

Narrandera Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025

Achieving Together



Narrandera Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

Achieving Together



Narrandera Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

141 East St
Narrandera NSW 2700

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.narrandera.nsw.gov.au

Narrandera Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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

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

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

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

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

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

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



Neville Kschenka
Mayor
16 September 2025



Sue Ruffles
Councillor
16 September 2025



George Cowan
General Manager
16 September 2025



Zac Mahon
Responsible Accounting Officer
16 September 2025

Narrandera Shire Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
10,639	Rates and annual charges	B2-1	10,576	8,940
3,225	User charges and fees	B2-2	3,580	3,797
1,175	Other revenues	B2-3	1,089	2,155
8,985	Grants and contributions provided for operating purposes	B2-4	7,726	12,549
8,574	Grants and contributions provided for capital purposes	B2-4	6,916	9,510
1,109	Interest and investment income	B2-5	1,592	1,777
234	Other income	B2-6	241	251
91	Net gain from the disposal of assets	B4-1	—	—
34,032	Total income from continuing operations		31,720	38,979
	Expenses from continuing operations			
9,318	Employee benefits and on-costs	B3-1	9,502	8,869
7,570	Materials and services	B3-2	10,590	8,706
149	Borrowing costs	B3-3	155	66
415	Other expenses	B3-5	437	505
—	Net loss from the disposal of assets	B4-1	2,127	796
17,452	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		22,811	18,942
16,580	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		8,909	20,037
6,737	Depreciation, amortisation and impairment of non-financial assets	B3-4	6,640	5,606
9,843	Operating result from continuing operations		2,269	14,431
9,843	Net operating result for the year attributable to Council		2,269	14,431
1,269	Net operating result for the year before grants and contributions provided for capital purposes		(4,647)	4,921

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

Narrandera Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Net operating result for the year – from Income Statement		2,269	14,431
Other comprehensive income:			
Amounts that will not be reclassified subsequent to operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-7	6,005	805
Other comprehensive income for the year		6,005	805
Total comprehensive income for the year attributable to Council		8,274	15,236

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

Narrandera Shire Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	1,682	8,191
Investments	C1-2	29,769	29,300
Receivables	C1-4	3,834	3,973
Inventories	C1-5	667	575
Contract assets and contract cost assets	C1-6	1,986	1,540
Other		–	12
Total current assets		37,938	43,591
Non-current assets			
Receivables	C1-4	–	2
Inventories	C1-5	285	285
Infrastructure, property, plant and equipment (IPPE)	C1-7	280,013	269,003
Right of use assets	C2-1	133	6
Total non-current assets		280,431	269,296
Total assets		318,369	312,887
LIABILITIES			
Current liabilities			
Payables	C3-1	1,734	2,819
Contract liabilities	C3-2	120	1,416
Lease liabilities	C2-1	48	6
Borrowings	C3-3	302	291
Employee benefit provisions	C3-4	2,375	2,587
Total current liabilities		4,579	7,119
Non-current liabilities			
Lease liabilities	C2-1	85	–
Borrowings	C3-3	2,965	3,267
Employee benefit provisions	C3-4	83	95
Provisions	C3-5	411	434
Total non-current liabilities		3,544	3,796
Total liabilities		8,123	10,915
Net assets		310,246	301,972
EQUITY			
Accumulated surplus	C4-1	192,338	190,069
IPPE revaluation surplus	C4-1	117,908	111,903
Total equity		310,246	301,972

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

Narrandera Shire Council

Statement of Changes in Equity

for the year ended 30 June 2025

	Notes	2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
\$ '000							
Opening balance at 1 July		190,069	111,903	301,972	175,638	111,098	286,736
Opening balance		190,069	111,903	301,972	175,638	111,098	286,736
Net operating result for the year		2,269	–	2,269	14,431	–	14,431
Net operating result for the period		2,269	–	2,269	14,431	–	14,431
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	6,005	6,005	–	805	805
Other comprehensive income		–	6,005	6,005	–	805	805
Total comprehensive income		2,269	6,005	8,274	14,431	805	15,236
Closing balance at 30 June		192,338	117,908	310,246	190,069	111,903	301,972

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

Narrandera Shire Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Cash flows from operating activities				
Receipts:				
10,584	Rates and annual charges		10,262	8,853
3,235	User charges and fees		3,648	3,589
1,097	Interest received		1,701	1,429
17,937	Grants and contributions		12,027	19,327
–	Bonds, deposits and retentions received		69	23
1,515	Other		1,397	4,269
Payments:				
(9,233)	Payments to employees		(10,054)	(8,713)
(7,601)	Payments for materials and services		(11,707)	(7,936)
(149)	Borrowing costs		(135)	(45)
(416)	Other		(251)	(2,951)
16,969	Net cash flows from operating activities	G1-1	6,957	17,845
Cash flows from investing activities				
Receipts:				
2,074	Sale of investments		33,871	35,816
311	Proceeds from sale of IPPE		124	210
–	Deferred debtors receipts		7	–
Payments:				
–	Purchase of investments		(34,340)	(32,553)
(19,193)	Payments for IPPE		(12,814)	(18,354)
–	Purchase of real estate assets		–	(124)
–	Deferred debtors and advances made		–	(14)
(16,808)	Net cash flows from investing activities		(13,152)	(15,019)
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings		–	1,800
Payments:				
(291)	Repayment of borrowings		(291)	(146)
–	Principal component of lease payments		(23)	(5)
(291)	Net cash flows from financing activities		(314)	1,649
(130)	Net change in cash and cash equivalents		(6,509)	4,475
700	Cash and cash equivalents at beginning of year		8,191	3,716
570	Cash and cash equivalents at end of year	C1-1	1,682	8,191
–	plus: Investments on hand at end of year	C1-2	29,769	29,300
570	Total cash, cash equivalents and investments		31,451	37,491

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

Narrandera Shire Council

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Narrandera 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 16 September 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

Historical cost convention

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

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 estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- i. fair values of infrastructure, property, plant and equipment – refer Note C1-7.

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.

Monies and other assets received by Council

The Consolidated Fund

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

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

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

- General purpose operations
- Water service
- Sewerage service
- Barellan Hall and Museum
- Grong Grong Hall
- Narrandera Railway Management Committee
- Narrandera Koala Regeneration Centre Supervisory Committee
- Arts Centre and Narrandera Museum

The Trust Fund

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

A1-1 Basis of preparation (continued)

of, or in accordance with, the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council makes use of volunteers for the community transport program, museums at Narrandera and Barellan and also library services. The estimated value of these services has been included in the financial statements based on an average salary and on costs council would be required to pay if the services were not donated.

New accounting standards and interpretations issued but not yet effective

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

Councils assessment of the impact of the new standards, and interpretations relevant to them, is set out below:

Pronouncement	AASB 18 Presentation & Disclosure in Financial Statements
Nature of change in accounting policy	<p>This standard replaces AASB 101 Presentation of Financial Statements and sets out the requirements for the structure of the financial statements, including the application of fundamental concepts such as materiality.</p> <p>AASB 18 introduces additional subtotals into the Statement of Profit or Loss as well as restructuring the statement into operating, investing and financing elements.</p> <p>Management performance measures are also required to be disclosed.</p>
Effective date	Annual reporting periods beginning on or after 1 January 2028 (i.e. Councils financial statements for the year ended 30 June 2029).
Expected Impact on Council Financial Statement	The presentation of Council's primary statements will be changed along with some additional disclosures, however there will be no effect on Councils reported position or performance.
Pronouncement	AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments [AASB 7 and AASB 9]

A1-1 Basis of preparation (continued)

Nature of change in accounting policy	<p>This Standard amends AASB 7 & AASB 9 in response to feedback from the 2022 Post-Implementation Review of the classification and measurement requirements in AASB 9 and related requirements in AASB 7 and the subsequent 2023 Exposure Draft.</p> <p>This Standard amends requirements related to:</p> <ul style="list-style-type: none"> a) Settling financial liabilities using an electronic payment system; and b) Assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) or similar features. <p>This Standard also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.</p>
Effective date	Annual reporting periods beginning on or after 1 January 2026 (i.e council financial statements for the year ended 30 June 2027).
Expected Impact on Council Financial Statement	The likely impact of the standard to Council is not material.
Pronouncement	<i>AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107]</i>
Nature of change in accounting policy	<p>This Standard amends:</p> <p>AASB 1: Aligns hedge accounting rules with AASB 9 and improves clarity.</p> <p>AASB 7: Updates references and language to match AASB 13.</p> <p>AASB 9: Clarifies lease liability derecognition and 'transaction price' use.</p> <p>AASB 10: Refines guidance on identifying de facto agents.</p> <p>AASB 107: Replaces outdated term 'cost method' with 'at cost'.</p>
Effective date	Annual reporting periods beginning on or after 1 January 2026 (i.e. council financial statements for the year ended 30 June 2027).
Expected Impact on Council Financial Statement	There is unlikely to be any significant impact to Council on adoption of this standard.

New accounting standards adopted during the year

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

Standard	Likely impact
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A1-1 Basis of preparation (continued)

<p>AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <p>AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i></p> <p>AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i></p>	<p>Council will ensure that presentation of the loans as current or non-current is confirmed and any covenants in the loan agreement are disclosed.</p>
<p>AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i></p>	<p>No significant impact for to Council, as Council is not highly unlikely to undertake a sale and leaseback which satisfies the sale requirements under AASB 15 (i.e genuine sale).</p>
<p>AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.</i></p>	<p>No significant impact as Council's fair value methodology is already in accordance with AASB 2022-10.</p>

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
Our Community	5,263	6,468	8,023	6,688	(2,760)	(220)	2,812	4,621	52,145	51,245
Our Environment	1,146	1,409	2,062	1,718	(916)	(309)	79	125	3,234	3,179
Our Economy	1,231	1,513	3,080	2,567	(1,849)	(1,054)	–	(14)	7,818	7,684
Our Infrastructure	13,082	16,073	11,475	9,565	1,607	6,508	5,741	11,331	229,605	225,653
Our Civic Leadership	10,998	13,516	4,811	4,010	6,187	9,506	6,010	5,996	25,567	25,126
Total functions and activities	31,720	38,979	29,451	24,548	2,269	14,431	14,642	22,059	318,369	312,887

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 Community

Security cameras, emergency services, health, aged & disabled services, social support, home modification and maintenance, community transport, community options, youth and childcare services, street lighting, public cemeteries, library, swimming pools, sportsgrounds, parks & reserves, Lake Talbot, sports stadium, cultural services, roads safety officer, arts centre.

Our Environment

Ordinance and ranger services, insect & vermin control, noxious weeds, waste management, public toilets, environmental protection, development control.

Our Economy

State Roads contract, economic development/real estate, industrial subdivision, industrial promotion, marketing & tourism, visitors centre, saleyards, caravan parks, private works, council land & buildings, aerodrome.

Our Infrastructure

Infrastructure services, stormwater, urban & rural roads, regional roads, bridges, Roads to Recovery, roads ancillary, car parking, water & sewer services.

