Uralla Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2026

Uralla Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2026

Uralla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2026

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Overview

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

32 Salisbury Street
Uralla NSW 2358

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.uralla.nsw.gov.au.

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

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

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards 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 22 September 2026.

Robert Bell
Mayor
22 September 2026

Kath Arnold
Deputy Mayor
22 September 2026

Toni Averay
General Manager
22 September 2026

Mustaq Ahammed
Responsible Accounting Officer
22 September 2026

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Uralla Shire Council

Income Statement

for the year ended 30 June 2026

Original unaudited budget 2026	$ '000	Notes	Actual 2026	Actual 2025
	Income from continuing operations			
8,949	Rates and annual charges	B2-1	**8,953**	8,433
6,732	User charges and fees	B2-2	**6,216**	5,739
583	Other revenues	B2-3	**1,119**	1,060
11,767	Grants and contributions provided for operating purposes	B2-4	**13,108**	9,163
1,719	Grants and contributions provided for capital purposes	B2-4	**2,739**	1,877
687	Interest and investment income	B2-5	**1,246**	1,495
314	Net gain from the disposal of assets	B4-1	**–**	–
30,751	**Total income from continuing operations**		**33,381**	27,767
	Expenses from continuing operations			
15,568	Employee benefits and on-costs	B3-1	**15,779**	13,653
8,264	Materials and services	B3-2	**10,948**	9,006
86	Borrowing costs	B3-3	**244**	298
579	Other expenses	B3-5	**362**	789
–	Net loss from the disposal of assets	B4-1	**1,296**	1,931
24,497	**Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets**		**28,629**	25,677
6,254	**Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets**		**4,752**	2,090
6,454	Depreciation, amortisation and impairment of non-financial assets	B3-4	**7,069**	7,430
(200)	**Operating result from continuing operations**		**(2,317)**	(5,340)
(200)	Net operating result for the year attributable to Council		**(2,317)**	(5,340)
(1,919)	**Net operating result for the year before grants and contributions provided for capital purposes**		**(5,056)**	(7,217)

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

Uralla Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2026

$ '000	Notes	2026	2025
Net operating result for the year – from Income Statement		**(2,317)**	(5,340)
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	**18,821**	44,965
Total items which will not be reclassified subsequent to operating result		**18,821**	44,965
Total other comprehensive income for the year		**18,821**	44,965
Total comprehensive income for the year attributable to Council		**16,504**	39,625

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

Uralla Shire Council

Statement of Financial Position

as at 30 June 2026

$ '000	Notes	2026	2025
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	**5,140**	3,732
Investments	C1-2	**22,000**	24,550
Receivables	C1-4	**2,541**	3,440
Inventories	C1-5	**305**	257
Contract assets and contract cost assets	C1-6	**1,197**	1,318
Other		**94**	69
Total current assets		**31,277**	33,366
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-7	**363,786**	346,072
Right of use assets	C2-1	**84**	106
Total non-current assets		**363,870**	346,178
Total assets		**395,147**	379,544
LIABILITIES			
Current liabilities			
Payables	C3-1	**8,743**	8,305
Contract liabilities	C3-2	**1,367**	2,863
Lease liabilities	C2-1	**11**	21
Borrowings	C3-3	**127**	131
Employee benefit provisions	C3-4	**2,463**	2,331
Total current liabilities		**12,711**	13,651
Non-current liabilities			
Lease liabilities	C2-1	**90**	101
Borrowings	C3-3	**897**	1,025
Employee benefit provisions	C3-4	**232**	115
Provisions	C3-5	**4,777**	4,716
Total non-current liabilities		**5,996**	5,957
Total liabilities		**18,707**	19,608
Net assets		**376,440**	359,936
EQUITY			
Accumulated surplus	C4-1	**85,784**	88,101
IPPE revaluation surplus	C4-1	**290,656**	271,835
Council equity interest		**376,440**	359,936
Total equity		**376,440**	359,936

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

Uralla Shire Council

Statement of Changes in Equity

for the year ended 30 June 2026

$ '000	Notes	2026 Accumulated surplus	2026 IPPE revaluation surplus	2026 Total equity	2025 Accumulated surplus	2025 IPPE revaluation surplus	2025 Total equity
Opening balance at 1 July		**88,101**	**271,835**	**359,936**	93,441	226,870	320,311
Net operating result for the year		**(2,317)**	**–**	**(2,317)**	(5,340)	–	(5,340)
Net operating result for the period		**(2,317)**	**–**	**(2,317)**	(5,340)	–	(5,340)
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	**–**	**18,821**	**18,821**	–	44,965	44,965
Other comprehensive income		**–**	**18,821**	**18,821**	–	44,965	44,965
Total comprehensive income		**(2,317)**	**18,821**	**16,504**	(5,340)	44,965	39,625
Closing balance at 30 June		**85,784**	**290,656**	**376,440**	88,101	271,835	359,936

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

Uralla Shire Council

Statement of Cash Flows

for the year ended 30 June 2026

Original unaudited budget 2026	$ '000	Notes	Actual 2026	Actual 2025
	Cash flows from operating activities			
	Receipts:			
8,949	Rates and annual charges		**9,428**	8,665
6,732	User charges and fees		**6,589**	5,662
687	Interest received		**1,435**	1,446
13,486	Grants and contributions		**14,469**	11,838
–	Bonds, deposits and retentions received		**2**	3
583	Other		**2,827**	1,948
	Payments:			
(15,568)	Payments to employees		**(15,603)**	(13,706)
(8,265)	Payments for materials and services		**(13,691)**	(9,531)
(86)	Borrowing costs		**(82)**	(102)
(579)	Other		**(418)**	(730)
5,939	**Net cash flows from operating activities**	G1-1	**4,956**	5,493
	Cash flows from investing activities			
	Receipts:			
–	Sale of investments		**24,550**	21,250
314	Proceeds from sale of IPPE		**519**	327
–	Proceeds from retirement home contributions		**1,991**	2,700
	Payments:			
–	Purchase of investments		**(22,000)**	(24,550)
(11,330)	Payments for IPPE		**(7,755)**	(5,577)
–	Repayment of retirement home contributions		**(700)**	(1,925)
(11,016)	**Net cash flows from investing activities**		**(3,395)**	(7,775)
	Cash flows from financing activities			
	Payments:			
(137)	Repayment of borrowings		**(132)**	(167)
–	Principal component of lease payments		**(21)**	(20)
(137)	**Net cash flows from financing activities**		**(153)**	(187)
(5,214)	**Net change in cash and cash equivalents**		**1,408**	(2,469)
28,282	Cash and cash equivalents at beginning of year		**3,732**	6,201
23,068	Cash and cash equivalents at end of year	C1-1	**5,140**	3,732
–	plus: Investments on hand at end of year	C1-2	**22,000**	24,550
23,068	Total cash, cash equivalents and investments		**27,140**	28,282

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

Uralla Shire 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 22 September 2026. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. Actual results may differ from these estimates. 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 tip remediation provisions – refer Note C3-5
iii. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

i. Impairment of receivables – refer Note C1-4.
ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

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 or activities have been included as part of the Consolidated Fund:

- General purpose operations
- Water service
- Sewerage service
- McMaugh Gardens Aged Care Centre

continued on next page ...

A1-1 Basis of preparation (continued)

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.

Volunteer services

Council uses volunteers in a number of its activities including at the Visitor Information Centre, McMaugh Gardens and Tablelands Community Transport. These services are not considered material and have therefore not been recognised in the income statement.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2025.

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

There were no new standards relevant to Councils that became mandatorily effective for the year ended 30 June 2026.

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	
$ '000	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Functions or activities										
Our Society	**10,708**	9,122	**11,347**	11,102	**(639)**	(1,980)	**6,016**	5,064	**36,084**	27,717
Our Economy	**6,666**	4,885	**12,542**	10,786	**(5,876)**	(5,901)	**5,949**	3,939	**290,056**	283,882
Our Environment	**6,953**	6,354	**8,581**	8,882	**(1,628)**	(2,528)	**563**	425	**57,338**	55,410
Our Leadership	**9,054**	7,406	**3,228**	2,337	**5,826**	5,069	**3,319**	1,612	**11,669**	12,535
Total functions and activities	**33,381**	27,767	**35,698**	33,107	**(2,317)**	(5,340)	**15,847**	11,040	**395,147**	379,544

B1-2 Components of functions or activities

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

Our Society

Includes public libraries; sporting grounds and venues; swimming pools; parks; gardens; other sporting, recreational and cultural services; public cemeteries; public conveniences; other community amenities, aged person facilities, services for disabled persons, migrants and Indigenous persons; youth services. Includes Council's RFS and emergency services costs, fire protection, emergency services, enforcement of regulations and animal control.

Our Economy

Includes community centres and halls, including public halls; building control; quarries and pits; urban local, urban regional, sealed and unsealed roads, bridges, footpaths and parking areas; street cleaning; tourism and area promotion; industrial development promotion; real estate development; street lighting and town planning.

Our Environment

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; water and sewer services; other sanitation; drainage and stormwater management.

Our Leadership

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. Also includes all administrative costs such as finance, human resources, information technology, governance and customer support.

