

Nambucca Valley Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025

Nambucca Valley ~ Living at its best



Nambucca Valley Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

Nambucca Valley ~ Living at its best



Nambucca Valley Council

General Purpose Financial Statements

for the year ended 30 June 2025

Contents	Page
Statement by Councillors and Management	3
Primary Financial Statements:	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	69
On the Financial Statements (Sect 417 [3])	72

Overview

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

44 Princess Street
MACKSVILLE NSW 2447

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.nambucca.nsw.gov.au.

Nambucca Valley Council

General Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 15 October 2025.



Gary Lee
Mayor
15 October 2025



James Angel
Deputy Mayor
15 October 2025



Bede Spannagle
General Manager
15 October 2025



Evan Webb
Chief Financial Officer
15 October 2025

Nambucca Valley Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
26,158	Rates and annual charges	B2-1	26,248	24,505
11,179	User charges and fees	B2-2	9,909	9,849
941	Other revenues	B2-3	1,213	941
9,551	Grants and contributions provided for operating purposes	B2-4	10,446	11,491
4,097	Grants and contributions provided for capital purposes	B2-4	21,574	19,467
3,195	Interest and investment income	B2-5	5,180	3,757
272	Other income	B2-6	393	299
55,393	Total income from continuing operations		74,963	70,309
	Expenses from continuing operations			
15,720	Employee benefits and on-costs	B3-1	15,747	13,931
18,088	Materials and services	B3-2	23,194	17,119
2,148	Borrowing costs	B3-3	2,137	2,138
1,952	Other expenses	B3-5	2,234	2,352
—	Net loss from the disposal of assets	B4-1	2,829	1,474
37,908	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		46,141	37,014
17,485	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		28,822	33,295
12,453	Depreciation, amortisation and impairment of non-financial assets	B3-4	13,694	12,614
5,032	Operating result from continuing operations		15,128	20,681
5,032	Net operating result for the year attributable to Council		15,128	20,681
935	Net operating result for the year before grants and contributions provided for capital purposes		(6,446)	1,214

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

Nambucca Valley 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		15,128	20,681
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	26,449	28,727
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	(214)	143
Total items which will not be reclassified subsequent to operating result		26,235	28,870
Total other comprehensive income for the year		26,235	28,870
Total comprehensive income for the year attributable to Council		41,363	49,551

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

Nambucca Valley Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	53,278	13,712
Investments	C1-2	54,333	43,250
Receivables	C1-4	6,399	7,342
Inventories	C1-5	743	698
Contract assets and contract cost assets	C1-6	3,087	5,619
Prepayments	C1-9	170	118
Total current assets		118,010	70,739
Non-current assets			
Investments	C1-2	19,814	24,327
Receivables	C1-4	14	21
Inventories	C1-5	3,913	3,550
Infrastructure, property, plant and equipment (IPPE)	C1-7	658,870	623,584
Intangible assets	C1-8	463	468
Total non-current assets		683,074	651,950
Total assets		801,084	722,689
LIABILITIES			
Current liabilities			
Payables	C2-1	9,011	3,905
Contract liabilities	C2-2	42,576	8,530
Borrowings	C2-3	2,129	2,128
Employee benefit provisions	C2-4	3,666	2,198
Total current liabilities		57,382	16,761
Non-current liabilities			
Payables	C2-1	1,202	1,225
Borrowings	C2-3	33,635	35,764
Employee benefit provisions	C2-4	149	1,538
Provisions	C2-5	1,439	1,487
Total non-current liabilities		36,425	40,014
Total liabilities		93,807	56,775
Net assets		707,277	665,914
EQUITY			
Accumulated surplus		419,281	404,153
IPPE revaluation surplus	C3-1	287,996	261,761
Council equity interest		707,277	665,914
Total equity		707,277	665,914

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

Nambucca Valley Council

Statement of Changes in Equity

for the year ended 30 June 2025

		2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
\$ '000	Notes						
Opening balance at 1 July		404,153	261,761	665,914	383,472	232,891	616,363
Net operating result for the year		15,128	–	15,128	20,681	–	20,681
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	26,449	26,449	–	28,727	28,727
– Impairment (loss) reversal relating to IPP&E	C1-7	–	(214)	(214)	–	143	143
Other comprehensive income		–	26,235	26,235	–	28,870	28,870
Total comprehensive income		15,128	26,235	41,363	20,681	28,870	49,551
Closing balance at 30 June		419,281	287,996	707,277	404,153	261,761	665,914

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

Nambucca Valley 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:				
26,140	Rates and annual charges		26,193	23,771
10,966	User charges and fees		9,494	10,689
3,061	Investment revenue and interest received		4,955	3,603
14,489	Grants and contributions		65,233	21,399
–	Bonds, deposits and retentions received		6	95
996	Other		4,877	7,774
Payments:				
(1,937)	Other		(1,892)	(2,272)
(2,165)	Borrowing costs		(2,201)	(2,166)
(15,116)	Payments to employees		(15,815)	(13,977)
(17,962)	Payments for materials and services		(22,084)	(20,588)
18,472	Net cash flows from operating activities	G1-1	68,766	28,328
Cash flows from investing activities				
Receipts:				
233	Sale of investments		1,815	16,315
366	Proceeds from sale of IPPE		265	459
Payments:				
5,353	Purchase of investments		(669)	(14,036)
–	Acquisition of term deposits		(8,000)	(6,676)
(10,591)	Payments for IPPE		(20,120)	(22,170)
–	Purchase of real estate assets		(363)	(81)
(4,639)	Net cash flows from investing activities		(27,072)	(26,189)
Cash flows from financing activities				
Payments:				
(2,128)	Repayment of borrowings		(2,128)	(2,191)
(2,128)	Net cash flows from financing activities		(2,128)	(2,191)
11,705	Net change in cash and cash equivalents		39,566	(52)
10,000	Cash and cash equivalents – beginning of year		13,712	13,764
21,705	Cash and cash equivalents at end of year	C1-1	53,278	13,712
76,362	plus: Investments on hand at end of year	C1-2	74,147	67,577
98,067	Total cash, cash equivalents and investments		127,425	81,289

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

Nambucca Valley Council

Contents for the notes to the Financial Statements for the year ended 30 June 2025

A About Council and these financial statements	11
A1-1 Basis of preparation	11
B Financial Performance	13
B1 Functions or activities	13
B1-1 Functions or activities – income, expenses and assets	13
B1-2 Components of functions or activities	14
B2 Sources of income	15
B2-1 Rates and annual charges	15
B2-2 User charges and fees	16
B2-3 Other revenues	17
B2-4 Grants and contributions	18
B2-5 Interest and investment income	21
B2-6 Other income	21
B3 Costs of providing services	22
B3-1 Employee benefits and on-costs	22
B3-2 Materials and services	23
B3-3 Borrowing costs	23
B3-4 Depreciation, amortisation and impairment of non-financial assets	24
B3-5 Other expenses	25
B4 Gains or losses	26
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	26
B5 Performance against budget	27
B5-1 Material budget variations	27
C Financial position	28
C1 Assets we manage	28
C1-1 Cash and cash equivalents	28
C1-2 Financial investments	28
C1-3 Restricted and allocated cash, cash equivalents and investments	30
C1-4 Receivables	32
C1-5 Inventories	33
C1-6 Contract assets and Contract cost assets	34
C1-7 Infrastructure, property, plant and equipment	35
C1-8 Intangible assets	39
C1-9 Prepayments	40
C2 Liabilities of Council	40
C2-1 Payables	40
C2-2 Contract Liabilities	41
C2-3 Borrowings	42
C2-4 Employee benefit provisions	44
C2-5 Provisions	45
C3 Reserves	46
C3-1 Nature and purpose of reserves	46

Nambucca Valley Council

Contents for the notes to the Financial Statements for the year ended 30 June 2025

D Council structure	47
D1 Results by fund	47
D1-1 Income Statement by fund	47
D1-2 Statement of Financial Position by fund	48
D1-3 Details of internal loans	49
E Risks and accounting uncertainties	50
E1-1 Risks relating to financial instruments held	50
E2-1 Fair value measurement	54
E3-1 Contingencies	59
F People and relationships	62
F1 Related party disclosures	62
F1-1 Key management personnel (KMP)	62
F1-2 Councillor and Mayoral fees and associated expenses	63
F1-3 Other related parties	63
F2 Other relationships	63
F2-1 Audit fees	63
G Other matters	64
G1-1 Statement of Cash Flows information	64
G2-1 Commitments	65
G3-1 Events occurring after the reporting date	65
G4 Statement of developer contributions	66
G4-1 Summary of developer contributions	66
H Additional Council disclosures (unaudited)	68
H1-1 Council information and contact details	68

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 15 October 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer C1-7
- (ii) estimated tip remediation provisions – refer C2-5
- (iii) employee benefit provisions – refer C2-4

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables

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

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* (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

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

- General purpose operations
- Water service
- Sewerage service

The Trust Fund

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

A1-1 Basis of preparation (continued)

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

Volunteer services

Council is very much appreciative of the many volunteers who provide services to the community. However, the reality is that due to funding constraints many of these services would not be purchased or provided by Council if the volunteers ceased providing them or alternatively the service level would be greatly reduced. For the services that Council would continue to provide in the absence of volunteers the total cost to Council is not material enough for inclusion in the Annual Financial Statements.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2025 reporting period.

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

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

New accounting standards adopted during the year

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

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

Council has reviewed the new standard, and has concluded that it is not expected to have any material impact on Councils' reported financial position.

B Financial Performance

B1 Functions or activities

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

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

\$ '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										
Administration	19,280	19,912	6,541	3,717	12,739	16,195	3,360	5,303	88,584	60,701
Public Order and Safety	3,283	976	1,537	1,483	1,746	(507)	3,283	977	10,249	7,078
Health	223	244	230	230	(7)	14	–	–	21	25
Environment	878	746	1,351	1,960	(473)	(1,214)	518	193	539	419
Community Services and Education	596	136	402	235	194	(99)	588	113	2,117	1,798
Housing and Community amenities	10,829	9,844	8,014	7,930	2,815	1,914	–	887	24,590	21,009
Water Supplies	8,061	8,937	7,408	6,925	653	2,012	424	1,926	141,453	124,920
Sewerage Services	9,987	9,557	6,674	6,271	3,313	3,286	2,267	2,718	118,944	113,723
Recreation and Culture	1,117	1,327	4,813	4,173	(3,696)	(2,846)	2,027	1,065	76,713	71,603
Mining, Manufacturing and Construction	206	196	709	703	(503)	(507)	–	–	–	–
Transport and Communication	19,952	18,332	21,577	15,476	(1,625)	2,856	19,203	17,712	337,180	320,539
Economic Affairs	551	102	579	525	(28)	(423)	350	64	694	874
Total functions and activities	74,963	70,309	59,835	49,628	15,128	20,681	32,020	30,958	801,084	722,689

B1-2 Components of functions or activities

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

Administration

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

Public Order and Safety

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

Health

Includes immunisation; food control; health centres etc.

Environment

Includes environmental and town planning support services.

Community Services and Education

Includes administration and education; social protection (welfare); Aboriginal and other community services and administration (excluding accommodation - covered under "housing and community amenities"); youth services; aged and disabled persons services; and other family and children services.

Housing and Community Services

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management including domestic waste, other waste management, other sanitation and garbage; street cleaning; public cemeteries; public conveniences; town planning; other community amenities.

Water Supply

Operation and maintenance of all water supply infrastructure to supply water to consumers that complies with Australian Drinking Water Guidelines. Infrastructure includes Bowra Dam, bores, pumps, water treatment plant, transfer pipelines, Reservoirs and reticulation pipework.

Sewerage Services

Operation and maintenance of all sewerage infrastructure to collect and treat wastewater in compliance with EPA licence requirements. Infrastructure includes Sewage Treatment Plants, gravity sewer mains, sewage pump stations, sewer rising mains and low pressure sewerage systems.

Recreation and Culture

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

Mining, Manufacturing and Construction

Includes building control; quarries and pits.