Our Civic Leadership

Governance, council chambers, administration, finance, human resources & work health and safety, information technology, property/revenue, employment overheads, plant operations, external plant revenue and general purposes income.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	2,279	1,806
Farmland	4,053	3,233
Business	585	466
Less: pensioner rebates	(132)	(131)
Rates levied to ratepayers	6,785	5,374
Pensioner rate subsidies received	74	71
Total ordinary rates	6,859	5,445
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	883	840
Stormwater management services	79	78
Water supply services	967	904
Sewerage services	1,684	1,575
Waste management services	139	132
Less: pensioner rebates	(77)	(74)
Annual charges levied	3,675	3,455
Pensioner annual charges subsidies received	42	21
Total annual charges	3,717	3,495
Total rates and annual charges	10,576	8,940
Timing of revenue recognition for rates and annual charges		
Rates and annual charges recognised at a point in time	10,576	8,940
Total rates and annual charges	10,576	8,940

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2025	2024
User charges		
Water supply services	1,695	1,422
Sewerage services	162	132
Total User charges	1,857	1,554
Fees		
(i) Fees – statutory and regulatory functions (per s.608)		
Inspection services	9	12
Planning and building regulation	88	81
Private works – section 67	194	767
Regulatory/ statutory fees	1	1
Section 10.7 certificates (EP&A Act)	21	18
Section 603 certificates	20	16
Companion animals fees	1	1
Total Fees – statutory/regulatory	334	896
(ii) Fees – other (incl. general user charges (per s.608))		
Aerodrome	42	47
Aged care	683	748
Cemeteries	120	158
Leaseback fees – Council vehicles	18	21
Multipurpose centre	19	18
Transport for NSW (formerly RMS) charges (state roads not controlled by Council)	–	92
Tourism	5	14
Waste disposal tipping fees	38	51
Connection fees	300	24
Sportsground Fees	23	41
Halls	1	2
John O'Brien festival income	3	–
Library	5	5
Stadium Fees	73	64
Truck Wash	43	36
Other	16	26
Total Fees – other	1,389	1,347
Total Fees	1,723	2,243
Total user charges and fees	3,580	3,797
Timing of revenue recognition for user charges and fees		
User charges and fees recognised at a point in time	3,580	3,797
Total user charges and fees	3,580	3,797

Material accounting policy information

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

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

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

B2-3 Other revenues

\$ '000	2025	2024
Fines	7	7
Legal fees recovery – rates and charges (extra charges)	1	16
Insurance claims recoveries	–	202
Commissions and agency fees	51	46
Recycling income (non-domestic)	3	38
Diesel rebate	80	87
Sales – general	118	83
Incentive insurance rebate	29	31
Insurance reimbursement	40	9
Rural fire service reimbursement	101	843
Sale of scrap materials	–	30
Temporary Sale of Water Allocation	341	405
Volunteer Services	305	338
Other	13	20
Total other revenue	1,089	2,155
Timing of revenue recognition for other revenue		
Other revenue recognised at a point in time	1,089	2,155
Total other revenue	1,089	2,155

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 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)				
Financial Assistance Grant ¹				
- Relating to current year	1,019	310	–	–
- Prepayment received in advance for subsequent year	3,443	5,558	–	–
Amount recognised as income during current year	4,462	5,868	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	–	–	(40)	120
Sewerage	–	–	1,089	3,491
Natural disaster	604	–	–	–
Economic development	392	171	1	–
Employment and training programs	7	128	–	–
Heritage and cultural	28	19	–	–
Library – per capita	63	63	–	–
Library – special projects	21	20	–	–
Noxious weeds	45	48	–	–
Storm/flood damage	–	–	1,653	–
Community services	12	33	–	–
Floodplain mapping and land use	–	62	–	–
Lake Talbot – boat ramp	–	–	–	190
Crown Lands	–	–	47	115
Street lighting	35	35	–	–
Stronger Country Communities - Council Projects	–	–	355	665
Local Roads & Community Infrastructure	–	–	1,815	1,718
Playground on The Murrumbidgee	–	–	–	369
Regional Airports	–	–	–	(52)
Recreation and culture	–	–	34	75
Transport (roads to recovery)	1,219	1,392	–	–
Drainage	–	–	–	144
Heritage/cultural	3	–	–	–
Transport (other roads and bridges funding)	72	4,085	847	1,519
Other specific grants	27	–	–	37
Tourism	71	59	–	–
Recreation and culture	–	–	–	307
Transport for NSW contributions (regional roads, block grant)	596	499	–	2
Leeton Shire Council aerodrome contributions	69	67	22	32
Total special purpose grants and non-developer contributions – cash	3,264	6,681	5,823	8,732
Non-cash contributions				
Rural Fire Services - Red Fleet	–	–	1,059	617
Roads and bridges	–	–	–	16
Water supplies (excl. section 64 contributions)	–	–	–	121
Total other contributions – non-cash	–	–	1,059	754
Total special purpose grants and non-developer contributions (tied)	3,264	6,681	6,882	9,486
Total grants and non-developer contributions	7,726	12,549	6,882	9,486

B2-4 Grants and contributions (continued)

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Comprising:				
– Commonwealth funding	5,689	7,388	2,970	1,718
– State funding	1,863	5,036	3,559	6,646
– Other funding	174	125	353	1,122
	7,726	12,549	6,882	9,486

(1) \$3.443m of the 2025-26 Financial Assistance Grant from Commonwealth Government was received by Council in June 2025 and hence is reported as 2024-2025 income although it relates to 2025- 2026 financial year.

Developer contributions

\$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G4				
Cash contributions					
S 7.12 – fixed development consent levies		–	–	18	15
S 64 – water supply contributions		–	–	13	7
S 64 – sewerage service contributions		–	–	3	2
Total developer contributions – cash		–	–	34	24
Total developer contributions		–	–	34	24
Total contributions		–	–	34	24
Total grants and contributions		7,726	12,549	6,916	9,510
Timing of revenue recognition					
Grants and contributions recognised over time		–	–	–	–
Grants and contributions recognised at a point in time		7,726	12,549	6,916	9,510
Total grants and contributions		7,726	12,549	6,916	9,510

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds at 1 July	8,618	5,773	2,319	3,504
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	676	4,922	74	65
Add: Funds received and not recognised as revenue in the current year	–	–	69	1,128
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(3,041)	(2,077)	(8)	(6)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(1,409)	(2,372)
Unspent funds at 30 June	6,253	8,618	1,045	2,319

B2-4 Grants and contributions (continued)

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 evidence of the event taking place or satisfactory achievement of milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	108	71
– Overdue user fees and charges	–	1
– Cash and investments	1,483	1,704
Dividend income from investments at fair value through profit or loss	1	1
Total interest and investment income	1,592	1,777

B2-6 Other income

\$ '000	Notes	2025	2024
Rental income			
Aerodrome Hangers		21	21
Caravan Park		99	99
Housing		49	43
Reverse Vending Machine		6	5
Shops & Offices		24	28
Tower Rental		39	51
Other		3	4
Total rental income	C2-2	241	251
Total other income		241	251

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	8,010	7,460
Employee leave entitlements (ELE)	1,577	1,591
Superannuation	1,062	936
Workers' compensation insurance	271	238
Fringe benefit tax (FBT)	40	30
Sick leave insurance	12	24
Other	8	8
Total employee costs	10,980	10,287
Less: capitalised costs	(1,478)	(1,418)
Total employee costs expensed	9,502	8,869

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

B3-2 Materials and services

\$ '000	Notes	2025	2024
Advertising		1	7
Audit Fees	F2-1	90	65
Bank charges		55	58
Contractor costs		1,073	1,196
Councillor and Mayoral fees and associated expenses	F1-2	214	203
Election expenses		67	—
Electricity and heating		649	652
Fire control expenses		72	105
Insurance		622	526
Other expenses		12	13
Postage		26	25
Printing and stationery		23	34
Raw materials and consumables		6,982	5,082
Street lighting		106	115
Subscriptions and publications		127	92
Telephone and communications		84	86
Valuation fees		35	34
Volunteer Services expense		305	338
Internal audit expenses		23	43
Legal expenses:			
– Legal expenses: debt recovery		5	16
– Legal expenses: other		7	3
Expenses from leases of low value assets		11	10
Variable lease expense relating to usage		1	3
Total materials and services		10,590	8,706
Total materials and services		10,590	8,706

B3-3 Borrowing costs

\$ '000	Notes	2025	2024
Interest on leases		4	1
Interest on loans		131	43
Remediation (Tip)	C3-5	20	22
Total borrowing costs expensed		155	66

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

Depreciation and amortisation

Plant and equipment		702	762
Plant and equipment - specialised (RFS Red Fleet)		191	194
Office equipment		164	167
Furniture and fittings		1	5
Land improvements		7	6
Infrastructure:	C1-7		
– Buildings – non-specialised		845	839
– Buildings – specialised		525	477
– Other structures		691	672
– Roads		1,790	1,900
– Bridges		260	147
– Footpaths		37	20
– Stormwater drainage		102	82
– Water supply network		673	725
– Sewerage network		370	394
– Swimming pools		115	119
– Other open space/recreational assets		91	78
Right of use assets	C2-1	23	6
Other assets:			
– Library books		40	31
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-7	13	16
Total gross depreciation and amortisation costs		6,640	6,640

Impairment / revaluation decrement of IPPE

Infrastructure:	C1-7		
– Roads		–	(695)
– Bridges		–	(339)
Total gross IPPE impairment / revaluation decrement costs		–	(1,034)
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	(1,034)
Total depreciation, amortisation and impairment for non-financial assets		6,640	5,606

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.

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

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.

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	2025	2024
Impairment of receivables	18	72
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	351	354
– Western Riverina Library	35	34
Donations, contributions and assistance to other organisations (Section 356)	33	45
Total other expenses	437	505

B4 Gains or losses

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment	C1-7		
Proceeds from disposal		124	210
Less: carrying amount of assets sold		(1)	(152)
Gain (or loss) on disposal		123	58
Gain (or loss) on disposal of infrastructure	C1-7		
Proceeds from disposal – infrastructure		–	–
Loss on replacement/derecognition of infrastructure assets		(2,012)	(420)
Gain (or loss) on disposal		(2,012)	(420)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal		34,340	32,553
Less: carrying value of investments		(34,340)	(32,553)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of plant and equipment - specialised			
Proceeds from disposal	C1-7	–	–
Less: carrying amount of assets sold		(238)	(170)
Gain (or loss) on disposal		(238)	(170)
Net gain (or loss) from disposal, replacement and derecognition of assets		(2,127)	(796)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 18 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	10,639	10,576	(63)	(1)% U
User charges and fees	3,225	3,580	355	11% F
Council received greater than expected water user charges income due to the dry weather in Autumn and Winter 2025				
Other revenues	1,175	1,089	(86)	(7)% U
Operating grants and contributions	8,985	7,726	(1,259)	(14)% U
Operating grant income lower than expected, grant income is variable and hard to predict. Financial Assistance Grant not paid in full in 2026.				
Capital grants and contributions	8,574	6,916	(1,658)	(19)% U
Capital grant income was lower than budgeted due to several unsuccessful or pending grant applications, including funding for Active Transport projects including the Larmer Street Pedestrian Bridge and associated pathways. The grant environment remains highly competitive. Council will continue to actively pursue available funding opportunities to support infrastructure development.				
Interest and investment revenue	1,109	1,592	483	44% F
The positive variance in interest income is attributable to a higher-than-expected cash balance. Interest was originally budgeted based on a projected cash balance of \$21 million, however, actual cash held was \$29 million. This resulted in increased interest earnings relative to budget.				
Net gains/loss from disposal of assets	91	–	(91)	(100)% U
The budgeted net gain was calculated based solely on the disposal of plant assets, which was an error. Infrastructure asset disposals were not considered, resulting in a variance. Going forward, Council will assess both plant and infrastructure asset disposals to ensure more accurate budgeting. The overall net loss is explained under "Loss on Disposal" on the next page.				
Other income	234	241	7	3% F
Expenses				
Employee benefits and on-costs	9,318	9,502	(184)	(2)% U
Materials and services	7,570	10,590	(3,020)	(40)% U
Expenditure increased following adjustments adopted by Council through the Quarterly Budget Review Statement (QBRS) process since the original budget was set. Key contributors include: \$428,000 reclassification from wages to materials to better reflect actual service delivery costs. \$700,000 reallocation of Regional Emergency Road Repair funding from capital to operating expenditure. \$577,000 in carry forward adjustments related to OLG and Drought Resilience grants, allocated to materials and services to deliver the funded activities.				
Borrowing costs	149	155	(6)	(4)% U

