

# **Glen Innes Severn Council Meeting**

**9 MARCH 2026**

## **ANNEXURES**

# **Annexures**

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# Glen Innes Severn Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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*"Embracing Change, Building on History"*



# Glen Innes Severn Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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*"Embracing Change, Building on History"*



**Glen Innes Severn Council**  
**General Purpose Financial Statements**  
 for the year ended 30 June 2025

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**Overview**

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

265 Grey Street  
 Glen Innes NSW 2370

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

## Glen Innes Severn Council

### General Purpose Financial Statements

for the year ended 30 June 2025

#### Understanding Council's Financial Statements

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##### Introduction

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

##### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2025.

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

##### About the Councillor/Management Statement

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

##### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

###### 1. The Income Statement

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

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

Primarily records changes in the fair value of Council's Infrastructure, Property, Plant and Equipment.

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

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

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

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

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

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

##### About the Notes to the Financial Statements

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

##### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

##### Who uses the Financial Statements?

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

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

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

## Glen Innes Severn Council

### General Purpose Financial Statements

for the year ended 30 June 2025

#### 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:

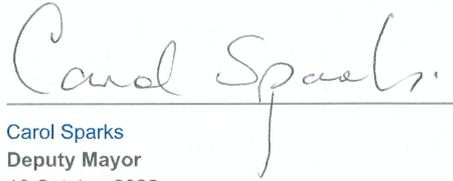
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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 16 October 2025.



Margot Davis  
Mayor  
16 October 2025



Carol Sparks  
Deputy Mayor  
16 October 2025



Lindsay Woodland  
Acting General Manager  
16 October 2025



Shageer Mohammed  
Responsible Accounting Officer  
16 October 2025

## Glen Innes Severn Council

## Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
	<b>Income from continuing operations</b>			
13,933	Rates and annual charges	B2-1	<b>13,868</b>	12,973
8,987	User charges and fees	B2-2	<b>3,766</b>	3,954
568	Other revenues	B2-3	<b>899</b>	1,410
11,840	Grants and contributions provided for operating purposes	B2-4	<b>9,245</b>	10,194
12,000	Grants and contributions provided for capital purposes	B2-4	<b>14,895</b>	20,683
1,213	Interest and investment income	B2-5	<b>1,227</b>	1,244
352	Other income	B2-6	<b>309</b>	104
48,893	<b>Total income from continuing operations</b>		<b>44,209</b>	50,562
	<b>Expenses from continuing operations</b>			
14,266	Employee benefits and on-costs	B3-1	<b>13,149</b>	12,858
15,605	Materials and services	B3-2	<b>9,584</b>	9,622
457	Borrowing costs	B3-3	<b>521</b>	469
838	Other expenses	B3-5	<b>1,248</b>	799
–	Net loss from the disposal of assets	B4-1	<b>589</b>	808
31,166	<b>Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b>		<b>25,091</b>	24,556
17,727	<b>Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b>		<b>19,118</b>	26,006
9,622	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>9,104</b>	9,684
8,105	<b>Operating result from continuing operations</b>		<b>10,014</b>	16,322
8,105	<b>Net operating result for the year attributable to Council</b>		<b>10,014</b>	16,322
(3,895)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(4,881)</b>	(4,361)

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

## Glen Innes Severn Council

## Statement of Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>10,014</b>	16,322
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	<b>27,574</b>	17,753
<b>Total items which will not be reclassified subsequent to operating result</b>		<b>27,574</b>	17,753
<b>Total other comprehensive income for the year</b>		<b>27,574</b>	17,753
<b>Total comprehensive income for the year attributable to Council</b>		<b>37,588</b>	34,075

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

## Glen Innes Severn Council

## Statement of Financial Position

as at 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	12,628	11,475
Investments	C1-2	14,500	15,200
Receivables	C1-4	3,990	4,268
Inventories	C1-5	2,301	1,815
Contract assets and contract cost assets	C1-6	5,275	9,169
<b>Total current assets</b>		<b>38,694</b>	<b>41,927</b>
<b>Non-current assets</b>			
Receivables	C1-4	157	157
Infrastructure, property, plant and equipment (IPPE)	C1-7	452,511	413,136
Investment property	C1-8	725	725
Right of use assets	C2-1	1,654	524
<b>Total non-current assets</b>		<b>455,047</b>	<b>414,542</b>
<b>Total assets</b>		<b>493,741</b>	<b>456,469</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	2,599	1,486
Contract liabilities	C3-2	7,745	11,096
Lease liabilities	C2-1	609	239
Borrowings		923	1,370
Employee benefit provisions	C3-4	1,906	1,976
<b>Total current liabilities</b>		<b>13,782</b>	<b>16,167</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	1,481	673
Borrowings		4,302	5,225
Employee benefit provisions	C3-4	140	153
Provisions	C3-5	5,489	3,292
<b>Total non-current liabilities</b>		<b>11,412</b>	<b>9,343</b>
<b>Total liabilities</b>		<b>25,194</b>	<b>25,510</b>
<b>Net assets</b>		<b>468,547</b>	<b>430,959</b>
<b>EQUITY</b>			
Accumulated surplus		194,619	184,605
IPPE revaluation surplus	C4-1	273,928	246,354
<b>Council equity interest</b>		<b>468,547</b>	<b>430,959</b>
<b>Total equity</b>		<b>468,547</b>	<b>430,959</b>

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

## Glen Innes Severn Council

## Statement of Changes in Equity

for the year ended 30 June 2025

	Notes	2025			2024		
		Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000
Opening balance at 1 July		184,605	246,354	430,959	168,283	228,601	396,884
Net operating result for the year		10,014	–	10,014	16,322	–	16,322
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	27,574	27,574	–	17,753	17,753
<b>Other comprehensive income</b>		–	27,574	27,574	–	17,753	17,753
<b>Total comprehensive income</b>		<b>10,014</b>	<b>27,574</b>	<b>37,588</b>	<b>16,322</b>	<b>17,753</b>	<b>34,075</b>
<b>Closing balance at 30 June</b>		<b>194,619</b>	<b>273,928</b>	<b>468,547</b>	<b>184,605</b>	<b>246,354</b>	<b>430,959</b>

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

## Glen Innes Severn Council

## Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
24,919	Rates and annual charges		14,238	13,958
–	User charges and fees		4,273	5,017
–	Interest received		1,359	1,168
23,840	Grants and contributions		24,683	27,924
–	Other		3,733	1,266
<i>Payments:</i>				
(14,266)	Payments to employees		(13,170)	(11,737)
(15,605)	Payments for materials and services		(13,019)	(11,941)
–	Borrowing costs		(382)	(474)
(838)	Other		(913)	(2,481)
18,050	<b>Net cash flows from operating activities</b>	G1-1	<b>20,802</b>	<b>22,700</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Redemption of term deposits		700	3,500
–	Proceeds from sale of IPPE		348	230
<i>Payments:</i>				
–	Purchase of investment property		–	(609)
(15,452)	Payments for IPPE		(19,088)	(22,063)
(15,452)	<b>Net cash flows from investing activities</b>		<b>(18,040)</b>	<b>(18,942)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
2,000	Proceeds from borrowings		–	–
<i>Payments:</i>				
(1,368)	Repayment of borrowings		(1,370)	(1,459)
–	Principal component of lease payments		(239)	(430)
632	<b>Net cash flows from financing activities</b>		<b>(1,609)</b>	<b>(1,889)</b>
3,230	<b>Net change in cash and cash equivalents</b>		<b>1,153</b>	<b>1,869</b>
11,475	Cash and cash equivalents at beginning of year	C1-1	11,475	9,606
14,705	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>12,628</b>	<b>11,475</b>
–	plus: Investments on hand at end of year	C1-2	14,500	15,200
14,705	<b>Total cash, cash equivalents and investments</b>		<b>27,128</b>	<b>26,675</b>

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

## Glen Innes Severn Council

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## Glen Innes Severn 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 16 October 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and *Local Government (General) Regulation 2005 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity for the purpose of preparing these financial statements.

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

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

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

Council is not aware of any post balance day events which would result in separate disclosures or adjustments to the 30 June 2025 financial results. Hence, 30 June 2025 financial statements were prepared on a going concern basis.

#### **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 C1-7
- (ii) estimated fair values of investment properties – refer Note C1-9
- (iii) estimated tip remediation provisions – refer Note C3-5
- (iv) employee benefit provisions – refer Note C3-4.

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

- (v) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-4.

## A1-1 Basis of preparation (continued)

### 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.

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

- General purpose operations
- Water service
- Sewerage service
- Australia Day Committee
- Australian Standing Stones Management Board
- Emmaville Mining Museum Committee
- Pinkett Recreation Reserve Management Committee
- Stonehenge Recreation Reserve Trust
- Emmaville War Memorial Hall Committee
- Glen Elgin Federation Sports Committee

#### The Trust Fund

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

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

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

#### Goods and Services Tax (GST)

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

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

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

#### Volunteer services

Council relies on volunteer service within Economic Affairs and Community Services activities. Council cannot measure the value of volunteer services reliably and any reliance is not considered material. Therefore, volunteer services are not recognised in the financial statements.

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

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2024.

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

#### New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2025.

The following new standard is effective for the first time at 30 June 2025:

continued on next page

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## A1-1 Basis of preparation (continued)

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

Based on analysis of existing fair value methodology, the new standard will not have significant impact on the council's reported financial position.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

Based on analysis of existing loans and other financial liabilities, the new standards will not have significant impact on the council's reported financial position.

## B Financial Performance

### B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025 \$ '000	2024 <sup>1</sup> \$ '000	2025 \$ '000	2024 <sup>1</sup> \$ '000	2025 \$ '000	2024 <sup>1</sup> \$ '000	2025 \$ '000	2024 <sup>1</sup> \$ '000	2025 <sup>2</sup> \$ '000	2024 \$ '000
<b>Functions or activities</b>										
Administration	355	504	6,156	6,273	(5,801)	(5,769)	290	160	10,113	24,640
Community services and education	3,291	3,254	3,418	3,771	(127)	(517)	3,195	2,985	2,610	468
Economic affairs	723	1,026	2,178	2,335	(1,455)	(1,309)	123	118	7,722	5,161
Environment	20	17	524	133	(504)	(116)	20	17	24,774	–
General Purpose	11,118	10,780	31	41	11,087	10,739	2,720	3,620	–	–
Governance	–	4	1,481	431	(1,481)	(427)	–	–	–	–
Health	33	18	128	126	(95)	(108)	–	–	–	–
Housing and community amenities	3,361	3,311	3,223	3,367	138	(56)	27	75	676	37,939
Mining, manufacturing and construction	3,085	5,086	1,431	4,187	1,654	899	–	–	2,877	10,301
Public order and safety	1,011	984	885	905	126	79	737	966	1,542	–
Recreation and culture	631	3,802	3,675	2,302	(3,044)	1,500	710	3,748	89,602	314,151
Sewerage services	2,158	2,088	1,386	1,535	772	553	39	22	23,947	26,948
Transport and communication	15,037	16,372	7,188	6,263	7,849	10,109	16,055	21,134	298,246	7,020
Water supplies	3,386	3,316	2,491	2,571	895	745	224	682	31,230	32,550
Other	–	–	–	–	–	–	–	(2,650)	402	(2,709)
<b>Total functions and activities</b>	<b>44,209</b>	<b>50,562</b>	<b>34,195</b>	<b>34,240</b>	<b>10,014</b>	<b>16,322</b>	<b>24,140</b>	<b>30,877</b>	<b>493,741</b>	<b>456,469</b>

(1) Last year numbers were adjusted to align with the Income Statement.

(2) This year asset values were classified by functions in a more accurate way compared to the previous year following update of mapping allocations in the council's asset system.

## B1-2 Components of functions or activities

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

### Governance

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

### Administration

Includes corporate support and other support services, engineering works, and any Council policy compliance.

### Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, beach control, enforcement of regulations and animal control.

### Health

Includes immunisation, food control, health centres etc.

### Environment

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

### Community services and education

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation - as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's services, including family day care; child care; and other family and children services.

### Housing and community amenities

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

### Water supplies

Includes provision of water services to the community.

### Sewerage services

Includes provision of sewerage services to the community.

### Recreation and culture

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

### Mining, manufacturing and construction

Includes building control, quarries and pits, mineral resources, and abattoirs.

### Transport and communication

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

### Economic affairs

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; commercial nurseries; and other business undertakings.

### General Purpose

General purpose activity.