B2 Sources of income

B2-1 Rates and annual charges

$ '000	2026	2025
Ordinary rates		
Residential	**1,716**	1,643
Farmland	**2,947**	2,814
Business	**107**	103
Less: pensioner rebates (mandatory)	**(82)**	(84)
Rates levied to ratepayers	**4,688**	4,476
Pensioner rate subsidies received	**43**	46
Total ordinary rates	**4,731**	4,522
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	**1,013**	882
Stormwater management services	**33**	33
Water supply services	**717**	690
Sewerage services	**1,153**	1,106
Waste management services (non-domestic)	**126**	111
Environmental	**1,226**	1,131
Less: pensioner rebates (mandatory)	**(96)**	(94)
Annual charges levied	**4,172**	3,859
Pensioner annual charges subsidies received:		
– Water	**14**	15
– Sewerage	**13**	14
– Domestic waste management	**23**	23
Total annual charges	**4,222**	3,911
Total rates and annual charges	**8,953**	8,433

Council has used 2025 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

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

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

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

B2-2 User charges and fees

$ '000	2026	2025
User charges		
Water supply services	**966**	960
Sewerage services	**66**	48
Waste management services (non-domestic)	**259**	234
Other	**10**	2
Total user charges	**1,301**	1,244
Fees		
Inspection services	**56**	46
Private works – section 67	**5**	17
Regulatory/ statutory fees	**1**	1
Registration fees	**6**	7
Section 10.7 certificates (EP&A Act)	**28**	24
Section 603 certificates	**19**	16
Town planning	**164**	148
Aged care	**1,366**	1,136
Caravan park	**151**	169
Cemeteries	**73**	43
Community centres	**5**	6
Sundry sales	**61**	64
Swimming centres	**25**	22
Waste disposal tipping fees	**456**	219
Water and sewer connection fees	**52**	41
Scrap metal sales	**71**	130
Tablelands community support options – client contributions	**134**	121
Tablelands community support options – contract service fees	**2,199**	2,252
Tablelands community transport	**38**	29
Other	**5**	4
Total fees	**4,915**	4,495
Total user charges and fees	**6,216**	5,739
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	**4,856**	4,632
User charges and fees recognised at a point in time	**1,360**	1,107
Total user charges and fees	**6,216**	5,739

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B2-2 User charges and fees (continued)

Material accounting policy information

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

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

Where an upfront fee is charged, the fee is recognised on a straight-line basis over the expected life of the membership.

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

B2-3 Other revenues

$ '000	2026	2025
Rental income	**147**	116
Fines	**5**	7
Legal fees recovery – rates and charges (extra charges)	**128**	11
Commissions and agency fees	**4**	1
Diesel rebate	**69**	288
Insurance claims recoveries	**72**	204
Recycling income (non-domestic)	**30**	23
Sales – general	**28**	30
Donations received	**2**	3
Other reimbursements	**608**	364
Other sundry income	**25**	12
Staff FBT contributions	**1**	1
Total other revenue	**1,119**	1,060
Timing of revenue recognition for other revenue		
Other revenue recognised at a point in time	**1,119**	1,060
Total other revenue	**1,119**	1,060

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

$ '000	Operating 2026	Operating 2025	Capital 2026	Capital 2025
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	**1,248**	374	**–**	–
Financial assistance – local roads component	**630**	189	**–**	–
Payment in advance - future year allocation [1]				
Financial assistance – general component	**2,076**	1,236	**–**	–
Financial assistance – local roads component	**1,072**	644	**–**	–
Amount recognised as income during current year	**5,026**	2,443	**–**	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Transport (other roads and bridges funding)	**850**	–	**2,101**	1,319
Transport for NSW contributions (regional roads, block grant)	**1,120**	1,095	**–**	–
Recreation and culture	**125**	27	**593**	246
Noxious weeds	**109**	–	**–**	–
Regional housing strategy	**–**	250	**–**	–
Water supplies	**412**	325	**–**	–
Library	**114**	79	**45**	–
Environmental programs	**150**	99	**–**	–
Bushfire Local Economic Recovery Fund	**–**	–	**–**	317
McMaugh gardens aged care – subsidies	**4,295**	4,178	**–**	–
Tablelands community transport – subsidies	**736**	539	**–**	–
Other specific grants	**54**	40	**–**	–
Stronger Country Communities Fund - refund	**–**	–	**–**	(5)
Total special purpose grants and non-developer contributions – cash	**7,965**	6,632	**2,739**	1,877
Total special purpose grants and non-developer contributions (tied)	**7,965**	6,632	**2,739**	1,877
Total grants and non-developer contributions	**12,991**	9,075	**2,739**	1,877
Comprising:				
– Commonwealth funding	**5,038**	2,455	**824**	204
– State funding	**7,953**	6,620	**1,915**	1,673
	12,991	9,075	**2,739**	1,877

(1) Council received approximately 50% of its 2025-26 Financial Assistance Grant (FAG) allocation in advance during 2024-25, with the remaining 50% received during 2025-26. In addition, approximately 80% of Council's 2026-27 FAG allocation was received in advance during 2025-26. As a result, the timing of FAG payments did not align with the financial years to which the respective allocations relate. This timing difference resulted in a higher level of FAG income being recognised in 2025-26 and had a favourable impact on Council's reported operating result for the year.

continued on next page ...

B2-4 Grants and contributions (continued)

Developer contributions

$ '000	Notes	Operating 2026	Operating 2025	Capital 2026	Capital 2025
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G4				
Cash contributions					
S 7.11 – contributions towards amenities/services		**20**	28	**–**	–
S 7.12 – fixed development consent levies		**97**	60	**–**	–
Total developer contributions – cash		**117**	88	**–**	–
Total developer contributions		**117**	88	**–**	–
Total contributions		**117**	88	**–**	–
Total grants and contributions		**13,108**	9,163	**2,739**	1,877
Timing of revenue recognition					
Grants and contributions recognised over time		**412**	325	**2,694**	1,631
Grants and contributions recognised at a point in time		**12,696**	8,838	**45**	246
Total grants and contributions		**13,108**	9,163	**2,739**	1,877

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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:

$ '000	Operating 2026	Operating 2025	Capital 2026	Capital 2025
Unspent grants and contributions				
Unspent funds at 1 July	**3,894**	4,142	**1,051**	1,772
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	**1,070**	731	**–**	28
Add: Funds received and not recognised as revenue in the current year	**–**	–	**126**	480
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	**(2,149)**	(979)	**(28)**	(624)
Less: Funds received in prior year but revenue recognised and funds spent in current year	**(11)**	–	**(1,023)**	(605)
Unspent funds at 30 June [1]	**2,804**	3,894	**126**	1,051
Contributions				
Unspent funds at 1 July	**1,404**	1,253	**–**	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	**180**	151	**–**	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	**(110)**	–	**–**	–
Unspent contributions at 30 June	**1,474**	1,404	**–**	–

(1) Total unspent $2,804 includes $77k from water fund.

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include achieving milestones associated with constructing an asset or delivering specific outcomes established in an 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

continued on next page ...

B2-4 Grants and contributions (continued)

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

$ '000	2026	2025
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	**107**	139
– Cash and investments	**1,139**	1,356
Total interest and investment income	**1,246**	1,495

B3 Costs of providing services

B3-1 Employee benefits and on-costs

$ '000	2026	2025
Salaries and wages	**11,809**	11,065
Employee leave entitlements (ELE)	**2,445**	1,681
Superannuation – defined contribution plans	**1,558**	1,382
Superannuation – defined benefit plans	**–**	20
Workers' compensation insurance	**602**	447
Training costs (other than salaries and wages)	**127**	135
Travel expenses	**41**	34
Total employee costs	**16,582**	14,764
Less: capitalised costs	**(803)**	(1,111)
Total employee costs expensed	**15,779**	13,653

Material accounting policy information

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

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

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

Council participates in an Industry Defined Benefit Plan under Active Super – Pool B (the 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 or more information.

B3-2 Materials and services

$ '000	Notes	2026	2025
Raw materials and consumables		**5,071**	5,118
Contractor costs		**10,722**	6,979
Audit Fees	F2-1	**89**	104
Councillor and Mayoral fees and associated expenses	F1-2	**258**	260
Insurance		**460**	463
Electricity and heating		**255**	264
Internet, telephone and other communication		**281**	257
Bank charges		**37**	32
Licences		**338**	108
Printing and stationery		**49**	52
Postage		**43**	34
Street lighting		**52**	22
Subscriptions and publications		**141**	157
Motor vehicle registration fees		**65**	62
Cleaning		**12**	–
Computer software charges		**2**	21
Advertising		**5**	5
Volunteer reimbursements		**1**	1
Other expenses		**15**	9
Legal expenses:			
– Legal expenses: other		**46**	32
– Legal expenses: debt recovery		**30**	24
Expenses from short-term leases		**6**	15
Total materials and services		**17,978**	14,019
Less: capitalised costs		**(7,030)**	(5,013)
Total materials and services		**10,948**	9,006

B3-3 Borrowing costs

$ '000	Notes	2026	2025
(i) Interest bearing liability costs			
Interest on leases		**7**	8
Interest on loans		**75**	93
Total interest bearing liability costs		**82**	101
Total interest bearing liability costs expensed		**82**	101
(ii) Other borrowing costs			
Amortisation of discounts			
– Remediation liabilities	C3-5	**162**	197
Total other borrowing costs		**162**	197
Total borrowing costs expensed		**244**	298

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

$ '000	Notes	2026	2025
Depreciation and amortisation			
Plant and equipment		**824**	862
Office equipment		**13**	20
Furniture and fittings		**25**	29
Infrastructure:	C1-7		
– Buildings – non-specialised		**615**	584
– Other structures		**299**	312
– Sealed roads structure		**2,357**	1,909
– Unsealed roads		**732**	784
– Bridges		**625**	512
– Footpaths		**49**	56
– Stormwater drainage		**61**	59
– Water supply network		**612**	600
– Sewerage network		**477**	467
Right of use assets	C2-1	**22**	22
Other assets:			
– Other		**2**	2
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-7	**356**	1,212
Total gross depreciation and amortisation costs		**7,069**	7,430
Total depreciation and amortisation costs		**7,069**	7,430
Total depreciation, amortisation and impairment of non-financial assets		**7,069**	7,430

Material accounting policy information

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

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

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

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

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

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

B3-5 Other expenses

$ '000	2026	2025
Other		
Donations, contributions and assistance to other organisations (Section 356)	**362**	789
Total other expenses	**362**	789