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Depreciation, amortisation and impairment of non-financial assets	6,737	6,640	97	1% F
Other expenses	415	437	(22)	(5)% U
Net losses from disposal of assets	–	2,127	(2,127)	(100)% U

The overall net loss reflects the disposal of both plant and infrastructure assets. While the budget only considered plant disposals, actual results included infrastructure assets, which typically generate lower or negative returns on disposal. This contributed to the variance and is consistent with the explanation provided above under “Net Gain/Loss on Disposal.” Council will ensure future budgets incorporate both asset classes for more accurate forecasting.

Statement of cash flows

Cash flows from operating activities	16,969	6,957	(10,012)	(59)% U
Council received less grant money than was budgeted for (made up of reduction in financial assistance grant paid in 2025 and other specific purpose grants)				
Cash flows from investing activities	(16,808)	(13,152)	3,656	(22)% F
Timing of movement in regards to Term Deposits				
Cash flows from financing activities	(291)	(314)	(23)	8% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash assets		
Cash at bank and on hand	602	6,277
Deposits at call	1,080	1,914
Total cash and cash equivalents	1,682	8,191

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,682	8,191
Balance as per the Statement of Cash Flows	1,682	8,191

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Financial assets at fair value through the profit and loss				
Unlisted equity securities	10	–	10	–
Total	10	–	10	–
Debt securities at amortised cost				
Term deposits	29,759	–	29,290	–
Total	29,759	–	29,290	–
Total financial investments	29,769	–	29,300	–
Total cash assets, cash equivalents and investments	31,451	–	37,491	–

Material accounting policy information

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

C1-2 Financial investments (continued)

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss are investments in Narrandera District Investments Ltd. (Bendigo Bank).

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	31,451	37,491
Less: Externally restricted cash, cash equivalents and investments	(15,468)	(21,468)
Cash, cash equivalents and investments not subject to external restrictions	15,983	16,023

External restrictions

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

Developer contributions – general	528	559
Developer contributions – water fund	260	236
Developer contributions – sewer fund	106	99
Transport for NSW contributions	103	103
Specific purpose unexpended grants (recognised as revenue) – general fund	5,486	8,158
Water fund	4,647	5,304
Water supplies – carry over works	1,221	641
Sewer fund	400	105
Sewerage services – carry over works	406	690
Stormwater management	101	41
Crown lands	415	423
Waste management	1,795	1,647
Specific purpose unexpended loans - sewer	–	2,046
Specific purpose unexpended grants - general fund	–	1,084
Unexpended contributions - general fund	–	332
External restrictions	15,468	21,468
Total external restrictions	15,468	21,468

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

\$ '000	2025	2024
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	15,983	16,023
Less: Internal allocations restricted cash, cash equivalents and investments	(12,723)	(15,438)
Unrestricted and unallocated cash, cash equivalents and investments	3,260	585

Internal allocations

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

\$ '000	2025	2024
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	2,138	2,155
Organisational service assets & projects	980	910
Employees leave entitlement	1,301	1,301
Carry over works revenue funded	1,131	1,417
Deposits, retentions and bonds	229	229
Special Variation	234	—
Organisational strategy and governance	1,446	1,563
Community transport	366	365
Financial assistance grant received in advance	3,441	5,558
Information technology renewal & replacement	182	600
Property development	522	609
Reverse cycle vending machine	8	4
Quarry rehabilitation	195	180
Cemetery perpetual maintenance	486	483
Council committees	64	64
Total internal allocations	12,723	15,438

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	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	1,083	–	767	2
Interest and extra charges	117	–	69	–
User charges and fees	693	–	761	–
Accrued revenues				
– Interest on investments	521	–	678	–
– Other income accruals	179	–	186	–
– User charges and fees (Water consumption)	240	–	195	–
Deferred debtors	80	–	87	–
Government grants and subsidies	642	–	828	–
Net GST receivable	382	–	98	–
Other debtors	–	–	407	–
Total	3,937	–	4,076	2
Less: provision for impairment				
Rates and annual charges	(26)	–	(26)	–
Interest and extra charges	(2)	–	(2)	–
User charges and fees	(75)	–	(75)	–
Total provision for impairment – receivables	(103)	–	(103)	–
Total net receivables	3,834	–	3,973	2

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 considers 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, 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	2025 Current	2025 Non-current	2024 Current	2024 Non-current
At cost:				
Real estate for resale	19	285	19	285
Stores and materials	614	–	534	–
Trading stock	34	–	22	–
Total inventories at cost	667	285	575	285
Total inventories	667	285	575	285

(i) Other disclosures

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
(a) Details for real estate development				
Industrial/commercial	19	285	19	285
Total real estate for resale	19	285	19	285

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

C1-6 Contract assets and Contract cost assets

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Contract assets	1,986	–	1,540	–
Total contract assets and contract cost assets	1,986	–	1,540	–

Contract assets

Construction of Transport assets	1,499	–	1,000	–
Construction of Sewer assets	487	–	425	–
Construction of Water assets	–	–	115	–
Total contract assets	1,986	–	1,540	–

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period								At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Re-measurement movements	Revaluation increments/(decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Plant and equipment - specialised	5,135	(2,622)	2,513	1,059	–	(238)	(191)	–	–	–	–	5,448	(2,305)	3,143
Capital work in progress	14,699	–	14,699	2,795	5,178	–	–	(5,992)	(1,434)	–	–	15,246	–	15,246
Plant and equipment	9,699	(5,939)	3,760	230	–	(1)	(702)	–	(2)	–	2	9,928	(6,641)	3,287
Office equipment	2,025	(1,672)	353	91	–	–	(164)	–	2	–	–	2,118	(1,836)	282
Furniture and fittings	155	(153)	2	–	–	–	(1)	1	(1)	–	–	155	(154)	1
Land:														
– Operational land	3,756	–	3,756	–	–	–	–	–	–	–	–	3,756	–	3,756
– Community land	7,627	–	7,627	–	–	–	–	–	–	–	–	7,627	–	7,627
– Land under roads (post 30/6/08)	112	–	112	–	–	–	–	–	–	–	–	112	–	112
Land improvements – non-depreciable	299	–	299	–	–	–	–	–	–	–	–	299	–	299
Land improvements	266	(27)	239	–	–	–	(7)	–	–	–	–	266	(34)	232
Infrastructure:														
– Buildings – non-specialised	32,930	(21,815)	11,115	20	–	(76)	(845)	117	–	–	300	33,663	(23,032)	10,631
– Buildings – specialised	22,103	(9,560)	12,543	55	44	(36)	(525)	555	–	–	416	23,363	(10,311)	13,052
– Other structures	25,531	(10,744)	14,787	15	389	(269)	(691)	1,071	–	–	508	27,634	(11,824)	15,810
– Roads	83,112	(34,143)	48,969	2,925	1,084	(1,064)	(1,790)	2,388	14	–	(410)	89,224	(37,108)	52,116
– Bridges	25,178	(9,168)	16,010	617	–	(238)	(260)	501	(1)	–	591	27,562	(10,342)	17,220
– Footpaths	2,943	(1,058)	1,885	–	–	–	(37)	420	–	–	75	3,483	(1,140)	2,343
– Bulk earthworks (non-depreciable)	77,412	–	77,412	–	–	(43)	–	468	–	–	3,110	80,947	–	80,947
– Stormwater drainage	13,808	(7,121)	6,687	–	–	–	(102)	–	–	–	237	14,368	(7,546)	6,822
– Water supply network	47,432	(23,961)	23,471	–	–	–	(673)	–	–	–	579	48,717	(25,340)	23,377
– Sewerage network	26,912	(10,057)	16,855	–	–	–	(370)	–	–	–	412	27,585	(10,688)	16,897
– Swimming pools	4,600	(1,490)	3,110	425	17	(6)	(115)	–	–	–	111	5,161	(1,619)	3,542
– Other open space/recreational assets	2,993	(775)	2,218	361	–	(280)	(91)	471	–	–	74	3,607	(854)	2,753
Other assets:														
– Library books	375	(134)	241	33	–	–	(40)	–	–	–	–	408	(174)	234
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	385	(45)	340	–	–	–	(13)	–	–	(43)	–	342	(58)	284
Total infrastructure, property, plant and equipment	409,487	(140,484)	269,003	8,626	6,712	(2,251)	(6,617)	–	(1,422)	(43)	6,005	431,019	(151,006)	280,013

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

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Re-measurement movements	Revaluation increments/(decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	9,761	–	9,761	4,648	7,343	(264)	–	–	(6,789)	–	–	14,699	–	14,699
Plant and equipment	9,221	(5,669)	3,552	–	1,063	(90)	(762)	–	–	–	–	9,699	(5,939)	3,760
Plant and equipment - specialised	4,825	(2,565)	2,260	102	719	(170)	(194)	–	–	–	–	5,135	(2,622)	2,513
Office equipment	1,932	(1,503)	429	–	94	–	(167)	–	–	–	–	2,025	(1,672)	353
Furniture and fittings	155	(148)	7	–	–	–	(5)	–	–	–	–	155	(153)	2
Land:														
– Operational land	3,622	–	3,622	–	–	–	–	–	–	–	134	3,756	–	3,756
– Community land	6,661	–	6,661	–	–	–	–	–	–	–	966	7,627	–	7,627
– Land under roads (post 30/6/08)	66	–	66	–	16	–	–	–	–	–	30	112	–	112
Land improvements – non-depreciable	288	–	288	–	–	–	–	–	–	–	11	299	–	299
Land improvements	256	(20)	236	–	–	–	(6)	–	–	–	8	266	(27)	239
Infrastructure:														
– Buildings – non-specialised	31,054	(20,243)	10,811	172	170	–	(839)	–	271	–	530	32,930	(21,815)	11,115
– Buildings – specialised	17,704	(8,703)	9,001	44	280	–	(477)	–	3,252	–	443	22,103	(9,560)	12,543
– Other structures	22,094	(9,604)	12,490	–	901	–	(672)	–	1,454	–	612	25,531	(10,744)	14,787
– Roads	101,737	(37,714)	64,023	1,220	404	–	(1,900)	695	720	–	(16,193)	83,112	(34,143)	48,969
– Bridges	17,817	(7,216)	10,601	774	20	(283)	(147)	339	668	–	4,037	25,178	(9,168)	16,010
– Footpaths	1,927	(600)	1,327	5	–	(2)	(20)	–	25	–	551	2,943	(1,058)	1,885
– Bulk earthworks (non-depreciable)	68,950	–	68,950	–	–	–	–	–	–	–	8,462	77,412	–	77,412
– Stormwater drainage	11,891	(4,181)	7,710	–	28	–	(82)	–	–	–	(968)	13,808	(7,121)	6,687
– Water supply network	44,937	(22,231)	22,706	64	84	(46)	(725)	–	238	–	1,149	47,432	(23,961)	23,471
– Sewerage network	25,613	(9,197)	16,416	–	–	–	(394)	–	–	–	832	26,912	(10,057)	16,855
– Swimming pools	4,452	(1,358)	3,094	–	–	(16)	(119)	–	–	–	151	4,600	(1,490)	3,110
– Other open space/recreational assets	1,946	(922)	1,024	207	926	(73)	(78)	–	161	–	50	2,993	(775)	2,218
Other assets:														
– Library books	322	(103)	219	–	53	–	(31)	–	–	–	–	375	(134)	241
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	472	(30)	442	–	–	–	(16)	–	–	(87)	–	385	(45)	340
Total infrastructure, property, plant and equipment	387,703	(132,007)	255,696	7,236	12,101	(944)	(6,634)	1,034	–	(87)	805	409,487	(140,484)	269,003

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

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 is acquired by Council at significantly below fair value, 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.