Transport and Communciation

Urban local; urban regional; includes sealed and unsealed roads; bridges; footpaths; parking areas; bus shelters and services; drainage; stormwater management; water transport and street lighting.

Economic Affairs

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; real estate development; private works and other business undertakings.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	10,053	9,525
Farmland	1,164	1,110
Business	1,431	1,371
Less: pensioner rebates	(393)	(388)
Rates levied to ratepayers	12,255	11,618
Pensioner rate subsidies received	216	213
Total ordinary rates	12,471	11,831
Special rates		
Environmental	523	485
Rates levied to ratepayers	523	485
Total special rates	523	485
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	5,269	4,967
Water supply services	1,538	1,379
Sewerage services	5,476	4,912
Drainage	154	153
Waste management services (non-domestic)	1,030	981
Less: pensioner rebates	(480)	(466)
Annual charges levied	12,987	11,926
Pensioner annual charges subsidies received:		
– Water	85	85
– Sewerage	74	72
– Domestic waste management	108	106
Total annual charges	13,254	12,189
Total rates and annual charges	26,248	24,505

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

Material accounting policy information

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period. Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government. Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

\$ '000	2025	2024
Specific user charges (per s502 - specific 'actual use' charges)		
Water supply services	4,736	4,505
Sewerage services	1,079	1,069
Waste management services (non-domestic)	2,549	2,437
Other	3	348
Other Fees	–	2
Total specific user charges	8,367	8,361
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Building regulation	261	192
Planning and building regulation	246	248
Private works – section 67	169	190
Regulatory/ statutory fees	441	486
Section 10.7 certificates (EP&A Act)	52	50
Section 603 certificates	44	40
Septic tank income	66	42
Town planning-environmental compliance fees	27	16
Total fees and charges – statutory/regulatory	1,306	1,264
(ii) Fees and charges – other (incl. general user charges (per s608))		
Cemeteries	135	117
Park rents	101	107
Total fees and charges – other	236	224
Total other user charges and fees	1,542	1,488
Total user charges and fees	9,909	9,849
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time (1)	8,367	8,362
User charges and fees recognised at a point in time (2)	1,542	1,487
Total user charges and fees	9,909	9,849

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 camping grounds, 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.

B2-3 Other revenues

\$ '000	2025	2024
Fines – parking	78	27
Fines – other	67	85
Diesel rebate	58	74
Insurance claims recoveries	208	267
Sales – general	285	193
Administration	14	10
Bank merchant service fees	13	13
Environmental services	57	36
Insurance – premium rebates	40	46
Compensation Claim	150	–
Libraries	20	16
Road closure/compulsory acquisition	27	41
Special meter reading fees	10	8
Staff Car charges	113	102
Other	73	23
Total other revenue	1,213	941

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)	1,213	941
Total other revenue	1,213	941

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)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	614	218	–	–
Financial assistance – local roads component	252	93	–	–
Payment in advance - future year allocation				
Financial assistance – general component	2,018	3,250	–	–
Financial assistance – local roads component	865	1,393	–	–
Amount recognised as income during current year	3,749	4,954	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water and Sewerage services	–	8	552	1,819
Bushfire and emergency services	276	274	1,992	224
Community Services	2	18	–	–
Economic development	145	–	350	332
Employment and training programs	10	112	–	–
ICT Services	216	463	–	–
Environment	73	553	294	140
Noxious weeds	182	387	–	–
Library & Museums	142	148	129	104
Public halls	9	6	257	455
Public Conveniences	–	–	369	33
Recreation and culture	41	31	1,214	730
Natural Disaster	4,007	154	3,372	1,020
Street lighting	22	21	–	–
Transport (roads to recovery)	600	1,510	–	–
Transport for NSW (roads and bridges)	–	2,107	1,191	4,895
Transport for NSW contributions (regional roads, block grant)	585	476	710	197
Roads and bridges	27	30	1,307	498
Drainage	29	–	838	207
Footpaths/Cycleways	63	214	1,437	1,996
Car parks	–	–	424	597
Other contributions	–	25	49	–
Non-cash contributions				
Other Contributed Assets	268	–	–	–
Subdivisions	–	–	4,347	3,613
RFS Contributed Assets	–	–	1,016	479
Total special purpose grants and non-developer contributions (tied)	6,697	6,537	19,848	17,339
Total grants and non-developer contributions	10,446	11,491	19,848	17,339
Comprising:				
– Commonwealth funding	4,512	6,464	2,690	2,157
– State funding	5,934	5,002	11,045	10,911
– Other funding	–	25	6,113	4,271
	10,446	11,491	19,848	17,339

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
	G4					
Cash contributions						
S 7.11 – contributions towards amenities/services		2	–	–	22	28
S 7.12 – fixed development consent levies		2	–	–	451	741
S 64 – water supply contributions		2	–	–	539	586
S 64 – sewerage service contributions		2	–	–	714	773
Total developer contributions			–	–	1,726	2,128
Total contributions			–	–	1,726	2,128
Total grants and contributions			10,446	11,491	21,574	19,467
Timing of revenue recognition						
Grants and contributions recognised over time (1)			9,056	407	8,206	12,940
Grants and contributions recognised at a point in time (2)			1,390	11,084	13,368	6,527
Total grants and contributions			10,446	11,491	21,574	19,467

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent funds				
Unspent funds at 1 July	4,850	6,127	21,672	18,299
Add: Funds received and not recognised as revenue in the current year	651	519	42,388	8,584
Less: Funds received in prior year but revenue recognised and funds spent in current year	(3,093)	(1,796)	(21,437)	(5,211)
Unspent funds at 30 June	2,408	4,850	42,623	21,672

Material accounting policy information

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue are recognised when control of each performance obligations is satisfied.

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

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

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.

Grant income under AASB1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils 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.

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable 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 as there is no profit margin.

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

Contributions

Nambucca Valley Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s7.11 and 7.12 of the Environmental Planning and Assessment Act 1979.

While Nambucca Valley 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 the council may apply contributions according to the priorities established in work schedules.

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	225	189
– Cash and investments	4,955	3,568
Total interest and investment income (losses)	5,180	3,757

Interest and investment income is attributable to:**Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	183	156
General Council cash and investments	2,525	1,105

Restricted investments/funds – external:

Developer contributions		
– Section 7.11/7.12	69	75
– Section 64	371	375
Water fund operations	914	1,019
Sewerage fund operations	903	813
Domestic waste management operations	215	214

Total interest and investment income	5,180	3,757
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Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2025	2024
Reversal of revaluation decrements on IPPE previously expensed			
Revaluation Decrement Reversal - Swimming Pools		73	–
Total gross reversal of revaluation decrements on IPPE previously expensed		73	–
Total reversal of revaluation decrements on IPPE previously expensed charged to Income Statement	C1-7	73	–
Rental income			
Other lease income			
Telecommunication sites		98	98
Crown Leases		191	134
Other		31	67
Total other lease income		320	299
Total rental income		320	299
Total other income		393	299

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	11,907	10,913
Travel expenses	846	817
Employee leave entitlements (ELE)	2,032	1,696
Superannuation	1,559	1,347
Workers' compensation insurance	362	369
Fringe benefit tax (FBT)	31	26
Payroll tax	72	265
Training costs (other than salaries and wages)	124	185
Protective clothing	30	30
Other	87	63
Total employee costs	17,050	15,711
Less: capitalised costs	(1,303)	(1,780)
Total employee costs expensed	15,747	13,931

Material accounting policy information

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

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

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		1,425	1,541
Contractor and consultancy costs		8,658	8,888
– Beach inspections		103	97
– Cleaning of Council buildings		95	95
– Computer software		198	142
– Environmental		6	–
– Financial/Governance		146	69
– Labour hire		555	293
– Sewer		108	96
– Waste collection contract		2,671	2,424
– Water		92	108
– Infrastructure services		255	279
– Natural Disaster		5,364	–
Audit Fees	F2-1	78	78
Councillor and Mayoral fees and associated expenses	F1-2	322	281
Advertising		30	73
Bank charges		68	78
Election expenses		227	–
Electricity and heating		813	690
Insurance		1,010	935
Office expenses (including computer expenses)		189	185
Postage		64	60
Printing and stationery		50	49
Street lighting		143	166
Subscriptions and publications		104	84
Telephone and communications		90	78
Valuation fees		77	74
Insurance excess (PI/PL)		52	7
Legal expenses		202	247
Total materials and services		23,194	17,119
Total materials and services		23,194	17,119

B3-3 Borrowing costs

\$ '000	Notes	2025	2024
(i) Interest bearing liability costs			
Interest on loans		2,135	2,254
Total interest bearing liability costs		2,135	2,254
Total interest bearing liability costs expensed		2,135	2,254
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C2-5	2	(116)
Total other borrowing costs		2	(116)
Total borrowing costs expensed		2,137	2,138

Material accounting policy information

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

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

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Infrastructure, property, plant and equipment	C1-7	13,688	12,598
Intangible assets	C1-8	6	16
Total gross depreciation and amortisation costs		13,694	12,614
Total depreciation and amortisation costs		13,694	12,614
Impairment / revaluation decrement of IPPE			
Buildings - non-specialised		210	–
Swimming pools		16	–
Roads -Impairment loss recognised in equity		(12)	(143)
Total gross IPPE impairment / revaluation decrement costs		214	(143)
Amounts taken through revaluation reserve	C1-7	(214)	143
Total depreciation, amortisation and impairment for non-financial assets		13,694	12,614

Material accounting policy information

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-7 for IPPE assets and Note C1-8 for intangible assets.

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

\$ '000	Notes	2025	2024
Impairment of receivables			
Other		46	70
Total impairment of receivables		46	70
Fair value decrement on investments			
Fair value decrement on investments through profit and loss		274	189
Total Fair value decrement on investments	C1-2	274	189
Other			
NSW Rural Fire Service ,SES & Fire and Rescue NSW		624	651
Waste levy		1,200	1,296
Other contributions/levies		41	47
Donations, contributions and assistance to other organisations (Section 356)		46	115
Total other		1,914	2,093
Total other expenses		2,234	2,352

Material accounting policy information

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

Impairment expenses are recognised when identified.

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

\$ '000	2025	2024
Infrastructure, property, plant and equipment		
Proceeds from disposal – Infrastructure ,property, plant and equipment	265	459
Less: carrying amount of Infrastructure, property, plant and equipment assets sold/written off	(3,084)	(1,748)
Gain (or loss) on disposal	(2,819)	(1,289)
Gain (or loss) on disposal of investments		
Proceeds from disposal/redemptions/maturities – investments	1,815	16,315
Less: carrying amount of investments sold/redeemed/matured	(1,825)	(16,500)
Gain (or loss) on disposal	(10)	(185)
Net gain (or loss) from disposal of assets	(2,829)	(1,474)

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 13 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				
Other revenues	941	1,213	272	29% F
Council did not budget for unexpected revenues such as compensation payments, general sales at the Waste facility				
Operating grants and contributions	9,551	10,446	895	9% F
Council received more than anticipated Financial Assistance grant in advance. As projects were completed this financial year, grant revenue was brought to account.				
Capital grants and contributions	4,097	21,574	17,477	427% F
Capital grants were not originally included in the budget as council typically does not receive notification of outcomes at budget preparation. Grants received during the year include Natural disaster funding, Bushfire grants, Road grants.				
Interest and investment revenue	3,195	5,180	1,985	62% F
The favourable variation is attributable to council receiving higher yields than initially budgeted for.				
Other income	272	393	121	44% F
Council does not budget for reversals of revaluations				
Expenses				
Materials and services	18,088	23,194	(5,106)	(28)% U
Council was impacted by 2 natural disasters this financial year, contributing to higher than expected payments for materials and contracts.				
Other expenses	1,952	2,234	(282)	(14)% U
Council does not budget for fair value movements on investments.				
Cash flows from operating activities	18,472	68,766	50,294	272% F
Actual income received was higher than budgeted due to the increase in grant funding and payments for natural disasters were not budgeted for.				
Cash flows from investing activities	(4,639)	(27,072)	(22,433)	484% U
Council does not budget for sale and purchases of investments.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash assets		
Cash on hand and at bank	11,922	13,712
Cash equivalent assets		
– Deposits at call	41,356	–
Total cash and cash equivalents	53,278	13,712

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	53,278	13,712
Balance as per the Statement of Cash Flows	53,278	13,712

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				
NCD's, FRN's and Fixed Interest Bonds (with maturities > 3 months)	2,515	2,514	–	6,827
Managed Funds	3,318	–	2,950	–
Total	5,833	2,514	2,950	6,827
Debt securities at amortised cost				
Long term deposits	48,500	17,300	40,300	17,500
Total	48,500	17,300	40,300	17,500
Total financial investments	54,333	19,814	43,250	24,327
Total cash assets, cash equivalents and investments	107,611	19,814	56,962	24,327

Material accounting policy information

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and

C1-2 Financial investments (continued)

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents, and long term deposits in the Statement of Financial Position.