B4 Gains or losses

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

$ '000	Notes	2026	2025
Gain (or loss) on disposal of property (excl. investment property)			
Less: carrying amount of property assets sold/written off		**(24)**	(285)
Gain (or loss) on disposal		**(24)**	(285)
Gain (or loss) on disposal of plant and equipment	C1-7		
Proceeds from disposal – plant and equipment		**517**	327
Less: carrying amount of plant and equipment assets sold/written off		**(452)**	(271)
Gain (or loss) on disposal		**65**	56
Gain (or loss) on disposal of RFS fleet assets	C1-7		
Proceeds from disposal – RFS red fleet		**–**	–
Less: carrying amount of RFS red fleet written off		**–**	(1,132)
Gain (or loss) on disposal		**–**	(1,132)
Gain (or loss) on disposal of infrastructure	C1-7		
Less: carrying amount of infrastructure assets sold/written off		**(1,337)**	(570)
Gain (or loss) on disposal		**(1,337)**	(570)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		**24,550**	21,250
Less: carrying amount of investments sold/redeemed/matured		**(24,550)**	(21,250)
Gain (or loss) on disposal		**–**	–
Net gain (or loss) from disposal of assets		**(1,296)**	(1,931)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 24 June 2025 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	2026 Budget	2026 Actual	2026 Variance		
Revenues					
Rates and annual charges	8,949	8,953	4	0%	F
User charges and fees	6,732	6,216	(516)	(8)%	U
Other revenues	583	1,119	536	92%	F
Favourable variance is due to the receipt of $303k from the sale of the NEWA Building and $120k in recovered legal costs relating to rates matters, both of which were not budgeted.					
Operating grants and contributions	11,767	13,108	1,341	11%	F
Operating Grants Income is higher than budget due to the early receipt of 80% of the following year's Financial Assistance Grant (FAG). In addition, Council received unbudgeted funding for the Snow Event in August 2025, which further contributed to the favourable variance against budget.					
Capital grants and contributions	1,719	2,739	1,020	59%	F
Capital Grants Income is higher than budget due to the completion of Restart NSW-funded works on Thunderbolts Way and several sports and park projects funded through the Stronger Country Communities Fund.					
Interest and investment revenue	687	1,246	559	81%	F
Interest from term deposits increased due to higher interest rates than expected as well as the increase in cash balance in the hand.					
Net gains from disposal of assets	314	–	(314)	(100)%	U
Proceed from sale of plants offset by loss from disposal of assets, see comment below.					
Expenses					
Employee benefits and on-costs	15,568	15,779	(211)	(1)%	U
Materials and services	8,264	10,948	(2,684)	(32)%	U
Road Maintenance Expenditure is higher than budget due to adverse weather events in August 2025, which required additional maintenance works to ensure the safety and accessibility of the road network.					
Borrowing costs	86	244	(158)	(184)%	U
Effect of unwinding of discounting of remediation provision which is not budgeted.					

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B5-1 Material budget variations (continued)

$ '000	2026 Budget	2026 Actual	2026 Variance		
Depreciation, amortisation and impairment of non-financial assets	**6,454**	**7,069**	**(615)**	**(10)%**	**U**
Depreciation is higher than budgeted due to revaluation and indexation of council assets, the results of revaluation became available after adoption of the original budget.					
Other expenses	**579**	**362**	**217**	**37%**	**F**
Favourable variance in other expenses due to the termination of the NEWA arrangement, this is now in-house activity.					
Net losses from disposal of assets	**–**	**1,296**	**(1,296)**	**∞**	**U**
Renewal of assets triggers write off of the original assets. These are non-cash transactions which are hard to budget.					
Statement of cash flows					
Cash flows from operating activities	**5,939**	**4,956**	**(983)**	**(17)%**	**U**
Due to unrecovered snow-event cost, the council spent $2.5 mil on snow event, while recovery was only $850k till the year end.					
Cash flows from investing activities	**(11,016)**	**(3,395)**	**7,621**	**(69)%**	**F**
Higher interest rates then budgeted					
Cash flows from financing activities	**(137)**	**(153)**	**(16)**	**12%**	**U**

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

$ '000	2026	2025
Cash assets		
Cash on hand and at bank	**761**	2,344
Cash equivalent assets		
– Deposits at call	**4,379**	1,388
Total cash and cash equivalents	**5,140**	3,732
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	**5,140**	3,732
Balance as per the Statement of Cash Flows	**5,140**	3,732

C1-2 Financial investments

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Debt securities at amortised cost				
Term deposits	**22,000**	**–**	24,550	–
Total	**22,000**	**–**	24,550	–
Total financial investments	**22,000**	**–**	24,550	–
Total cash assets, cash equivalents and investments	**27,140**	**–**	28,282	–

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

$ '000	2026	2025
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	**27,140**	28,282
Less: Externally restricted cash, cash equivalents and investments	**(16,919)**	(19,024)
Cash, cash equivalents and investments not subject to external restrictions	**10,221**	9,258
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	**93**	1,033
TCT and TCS payables	**472**	472
TCS and TCT contract liabilities	**1,274**	1,830
Specific purpose unexpended loans – general	**487**	487
McMaugh gardens resident bonds	**6,441**	4,800
Trusts and deposits	**31**	31
External restrictions – included in liabilities	**8,798**	8,653
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	**1,474**	1,403
Specific purpose unexpended grants (recognised as revenue) – general fund	**2,760**	3,888
Specific purpose unexpended grants (recognised as revenue) – water fund	**77**	24
Water fund	**420**	1,978
Sewer fund	**3,065**	2,755
Stormwater management	**325**	323
External restrictions – other	**8,121**	10,371
Total external restrictions	**16,919**	19,024

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.

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

$ '000	2026	2025
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	**10,221**	9,258
Less: Internally restricted cash, cash equivalents and investments	**(7,120)**	(6,315)
Unrestricted and unallocated cash, cash equivalents and investments	**3,101**	2,943
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
FAGS received in advance	**3,148**	1,880
Employees leave entitlement	**1,135**	1,093
Tip Remediation	**1,265**	1,265
Water infrastructure	**–**	854
Sewer infrastructure	**–**	362
Roads	**119**	420
Plant	**–**	294
General Fund - Project Commitments	**1,200**	–
McMaugh Gardens Commitments	**217**	–
Waste management consultancy	**8**	8
Other	**28**	139
Total internal allocations	**7,120**	6,315

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

C1-4 Receivables

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Rates and annual charges	**658**	**–**	1,068	–
Interest and extra charges	**137**	**–**	91	–
User charges and fees	**601**	**–**	818	–
Private works	**6**	**–**	23	–
Accrued revenues				
– Interest on investments	**400**	**–**	635	–
– Other income accruals	**115**	**–**	167	–
Government grants and subsidies	**159**	**–**	156	–
Net GST receivable	**171**	**–**	215	–
Resident contributions	**142**	**–**	113	–
Other debtors	**163**	**–**	170	–
Total	**2,552**	**–**	3,456	–
Less: provision for impairment				
Other debtors	**(11)**	**–**	(16)	–
Total provision for impairment – receivables	**(11)**	**–**	(16)	–
Total net receivables	**2,541**	**–**	3,440	–

$ '000	2026	2025
Movement in provision for impairment of receivables		
Balance at the beginning of the year	**16**	73
Movement through provision	**(5)**	(57)
Balance at the end of the year	**11**	16

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C1-4 Receivables (continued)

Material accounting policy information

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

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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

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

C1-5 Inventories

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
(i) Inventories at cost				
Stores and materials	**305**	**–**	257	–
Total inventories at cost	**305**	**–**	257	–
Total inventories	**305**	**–**	257	–

C1-6 Contract assets and Contract cost assets

$ '000	2026 Current	2025 Current
Contract assets	**1,197**	1,318
Total contract assets and contract cost assets	**1,197**	1,318

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2025			Asset movements during the reporting period							At 30 June 2026		
$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals [1]	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	1,470	–	1,470	1,407	1,129	(161)	–	(830)	–	–	3,015	–	3,015
Plant and equipment	10,937	(5,393)	5,544	38	1,237	(457)	(824)	–	1	–	11,344	(5,805)	5,539
Office equipment	843	(803)	40	–	19	–	(13)	–	–	–	862	(816)	46
Furniture and fittings	1,129	(979)	150	–	–	–	(25)	–	–	–	1,129	(1,004)	125
Land:													
– Operational land	4,699	–	4,699	–	–	–	–	–	–	207	4,906	–	4,906
– Community land	5,611	–	5,611	–	–	–	–	–	–	2,909	8,520	–	8,520
Land improvements – non-depreciable	132	–	132	–	–	–	–	–	–	–	132	–	132
Infrastructure:													
– Buildings – non-specialised	38,668	(16,590)	22,078	47	137	(24)	(615)	30	274	763	40,508	(17,818)	22,690
– Other structures	8,775	(3,462)	5,313	73	121	(2)	(299)	7	(364)	2,356	11,379	(4,176)	7,203
– Sealed roads structure	169,247	(39,412)	129,835	2,749	113	(1,124)	(2,357)	720	114	5,396	178,264	(42,819)	135,445
– Unsealed roads	21,882	(9,068)	12,814	59	–	(21)	(732)	–	–	511	22,808	(10,178)	12,630
– Bridges	62,414	(11,286)	51,128	–	–	–	(625)	–	–	2,136	65,054	(12,415)	52,639
– Footpaths	3,402	(1,040)	2,362	–	144	–	(49)	–	–	98	3,690	(1,135)	2,555
– Bulk earthworks (non-depreciable)	65,214	–	65,214	–	–	–	–	–	–	2,759	67,973	–	67,973
– Stormwater drainage	5,332	(1,464)	3,868	71	–	(11)	(61)	3	–	942	8,383	(3,570)	4,813
– Water supply network	39,544	(24,398)	15,146	412	67	(6)	(612)	70	–	320	40,567	(25,171)	15,396
– Sewerage network	27,862	(8,537)	19,325	9	24	(6)	(477)	–	–	415	28,499	(9,209)	19,290
Other assets:													
– Heritage collections	90	–	90	–	–	–	–	–	–	–	90	–	90
– Other	75	(32)	43	–	–	–	(2)	–	(24)	9	52	(25)	27
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	3,977	(2,767)	1,210	–	–	–	(356)	–	(102)	–	3,875	(3,123)	752
Total infrastructure, property, plant and equipment	471,303	(125,231)	346,072	4,865	2,991	(1,812)	(7,047)	–	(101)	18,821	501,050	(137,264)	363,786