**B2 Sources of income****B2-1 Rates and annual charges**

	2025 \$ '000	2024 \$ '000
<b>Ordinary rates</b>		
Residential	3,733	3,603
Farmland	3,639	3,470
Mining	–	(6)
Business	533	501
Less: pensioner rebates (mandatory)	(205)	(199)
<b>Rates levied to ratepayers</b>	<b>7,700</b>	<b>7,369</b>
Pensioner rate subsidies received	220	108
<b>Total ordinary rates</b>	<b>7,920</b>	<b>7,477</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	1,233	1,169
Water supply services	1,375	1,306
Sewerage services	1,976	1,876
Drainage	640	575
Environmental	490	464
Less: pensioner rebates (mandatory)	(175)	(212)
Waste facility management levies	214	203
<b>Annual charges levied</b>	<b>5,753</b>	<b>5,381</b>
Pensioner annual charges subsidies received:		
– Water	80	40
– Sewerage	77	38
– Domestic waste management	38	37
<b>Total annual charges</b>	<b>5,948</b>	<b>5,496</b>
<b>Total rates and annual charges</b>	<b>13,868</b>	<b>12,973</b>
<b>Timing of revenue recognition for rates and annual charges</b>		
Rates and annual charges recognised at a point in time	13,868	12,973
<b>Total rates and annual charges</b>	<b>13,868</b>	<b>12,973</b>

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 when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance, a rates payment.

**B2-2 User charges and fees**

	2025 \$ '000	2024 \$ '000
<b>User charges</b>		
Water supply services	1,277	1,474
Sewerage services	(79)	16
<b>Total user charges</b>	<b>1,198</b>	<b>1,490</b>
<b>Fees</b>		
Building regulation	90	70
Building services – other	3	19
Private works – section 67	62	40
Regulatory/ statutory fees	51	37
Section 10.7 certificates (EP&A Act)	46	26
Section 603 certificates	27	22
Town planning	97	79
Aerodrome	1	1
Cemeteries	175	81
Child care	62	72
Community centres	2	8
Library and art gallery	13	6
Saleyards	189	160
Sundry sales	92	92
Swimming centres	36	133
Waste disposal tipping fees	286	463
Water connection fees	22	25
Quarries and gravel pits	1,270	1,129
Trade waste fees	37	(1)
Other	7	2
<b>Total fees</b>	<b>2,568</b>	<b>2,464</b>
<b>Total user charges and fees</b>	<b>3,766</b>	<b>3,954</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	795	–
User charges and fees recognised at a point in time	2,971	3,954
<b>Total user charges and fees</b>	<b>3,766</b>	<b>3,954</b>

**Material accounting policy information**

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

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

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

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

**B2-3 Other revenues**

	<b>2025</b>	2024
	<b>\$ '000</b>	\$ '000
Fines	<b>10</b>	28
Legal fees recovery – rates and charges (extra charges)	<b>44</b>	48
Diesel rebate	<b>124</b>	121
Insurance claims recoveries	<b>–</b>	2
Sales – general	<b>11</b>	26
Festivals and committee activities	<b>198</b>	232
Insurance rebates and incentives	<b>4</b>	2
Sales – quarries and gravel pits	<b>131</b>	268
Tourism sales	<b>107</b>	104
Other	<b>270</b>	579
<b>Total other revenue</b>	<b>899</b>	<b>1,410</b>
<b>Timing of revenue recognition for other revenue</b>		
Other revenue recognised at a point in time	<b>899</b>	1,410
<b>Total other revenue</b>	<b>899</b>	<b>1,410</b>

**Material accounting policy information for other revenue**

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

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

## B2-4 Grants and contributions

	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	634	271	–	–
Financial assistance – local roads component	279	60	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	2,086	3,369	–	–
Financial assistance – local roads component	955	1,529	–	–
<b>Amount recognised as income during current year</b>	<b>3,954</b>	<b>5,229</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Aged care	127	163	–	–
Water supplies	54	425	–	–
Bushfire and emergency services	191	159	–	–
Child care	224	262	–	–
Community care	1,606	1,292	791	805
Environmental programs	20	–	–	–
Library	–	–	28	(2)
Library – per capita	65	98	–	–
Library – special projects	–	–	2	33
LIRS subsidy	8	28	–	–
Recreation and culture	23	(212)	694	2,643
Storm/flood damage	482	604	–	511
Transport (roads to recovery)	–	–	1,261	1,170
Transport (other roads and bridges funding)	–	–	1,535	4,919
Youth services	(1)	63	–	–
Street lighting	93	62	–	–
Other specific grants	(177)	581	2,839	804
Roads and bridges	96	37	3,128	5,214
Transport for NSW contributions (regional roads, block grant)	–	528	4,514	3,721
Tourism	1,692	24	33	830
Other contributions	208	203	–	–
Aged and disabled	421	424	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>5,132</b>	<b>4,741</b>	<b>14,825</b>	<b>20,648</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>5,132</b>	<b>4,741</b>	<b>14,825</b>	<b>20,648</b>
<b>Total grants and non-developer contributions</b>	<b>9,086</b>	<b>9,970</b>	<b>14,825</b>	<b>20,648</b>
<b>Comprising:</b>				
– Commonwealth funding	8,025	5,982	4,251	6,397
– State funding	1,061	1,570	10,574	13,383
– Other funding	–	2,418	–	868
	<b>9,086</b>	<b>9,970</b>	<b>14,825</b>	<b>20,648</b>

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## B2-4 Grants and contributions (continued)

## Developer contributions

	Notes	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.11 – contributions towards amenities/services	G4	159	224	–	–
S 64 – water supply contributions		–	–	31	13
S 64 – sewerage service contributions		–	–	39	22
<b>Total developer contributions – cash</b>		<b>159</b>	<b>224</b>	<b>70</b>	<b>35</b>
<b>Total developer contributions</b>		<b>159</b>	<b>224</b>	<b>70</b>	<b>35</b>
<b>Total contributions</b>		<b>159</b>	<b>224</b>	<b>70</b>	<b>35</b>
<b>Total grants and contributions</b>		<b>9,245</b>	<b>10,194</b>	<b>14,895</b>	<b>20,683</b>
<b>Timing of revenue recognition</b>					
Grants and contributions recognised over time		127	–	5,101	–
Grants and contributions recognised at a point in time		9,118	10,194	9,794	20,683
<b>Total grants and contributions</b>		<b>9,245</b>	<b>10,194</b>	<b>14,895</b>	<b>20,683</b>

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## 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:

Notes	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
<b>Unspent grants</b>				
Unspent funds at 1 July	536	–	13,225	12,260
Prior year adjustment	–	–	(830)	–
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,220	487	48	2,406
<b>Add:</b> Funds received and not recognised as revenue in the current year	99	2,733	3,011	10,819
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(175)	(2,684)	(769)	(6,969)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	–	–	(5,581)	(5,291)
<b>Unspent grants at 30 June</b>	<b>1,680</b>	<b>536</b>	<b>9,104</b>	<b>13,225</b>
<b>Contributions</b>				
G4				
Unspent funds at 1 July	1,094	870	–	–
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	159	224	70	–
<b>Unspent contributions at 30 June</b>	<b>1,253</b>	<b>1,094</b>	<b>70</b>	<b>–</b>

### Material accounting policy information

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

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

The performance obligations vary according to the agreement. 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.

## B2-4 Grants and contributions (continued)

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

### Developer contributions

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

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

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

### Other grants and contributions

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

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

## B2-5 Interest and investment income

	2025 \$ '000	2024 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	134	95
– Cash and investments	1,093	1,149
<b>Total interest and investment income (losses)</b>	<b>1,227</b>	<b>1,244</b>

### Material accounting policy information

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

**B2-6 Other income**

	Notes	2025 \$ '000	2024 \$ '000
<b>Fair value increment on investment properties</b>			
Fair value increment/ (decrement) on investment properties		–	(134)
<b>Total fair value increment on investment properties</b>	C1-8	<b>–</b>	<b>(134)</b>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		167	113
<b>Total investment properties</b>		<b>167</b>	<b>113</b>
<b>Other lease income</b>			
Leaseback fees - council vehicles		100	84
Other leases and rentals		42	41
<b>Total other lease income</b>		<b>142</b>	<b>125</b>
Total rental income	C2-2	<b>309</b>	<b>238</b>
Total other income		<b>309</b>	<b>104</b>

**B3 Costs of providing services****B3-1 Employee benefits and on-costs**

	<b>2025</b>	2024 <sup>1</sup>
	<b>\$ '000</b>	\$ '000
Salaries and wages	<b>11,269</b>	10,754
Employee leave entitlements (ELE)	<b>10</b>	14
ELE on-costs	<b>1,018</b>	1,191
Superannuation	<b>1,216</b>	1,160
Workers' compensation insurance	<b>509</b>	539
Fringe benefit tax (FBT)	<b>71</b>	38
Other	<b>79</b>	78
<b>Total employee costs</b>	<b>14,172</b>	<b>13,774</b>
Less: capitalised costs	<b>(1,023)</b>	(916)
<b>Total employee costs expensed</b>	<b>13,149</b>	<b>12,858</b>

**Material accounting policy information**

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

*Retirement benefit obligations*

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

*Superannuation plans*

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

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

(1) There was a reclass of \$1,179 thousand from material and services (Note B3-2) to ELE in 2024 FY.

**B3-2 Materials and services**

	Notes	2025 \$ '000	2024 <sup>1</sup> \$ '000
Raw materials and consumables		3,302	4,722
Contractor costs		1,613	1,169
Audit Fees	F2-1	239	84
Councillor and Mayoral fees and associated expenses	F1-2	181	179
Advertising		282	158
Bank charges		55	43
Cleaning		26	33
Computer software charges		880	823
Election expenses		88	–
Electricity and heating		725	752
Insurance		607	31
Office expenses (including computer expenses)		2	28
Postage		68	45
Printing and stationery		31	29
Subscriptions and publications		683	237
Telephone and communications		160	125
Valuation fees		80	48
Protective clothing		70	32
Travel expenses		21	39
Annual rates and charges		–	4
Training costs (other than salaries and wages)		156	165
Other expenses		96	603
Lease fees and rentals		84	187
Security services		38	33
<b>Legal expenses:</b>			
– Legal expenses: planning and development		23	10
– Legal expenses: debt recovery		55	42
– Legal expenses: other		19	1
<b>Total materials and services</b>		<b>9,584</b>	<b>9,622</b>
<b>Total materials and services</b>		<b>9,584</b>	<b>9,622</b>

**Material accounting policy information**

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

(1) There was a reclass of \$1,179 thousand from material and services (Note B3-2) to ELE expenses (Note B3-1) in 2024 FY.

**B3-3 Borrowing costs**

	Notes	2025 \$ '000	2024 \$ '000
<b>(i) Interest bearing liability costs</b>			
Interest on leases		24	34
Interest on loans		348	435
<b>Total interest bearing liability costs</b>		<b>372</b>	<b>469</b>
<b>Total interest bearing liability costs expensed</b>		<b>372</b>	<b>469</b>
<b>(ii) Other borrowing costs</b>			
Unwinding of discount of remediation provision	C3-5	149	–
<b>Total other borrowing costs</b>		<b>149</b>	<b>–</b>
<b>Total borrowing costs expensed</b>		<b>521</b>	<b>469</b>

**Material accounting policy information**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

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

	Notes	2025 \$ '000	2024 \$ '000
<b>Depreciation and amortisation</b>			
Plant and equipment	C1-7	1,017	909
Office equipment		5	10
Furniture and fittings		9	16
<b>Infrastructure:</b>			
	C1-7		
– Buildings		1,420	1,186
– Other structures		317	290
– Roads (general)		2,744	3,646
– Roads (causeways)		97	102
– Roads (carparks)		40	39
– Bridges		872	826
– Footpaths		79	70
– Stormwater drainage		228	209
– Water supply network		778	718
– Sewerage network		577	537
– Swimming pools		70	52
– Other open space/recreational assets		144	93
– Kerb and gutter		177	167
– Major street furniture		69	66
Right of use assets	C2-1	287	287
<b>Other assets:</b>			
– Library books		72	84
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C1-7	102	377
<b>Total gross depreciation and amortisation costs</b>		<b>9,104</b>	<b>9,684</b>
<b>Total depreciation and amortisation costs</b>		<b>9,104</b>	<b>9,684</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT OF NON-FINANCIAL ASSETS</b>		<b>9,104</b>	<b>9,684</b>

**Accounting policy for depreciation, amortisation and impairment of non-financial assets****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 C1-7 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.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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**

	Notes	2025 \$ '000	2024 \$ '000
<b>Receivables write-off</b>			
Rates and annual charges		-	41
User charges and fees		-	29
<b>Total impairment of receivables</b>	C1-4	<b>-</b>	<b>70</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		32	41
– NSW rural fire service levy		437	443
– Other contributions/levies		574	111
Donations, contributions and assistance to other organisations (Section 356)		205	134
<b>Total other</b>		<b>1,248</b>	<b>729</b>
<b>Total other expenses</b>		<b>1,248</b>	<b>799</b>

**Material accounting policy information**

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

Impairment expenses are recognised when identified.

