632	399	291
Operating result from continuing operations	51,845	133	(298)
Net operating result for the year	51,845	133	(298)
Net operating result attributable to each council fund	51,845	133	(298)
Net operating result for the year before grants and contributions provided for capital purposes	(8,475)	48	(396)

D1-2 Statement of Financial Position by fund

\$ '000	General 2025	Water 2025	Sewer 2025
ASSETS			
Current assets			
Cash and cash equivalents	26,557	–	2,285
Receivables	15,548	382	258
Inventories	2,233	–	–
Contract assets and contract cost assets	3,104	28	–
Total current assets	47,442	410	2,543
Non-current assets			
Infrastructure, property, plant and equipment	665,441	26,756	36,773
Total non-current assets	665,441	26,756	36,773
Total assets	712,883	27,166	39,316
LIABILITIES			
Current liabilities			
Payables	9,546	90	4
Contract liabilities	7,597	–	–
Borrowings	1,410	101	34
Employee benefit provision	2,430	133	133
Total current liabilities	20,983	324	171
Non-current liabilities			
Payables	158	–	–
Borrowings	7,552	67	638
Employee benefit provision	288	–	–
Provisions	1,398	–	–
Total non-current liabilities	9,396	67	638
Total liabilities	30,379	391	809
Net assets	682,504	26,775	38,507
EQUITY			
Accumulated surplus	381,868	15,665	12,176
IPPE revaluation surplus	300,636	11,110	26,331
Council equity interest	682,504	26,775	38,507
Total equity	682,504	26,775	38,507

D2 Interests in other entities

D2-1 Subsidiaries, joint arrangements and associates not recognised

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

Name of entity/operation	Principal activity/type of entity	2025	2025
		Net loss	Net assets
Newlog	Vehicle Weight Limits	(14)	114

Reasons for non-recognition

The Council is a member of the North-East Weight of Loads Group. The constitution of the group specifies the council as having a part "ownership" of the groups net assets but not one member as having control. The stated objectives of the group include to generally promote the aims of reducing damage to Councils roads by policing of vehicles weight limits.

Council's share of the operations (12.5%) have been deemed as "immaterial" and therefore have not been incorporated into these Financial Statements.

E Risks and accounting uncertainties

E1-1 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 finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2025	Carrying value 2024	Fair value 2025	Fair value 2024
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	28,842	60,179	29,034	60,179
Receivables	16,188	6,148	16,188	6,148
Total financial assets	45,030	66,327	45,222	66,327
Financial liabilities				
Measured at amortised cost				
Bank overdraft	–	298	192	298
Payables	9,798	8,983	9,798	8,983
Loans/advances	9,802	11,593	10,925	10,902
Total financial liabilities	19,600	20,874	20,915	20,183

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and measured at amortised cost investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) **at fair value through profit and loss** or (ii) **at fair value through other comprehensive income** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

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

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

The risks associated with the instruments held are:

- **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.

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

- **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.

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
The impact on the 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	290	602

(b) Credit risk

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

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

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

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

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

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 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.

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2025				
Gross carrying amount	1,047	72	–	1,119
2024				
Gross carrying amount	836	60	–	896

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.

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2025						
Gross carrying amount	18,201	—	—	—	—	18,201
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2024						
Gross carrying amount	8,128	—	—	—	—	8,128
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
\$ '000							
2025							
Payables	0.00%	408	9,390	–	–	9,798	9,798
Borrowings	2.06%	–	1,740	6,673	2,249	10,662	9,802
Total financial liabilities		408	11,130	6,673	2,249	20,460	19,600
2024							
Bank overdraft	0.00%	298	–	–	–	298	298
Payables	0.00%	284	8,699	–	–	8,983	8,983
Borrowings	2.08%	–	2,022	6,960	3,703	12,685	11,593
Total financial liabilities		582	10,721	6,960	3,703	21,966	20,874

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

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).

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024	2025	2024
Recurring fair value measurements									
Infrastructure, property, plant and equipment	C1-6								
Plant & Equipment		30/06/25	30/06/24	—	—	11,439	11,277	11,439	11,277
Office Equipment		30/06/25	30/06/24	—	—	23	36	23	36
Furniture & Fittings		30/06/25	30/06/24	—	—	1	5	1	5
Land Operational		01/07/22	01/07/22	—	—	9,756	9,565	9,756	9,565
Land Community		01/07/22	01/07/22	—	—	1,721	1,687	1,721	1,687
Land under Roads		30/06/21	30/06/21	—	—	2,269	2,225	2,269	2,225
Land Improvements		01/07/22	01/07/22	—	—	33	34	33	34
Buildings		01/07/22	01/07/22	—	—	19,575	18,753	19,575	18,753
Other Structures		01/07/22	01/07/22	—	—	11,048	8,729	11,048	8,729
Roads		01/07/24	31/03/20	—	—	247,365	224,231	247,365	224,231
Bridges		01/07/23	01/07/23	—	—	221,927	206,640	221,927	206,640
Footpaths		01/07/23	01/07/23	—	—	5,543	5,510	5,543	5,510
Earthworks		01/07/24	31/03/20	—	—	29,560	18,641	29,560	18,641
Stormwater Drainage		01/07/21	01/07/21	—	—	32,746	31,570	32,746	31,570
Water Supply		01/07/21	01/07/21	—	—	26,335	26,397	26,335	26,397
Sewerage Network		01/07/21	01/07/21	—	—	36,223	34,815	36,223	34,815
Reinstatement Assets		30/06/25	30/06/24	—	—	44	46	44	46
Total infrastructure, property, plant and equipment				—	—	655,608	600,161	655,608	600,161

Note that Capital WIP is not included above since it is carried at cost.

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

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

- Plant and Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computers, servers etc.
- Furniture & Fittings - Chairs & desks etc.

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

Operational & Community Land & Land Improvements

The key unobservable input to the valuation of these classes of assets is the price per square metre. The last valuation was undertaken at 1 July 2022 and was performed by Marsh Pty Ltd.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal.

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

Land Under Roads

Land under roads has been valued using the Englobo method for nearby or adjacent Community Land having regard to the highest and best use for this land. Land under roads was revalued at 30 June 2021 by internal staff.

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

Buildings

Buildings were valued by Marsh Pty Ltd at 1 July 2022 using the cost approach. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected inputs such as pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs.