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 as follows:

Asset Class	Useful lives
Plant, equipment, furniture & fittings	5 - 25 years
Land	N/A
Land Improvements	97-100 years
Infrastructure:	
Buildings & other structures	10 - 120 years
Roads, bridges and footpaths	25 - 135 years
Bulk earthworks	N/A
Stormwater drainage	135 years
Water supply network	10 - 100 years
Open space/ recreational assets	15- 40 years
Sewerage Network	20 - 240 years
Other Assets (library books)	10 years
Tip Assets	100 years

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

Revaluation model

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

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

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation surplus. 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 IPPE revaluation surplus to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

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

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

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.

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

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

Rural Fire Service assets

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

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

C2 Leasing activities

C2-1 Council as a lessee

Council as lessee

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

Terms and conditions of leases

Vehicles

Council leases vehicles with a lease terms averaging 3 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for photocopiers are considered low value assets. The leases are for 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	Vehicles	Total
2025		
Opening balance at 1 July	6	6
Additions to right-of-use assets	150	150
Depreciation charge	(23)	(23)
Balance at 30 June	133	133
2024		
Opening balance at 1 July	12	12
Depreciation charge	(6)	(6)
Balance at 30 June	6	6

C2-1 Council as a lessee (continued)

(b) Lease liabilities

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
2025					
Cash flows	48	85	–	133	133
2024					
Cash flows	6	–	–	6	6

(c) Income Statement

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

\$ '000	2025	2024
Interest on lease liabilities	4	1
Variable lease payments based on usage not included in the measurement of lease liabilities	1	3
Depreciation of right of use assets	23	6
Expenses relating to leases of low-value assets	11	10
	39	20

(d) Statement of Cash Flows

Total cash outflow for leases	39	19
	39	19

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

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

- Council Works Depot
- Cemetery
- Lake Talbot Water Park
- Old Railway Station

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

None of the leases in place are individually material from a Statement of Financial Position or performance perspective.

Material accounting policy information

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-

C2-1 Council as a lessee (continued)

of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the statement of financial position as:

- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objectives. (Refer note C1-7).

\$ '000	2025	2024
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(i) Assets held as property, plant and equipment

Council provides operating leases on Council assets for the purpose of staff housing, health services, training providers, emergency services, caravan park and community groups, the table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	241	251
Total income relating to operating leases for Council assets	241	251

Amount of IPPE leased out by Council under operating leases

Land	1,096	1,096
Buildings	3,949	3,853
Structures	5,916	5,772
Other recreation	84	82
Pools	3,542	3,112
Total amount of IPPE leased out by Council under operating leases	14,587	13,915

(ii) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	245	232
1–2 years	251	239

C2-2 Council as a lessor (continued)

\$ '000	2025	2024
2–3 years	258	244
3–4 years	267	249
4–5 years	274	256
> 5 years	282	260
Total undiscounted lease payments to be received	1,577	1,480

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Payables				
Goods and services	839	—	1,864	—
Accrued wages and salaries	—	—	328	—
Security bonds, deposits and retentions	298	—	229	—
Other	202	—	3	—
Prepaid rates	395	—	395	—
Total payables	1,734	—	2,819	—

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

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

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	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Funds to construct Council controlled assets	(i)	120	—	1,084	—
Unexpended capital contributions (to construct Council controlled assets)	(i)	—	—	332	—
Total contract liabilities		120	—	1,416	—

Notes

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

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

\$ '000	2025	2024
Funds to construct Council controlled assets	1,409	2,372
Total	1,409	2,372

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured	302	2,965	291	3,267
Total borrowings	302	2,965	291	3,267

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements	2025
	Opening Balance	Cash flows	Acquisition	Closing balance
Loans – secured	3,558	(291)	–	3,267
Lease liability (Note C2-1)	6	127	–	133
Total liabilities from financing activities	3,564	(164)	–	3,400

\$ '000	2023		Non-cash movements	2024
	Opening Balance	Cash flows	Acquisition	Closing balance
Loans – secured	1,904	(146)	1,800	3,558
Lease liability (Note C2-1)	11	(5)	–	6
Total liabilities from financing activities	1,915	(151)	1,800	3,564

C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2025	2024
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facility ¹	350	350
Corporate credit cards	45	45
Total	395	395
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Bank overdraft facility	—	—
Corporate credit cards	8	16
Total	8	16
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
Bank overdraft facility	350	350
Corporate credit cards	37	29
Total	387	379

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans secured over future cash flows. Lease liabilities are secured by the underlying leased assets.

Covenants

Council has 2 loans with NSW TCorp. After the initial settlement date, the Borrower must ensure that on each Relevant date up until the Final Repayment Date:

- Debt Service Cover Ratio must be at least 1.50:1;
- Interest Cover Ratio must be at least 3.00:1;
- Unrestricted Cash Expense Ratio must be at least 2 months.

The financial covenants referred to above shall be;

- calculated by reference to the Accounting Standards
- based on the then most recent audited financial statements of the Borrower.

At the time the Borrower provides the financial statements the Borrower must provide a Compliance Certificate demonstrating its compliance with the financial covenants above.

In addition, in connection with its financial projects in the most recently provided Long Term Financial Plan, the Borrower must include calculations demonstrating whether the financial projections of the Borrower for the following five years would comply with the financial covenants.

Where the calculations made for the purposes of the above clauses indicate the Borrower has not, or may not in the future (as the case may be) comply with the financial ratios ;

- The Lender and Borrower will discuss the non-compliance as part of the annual review
- the Borrower acknowledges that the Lender may notify the OLG of such non-compliance, which may lead to OLG seeking a performance improvement order in respect of the Borrower.

There is currently no indication that Council will not comply with these covenants.

(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	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	624	–	718	–
Long service leave	1,665	83	1,812	95
Rostered days off	86	–	57	–
Total employee benefit provisions	2,375	83	2,587	95

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

\$ '000	2025	2024
Current employee benefit provisions not expected to be settled within the next 12 months.	1,636	1,202

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

These amounts include superannuation, 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	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation	–	411	–	434
Total provisions	–	411	–	434

Movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2025		
At beginning of year	434	434
Unwinding of discount	20	20
Remeasurement effects	(43)	(43)
Total other provisions at end of year	411	411
2024		
At beginning of year	500	500
Unwinding of discount	21	21
Remeasurement effects	(87)	(87)
Total other provisions at end of year	434	434

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 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

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 2025	Water 2025	Sewer 2025
Income from continuing operations			
Rates and annual charges	7,960	948	1,668
User charges and fees	1,414	1,726	440
Interest and investment income	1,176	350	66
Other revenues	1,089	—	—
Grants and contributions provided for operating purposes	7,726	—	—
Grants and contributions provided for capital purposes	5,852	(27)	1,091
Other income	241	—	—
Total income from continuing operations	25,458	2,997	3,265
Expenses from continuing operations			
Employee benefits and on-costs	8,593	525	384
Materials and services	8,012	1,749	829
Borrowing costs	29	—	126
Other expenses	437	—	—
Net losses from the disposal of assets	2,127	—	—
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	19,198	2,274	1,339
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	6,260	723	1,926
Depreciation, amortisation and impairment of non-financial assets	5,575	688	377
Operating result from continuing operations	685	35	1,549
Net operating result attributable to each council fund	685	35	1,549
Net operating result for the year before grants and contributions provided for capital purposes	(5,167)	62	458

D1-2 Statement of Financial Position by fund

\$ '000	General 2025	Water 2025	Sewer 2025
ASSETS			
Current assets			
Cash and cash equivalents	1,122	350	210
Investments	23,289	5,778	702
Receivables	2,624	973	237
Inventories	667	–	–
Contract assets and contract cost assets	1,499	–	487
Total current assets	29,201	7,101	1,636
Non-current assets			
Receivables	(45)	45	–
Inventories	285	–	–
Infrastructure, property, plant and equipment	228,492	24,641	26,880
Right of use assets	133	–	–
Total non-current assets	228,865	24,686	26,880
Total assets	258,066	31,787	28,516
LIABILITIES			
Current liabilities			
Payables	1,629	105	–
Contract liabilities	120	–	–
Lease liabilities	48	–	–
Borrowings	55	–	247
Employee benefit provision	2,375	–	–
Total current liabilities	4,227	105	247
Non-current liabilities			
Lease liabilities	85	–	–
Borrowings	257	–	2,708
Employee benefit provisions	83	–	–
Provisions	411	–	–
Total non-current liabilities	836	–	2,708
Total liabilities	5,063	105	2,955
Net assets	253,003	31,682	25,561
EQUITY			
Accumulated surplus	156,436	17,504	18,398
IPPE revaluation surplus	96,567	14,178	7,163
Total equity	253,003	31,682	25,561

D1-3 Details of internal loans

Details of individual internal loans	Council ID / Ref 278	Council ID / Ref 280	Council ID / Ref 285
Borrower (by purpose)	Coaches Box	Aerodrome Lighting	Festoon Lighting
Lender (by purpose)	Water Fund	Water Fund	Water Fund
Date of Minister's approval	28/06/2017	28/06/2017	26/10/2017
Date raised	30/06/2017	30/06/2017	30/06/2018
Term years	10	10	10
Dates of maturity	30/06/2027	30/06/2027	30/06/2028
Rate of interest (%)	4.86%	4.86%	4.86%
Amount originally raised (\$'000)	150	100	60
Total repaid during year (principal and interest) (\$'000)	19	13	8
Principal outstanding at end of year (\$'000)	31	21	19

Details of individual internal loans	Council ID / Ref 284	Council ID / Ref 287
Borrower (by purpose)	Barellan Change Room	Lake Talbot Water Park
Lender (by purpose)	Water Fund	Waste Fund
Date of Minister's approval	26/10/2017	
Date raised	30/06/2018	31/12/2020
Term years	10	15
Dates of maturity	30/06/2028	31/12/2035
Rate of interest (%)	4.86%	4.86%
Amount originally raised (\$'000)	50	1,450
Total repaid during year (principal and interest) (\$'000)	6	137
Principal outstanding at end of year (\$'000)	16	1066

D2 Interests in other entities

D2-1 Subsidiaries

Council has no interest in any controlled entities (subsidiaries).