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

	Notes	2025 \$ '000	2024 \$ '000
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-7		
Proceeds from disposal – plant and equipment		348	230
Less: carrying amount of plant and equipment assets sold/written off		(15)	(77)
<b>Gain (or loss) on disposal</b>		<b>333</b>	<b>153</b>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-7		
Proceeds from disposal – infrastructure		-	-
Less: carrying amount of infrastructure assets sold/written off		(922)	(961)
<b>Gain (or loss) on disposal</b>		<b>(922)</b>	<b>(961)</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(589)</b>	<b>(808)</b>

**Material accounting policy information**

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

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is derecognised.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 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 -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	13,933	13,868	(65)	0% <b>U</b>
<b>User charges and fees</b>	8,987	3,766	(5,221)	(58)% <b>U</b>
Actual figure has internal sales of gravels (\$4.7m) eliminated against expenses as part of consolidation adjustment. The budgeted figure is prepared on a gross basis.				
<b>Other revenues</b>	568	899	331	58% <b>F</b>
Due to some activities mapped into other income in the budget whereas in the financial report they are historically in the other revenues.				
<b>Operating grants and contributions</b>	11,840	9,245	(2,595)	(22)% <b>U</b>
Grants are dependent upon activities actually being carried out. Therefore, there will always be a degree of variance, especially on multi year projects. Furthermore, council received less FAG grants this year.				
<b>Capital grants and contributions</b>	12,000	14,895	2,895	24% <b>F</b>
Grants are dependent upon activities actually being carried out. Therefore, there will always be a degree of variance, especially on multi year projects.				
<b>Interest and investment revenue</b>	1,213	1,227	14	1% <b>F</b>
<b>Other income</b>	352	309	(43)	(12)% <b>U</b>
Immaterial amount. Fairly close to the expected one.				
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	14,266	13,149	1,117	8% <b>F</b>
<b>Materials and services</b>	15,605	9,584	6,021	39% <b>F</b>
Actual figure has internal sales of gravels (\$4.7m) eliminated against expenses as part of consolidation adjustment. The budgeted figure is prepared on a gross basis.				
<b>Borrowing costs</b>	457	521	(64)	(14)% <b>U</b>
Actual amount includes non-cash effect of unwinding of discounting of remediation provision which is not budgeted.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	9,622	9,104	518	5% <b>F</b>
<b>Other expenses</b>	838	1,248	(410)	(49)% <b>U</b>
<b>Net losses from disposal of assets</b>	–	589	(589)	∞ <b>U</b>
Non-cash effect from write-off of disposed or replaced assets. Hard to budget.				

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B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
<b>Statement of cash flows</b>				
Cash flows from operating activities	18,050	20,802	2,752	15% <b>F</b>
Cash flows from investing activities	(15,452)	(18,040)	(2,588)	17% <b>U</b>
Cash flows from financing activities	632	(1,609)	(2,241)	(355)% <b>U</b>

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

	2025 \$ '000	2024 \$ '000
<b>Cash assets</b>		
Cash on hand and at bank	12,628	11,475
<b>Total cash and cash equivalents</b>	<b>12,628</b>	<b>11,475</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	12,628	11,475
<b>Balance as per the Statement of Cash Flows</b>	<b>12,628</b>	<b>11,475</b>

#### Material accounting policy information

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

#### C1-2 Financial investments

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
<b>Financial assets at amortised cost</b>				
Term deposits	14,500	–	15,200	–
<b>Total</b>	<b>14,500</b>	<b>–</b>	<b>15,200</b>	<b>–</b>
<b>Total financial investments</b>	<b>14,500</b>	<b>–</b>	<b>15,200</b>	<b>–</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>27,128</b>	<b>–</b>	<b>26,675</b>	<b>–</b>

#### Material accounting policy information

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

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

#### Financial assets

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

#### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

## C1-2 Financial investments (continued)

### Amortised cost

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

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

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

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

	2025 \$ '000	2024 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>27,128</b>	26,675
Less: Externally restricted cash, cash equivalents and investments	<b>(28,633)</b>	(27,870)
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>(1,505)</b>	(1,195)
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	7,568	10,671
Life Choices Program - CHSP & HCP	157	402
<b>External restrictions – included in liabilities</b>	<b>7,725</b>	11,073
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	1,323	1,094
Specific purpose unexpended grants (recognised as revenue) – general fund	3,216	3,090
Water fund	4,117	1,308
Sewer fund	6,026	4,899
Waste management	4,658	5,189
Drainage management	1,186	827
Council committees	382	390
<b>External restrictions – other</b>	<b>20,908</b>	16,797
<b>Total external restrictions</b>	<b>28,633</b>	27,870

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

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

	2025 \$ '000	2024 \$ '000
<b>(b) Internal allocations</b>		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>(1,505)</b>	<b>(1,195)</b>
Less: Internally restricted cash, cash equivalents and investments	–	–
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>(1,505)</b>	<b>(1,195)</b>

**(c) Unrestricted and unallocated**

**Negative unrestricted cash**

Council's negative unrestricted cash of \$1.2 million as at 30 June 2025 and \$1.2 million as at 30 June 2024 represents a breach of section 409(3) of the LG Act.

Due to timing differences in the receipt of payments of funds for infrastructure projects in the previous years, Council had utilised restricted funds to keep these projects progressing.

The Council is unable to verify that funds raised by special rates or charges were not used to pay for general fund expenses during the year ended 30 June 2025 as well as in previous years. The Council acknowledges it may have used restricted special rates and charges funds for purposes other than their intended use, without Ministerial approval. Such unapproved use would not comply with section 410(3) of the LG Act.

## C1-4 Receivables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Rates and annual charges	1,674	181	2,044	181
User charges and fees	1,223	–	977	–
Accrued revenues				
– Interest on investments	341	–	473	–
– Other income accruals	811	–	838	–
Net GST receivable	29	–	28	–
Other debtors	19	–	15	–
<b>Total</b>	<b>4,097</b>	<b>181</b>	<b>4,375</b>	<b>181</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(74)	(24)	(74)	(24)
User charges and fees	(33)	–	(33)	–
<b>Total provision for impairment – receivables</b>	<b>(107)</b>	<b>(24)</b>	<b>(107)</b>	<b>(24)</b>
<b>Total net receivables</b>	<b>3,990</b>	<b>157</b>	<b>4,268</b>	<b>157</b>

	2025 \$ '000	2024 \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	131	62
+ new provisions recognised during the year	–	69
<b>Balance at the end of the year</b>	<b>131</b>	<b>131</b>

**Material accounting policy information**

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

**Impairment**

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

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

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

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

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

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

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.

## C1-4 Receivables (continued)

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.

Receivables with a contractual amount of \$500.00 written off during the reporting period are still subject to enforcement activity.

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

Rates and annual charges outstanding are secured against the property.

## C1-5 Inventories

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
<b>(i) Inventories at cost</b>				
Stores and materials	343	–	333	–
Trading stock (Quarry & Visitor Information Stock)	1,958	–	1,482	–
<b>Total inventories at cost</b>	<b>2,301</b>	<b>–</b>	<b>1,815</b>	<b>–</b>
<b>Total inventories</b>	<b>2,301</b>	<b>–</b>	<b>1,815</b>	<b>–</b>

### 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.

## C1-6 Contract assets

	Notes	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Contract assets	C1-6	5,275	–	9,169	–
<b>Total contract assets</b>		<b>5,275</b>	<b>–</b>	<b>9,169</b>	<b>–</b>

### Significant changes in contract assets

Drop in contract assets was mostly associated with receipt of funds on emergency works from previous years on flood affected transport assets.

### Material accounting policy information

#### Contract assets

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

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

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

C1-7 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 <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	9,362	–	9,362	3,469	–	(97)	–	(8,172)	106	–	–	4,668	–	4,668
Plant and equipment	13,483	(7,361)	6,122	–	1,391	(15)	(1,017)	–	(89)	–	–	14,165	(7,773)	6,392
Office equipment	305	(288)	17	–	262	–	(5)	–	–	–	–	567	(293)	274
Furniture and fittings	333	(248)	85	–	–	–	(9)	–	–	–	–	333	(257)	76
<b>Land:</b>														
– Crown land	1,801	–	1,801	–	–	–	–	–	–	–	–	1,801	–	1,801
– Operational land	9,890	–	9,890	–	–	–	–	111	–	–	–	10,001	–	10,001
– Community land	3,177	–	3,177	–	–	–	–	–	–	–	–	3,177	–	3,177
<b>Infrastructure:</b>														
– Roads (causeways)	9,070	(5,703)	3,367	–	–	–	(97)	–	–	(159)	–	5,886	(2,775)	3,111
– Roads (carparks)	2,563	(642)	1,921	–	–	–	(40)	–	–	(801)	–	1,433	(353)	1,080
– Buildings	68,686	(33,669)	35,017	31	28	(90)	(1,420)	1,601	89	–	1,751	73,563	(36,556)	37,007
– Other structures	14,043	(4,365)	9,678	–	1,847	–	(317)	22	–	–	267	16,251	(4,754)	11,497
– Roads (general)	177,331	(69,429)	107,902	7,843	1,488	(557)	(2,744)	2,341	–	–	20,495	184,580	(47,811)	136,769
– Bridges	83,261	(30,760)	52,501	–	2,391	(177)	(872)	1,330	–	–	8,430	77,834	(14,231)	63,603
– Footpaths (road related)	6,356	(1,646)	4,710	–	–	–	(79)	–	–	–	1,486	7,348	(1,231)	6,117
– Bulk earthworks (non-depreciable)	83,598	–	83,598	–	–	–	–	2,159	–	(18,703)	–	67,054	–	67,054
– Stormwater drainage	20,514	(8,911)	11,603	–	129	–	(228)	–	–	–	11,072	45,023	(22,447)	22,576
– Water supply network	56,381	(27,070)	29,311	–	81	–	(778)	–	–	–	733	57,872	(28,525)	29,347
– Sewerage network	42,230	(19,023)	23,207	–	14	–	(577)	134	–	–	580	43,433	(20,076)	23,357
– Swimming pools	3,675	(1,325)	2,350	–	21	–	(70)	–	–	–	63	3,795	(1,431)	2,364
– Other open space/recreational assets (general)	8,375	(1,501)	6,874	–	373	–	(144)	474	–	–	185	9,448	(1,685)	7,763
– Other infrastructure (kerb and gutter)	14,417	(7,666)	6,751	–	31	–	(177)	–	–	–	2,026	17,231	(8,600)	8,631
– Other infrastructure (major street furniture)	2,932	(741)	2,191	–	–	–	(69)	–	–	–	149	2,728	(457)	2,271
<b>Other assets:</b>														
– Library books	959	(887)	72	–	–	–	(72)	–	–	–	–	959	(959)	–
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>														
– Tip assets	2,437	(808)	1,629	–	–	–	(102)	–	2,048	–	–	4,485	(910)	3,575
<b>Total infrastructure, property, plant and equipment</b>	<b>635,179</b>	<b>(222,043)</b>	<b>413,136</b>	<b>11,343</b>	<b>8,056</b>	<b>(936)</b>	<b>(8,817)</b>	<b>–</b>	<b>2,154</b>	<b>(19,663)</b>	<b>47,237</b>	<b>653,635</b>	<b>(201,124)</b>	<b>452,511</b>