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

E2-1 Fair value measurement (continued)

Other Structures

These assets include all other structures not included in the category of Buildings. Examples include statues, fences, monuments and clocktowers. Other Structures were valued by Marsh Pty Ltd at 1 July 2022 using the cost approach. The approach estimated the replacement cost for each structure by componentising the structures into significant parts with different useful lives and taking into account a range of factors. While all structures were physically inspected inputs such as pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

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

Roads (including Bulk Earthworks)

Roads were revalued at 1 July 2024 by internal staff valuation. The calculation of unit rates has been based on a series of project construction costs. A sample of 6 projects was taken which represents a range of construction types. The costs used in the analysis were based on figures derived from Council 'Work Order' system. The total cost and area for each project were used to derive an average unit cost. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and road type. This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class includes the road formation (bulk earthworks) road pavement and road seal, along with other road assets including kerb and guttering, guardrail and roadside furniture including signs and other traffic management devices. The cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken in-house based on actual costs and assumptions from Council's Engineering Department. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Bridges

Bridges were revalued at 1 July 2023 by internal staff valuation. The calculation of unit rates has been based on a series of project construction costs (estimated or actual). This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

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

Footpaths

Footpaths were revalued at 1 July 2023 by internal staff valuation. The calculation of unit rates has been based on a series of project construction costs. The costs used in the analysis were based on figures derived from Council 'Work Order' system. This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Drainage Infrastructure

Assets within this class comprise pits and pipes.

Drainage infrastructure was revalued at 1 July 2021 by internal staff valuation. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

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

E2-1 Fair value measurement (continued)

Water Supply

Assets within this class comprise reservoirs, pumping stations and, water pipelines.

Water Supply infrastructure was revalued as at 1 July 2021 by internal staff valuation. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the DCCEEW.

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

Sewerage Network

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

Sewerage Network infrastructure was revalued at 1 July 2021 by internal staff valuation. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the DCCEEW.

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

Fair value measurements using significant unobservable inputs (level 3)

a. The valuation process for level 3 fair value measurements

Fair Value Techniques

The valuation techniques prescribed by AASB 13 can be summarised as:

'Cost Approach': A valuation technique that reflects the amount that would be required to replace the service capacity of an asset (current replacement cost).

'Income Approach': A valuation technique that converts future amounts (cash inflows / outflows) to signal the current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about these future amounts.

'Market Approach': A valuation technique that uses prices and other relevant information, generated by market transactions involving identical or comparable (similar) assets, liabilities or a group of assets and liabilities such as a business.

Valuation Techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. 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:

Level 2 valuation process for some asset classes where the basis was Cost Approach under Level 2 input, whereby maximising observable inputs and minimising unobservable inputs as below:

- * Quoted prices for similar asset in active markets
- * Current replacement cost concept
- * Purchase price
- * Useful life

Level 3 valuation process for some asset classes where the basis was Cost Approach. The inputs used for this technique were:

- * Pattern of consumption
- * Asset condition
- * Unit rates
- * Useful life

E2-1 Fair value measurement (continued)

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Operational land	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	11,277	10,738	36	47	5	6	9,565	7,411
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	–	–	191	2,154
Other movements								
Purchases (GBV)	2,214	2,666	7	18	–	–	–	–
Disposals (WDV)	(285)	(364)	–	–	–	(1)	–	–
Depreciation and impairment	(1,767)	(1,763)	(20)	(29)	(5)	–	–	–
Closing balance	11,439	11,277	23	36	–	5	9,756	9,565

\$ '000	Community land		Crown lands		Land under Roads		Land improvements	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	1,687	1,677	–	1,628	2,224	2,118	34	34
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	34	10	–	(1,628)	45	106	–	2
Other movements								
Depreciation and impairment	–	–	–	–	–	–	(1)	(2)
Closing balance	1,721	1,687	–	–	2,269	2,224	33	34

\$ '000	Buildings non specialised		Building specialised		Other structures		Roads	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	2,903	2,801	15,849	15,322	8,729	6,192	224,231	213,868
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	187	776	299	420	2,954	15,757	(6,847)
Other movements								
Transfers from/(to) another asset class	(2,903)	–	2,903	–	–	–	–	–
Purchases (GBV)	–	–	642	694	2,386	11	14,453	23,315
Disposals (WDV)	–	–	–	–	(21)	–	(1,312)	(1,374)
Depreciation and impairment	–	(85)	(595)	(466)	(466)	(428)	(5,764)	(4,731)
Closing balance	–	2,903	19,575	15,849	11,048	8,729	247,365	224,231

E2-1 Fair value measurement (continued)

\$ '000	Bridges		Footpaths		Bulk earthworks		Stormwater drainage	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	206,640	158,988	5,510	3,594	18,641	17,626	31,569	30,100
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	5,275	32,058	141	1,900	2,431	1,015	865	1,162
Other movements								
Purchases (GBV)	11,909	21,750	–	127	8,488	–	446	471
Disposals (WDV)	(94)	(4,286)	–	(9)	–	–	(34)	(65)
Depreciation and impairment	(1,803)	(1,870)	(108)	(102)	–	–	(100)	(99)
Closing balance	221,927	206,640	5,543	5,510	29,560	18,641	32,746	31,569

\$ '000	Water supply network		Sewerage network		Swimming pools		Reinstate-ment assets	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	26,397	25,360	34,815	33,395	–	2,508	46	14
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	100	1,368	1,259	1,678	–	(2,508)	–	–
Other movements								
Purchases (GBV)	258	75	439	22	–	–	–	34
Disposals (WDV)	(21)	(26)	–	(10)	–	–	–	–
Depreciation and impairment	(399)	(380)	(290)	(270)	–	–	(2)	(2)
Closing balance	26,335	26,397	36,223	34,815	–	–	44	46

\$ '000	Total	
	2025	2024
Opening balance	600,158	533,427
Recognised in other comprehensive income – revaluation surplus	27,294	33,910
Purchases (GBV)	41,242	49,183
Disposals (WDV)	(1,767)	(6,135)
Depreciation and impairment	(11,320)	(10,227)
Closing balance	655,607	600,158

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 9.5% of salaries 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. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2025 was \$ 124,073.35. The last valuation of the Scheme was performed by Richard Boyland FIAA, and covers the period ended 30 June 2024.

E3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$11,707.13. Council's expected contribution to the plan for the next annual reporting period is \$55,813.25.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2025 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.0%
Vested Benefits	2,130.4	103.2%

* 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 \$11,707.13 as at 30 June 2025.

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	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.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

E3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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

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

(ii) Richmond Upper-Clarence Regional Library

Council together with other local government authorities have entered into an agreement to operate a regional library known as the Richmond Upper-Clarence Regional Library. Annually, the Council contributes to the library to fund its activities based upon a prescribed formula. In the event that Council wishes to withdraw from the agreement, the assets and liabilities of the Regional Library attributable to Council will be determined by the Library Board of New South Wales.