D2-2 Interests in joint arrangements

Western Riverina Library Services

Narrandera is a member of the Western Riverina Library. Western Riverina Libraries (WRL) is a collaboration between five local governments to share resources and technical services to provide a library service which is current, efficient and valued. Located in the south-west of New South Wales this regional library service provides five branch libraries and two mobile libraries serving a combined population of approximately 41,603 in an area of 42,895 square kilometres. The region is predominantly agricultural and is approximately 600 kilometres from Sydney. The members of Western Riverina Libraries are Carrathool, Griffith, Hay, Murrumbidgee and Narrandera. Western Riverina Libraries is administered by Griffith City Council.

Material joint ventures

The following information is provided for joint ventures that are individually material to the Council. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2025	2024	2025	2024
Western Riverina Library Services	14.4%	14.4%	14.4%	14.4%

Summarised financial information for joint ventures ^{1, 2}

	Western Riverina Library Services	
\$ '000	2025	2024
Statement of financial position		
Current assets		
Cash and cash equivalents	15	15
Other current assets	99	99
Non-current assets	872	872
Current liabilities		
Creditors	25	25
Net assets	961	961
Statement of comprehensive income		
Income	525	525
Interest income	5	5
Depreciation and amortisation	166	166
Other expenses	(670)	(670)
Profit/(loss) from continuing operations	26	26
Profit/(loss) for the period	26	26
Total comprehensive income	26	26
Council's share of net assets (%)	14.3%	14.3%
Council's share of net assets (\$)	137	137

D2-2 Interests in joint arrangements (continued)

- (1) Western Riverina Library joint venture assessed as material due to the purchase of a mobile library truck that Council has 50% ownership of.
- (2) The information provided above is for FY 2024 as this is the latest information available at the time of Council preparing the Financial Statements

D2-3 Subsidiaries, joint arrangements and associates not recognised

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

Entity Name :

Riverina & Murray Joint Organisation

Reasons for non-recognition

Council is a member of the Riverina and Murray Joint Organisation (RAMJO), established under the Local Government Act 1993 (NSW) together with the Albury City, Berrigan Shire, Carrathool Shire, Edward River, Federation, Griffith City, Hay Shire, Murray River, Murrumbidgee and Narrandera Shire Councils. Council has not recognised our share of the net assets of the Joint Organisation based on materiality and accordingly these have not been included as part of the primary financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

Council's objective is to maximise its return on cash and investments 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.

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

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 Council.

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

(a) Market risk – interest rate risk

\$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	314	374

(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 policies.

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.

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

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		Total
		< 5 years	≥ 5 years	
2025				
Gross carrying amount	646	417	20	1,083
2024				
Gross carrying amount	—	767	2	769

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				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2025						
Gross carrying amount	1,043	1,935	876	67	919	4,840
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.16%	0.03%
ECL provision	—	—	—	—	1	1
2024						
Gross carrying amount	4,410	—	133	—	306	4,849
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.16%	0.01%
ECL provision	—	—	—	—	—	—

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

(c) Liquidity risk

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

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

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

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

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(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	Notes	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2025								
Payables	C3-3	0.00%	298	1,436	–	–	1,734	1,734
Borrowings	C3-3	3.61%	–	421	1,687	1,935	4,043	3,267
Total financial liabilities			298	1,857	1,687	1,935	5,777	5,001
2024								
Payables	C3-3	0.00%	229	2,519	–	–	2,748	2,819
Borrowings	C3-3	3.09%	–	291	1,276	1,991	3,558	3,558
Total financial liabilities			229	2,810	1,276	1,991	6,306	6,377

E2-1 Fair value measurement

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

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

Fair value hierarchy

All assets measured at fair value are 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: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through profit or loss – designated at fair value on initial recognition		–	–	10	10	10	10
Total financial assets		–	–	10	10	10	10
Infrastructure, property, plant and equipment							
Plant, equipment, furniture and fittings	C1-7	–	–	9,856	6,628	9,856	6,628
Operational land		3,756	3,756	–	–	3,756	3,756
Community land		–	–	7,627	7,627	7,627	7,627
Land under roads (post 30/06/08)		–	–	112	112	112	112
Land Improvements – non-depreciable		–	–	299	299	299	299
Land Improvements - depreciable		–	–	232	239	232	239
Buildings – non-specialised		–	–	10,631	11,115	10,631	11,115
Buildings – specialised		–	–	13,052	12,543	13,052	12,543
Other structures		–	–	15,810	14,787	15,810	14,787
Roads, bridges, footpaths, bulk earthworks		–	–	152,626	144,276	152,626	144,276
Stormwater drainage		–	–	6,822	6,687	6,822	6,687
Sewerage network		–	–	16,897	16,855	16,897	16,855
Water supply network		–	–	23,377	23,471	23,377	23,471
Library books		–	–	234	241	234	241
Swimming pools		–	–	3,542	3,110	3,542	3,110
Other open space/recreational assets		–	–	2,753	2,218	2,753	2,218
Tip assets		–	–	284	340	284	340
Total infrastructure, property, plant and equipment		3,756	3,756	264,154	250,548	267,910	254,304

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Land Improvements

Land Improvements are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

Land improvement assets have been revalued internally as at 30 June 2021. An assessment has been undertaken on this asset class resulting in an indexation being applied for 30 June 2025.

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

Operational & Community Land

Community land was revalued as at 30 June 2022 inhouse using the Land Value provided by the Valuer-General where available. Community land has been valued using level 3 valuation inputs.

Operational land was revalued as at 30 June 2023 by an external valuer, Australis Asset Advisory Group. Operational land has been valued using level 2 valuation inputs.

The valuation is the valuer's opinion of the Market Value of the property as at the date of inspection having regard to the supply and demand conditions for this category of property.

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

An assessment has been undertaken on community land and operational land assets resulting in an indexation applied for 30 June 2025.

Buildings – Non-Specialised & Specialised

Non-Specialised & Specialised Buildings are valued by an external valuer, AssetVal Pty Ltd and have been revalued as at 30 June 2021. The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

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

An assessment has been undertaken resulting in an indexation applied to Buildings non-specialised and Buildings specialised for 30 June 2025.

Other Structures

Other Structures comprise of lighting, irrigation systems, fencing, shade structures etc.

The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Other Structures have been revalued by an external valuer AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Other Structures for 30 June 2025.

Roads

Roads include bulk earthworks, carriageway, roadside shoulders & kerb & gutter. The cost approach using level 3 inputs was used to value this asset class. A revaluation was undertaken as at 30 June 2024 in-house based on actual costs and assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

E2-1 Fair value measurement (continued)

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

An assessment has been undertaken resulting in an indexation applied to Roads for 30 June 2025.

Bridges

Bridges were valued under the cost approach using level 3 inputs. A revaluation was undertaken as at 30 June 2024 in-house based on actual costs and assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

An assessment has been undertaken resulting in an indexation applied to Bridges for 30 June 2025.

Footpaths

Footpaths were revalued in-house by Council's Technical Services Department as at 30 June 2024 and were based on actual cost per square meter of works carried out during the year.

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

An assessment has been undertaken resulting in an indexation applied to Footpaths for 30 June 2025.

Stormwater Drainage

Assets within this class comprise of pits and pipes.

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

A revaluation was undertaken as at 30 June 2024 in-house by council technical services staff and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Stormwater Drainage for 30 June 2025.

Water Supply Network

Assets within this class comprise of bores, water treatment plant, reservoirs, pumping stations and water pipelines.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were revalued by an external valuer AssetVal Pty Ltd as at 30 June 2022 and there has been no change to the valuation process during the reporting period.

Sewerage Network

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

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were revalued by an external valuer AssetVal Pty Ltd as at 30 June 2022 and there has been no change to the valuation process during the reporting period.

Swimming Pools

E2-1 Fair value measurement (continued)

Swimming pools were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Swimming Pools have been revalued by an external valuer, AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Swimming pool assets for 30 June 2025.

Other Open Space/Recreational Assets

Assets within this class comprise of BBQ's and outdoor play equipment.

Other Open Space/Recreational Assets were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Open Space and Recreation Assets have been revalued by an external valuer, AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

An assessment has been undertaken resulting in an indexation applied to Other open space/recreational assets for 30 June 2025.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Financial assets		
Unlisted equity securities	Level 3 Valued at cost	
Total financial assets		
Infrastructure, property, plant and equipment		
Plant, equipment, library books, furniture and fittings	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value
Community Land, Land under roads (post 30/06/08)	Level 3 Market approach	<ul style="list-style-type: none"> • Land value (price per square metre)
Land Improvements- Non-dep	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life
Land Improvements - depreciable	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life
Buildings & other Structures	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Roads, bridges, footpaths, bulk earthworks	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Stormwater Drainage	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Water Supply Network	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Sewerage Network	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Swimming Pools	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Open Space and Recreational	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Library Books	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value

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

Defined benefit plan

Council is party to an Industry Defined Benefit Plan under Active Super – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB 119 *Employee Benefits* for the following reasons:

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 9.5% from 1 July 2025 of salaries to these members' accumulation accounts in line with current level of SG contributions, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025.

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

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ended 30 June 2025 was \$ 45,872.15. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2024.

The amount of additional contributions included in the total employer contribution advised above is \$0. Council's expected contribution to the plan for the next annual reporting period is \$6,829.69.

E3-1 Contingencies (continued)

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

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

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

The share of this deficit that is broadly attributed to the Council is estimated to be 0.13% as at 30 June 2025.