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

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C1-7 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 <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Reclassifications	Carrying value of contributed assets	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	9,611	–	9,611	11,090	12,636	–	–	(23,729)	–	–	–	–	9,362	–	9,362
Plant and equipment	12,464	(6,782)	5,682	–	–	(76)	(909)	1,425	–	–	–	–	13,483	(7,361)	6,122
Office equipment	305	(278)	27	–	–	–	(10)	–	–	–	–	–	305	(288)	17
Furniture and fittings	304	(232)	72	–	–	–	(16)	29	–	–	–	–	333	(248)	85
<b>Land:</b>															
– Crown land	1,801	–	1,801	–	–	–	–	–	–	–	–	–	1,801	–	1,801
– Operational land	9,247	–	9,247	–	–	–	–	–	–	–	643	–	9,890	–	9,890
– Community land	3,177	–	3,177	–	–	–	–	–	–	–	–	–	3,177	–	3,177
<b>Infrastructure:</b>															
– Buildings	66,615	(32,153)	34,462	–	–	(4)	(1,186)	374	–	(363)	–	1,734	68,686	(33,669)	35,017
– Other structures	13,592	(3,938)	9,654	–	–	–	(290)	9	–	–	–	305	14,043	(4,365)	9,678
– Roads	164,831	(68,215)	96,616	–	–	(696)	(3,646)	11,124	–	–	47	4,455	177,331	(69,429)	107,902
– Roads (causeways)	8,608	(5,311)	3,297	–	–	–	(102)	–	–	–	–	171	9,070	(5,703)	3,367
– Roads (carparks)	2,443	(588)	1,855	–	–	–	(39)	42	–	–	–	63	2,563	(642)	1,921
– Bridges	76,909	(29,363)	47,546	–	–	–	(826)	3,298	–	–	–	2,484	83,261	(30,760)	52,501
– Footpaths (road related)	5,578	(1,567)	4,011	–	–	(53)	(70)	614	–	–	–	209	6,356	(1,646)	4,710
– Bulk earthworks (non-depreciable)	77,945	–	77,945	–	–	–	–	1,473	–	–	–	4,180	83,598	–	83,598
– Stormwater drainage	18,943	(8,272)	10,671	–	–	–	(209)	611	–	–	–	530	20,514	(8,911)	11,603
– Water supply network	52,664	(25,117)	27,547	–	–	(19)	(718)	1,143	–	–	–	1,359	56,381	(27,070)	29,311
– Sewerage network	40,012	(17,841)	22,171	–	–	(132)	(537)	610	–	–	–	1,095	42,230	(19,023)	23,207
– Swimming pools	3,510	(1,238)	2,272	–	–	(44)	(52)	100	–	–	–	74	3,675	(1,325)	2,350
– Other open space/recreational assets (general)	5,600	(1,416)	4,184	–	–	(13)	(93)	2,796	–	–	–	–	8,375	(1,501)	6,874
– Other infrastructure (kerb and gutter)	13,606	(7,109)	6,497	–	–	–	(167)	81	–	–	–	339	14,417	(7,666)	6,751
– Other infrastructure (major street furniture)	2,783	(638)	2,145	–	–	–	(65)	–	–	–	–	112	2,932	(741)	2,191
<b>Other assets:</b>															
– Library books	959	(803)	156	–	–	–	(84)	–	–	–	–	–	959	(887)	72
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>															
– Tip assets	3,819	(620)	3,199	–	–	–	(377)	–	(1,193)	–	–	–	2,437	(808)	1,629
<b>Total infrastructure, property, plant and equipment</b>	<b>595,326</b>	<b>(211,481)</b>	<b>383,845</b>	<b>11,090</b>	<b>12,636</b>	<b>(1,037)</b>	<b>(9,396)</b>	<b>–</b>	<b>(1,193)</b>	<b>(363)</b>	<b>47</b>	<b>17,753</b>	<b>635,179</b>	<b>(222,043)</b>	<b>413,136</b>

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

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

### Material accounting policy information

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

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

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

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

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

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 15	Playground equipment	5 to 15
Office furniture	5 to 20	Benches, seats etc.	10 to 20
Vehicles	5 to 10		
Plant	7 to 40	<b>Buildings</b>	
Heavy Plant	10 to 30	Buildings: masonry	50 to 100
		Buildings: other	20 to 40
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Reservoirs	25 to 150	Conduits	60 to 90
Reticulation pipes	90	Pits	90
Treatment Works	10 to 120		
Weirs	25 to 100	<b>Other infrastructure assets</b>	
Pump Stations	10 to 100	Bulk earthworks	Infinite
Bores	35 to 75	Swimming pools	50
		Other open space/recreational assets	20
<b>Transportation assets</b>		Other infrastructure	20
Sealed roads: surface	15	Monuments	100
Sealed roads: base	45		
Unsealed roads: surface	30		
Sub-base	Infinite		
Bridge: concrete	60 to 120		
Bridge: timber	60 to 100		
Kerb, gutter and footpaths	80		

Depreciation starts in the year following the year of acquisition of an asset

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

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

### Land under roads

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

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

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

### **Crown reserves**

Crown reserves under Council's care and control as well as Crown land devolved to Council are recognised as assets of the Council. While ownership of the land remains with the Crown, Council retains operational control of the land and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where the Crown land is under a lease arrangement they are accounted for under AASB 16 *Leases*.

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 Rural Fire Fighting Equipment purchased or constructed wholly or partly from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the Fire Fighting Equipment have been purchased or constructed. Furthermore, Council must not sell or otherwise dispose of any Fire Fighting Equipment purchased or constructed wholly or partly from money to the credit of the Fund without the written consent of the Commissioner. In case of disposal, all proceeds are to be paid to the credit of the Fund.

In light of the above legislative requirements and based on the analysis of the existing Council's Rural Fire District Service Agreement with the Commissioner of the NSW Rural Fire Service, Council determined that, in substance, the Commissioner bears substantially all risks and rewards as well as rights and obligations in respect to all the Rural Fire Fighting Equipment (Red Fleet Assets) and Buildings (Premises) on Council controlled land "vested" in the Council, for the foreseeable future.

Council concludes that the abovementioned assets do not meet asset definition and recognition criteria as required by the Australian Accounting Standards due to lack of control over economic benefits which are expected to flow from the asset. As a result, Council has continued not to recognise in its Financial Statements any Rural Fire Fighting Equipment (Red Fleet Assets) or any Rural Fire Service Buildings on Council's controlled land that have been "vested" in Council.

C1-8 Owned Investment property

	2025 \$ '000	2024 \$ '000
<b>Owned investment property</b>		
Investment property on hand at fair value	725	725
<b>Total owned investment property</b>	<b>725</b>	<b>725</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	725	250
Net gain/(loss) from fair value adjustments	-	(134)
Other movements	-	609
<b>Closing balance at 30 June</b>	<b>725</b>	<b>725</b>

**Material accounting policy information**

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council.

Changes in Fair Values are recorded in the Income Statement as part of other income.

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over vehicles and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

#### Terms and conditions of lease

Terms and conditions of leases are detailed in the Lease Agreement.

#### Vehicles

Council leases vehicles and equipment with lease terms varying from 5 to 10 years; the lease payments are fixed during the lease term and there is generally no renewal option.

#### Office and IT equipment

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

#### Extension options

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

Potential future lease payments are not included in lease liabilities as Council has assessed that the exercise of the option is not reasonably certain.

#### (a) Right of use assets

	Plant & Equipment \$ '000	Total \$ '000
<b>2025</b>		
Opening balance at 1 July	524	524
Additions to right-of-use assets	1,417	1,417
Depreciation charge	(287)	(287)
<b>Balance at 30 June</b>	<b>1,654</b>	<b>1,654</b>
<b>2024</b>		
Opening balance at 1 July	811	811
Depreciation charge	(287)	(287)
<b>Balance at 30 June</b>	<b>524</b>	<b>524</b>

#### (b) Lease liabilities

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Lease liabilities	609	1,481	239	673
<b>Total lease liabilities</b>	<b>609</b>	<b>1,481</b>	<b>239</b>	<b>673</b>

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

### (c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
<b>2025</b>					
Cash flows	700	1,630	–	2,330	2,090
<b>2024</b>					
Cash flows	463	673	–	1,136	912

### (d) Income Statement

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

	2025 \$ '000	2024 \$ '000
Interest on lease liabilities	24	34
Depreciation of right of use assets	287	287
	<b>311</b>	<b>321</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	263	463
	<b>263</b>	<b>463</b>

### 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

continued on next page

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

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

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

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8) and/or IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

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

	2025	2024
	\$ '000	\$ '000

#### (i) Assets held as investment property

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

Lease income (excluding variable lease payments not dependent on an index or rate)	167	113
<b>Total income relating to operating leases for investment property assets</b>	<b>167</b>	<b>113</b>

#### (ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	142	125
<b>Total income relating to operating leases for Council assets</b>	<b>142</b>	<b>125</b>

### Material accounting policy information

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

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

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

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

## C3 Liabilities of Council

### C3-1 Payables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Goods and services – operating expenditure	896	–	639	–
Goods and services – capital expenditure	1,150	–	731	–
Accrued expenses:				
– Borrowings	41	–	51	–
– Salaries and wages	260	–	148	–
Advances	13	–	13	–
Prepaid rates	474	–	77	–
Other	(235)	–	(173)	–
<b>Total payables</b>	<b>2,599</b>	<b>–</b>	<b>1,486</b>	<b>–</b>

#### Material accounting policy information

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

#### Payables

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

### C3-2 Contract Liabilities

	Notes	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	7,588	–	10,694	–
Life Choice Program upfront fees	(iii)	157	–	402	–
<b>Total grants received in advance</b>		<b>7,745</b>	<b>–</b>	<b>11,096</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>7,745</b>	<b>–</b>	<b>11,096</b>	<b>–</b>

#### Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library 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. Drop in contract liabilities in this financial year compared to previous financial year is mostly due to completion of works on a number of capital jobs in the current financial year.

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

(iii) Upfront client fees and grant funds for the CHP and CHSP programs are payments for delivery of services to external customers. Therefore the funds received are recorded as a contract liability on receipt and recognised as revenue when services are delivered. There were no unspent funds on 30 June 2025.

**C3-2 Contract Liabilities (continued)****Revenue recognised that was included in the contract liability balance at the beginning of the period**

	<b>2025</b>	2024
	<b>\$ '000</b>	\$ '000
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	<b>5,581</b>	12,032
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>5,581</b>	12,032

**Significant changes in contract liabilities**

Increase by \$2.5M is due to an overall increase in new capital grants, coupled with resourcing constraints due to existing committed works during the year.

**Material accounting policy information**

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

## C3-3 Borrowings

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

	2024		Non-cash movements				2025
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	6,595	(1,370)	–	–	–	–	5,225
Lease liability (Note C2-1)	912	(238)	1,416	–	–	–	2,090
<b>Total liabilities from financing activities</b>	<b>7,507</b>	<b>(1,608)</b>	<b>1,416</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,315</b>

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	8,054	(1,459)	–	–	–	–	6,595
Lease liability (Note C2-1)	1,342	(430)	–	–	–	–	912
<b>Total liabilities from financing activities</b>	<b>9,396</b>	<b>(1,889)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,507</b>

## (b) Financing arrangements

	2025 \$ '000	2024 \$ '000
<b>Total facilities</b>		

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

Bank overdraft facilities <sup>1</sup>	200	200
Credit cards/purchase cards	115	50
<b>Total financing arrangements</b>	<b>315</b>	<b>250</b>

**Drawn facilities**

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	44	47
<b>Total drawn financing arrangements</b>	<b>44</b>	<b>47</b>

**Undrawn facilities**

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

– Bank overdraft facilities	200	200
– Credit cards/purchase cards	71	3
<b>Total undrawn financing arrangements</b>	<b>271</b>	<b>203</b>

**Additional financing arrangements information****Breaches and defaults**

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

**Security over loans**

Loan liabilities are secured over future Council rates. Leased liabilities are secured by the underlying leased assets.

**Bank overdrafts**

The bank overdraft of Council is secured by a charge over Council rates.

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

### C3-3 Borrowings (continued)

#### Material accounting policy information

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

### C3-4 Employee benefit provisions

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Annual leave	738	–	729	–
Long service leave	946	124	1,034	136
ELE on-costs	222	16	213	17
<b>Total employee benefit provisions</b>	<b>1,906</b>	<b>140</b>	<b>1,976</b>	<b>153</b>

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

	2025 \$ '000	2024 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	854	721
	<b>854</b>	<b>721</b>

#### Material accounting policy information

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

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

#### On-costs

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

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

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

### C3-5 Provisions

	2025 Current \$ '000	2025 Non-Current \$ '000	2024 Current \$ '000	2024 Non-Current \$ '000
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	5,489	–	3,292
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>5,489</b>	<b>–</b>	<b>3,292</b>
<b>Total provisions</b>	<b>–</b>	<b>5,489</b>	<b>–</b>	<b>3,292</b>

### Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
<b>2025</b>		
At beginning of year	3,292	3,292
Unwinding of discount	149	149
Additional provisions	2,048	2,048
Total other provisions at end of year	5,489	5,489
<b>2024</b>		
At beginning of year	4,485	4,485
Remeasurement effects	(1,193)	(1,193)
Total other provisions at end of year	3,292	3,292

### Nature and purpose of provisions

#### Asset remediation

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

#### Self-insurance

Council does not self-insure.