(iii) Section 7.11 Infrastructure

Council has significant obligations to provide Section 7.11 infrastructure in new release areas. It is possible that funds contributed may be less than the cost of this infrastructure requiring Council to borrow or use general revenue to fund the difference (Refer Note G4).

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	1,008	996
Post-employment benefits	112	138
Other long-term benefits	32	(90)
Termination benefits	6	189
Total	1,158	1,233

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		Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref					
2025						
NIL		–	–		–	–
2024						
Employee expenses relating to close family members of KMP	1	94	–		–	–
NIL		–	–		–	–

1 One (1) close family member of Council's KMP is employed by the Council under the relevant pay award on an arms length basis

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	27	28
Councillors' fees	111	117
Other Councillors' expenses (including Mayor)	27	20
Total	165	165

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	100	93
Other audit services	4	4

Remuneration for audit and other assurance services	104	97
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Total Auditor-General remuneration	104	97
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Total audit fees	104	97
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G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	51,680	57,284
Add / (less) non-cash items:		
Depreciation and amortisation	11,322	10,228
(Gain) / loss on disposal of assets	1,247	5,718
Unwinding of discount rates on reinstatement provisions	11	23
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(10,040)	3,739
Increase / (decrease) in provision for impairment of receivables	–	(4)
(Increase) / decrease of inventories	648	(598)
(Increase) / decrease of contract asset	(256)	(1,492)
Increase / (decrease) in payables	217	(626)
Increase / (decrease) in accrued interest payable	(9)	(9)
Increase / (decrease) in other accrued expenses payable	(4)	90
Increase / (decrease) in other liabilities	129	(903)
Increase / (decrease) in contract liabilities	(19,552)	19,389
Increase / (decrease) in employee benefit provision	166	(170)
Increase / (decrease) in other provisions	626	10
Net cash flows from operating activities	36,185	92,679

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2025	2024
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Bridge Infrastructure	–	3,287
Buildings	2,666	–
Plant and equipment	–	629
Other	2,841	3,511
Total commitments	5,507	7,427

These expenditures are payable as follows:

Within the next year	5,507	6,918
Later than one year and not later than 5 years	–	509
Total payable	5,507	7,427

Sources for funding of capital commitments:

Unrestricted general funds	1,180	–
Future grants and contributions	4,082	962
Unexpended grants	245	5,836
Internally restricted reserves	–	629
Total sources of funding	5,507	7,427

Details of capital commitments

Restoration of 3 landslips and construction of Mallanganee Observatory.

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	147	55	–	–	7	–	–	209	–
Open space	22	–	–	–	1	–	–	23	–
S7.11 contributions – under a plan	169	55	–	–	8	–	–	232	–
Total S7.11 and S7.12 revenue under plans	169	55	–	–	8	–	–	232	–
S64 contributions	59	11	–	–	3	–	–	73	–
Total contributions	228	66	–	–	11	–	–	305	–

Under the *Environmental Planning and Assessment Act 1979*, local infrastructure contributions, also known as developer contributions, are charged by councils when new development occurs. They help fund infrastructure like parks, community facilities, local roads, footpaths, stormwater drainage and traffic management. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
S7.11 contributions – under a plan									
CONTRIBUTION PLAN NUMBER 1									
Roads	147	55	–	–	7	–	–	209	–
Open space	22	–	–	–	1	–	–	23	–
Total	169	55	–	–	8	–	–	232	–

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Kyogle Council

To the Councillors of Kyogle Council

Opinion

I have audited the accompanying financial statements of Kyogle 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 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of the Division
 - are, in all material respects, consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

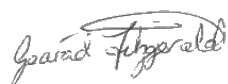
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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

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

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

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



Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

31 October 2025
SYDNEY



Cr Danielle Mulholland
Mayor
Kyogle Council
PO Box 11
KYOGLÉ NSW 2474

Contact: Gearoid Fitzgerald
Phone no: 02 9275 7392
Our ref: [R008-1981756498-7541](#)

31 October 2025

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2025
Kyogle Council**

I have audited the general purpose financial statements (GPFS) of the Kyogle Council (the Council) for the year ended 30 June 2025 as required by section 415 of the *Local Government Act 1993* (the Act).

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

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

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2025 is issued in accordance with section 417 of the Act. The Report:

- must address the specific matters outlined in the Local Government Code of Accounting Practice and Financial Reporting 2024-25
- may include statements, comments and recommendations that I consider to be appropriate based on the conduct of the audit of the GPFS.

This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Financial performance

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	13.4	12.9	3.9
Grants and contributions provided for operating purposes revenue	6.0	11.8	49.2
Grants and contributions provided for capital purposes revenue	60.5	56.7	6.7
Operating result from continuing operations	51.7	57.3	9.8
Net Operating result for the year before grants and contributions provided for capital purposes	(8.8)	0.6	1,566

Operating result from continuing operations

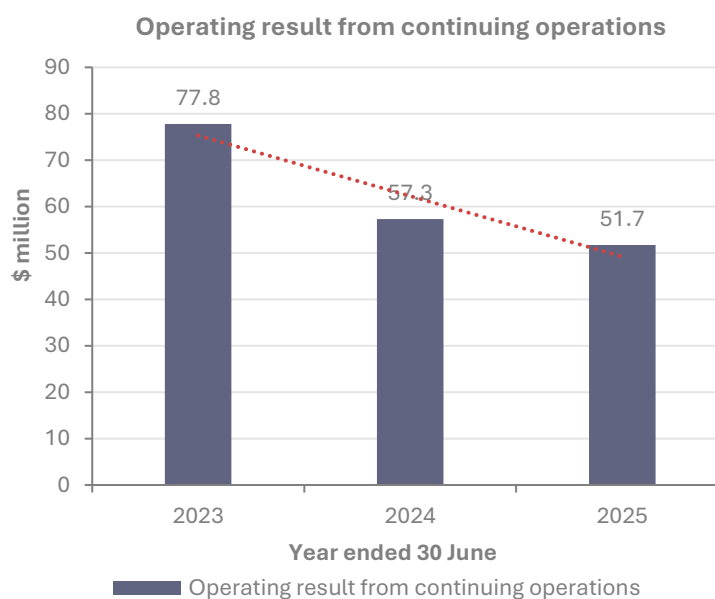
This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was \$5.6 million lower than the 2023–24 result.

In 2024-25:

- user fees and charges income (\$11.1 million) decreased by \$3.8 million (25.6 per cent) due to reduced works performed on state roads on behalf of Transport for NSW
- materials and services expense of \$16.1 million increased by \$2.4 million
- net losses on the disposal of assets decreased by \$4.5 million compared to the prior year
- grants and contributions revenue (\$66.5 million) which decreased by \$2.0 million (3.0 per cent) – see additional details below.