(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 2024			Asset movements during the reporting period								At 30 June 2025		
$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals [1]	Additions new assets	Carrying value of disposals [2]	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
Capital work in progress	2,807	–	2,807	747	413	–	–	(2,497)	–	–	–	1,470	–	1,470
Plant and equipment	12,273	(5,596)	6,677	4	1,129	(1,403)	(862)	–	–	–	–	10,937	(5,393)	5,544
Office equipment	848	(783)	65	–	–	–	(20)	–	–	–	–	843	(803)	40
Furniture and fittings	1,123	(950)	173	–	7	–	(29)	–	–	–	–	1,129	(979)	150
Land:														
– Operational land	3,507	–	3,507	–	–	–	–	–	–	–	1,192	4,699	–	4,699
– Community land	4,485	–	4,485	–	–	–	–	–	–	–	1,126	5,611	–	5,611
Land improvements – non-depreciable	132	–	132	–	–	–	–	–	–	–	–	132	–	132
Infrastructure:														
– Buildings – non-specialised	36,737	(15,215)	21,522	357	27	(285)	(584)	63	46	–	932	38,668	(16,590)	22,078
– Other structures	8,709	(3,247)	5,462	–	120	–	(312)	2	(46)	–	86	8,775	(3,462)	5,313
– Bridges	51,050	(19,027)	32,023	–	–	–	(512)	–	–	–	19,616	62,414	(11,286)	51,128
– Footpaths	2,573	(731)	1,842	360	54	(127)	(56)	94	–	–	196	3,402	(1,040)	2,362
– Bulk earthworks (non-depreciable)	77,934	–	77,934	–	–	–	–	–	–	(12,720)	–	65,214	–	65,214
– Stormwater drainage	5,140	(1,356)	3,784	16	10	(14)	(59)	–	–	–	132	5,332	(1,464)	3,868
– Water supply network	38,387	(23,333)	15,054	223	168	(90)	(600)	30	–	–	361	39,544	(24,398)	15,146
– Sewerage network	27,162	(7,865)	19,297	5	12	(2)	(467)	8	–	–	471	27,862	(8,537)	19,325
– Sealed roads structure	149,701	(45,815)	103,886	1,774	324	(315)	(1,909)	2,300	–	–	23,774	169,247	(39,412)	129,835
– Unsealed roads	20,907	(17,127)	3,780	42	–	(23)	(784)	–	–	–	9,799	21,882	(9,068)	12,814
Other assets:														
– Heritage collections	90	–	90	–	–	–	–	–	–	–	–	90	–	90
– Other	75	(30)	45	–	–	–	(2)	–	–	–	–	75	(32)	43
Reinstatement, rehabilitation and restoration assets:														
– Tip assets	4,186	(1,555)	2,631	–	–	–	(1,212)	–	(209)	–	–	3,977	(2,767)	1,210
Total infrastructure, property, plant and equipment	447,826	(142,630)	305,196	3,528	2,264	(2,259)	(7,408)	–	(209)	(12,720)	57,685	471,303	(125,231)	346,072

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

(2) Plant and equipment disposal includes $1,132 thousand of RFS red fleet assets write-off in 2025.

continued on next page ...

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

Material accounting policy information

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

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

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

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

Revaluation model

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

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

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

Useful lives of IPPE

Land is not depreciated. 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. The range of useful lives applied to new assets by Council are:

Plant and equipment	Years
Office equipment	4 to 25
Office furniture	5 to 50
Computer equipment	4
Vehicles, trucks and utilities	3 to 25
Dozers, graders and rollers	3 to 25
Other plant and equipment	15 to 20
Water and sewer assets	
Dams and reservoirs	99 to 150
Water & Sewer Treatment Plants	30 to 100
Reticulation pipes: PVC	80 to 133
Reticulation pipes: other	25 to 80
Pumps and telemetry	15 to 20
Meters & Water Plant	7 to 10
Water Mains	80 to 100
Sewer Mains	70 to 168

Other equipment	Years
Playground equipment	5 to 15
Benches, seats etc.	10 to 20
Other open space recreational assets	10 to 100
Buildings	
Buildings: masonry	8 to 252
Stormwater assets	
Drains	60 to 150
Culverts	60 to 150
Flood control structures	60 to 150

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

Transportation assets	
Sealed roads: surface	15 to 25
Sealed roads: structure	50 to 100
Unsealed roads	20 to 30
Bridge: concrete	100
Bridge: other	80 to 100
Concrete road pavements	60
Kerb, gutter and footpaths	30 to 80

Other infrastructure assets	
Bulk earthworks	Infinite
Swimming pools	50
Other open space/recreational assets	5 to 100
Other infrastructure	15 to 100

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

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

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

Crown reserves
Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note C2-1.

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

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

Up until 30 June 2024, council used to recognise Rural Fire fleet ("Red fleet") assets. However, following analysis of this matter, Council decided to write-off these assets in the 2024/25 financial year due to lack of control over benefits associated with these assets. The net effect of write-off is a loss in amount of $1,132 thousand in the previous financial year.

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Office equipment is leased over periods between two and five years with no residual value and equal monthly instalments.

Crown land is leased for between three and eight years with equal annual payments.

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 2 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right of use assets

$ '000	Plant & Equipment	Crown Land	Total
2026			
Opening balance at 1 July	**10**	**96**	**106**
Depreciation charge	**(10)**	**(12)**	**(22)**
Balance at 30 June	**–**	**84**	**84**
2025			
Opening balance at 1 July	21	107	128
Adoption of AASB 16 at 1 July 2024 – transfer of IPPE from Note C1-8	–	–	–
Additions to right-of-use assets	–	–	–
Depreciation charge	(11)	(11)	(22)
Impairment of right-of-use assets	–	–	–
Balance at 30 June	10	96	106

(b) Lease liabilities

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Lease liabilities	**11**	**90**	21	101
Total lease liabilities	**11**	**90**	21	101

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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:

$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2026					
Cash flows	**14**	**39**	**86**	**139**	**101**
2025					
Cash flows	23	40	92	155	122

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Total lease liabilities relating to unrestricted assets	**11**	**90**	21	101
Total lease liabilities	**11**	**90**	21	101

(d) Income Statement

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

$ '000	2026	2025
Interest on lease liabilities	**7**	8
Amortisation of right of use assets	**22**	22
Expenses relating to short-term leases	**6**	15
	35	45

(e) Statement of Cash Flows

Total cash outflow for leases	**25**	24
	25	24

Material accounting policy information

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.

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

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C2-1 Council as a lessee (continued)

Leases at significantly below market value / Concessionary leases
Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C3 Liabilities of Council

C3-1 Payables

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Goods and services – operating expenditure	**73**	**–**	1,050	–
Accrued expenses:				
– Borrowings	**9**	**–**	9	–
– Salaries and wages	**581**	**–**	594	–
– Other expenditure accruals	**1,255**	**–**	1,608	–
Security bonds, deposits and retentions	**36**	**–**	34	–
Retirement home contributions	**6,441**	**–**	4,800	–
Prepaid rates	**275**	**–**	210	–
Other payables	**73**	**–**	–	–
Total payables	**8,743**	**–**	8,305	–

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

$ '000	2026	2025
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Retirement home contributions	**4,921**	3,760
Total payables	**4,921**	3,760

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

C3-2 Contract Liabilities

$ '000	Notes	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Grants and contributions received in advance:					
Unexpended operating grants (received prior to performance obligation being satisfied) [i]	(i)	**1,274**	**–**	1,840	–
Unexpended capital grants (received prior to performance obligation being satisfied) [ii]	(ii)	**93**	**–**	1,023	–
Total grants received in advance		**1,367**	**–**	2,863	–
Total contract liabilities		**1,367**	**–**	2,863	–

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

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

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

$ '000	2026	2025
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	**904**	605
Total revenue recognised that was included in the contract liability balance at the beginning of the period	**904**	605

C3-3 Borrowings

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Loans – secured [1]	**127**	**897**	131	1,025
Total borrowings	**127**	**897**	131	1,025

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

$ '000	2025 Opening Balance	Cash flows	Non-cash movements: Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	2026 Closing balance
Loans – secured	1,156	**(132)**	**–**	**–**	**–**	**–**	**1,024**
Lease liability (Note C2-1)	122	**(21)**	**–**	**–**	**–**	**–**	**101**
Total liabilities from financing activities	1,278	**(153)**	**–**	**–**	**–**	**–**	**1,125**

$ '000	2024 Opening Balance	Cash flows	Non-cash movements: Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	2025 Closing balance
Loans – secured	1,323	(167)	–	–	–	–	1,156
Lease liability (Note C2-1)	142	(20)	–	–	–	–	122
Total liabilities from financing activities	1,465	(187)	–	–	–	–	1,278

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C3-3 Borrowings (continued)

(b) Financing arrangements

$ '000	2026	2025
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities [1]	**100**	100
Credit cards/purchase cards	**100**	50
Master lease facilities	**150**	150
Total financing arrangements	**350**	300
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	**13**	15
Total drawn financing arrangements	**13**	15
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	**100**	100
– Credit cards/purchase cards	**87**	35
– Lease facilities	**150**	150
Total undrawn financing arrangements	**337**	285

Additional financing arrangements information

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

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

C3-4 Employee benefit provisions

$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Annual leave	**996**	**–**	833	–
Sick leave	**21**	**–**	34	–
Long service leave	**1,413**	**232**	1,456	115
Other leave	**33**	**–**	8	–
Total employee benefit provisions	**2,463**	**232**	2,331	115