#### Material accounting policy information

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

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

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

#### Asset remediation – tips and quarries

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

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### C3-5 Provisions (continued)

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

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **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**

	<b>General 2025 \$ '000</b>	<b>Water 2025 \$ '000</b>	<b>Sewer 2025 \$ '000</b>
<b>Income from continuing operations</b>			
Rates and annual charges	10,369	1,515	1,984
User charges and fees	2,470	1,321	(25)
Interest and investment revenue	945	112	170
Other revenues	806	21	72
Grants and contributions provided for operating purposes	9,052	193	–
Grants and contributions provided for capital purposes	14,895	–	–
Other income	309	–	–
<b>Total income from continuing operations</b>	<b>38,846</b>	<b>3,162</b>	<b>2,201</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	12,487	408	254
Materials and services	8,476	841	267
Borrowing costs	396	101	24
Other expenses	797	197	254
Net losses from the disposal of assets	584	4	1
<b>Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b>	<b>22,740</b>	<b>1,551</b>	<b>800</b>
<b>Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b>	<b>16,106</b>	<b>1,611</b>	<b>1,401</b>
Depreciation, amortisation and impairment of non-financial assets	7,700	817	587
<b>Operating result from continuing operations</b>	<b>8,406</b>	<b>794</b>	<b>814</b>
<b>Net operating result for the year</b>	<b>8,406</b>	<b>794</b>	<b>814</b>
<b>Net operating result attributable to each council fund</b>	<b>8,406</b>	<b>794</b>	<b>814</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(6,489)</b>	<b>794</b>	<b>814</b>

## D1-2 Statement of Financial Position by fund

	<b>General</b> <b>2025</b> <b>\$ '000</b>	<b>Water</b> <b>2025</b> <b>\$ '000</b>	<b>Sewer</b> <b>2025</b> <b>\$ '000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6,523	3,076	3,029
Investments	10,462	1,041	2,997
Receivables	2,652	1,166	172
Inventories	2,449	(138)	(10)
Contract assets and contract cost assets	5,275	–	–
Other	(230)	(113)	343
<b>Total current assets</b>	<b>27,131</b>	<b>5,032</b>	<b>6,531</b>
<b>Non-current assets</b>			
Receivables	157	–	–
Infrastructure, property, plant and equipment	394,554	33,114	24,843
Investment property	725	–	–
Right of use assets	1,654	–	–
<b>Total non-current assets</b>	<b>397,090</b>	<b>33,114</b>	<b>24,843</b>
<b>Total assets</b>	<b>424,221</b>	<b>38,146</b>	<b>31,374</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	2,320	222	57
Contract liabilities	7,745	–	–
Lease liabilities	609	–	–
Borrowings	593	112	218
Employee benefit provision	1,875	24	7
<b>Total current liabilities</b>	<b>13,142</b>	<b>358</b>	<b>282</b>
<b>Non-current liabilities</b>			
Lease liabilities	1,481	–	–
Borrowings	3,128	1,153	21
Employee benefit provision	42	57	41
Provisions	5,489	–	–
<b>Total non-current liabilities</b>	<b>10,140</b>	<b>1,210</b>	<b>62</b>
<b>Total liabilities</b>	<b>23,282</b>	<b>1,568</b>	<b>344</b>
<b>Net assets</b>	<b>400,939</b>	<b>36,578</b>	<b>31,030</b>
<b>EQUITY</b>			
Accumulated surplus	161,610	17,178	15,831
IPPE revaluation surplus	239,329	19,400	15,199
<b>Council equity interest</b>	<b>400,939</b>	<b>36,578</b>	<b>31,030</b>
<b>Total equity</b>	<b>400,939</b>	<b>36,578</b>	<b>31,030</b>

## E Risks and accounting uncertainties

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

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 Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to NSW Council setting out the make-up and performance of the portfolio as required by local government regulations.

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 the finance team under policies approved by the Councillors.

The fair value of receivables, loans, investments and financial liabilities approximates the carrying amount. The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

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

	2025 \$ '000	2024 \$ '000
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	185	207

#### (b) Credit risk

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

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

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

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.

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.

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.

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

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

### Credit risk profile

#### Receivables – rates and annual charges

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

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
<b>2025</b>				
Gross carrying amount	–	1,674	181	1,855
<b>2024</b>				
Gross carrying amount	–	2,044	181	2,225

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

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

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

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts			Total \$ '000
			31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
<b>2025</b>						
Gross carrying amount	7,011	36	413	17	221	7,698
Expected loss rate (%)	0.00%	0.00%	5.80%	0.00%	4.00%	0.43%
<b>ECL provision</b>	–	–	24	–	9	33
<b>2024</b>						
Gross carrying amount	10,915	239	42	(11)	315	11,500
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.40%	0.28%
<b>ECL provision</b>	–	–	–	–	33	33

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

## (c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in:			Total cash outflows \$ '000	Actual carrying values \$ '000
			≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000		
<b>2025</b>							
Payables	0.00%	–	2,599	–	–	2,599	2,599
Loans	5.95%	–	923	2,340	1,962	5,225	5,225
<b>Total financial liabilities</b>		<b>–</b>	<b>3,522</b>	<b>2,340</b>	<b>1,962</b>	<b>7,824</b>	<b>7,824</b>
<b>2024</b>							
Payables	0.00%	–	1,486	–	–	1,486	1,486
Loans	5.58%	–	444	1,822	4,329	6,595	6,595
<b>Total financial liabilities</b>		<b>–</b>	<b>1,930</b>	<b>1,822</b>	<b>4,329</b>	<b>8,081</b>	<b>8,081</b>

## E2-1 Fair value measurement

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

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

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

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

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

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

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

### Recurring fair value measurements

		Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Notes							
	<b>Investment property</b>						
	Jamesies Fuel and Fix	725	725	–	–	725	725
	<b>Total investment property</b>	<b>725</b>	<b>725</b>	<b>–</b>	<b>–</b>	<b>725</b>	<b>725</b>
	<b>Infrastructure, property, plant and equipment</b>						
	Plant and equipment	–	–	6,392	6,122	6,392	6,122
	Office equipment	–	–	274	17	274	17
	Furniture and fittings	–	–	76	85	76	85
	- Crown Land	–	–	1,801	1,801	1,801	1,801
	– Operational land	–	–	10,001	9,890	10,001	9,890
	– Community land	–	–	3,177	3,177	3,177	3,177
	Buildings	–	–	37,007	35,017	37,007	35,017
	Other structures	–	–	11,497	9,678	11,497	9,678
	– Roads (General)	–	–	136,769	107,899	136,769	107,899
	– Roads (Causeways)	–	–	3,111	3,367	3,111	3,367
	– Roads (Car Parks)	–	–	1,080	1,921	1,080	1,921
	– Bridges	–	–	63,604	52,501	63,604	52,501
	– Footpaths (Road Related)	–	–	6,117	4,710	6,117	4,710
	– Bulk earthworks (non-depreciable)	–	–	67,054	83,598	67,054	83,598
	– Stormwater drainage	–	–	22,576	11,603	22,576	11,603
	– Water supply network	–	–	29,347	29,311	29,347	29,311
	– Sewerage network	–	–	23,357	23,207	23,357	23,207
	– Swimming pools	–	–	2,364	2,350	2,364	2,350
	– Other open space/recreational assets (General)	–	–	7,763	6,874	7,763	6,874
	– Other infrastructure (Kerb and Gutter)	–	–	8,631	6,751	8,631	6,751
	– Other infrastructure (Major Street Furniture)	–	–	2,271	2,191	2,271	2,191
	– Library books	–	–	–	72	–	72

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## E2-1 Fair value measurement (continued)

Notes	Fair value measurement hierarchy					
	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
<b>Total infrastructure, property, plant and equipment</b>	<b>–</b>	<b>–</b>	<b>444,269</b>	402,142	<b>444,269</b>	402,142

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

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

## Valuation techniques

## Fair value Hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurement by level of input, using the following hierarchy:

-Level 1 – Quoted prices (unadjusted) 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 – Unobservable inputs for asset or liability.

## Fair Value – Valuation 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:** Valuation technique that converts future amounts (cash flows 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 which were determined based on whereby maximising observable inputs and minimising unobservable inputs as below:

- Quoted prices for a 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:

- Pattern of consumption
- Residual Value
- Asset Condition
- Unit rates
- Useful life

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## E2-1 Fair value measurement (continued)

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:

### Investment property

Glen Innes Severn Council currently holds one investment property (known as Jamesies Fuel and Fix). Council obtains an independent valuation of its investment property on a regular basis and at the end of each reporting period the financial statements reflect the latest valuation.

The best evidence of Fair Value is the current price in an active market for similar assets. The following information is used where necessary;

- Current prices in an active market for different types of properties or similar properties in a less active market.
- Expected future rental income generated from the property based on a discounted cash flow.

The investment property held by Council has been valued with the Valuer using calculation techniques that are appropriate minimising unobservable inputs (namely level 2 inputs).

The property was valued by Mike Williams Valuations (Glen Innes Valuation Services) AAPI, FREAV, Registered Valuer 619, Certified Practising Valuer on 30 June 2024.

There are no valuation changes from prior years.

### Infrastructure, property, plant and equipment (IPPE)

#### Transportation assets

Transportation assets is a valuation class of asset for the purposes of AASB 13 *Fair Value Measurement* which combines following classes of assets from Note C1-7: roads, bridges, footpaths, bulk earthworks, stormwater drainage, kerb and gutter, major street furniture.

Transportation assets have been comprehensively valued in 2025 by an independent valuation firm Morrison Low.

Council fair values road infrastructure assets using Level 3 inputs at a component level.

The 'Cost Approach' is used to value transportation assets by componentising the assets into significant parts and then rolling up these component values to provide an overall asset valuation within Council's Asset System. In between full revaluations, Council undertakes annual indexation of stormwater drainage assets in accordance with the latest indices provided in the Rates Reference Manual issued by Crown Lands and Water (CLAW); and up-to-date ABS Road & Bridge construction index for all other transportation assets.

Due to specialised nature and significant judgement involved, the transportation assets have been valued using unobservable Level 3 inputs which include:

- Unit rates per measurement basis (m2, m, etc)
- Useful life
- Asset Condition

#### Buildings

Buildings assets are valued externally. Council engaged AssetVal to perform a comprehensive valuation of buildings assets as at 30 June 2023.

Most of the Council's buildings are specialised by nature and were valued utilising the cost approach. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account a range of factors. Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other inputs (such as estimates of useful life, asset condition and componentisation) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets have been valued utilising Level 3 inputs.

#### Land

Land is valued externally. Council engaged AssetVal to perform a comprehensive valuation of its land as at 30 June 2023.

Land is a valuation class of asset for the purposes of AASB 13 *Fair Value Measurement* which combines following classes of assets from Note C1-7: Operational Land and Community Land.

## E2-1 Fair value measurement (continued)

Council's "Operational" land by definition has no special restriction other than those that may apply to any piece of land.

Council's "Community" land (including owned by Council, the Crown and various other Government Agencies that is managed by Council) by definition from the LG Act 1993 is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, dedication under section 94 of the Environment Planning and Assessment Act 1979). This gives rise to the restrictions in the Act, intended to preserve the qualities of the land. Indeed, Community Land cannot be sold; cannot be leased, licensed, or any other estate granted over the land for more than 21 years; and must have a plan of management for it.

Land has been valued at market value, having regard to the "highest and best use", after identifying all elements (restrictions) that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and/or dimensions;
- Planning (zoning) and other constraints on development; and
- The potential for alternative use.

The criteria that highest and best use must meet are physical possibility, legal permissibility and financial feasibility. Implied within these criteria is the recognition of the contribution of that specific use to community environment or to community development goals, in addition to wealth maximisation of the individual property owner.

Council's community land has been zoned for public open space, conservation areas and other similar locality specific areas. Council has placed these zonings on their land and they, predominantly, only apply to Council owned land. These zonings are not representative of surrounding land uses and their level of development restrictions may not be considered normal in the open market. As a result of that, fair value of community land represents the cost to Council to acquire the property, i.e. in an open market situation, if it is considered feasible that these properties could be zoned similarly to surrounding use areas in the relatively near future (say 5 years) rather than at some remote future date.

There were no changes in valuation technique from prior year.

### Office Equipment and Furniture and Fittings

This class of assets was externally revalued by independent valuer, Andrew Nock AAPI (P&M) MAVAA, as at 30 June 2018.

Assets were valued using cost approach with a combination of depreciated replacement cost and market valuation techniques. Level 3 input was applied to most of the assets due to the significant professional judgment involved in determination of the obsolescence factor.