The net operating result for the year before grants and contributions provided for capital purposes was a deficit of \$8.8 million. Refer to 'Grants



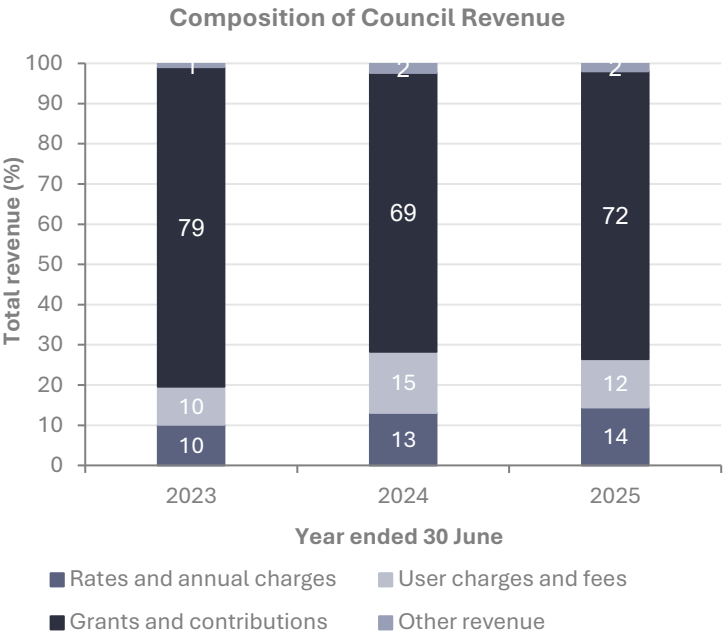
and contributions revenue' below for details.

Income

Council revenue

This graph shows the composition of Council's revenue recognised for the current and prior two financial years. Council revenue (\$92.8 million) decreased by \$5.9 million (5.9 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$13.4 million) which increased by \$0.5 million (3.8 per cent) due to rate peg increase of 4.7 per cent
- user charges and fees revenue (\$11.1 million) which decreased by \$3.8 million (25.6 per cent) due to reduced works performed on state roads on behalf of Transport for NSW
- grants and contributions revenue (\$66.5 million) which decreased by \$2.0 million (3.0 per cent) – see additional details below.

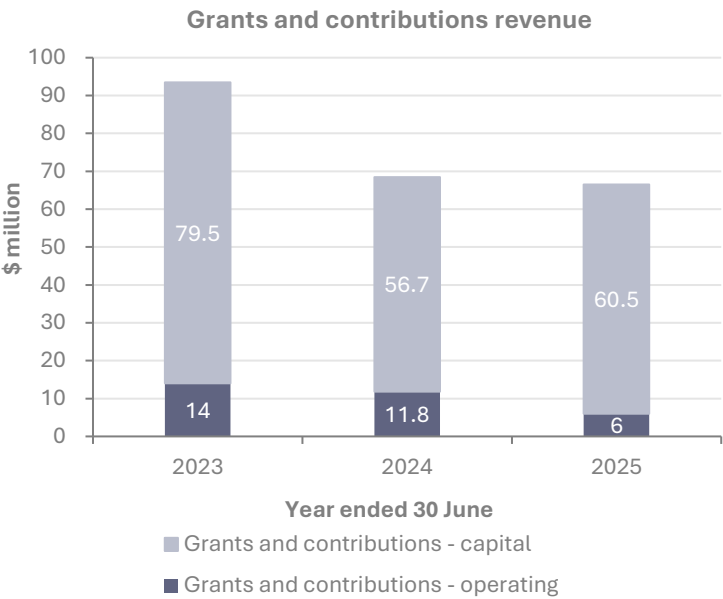


Grants and contributions revenue

This graph shows the amount of grants and contributions revenue recognised for the current and prior two financial years.

Grants and contributions revenue (\$66.5 million) decreased by \$2.0 million (3.0 per cent) in 2024–25 due to:

- increase of \$3.2 million of capital grants recognised for roads and bridges infrastructure
- receiving 50 per cent of the financial assistance grants for 2025-26 in advance (85 per cent for 2024-25).



CASH FLOWS

Statement of cash flows

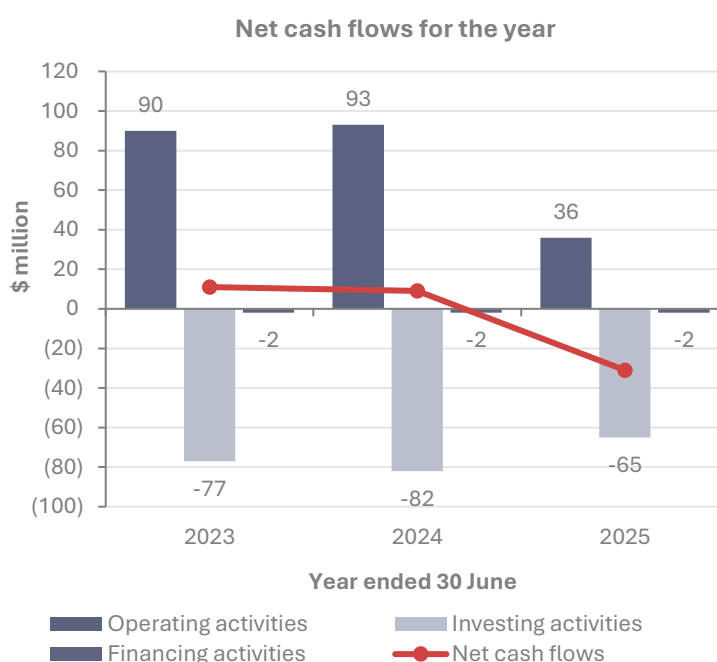
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating in a financially sustainable manner.

This graph shows the net cash flows for the current and prior two financial years.

The net cash flows for the year were negative \$31.3 million (positive \$8.7 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities decreased by \$56.5 million, mainly due to a reduction in grants and contributions received
- used in investing activities decreased by \$17.0 million, mainly due to a reduction in capital works following increased activity in prior years arising from natural disasters.
- used in financing activities increased by \$0.6 million, remaining relatively stable to the prior year.



FINANCIAL POSITION

Cash, cash equivalents and investments

This section of the Report provides details of the amount of cash, cash equivalents and investments recorded by the Council at 30 June 2025.

Externally restricted funds are the cash, cash equivalents and investments that can only be used for specific purposes due to legal or contractual restrictions.