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

$ '000	2026	2025
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	**1,049**	1,161
	1,049	1,161

Material accounting policy information

Long-term employee benefit obligations

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

On-costs

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

These amounts include superannuation, 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

$ '000	2026 Current	2026 Non-Current	2025 Current	2025 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	**–**	**4,777**	–	4,716
Sub-total – asset remediation/restoration	**–**	**4,777**	–	4,716
Total provisions	**–**	**4,777**	–	4,716

Description of and movements in provisions

	Other provisions	
$ '000	Asset remediation	Total
2026		
At beginning of year	**4,716**	**4,716**
Unwinding of discount	**162**	**162**
Remeasurement effects	**(101)**	**(101)**
Total other provisions at end of year	**4,777**	**4,777**
2025		
At beginning of year	4,728	4,728
Unwinding of discount	197	197
Remeasurement effects	(209)	(209)
Total other provisions at end of year	4,716	4,716

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C3-5 Provisions (continued)

Nature and purpose of provisions

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

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 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

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

$ '000	General 2026	Water 2026	Sewer 2026
Income from continuing operations			
Rates and annual charges	7,133	690	1,130
User charges and fees	5,142	984	90
Interest and investment revenue	1,016	83	147
Other revenues	1,109	10	–
Grants and contributions provided for operating purposes	12,671	427	10
Grants and contributions provided for capital purposes	2,739	–	–
Total income from continuing operations	29,810	2,194	1,377
Expenses from continuing operations			
Employee benefits and on-costs	14,752	806	221
Materials and services	8,589	1,499	860
Borrowing costs	244	–	–
Other expenses	251	109	2
Net losses from the disposal of assets	1,291	–	5
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	25,127	2,414	1,088
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	4,683	(220)	289
Depreciation, amortisation and impairment of non-financial assets	5,931	636	502
Operating result from continuing operations	(1,248)	(856)	(213)
Net operating result for the year	(1,248)	(856)	(213)
Net operating result attributable to each council fund	(1,248)	(856)	(213)
Net operating result for the year before grants and contributions provided for capital purposes	**(3,987)**	**(856)**	**(213)**

D1-2 Statement of Financial Position by fund

$ '000	General 2026	Water 2026	Sewer 2026
ASSETS			
Current assets			
Cash and cash equivalents	5,140	–	–
Investments	18,438	497	3,065
Receivables	1,753	632	156
Inventories	305	–	–
Contract assets and contract cost assets	378	819	–
Other	94	–	–
Total current assets	26,108	1,948	3,221
Non-current assets			
Infrastructure, property, plant and equipment	323,588	18,853	21,345
Right of use assets	84	–	–
Total non-current assets	323,672	18,853	21,345
Total assets	349,780	20,801	24,566
LIABILITIES			
Current liabilities			
Payables	8,743	–	–
Contract liabilities	1,367	–	–
Lease liabilities	11	–	–
Borrowings	127	–	–
Employee benefit provision	2,463	–	–
Total current liabilities	12,711	–	–
Non-current liabilities			
Lease liabilities	90	–	–
Borrowings	897	–	–
Employee benefit provision	232	–	–
Provisions	4,777	–	–
Total non-current liabilities	5,996	–	–
Total liabilities	18,707	–	–
Net assets	331,073	20,801	24,566
EQUITY			
Accumulated surplus	67,277	6,524	11,983
IPPE revaluation reserves	263,796	14,277	12,583
Council equity interest	331,073	20,801	24,566
Total equity	331,073	20,801	24,566

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 the Council.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the 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 Council setting out the make-up 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.

Fair value is determined as follows:

- **Cash** and **cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

The risks associated with the financial instruments held are:

- Market risk – 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 the 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 independent advisers before placing any cash and investments.

(a) Market risk – interest rate risk

$ '000	2026	2025
The impact on the results 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	**261**	271

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

(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

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

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

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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

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

Credit risk profile

Receivables – rates and annual charges
Credit risk on rates and annual charges is minimised by the ability of Council to 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.

$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
2026				
Gross carrying amount	**418**	**240**	**–**	**658**
2025				
Gross carrying amount	638	430	–	1,068

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

Receivables - non-rates and annual charges and contract assets

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

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

$ '000	Not yet overdue	Overdue debts 0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	Total
2026						
Gross carrying amount	**2,922**	**5**	**115**	**11**	**38**	**3,091**
Expected loss rate (%)	**0.00%**	**1.00%**	**1.74%**	**1.00%**	**23.68%**	**0.36%**
ECL provision	**–**	**–**	**2**	**–**	**9**	**11**
2025						
Gross carrying amount	3,364	14	238	2	88	3,706
Expected loss rate (%)	0.00%	1.00%	1.00%	10.00%	16.00%	0.45%
ECL provision	–	–	2	–	14	16

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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 cash flows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) 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.

$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2026							
Payables	**0.00%**	**36**	**8,545**	**–**	**–**	**8,581**	**8,743**
Borrowings	**6.23%**	**–**	**127**	**897**	**–**	**1,024**	**1,024**
Total financial liabilities		**36**	**8,672**	**897**	**–**	**9,605**	**9,767**
2025							
Payables	0.00%	34	8,271	–	–	8,305	8,305
Borrowings	7.42%	–	131	1,025	–	1,156	1,156
Total financial liabilities		34	8,402	1,025	–	9,461	9,461

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

				Fair value measurement hierarchy					
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
$ '000	Notes	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Recurring fair value measurements									
Infrastructure, property, plant and equipment	C1-7								
Plant and equipment				**–**	–	**5,539**	5,544	**5,539**	5,544
Office equipment				**–**	–	**46**	40	**46**	40
Furniture and fittings				**–**	–	**125**	150	**125**	150
Operational land		30/06/23	30/06/23	**4,906**	4,699	**–**	–	**4,906**	4,699
Community land		30/06/26	30/06/21	**–**	–	**8,520**	5,611	**8,520**	5,611
Land improvements – non-depreciable				**–**	–	**132**	132	**132**	132
Buildings – non-specialised		30/06/23	30/06/23	**–**	–	**22,690**	22,078	**22,690**	22,078
Other structures		30/06/26	30/06/21	**–**	–	**7,203**	5,313	**7,203**	5,313
Sealed road structure		30/06/25	30/06/25	**–**	–	**135,445**	129,835	**135,445**	129,835
Unsealed roads		30/06/25	30/06/25	**–**	–	**12,630**	12,814	**12,630**	12,814
Bridges		30/06/25	30/06/25	**–**	–	**52,639**	51,128	**52,639**	51,128
Footpaths		30/06/25	30/06/25	**–**	–	**2,555**	2,362	**2,555**	2,362
Bulk earthworks		30/06/25	30/06/25	**–**	–	**67,973**	65,214	**67,973**	65,214
Stormwater drainage		30/06/26	30/06/25	**–**	–	**4,813**	3,868	**4,813**	3,868
Water supply network		30/06/22	30/06/22	**–**	–	**15,396**	15,146	**15,396**	15,146
Sewerage network		30/06/22	30/06/22	**–**	–	**19,290**	19,325	**19,290**	19,325
Heritage collection		30/06/14	30/06/14	**–**	–	**90**	90	**90**	90
Other assets		30/06/26	30/06/21	**–**	–	**27**	43	**27**	43
Total infrastructure, property, plant and equipment				**4,906**	4,699	**355,113**	338,693	**360,019**	343,392

Valuation techniques

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

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

continued on next page ...

E2-1 Fair value measurement (continued)

Infrastructure, property, plant and equipment (IPPE)

Councils Plant & Equipment, Furniture and Fittings incorporates:

Major Plant - trucks, tractors, graders, rollers and excavators
Fleet Vehicles - cars, vans, utes etc.
Minor Plant - chainsaw, brush cutters, mowers, concrete mixers.
Furniture and Fittings - desks, chairs, display system.
Office Equipment - computers, monitors, projectors, laptops

Plant equipment, office equipment and furniture & fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount reflects the fair value of the asset due to the nature of the items as shown above

The unobservable Level 3 inputs used include:

Pattern of Consumption
Useful Life
Asset Condition
Residual Value
Gross Replacement Cost

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

Land - Operational Land

Council's "Operational" land by definition has no special restriction other than those that may apply to any parcel of land. Fair value for operational land is obtained from an external valuer every 5 years.

Generally, fair value is the most advantageous price reasonably obtained by the seller and the most advantageous price reasonably obtained by buyer. This is not necessarily the market selling price of the asset rather, the maximum value that Council would rationally pay to acquire the asset, taking into account quoted market price in an active and liquid market, current market price of similar asset, cost of replacing an asset.

Criteria for this include: Land description and dimensions, planning and other constraints on development and the potential for alternative use (Valued by APV in June 2023).

The 'Market Approach' (observable input level 2) is used to value operational land. There has been no change to the valuation process during the reporting period.

Land Improvements

The cost approach is utilised, with asset values determined based on actual cost of construction and maintenance.

Any infrastructure constructed on improved land is separately valued.
Council carries fair value of land reserves using Level 3 Inputs
The unobservable Level 3 inputs used include:

Useful Life
Asset Condition
Asset Condition

The cost approach is used to value the land improvements. There has been no change to the valuation process during the reporting period.

Land - Community Land

Council's "Community" Land (including owned by Council, The Crown and various other Government Agencies that is managed by Council) by definition 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 or dedication under section 94 of the EPA Act 1979). This gives rise to the restriction in the Act, intended to preserve the qualities of the land. Community land is valued at Valuer General

continued on next page ...

E2-1 Fair value measurement (continued)

unimproved capital value (UCV) which takes into account highest and best use values. In 2026 Council performed valuation of community land internallyusing Valuer General valuation data.

Community Land:
- Cannot be sold
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years
- Must have a plan of management for it.