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above 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 comprise investments in FRNs, Managed Funds and Fixed Interest Bonds in the Statement of Financial Position.

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	127,425	81,289
Less: Externally restricted cash, cash equivalents and investments	(103,253)	(63,625)
Cash, cash equivalents and investments not subject to external restrictions	24,172	17,664

External restrictions

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

Specific purpose unexpended loans – sewer	3,800	3,800
Specific purpose unexpended grants – water fund	64	110
Specific purpose unexpended grants – sewer fund	109	870
Specific purpose unexpended grants – general fund	42,309	5,182
Trust, bonds & retentions	1,294	1,288
EPA Contribution to Waste Management	–	500
Property Insurance Reimbursements	–	74
Developer contributions – general	2,308	2,181
Developer contributions – water fund	8,143	7,434
Developer contributions – sewer fund	4,211	3,370
Specific purpose unexpended grants (recognised as revenue) – general fund	2,456	4,515
Water fund	16,818	16,272
Sewer fund	14,837	11,897
Domestic waste management	6,420	5,765
Stormwater Management	484	367
Total external restrictions	103,253	63,625

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
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(b) Internal allocations

Internal allocations

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

Plant and vehicle replacement	2,199	1,844
Employees leave entitlement	1,184	1,134
Carry over works	1,950	1,236
Unspent Financial Assistance Grant	2,884	4,644
Lawn cemetery	7	7
Election	100	171
Environment levy	539	378
Council building reserve	244	74
Land development	325	515
Natural Disaster Contingency	84	84
Insurance Excess Reserve	250	–
Budget equalisation	500	–
Future improvement	250	–
Other contributions	310	165
Swimming pool	588	36
Other Sporting facilities	500	–
Waste management	5,830	4,117
Unexpended Loans - General Fund	266	1,989
Halls Upgrades	250	–
Office Equipment	299	118

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

\$ '000	2025	2024
Capital Works	1,250	—
Road Works	1,500	—
Interest equalisation	800	—
Total internal allocations	22,109	16,512

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	1,441	–	1,171	–
Interest and extra charges	183	–	131	–
User charges and fees	1,261	–	943	–
General Debtors	670	–	735	–
Government grants and subsidies	572	–	2,841	–
Net GST receivable	1,063	–	446	–
Accrued revenues				
– Interest on investments	1,419	–	1,246	–
Other Debtors	–	14	–	21
Total	6,609	14	7,513	21
Less: provision for impairment				
Rates and annual charges	(210)	–	(171)	–
Total provision for impairment – receivables	(210)	–	(171)	–
Total net receivables	6,399	14	7,342	21

Material accounting policy information

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

Impairment

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

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

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

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

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

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

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

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
(i) Inventories at cost				
Real estate for resale	–	3,910	–	3,547
Stores and materials	743	–	698	–
Total inventories at cost	743	3,910	698	3,547
(ii) Inventories at net realisable value (NRV)				
Real estate for resale	–	3	–	3
Total inventories at net realisable value (NRV)	–	3	–	3
Total inventories	743	3,913	698	3,550

(i) Other disclosures

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
(a) Details for real estate development				
Residential	–	1,057	–	1,044
Industrial/commercial	–	2,856	–	2,506
Total real estate for resale	–	3,913	–	3,550

(Valued at the lower of cost and net realisable value)

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.

Real Estate held for resale/capitalisation of borrowing costs

Real Estate 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 real estate 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

Contract assets

\$ '000	2025	2025	2024	2024
	Current	Non-current	Current	Non-current
Construction of General Fund Infrastructure	2,179	—	3,515	—
Construction of Water Fund Infrastructure	82	—	1,136	—
Construction of Sewer Fund Infrastructure	60	—	556	—
Natural Disaster Funding	766	—	412	—
Total contract assets	3,087	—	5,619	—

Material accounting policy information

Contract assets

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

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

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

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period										At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	Impairment reversal (recognised in equity)	WIP transfers	Adjustments and transfers	Other movements- Adjustment through CY P & L	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000																
Capital work in progress	9,185	–	9,185	4,210	1,336	–	–	–	–	(6,818)	–	–	–	7,913	–	7,913
Plant and equipment	17,052	(9,167)	7,885	2,852	736	(216)	(1,040)	–	–	24	–	–	–	19,696	(9,455)	10,241
Office equipment	832	(545)	287	100	20	(11)	(115)	–	–	–	–	–	–	766	(485)	281
Furniture and fittings	560	(400)	160	–	–	–	(15)	–	–	–	–	–	–	560	(415)	145
Land:																
– Crown land	13,641	–	13,641	–	269	(68)	–	–	–	–	–	–	–	13,842	–	13,842
– Operational land	9,775	–	9,775	–	–	(72)	–	–	–	–	–	–	–	9,703	–	9,703
– Community land	15,088	–	15,088	–	–	–	–	–	–	–	–	–	–	15,088	–	15,088
– Land under roads (post 30/6/08)	167	–	167	–	19	–	–	–	–	–	–	73	–	259	–	259
Land improvements – non-depreciable	1,632	–	1,632	–	518	–	–	–	–	–	–	–	–	2,150	–	2,150
Infrastructure:																
– Buildings – non-specialised	32,329	(13,875)	18,454	159	7	(199)	(446)	(210)	–	111	–	–	1,255	34,424	(15,293)	19,131
– Buildings – specialised	27,307	(6,286)	21,021	104	2,077	(94)	(338)	–	–	329	–	–	1,491	31,589	(6,999)	24,590
– Other structures	13,147	(5,867)	7,280	133	44	(208)	(558)	–	–	703	–	–	409	13,894	(6,091)	7,803
– Roads	188,841	(72,548)	116,293	1,249	2,410	(829)	(3,596)	–	12	1,899	(7)	–	13,960	202,320	(70,929)	131,391
– Bridges	79,507	(22,380)	57,127	1,174	–	(219)	(1,220)	–	–	565	–	–	4,843	83,910	(21,640)	62,270
– Footpaths	18,485	(5,135)	13,350	118	284	(77)	(222)	–	–	178	–	–	(1,199)	19,345	(6,913)	12,432
– Other road assets	6,850	(3,572)	3,278	–	19	(29)	(181)	–	–	238	–	–	(1,429)	3,509	(1,613)	1,896
– Bulk earthworks (non-depreciable)	50,260	–	50,260	1	656	–	–	–	–	87	–	–	(133)	50,871	–	50,871
– Stormwater drainage	79,224	(27,628)	51,596	264	2,106	(76)	(818)	–	–	252	7	–	715	82,848	(28,802)	54,046
– Water supply network	158,396	(51,877)	106,519	628	736	(374)	(2,032)	–	–	610	–	–	2,626	163,423	(54,710)	108,713
– Sewerage network	138,710	(52,598)	86,112	161	1,111	(75)	(2,103)	–	–	528	–	–	2,103	143,821	(55,984)	87,837
– Swimming pools	3,133	(1,579)	1,554	–	–	(18)	(77)	(16)	–	–	–	–	93	3,260	(1,724)	1,536
– Other open space/recreational assets	7,878	(2,613)	5,265	85	205	(79)	(254)	–	–	594	–	–	309	9,108	(2,983)	6,125
– Other infrastructure	33,781	(7,083)	26,698	1,083	846	(440)	(520)	–	–	700	–	–	1,406	36,191	(6,418)	29,773
Other assets:																
– Heritage collections	120	(45)	75	–	–	–	(1)	–	–	–	–	–	–	120	(46)	74
– Library books	507	(258)	249	81	–	–	(84)	–	–	–	–	–	–	500	(254)	246
– Other	7	(4)	3	–	–	–	–	–	–	–	–	–	–	7	(4)	3
Reinstatement, rehabilitation and restoration assets (refer Note 12):																
– Tip assets	914	(284)	630	–	–	–	(68)	–	–	–	(51)	–	–	864	(353)	511
Total infrastructure, property, plant and equipment	907,328	(283,744)	623,584	12,402	13,399	(3,084)	(13,688)	(226)	12	–	(51)	73	26,449	949,981	(291,111)	658,870

(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 reversal (recognised in equity)	WIP transfers	Adjustments and transfers	Adjustments through CY P & L	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	8,312	–	8,312	5,743	1,635	–	–	–	(6,505)	–	–	–	9,185	–	9,185
Plant and equipment	16,484	(9,260)	7,224	1,917	165	(528)	(12,598)	–	29	–	–	–	17,052	(9,167)	7,885
Office equipment	799	(501)	298	44	76	(1)	–	–	–	–	–	–	832	(545)	287
Furniture and fittings	575	(397)	178	–	–	(2)	–	–	–	–	–	–	560	(400)	160
Land:															
– Crown land	13,641	–	13,641	–	–	–	–	–	–	–	–	–	13,641	–	13,641
– Operational land	10,008	–	10,008	–	–	–	–	–	–	(233)	–	–	9,775	–	9,775
– Community land	14,855	–	14,855	–	–	–	–	–	–	233	–	–	15,088	–	15,088
– Land under roads (post 30/6/08)	134	–	134	–	33	–	–	–	–	–	–	–	167	–	167
Land improvements – non-depreciable	1,321	–	1,321	–	311	–	–	–	–	–	–	–	1,632	–	1,632
Infrastructure:															
– Buildings – non-specialised	30,616	(12,899)	17,717	239	–	(75)	–	–	134	–	–	862	32,329	(13,875)	18,454
– Buildings – specialised	25,701	(5,695)	20,006	111	320	(72)	–	–	–	–	–	967	27,307	(6,286)	21,021
– Other structures	10,697	(5,198)	5,499	21	759	(2)	–	–	1,099	–	–	277	13,147	(5,867)	7,280
– Roads	173,283	(66,045)	107,238	2,616	2,584	(626)	–	143	686	–	–	6,842	188,841	(72,548)	116,293
– Bridges	73,635	(20,750)	52,885	1,130	–	(29)	–	–	625	–	–	3,781	79,507	(22,380)	57,127
– Footpaths	16,466	(4,680)	11,786	42	849	(1)	–	–	272	–	–	603	18,485	(5,135)	13,350
– Other road assets (including bulk earthworks)	6,372	(3,193)	3,179	–	169	–	–	–	–	–	–	144	6,850	(3,572)	3,278
– Bulk earthworks (non-depreciable)	45,994	–	45,994	658	774	(117)	–	–	–	–	–	2,951	50,260	–	50,260
– Stormwater drainage	75,442	(25,765)	49,677	25	680	(17)	–	–	5	–	–	2,005	79,224	(27,628)	51,596
– Water supply network	147,665	(47,812)	99,853	564	1,106	(177)	–	–	2,043	–	–	4,986	158,396	(51,877)	106,519
– Sewerage network	130,625	(48,201)	82,424	187	1,427	(65)	–	–	36	–	–	4,089	138,710	(52,598)	86,112
– Swimming pools	2,959	(1,438)	1,521	38	–	(13)	–	–	–	–	–	81	3,133	(1,579)	1,554
– Other open space/recreational assets	7,416	(2,279)	5,137	54	47	(15)	–	–	12	–	–	258	7,878	(2,613)	5,265
– Other infrastructure	30,714	(7,566)	23,148	984	646	(7)	–	–	1,564	–	–	819	33,781	(7,083)	26,698
Other assets:															
– Heritage collections	120	(44)	76	–	–	–	–	–	–	–	–	–	120	(45)	75
– Library books	513	(260)	253	81	–	–	–	–	–	–	–	–	507	(258)	249
– Other	7	(2)	5	–	–	–	–	–	–	–	–	–	7	(4)	3
Reinstatement, rehabilitation and restoration assets (refer Note 12):															
– Tip assets	687	(258)	429	–	455	–	–	–	–	–	(227)	62	914	(284)	630
Total infrastructure, property, plant and equipment	845,041	(262,243)	582,798	14,454	12,036	(1,747)	(12,598)	143	–	–	(227)	28,727	907,328	(283,744)	623,584

(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

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).