Cash, cash equivalents, and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	

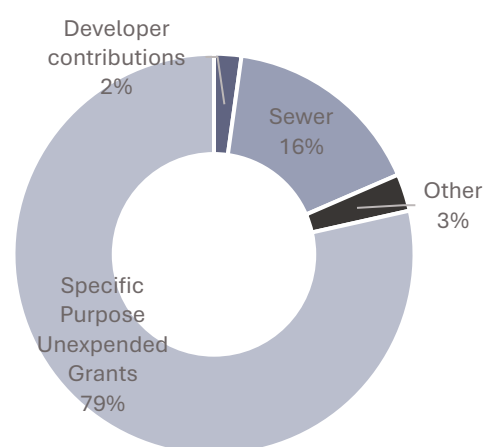
Total cash, cash equivalents and investments	28.8	60.2		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.
Restricted and allocated cash, cash equivalents and investments:				Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	13.6	32.9	47.2	
• Internal allocations	15.0	13.4	52.1	

This graph shows the sources of externally restricted cash, cash equivalents and investments.

In 2024-25 the Council's main sources of externally restricted cash, cash equivalents and investments include:

- specific purpose unexpended grants of \$10.7 million which decreased by \$20.4 million, mainly due to capital works projects being completed
- sewer charges of \$2.2 million which increased by \$1.0 million.

Source of externally restricted cash, cash equivalents and investments



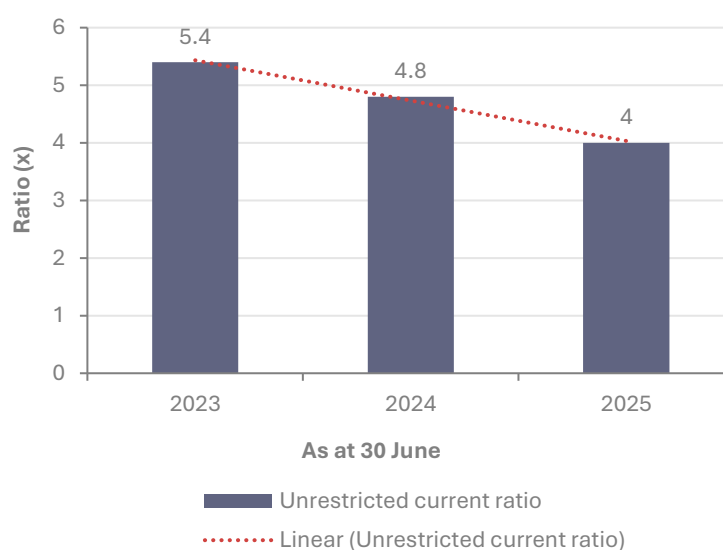
Council liquidity

This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

The unrestricted current ratio is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The ratio measures the ratio of unrestricted current assets to specific purpose liabilities.

In 2023-24, the average unrestricted current ratio was an average of 5.6x for rural councils.

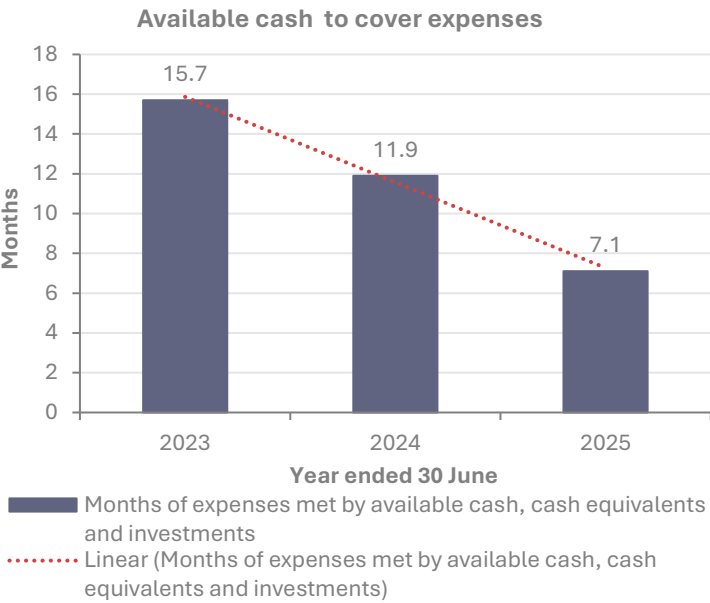
Unrestricted current ratio



This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

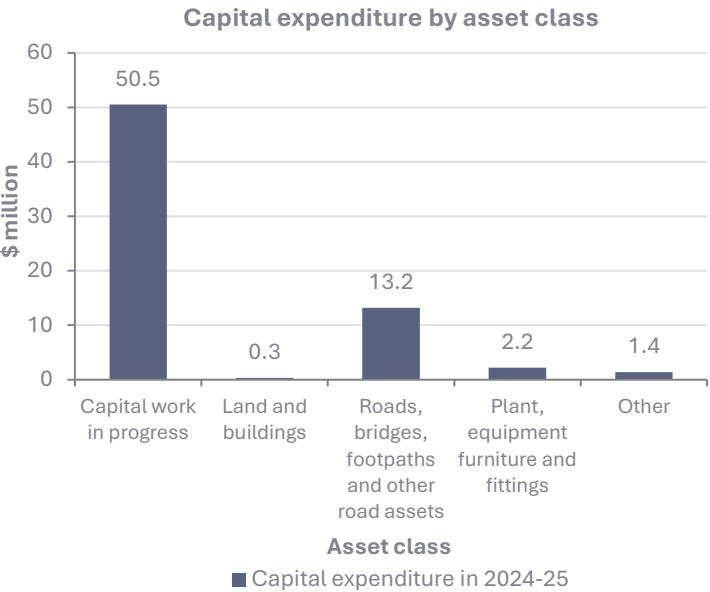
Further details on cash, cash equivalents and investments including the sources of external restrictions are included in the section above.

In 2023–24, the available cash to cover expenses was an average of 8 months for rural councils.



Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2024-25. Council spent \$67.6 million of infrastructure, property, plant and equipment during the 2024-25 financial year. This was mainly spent on roads and bridges and repairing assets damaged by natural disasters.



Debt

The table below provides an overview of the Council’s loans and committed borrowing facilities. Committed borrowing facilities are an element of liquidity management and include bank overdrafts, and credit cards.