Buildings

Council buildings includes Libraries, Public Amenities, Sporting Club, Kiosks and Amenities, Depot Building and Workshops, McMaughs Aged Care Centre, Community Centre, Visitor Information Centre, Pre School, SES Shelter and others. Council carries fair value buildings using level 3 inputs. Valuations were carried out by external valuers - APV in June 2023 using the cost approach.

This approach estimates the replacement cost for each building by componentising the building into significant parts with different useful life and taking into account a range of factors.

The unobservable Level 3 inputs used include:

Pattern of Consumption	Future Economic Benefit
Useful Life	Residual Value
Asset Condition	Remaining useful life

The cost approach is used to value the Buildings. There has been no change to the valuation process during the reporting period.

Infrastructure - Roads

This asset class comprises the Road Carriageway, Bus Shelter, Car Parks, Guardrails, Kerb and Gutter, Suburb Markers, and Traffic Facilities.

The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter and would include any paved markers parking places along roadside.

Council's Asset Management System include condition assessment data for a 5 year cycle on sealed roads and routine inspections of unsealed roads. Valuation of roads was carried out by external valuer - AssetVal during 2025. Roads are componentised into road surface, base, sub-base and earthworks. Surface has been split into sealed and unsealed road components.

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

The Cost Approach is used to value roads by componentising the assets into significant parts and then rolling these component values up to provide an overall road valuation (for each road segment) within the Council Asset System.

The unobservable Level 3 inputs used include:

Pattern of Consumption	Asset Condition	Remaining useful life
Useful Life and Residual Value	Gross Replacement Cost	

The cost approach is used to value the Roads (Sealed and Unsealed). There has been no change in valuation technique from prior years.

Infrastructure- Footpaths

A footpath is defined as all footways (including those shared with a cycleway) sealed or non-sealed. Council has specification for dimensions of cycleway and pathways. Valuation was undertaken in 2025 by external valuer AssetVal.

Councils fair values, footpaths, (non componentised) using Level 3 inputs

Pattern of Consumption

continued on next page ...

E2-1 Fair value measurement (continued)

Useful Life
Asset Condition
Future Economic Benefit
Remaining useful life

The cost approach is used to value the Footpaths. There has been no change to the valuation process during the reporting period.

Infrastructure - Stormwater Drainage

Council's Drainage Assets comprises pits, culverts, open channels, headwalls and various type of water quality devices used to collect, store and remove stormwater. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. Council has adopted useful life of between 75 and 125 years for its stormwater drainage assets.

In 2026, a comprehensive valuation of stormwater assets was undertaken by an external valuer, PP&E Valuations, using the cost approach.

The unobservable Level 3 inputs used include:

Pattern of Consumption
Useful Life and Residual Value
Asset Condition
Gross Replacement Cost
Remaining useful life

Infrastructure-Sewerage Network

Council's Sewerage Network consist of Sewer pipes, pump stations, treatment plant, telemetry system, manholes.
Council carries fair values Sewerage Network Assets (non - componentised) using Level 3 inputs.

Council identifies 10 critical mains section each year for inspection; selection is based on the log of overflows, leakages or complaints. Data limitations therefore exist based upon sampling of inspections, lack of historical maintenance and complaint data. All asset components were assigned a residual value, useful life and remaining useful life, and were conditioned rated at time of valuation, with the condition rating determining the remaining useful life. A physical inspection of ground level assets was conducted and photographic evidence, including use of video, was collected of manholes and mains to support condition assessments.

Valuation was performed by Australis Asset Advisory Group on 1 July 2022.

The unobservable Level 3 inputs used include:

Useful Life
Asset Condition
Future Economic Benefit
Remaining useful life

The cost approach is used to value the Sewerage Network. There has been no change to the valuation process during the reporting period.

Other Assets

Council's other assets compromise of Heritage Collections - Thunderbolts Painting and other miscellaneous assets. A valuation of the collection of Thunderbolts paintings was undertaken by A.N.G Art Consulting in August 2014 providing a reasonable estimate of the replacement value of each work based on current market prices for similar works by the same artist. The remaining 'Other assets' were revalued utilising indexation during 2021 including the swimming pool which is recognised separately in the infrastructure note. Council carries fair values of other assets using level 3 inputs.

The unobservable Level 3 inputs used include:

Pattern of Consumption

continued on next page ...

E2-1 Fair value measurement (continued)

Useful Life and Residual Value
Asset Condition
Gross Replacement Cost
Remaining useful life

The cost approach is used to value the Other Assets. In 2026 valuation of Council's Other Structure Assets was carried out by external valuer - PP&E Valuations. There has been no change in valuation technique from prior year.

Infrastructure- Bridges

Council has 50 bridges/major culverts on local roads and 33 bridges/major culverts on regional roads. Of these, two bridges were replaced in 2017/18 with some additional work finalised in 2018/19.

All Council bridges are inspected by Council's qualified inspectors on a biannual program.

In 2025 valuation was carried out by external valuer - AssetVal using the cost approach. Previously, council engaged an independent company to assess HML capacity on selected bridges in 2018-19.
Bridges are componentised into bridges and major culverts, and culverts and drainage assets include both pits and pipes.

The unobservable Level 3 inputs used include:

Pattern of Consumption
Useful Life and Residual Value

The cost approach is used to value the Bridges. There has been no change in valuation technique from previous years.

Infrastructure- Bulk Earthworks

Council Bulk Earthworks consists of cuttings, fill and levelling of earth and rocks.

In 2025 valuation was carried out by external valuer - AssetVal using the cost approach.

The unobservable Level 3 inputs used include Unit Rates & Asset Condition.

The cost approach is used to value the Bulk Earthworks. There has been no change in valuation technique from prior years.

Infrastructure- Water Supply Network

Council's Water Network consist of Water pipes, pump stations, treatment plant, telemetry system and reservoirs
Council carries fair value Water Supply Network Assets (non-componentised) using Level 3 inputs.

Physical inspections were carried out with photographic evidence collected to support condition ratings. 100% of above ground infrastructure was inspected. Council identifies 10 critical mains sections each year for inspection; selection is based on the log of overflows, leakages or complaints. Data limitations therefore exist due to lack of records of historical maintenance and inspection and sampling of inspections. All asset components are assigned a residual value, useful life and remaining useful life, and were conditioned rated at time of revaluation, with the condition rating determining the useful life.

Valuation was performed by Australis Asset Advisory Group on 1 July 2022.

The unobservable Level 3 inputs used include:

Pattern of Consumption
Useful Life

The cost approach is used to value the Water Network. There has been no change in valuation technique from prior years.

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E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

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

Cost approach - Valuation technique that reflects the amount what would be required to replace the service capacity of an asset (current replacement cost).

Income approach - Valuation technique that converts future amounts (cash inflow /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 - 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.

For the purpose of level 3 fair value measurement a Cost Approach was used for most assets except Land - Operational and Community where a market approach is required. The inputs used for this technique are:

Pattern of consumption
Residual Value
Asset Condition
Useful Life
Unit Rates

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans
Council is party to an Industry Defined Benefit Plan under 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 AASB119 Employee Benefits for the following reasons:

– Assets are not segregated within the sub-group according to the employees of each sponsoring employer.

– The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.

– Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.

– The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

Description of the funding arrangements.

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

The standard 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 standard 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 adequacy of contributions is assessed at each actuarial investigation which will be conducted annualy, the next of which is due effective 30 June 2026.

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.

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

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E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2026 was $14,832.26. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2025.

The anticipated employer defined benefit contributions for the 2026/27 year is $6,947.02. This includes outstanding Past Service Liability contribution of $11,591.20 and regular contributions credit of $8,088.66.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2026 is:

Employer reserves only *	$millions	Asset Coverage
Assets	2,127.6	
Past Service Liabilities	1,969.9	108.2%
Vested Benefits	2,007.4	106.0%

* excluding other accumulation accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.16%

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

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

Investment return	6.25% per annum
Salary inflation	4.0% 2026/27, 4.0% 2027/28, 4.0% 2028/29, 3.5% p.a. thereafter
Increase in CPI	4.1% 2025/26, 3.75% 2026/27, 2.5% p.a. thereafter

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.

Please note that the estimated employer reserves financial position above is a prelimnary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2026.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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E3-1 Contingencies (continued)

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(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:

$ '000	2026	2025
Compensation:		
Short-term benefits [1]	**1,315**	1,158
Post-employment benefits	**139**	133
Total	**1,454**	1,291

(1) In 2025, the inclusion of two group managers into the KMP has led to payment increase.

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed.

F1-2 Councillor and Mayoral fees and associated expenses

$ '000	2026	2025
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	**30**	30
Councillors' fees	**122**	122
Other Councillors' expenses (including Mayor)	**106**	108
Total	**258**	260

F2 Other relationships

F2-1 Audit fees

$ '000	2026	2025
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	**89**	104
Remuneration for audit and other assurance services	**89**	104
Total fees paid or payable to the NSW Auditor-General	**89**	104
Non NSW Auditor-General audit firms		
Total audit fees	**89**	104

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

$ '000	2026	2025
Net operating result from Income Statement	**(2,317)**	(5,340)
Add / (less) non-cash items:		
Depreciation and amortisation	**7,069**	7,430
(Gain) / loss on disposal of assets	**1,296**	1,931
Unwinding of discount rates on reinstatement provisions	**162**	197
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	**904**	56
Increase / (decrease) in provision for impairment of receivables	**(5)**	(57)
(Increase) / decrease of inventories	**(48)**	(143)
(Increase) / decrease of other current assets	**(25)**	99
(Increase) / decrease of contract asset	**121**	1,543
Increase / (decrease) in payables	**(977)**	856
Increase / (decrease) in accrued interest payable	**–**	(1)
Increase / (decrease) in other accrued expenses payable	**(366)**	245
Increase / (decrease) in other liabilities	**490**	29
Increase / (decrease) in contract liabilities	**(1,496)**	(1,061)
Increase / (decrease) in employee benefit provision	**249**	(82)
Increase / (decrease) in other provisions	**(101)**	(209)
Net cash flows from operating activities	**4,956**	5,493

G2-1 Commitments

Capital commitments (exclusive of GST)

$ '000	2026	2025
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Sewerage and water infrastructure	**140**	521
Plant and equipment	**128**	294
Road infrastructure	**96**	398
McMaugh Gardens works	**111**	–
Depot upgrade	**353**	–
Total commitments	**828**	1,213
These expenditures are payable as follows:		
Within the next year	**828**	1,213
Total payable	**828**	1,213

G3-1 Events occurring after the reporting date

No matters have risen subsequent to balance date that would require these financial statements to be amended.