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

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

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

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

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

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

Plant and equipment	Years	Other Structures	Years
Office equipment	2 to 15	Fences	15 to 40
Office furniture	10 to 20	Lighting	10 to 30
Computer Equipment	4	Railing	15 to 30
Vehicles	3 to 5	Other	8 to 100
Heavy plant/road making equipment	5 to 20		
Other plant and equipment	3 to 30		
		Stormwater assets	
Water and sewer assets		Drains/Pits	70 to 106
Sewer - Rising Mains	70	Culverts	80 to 106
Sewer -Gravity Mains	71 to 89	Pipes	60 to 106
Sewer Manholes	85		
Sewer Pumps & Telemetry,switchboards, valve pits	10 to 100	Buildings	
Sewer Treatment Plant	14 to 133	Buildings: Specialised	9 to 150
Water Reticulation Mains	25 to 100	Buildings: Non Specialised	14 to 153
Water Trunk Mains	32 to 100		
Water Reservoirs - Dams	20 to 129	Other infrastructure assets	
Water Treatment Plant	15 to 100	Swimming pools	10 to 99
Water Bores	20 to 70	Other open space/recreational assets	5 to 85
Water Pump Station	20 to 100	Other infrastructure	15 to 100
		Other Assets	5 to 100
Transportation assets		Tip - Quarry Assets	8 to 34
Sealed roads: surface	20 to 40		
Sealed roads: structure	60 to 120		
Sealed Roads - Subpavement	136 to 180		
Unsealed roads	20 to 25		
Bridge: concrete	50 to 100		
Bridge: other	50 to 80		
Kerb, gutter and footpaths	10 to 120		
Bulk earthworks	Infinite		
Other Road Assets	20 to 100		

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

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

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

Crown reserves

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

Where the Crown reserves are under a lease arrangement they are accounted for under ASSB 16 Leases.

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

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all 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.

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2025	2024
Software		
Opening values at 1 July		
Gross book value	560	560
Accumulated amortisation	(546)	(530)
Net book value – opening balance	14	30
Movements for the year		
Amortisation charges	(6)	(16)
Closing values at 30 June		
Gross book value	504	560
Accumulated amortisation	(495)	(546)
Total software – net book value	9	14
Other		
Land Easements		
Opening values at 1 July		
Gross book value	454	454
Net book value – opening balance	454	454
Closing values at 30 June		
Gross book value	454	454
Total Land Easements	454	454
Total intangible assets – net book value	463	468

Material accounting policy information

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

Land Easement - Water Storage Dam

These are recognised at cost.

The assets are periodically reviewed and are considered to have an indefinite life.

C1-9 Prepayments

Prepayments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Prepayments	170	–	118	–
Total Prepayments	170	–	118	–

C2 Liabilities of Council

C2-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Prepaid rates	986	–	960	–
Prepaid User Charges	138	–	134	–
Goods and services	6,991	–	1,951	–
Accrued expenses:				
– Borrowings	233	–	248	–
– Salaries and wages	457	–	504	–
– Other expenditure accruals	109	–	37	–
Security bonds, deposits and retentions	92	1,202	63	1,225
Other	5	–	8	–
Total payables	9,011	1,202	3,905	1,225

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

Nil

Material accounting policy information

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

Payables

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

C2-2 Contract Liabilities

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Unexpended capital grants (to construct Council controlled assets)	(i)	42,226	–	7,576	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	310	–	41	–
Unexpended capital contributions (to construct Council controlled assets)	(i)	–	–	876	–
Other-User fees and charges	(iii)	40	–	37	–
Total contract liabilities		42,576	–	8,530	–

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library and road 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.

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

(iii) Upfront user charges and fees received are recorded as a contract liability on receipt and recognised as revenue over the expected life of the contract.

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

\$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	5,439	3,925
Operating grants (received prior to performance obligation being satisfied)	266	561
Capital contributions (to construct Council controlled assets)	876	70
Operating contributions (received prior to performance obligation being satisfied)	–	500
User Fees & Charges	4	271
Total revenue recognised that was included in the contract liability balance at the beginning of the period	6,585	5,327

Significant changes in contract liabilities

Grant Funding received in advance:

- Natural Disaster Recovery EPAR funding \$40,087,055
- State Library of NSW \$341,684
- Stronger Country Communities funding \$437,516

Material accounting policy information

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

C2-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	2,129	33,635	2,128	35,764
Total borrowings	2,129	33,635	2,128	35,764

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

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Cash inflows	Non-cash fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	37,892	(2,128)	–	–	–	–	35,764
Total liabilities from financing activities	37,892	(2,128)	–	–	–	–	35,764

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash outflows	Cash inflows	Non-cash fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	40,083	(2,191)	–	–	–	–	37,892
Total liabilities from financing activities	40,083	(2,191)	–	–	–	–	37,892

(b) Financing arrangements

\$ '000	2025	2024
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Total facilities

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

Credit cards/purchase cards	150	150
Total financing arrangements	150	150

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	36	30
Total drawn financing arrangements	36	30

Undrawn facilities

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

– Credit cards/purchase cards	78	90
Total undrawn financing arrangements	78	90

Additional financing arrangements information

Breaches and defaults

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

Material accounting policy information

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

C2-3 Borrowings (continued)

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

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

C2-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	1,003	–	977	–
Sick leave	246	–	503	–
Long service leave	2,367	149	676	1,538
Other leave	50	–	42	–
Total employee benefit provisions	3,666	149	2,198	1,538

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

\$ '000	2025	2024
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	3,297	1,829
	3,297	1,829

Description of and movements in non-employee benefit provisions

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.

C2-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	1,439	–	1,487
Sub-total – asset remediation/restoration	–	1,439	–	1,487
Total provisions	–	1,439	–	1,487

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2025		
At beginning of year	1,487	1,487
Unwinding of discount	(49)	(49)
Remeasurement effects	(97)	(97)
Other	98	98
Total other provisions at end of year	1,439	1,439
2024		
At beginning of year	1,377	1,377
Unwinding of discount	(9)	(9)
Additional provisions	455	455
Remeasurement effects	(336)	(336)
Total other provisions at end of year	1,487	1,487

Nature and purpose of provisions

Asset remediation

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

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

Restoration

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

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

Rehabilitation

C2-5 Provisions (continued)

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

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

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

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

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

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

C3 Reserves

C3-1 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	19,568	1,435	5,462
User charges and fees	4,129	4,759	1,044
Interest and investment income	2,979	1,165	1,036
Other revenues	250	468	495
Grants and contributions provided for operating purposes	10,287	85	74
Grants and contributions provided for capital purposes	18,883	424	2,267
Other income	436	—	—
Total income from continuing operations	56,532	8,336	10,378
Expenses from continuing operations			
Employee benefits and on-costs	11,420	2,149	2,178
Materials and services	19,608	1,632	2,194
Borrowing costs	591	1,277	312
Other expenses	2,229	5	—
Net losses from the disposal of assets	2,266	450	113
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	36,114	5,513	4,797
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	20,418	2,823	5,581
Depreciation, amortisation and impairment of non-financial assets	9,302	2,140	2,252
Operating result from continuing operations	11,116	683	3,329
Net operating result for the year	11,116	683	3,329
Net operating result attributable to each council fund	11,116	683	3,329
Net operating result for the year before grants and contributions provided for capital purposes	(7,767)	259	1,062

D1-2 Statement of Financial Position by fund

\$ '000	General 2025	Water 2025	Sewer 2025
ASSETS			
Current assets			
Cash and cash equivalents	46,596	3,025	3,657
Investments	21,833	19,500	13,000
Receivables	4,061	1,444	856
Inventories	721	22	—
Contract assets and contract cost assets	2,945	82	60
Other	170	—	—
Total current assets	76,326	24,073	17,573
Non-current assets			
Investments	11,014	2,500	6,300
Receivables	—	—	52
Inventories	3,913	—	—
Infrastructure, property, plant and equipment	449,377	114,474	95,019
Intangible assets	57	406	—
Total non-current assets	464,361	117,380	101,371
Total assets	540,687	141,453	118,944
LIABILITIES			
Current liabilities			
Payables	8,734	209	68
Contract liabilities	42,403	64	109
Borrowings	1,276	626	227
Employee benefit provision	3,666	—	—
Total current liabilities	56,079	899	404
Non-current liabilities			
Payables	1,202	—	—
Borrowings	9,386	18,876	5,373
Employee benefit provision	149	—	—
Provisions	1,439	—	—
Total non-current liabilities	12,176	18,876	5,373
Total liabilities	68,255	19,775	5,777
Net assets	472,432	121,678	113,167
EQUITY			
Accumulated surplus	280,362	70,429	68,490
IPPE revaluation surplus	192,070	51,249	44,677
Council equity interest	472,432	121,678	113,167
Total equity	472,432	121,678	113,167

D1-3 Details of internal loans

(in accordance with s410(3) of the *Local Government Act 1993*)

Details of individual internal loans		Council ID / Ref
Borrower (by purpose)		Bridges
Lender (by purpose)		Sewer
Date of Minister's approval		30/06/2006
Date raised		30/06/2006
Term years		20
Dates of maturity		30/06/2026
Rate of interest (%)		6.50%
Amount originally raised (\$'000)		615

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

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

\$ '000	Carrying value 2025	Carrying value 2024	Fair value 2025	Fair value 2024
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	53,278	13,712	53,278	13,712
Receivables	6,413	7,363	11,329	7,363
Investments				
– Debt securities at amortised cost	65,800	57,800	68,800	57,800
Fair value through profit and loss				
Investments				
– Held for trading	8,347	9,777	5,347	9,777
Total financial assets	133,838	88,652	138,754	88,652
Financial liabilities				
Payables	10,213	5,130	10,213	5,130
Loans/advances	35,764	37,892	35,764	37,892
Total financial liabilities	45,977	43,022	45,977	43,022

Fair value is determined as follows:

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

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

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

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.

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

- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	535	686
Impact of a 10% movement in price of investments		
– Equity / Income Statement	1,221	978

(b) Credit risk

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to 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 rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
2025				
Gross carrying amount	–	1,441	–	1,441
2024				
Gross carrying amount	–	1,114	57	1,171

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.

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

\$ '000	Not yet overdue	0 - 30 days	Overdue debts		> 90 days	Total
			30- 60 days	60 - 90 days		
\$ '000	Not yet overdue	0 - 30 days	30- 60 days	60 - 90 days	> 90 days	Total
2025						
Gross carrying amount	7,569	16	140	115	429	8,269
Expected loss rate (%)	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
ECL provision	16	—	—	—	1	17
2024						
Gross carrying amount	10,033	1,757	37	49	106	11,982
Expected loss rate (%)	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
ECL provision	22	4	—	—	—	26

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 for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2025							
Payables	0.00%	1,294	8,919	–	–	10,213	10,213
Borrowings	5.63%	–	4,142	18,967	25,256	48,365	35,764
Total financial liabilities		1,294	13,061	18,967	25,256	58,578	45,977
2024							
Payables	0.00%	1,288	3,842	–	–	5,130	5,130
Borrowings	5.77%	–	4,263	19,185	29,179	52,627	37,892
Total financial liabilities		1,288	8,105	19,185	29,179	57,757	43,022

Loan agreement breaches

There are no breaches to loan agreements during the reporting year.