Debt	2025	2024	Commentary
	\$'000	\$'000	
Loans	11,593	9,802	• Decrease of \$1.8 million due to repayment of borrowings during the year

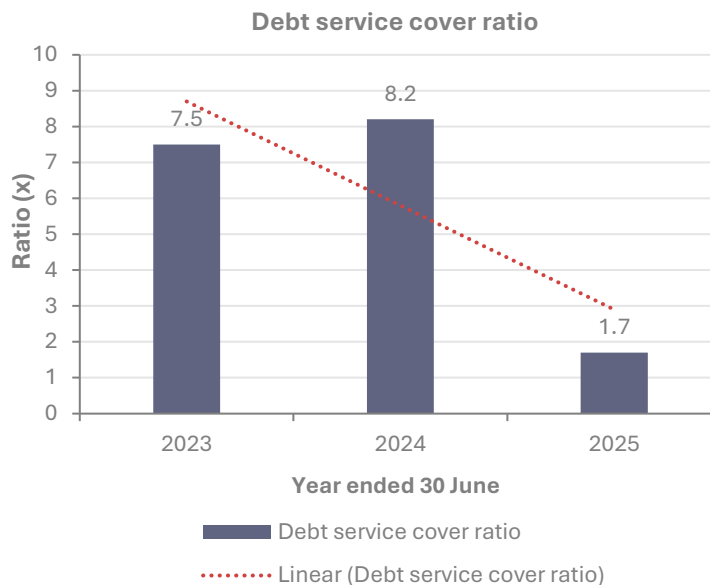
Credit card facility	60	12	• Increase of \$48,000 in credit card facility available to Council
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Debt service cover

This graph shows the Council's debt service cover ratio for the current and prior two financial years.

The debt service cover ratio measures the operating cash to service debt including interest, principal and lease payments.

Council's debt service cover ratio has been negatively impacted by a reduced overall result and an increase in capital income compared to the prior year.



Gearoid Fitzgerald
Delegate of the Auditor-General

Kyogle Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Special Purpose Financial Statements

for the year ended 30 June 2025

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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).

Kyogle Council

Special Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management

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

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

- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial Reporting*,
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Regulatory and assurance framework for local water utilities, July 2022.

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

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

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

Signed in accordance with a resolution of Council made on 27 October 2025.


John Burley
Acting Mayor
27 October 2025


Kieran Somerville
Councillor
27 October 2025


Marcus Schintler
General Manager
27 October 2025


Glenn Rose
Responsible Accounting Officer
27 October 2025

Kyogle Council

Income Statement of water supply business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	1,173	1,119
User charges	807	860
Fees	16	14
Interest and investment income	2	2
Grants and contributions provided for operating purposes	5	16
Other income	–	11
Total income from continuing operations	2,003	2,022
Expenses from continuing operations		
Employee benefits and on-costs	526	478
Borrowing costs	9	19
Materials and services	801	1,148
Depreciation, amortisation and impairment	399	380
Net loss from the disposal of assets	21	26
Other expenses	199	194
Total expenses from continuing operations	1,955	2,245
Surplus (deficit) from continuing operations before capital amounts	48	(223)
Grants and contributions provided for capital purposes	85	152
Surplus (deficit) from all operations before tax	133	(71)
Less: corporate taxation equivalent (25%) [based on result before capital]	(12)	–
Surplus (deficit) after tax	121	(71)
Plus opening accumulated surplus	15,532	15,603
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	12	–
Less:		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
Closing accumulated surplus	15,665	15,532
Return on capital %	0.2%	(0.8)%
Subsidy from Council	1,056	1,365
Calculation of dividend payable:		
Surplus (deficit) after tax	121	(71)
Less: capital grants and contributions (excluding developer contributions)	(85)	(152)
Surplus for dividend calculation purposes	36	–
Potential dividend calculated from surplus	18	–

Kyogle Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	1,642	1,548
User charges	319	301
Liquid trade waste charges	101	106
Interest and investment income	4	3
Total income from continuing operations	2,066	1,958
Expenses from continuing operations		
Employee benefits and on-costs	374	388
Borrowing costs	51	53
Materials and services	1,653	906
Depreciation, amortisation and impairment	291	270
Net loss from the disposal of assets	–	10
Other expenses	93	77
Total expenses from continuing operations	2,462	1,704
Surplus (deficit) from continuing operations before capital amounts	(396)	254
Grants and contributions provided for capital purposes	98	298
Surplus (deficit) from continuing operations after capital amounts	(298)	552
Surplus (deficit) from all operations before tax	(298)	552
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(64)
Surplus (deficit) after tax	(298)	488
Plus opening accumulated surplus	12,474	11,922
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	64
Closing accumulated surplus	12,176	12,474
Return on capital %	(0.9)%	0.8%
Subsidy from Council	1,875	1,259
Calculation of dividend payable:		
Surplus (deficit) after tax	(298)	488
Less: capital grants and contributions (excluding developer contributions)	(98)	(298)
Surplus for dividend calculation purposes	–	190
Potential dividend calculated from surplus	–	95

Kyogle Council

Income Statement of Domestic Waste

for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
Annual charges	1,392	1,458
Interest and investment income	4	2
Total income from continuing operations	1,396	1,460
Expenses from continuing operations		
Materials and services	1,495	1,350
Total expenses from continuing operations	1,495	1,350
Surplus (deficit) from continuing operations before capital amounts	(99)	110
Grants and contributions provided for capital purposes	–	–
Surplus (deficit) from continuing operations after capital amounts	(99)	110
Surplus (deficit) from all operations before tax	(99)	110
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(28)
Surplus (deficit) after tax	(99)	82
Plus opening accumulated surplus	142	33
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	28
Closing accumulated surplus	43	143
Return on capital %	0.0%	0.0%
Subsidy from Council	99	–
Calculation of dividend payable:		
Surplus (deficit) after tax	(99)	82
Surplus for dividend calculation purposes	–	82
Potential dividend calculated from surplus	–	41

Kyogle Council

Income Statement of Quarries

for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 1
Income from continuing operations		
User charges	1,792	3,485
Total income from continuing operations	1,792	3,485
Expenses from continuing operations		
Employee benefits and on-costs	229	384
Borrowing costs	6	16
Materials and services	2,141	2,710
Depreciation, amortisation and impairment	4	2
Total expenses from continuing operations	2,380	3,112
Surplus (deficit) from continuing operations before capital amounts	(588)	373
Grants and contributions provided for capital purposes	—	—
Surplus (deficit) from continuing operations after capital amounts	(588)	373
Surplus (deficit) from all operations before tax	(588)	373
Less: corporate taxation equivalent (25%) [based on result before capital]	—	(93)
Surplus (deficit) after tax	(588)	280
Plus opening accumulated surplus	1,489	1,367
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	—	93
Less:		
– Dividend paid	(470)	(251)
Closing accumulated surplus	431	1,489
Return on capital %	(239.5)%	164.8%
Subsidy from Council	592	—
Calculation of dividend payable:		
Surplus (deficit) after tax	(588)	280
Surplus for dividend calculation purposes	—	280
Potential dividend calculated from surplus	—	140