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

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

Investment return	6.0% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5% per annum

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2025.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	843	924
Post-employment benefits	92	96
Other long-term benefits	144	24
Termination benefits	348	–
Total	1,427	1,044

Other transactions with KMP and their related parties

Pre-amble

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

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000					
2025					
Employee expenses relating to close family members of KMP	718	–	Council staff award	–	–
Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services.	41	–	Contracts, purchase orders or tenders	–	–
2024					
Employee expenses relating to close family members of KMP	441	–	Council staff award	–	–
Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services.	31	–	Contracts, purchase orders or tenders	–	–

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	30	28
Councillors' fees	112	117
Other Councillors' expenses (including Mayor)	72	58
Total	214	203

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
Audit and other assurance services: Auditors of Council - NSW Auditor-General:		
Audit of financial statements	90	65
Total fees paid or payable to the Auditor-General	90	65

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2025	2024
Net operating result from Income Statement	2,269	14,431
Add / (less) non-cash items:		
Depreciation and amortisation	6,640	6,640
(Gain) / loss on disposal of assets	2,127	796
Non-cash capital grants and contributions	(1,059)	(754)
– Revaluation decrements / impairments of IPP&E direct to P&L	–	(1,034)
Unwinding of discount rates on reinstatement provisions	20	21
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	134	(1,669)
Increase / (decrease) in provision for impairment of receivables	–	68
(Increase) / decrease of inventories	(92)	(128)
(Increase) / decrease of other current assets	12	14
(Increase) / decrease of contract assets	(446)	(316)
Increase / (decrease) in trade payables	(1,025)	898
Increase / (decrease) in other accrued expenses payable	(328)	5
Increase / (decrease) in other liabilities	268	54
Increase / (decrease) in contract liabilities	(1,296)	(1,245)
Increase / (decrease) in employee benefit provisions	(224)	151
Increase / (decrease) in other provisions	(43)	(87)
Net cash flows from operating activities	6,957	17,845

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2025	2024
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Sewerage and water infrastructure	26	2,122
Buildings	61	75
Plant and equipment	59	–
Recreation	107	469
Road infrastructure	551	–
Total	804	2,666

Details of capital commitments

Category	Project	Value
Buildings	Building renewal & upgrades in portfolio	\$3K
Buildings	PAM - Buildings Asset Backlog (funded by Special Variation)	\$56K
Plant & Equipment	Software Licencing	\$5K
Plant & Equipment	Upgrade Phone System	\$5K
Plant & Equipment	Integrated Software System	\$40K
Plant & Equipment	Chambers HACC & Library - Alarm & Access Control	\$10K
Recreation	LRCI 4 Narrandera Laneway Upgrades	\$8K
Recreation	Ndra Park Irrigation Management System	\$19K
Recreation	Adventure playground upgrade - Infant area	\$12K
Recreation	OLG DRF - Youth development program	\$10K
Recreation	OLG DRF - Community Information Boards	\$14K
Recreation	New security fencing and CCTV (Narrandera Waste Depot)	\$36K
Recreation	LT Pool - Access improvements	\$6K
Recreation	Barellan Pool - Replace Café Furniture	\$3K
Road Infrastructure	LRCI 4 Narrandera Footpaths Upgrade	\$30K
Road Infrastructure	FLR R4 - Old Wagga Road Rehab	\$224K
Road Infrastructure	MR243 - Canola Way to (GG, Ganmain, Matong & Coolamon)	\$28K
Road Infrastructure	MR7608 - Barellan Road	\$5K
Road Infrastructure	Dows Rd CH 0.0-5.64 Resheet	\$16K
Road Infrastructure	Glen Moor Rd CH 4.80-5.30 Resheet	\$5K
Road Infrastructure	Mejum Rd CH 4.6-5.63 Resheet	\$5K
Road Infrastructure	Bunganbil Rd CH 3.26-3.66 Reha	\$23K
Road Infrastructure	Bunganbil Rd CH 8.0-9.16 Rehab	\$68K
Road Infrastructure	Cove Rd CH 0.0-1.2 Resheet	\$5K
Road Infrastructure	LT Tourist Park - Reseal driveways	\$33K
Road Infrastructure	OLG DRF - Construction of flood relief gates	\$109K
Water & Sewer	Sewer - Barellan Sewer	\$12K

G2-1 Commitments (continued)

Water & Sewer	Water - Main Replacements	\$2
Water & Sewer	Water - Cul-de-sac ring mains	\$12K
TOTAL		<u>\$804K</u>

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Notes	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
			Cash	Non-cash Land	Non-cash Other					
Roads		60	-	-	-	-	-	-	60	-
S7.11 contributions – under a plan		60	-	-	-	-	-	-	60	-
S7.12 levies – under a plan		236	-	-	-	-	-	-	236	-
Total S7.11 and S7.12 revenue under plans		296	-	-	-	-	-	-	296	-
S7.4 planning agreements		263	-	-	-	-	-	-	263	-
S64 contributions		335	-	-	-	-	-	-	335	-
Total contributions	C1-3	894	-	-	-	-	-	-	894	-

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

G4-2 Developer contributions by plan

	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Non-cash Other					
S7.11 contributions – under a plan									
CONTRIBUTION PLAN - Pine Hill									
Roads	60	-	-	-	-	-	-	60	-
Total	60	-	-	-	-	-	-	60	-

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Narrandera Shire Council

To the Councillors of Narrandera Shire Council

Opinion

I have audited the accompanying financial statements of Narrandera Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

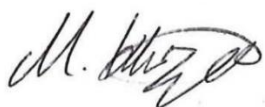
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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

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

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

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

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2025
SYDNEY



Cr Neville Kschenka
Mayor
Narrandera Shire Council
141 East Street
Narrandera NSW 2700

Contact: Michael Kharzoo
Phone no: 02 9275 7188
Our ref: FA1768

28 October 2025

Dear Mayor

Report on the Conduct of the Audit
for the year ended 30 June 2025
Narrandera Shire Council

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

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

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

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

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

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

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

INCOME STATEMENT

Financial performance

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	10.6	8.9	19.1
Grants and contributions provided for operating purposes revenue	7.7	12.5	38.4
Grants and contributions provided for capital purposes revenue	6.9	9.5	27.4
Operating result from continuing operations	2.3	14.4	84.0
Net Operating result for the year before grants and contributions provided for capital purposes	(4.6)	4.9	193.9

Operating result from continuing operations

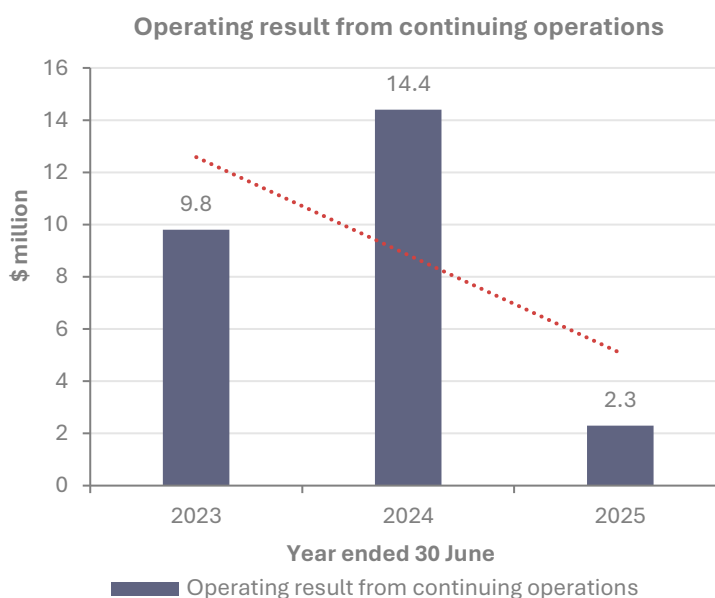
This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was \$12.1 million lower than the 2023–24 result.

In 2024-25:

- total grants and contributions (\$14.6 million) decreased by \$7.4 million. Refer to 'Grants and contributions revenue' below for details.
- materials and services increased by \$1.9 million due to the completion of Barellan Sewer Scheme
- net loss from disposal of assets (\$2.1 million) increased by \$1.3 million.

The net operating result for the year before grants and contributions provided for capital purposes was a deficit of \$4.6 million. Refer to 'Grants



and contributions revenue' below for details.

Income

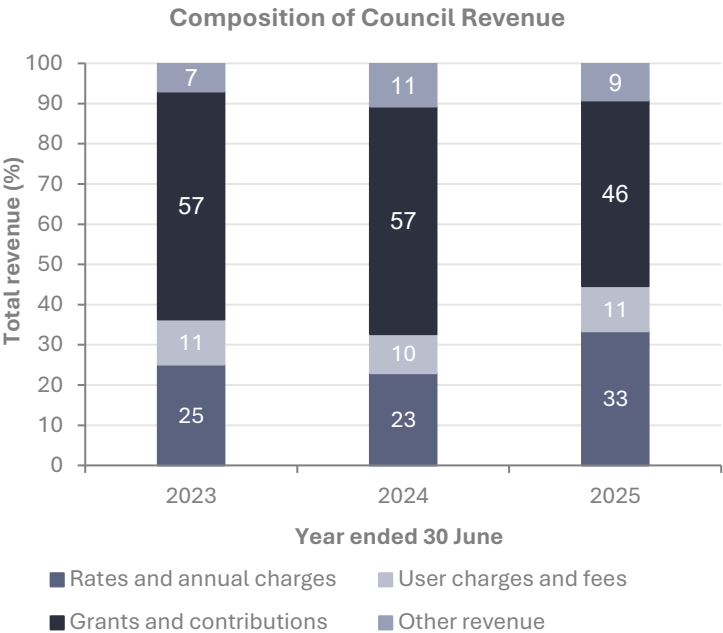
Council revenue

This graph shows the composition of Council's revenue recognised for the current and prior two financial years. Council revenue (\$31.7 million) decreased by \$7.3 million (18.7 per cent) in 2024–25, mainly due to:

- grants and contributions revenue (\$14.6 million) which decreased by \$7.4 million (33.6 per cent)
- other revenue (\$2.9 million) which decreased by \$1.3 million (30.1 per cent) mainly due to lower reimbursements and insurance recoveries in 2024-25.

This was offset by:

- rates and annual charges revenue (\$10.6 million) which increased by \$1.7 million (19.1 per cent) due to rate increase of 25 per cent in line with Special Rate Variation (SRV).

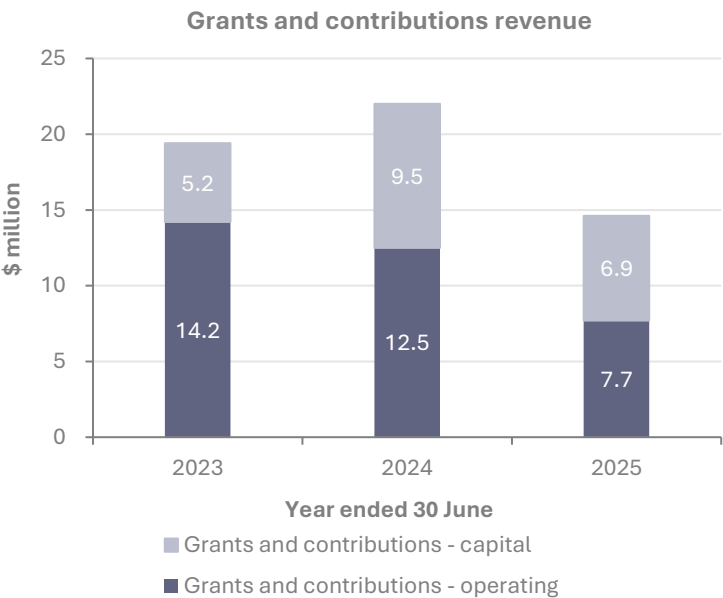


Grants and contributions revenue

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

Grants and contributions revenue (\$14.6 million) decreased by \$7.4 million (33.6 per cent) in 2024–25 due to:

- decrease of \$4.7 million of operating and capital grants for roads and bridges funding
- decrease of \$2.4 million of sewerage capital grant revenue recognised for Barellan Sewer Scheme as the project nears completion
- receiving only 50 per cent of the financial assistance grants for 2025-26 in advance (85 per cent for 2024-25).