E2-1 Fair value measurement

Nambucca Valley 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 and liabilities 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:

Recurring fair value measurements

		Fair value measurement hierarchy							
		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
\$ '000	Notes	2025	2024	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		5,347	9,777	–	–	–	–	5,347	9,777
Total financial assets		5,347	9,777	–	–	–	–	5,347	9,777
Infrastructure, property, plant and equipment									
	C1-7								
Operational Land		–	–	9,703	9,775	–	–	9,703	9,775
Community Land		–	–	–	–	15,088	15,088	15,088	15,088
Land Under Roads		–	–	–	–	259	167	259	167
Land Improvements – Non - Depreciable		–	–	–	–	2,150	1,632	2,150	1,632
Buildings		–	–	–	–	43,721	39,475	43,721	39,475
Other Structures		–	–	–	–	7,803	7,280	7,803	7,280
Crown Land		–	–	–	–	13,842	13,641	13,842	13,641
Roads,Bridges & Footpaths		–	–	–	–	207,989	190,048	207,989	190,048
Bulk Earthworks		–	–	–	–	50,871	50,260	50,871	50,260
Stormwater Drainage		–	–	–	–	54,046	51,596	54,046	51,596
Water Supply Network		–	–	–	–	108,713	106,519	108,713	106,519
Sewer Supply Network		–	–	–	–	87,837	86,112	87,837	86,112
Swimming Pools		–	–	–	–	1,536	1,554	1,536	1,554
Other Open Space/Recreational assets		–	–	–	–	6,125	5,265	6,125	5,265
Other Infrastructure		–	–	–	–	29,773	26,698	29,773	26,698
Heritage Collections		–	–	–	–	74	75	74	75
Tip Remediation		–	–	–	–	511	630	511	630
Total infrastructure, property, plant and equipment		–	–	9,703	9,775	630,338	596,040	640,041	605,815

Transfers between level 1 and level 2 fair value hierarchies

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

E2-1 Fair value measurement (continued)

Valuation techniques

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

Infrastructure, property, plant and equipment (IPPE)

Operational Land

Council's Operational Land was valued at Market Value (highest and best use) by APV in 2022/2023 after identifying all elements that would be taken into account by buyers and sellers in setting the price, including but not limited to zoning, topography, location, size, access, exposure to traffic and business. Condition of asset, future cash flow from the use of the land is also considered when determining the fair value. As such these assets were all classified as having been valued using Level 2 valuation inputs.

Community Land and Crown Land

Community Land and Crown Land are based on either the Land Value provided by the Valuer General's unimproved capital value or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. As these rates were not considered to be observable market evidence they have been classified a Level 3. There has been no change to the valuation process during the reporting period. Community and Crown Land were valued in 2022/2023.

Buildings – Non Specialised and Specialised

Buildings were revalued by APV with a revaluation date of 31/12/22 using the cost approach. The approach estimated the replacement cost for each building by componentising the building into significant parts with different useful lives and taking into account a range of factors such as asset condition, pattern of consumption and estimated remaining useful lives. While all buildings were physically inspected, inputs such as pattern of consumption, long life, short life components, useful lives and asset condition required extensive professional judgement and are therefore unobservable. 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 annual indexation of 6.90% has been applied to this class of asset for the period ending 30 June 2025.

Roads (including Bulk Earth Works), Bridges, Footpaths and Other Road Assets

Valuations for these asset classes were undertaken in-house by Council's Engineering Department as at 31 December 2024. The assets included in this valuation include road carriageway (which has been separated to its component parts being pavement, sub pavement and where appropriate seal), car parks, footpaths, guardrails, kerb and gutter, bridges, bus shelters and other road assets.

Limited based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. The estimated replacement cost was determined using unit rates applied to square metre areas or similar appropriate units. Whilst this cost approach utilised industry standard unit rates it also relied upon inputs such as asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Bulk earthworks, in accordance with the accounting standards, are considered to have an indefinite useful life and are not depreciated.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

A further destop valuation was completed by Council at the 30/6/2025 due to an increase in unit rates for the 6 month period ending 30 June 2025. An indexation rate has been applied of 3.2% for Roads, 2.9% for Bridges, 2.3% for Footpaths, 2.6% for Other Road Assets and 3.9% for Earthworks.

Stormwater

The Stormwater Drainage asset class consists of Council's pits, pipes, and culverts. This valuation was undertaken in-house by Council's Engineering Department as at 31 March 2020.

Limited market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. The estimated replacement/renewal cost was determined using unit rates applied to lineal metre of pipe or similar appropriate units. Whilst this cost approach utilised industry standard unit rates it also relied upon inputs such as asset age, environmental factors (freshwater/tidal/urban/rural), dimensions, materials and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

An annual indexation of 1.4% has been applied to this asset class for the period ending 30 June 2025.

Land under Roads (post 30/6/08)

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 1st July 2008 in accordance with AASB 1051. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment. The class was revalued in 2024/2025 using the Englobo methodology. The Englobo methodology is one of 3 methods available to use in accordance with the fair valuation policy as per the Office of Local Government guidance for Infrastructure, property,

E2-1 Fair value measurement (continued)

plant and equipment valuations. This asset class is classified as Level 3 as significant inputs used in the Englobo valuation methodology are unobservable.

Water Supply Network

Assets in this class comprise reservoirs, pumping stations, water treatment works, water bores, rising mains and the reticulation network.

A comprehensive revaluation was carried out by Council and peer reviewed by APV Valuers in 2021/2022.

No market-based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Valuation took consideration of construction type and materials, age, condition, maintenance and break history. Valuation relies to a varying degree on professional judgement. This is because a substantial part of the network is underground. The available information is also limited by historical records of very long lived assets and there is some uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Department of Climate Change, Energy, the Environment and Water except the years the class is the subject of a full revaluation.

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

An annual indexation of 2.50% has been applied to this asset class for the period ending 30 June 2025.

Sewerage Network

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

A comprehensive revaluation was carried out by Council and peer reviewed by APV Valuers in 2021/2022.

No market-based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Valuation took consideration of construction type and materials, age, and maintenance and blockage history. Valuation relies to a varying degree on professional judgement. This is because a substantial part of the network is underground. The available information is also limited by historical records of very long lived assets and there is some uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Department of Climate Change, Energy, the Environment and Water except the years when the class is the subject of a full revaluation.

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

An annual indexation of 2.50% has been applied to this asset class for the period ending 30 June 2025.

Other Structures (including Open Space/Recreational Assets/Other Infrastructure & Swimming Pools)

Assets within this class comprise soft fall surfaces, lighting, playground and sporting equipment, swimming pools, retaining walls, boardwalks, jetties, ramps, landslips plus auxiliary structures. All assets in this class were valued by an external valuer (APV) in 2020/2021.

Specialised assets such as all of the Other Structures were valued using the cost approach using APV who are professionally qualified Registered Valuers. The approach estimated the replacement cost for each asset by componentising the asset into significant parts with useful lives and taking into account a range of factors. While the unit rates based on price per asset could be supported from market evidence (level 2) other inputs (such as estimates of useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

An annual indexation has been applied of 5.7% to Open Spaces, 6.4% to Swimming pools, 5.2% for Other Infrastructure and 5.7% for Other Structures for the period ending 30 June 2025.

Heritage Collections

Assets in this class are valued at cost but are disclosed at fair value in the notes. Council holds these assets for their cultural value within the community. These assets do have a market among collectors and market evidence (Level 2 input) is available, however this information is often limited to similar items and often relate to assets that are not directly comparable. This asset class has therefore been categorised as level 3 unobserved inputs.

Tip Assets – (Landfill Remediation)

This asset class represents the value of works to remediate the Nambucca Landfill under the terms of the facility's licence. The future service potential of the asset is to enable Nambucca Valley Council to comply with the life-cycle responsibilities of the land fill operation. There is no market for the asset and it is therefore classed as having a level 3 fair value with unobserved inputs, principally cost, legislative requirements, estimated timing of expense, CPI and discount rules. Council engaged consultants to review the costs associated with undertaking rehabilitation works for the future landfill cells at the Nambucca Waste Management Facility in 2021/2022. The remediation includes post closure monitoring. This class was revalued at 30/6/20 and subsequently reviewed each year at 30 June. The best and highest use for the asset is unique to Nambucca Valley Council as the Licence holder.

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.

E2-1 Fair value measurement (continued)

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

\$ '000	Fair value (30/6/25) 2025	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Community and Crown Land	28,930	Land Values obtained from NSW Valuer General	Unit rate for Land Value
Land Under Roads	259	Englobo method	Unit rate for Land value, discount rate of 90% applied
Land Improvements – Non Depreciable	2,150	Cost approach	Current replacement cost of modern equivalent asset. Asset condition, Remaining lives
Buildings – Specialised & Non Specialised	43,721	Cost approach	Current replacement cost of modern equivalent asset. Asset condition, Remaining lives
Other Structures	7,803	Cost approach	Current replacement cost of modern equivalent asset. Asset condition, Remaining lives
Roads	133,287	Cost approach	Unit Rate, Asset Condition, Useful Life
Bridges	62,270	Cost approach	Unit Rate, Asset Condition, Useful Life
Footpaths	12,432	Cost approach	Unit Rate, Asset Condition, Useful Life
Bulk Earthworks	50,871	Cost approach	Unit Rate, Asset Condition, Useful Life
Stormwater Drainage	54,046	Cost approach	Unit Rate, Asset Condition, Useful Life
Water Supply Network	108,713	Industry Cost Indexes, Council and contractor construction rates	Unit Rate, Asset Condition, Useful Life
Sewer Supply Network	87,837	Industry Cost Indexes, Council and contractor construction rates	Unit Rate, Asset Condition, Useful Life
Swimming Pools	1,536	Industry Cost Indexes, Council and contractor construction rates	Unit Rate, Asset Condition, Useful Life
Other Open Space/Recreational Assets	6,125	Cost Approach	Unit Rate, Asset Condition, Useful Life
Other Infrastructure	29,773	Council and contractor construction rates	Unit Rate, Asset Condition, Useful Life
Heritage Collections	74	Cost Approach used to approximate fair value	Current replacement cost of modern equivalent asset, asset condition, pattern of consumption effecting the remaining useful life
Tip Remediation	511	Cost Approach	Discount Rate, Regulation Charge, Unit Cost assumptions, CPI

E2-1 Fair value measurement (continued)

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

\$ '000	Total IPP&E	
	2025	2024
Opening balance	596,040	556,520
Total gains or losses for the period		
Other movements		
Purchases (GBV)	16,465	16,827
Disposals (WDV)	(2,785)	(1,217)
Depreciation and impairment	(12,659)	(11,446)
Total gains or losses for the year		
Recognised in profit or loss – realised	73	–
Recognised in other comprehensive income- Revaluation Surplus	26,460	28,871
Other movements		
Tip remediation adjustment	(51)	(228)
Purchases – Work in Progress Transfer	6,795	6,713
Closing balance	630,338	596,040

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

CONTINGENT LIABILITIES

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

(a) Description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements.

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 standard employer contribution rates are:

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

(b) 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 past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

(c) a description of any agreed allocation of a deficit or surplus on:

(i) wind up of the plan

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

E3-1 Contingencies (continued)

(ii) the Council's withdrawal from the plan

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

(d) Given the Council's accounts for that plan as if it were a defined contribution plan in accordance with Paragraph 34, the following information:

(i) the fact that the plan is a defined benefit plan,

We confirm the plan is a defined benefit plan.

(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.

(iii) the expected contributions to the plan for the next annual reporting period.

Council's expected contribution to the fund for the next annual reporting period is \$6,924.22.

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2025 was \$79,933.76. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2024.

(iv) information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the Council.

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

Defined Benefit 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.

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, which will be a triennial actuarial investigation will be completed by December 2025.

(v) an indication of the level of participation of the entity in the plan compared with other participating entities.