Kyogle Council

Income Statement of Transport

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	7,947	11,652
Total income from continuing operations	7,947	11,652
Expenses from continuing operations		
Employee benefits and on-costs	245	368
Materials and services	7,854	10,802
Total expenses from continuing operations	8,099	11,170
Surplus (deficit) from continuing operations before capital amounts	(152)	482
Grants and contributions provided for capital purposes	—	—
Surplus (deficit) from continuing operations after capital amounts	(152)	482
Surplus (deficit) from all operations before tax	(152)	482
Less: corporate taxation equivalent (25%) [based on result before capital]	—	(121)
Surplus (deficit) after tax	(152)	361
Plus opening accumulated surplus	(296)	(778)
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	—	121
Less:		
Closing accumulated surplus	(448)	(296)
Return on capital %	0.0%	0.0%
Subsidy from Council	152	—
Calculation of dividend payable:		
Surplus (deficit) after tax	(152)	361
Surplus for dividend calculation purposes	—	361
Potential dividend calculated from surplus	—	181

Kyogle Council

Statement of Financial Position of water supply business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Contract assets and contract cost assets	28	47
Receivables	382	353
Total current assets	410	400
Non-current assets		
Infrastructure, property, plant and equipment	26,756	27,000
Total non-current assets	26,756	27,000
Total assets	27,166	27,400
LIABILITIES		
Current liabilities		
Bank overdraft	83	298
Payables	90	104
Borrowings	18	255
Employee benefit provisions	133	117
Total current liabilities	324	774
Non-current liabilities		
Borrowings	67	84
Total non-current liabilities	67	84
Total liabilities	391	858
Net assets	26,775	26,542
EQUITY		
Accumulated surplus	15,665	15,532
IPPE revaluation surplus	11,110	11,010
Total equity	26,775	26,542

Kyogle Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Contract assets and contract cost assets	–	423
Cash and cash equivalents	2,285	1,311
Receivables	258	227
Total current assets	2,543	1,961
Non-current assets		
Infrastructure, property, plant and equipment	36,773	36,410
Total non-current assets	36,773	36,410
Total assets	39,316	38,371
LIABILITIES		
Current liabilities		
Payables	4	4
Borrowings	34	32
Employee benefit provisions	133	117
Total current liabilities	171	153
Non-current liabilities		
Borrowings	638	672
Total non-current liabilities	638	672
Total liabilities	809	825
Net assets	38,507	37,546
EQUITY		
Accumulated surplus	12,176	12,474
IPPE revaluation surplus	26,331	25,072
Total equity	38,507	37,546

Kyogle Council

Statement of Financial Position of Domestic Waste

as at 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
ASSETS		
Current assets		
Cash and cash equivalents	–	11
Receivables	147	132
Total current assets	147	143
Total assets	147	143
LIABILITIES		
Current liabilities		
Bank overdraft	104	–
Total current liabilities	104	–
Total liabilities	104	–
Net assets	43	143
EQUITY		
Accumulated surplus	43	143
Total equity	43	143

Kyogle Council

Statement of Financial Position of Quarries

as at 30 June 2025

\$ '000	2025 Category 2	2024 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	1,084	1,400
Inventories	480	544
Total current assets	1,564	1,944
Non-current assets		
Infrastructure, property, plant and equipment	243	236
Total non-current assets	243	236
Total assets	1,807	2,180
LIABILITIES		
Non-current liabilities		
Provisions	962	281
Total non-current liabilities	962	281
Total liabilities	962	281
Net assets	845	1,899
EQUITY		
Accumulated surplus	431	1,489
Revaluation reserves	414	410
Total equity	845	1,899

Kyogle Council

Statement of Financial Position of Transport

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	2,588	2,933
Total current assets	2,588	2,933
Total assets	2,588	2,933
LIABILITIES		
Current liabilities		
Bank overdraft	3,036	3,229
Total current liabilities	3,036	3,229
Total liabilities	3,036	3,229
Net assets	(448)	(296)
EQUITY		
Accumulated surplus	(448)	(296)
Total equity	(448)	(296)

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Transport

Contract Road Construction and Maintenance

b. Water

Water Supply

c. Sewer

Sewerage Services

Category 2

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

a. Quarries

Quarrying Operations

b. Domestic Waste

Domestic Waste Management

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.

Note – Material accounting policy information (continued)

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

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

Notional rate applied (%)

Corporate income tax rate – **25% (2023/24 : 25%)**

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

Payroll tax – **5.45% (2023/24 : 5.45%)** on the value of taxable salaries and wages in excess of \$1,200,000.

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

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

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 corporate income tax rate, currently 25%. (2023/24 : 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.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

Note – Material accounting policy information (continued)

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.16% at 30/6/25.

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with DCCEEW's regulatory and assurance framework and must not exceed:

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

In accordance with DCCEEW's regulatory and assurance framework, Statement of Compliance and statement of dividend payment, dividend payment form and Unqualified Independent Financial Audit Report are required to be submitted to DCCEEW.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Kyogle Council

To the Councillors of Kyogle Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Kyogle Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2025, the Statement of Financial Position of each Declared Business Activity as at 30 June 2025 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- Water supply business activity
- Sewerage business activity
- Domestic waste
- Quarries
- Transport.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2025, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2024–25 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

A handwritten signature in dark ink, appearing to read 'Gearoid Fitzgerald', with a stylized flourish above the name.

Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

31 October 2025
SYDNEY

Kyogle Council

SPECIAL SCHEDULES
for the year ended 30 June 2025



Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2025	7

Kyogle Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional general income yield	a	8,313	8,739
Plus or minus adjustments ²	b	(1)	130
Notional general income	c = a + b	8,312	8,869
Permissible income calculation			
Percentage increase	d	4.70%	4.20%
Plus percentage increase amount ³	f = d x (c + e)	391	372
Sub-total	g = (c + e + f)	8,703	9,241
Plus (or minus) last year's carry forward total	h	51	15
Sub-total	j = (h + i)	51	15
Total permissible income	k = g + j	8,754	9,256
Less notional general income yield	l	8,739	9,109
Catch-up or (excess) result	m = k - l	15	147
Carry forward to next year ⁶	p = m + n + o	15	147

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.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Kyogle Council

To the Councillors of Kyogle Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Kyogle Council (the Council) for the year ending 30 June 2026.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2024–25 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2025.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

A handwritten signature in dark ink, reading "Gearoid Fitzgerald". The signature is written in a cursive style with a large, stylized 'G' and 'F'.

Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

31 October 2025
SYDNEY

Kyogle Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	2,420	2,420	111	165	19,575	40,654	16.9%	20.8%	54.9%	6.8%	0.5%
	Sub-total	2,420	2,420	111	165	19,575	40,654	16.9%	20.8%	54.9%	6.8%	0.6%
Other structures	Other structures	1,345	1,345	205	323	11,048	21,851	28.0%	13.5%	50.2%	6.0%	2.3%
	Sub-total	1,345	1,345	205	323	11,048	21,851	28.0%	13.5%	50.2%	6.0%	2.3%
Roads	Sealed roads	29,178	29,178	1,964	2,744	216,437	329,727	45.9%	37.0%	11.7%	4.1%	1.3%
	Unsealed roads	788	788	2,067	2,771	30,927	37,950	45.3%	37.7%	11.6%	4.0%	1.4%
	Bridges	895	895	418	118	221,927	278,611	49.4%	22.5%	27.7%	0.4%	0.0%
	Footpaths	215	215	104	34	5,543	7,452	67.8%	19.4%	11.9%	1.0%	0.0%
	Bulk earthworks	—	—	—	—	29,560	29,560	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	31,076	31,076	4,553	5,667	504,395	683,300	49.9%	29.3%	17.7%	2.3%	0.8%
Water supply network	Water supply network	188	188	311	502	26,335	40,644	19.6%	48.0%	32.0%	0.1%	0.4%
	Sub-total	188	188	311	502	26,335	40,644	19.6%	48.0%	32.0%	0.1%	0.3%
Sewerage network	Sewerage network	1,223	1,223	239	342	36,223	47,337	62.5%	6.6%	27.4%	3.1%	0.4%
	Sub-total	1,223	1,223	239	342	36,223	47,337	62.5%	6.6%	27.4%	3.1%	0.4%
Stormwater drainage	Stormwater drainage	1,461	1,461	52	92	32,746	37,506	93.9%	0.8%	0.7%	0.8%	3.9%
	Sub-total	1,461	1,461	52	92	32,746	37,506	93.9%	0.8%	0.7%	0.8%	3.8%
Total – all assets		37,713	37,713	5,471	7,091	630,322	871,292	49.0%	26.9%	20.7%	2.5%	0.9%

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

Infrastructure asset condition assessment 'key'

- | | |
|------------------------------|---------------------------------------|
| 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 |

Kyogle Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	2024	Indicators 2023	2022	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	62,424					
Depreciation, amortisation and impairment	14,265	437.60%	1,002.40%	913.11%	119.26%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	37,713					
Net carrying amount of infrastructure assets	674,123	5.59%	5.03%	6.73%	11.87%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	7,091					
Required asset maintenance	5,471	129.61%	104.73%	92.06%	101.79%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	37,713	4.33%	3.86%	4.84%	7.92%	
Gross replacement cost	871,292					

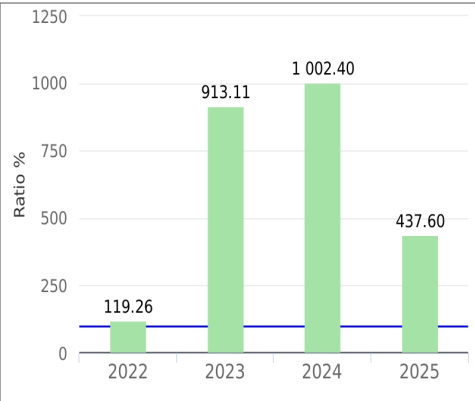
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Kyogle Council

Report on infrastructure assets as at 30 June 2025

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result

24/25 ratio 437.60%

This ratio continues to track above the required benchmark. Council has developed strategies & actions within its delivery & operational plan as well as the long term financial plan to improve the long term management of Council's infrastructure assets. Flood damage renewals have significantly impacted this ratio.

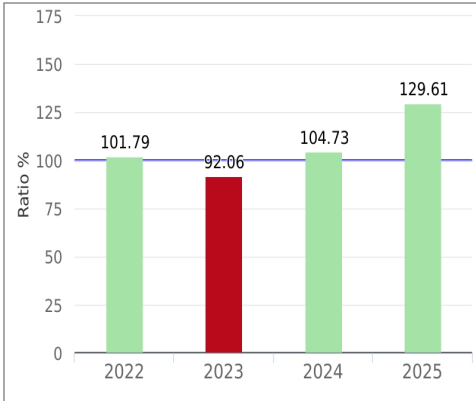
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result

24/25 ratio 129.61%

This ratio meets the Tcorp required benchmark. Council has developed strategies & actions within its delivery & operational plan as well as the long term financial plan to improve the long term management of Council's infrastructure assets.

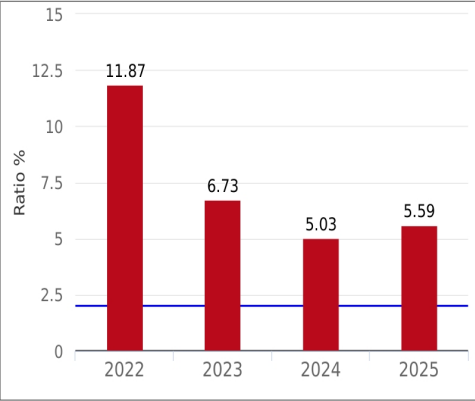
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

24/25 ratio 5.59%

Council acknowledges its infrastructure backlog ratio is outside Tcorp's benchmark. Council is continually focusing on asset renewal expenditure but like all other NSW council's faces a large impost associated with asset backlogs & maintenance. The 2022 flood & 2025 cyclone events have impacted this ratio.

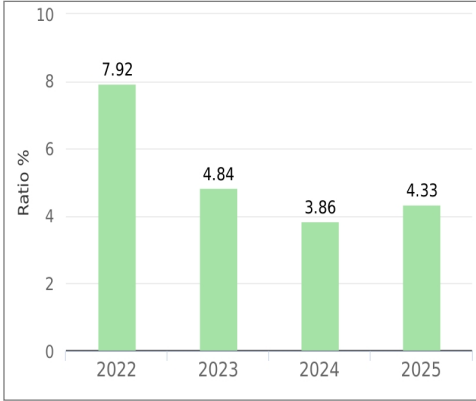
Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

24/25 ratio 4.33%

Council is continually focusing on asset expenditure but like all other NSW council's faces a large impost associated with asset backlogs & maintenance. Council will continue to focus on this area of expenditure.

Kyogle Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2025	2024	2025	2024	2025	2024	
Buildings and infrastructure renewals ratio							
Asset renewals ¹	459.66%	1,089.94%	2.01%	84.21%	5.84%	62.22%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	5.66%	5.18%	0.71%	0.09%	3.38%	3.62%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	126.95%	94.31%	161.41%	210.26%	143.10%	181.90%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	4.63%	4.15%	0.46%	0.06%	2.58%	2.78%	
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.