There were no changes in valuation technique from prior year.

### Water and Sewerage assets

Council engaged APV Valuers & Asset Management, independent professional valuer firm, to perform a comprehensive revaluation of its water and sewerage supply network assets as at 30 June 2023.

Due to specialised nature of the assets all water and sewer network assets were valued using cost approach with the Level 3 input dominating the valuation.

Valuer applied significant judgement in determining following inputs into the valuation process:

- Unit rates
- Condition assessment and obsolescence
- Useful life.

### Other structures

Assets in this class are valued at fair value, with a comprehensive physical inspection undertaken of all assets during each revaluation.

Due to the varying nature of physical assets in this asset class, some elements of value may be supported from market evidence (Level 2 inputs) other inputs such as, estimates of pattern of consumption, unit rates, asset condition and useful life, will impact significantly on the final determination of fair value.

These assets have been classified as Level 3 valuation inputs.

Assets within this class comprise waste depot, structures other than buildings, saleyards, fences, street furniture, bollards.

The latest valuation has been conducted in accordance with current asset valuation techniques and methodologies in compliance with all relevant Accounting Standards and pronouncements. Valuation of Other Structures has been indexed at 30 June 2022, to account for increases in cost indices since the last comprehensive revaluation.

## E2-1 Fair value measurement (continued)

### Swimming pools

This class of assets is valued at fair value, with a comprehensive physical inspection undertaken of all assets.

Some elements of value may be supported from market evidence (Level 2 inputs) other inputs such as, estimates of pattern of consumption, unit rates, asset condition and useful life, will impact significantly on the final determination of fair value.

These assets have been classified as Level 3 valuation inputs.

Assets within this class comprise swimming pools, wading pools and associated infrastructure.

The latest valuation has been conducted in accordance with current asset valuation techniques and methodologies in compliance with all relevant Accounting Standards and pronouncements. Valuation of Swimming Pool assets has been indexed at 30 June 2022, to account for increases in cost indices since the last comprehensive revaluation.

### Open spaces/recreational assets

This class of assets is valued at fair value, with a comprehensive physical inspection undertaken of all assets.

Some elements of value may be supported from market evidence (Level 2 inputs) other inputs such as, estimates of pattern of consumption, unit rates, asset condition and useful life, will impact significantly on the final determination of fair value. These assets have been classified as Level 3 valuation inputs.

Assets within this class comprise leisure and sporting equipment and facilities within cemeteries, parks, ovals sporting complexes and other recreational areas.

The Cost Approach is utilised with each asset being componentised into significant parts, with different useful lives and taking into account a range of factors. These assets have been classified as Level 3 valuation inputs.

The latest valuation has been conducted in accordance with current asset valuation techniques and methodologies in compliance with all relevant Accounting Standards and pronouncements. Valuation of Open Space assets has been indexed at 30 June 2022, to account for increases in cost indices since the last comprehensive revaluation.

### Other assets

Other Assets is a valuation class of asset for the purposes of AASB 13 *Fair Value Measurement* which combines following classes of assets from Note C1-7: Library Books and Tip Assets.

These assets are valued at depreciated historical 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 short useful life. Therefore, the main significant unobservable Level 3 input utilised in valuation is condition of the assets.

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

There were no movement between valuation hierarchy levels during the year. Therefore, for all the changes in value of assets please refer to Note C1-7.

## Highest and best use

Council's determined that current use of its assets are at 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 Active Super – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a ‘multi-employer fund’ for purposes of AASB 119 *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% from 1 July 2025 of salaries to these members’ accumulation accounts in line with current level of SG contributions, 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.

Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025.

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2025.

##### *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.

### E3-1 Contingencies (continued)

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2025 was \$68,823.89. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2024.

Council's expected contribution to the plan for the next annual reporting period is \$20,726.97.

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 any funding surplus or deficit that can be attributed to council is 0.18%.

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

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 2024 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)

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### 2. Other

#### (i) Third party claims

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

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

#### (ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

### ASSETS NOT RECOGNISED

#### (i) Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008 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.

#### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

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:

	2025	2024
	\$ '000	\$ '000
<b>Compensation:</b>		
Short-term benefits	1,717	1,681
Other long-term benefits	186	178
<b>Total</b>	<b>1,903</b>	<b>1,859</b>

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

	<b>2025</b>	2024
	<b>\$ '000</b>	\$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>38</b>	42
Councillors' fees	<b>90</b>	87
Other Councillors' expenses (including Mayor)	<b>53</b>	50
<b>Total</b>	<b>181</b>	179

F2 Other relationships

F2-1 Audit fees

	2025	2024
	\$ '000	\$ '000

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

	239	84
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<b>Remuneration for audit and other assurance services</b>	<b>239</b>	<b>84</b>
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<b>Total Auditor-General remuneration</b>	<b>239</b>	<b>84</b>
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Total audit fees	239	84
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**G Other matters****G1-1 Statement of Cash Flows information****Reconciliation of Operating Result**

	2025 \$ '000	2024 \$ '000
<b>Net operating result from Income Statement</b>	<b>10,014</b>	16,322
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	9,104	9,684
(Gain) / loss on disposal of assets	589	808
Other Provisions	–	(1,193)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	–	134
Unwinding of discount rates on reinstatement provisions	149	–
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	278	1,591
Increase / (decrease) in provision for impairment of receivables	–	69
(Increase) / decrease of inventories	(486)	(588)
(Increase) / decrease of other current assets	–	5
(Increase) / decrease of contract asset	3,894	(1,990)
Increase / (decrease) in payables	257	(552)
Increase / (decrease) in accrued interest payable	(10)	(5)
Increase / (decrease) in other accrued expenses payable	112	(6)
Increase / (decrease) in other liabilities	335	(564)
Increase / (decrease) in contract liabilities	(3,351)	(963)
Increase / (decrease) in employee benefit provision	(83)	(52)
<b>Net cash flows from operating activities</b>	<b>20,802</b>	<b>22,700</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

	2025	2024
	\$ '000	\$ '000

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

#### Property, plant and equipment

Roads	355	4,940
Plant	–	135
Other	2,406	2,175
<b>Total commitments</b>	<b>2,761</b>	<b>7,250</b>

#### These expenditures are payable as follows:

Within the next year	2,761	7,250
<b>Total payable</b>	<b>2,761</b>	<b>7,250</b>

#### Sources for funding of capital commitments:

Unrestricted general funds	157	1,762
Future grants and contributions	1,495	5,288
Internally restricted reserves	1,109	200
<b>Total sources of funding</b>	<b>2,761</b>	<b>7,250</b>

#### Details of capital commitments

Capital commitments relate to a range of capital items where purchase orders have been raised but invoices not received as at 30 June 2025.

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

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Pre-amble

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

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year				Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000						
Other	244	159	-	-	-	-	-	403	-	
<b>S7.11 contributions – under a plan</b>	<b>244</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403</b>	<b>-</b>	
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>244</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403</b>	<b>-</b>	
S7.11 not under plans <sup>1</sup>	829	-	-	-	-	-	-	829	-	
S64 contributions	21	70	-	-	-	-	-	91	-	
<b>Total contributions</b>	<b>1,094</b>	<b>229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,323</b>	<b>-</b>	

(1) Section 7.11 contributions opening balance was corrected by \$129k.

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

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year				Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000						
<b>S7.11 contributions – under a plan</b>										
<b>CONTRIBUTION PLAN NUMBER 1 - Community facilities</b>										
Other	244	159	-	-	-	-	-	403	-	
<b>Total</b>	<b>244</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403</b>	<b>-</b>	

(1) Section 7.11 contributions opening balance was corrected by \$129k.

### G4-3 Contributions not under plans

<b>Roads</b>										
Roads	700	-	-	-	-	-	-	700	-	

continued on next page

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G4-3 Contributions not under plans (continued)

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
Total	700	-	-	-	-	-	700	-	

**End of the audited financial statements**

## H Additional Council disclosures (unaudited)

### H1-1 Council information and contact details

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**Principal place of business:**

265 Grey Street  
Glen Innes NSW 2370

**Contact details**

PO Box 61  
Glen Innes NSW 2370

8.30 am - 4.30 pm  
Monday - Friday

**Telephone:** (02) 6730-2300

**Facsimile:** (02) 6732-3764

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

**Email:** [council@gisc.nsw.gov.au](mailto:council@gisc.nsw.gov.au)

**Officers**

**GENERAL MANAGER**  
Bernard Smith

**RESPONSIBLE ACCOUNTING OFFICER**

Shageer Mohammed

**PUBLIC OFFICER**

Lindsay Woodland

**AUDITORS**

The Audit Office of New South Wales  
Darling Park Tower 2,  
Level 19, 201 Sussex Street  
GPO Box 12,  
SYDNEY NSW 2001

**Elected members**

**MAYOR**  
Margot DAVIS

**COUNCILLORS**

Deputy Mayor Carol SPARKS  
Councillor Tim ALT  
Councillor Max ELPHICK  
Councillor Andrew PARSONS  
Councillor David SCOTT  
Councillor Anne VOSPER

**Other information**

**ABN:** 81 365 002 718

## Glen Innes Severn Council

### General Purpose Financial Statements

for the year ended 30 June 2025

#### Independent Auditor's Reports:

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On the Financial Statements (Sect 417 [2])

#### Independent Auditor's Report

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

## Glen Innes Severn Council

### General Purpose Financial Statements

for the year ended 30 June 2025

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

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On the Conduct of the Audit (Sect 417 [3])

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

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

# Glen Innes Severn Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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*"Embracing Change, Building on History"*



Glen Innes Severn Council  
 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).

### Glen Innes Severn Council

### Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEE) *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,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 16 October 2025.

**Margot Davis**  
**Mayor**  
16 October 2025

**Carol Sparks**  
**Deputy Mayor**  
16 October 2025

**Lindsay Woodland**  
**Acting General Manager**  
16 October 2025

**Shageer Mohammed**  
**Responsible Accounting Officer**  
16 October 2025

## Glen Innes Severn Council

Income Statement of water supply business activity  
for the year ended 30 June 2025

	2025 \$ '000	2024 \$ '000
<b>Income from continuing operations</b>		
Access charges	1,515	1,388
User charges	1,311	1,489
Fees	10	25
Interest and investment income	112	118
Grants and contributions provided for operating purposes	193	283
Other income	21	13
<b>Total income from continuing operations</b>	<b>3,162</b>	<b>3,316</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	408	440
Borrowing costs	101	114
Materials and services	841	847
Depreciation, amortisation and impairment	817	755
Net loss from the disposal of assets	4	19
Other expenses	197	396
<b>Total expenses from continuing operations</b>	<b>2,368</b>	<b>2,571</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>794</b>	<b>745</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>794</b>	<b>745</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>794</b>	<b>745</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(199)	(186)
<b>Surplus (deficit) after tax</b>	<b>595</b>	<b>559</b>
<b>Plus accumulated surplus</b>	<b>16,383</b>	15,638
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	200	186
<b>Closing accumulated surplus</b>	<b>17,178</b>	<b>16,383</b>
<b>Return on capital %</b>	<b>2.7%</b>	2.5%
<b>Subsidy from Council</b>	<b>–</b>	–
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	596	559
<b>Surplus for dividend calculation purposes</b>	<b>596</b>	<b>559</b>
<b>Potential dividend calculated from surplus</b>	<b>298</b>	<b>280</b>

## Glen Innes Severn Council

Income Statement of sewerage business activity  
for the year ended 30 June 2025

	2025 \$ '000	2024 \$ '000
<b>Income from continuing operations</b>		
Access charges	1,984	1,844
User charges	(62)	29
Liquid trade waste charges	37	(1)
Interest and investment income	170	179
Other income	72	37
<b>Total income from continuing operations</b>	<b>2,201</b>	<b>2,088</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	254	212
Borrowing costs	24	38
Materials and services	267	285
Depreciation, amortisation and impairment	587	546
Net loss from the disposal of assets	1	133
Other expenses	254	321
<b>Total expenses from continuing operations</b>	<b>1,387</b>	<b>1,535</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>814</b>	<b>553</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>814</b>	<b>553</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>814</b>	<b>553</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(204)	(138)
<b>Surplus (deficit) after tax</b>	<b>610</b>	<b>415</b>
<b>Plus accumulated surplus</b>	<b>15,017</b>	<b>14,464</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	204	138
<b>Closing accumulated surplus</b>	<b>15,831</b>	<b>15,017</b>
<b>Return on capital %</b>	<b>3.4%</b>	<b>2.4%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	611	415
<b>Surplus for dividend calculation purposes</b>	<b>611</b>	<b>415</b>
<b>Potential dividend calculated from surplus</b>	<b>305</b>	<b>208</b>