An employer's share of any funding surplus or deficit (see cover letter) that can be attributed to each organisation provides an indication of the level of participation of that employer compared with other employers in the Pooled Employer sub-group. Given the funding position of the Fund as at 30 June 2024, it was recommended that these past service contributions cease effective 1 January 2025.

(ii) Statewide Limited

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

E3-1 Contingencies (continued)

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

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

(iii) StateCover Limited

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

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

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

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

2. Other contingent liabilities

(i) Third party claims

From time to time the Council receives various legal claims incidental to the ordinary course of its business including negligence claims for damages relating to its services. Council believes that it is appropriately covered for all claims through insurance coverage and does not expect any material liabilities to eventuate.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	1,175	1,084
Post-employment benefits	101	345
Other long-term benefits	30	–
Total	1,306	1,429

Other transactions with KMP and their related parties

2024

There were no other material transactions between KMP and their related parties and Council during the financial year.

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	49	47
Councillors' fees	189	174
Other Councillors' expenses (including Mayor)	84	60
Total	322	281

F1-3 Other related parties

Council has no other related party transactions

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
During the year, the following fees were incurred for services provided by the auditor of Council and related practices.		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	78	78
Remuneration for audit and other assurance services	78	78
Total Auditor-General remuneration	78	78
Total audit fees	78	78

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	15,128	20,681
Add / (less) non-cash items:		
Depreciation and amortisation	13,694	12,614
(Gain) / loss on disposal of assets	2,829	1,474
Non-cash capital grants and contributions	(5,631)	(4,092)
Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L	(73)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	274	189
Unwinding of discount rates on reinstatement provisions	(49)	(9)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	911	297
Increase / (decrease) in provision for impairment of receivables	39	71
(Increase) / decrease of inventories	(45)	64
(Increase) / decrease of other current assets	(52)	(48)
(Increase) / decrease of contract asset	2,532	(2,522)
Increase / (decrease) in payables	5,040	244
Increase / (decrease) in accrued interest payable	(15)	(19)
Increase / (decrease) in other accrued expenses payable	25	177
Increase / (decrease) in other liabilities	33	78
Increase / (decrease) in contract liabilities	34,046	(781)
Increase / (decrease) in employee benefit provision	79	(209)
Increase / (decrease) in other provisions	1	119
Net cash flows from operating activities	68,766	28,328

(b) Non-cash investing and financing activities

RFS Contributed Assets	1,016	479
Subdivisions	4,347	3,333
Total non-cash investing and financing activities	5,363	3,812

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:		
Property, plant and equipment		
Carparks	–	499
Buildings	188	1,892
Plant and equipment	561	1,188
Stormwater drainage	213	525
Roads	1,710	544
Bridges	122	172
Water Infrastructure	2,325	483
Sewer Infrastructure	5,305	201
Furniture & Fittings	200	99
Environmental	616	125
Footpaths	16	251
Sporting Grounds	996	193
Investment property		
Land Development	4,769	109
Total commitments	17,021	6,281

Details of capital commitments

As at the 30 June 2025, significant capital projects included purchase of plant & equipment due to supply issues, significant drainage and road projects, upgrade of the Bellinger Street Reservoir and replacing infrastructure such as footpaths and bridges. Valla Urban Growth land development area also had significant capital commitments at 30 June 2025.

G3-1 Events occurring after the reporting date

There are not any known events occurring after the reporting date that would have a significant effect on the financial report.

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Transfers	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Section 7.11	638	22	–	–	20	–	–	680	–
Section 7.12	1,542	451	–	–	49	(414)	–	1,628	–
S64 contributions	10,805	1,253	–	–	371	(75)	–	12,354	–
Total contributions	12,985	1,726	–	–	440	(489)	–	14,662	–

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.

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business

44 Princess Street
MACKSVILLE NSW 2447

Contact details**Mailing Address**

PO Box 177
MACKSVILLE NSW 2447

Telephone: 02 6568 2555

Opening hours

Monday to Friday - 8.30 am to 4.00 pm

Internet: www.nambucca.nsw.gov.au

Email: council@nambucca.nsw.gov.au

Officers**General Manager**

Bede Spannagle

Chief Financial Officer

Evan Webb

Public Officer

Kristian Enevoldson

Auditors

Audit Office of New South Wales
Level 15, 1 Margaret Street
SYDNEY NSW 2000

Elected members**Mayor**

Gary Lee

Councillors

Susan Jenvey
David Jones
James Angel
Troy Vance
Martin Ballangary
Jane Smith
Tamara McWilliam
Ljubov Simson

Other information

ABN: 71 323 535 981



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Nambucca Valley Council

To the Councillors of Nambucca Valley Council

Opinion

I have audited the accompanying financial statements of Nambucca Valley 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.

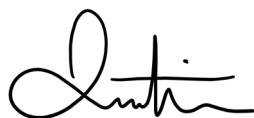
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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.



Quentin Wong
Delegate of the Auditor-General for New South Wales

23 October 2025
SYDNEY



Cr Gary Lee
Mayor
Nambucca Valley Council
PO Box 177
MACKSVILLE NSW 2447

Contact: Quentin Wong
Phone no: 02 9275 7454
Our ref: R008-1981756498-6304

23 October 2025

Dear Mayor

Report on the Conduct of the Audit
for the year ended 30 June 2025
Nambucca Valley Council

I have audited the general purpose financial statements (GPFS) of these Nambucca Valley 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	26.2	24.5	6.9
Grants and contributions provided for operating purposes revenue	10.4	11.5	9.6
Grants and contributions provided for capital purposes revenue	21.6	19.5	10.8
Operating result from continuing operations	15.1	20.7	27.1
Net operating result for the year before grants and contributions provided for capital purposes	(6.4)	1.2	633.3

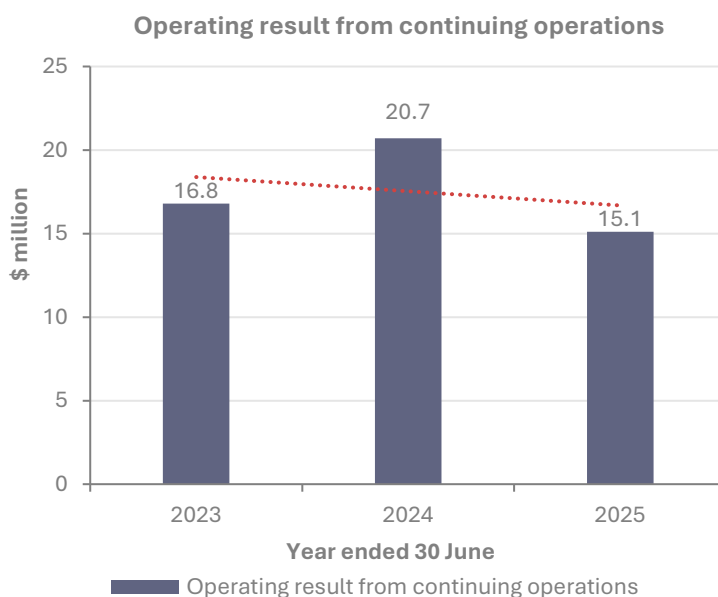
Operating result from continuing operations

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

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

In 2024–25:

- rates and annual charges revenue of \$26.2 million increased by \$1.7 million
- materials and services expense of \$23.2 million increased by \$6.1 million (35.6 per cent) due to significant natural disaster events requiring immediate reconstruction works.



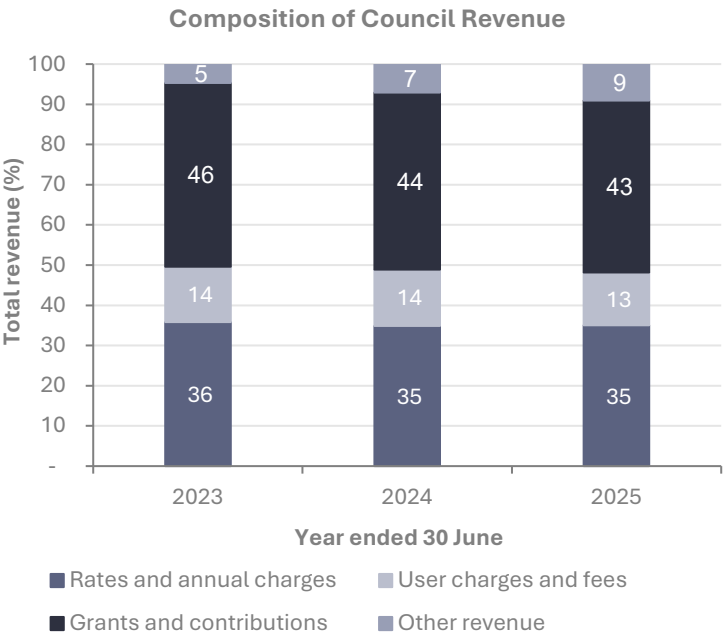
Income

Council revenue

This graph shows the composition of Council’s revenue recognised for the current and prior two financial years.

Council revenue (\$75.0 million) increased by \$4.7 million (6.7 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$26.2 million) which increased by \$1.7 million (6.9 per cent) due primarily to the rate peg increase of 4.5 per cent
- grants and contributions revenue (\$32.0 million) increased by \$1.0 million (3.2 per cent) – refer below for further information
- user charges and fees revenue remained steady at \$9.9 million
- other revenue (\$6.8 million) which increased by \$1.8 million (36.0 percent) mainly due to interest and investment income (\$5.2 million) increasing by \$1.4 million.

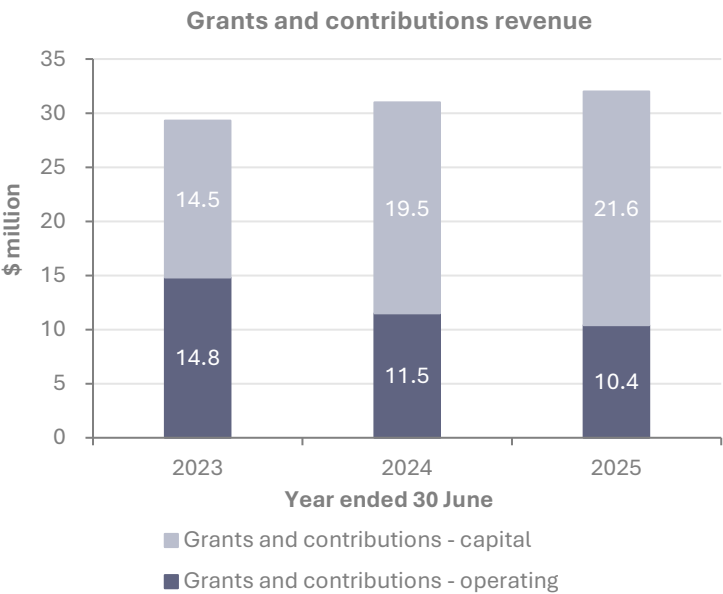


Grants and contributions revenue

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

Grants and contributions revenue (\$32.0 million) increased by \$1.0 million (3.2 per cent) in 2024–25 primarily due to:

- increase of \$6.2 million in natural disaster related funding
- decrease of \$5.2 million in funding from Transport for NSW relating to roads and bridges.



CASH FLOWS

Statement of cash flows

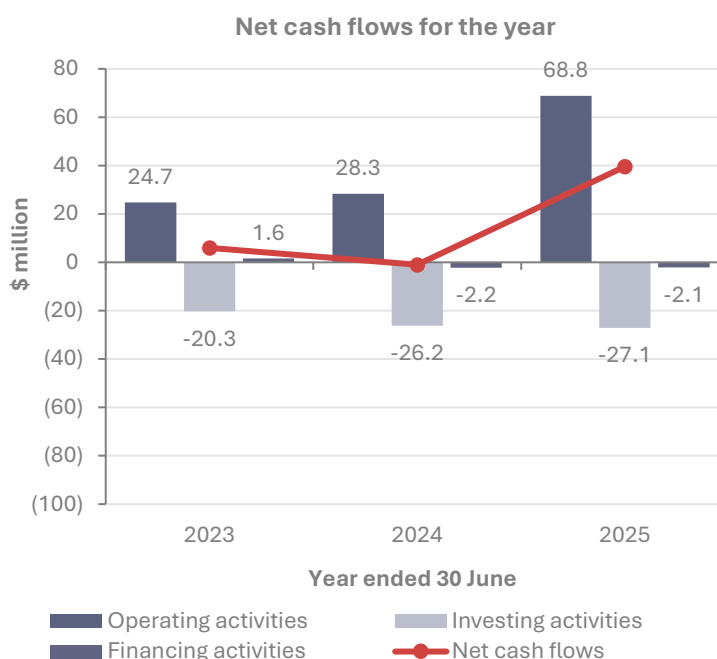
The Statement of Cash Flows details the Council’s inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating 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 positive \$39.6 million (negative \$0.1 million in 2023–24).