G4 Statement of developer contributions

G4-1 Summary of developer contributions

$ '000	Opening balance at 1 July 2025	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2026	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	863	20	–	–	38	(110)	–	811	–
Traffic facilities	24	–	–	–	1	–	–	25	–
Community facilities	97	–	–	–	4	–	–	101	–
Other	72	–	–	–	3	–	–	75	–
S7.11 contributions – under a plan	1,056	20	–	–	46	(110)	–	1,012	–
S7.12 levies – under a plan	347	97	–	–	18	–	–	462	–
Total S7.11 and S7.12 revenue under plans	1,403	117	–	–	64	(110)	–	1,474	–
Total contributions	1,403	117	–	–	64	(110)	–	1,474	–

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

G4-2 Developer contributions by plan

$ '000	Opening balance at 1 July 2025	Contributions received during the year: Cash	Contributions received during the year: Non-cash Land	Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2026	Cumulative balance of internal borrowings (to)/from
S7.11 contributions – under a plan									
CONTRIBUTION PLAN – RURAL INVERGOWRIE									
Roads	110	–	–	–	5	–	–	115	–
Traffic facilities	24	–	–	–	1	–	–	25	–
Community facilities	97	–	–	–	4	–	–	101	–
Other	66	–	–	–	3	–	–	69	–
Total	297	–	–	–	13	–	–	310	–
CONTRIBUTION PLAN – RURAL									
Other	6	–	–	–	–	–	–	6	–
Total	6	–	–	–	–	–	–	6	–
CONTRIBUTION PLAN – DCP ROAD MAINTENANCE ROYALTIES									
Roads	753	20	–	–	33	(110)	–	696	–
Total	753	20	–	–	33	(110)	–	696	–
S7.12 Levies – under a plan									
S7.12 LEVIES - UNDER A PLAN									
Other	347	97	–	–	18	–	–	462	–
Total	347	97	–	–	18	–	–	462	–

End of the audited financial statements

Uralla Shire Council

General Purpose Financial Statements
for the year ended 30 June 2026

Independent Auditor’s Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

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

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On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

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

Uralla Shire Council

Statement of performance measures – consolidated results

for the year ended 30 June 2026

Statement of performance measures

Statement of performance measures – consolidated results

$ '000	Amounts 2026	Indicator 2026	Indicators 2025	Indicators 2024	Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses [1, 2]	**(3,760)**	**(12.27)%**	(20.42)%	8.96%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions [1]	**30,642**				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions [1]	**17,534**	**52.53%**	60.24%	46.75%	> 60.00%
Total continuing operating revenue [1]	**33,381**				
3. Unrestricted current ratio					
Current assets less all external restrictions	**12,751**	**2.37x**	2.14x	2.42x	> 1.50x
Current liabilities less specific purpose liabilities	**5,374**				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation [1]	**3,553**	**8.95x**	8.48x	19.48x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	**397**				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	**795**	**7.68%**	11.66%	14.83%	< 10.00%
Rates and annual charges collectable	**10,347**				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	**27,140**	**10.88 months**	13.99 months	14.76 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	**2,496**				

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

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

Uralla Shire Council

Statement of performance measures by fund

for the year ended 30 June 2026

Statement of performance measures by fund

$ '000	General Indicators [3] 2026	General Indicators [3] 2025	Water Indicators 2026	Water Indicators 2025	Sewer Indicators 2026	Sewer Indicators 2025	Benchmark
1. Operating performance ratio [3, *]							
Total continuing operating revenue excluding capital grants and contributions less operating expenses [1, 2] / Total continuing operating revenue excluding capital grants and contributions [1]	**(9.94)%**	(22.32)%	**(39.02)%**	(22.50)%	**(15.47)%**	15.51%	> 0.00%
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions [1] / Total continuing operating revenue [1]	**48.31%**	56.01%	**80.54%**	84.23%	**99.27%**	99.16%	> 60.00%
3. Unrestricted current ratio							
Current assets less all external restrictions / Current liabilities less specific purpose liabilities	**2.37x**	2.14x	**∞**	∞	**∞**	∞	> 1.50x
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation [1] / Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	**8.78x**	5.59x	**∞**	∞	**∞**	∞	> 2.00x
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding / Rates and annual charges collectable	**7.42%**	11.32%	**8.69%**	12.86%	**8.73%**	12.98%	< 10.00%
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits / Monthly payments from cash flow of operating and financing activities	**9.07 months**	13.06 months	**2.50 months**	11.90 months	**33.99 months**	53.32 months	> 3.00 months

(*) The 2022 ratio is restated due to reclassification of groundwater project grant from capital to operating grants ($181 thousand).

(1) - (2) Refer to Notes at Note G6-1 above.

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

Uralla Shire Council

Notes to the Financial Statements

for the year ended 30 June 2026

H1-1 Council information and contact details

Principal place of business:
32 Salisbury Street
Uralla NSW 2358

Contact details

Mailing Address:
PO Box 106
Uralla NSW 2358

Telephone: 02 6778 6300
Facsimile: 02 6778 6349

Opening hours:
8:30am - 1:00pm
2:00pm to 4:30pm
Monday to Friday

Internet: http://www.uralla.nsw.gov.au/
Email: council@uralla.nsw.gov.au

Officers

General Manager
Toni Averay

Responsible Accounting Officer
Mustaq Ahammed

Public Officer
Mr Steven Williams

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

Elected members

Mayor
Robert Bell
Deputy Mayor
Cr Kath Arnold

Councillors
Cr Tom O'Connor
Cr Adam Blakester
Cr Sarah Burrows
Cr Leanne Doran
Cr David Mailler
Cr Jen Philp
Cr Lone Petrov passed away on 8 February 2026
Cr Stephen Wright was declared Councillor on 5 May 2026 following a bi-election

Other information

ABN: 55 868 272 018

Uralla Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2026

Uralla Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2026

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Uralla Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2026

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 (DCCEEW) *Regulatory and assurance framework for local water utilities, July 2022*

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- 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 22 September 2026.

Robert Bell
Mayor
22 September 2026

Kath Arnold
Deputy Mayor
22 September 2026

Toni Averay
General Manager
22 September 2026

Mustaq Ahammed
Responsible Accounting Officer
22 September 2026

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Uralla Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2026

$ '000	2026	2025
Income from continuing operations		
Access charges	**690**	663
User charges	**984**	965
Interest and investment income	**83**	188
Grants and contributions provided for operating purposes	**427**	340
Other income	**10**	–
Total income from continuing operations	**2,194**	2,156
Expenses from continuing operations		
Employee benefits and on-costs	**806**	998
Materials and services	**1,499**	1,020
Other expenses	**109**	–
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**2,414**	2,018
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**(220)**	138
Depreciation, amortisation and impairment of non-financial assets	**636**	623
Operating result from continuing operations	**(856)**	(485)
Surplus (deficit) from continuing operations after capital amounts	**(856)**	(485)
Surplus (deficit) from all operations before tax	**(856)**	(485)
Surplus (deficit) after tax	**(856)**	(485)
Plus accumulated surplus	**7,380**	7,865
Closing accumulated surplus	**6,524**	7,380
Return on capital %	**(4.5)%**	(2.7)%
Subsidy from Council	**1,750**	1,221
Calculation of dividend payable:		
Surplus (deficit) after tax	**(856)**	(485)

Uralla Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2026

$ '000	2026	2025
Income from continuing operations		
Access charges	**1,130**	1,083
User charges	**90**	76
Interest and investment income	**147**	145
Grants and contributions provided for operating purposes	**10**	11
Total income from continuing operations	**1,377**	1,315
Expenses from continuing operations		
Employee benefits and on-costs	**221**	259
Materials and services	**860**	361
Net loss from the disposal of assets	**5**	2
Other expenses	**2**	–
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**1,088**	622
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**289**	693
Depreciation, amortisation and impairment of non-financial assets	**502**	489
Operating result from continuing operations	**(213)**	204
Surplus (deficit) from continuing operations after capital amounts	**(213)**	204
Surplus (deficit) from all operations before tax	**(213)**	204
Less: corporate taxation equivalent (25%) [based on result before capital]	**–**	(51)
Surplus (deficit) after tax	**(213)**	153
Plus accumulated surplus	**12,196**	11,992
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	**–**	51
Closing accumulated surplus	**11,983**	12,196
Return on capital %	**(1.0)%**	1.0%
Subsidy from Council	**1,225**	672
Calculation of dividend payable:		
Surplus (deficit) after tax	**(213)**	153
Surplus for dividend calculation purposes	**–**	153
Potential dividend calculated from surplus	**–**	77

Uralla Shire Council

Income Statement of McMaugh Gardens

for the year ended 30 June 2026

$ '000	2026 Category 2	2025 Category 2
Income from continuing operations		
User charges	**1,357**	1,136
Fees	**9**	–
Interest and investment income	**266**	235
Grants and contributions provided for operating purposes	**4,295**	4,178
Other income	**39**	9
Total income from continuing operations	**5,966**	5,558
Expenses from continuing operations		
Employee benefits and on-costs	**4,088**	3,714
Borrowing costs	**10**	13
Materials and services	**1,457**	1,347
Net loss from the disposal of assets	**20**	–
Other expenses	**2**	–
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**5,577**	5,074
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**389**	484
Depreciation, amortisation and impairment of non-financial assets	**231**	227
Operating result from continuing operations	**158**	257
Grants and contributions provided for capital purposes	**–**	(5)
Surplus (deficit) from continuing operations after capital amounts	**158**	252
Surplus (deficit) from all operations before tax	**158**	252
Less: corporate taxation equivalent (25%) [based on result before capital]	**(40)**	(64)
Surplus (deficit) after tax	**118**	188
Plus accumulated surplus	**4,827**	4,575
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	**40**	64
Closing accumulated surplus	**4,985**	4,827
Return on capital %	**2.6%**	4.3%
Subsidy from Council	**136**	–
Calculation of dividend payable:		
Surplus (deficit) after tax	**118**	188
Less: capital grants and contributions (excluding developer contributions)	**–**	5
Surplus for dividend calculation purposes	**119**	193
Potential dividend calculated from surplus	**59**	97