## Glen Innes Severn Council

## Income Statement of Glen Innes Aggregates

for the year ended 30 June 2025

	2025 Category 1 \$ '000	2024 Category 1 \$ '000
<b>Income from continuing operations</b>		
Annual charges	(1)	–
Other income	5,991	5,086
<b>Total income from continuing operations</b>	<b>5,990</b>	<b>5,086</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	700	646
Borrowing costs	85	93
Materials and services	2,524	2,951
Depreciation, amortisation and impairment	227	174
Other expenses	470	323
<b>Total expenses from continuing operations</b>	<b>4,006</b>	<b>4,187</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,984</b>	<b>899</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,984</b>	<b>899</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,984</b>	<b>899</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(496)	(225)
<b>Surplus (deficit) after tax</b>	<b>1,488</b>	<b>674</b>
<b>Plus accumulated surplus</b>	<b>5,575</b>	<b>4,676</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	498	225
<b>Less:</b>		
<b>Closing accumulated surplus</b>	<b>7,561</b>	<b>5,575</b>
<b>Return on capital %</b>	<b>50.8%</b>	<b>25.6%</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,488	674
<b>Surplus for dividend calculation purposes</b>	<b>1,488</b>	<b>674</b>
<b>Potential dividend calculated from surplus</b>	<b>744</b>	<b>337</b>

## Glen Innes Severn Council

## Statement of Financial Position of water supply business activity

as at 30 June 2025

	2025 \$ '000	2024 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,076	196
Investments	1,041	1,112
Receivables	1,166	3,085
Inventories	(138)	(103)
Other	(113)	(148)
<b>Total current assets</b>	<b>5,032</b>	<b>4,142</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	33,114	33,711
<b>Total non-current assets</b>	<b>33,114</b>	<b>33,711</b>
<b>Total assets</b>	<b>38,146</b>	<b>37,853</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	222	303
Borrowings	112	112
Employee benefit provisions	24	15
<b>Total current liabilities</b>	<b>358</b>	<b>430</b>
<b>Non-current liabilities</b>		
Borrowings	1,153	1,265
Employee benefit provisions	57	33
<b>Total non-current liabilities</b>	<b>1,210</b>	<b>1,298</b>
<b>Total liabilities</b>	<b>1,568</b>	<b>1,728</b>
<b>Net assets</b>	<b>36,578</b>	<b>36,125</b>
<b>EQUITY</b>		
Accumulated surplus	17,178	16,382
IPPE revaluation surplus	19,400	19,743
<b>Total equity</b>	<b>36,578</b>	<b>36,125</b>

## Glen Innes Severn Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2025

	2025 \$ '000	2024 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,029	1,793
Investments	2,997	3,106
Receivables	172	342
Inventories	(10)	(8)
Other	343	320
<b>Total current assets</b>	<b>6,531</b>	<b>5,553</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	24,843	25,013
<b>Total non-current assets</b>	<b>24,843</b>	<b>25,013</b>
<b>Total assets</b>	<b>31,374</b>	<b>30,566</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	57	74
Borrowings	218	218
Employee benefit provisions	7	3
<b>Total current liabilities</b>	<b>282</b>	<b>295</b>
<b>Non-current liabilities</b>		
Borrowings	21	239
Employee benefit provisions	41	22
<b>Total non-current liabilities</b>	<b>62</b>	<b>261</b>
<b>Total liabilities</b>	<b>344</b>	<b>556</b>
<b>Net assets</b>	<b>31,030</b>	<b>30,010</b>
<b>EQUITY</b>		
Accumulated surplus	15,831	15,017
IPPE revaluation surplus	15,199	14,993
<b>Total equity</b>	<b>31,030</b>	<b>30,010</b>

## Glen Innes Severn Council

## Statement of Financial Position of Glen Innes Aggregates

as at 30 June 2025

	2025 Category 1 \$ '000	2024 Category 1 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,148	2,510
Receivables	669	651
Inventories	1,311	1,003
Other	(13)	(12)
<b>Total current assets</b>	<b>6,115</b>	<b>4,152</b>
<b>Non-current assets</b>		
Right of use assets	208	208
Infrastructure, property, plant and equipment	4,069	3,879
<b>Total non-current assets</b>	<b>4,277</b>	<b>4,087</b>
<b>Total assets</b>	<b>10,392</b>	<b>8,239</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Lease liabilities	39	39
Payables	163	231
Borrowings	92	113
Employee benefit provisions	118	72
Provisions	19	20
<b>Total current liabilities</b>	<b>431</b>	<b>475</b>
<b>Non-current liabilities</b>		
Lease liabilities	253	253
Borrowings	1,293	1,374
Employee benefit provisions	11	6
Other Liabilities	44	42
<b>Total non-current liabilities</b>	<b>1,601</b>	<b>1,675</b>
<b>Total liabilities</b>	<b>2,032</b>	<b>2,150</b>
<b>Net assets</b>	<b>8,360</b>	<b>6,089</b>
<b>EQUITY</b>		
Accumulated surplus	7,561	5,577
Revaluation reserves	799	512
<b>Total equity</b>	<b>8,360</b>	<b>6,089</b>

## 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. Glen Innes Aggregates is a Category 1 business of Council.**

#### b. Glen Innes Severn Council Water Supply

A provision for augmented water supplies to the communities of Deepwater and Glen Innes, and, surrounding residential and farmland holdings.

#### Category 2

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

#### a. Glen Innes Severn Council Sewerage Services

A provision for sewerage services to the communities of Deepwater and Glen Innes, and, surrounding residential and farmland holdings.

### Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

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

continued on next page

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## Note – Material accounting policy information (continued)

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

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

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

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

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

### Income tax

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

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

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

### Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

#### (ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

#### Operating result before capital income + interest expense

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

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

## Note – Material accounting policy information (continued)

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### (iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with DCCEEW's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2025 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with DCCEEW's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DCCEEW.

## Glen Innes Severn Council

### Special Purpose Financial Statements

for the year ended 30 June 2025

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#### Independent Auditor's Report

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

# Glen Innes Severn Council

SPECIAL SCHEDULES  
for the year ended 30 June 2025

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*"Embracing Change, Building on History"*



## Glen Innes Severn Council

### Special Schedules

for the year ended 30 June 2025

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**Special Schedules:**

Permissible income for general rates	3
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Report on infrastructure assets as at 30 June 2025	5
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## Glen Innes Severn Council

## Permissible income for general rates

	Notes	Calculation 2024/25 \$ '000	Calculation 2025/26 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	7,836	8,243
<b>Notional general income</b>	c = a + b	<b>7,836</b>	<b>8,243</b>
<b>Permissible income calculation</b>			
Percentage increase	e	4.80%	4.40%
Plus percentage increase amount <sup>3</sup>	f = d x (c + e)	376	363
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>8,212</b>	<b>8,606</b>
Plus (or minus) last year's carry forward total	l	2	(29)
<b>Sub-total</b>	n = (l + m)	<b>2</b>	<b>(29)</b>
<b>Total permissible income</b>	o = k + n	<b>8,214</b>	<b>8,577</b>
Less notional general income yield	p	8,243	8,566
<b>Catch-up or (excess) result</b>	q = o - p	<b>(29)</b>	<b>11</b>
<b>Carry forward to next year <sup>3</sup></b>	t = q + r + s	<b>(29)</b>	<b>11</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (3) 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 Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

### Permissible income for general rates

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Permissible income for general rates: PLUS PDF inserted here

Council needs to uplift custom PDF here - please uplift via "PLUS PDF" choice in the Home/TOC screen

Glen Innes Severn Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost		2024/25 Required maintenance <sup>a</sup>	2024/25 Actual maintenance	Gross replacement cost (GRC)	Net carrying amount	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	to bring to the agreed level of service set by Council \$ '000					\$ '000	\$ '000	\$ '000	\$ '000	1
<b>Buildings</b>	Buildings	5,010	5,010	250	332	73,563	37,007	36.0%	31.0%	30.0%	2.0%	1.0%
	<b>Sub-total</b>	<b>5,010</b>	<b>5,010</b>	<b>250</b>	<b>332</b>	<b>73,563</b>	<b>37,007</b>	<b>36.0%</b>	<b>31.0%</b>	<b>30.0%</b>	<b>2.0%</b>	<b>1.0%</b>
<b>Other structures</b>	Other	20	20	–	–	16,251	11,497	98.0%	1.0%	0.0%	0.0%	1.0%
	<b>Sub-total</b>	<b>20</b>	<b>20</b>	<b>–</b>	<b>–</b>	<b>32,502</b>	<b>11,497</b>	<b>49.0%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>50.5%</b>
<b>Roads</b>	Roads – Local Rural Sealed	5,239	5,239	856	529	87,344	66,520	59.0%	16.0%	19.0%	3.0%	3.0%
	Roads – Local Urban Sealed	2,684	2,684	220	136	23,951	15,942	44.0%	14.0%	25.0%	10.0%	7.0%
	Roads – Local Rural Unsealed	6,565	6,565	1,738	1,643	50,417	32,437	47.0%	17.0%	9.0%	5.0%	22.0%
	Roads – Other Urban Sealed	665	665	26	16	3,244	1,677	11.0%	4.0%	65.0%	13.0%	7.0%
	Roads – Regional Rural Sealed	893	893	181	112	18,534	15,069	56.0%	22.0%	19.0%	0.0%	3.0%
	Roads – Regional Urban Sealed	10	10	13	8	1,086	933	56.0%	40.0%	5.0%	0.0%	(1.0%)
	Bridges	2,517	2,517	42	25	77,834	63,603	63.0%	29.0%	1.0%	0.0%	7.0%
	Bulk earthworks	47	47	–	–	67,054	67,054	99.0%	0.0%	0.0%	0.0%	1.0%
	Footpaths	231	231	50	11	7,348	6,117	67.0%	20.0%	8.0%	5.0%	0.0%
	Carparks	118	118	–	–	1,433	1,080	61.0%	16.0%	4.0%	7.0%	12.0%
	Causeways	1,129	1,129	–	–	5,886	3,111	38.0%	6.0%	9.0%	27.0%	20.0%
	<b>Sub-total</b>	<b>20,098</b>	<b>20,098</b>	<b>3,126</b>	<b>2,480</b>	<b>344,131</b>	<b>273,543</b>	<b>64.1%</b>	<b>16.0%</b>	<b>10.1%</b>	<b>2.9%</b>	<b>6.9%</b>
	<b>Water supply network</b>	Water supply network	5,056	5,056	300	203	57,872	29,347	40.0%	30.0%	18.0%	3.0%
<b>Sub-total</b>		<b>5,056</b>	<b>5,056</b>	<b>300</b>	<b>203</b>	<b>57,872</b>	<b>29,347</b>	<b>40.0%</b>	<b>30.0%</b>	<b>18.0%</b>	<b>3.0%</b>	<b>9.0%</b>
<b>Sewerage network</b>	Sewerage network	3,386	3,386	275	177	43,433	23,357	49.0%	29.0%	5.0%	5.0%	12.0%
	<b>Sub-total</b>	<b>3,386</b>	<b>3,386</b>	<b>275</b>	<b>177</b>	<b>43,433</b>	<b>23,357</b>	<b>49.0%</b>	<b>29.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>12.0%</b>
<b>Stormwater drainage</b>	Stormwater drainage	3,608	3,608	50	27	45,023	22,576	27.0%	34.0%	39.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>3,608</b>	<b>3,608</b>	<b>50</b>	<b>27</b>	<b>45,023</b>	<b>22,576</b>	<b>27.0%</b>	<b>34.0%</b>	<b>39.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Swimming pools	27	27	–	–	3,795	2,364	67.0%	30.0%	1.0%	1.0%	1.0%
	Other	56	56	–	–	9,448	7,763	89.0%	9.0%	0.0%	2.0%	0.0%
	<b>Sub-total</b>	<b>83</b>	<b>83</b>	<b>–</b>	<b>–</b>	<b>13,243</b>	<b>10,127</b>	<b>82.7%</b>	<b>15.0%</b>	<b>0.3%</b>	<b>1.7%</b>	<b>0.3%</b>

continued on next page

Page 5 of 7

Glen Innes Severn Council

Report on infrastructure assets as at 30 June 2025 (continued)

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2024/25 Required maintenance <sup>a</sup> \$ '000	2024/25 Actual maintenance \$ '000	Gross replacement cost (GRC) \$ '000	Net carrying amount \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Other infrastructure assets	Kerb and Gutter	1,311	1,311	–	–	17,231	8,631	28.0%	40.0%	26.0%	3.0%	3.0%
	Major Street Furniture	123	123	–	–	2,728	2,271	74.0%	4.0%	22.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>1,434</b>	<b>1,434</b>	<b>–</b>	<b>–</b>	<b>19,959</b>	<b>–</b>	<b>34.3%</b>	<b>35.1%</b>	<b>25.5%</b>	<b>2.6%</b>	<b>2.5%</b>
<b>Total – all assets</b>		<b>38,695</b>	<b>38,695</b>	<b>4,001</b>	<b>3,219</b>	<b>629,726</b>	<b>407,454</b>	<b>53.6%</b>	<b>21.0%</b>	<b>14.6%</b>	<b>2.6%</b>	<b>8.2%</b>

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

Infrastructure asset condition assessment 'key'

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

## Glen Innes Severn Council

## Report on infrastructure assets as at 30 June 2025

## Infrastructure asset performance indicators (consolidated) \*

	Amounts	Indicator	Indicators		Benchmark
	2025 \$ '000	2025	2024	2023	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>11,343</b>	<b>156.91%</b>	145.43%	213.99%	> 100.00%
Depreciation, amortisation and impairment	<b>7,229</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>38,695</b>	<b>9.39%</b>	9.22%	10.56%	< 2.00%
Net carrying amount of infrastructure assets	<b>412,122</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>3,219</b>	<b>80.45%</b>	91.46%	113.61%	> 100.00%
Required asset maintenance	<b>4,001</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>38,695</b>	<b>6.14%</b>	5.84%	3.76%	
Gross replacement cost	<b>629,726</b>				

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

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



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Glen Innes Severn Council

To the Councillors of the Glen Innes Severn Council

#### Disclaimer of Opinion

I am required to audit the accompanying financial statements of Glen Innes Severn 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.