In 2024–25 the net cash flows:

- from operating activities increased by \$40.5 million, mainly due to funding allocations received in advance for natural disaster events
- used in investing activities increased by \$0.9 million, mainly due the purchase/redemption of financial investments and payments for IPPE
- used in financing activities decreased by \$0.1 million, representing a minor reduction of repayments of 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.

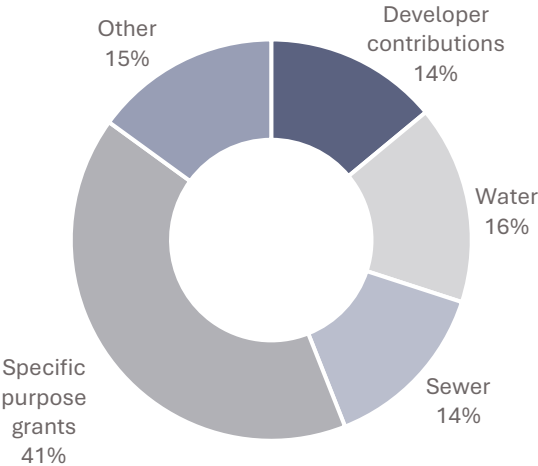
Cash, cash equivalents and investments	2025		2024		Commentary
	\$m	%	\$m	%	
Total cash, cash equivalents and investments	127.4		81.3		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below. Internal allocations are determined by council policies or decisions, which are subject to change. The Council's externally restricted cash increased by \$39.7 million mainly due to an increase in specific purpose unexpended grants of \$34.3 million.
Restricted and allocated cash, cash equivalents and investments:					
• External restrictions	103.3	81.1	63.6	78.2	
• Internal allocations	22.1	17.3	16.5	20.3	

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:

- developer contributions of \$14.6 million which increased by \$1.6 million
- water fund of \$16.8 million which increased by \$0.5 million
- sewer fund of \$14.8 million which increased by \$2.9 million
- specific purpose unexpended grants of \$45.0 million which increased by \$34.3 million due mainly to natural disaster funding allocations received in advance for essential public asset restoration claims from previous natural disasters.

Source of externally restricted cash, cash equivalents and investments



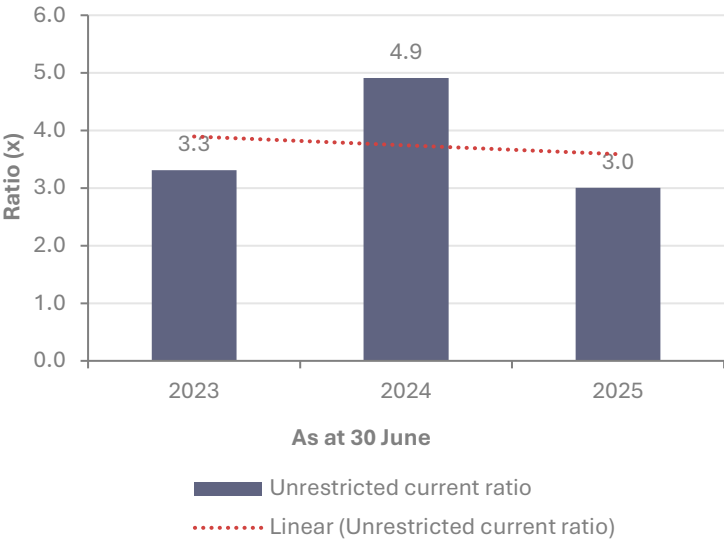
Council liquidity

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

The unrestricted current ratio is specific to local government and represents council’s ability to meet its short-term obligations as they fall due. The ratio measures the ratio of unrestricted current assets¹ to specific purpose liabilities.

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

Unrestricted current ratio



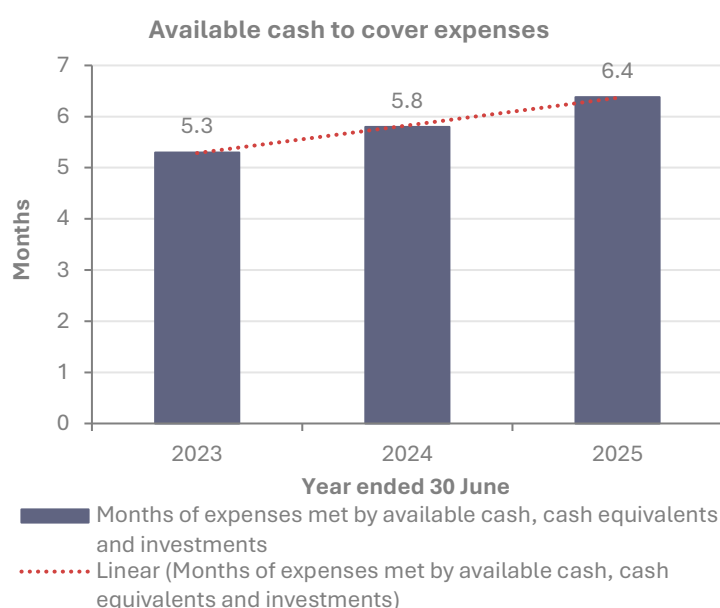
¹ unrestricted current assets = current assets – (externally restricted cash, cash equivalents and investments, less non-current investments)

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.

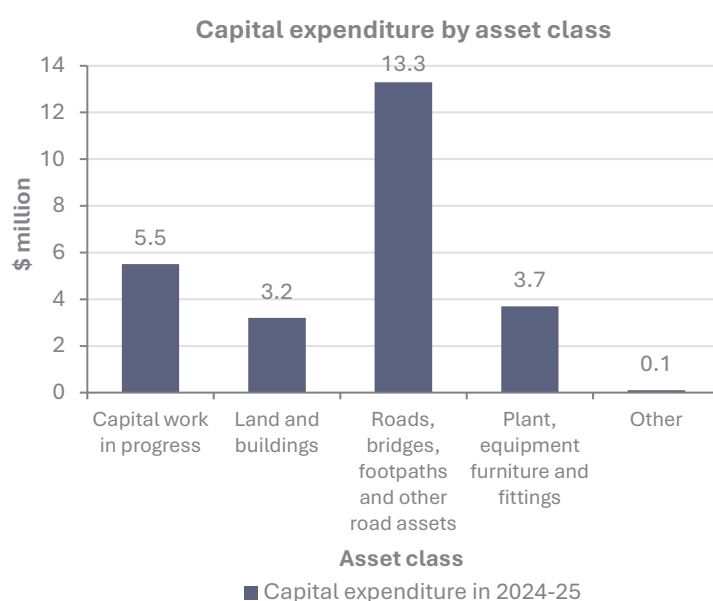
The availability of cash, cash equivalents and investments to meet future expenses has increased over time.



Infrastructure, property, plant and equipment

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

Council renewed \$12.4 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 other infrastructure. A further \$13.4 million was spent on new assets including stormwater drainage, buildings and roads.



Debt

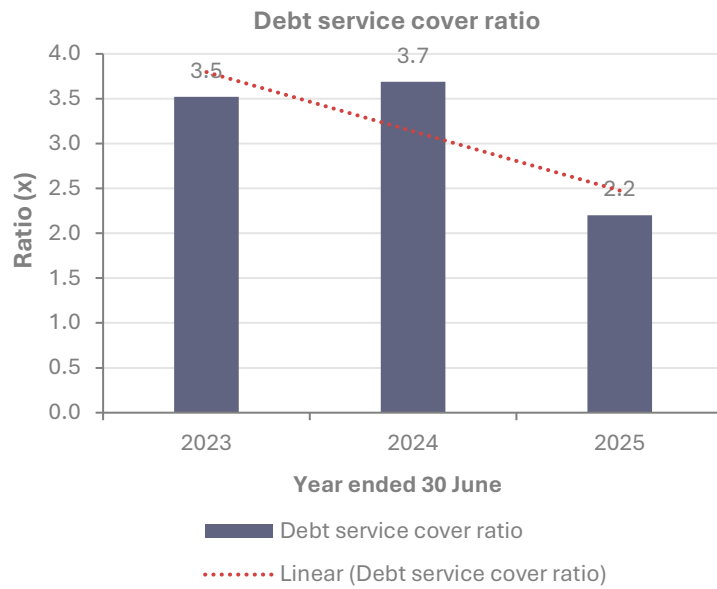
The table below provides an overview of the Council’s loans and committed borrowing facilities. Committed borrowing facilities are an element of liquidity management and include bank overdrafts, and credit cards.

Debt	2025	2024	Commentary
	\$'m	\$'m	
Loans	35.7	37.9	Decrease due to repayments made during 2024–25.
Credit card facility	150	150	No change to credit card facility limits during 2024–25.
Amount used	36	30	

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.



Quentin Wong
Delegate of the Auditor-General for NSW

Nambucca Valley Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

Nambucca Valley ~ Living at its best



Special Purpose Financial Statements

for the year ended 30 June 2025

Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Statement of Financial Position of water supply business activity	6
Statement of Financial Position of sewerage business activity	7
Note – Material accounting policy information	8
Auditor's Report on Special Purpose Financial Statements	11

Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Nambucca Valley Council

Special Purpose Financial Statements for the year ended 30 June 2025

Statement by Councillors and Management

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

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

- 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:

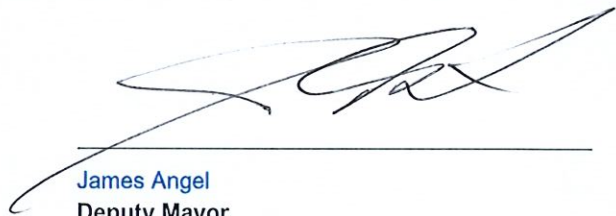
- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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 15 October 2025.