CASH FLOWS

Statement of cash flows

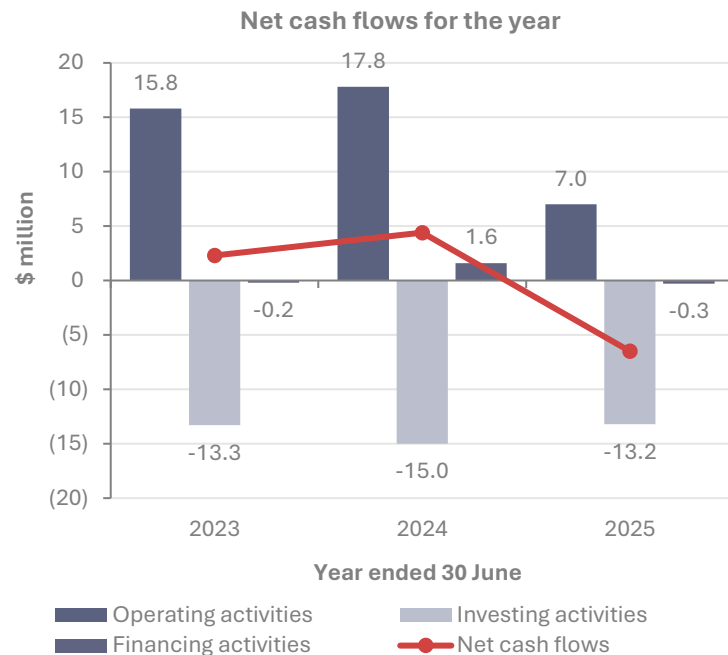
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating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

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

The net cash flows for the year were negative \$6.5 million (positive \$4.5 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities decreased by \$10.8 million, mainly due to a decrease in grants and contribution revenues
- used in investing activities decreased by \$1.8 million due to lower payments for Infrastructure, Property, Plant and Equipment
- from financing activities decreased by \$1.9 million due to no additional borrowings.



FINANCIAL POSITION

Cash, cash equivalents and investments

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

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

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

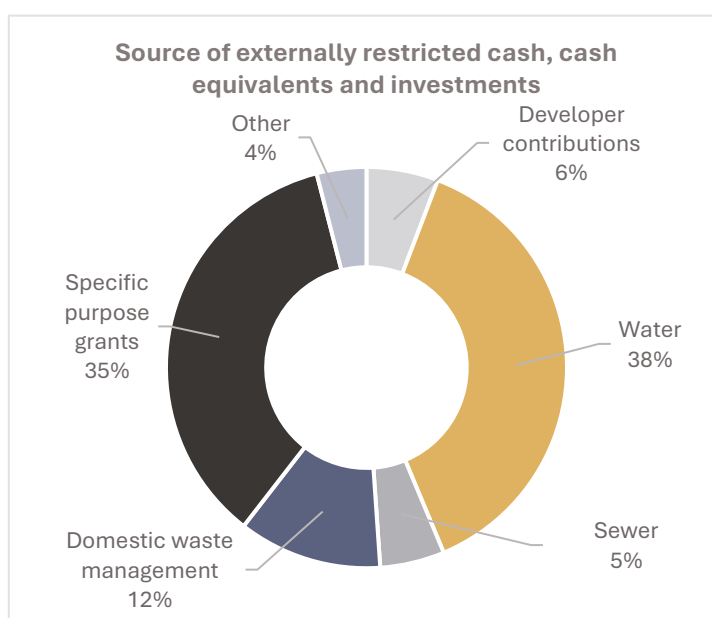
Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	31.5	37.5		For 2024-25 the: <ul style="list-style-type: none"> the externally restricted cash balances decreased by \$6.0 million due to lower funds held for the Barellan Sewer funds compared to 2023-24 as the project nears its completion phase as at 30 June 2025 internal allocations decreased by \$2.7 million mainly due to lesser Financial Assistance Grants received in advance allocated for future expenditure.
Restricted and allocated cash, cash equivalents and investments:				
• External restrictions	15.5	21.5	49.2	
• Internal allocations	12.7	15.4	40.3	

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

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

- specific purpose unexpended grants of \$5.5 million which decreased by \$2.7 million due to capital projects nearing completion
- water funds of \$5.9 million which increased by \$0.9 million due to increased water usage because of dry weather conditions
- domestic waste management charges of \$1.8 million which remained relatively steady from the prior year.

Other externally restricted cash and cash equivalents comprises Stormwater, transport for NSW contributions and Crown lands.



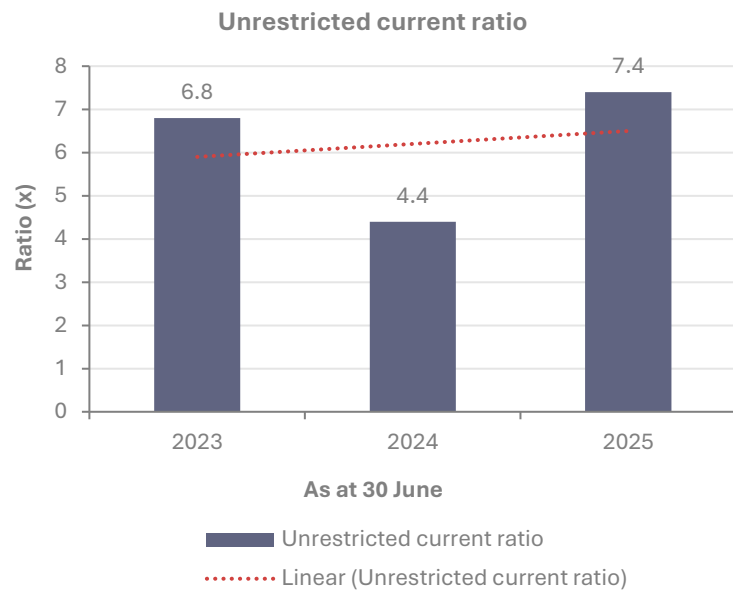
Council liquidity

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

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

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

The unrestricted current ratio increased to 7.4 times due to lower payables relating to the Barellan Sewer Scheme in the current year.



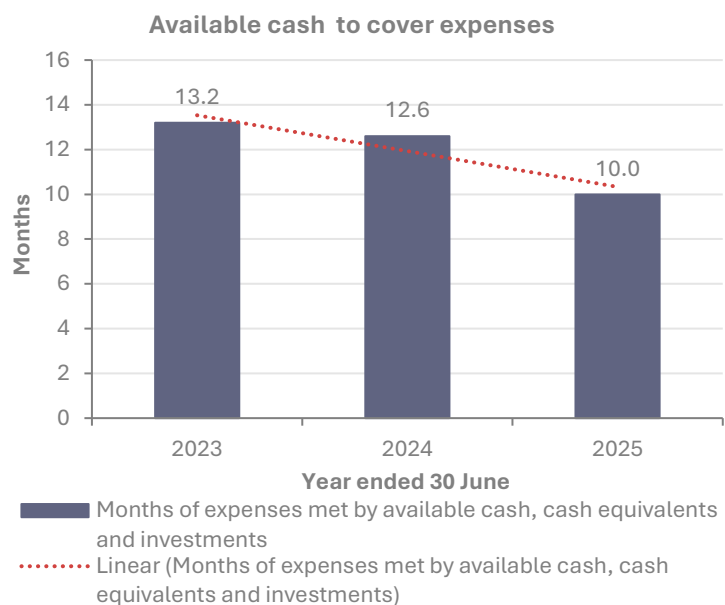
This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

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

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

In 2024-25 the number of months has decreased from 12.6 to 10.0 due to:

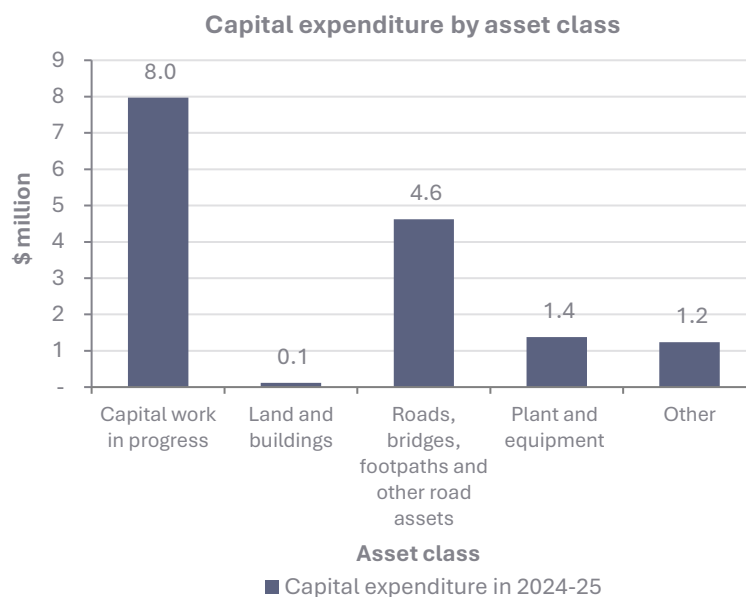
- \$0.6 million increase in employee benefits and oncosts expenses
- \$1.9 million increase in material and services.



Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2024-25.

Council renewed \$8.6 million of infrastructure, property, plant and equipment during the 2024-25 financial year. This was mainly spent on roads, repairing assets damaged by natural disasters and upgrade of buildings and open space park. A further \$6.7 million was spent on new assets mainly on Barellan Sewer Scheme \$3.9 million, Toddler Pool \$0.5 million and \$0.5 million on the Destination & Discovery hub fit out.



Debt

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

Debt	2025	2024	Commentary
	\$'000	\$'000	
Loans	3,267	3,558	The loan was taken for the Barellan Sewer Scheme and has decreased due to 2024-25 scheduled repayments.
Approved overdraft facility	350	350	
Amount drawn down	-	-	
Credit card facility	45	45	\$8k of the facility was used in the ordinary course of the Council's operations.

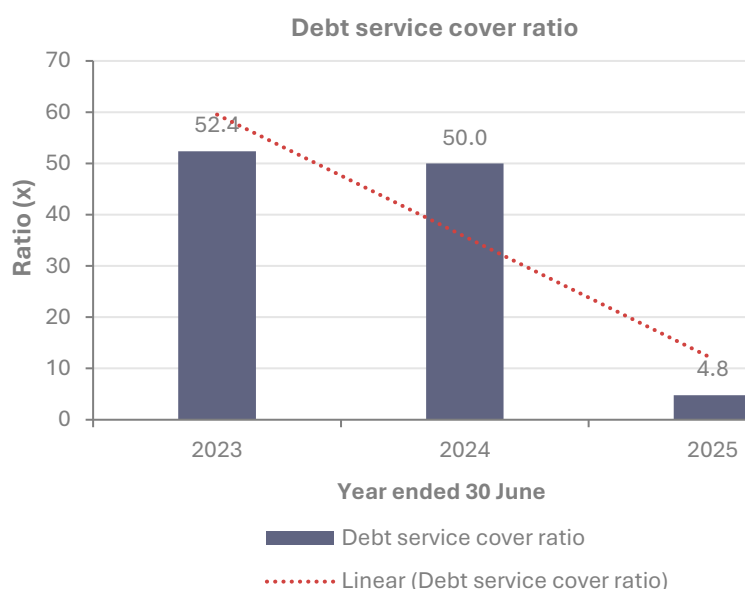
Debt service cover

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

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

The ratio has decreased from 50 times to 4.8 times due to:

- a decline in operating results from continuing operations excluding depreciation, amortisation and impairment of non-financial assets
- increase in loan repayments in 2024-25.