Uralla Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2026

$ '000	2026	2025
ASSETS		
Current assets		
Cash and cash equivalents	**–**	128
Investments	**497**	1,874
Receivables	**632**	884
Contract assets and contract cost assets	**819**	669
Total current assets	**1,948**	3,555
Non-current assets		
Infrastructure, property, plant and equipment	**18,853**	17,692
Total non-current assets	**18,853**	17,692
Total assets	**20,801**	21,247
Net assets	**20,801**	21,247
EQUITY		
Accumulated surplus	**6,524**	7,380
IPPE revaluation surplus	**14,277**	13,867
Total equity	**20,801**	21,247

Uralla Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2026

$ '000	2026	2025
ASSETS		
Current assets		
Investments	**3,065**	2,755
Receivables	**156**	210
Total current assets	**3,221**	2,965
Non-current assets		
Infrastructure, property, plant and equipment	**21,345**	21,060
Total non-current assets	**21,345**	21,060
Total assets	**24,566**	24,025
Net assets	**24,566**	24,025
EQUITY		
Accumulated surplus	**11,983**	12,196
IPPE revaluation surplus	**12,583**	11,829
Total equity	**24,566**	24,025

Uralla Shire Council

Statement of Financial Position of McMaugh Gardens

as at 30 June 2026

$ '000	2026 Category 2	2025 Category 2
ASSETS		
Current assets		
Investments	**8,856**	7,031
Receivables	**142**	113
Total current assets	**8,998**	7,144
Non-current assets		
Infrastructure, property, plant and equipment	**6,421**	6,240
Total non-current assets	**6,421**	6,240
Total assets	**15,419**	13,384
LIABILITIES		
Current liabilities		
Payables	**6,442**	4,808
Total current liabilities	**6,442**	4,808
Non-current liabilities		
Payables	**1**	2
Total non-current liabilities	**1**	2
Total liabilities	**6,443**	4,810
Net assets	**8,976**	8,574
EQUITY		
Accumulated surplus	**4,985**	4,827
Revaluation reserves	**3,991**	3,747
Total equity	**8,976**	8,574

Uralla Shire Council

Material accounting policy information

for the year ended 30 June 2026

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) McMaugh Gardens Aged Care Centre
Comprising the operations and net assets of the 36 bed aged care facility "McMaugh Gardens Aged Care Centre" in King Street, Uralla.

Category 2

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

(b) Uralla Shire Council Combined Water Supplies
Comprising the operations and net assets of the water supply systems servicing the towns of Uralla and Bundarra, each of which were established as separate Special Rate Funds.

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(c) Uralla Shire Council Combined Sewerage Fund
Comprising the operations and net assets of the sewerage reticulation and treatment systems servicing the town of Uralla and Bundarra and which were established as a Special Rate Fund.

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Note – Material accounting policy information (continued)

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

Notional rate applied (%)

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

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

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

In accordance with Department of Climate Change, Energy, the Environment and Water (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 is 25% the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

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Note – Material accounting policy information (continued)

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

$$\frac{\text{Operating result before capital income + interest expense}}{\text{Written down value of I,PP\&E as at 30 June}}$$

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.16% at 30/6/26.

(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 2026 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.

Independent Auditor's Report

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

Uralla Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2026

Uralla Shire Council

Special Schedules
for the year ended 30 June 2026

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Uralla Shire Council

Permissible income for general rates

$ '000	Notes	Calculation 2025/26	**Calculation 2026/27**
Notional general income calculation [1]			
Last year notional general income yield	a	4,572	**4,782**
Plus or minus adjustments [2]	b	4	**–**
Notional general income	c = a + b	**4,576**	**4,782**
Permissible income calculation			
Percentage increase	d	4.90%	**28.50%**
Plus percentage increase amount [3]	f = d x (c + e)	224	**1,363**
Sub-total	g = (c + e + f)	**4,800**	**6,145**
Plus (or minus) last year's carry forward total	h	13	**29**
Less valuation objections claimed in the previous year	i	(2)	**–**
Sub-total	j = (h + i)	**11**	**29**
Total permissible income	k = g + j	4,811	**6,174**
Less notional general income yield	l	4,782	**6,169**
Catch-up or (excess) result	m = k – l	29	**5**
Carry forward to next year [6]		29	**5**

Notes

(1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.

(2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW).*

(3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).

(6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Permissible income for general rates

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Uralla Shire Council

Report on infrastructure assets as at 30 June 2026

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	2025/26 Required maintenance [a] $ '000	2025/26 Actual maintenance $ '000	Net carrying amount $ '000	Gross replacement cost (GRC) $ '000	Asset condition as a percentage of gross replacement cost 1	2	3	4	5
Buildings	Other	–	125	1,136	1,020	22,690	40,271	7.0%	17.0%	63.0%	12.0%	1.0%
	Sub-total	**–**	**125**	**1,136**	**1,020**	**22,690**	**40,271**	**7.0%**	**17.0%**	**63.0%**	**12.0%**	**1.0%**
Other structures	Other structures	–	–	256	1,106	7,203	11,321	24.0%	31.0%	39.0%	6.0%	0.0%
	Sub-total	**–**	**–**	**256**	**1,106**	**7,203**	**11,321**	**24.0%**	**31.0%**	**39.0%**	**6.0%**	**0.0%**
Roads	Sealed roads	1,474	5,873	2,935	4,343	135,448	178,268	47.0%	25.0%	19.0%	6.0%	3.0%
	Bulk earthworks	–	–	–	–	67,973	67,973	100.0%	0.0%	0.0%	0.0%	0.0%
	Bridges	23	95	2	754	52,639	65,054	56.0%	42.0%	1.0%	0.0%	1.0%
	Unsealed roads	455	1,085	585	2,777	12,629	22,800	11.0%	36.0%	42.0%	6.0%	5.0%
	Footpaths	42	15	75	139	2,555	3,690	41.0%	23.0%	29.0%	6.0%	1.0%
	Sub-total	**1,994**	**7,068**	**3,597**	**8,013**	**271,244**	**337,785**	**56.9%**	**24.0%**	**13.4%**	**3.6%**	**2.1%**
Water supply network	Water supply network	1,883	2,498	1,223	2,374	15,396	40,567	6.0%	11.0%	64.0%	12.0%	7.0%
	Sub-total	**1,883**	**2,498**	**1,223**	**2,374**	**15,396**	**40,567**	**6.0%**	**11.0%**	**64.0%**	**12.0%**	**7.0%**
Sewerage network	Sewerage network	–	–	610	1,582	19,290	28,499	38.0%	16.0%	38.0%	7.0%	1.0%
	Sub-total	**–**	**–**	**610**	**1,582**	**19,290**	**28,499**	**38.0%**	**16.0%**	**38.0%**	**7.0%**	**1.0%**
Stormwater drainage	Stormwater drainage	454	137	220	201	4,813	8,383	20.0%	22.0%	35.0%	21.0%	2.0%
	Sub-total	**454**	**137**	**220**	**201**	**4,813**	**8,383**	**20.0%**	**22.0%**	**35.0%**	**21.0%**	**2.0%**
	Total – all assets	**4,331**	**9,828**	**7,042**	**14,296**	**340,636**	**466,826**	**45.6%**	**21.9%**	**24.6%**	**5.7%**	**2.2%**

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

Infrastructure asset condition assessment 'key'

1	**Excellent/very good**	No work required (normal maintenance)
2	**Good**	Only minor maintenance work required
3	**Satisfactory**	Maintenance work required
4	**Poor**	Renewal required
5	**Very poor**	Urgent renewal/upgrading required

Uralla Shire Council

Report on infrastructure assets as at 30 June 2026

Infrastructure asset performance indicators (consolidated) *

$ '000	Amounts 2026	Indicator 2026	Indicators 2025	Indicators 2024	Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals [1] / Depreciation, amortisation and impairment	4,865 / 2,738	**177.68%**	136.22%	81.27%	> 100.00%
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard / Net carrying amount of infrastructure assets	4,331 / 195,574	**2.21%**	2.37%	4.29%	< 2.00%
Asset maintenance ratio					
Actual asset maintenance / Required asset maintenance	14,296 / 7,042	**203.01%**	150.50%	105.12%	> 100.00%
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council / Gross replacement cost	9,828 / 466,826	**2.11%**	2.22%	3.71%	

(*) 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.

Uralla Shire Council

Report on infrastructure assets as at 30 June 2026

Infrastructure asset performance indicators (by fund)

$ '000	General fund 2026	General fund 2025	Water fund 2026	Water fund 2025	Sewer fund 2026	Sewer fund 2025	Benchmark
Buildings and infrastructure renewals ratio							
Asset renewals [1] / Depreciation, amortisation and impairment	**269.50%**	216.68%	**67.32%**	37.17%	**1.89%**	1.07%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard / Net carrying amount of infrastructure assets	**1.52%**	1.50%	**12.23%**	14.15%	**0.00%**	0.00%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance / Required asset maintenance	**198.50%**	145.15%	**194.11%**	157.96%	**259.34%**	186.26%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council / Gross replacement cost	**1.84%**	1.97%	**6.16%**	6.14%	**0.00%**	0.00%	

(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.