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

#### Basis for Disclaimer of Opinion

Ongoing issues arising from Council's implementation of its financial management information system continue to result in deficiencies in the Council's accounting records. This means I have been unable to obtain sufficient appropriate audit evidence or perform alternative testing procedures to enable me to conclude on the Statement by Councillors and Management; the completeness and accuracy of financial transactions, balances and related notes in the Council's financial statements. Section 412 of the *Local Government Act 1993* (the LG Act) requires the Council to maintain such accounting records as are necessary to correctly record and explain its financial transactions and its financial position.

Accordingly, I have been unable to determine whether adjustments might have been necessary in respect of the reported transactions, balances and their amounts. The pervasiveness of these issues means I cannot express an opinion on the accompanying financial statements for the year ended 30 June 2025.

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

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

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

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

My objectives are to:

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

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

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

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

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

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

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



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

20 February 2026  
SYDNEY



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Glen Innes Severn Council

To the Councillors of Glen Innes Severn Council

#### Disclaimer of Opinion

I am required to audit the accompanying special purpose financial statements (financial statements) of Glen Innes Severn 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
- Sewer
- Glen Innes Aggregates.

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

#### Basis for Disclaimer Opinion

Ongoing issues arising from Council's implementation of its financial management information system, leading to deficiencies in the Council's accounting records, means I have been unable to obtain sufficient appropriate audit evidence or perform alternative testing procedures to enable me to conclude on the Statement by Councillors and Management; and the completeness and accuracy of financial transactions, balances and related notes in the Council's financial statements. Section 412 of the *Local Government Act 1993* requires the Council to maintain such accounting records as are necessary to correctly record and explain its financial transactions and its financial position.

Accordingly, I have been unable to determine whether adjustments might have been necessary in respect of the reported transactions, balances and their amounts. The pervasiveness of these issues means I cannot express an opinion on the accompanying financial statements for the year ended 30 June 2025.

#### Emphasis of Matter - Basis of Accounting

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 Local Government Code of Accounting Practice and Financial Reporting (the LG Code). As a result, the financial statements may not be suitable for another purpose.

#### 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.

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

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

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

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as 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.



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

20 February 2026  
SYDNEY



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule – Permissible income for general rates

#### Glen Innes Severn Council

To the Councillors of Glen Innes Severn Council

#### Disclaimer of Opinion

I am required to audit the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Glen Innes Severn Council (the Council) for the year ending 30 June 2026.

I do not express an opinion on the accompanying Schedule. I draw attention to the audit of the general-purpose financial statements for the Council for the year ended 30 June 2025 which was disclaimed. Because of the significance of the matters described in the 'Basis for Disclaimer of Opinion' section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Schedule.

#### Basis for Disclaimer of Opinion

Ongoing issues arising from Council's implementation of its financial management information system, leading to deficiencies in the Council's accounting records, means I have been unable to obtain sufficient appropriate audit evidence or perform alternative testing procedures to enable me to conclude on the Statement by Councillors and Management; the completeness and accuracy of financial transactions, balances and related notes in the Council's financial statements. As a result, I have disclaimed my opinion on the general purpose financial statements. Section 412 of the *Local Government Act 1993* requires the Council to maintain such accounting records as are necessary to correctly record and explain its financial transactions and its financial position.

As a result, I do not have sufficient appropriate audit evidence, nor am I able to determine whether any adjustments may be necessary in respect of recorded or unrecorded transactions in the Schedule.

#### Emphasis of Matter - Basis of Accounting

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 Local Government Code of Accounting Practice and Financial Reporting (the LG Code). As a result, the Schedule may not be suitable for another purpose.

#### 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.

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

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

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

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

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

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



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

20 February 2026  
SYDNEY



Mayor Margot Davis  
Glen Innes Severn Council  
PO BOX 61  
GLEN INNES NSW 2370

Contact: Jan-Michael Perez  
Phone no: 02 9275 7100  
Our ref: R008-1981756498-9016

20 February 2026

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2025  
Glen Innes Severn Council**

I have audited the general purpose financial statements (GPFS) of the Glen Innes Severn 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 a disclaimer of opinion on the Council's GPFS. This means I do not express an opinion on the GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2025 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

**SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

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

Ongoing issues arising from Council's implementation of its financial management information system continue to result in deficiencies in the Council's accounting records. This means I have been unable to obtain sufficient appropriate audit evidence or perform alternative testing procedures to enable me to conclude on the Statement by Councillors and Management; the completeness and accuracy of financial transactions, balances and related notes in the Council's financial statements. Section 412 of the *Local Government Act 1993* (the LG Act) requires the Council to maintain such accounting records as are necessary to correctly record and explain its financial transactions and its financial position.

Accordingly, I have been unable to determine whether adjustments might have been necessary in respect of the reported transactions, balances and their amounts. The pervasiveness of these issues means I cannot express an opinion on the accompanying financial statements for the year ended 30 June 2025.

## FINANCIAL POSITION

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

## OTHER MATTERS

### Legislative compliance

My audit procedures identified non-compliance with legislative requirements.

### Maintenance of Accounting Records

The council did not maintain adequate accounting records as required by Section 412 of the Local Government Act 1993 NSW. Council staff were unable to provide all accounting records and information relevant to the audit.

### Establishment of an Effective Internal Control Environment

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



Jan-Michael Perez  
Director, Financial Audit

Delegate of the Auditor-General



**GLEN  
INNES**  
SEVERN COUNCIL

Have Your Say Glen Innes  
Severn

Project: 2024/25 Audited Financial Statements



GRANICUS

**Responded At:** Feb 27, 2026 20:22:50 pm  
**Last Seen:** Feb 27, 2026 20:22:50 pm  
**IP Address:** n/a

Q1. **Title** [REDACTED]

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Q2. **Full Name** [REDACTED]

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Q3. **Business Name** not answered

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Q4. **Postal Address** [REDACTED]

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Q5. **Postcode** [REDACTED]

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Q6. **Email** [REDACTED]

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Q7. **Telephone** [REDACTED]

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**Q8. Your Comments**

Firstly, I note that this audited set of accounts, which includes extremely negative comments implying flagrant disregard for normal and accepted processes of accountability is for the 2024-25 financial year, the final half year of the previous Council and the first half year of the newly elected Council. I further note that many of the individuals responsible for the decisions, actions and lack of action criticised by the auditor are no longer serving on or employed by Glen Innes Severn Council. I congratulate the current Council, both elected Councillors and relevant Council Officers for "taking one on the chin", so to say, for decisions and actions that they were not party to and resolving to address the underlying financial management issues. Council should, in my view, investigate whether those responsible for the actions that have been criticised can be held to account in some way. Whether it is elected officials who did not exercise the required oversight and diligence or employed staff, especially at Director level, who have allegedly failed to live up to their responsibilities. I realise that this may be difficult, if not impossible, if the threshold for criminality has not been reached and because the individuals concerned are no longer employed by the Council. If this is the case then Council should inform the current employers, if known, of those former Council Officers of the comments of the auditor as far as they affect and are directed at that individual.

**Q9. Your suggestions for improvement?**

1. Involve the community in the running of "their " Council by creating a 355 Committee with community representation to oversee the audit / accounting processes within Council. 2. Create a credible and appropriate "whistleblower" protection protocol within the Council. 3. Develop a Community Consultation Panel which involves the community in driving the strategic directions and decisions of Council.

**From:** [REDACTED]  
**Sent:** Thu, 5 Mar 2026 16:05:54 +1100  
**To:** Council Email  
**Subject:** 24-25 Audited Financial Statements Submission

General Manager  
Glen Innes Severn Council  
Glen Innes NSW 2370  
5<sup>th</sup> March 26

Dear General Manager,

I write to make a submission on the 24-25 Audited Financial Statements.

I believe that the summary as presented is deficient. There should be an explanation of what the financial ratios mean, and how they relate to benchmarks and how they compare with other surrounding Councils (even if the data is a year out-of-date)

For example, a statement caged in plain English would lead to a better understanding by the wider community. As presented for end of June 2025, the following would probably be a fair summary, compared to June 2024.

**What Do These Council Financial Numbers Actually Mean?**

Council reports a range of financial ratios each year. They can look technical, but they really answer three simple questions:

1. Can Council pay its bills?
2. Is it living within its means?
3. Is it looking after roads and infrastructure properly?

Here's what the latest figures tell us.

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**💰 Can Council Pay Its Bills? Unrestricted Current Ratio – 1.83 Down from 2.64 (in FY 2024)**

This means Council has \$1.83 available for every \$1 it owes in the short term.

**Plain English:**

Council can comfortably pay its immediate bills but this has declined sharply in this Financial year

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**Cash Expense Cover – 11.19 months about the same (11.22) in FY 2024**

If no new money came in, Council could keep operating for almost 11 months using its available cash.

**Plain English:** Council has a strong cash buffer.

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**Debt Service Cover – 2.5 times down from 2.89 (FY 24) a 14% drop**

Council earns about 2½ times what it needs to cover its loan repayments.

**Plain English:** Council is not struggling with debt, but data is trending down.

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**📉 Is Council Living Within Its Means? Operating Performance Ratio – -14.64% up from -11.16% (FY 24)**

This is the most important number, and shows a disturbing trend

It shows Council is spending significantly more each year on day-to-day operations than it earns from normal income (rates, fees and charges).

**Plain English:** Council is running at a yearly operating loss. That gap must be filled from reserves, asset sales, or new income. This is the main long-term financial concern.

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**📈 Is Council Maintaining Infrastructure? Infrastructure Renewals Ratio – 156.91% up from 145.43% (FY 24)**

Council is renewing roads and assets at a rate well above what they wear out each year.

**Plain English:** Council is investing strongly, and continues to do so, in replacing infrastructure. That's positive — provided it is affordable long term.

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**📉 Are Rates Being Paid? Rates Outstanding – 10.86% down from 13.07% FY 24**

Just over 10% of rates remain unpaid at year end. This is an improvement on the previous year.

**Plain English:** A noticeable number of ratepayers are struggling or paying late. In a rural council, this can reflect local economic pressure.

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**📉 How Independent Is Council? Own Source Revenue – 45.40% (39.09% in FY 24)**

Less than half of Council's income comes from rates and fees it controls. The rest comes from grants.

**Plain English:** Council relies heavily on government funding. If grants change, Council’s finances can be affected. This will have to be carefully monitored moving forward as government grant funding is known to be ‘drying up’

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**The Overall Picture**

- ✓ Council has cash.
- ✓ Council can pay its debts.
- ✓ Infrastructure spending is strong.
- ⚠️ But Council is running a significant operating deficit each year.
- ⚠️ Council depends heavily on grants.

**In simple terms:** Council is not in immediate financial danger, but it is not currently living within its ongoing income.

That operating deficit is the key issue for long-term sustainability.

Kind regards,

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