OTHER MATTERS

No other matters have been noted.

Michael Kharzoo
Director – Financial Audit

Delegate of the Auditor-General for New South Wales

Narrandera Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

Achieving Together



Narrandera Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
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Narrandera Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

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

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

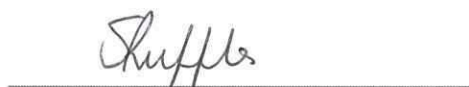
- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

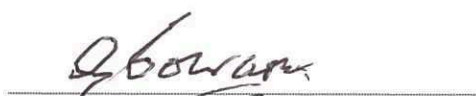
Signed in accordance with a resolution of Council made on 16 September 2025.



Neville Kschenka
Mayor
16 September 2025



Sue Ruffles
Councillor
16 September 2025



George Cowan
General Manager
16 September 2025



Zac Mahon
Responsible Accounting Officer
16 September 2025

Narrandera Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	948	886
User charges	1,695	1,422
Fees	31	32
Interest and investment income	350	338
Total income from continuing operations	3,024	2,678
Expenses from continuing operations		
Employee benefits and on-costs	525	467
Materials and services	1,749	1,745
Depreciation, amortisation and impairment	688	740
Net loss from the disposal of assets	–	187
Other expenses	–	50
Total expenses from continuing operations	2,962	3,189
Surplus (deficit) from continuing operations before capital amounts	62	(511)
Grants and contributions provided for capital purposes	(27)	247
Surplus (deficit) from continuing operations after capital amounts	35	(264)
Surplus (deficit) from all operations before tax	35	(264)
Less: corporate taxation equivalent (25%) [based on result before capital]	(16)	–
Surplus (deficit) after tax	19	(264)
Opening accumulated surplus	17,469	17,733
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	16	–
Closing accumulated surplus	17,504	17,469
Return on capital %	0.3%	(2.1)%
Subsidy from Council	963	1,575
Calculation of dividend payable:		
Surplus (deficit) after tax	20	(264)
Less: capital grants and contributions (excluding developer contributions)	27	(247)
Surplus for dividend calculation purposes	47	–
Potential dividend calculated from surplus	23	–

Narrandera Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	1,668	1,560
User charges	440	193
Interest and investment income	66	116
Total income from continuing operations	2,174	1,869
Expenses from continuing operations		
Employee benefits and on-costs	384	377
Borrowing costs	126	37
Materials and services	829	742
Depreciation, amortisation and impairment	377	402
Net loss from the disposal of assets	–	10
Total expenses from continuing operations	1,716	1,568
Surplus (deficit) from continuing operations before capital amounts	458	301
Grants and contributions provided for capital purposes	1,091	3,494
Surplus (deficit) from continuing operations after capital amounts	1,549	3,795
Surplus (deficit) from all operations before tax	1,549	3,795
Less: corporate taxation equivalent (25%) [based on result before capital]	(115)	(75)
Surplus (deficit) after tax	1,434	3,720
Plus accumulated surplus	16,849	13,054
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	115	75
Closing accumulated surplus	18,398	16,849
Return on capital %	2.2%	1.5%
Subsidy from Council	534	647
Calculation of dividend payable:		
Surplus (deficit) after tax	1,435	3,720
Less: capital grants and contributions (excluding developer contributions)	(1,091)	(3,494)
Surplus for dividend calculation purposes	344	226
Potential dividend calculated from surplus	172	113

Narrandera Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	350	383
Investments	5,778	5,798
Receivables	973	632
Contract assets and contract cost assets	—	115
Total current assets	7,101	6,928
Non-current assets		
Receivables	45	87
Infrastructure, property, plant and equipment	24,641	24,738
Total non-current assets	24,686	24,825
Total assets	31,787	31,753
LIABILITIES		
Current liabilities		
Payables	105	106
Total current liabilities	105	106
Total liabilities	105	106
Net assets	31,682	31,647
EQUITY		
Accumulated surplus	17,504	17,469
IPPE revaluation surplus	14,178	14,178
Total equity	31,682	31,647

Narrandera Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	210	207
Investments	702	2,733
Receivables	237	943
Contract assets and contract cost assets	487	425
Total current assets	1,636	4,308
Non-current assets		
Infrastructure, property, plant and equipment	26,880	22,896
Total non-current assets	26,880	22,896
Total assets	28,516	27,204
LIABILITIES		
Current liabilities		
Borrowings	247	237
Total current liabilities	247	237
Non-current liabilities		
Borrowings	2,708	2,954
Total non-current liabilities	2,708	2,954
Total liabilities	2,955	3,191
Net assets	25,561	24,013
EQUITY		
Accumulated surplus	18,398	16,849
IPPE revaluation surplus	7,163	7,164
Total equity	25,561	24,013

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.

Councils are to provide details of any changes in accounting policies, errors or changes in accounting estimates during the year – the disclosures in G4 of Section 1 of the Code or the relevant disclosures from AASB 1060 (paragraphs 106-108 for changes in accounting policy, paragraph 109 for changes in accounting estimates or paragraph 110 for errors), can be used by the council where these changes have occurred.

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Narrandera Council Water Supply

Council's water supply activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

Category 2

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

a. Narrandera Sewerage Service

Council's sewerage reticulation & treatment activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

Taxation equivalent charges

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

Note – Material accounting policy information (continued)

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 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.

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

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

Local government rates and charges

A calculation of the equivalent rates and charges 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.

(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.

(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

Note – Material accounting policy information (continued)

sewerage assessments at 30 June 2025 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with DCCEE'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 DCCEE.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Narrandera Shire Council

To the Councillors of Narrandera Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- water supply
- sewerage.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

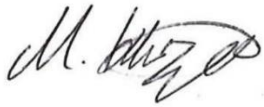
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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

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

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

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

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2025
SYDNEY

Narrandera Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

Achieving Together



Narrandera Shire Council

Special Schedules

for the year ended 30 June 2025

Contents	Page
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Narrandera Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional income yield	a	5,511	6,923
Plus/minus adjustments ²	b	2	13
Notional general income	$c = a + b$	5,513	6,936
Permissible income calculation			
Percentage increase (%)	d	25.50%	18.00%
Less expiring special variations amount	e	—	—
Plus percentage increase amount ³	$f = d \times (c + e)$	1,406	1,248
Sub-total	$g = (c + e + f)$	6,919	8,184
Plus or minus last year's carry-forward total	h	24	20
Less valuation objections claimed in the previous year	i	—	—
Sub-total	$j = (h + i)$	24	20
Total permissible income	$k = g + j$	6,943	8,204
Less notional income yield	l	6,923	8,199
Catch-up or (excess) result	$m = k - l$	20	5
Plus income lost due to valuation objections claimed ⁴	n	—	—
Less unused catch-up greater than 10 years ⁵	o	—	—
Carry forward to next year ⁶	$p = m + n + o$	20	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).
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts or the rate peg balance amounts will be deducted if they are not caught up within ten years. These amounts can be adjusted for when setting the rates in a future year.
- (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. OLG will extract these amounts from Permissible income for general rates in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Narrandera Shire Council

To the Councillors of Narrandera Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2025
SYDNEY

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings – non-specialised	3,612	–	461	155	10,632	33,663	2.0%	16.0%	27.0%	6.0%	49.0%
	Buildings – specialised	1,839	–	320	118	13,052	23,363	45.0%	6.0%	16.0%	27.0%	6.0%
	Sub-total	5,451	–	781	273	23,683	57,026	19.6%	11.9%	22.5%	14.6%	31.4%
Other structures	Other structures	2,394	–	379	477	15,810	27,634	48.0%	16.0%	13.0%	11.0%	12.0%
	Sub-total	2,394	–	379	477	15,810	27,634	48.0%	16.0%	13.0%	11.0%	12.0%
Water supply network	Water supply network	2,238	–	546	1,055	23,377	48,717	23.0%	13.0%	48.0%	12.0%	4.0%
	Sub-total	2,238	–	546	1,055	23,377	48,717	23.0%	13.0%	48.0%	12.0%	4.0%
Roads	Sealed roads pavement	563	–	300	321	17,060	28,865	6.0%	20.0%	38.0%	14.0%	22.0%
	Sealed roads surface	1,440	–	301	958	17,138	27,347	32.0%	26.0%	22.0%	12.0%	8.0%
	Unsealed roads pavement	2,109	–	222	757	10,857	21,344	15.0%	20.0%	38.0%	14.0%	13.0%
	Bridges	–	–	102	–	17,219	28,233	20.0%	50.0%	30.0%	0.0%	0.0%
	Footpaths	41	–	58	30	2,343	3,483	30.0%	20.0%	43.0%	7.0%	0.0%
	Flood-ways	–	–	–	–	–	–	32.0%	26.0%	22.0%	12.0%	0.0%
	Guardrail	–	–	–	–	–	–	20.0%	50.0%	30.0%	0.0%	0.0%
	Kerb and guttering	35	–	97	1	5,278	9,345	1.0%	31.0%	66.0%	2.0%	0.0%
	Traffic devices	36	–	11	–	737	1,070	45.0%	13.0%	23.0%	19.0%	0.0%
	Other road assets (incl. bulk earth works)	–	–	–	–	80,947	80,947	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	4,224	–	1,091	2,067	152,626	200,634	50.8%	17.4%	20.7%	5.5%	5.6%
Sewerage network	Sewerage network	1,185	–	309	499	16,897	27,585	38.0%	39.0%	13.0%	4.0%	6.0%
	Sub-total	1,185	–	309	499	16,897	27,585	38.0%	39.0%	13.0%	4.0%	6.0%
Stormwater drainage	Stormwater drainage	553	–	119	–	6,822	14,368	1.0%	13.0%	64.0%	22.0%	0.0%
	Sub-total	553	–	119	–	6,822	14,368	1.0%	13.0%	64.0%	22.0%	0.0%
Open space / recreational assets	Swimming pools	194	–	219	188	3,542	5,161	78.0%	0.0%	0.0%	22.0%	0.0%
	Open Space & Recreational	149	–	216	29	2,753	3,607	77.0%	7.0%	8.0%	2.0%	6.0%
	Sub-total	343	–	435	217	6,295	8,768	77.6%	2.9%	3.3%	13.8%	2.4%
Total – all assets		16,388	–	3,660	4,588	245,510	384,732	40.3%	17.0%	24.5%	8.7%	9.5%

Narrandera Shire Council

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

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

KEY FOR ASSET CONDITION

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

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	2024	Indicators 2023	2022	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	12,745					
Depreciation, amortisation and impairment	5,499	231.77%	181.74%	56.74%	154.62%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	16,388					
Net carrying amount of infrastructure assets	260,756	6.28%	6.74%	8.51%	14.68%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	4,588					
Required asset maintenance	3,660	125.36%	134.01%	169.90%	190.73%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	—	0.00%	0.00%	0.00%	0.00%	
Gross replacement cost	384,732					

(*) 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.

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2025	2024	2025	2024	2025	2024	
Buildings and infrastructure renewals ratio							
Asset renewals	286.02%	241.42%	0.00%	8.83%	0.00%	0.00%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	5.88%	5.74%	9.57%	17.68%	7.01%	3.96%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	108.16%	120.30%	193.22%	181.70%	161.49%	167.77%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gross replacement cost							