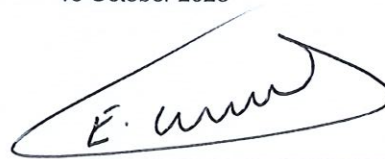
Gary Lee
Mayor
15 October 2025



James Angel
Deputy Mayor
15 October 2025



Bede Spannagle
General Manager
15 October 2025



Evan Webb
Chief Financial Officer
15 October 2025

Nambucca Valley Council

Income Statement of water supply business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	1,435	1,284
User charges	4,759	4,523
Interest and investment income	1,165	1,023
Grants and contributions provided for operating purposes	85	385
Other income	468	338
Total income from continuing operations	7,912	7,553
Expenses from continuing operations		
Employee benefits and on-costs	2,149	2,067
Borrowing costs	1,277	1,311
Materials and services	1,632	1,601
Depreciation, amortisation and impairment	2,140	1,964
Net loss from the disposal of assets	450	219
Calculated taxation equivalents	16	14
Other expenses	5	8
Total expenses from continuing operations	7,669	7,184
Surplus (deficit) from continuing operations before capital amounts	243	369
Grants and contributions provided for capital purposes	424	1,923
Surplus (deficit) from continuing operations after capital amounts	667	2,292
Surplus (deficit) from all operations before tax	667	2,292
Less: corporate taxation equivalent (25%) [based on result before capital]	(61)	(92)
Surplus (deficit) after tax	606	2,200
Plus accumulated surplus	69,746	67,440
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	16	14
– Corporate taxation equivalent	61	92
Less:		
Closing accumulated surplus	70,429	69,746
Return on capital %	1.3%	1.5%
Subsidy from Council	3,242	3,158
Calculation of dividend payable:		
Surplus (deficit) after tax	606	2,200
Less: capital grants and contributions (excluding developer contributions)	–	(1,337)
Surplus for dividend calculation purposes	606	863
Potential dividend calculated from surplus	303	432

Nambucca Valley Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	5,462	4,885
User charges	1,008	1,004
Liquid trade waste charges	36	27
Interest and investment income	1,036	823
Grants and contributions provided for operating purposes	74	76
Other income	495	354
Total income from continuing operations	8,111	7,169
Expenses from continuing operations		
Employee benefits and on-costs	2,178	2,121
Borrowing costs	312	322
Materials and services	2,194	1,934
Depreciation, amortisation and impairment	2,252	2,125
Net loss from the disposal of assets	113	108
Calculated taxation equivalents	25	20
Total expenses from continuing operations	7,074	6,630
Surplus (deficit) from continuing operations before capital amounts	1,037	539
Grants and contributions provided for capital purposes	2,267	2,715
Surplus (deficit) from continuing operations after capital amounts	3,304	3,254
Surplus (deficit) from all operations before tax	3,304	3,254
Less: corporate taxation equivalent (25%) [based on result before capital]	(259)	(135)
Surplus (deficit) after tax	3,045	3,119
Less:		
Plus accumulated surplus	65,161	61,887
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	259	135
– Taxation equivalent payments	25	20
Closing accumulated surplus	68,490	65,161
Return on capital %	1.4%	0.9%
Subsidy from Council	2,604	3,132
Calculation of dividend payable:		
Surplus (deficit) after tax	3,045	3,119
Less: capital grants and contributions (excluding developer contributions)	(937)	(1,943)
Surplus for dividend calculation purposes	2,108	1,176
Potential dividend calculated from surplus	1,054	588

Nambucca Valley 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	3,025	2,316
Investments	19,500	15,000
Receivables	1,444	1,129
Inventories	22	24
Contract assets and contract cost assets	82	1,136
Total current assets	24,073	19,605
Non-current assets		
Investments	2,500	6,500
Infrastructure, property, plant and equipment	114,474	112,517
Intangible assets	406	406
Total non-current assets	117,380	119,423
Total assets	141,453	139,028
LIABILITIES		
Current liabilities		
Payables	209	203
Contract liabilities	64	390
Borrowings	626	586
Total current liabilities	899	1,179
Non-current liabilities		
Borrowings	18,876	19,503
Total non-current liabilities	18,876	19,503
Total liabilities	19,775	20,682
Net assets	121,678	118,346
EQUITY		
Accumulated surplus	70,429	69,746
IPPE revaluation surplus	51,249	48,600
Total equity	121,678	118,346

Nambucca Valley Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	3,657	2,637
Investments	13,000	7,800
Receivables	856	727
Contract assets and contract cost assets	60	556
Total current assets	17,573	11,720
Non-current assets		
Investments	6,300	9,500
Receivables	52	102
Infrastructure, property, plant and equipment	95,019	92,863
Total non-current assets	101,371	102,465
Total assets	118,944	114,185
LIABILITIES		
Current liabilities		
Payables	68	77
Contract liabilities	109	870
Borrowings	227	215
Total current liabilities	404	1,162
Non-current liabilities		
Borrowings	5,373	5,600
Total non-current liabilities	5,373	5,600
Total liabilities	5,777	6,762
Net assets	113,167	107,423
EQUITY		
Accumulated surplus	68,490	65,161
IPPE revaluation surplus	44,677	42,262
Total equity	113,167	107,423

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Water Supplies

Comprising the whole of the operations and assets of the water supply function.

b. Sewerage Services

Comprising the whole of the operations and assets of the sewerage reticulation and treatment service.

Category 2

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

NIL

Taxation equivalent charges

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

Notional rate applied (%)

Corporate income tax rate – 25%

Note – Material accounting policy information (continued)

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

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

In accordance with section 4 of Department of Climate Change, Energy, the Environment and Water (DCCEEW) – Water'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 sections 3 and 4 of DCCEEW – Water's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(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'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Note – Material accounting policy information (continued)

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

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

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with the Best Practice Management of Water Supply and Sewer guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2025 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Nambucca Valley Council

To the Councillors of Nambucca Valley Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Nambucca Valley 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 'Quentin Wong', with a stylized, flowing script.

Quentin Wong
Delegate of the Auditor-General for New South Wales

23 October 2025
SYDNEY

Nambucca Valley Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

Nambucca Valley ~ Living at its best



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

Nambucca Valley Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional general income yield	a	12,600	13,280
Plus or minus adjustments ²	b	95	67
Notional general income	c = a + b	12,695	13,347
Permissible income calculation			
Percentage increase	d	4.50%	4.60%
Plus percentage increase amount ³	f = d x (c + e)	571	614
Sub-total	g = (c + e + f)	13,266	13,961
Plus (or minus) last year's carry forward total	h	18	4
Sub-total	j = (h + i)	18	4
Total permissible income	k = g + j	13,284	13,965
Less notional general income yield	l	13,280	13,950
Catch-up or (excess) result	m = k - l	4	15
Carry forward to next year ⁶	p = m + n + o	4	15

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Nambucca Valley Council

To the Councillors of Nambucca Valley Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Nambucca Valley 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 'Quentin Wong', with a stylized flourish at the end.

Quentin Wong
Delegate of the Auditor-General for New South Wales

23 October 2025
SYDNEY

Nambucca Valley 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			1	2	3	4	5
Buildings	Council Office/Admin Centre	221	221	320	256	3,098	5,192	26.0%	1.0%	40.0%	33.0%	0.0%
	Council Works Depot	34	34	85	25	2,100	2,803	8.0%	41.0%	42.0%	9.0%	0.0%
	Council Public Halls	441	441	755	124	7,233	15,562	1.0%	20.0%	60.0%	19.0%	0.0%
	Libraries	–	–	29	93	6,045	6,838	76.0%	15.0%	9.0%	0.0%	0.0%
	Museum	76	76	72	9	412	1,017	1.0%	33.0%	26.0%	40.0%	0.0%
	Other – Buildings	41	41	171	7	3,949	5,142	31.0%	32.0%	27.0%	8.0%	2.0%
	Other – Bush Fire/SES Bldgs.	142	142	266	95	5,464	7,103	25.0%	33.0%	24.0%	18.0%	0.0%
	Other – Swimming Pool Bldgs.	1	1	39	42	2,629	3,929	8.0%	89.0%	3.0%	0.0%	0.0%
	Other – Child Care Centres	–	–	16	2	873	1,251	1.0%	86.0%	13.0%	0.0%	0.0%
	Amenities/Toilets	35	35	105	53	3,666	4,799	35.0%	30.0%	28.0%	7.0%	0.0%
	Other -Sports Grounds	266	266	515	30	8,252	12,376	22.0%	11.0%	50.0%	17.0%	0.0%
	Sub-total	1,257	1,257	2,373	736	43,721	66,012	22.8%	25.8%	36.9%	14.3%	0.2%
Other structures	Other structures	619	619	604	–	7,803	13,894	44.0%	35.0%	3.0%	18.0%	0.0%
	Sub-total	619	619	604	–	7,803	13,894	44.0%	35.0%	3.0%	18.0%	0.0%
Roads	Roads – Sealed	1,967	1,967	3,326	2,507	98,916	149,809	14.0%	48.0%	33.0%	5.0%	0.0%
	Roads - Unsealed	25	25	496	1,118	14,172	23,286	1.0%	48.0%	50.0%	1.0%	0.0%
	Kerb & Gutter	37	37	589	–	14,951	25,176	10.0%	18.0%	72.0%	0.0%	0.0%
	Footpaths	215	215	530	80	12,432	19,345	20.0%	25.0%	48.0%	6.0%	1.0%
	Carparks	4	4	34	5	3,351	4,047	38.0%	57.0%	4.0%	1.0%	0.0%
	Other road assets	373	373	–	11	1,896	3,509	22.0%	21.0%	28.0%	10.0%	19.0%
	Bridges	756	756	1,586	259	62,270	83,911	30.0%	52.0%	14.0%	3.0%	1.0%
	Sub-total	3,377	3,377	6,561	3,980	258,860	309,083	17.8%	45.0%	32.8%	3.8%	0.6%

Nambucca Valley Council

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

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			1	2	3	4	5
Water supply network	Reticulation	328	328	1,105	—	22,697	42,818	11.0%	40.0%	46.0%	2.0%	1.0%
	Trunk Mains	555	555	1,207	924	23,793	43,427	18.0%	20.0%	56.0%	6.0%	0.0%
	Mains/Meters	—	—	4	104	189	396	62.0%	9.0%	29.0%	0.0%	0.0%
	Reservoirs	38	38	264	383	10,585	16,221	40.0%	32.0%	27.0%	0.0%	1.0%
	Water Treatment Plant	10	10	39	186	4,189	5,246	73.0%	9.0%	17.0%	1.0%	0.0%
	Bores	21	21	64	—	1,867	3,140	16.0%	65.0%	15.0%	3.0%	1.0%
	Dams	—	—	15	49	43,714	49,060	97.0%	3.0%	0.0%	0.0%	0.0%
	Pump stations	—	—	42	196	1,678	3,115	28.0%	40.0%	32.0%	0.0%	0.0%
	Sub-total	952	952	2,740	1,842	108,713	163,423	44.1%	22.2%	31.1%	2.2%	0.4%
Sewerage network	Gravity/Rising Mains	170	170	1,527	342	42,887	70,370	15.0%	19.0%	66.0%	0.0%	0.0%
	Pump Stations	71	71	356	545	14,850	23,088	30.0%	40.0%	28.0%	2.0%	0.0%
	Treatment Works	46	46	497	1,471	20,988	34,513	20.0%	54.0%	25.0%	1.0%	0.0%
	Other – Manholes	—	—	369	9	9,112	15,851	11.0%	17.0%	72.0%	0.0%	0.0%
	Sub-total	287	287	2,749	2,367	87,837	143,822	18.2%	30.5%	50.7%	0.6%	0.0%
Stormwater drainage	Stormwater drainage	53	53	3,474	1,345	162	82,484	17.0%	43.0%	39.8%	0.3%	0.0%
	Sub-total	53	53	3,474	1,345	54,046	82,484	17.0%	43.0%	39.8%	0.3%	0.0%
Open space / recreational assets	Swimming pools	—	—	28	—	1,537	3,261	14.0%	11.0%	75.0%	0.0%	0.0%
	Other – Open Space	70	70	214	670	6,124	9,108	46.0%	35.0%	16.0%	3.0%	0.0%
	Sub-total	70	70	242	670	7,661	12,369	37.6%	28.7%	31.6%	2.2%	0.0%

Nambucca Valley Council

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

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			1	2	3	4	5
Other infrastructure assets	Retaining Walls	—	—	—	—	18,760	22,476	86.0%	11.0%	1.0%	1.0%	1.0%
	Boat Ramps / Jetties, Boardwalks	7	7	527	40	4,834	5,929	76.0%	10.0%	13.0%	1.0%	0.0%
	Other	22	22	—	—	6,179	7,786	66.0%	27.0%	6.0%	1.0%	0.0%
	Sub-total	29	29	527	40	29,773	36,191	80.1%	14.3%	4.0%	1.0%	0.6%
Total – all assets		6,644	6,644	19,270	10,980	598,414	827,278	26.8%	34.5%	34.8%	3.5%	0.4%

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

Infrastructure asset condition assessment 'key'

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

Nambucca Valley Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicator 2024	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ¹	9,289	75.10%	59.47%	> 100.00%
Depreciation, amortisation and impairment	12,369			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	6,644	1.10%	1.15%	< 2.00%
Net carrying amount of infrastructure assets	606,327			
Asset maintenance ratio				
Actual asset maintenance	10,980	56.98%	40.75%	> 100.00%
Required asset maintenance	19,270			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	6,644	0.80%	0.79%	
Gross replacement cost	827,278			

(*) 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.