

Tenterfield Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025

"Quality Nature, Quality Heritage and Quality Lifestyle"



Tenterfield Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

"Quality Nature, Quality Heritage and Quality Lifestyle"



Tenterfield Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

247 Rouse Street
Tenterfield NSW 2372

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.tenterfield.nsw.gov.au.

Tenterfield Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 September 2025.



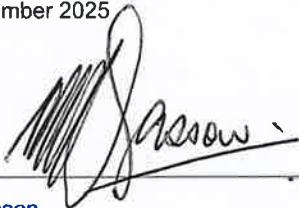
Bronwyn Petrie
Mayor

24 September 2025



Greg Sauer
Deputy Mayor

24 September 2025



Hein Basson
General Manager

24 September 2025



Jane Walton
Responsible Accounting Officer

24 September 2025

Tenterfield Shire Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
	Income from continuing operations			
14,981	Rates and annual charges	B2-1	15,270	14,181
2,790	User charges and fees	B2-2	3,421	3,116
390	Other revenues	B2-3	359	826
8,973	Grants and contributions provided for operating purposes	B2-4	12,075	18,670
80	Grants and contributions provided for capital purposes	B2-4	20,987	12,516
1,085	Interest and investment income	B2-5	3,080	1,850
—	Other income	B2-6	206	155
28,299	Total income from continuing operations		55,398	51,314
	Expenses from continuing operations			
8,637	Employee benefits and on-costs	B3-1	7,862	7,396
7,586	Materials and services	B3-2	13,882	9,794
900	Borrowing costs	B3-3	990	998
2,570	Other expenses	B3-5	599	689
304	Net loss from the disposal of assets	B4-1	3,183	5,340
19,997	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		26,516	24,217
8,302	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		28,882	27,097
10,186	Depreciation, amortisation and impairment of non-financial assets	B3-4	9,197	8,177
(1,884)	Operating result from continuing operations		19,685	18,920
(1,884)	Net operating result for the year attributable to Council		19,685	18,920
(1,964)	Net operating result for the year before grants and contributions provided for capital purposes		(1,302)	6,404

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

Tenterfield Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
Net operating result for the year – from Income Statement		19,685	18,920
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	15,958	16,704
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment	C1-7	–	396
Total items which will not be reclassified subsequent to operating result		15,958	17,100
Total other comprehensive income for the year		15,958	17,100
Total comprehensive income for the year attributable to Council		35,643	36,020

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

Tenterfield Shire Council

Statement of Financial Position

as at 30 June 2025

		2025	2024
	Notes	\$ '000	\$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	60,106	67,484
Investments	C1-2	2,000	1,000
Receivables	C1-4	3,866	3,054
Inventories	C1-5	220	119
Contract assets and contract cost assets	C1-6	4,212	2,490
Total current assets		70,404	74,147
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-7	633,699	603,077
Right-of-use assets	C2-1	146	206
Total non-current assets		633,845	603,283
Total assets		704,249	677,430
LIABILITIES			
Current liabilities			
Payables	C3-1	3,281	7,505
Contract liabilities	C3-2	6,547	10,778
Lease liabilities	C2-1	41	56
Borrowings	C3-3	982	987
Employee benefit provisions	C3-4	1,584	1,236
Provisions	C3-5	2,016	1,940
Total current liabilities		14,451	22,502
Non-current liabilities			
Lease liabilities	C2-1	96	137
Borrowings	C3-3	18,412	19,141
Provisions	C3-5	825	828
Total non-current liabilities		19,333	20,106
Total liabilities		33,784	42,608
Net assets		670,465	634,822
EQUITY			
Accumulated surplus		263,066	243,381
IPPE revaluation surplus	C4-1	407,399	391,441
Council equity interest		670,465	634,822
Total equity		670,465	634,822

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

Tenterfield Shire Council

Statement of Changes in Equity

for the year ended 30 June 2025

	Notes	2025			2024		
		Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000
Opening balance at 1 July		243,381	391,441	634,822	224,461	374,341	598,802
Opening balance		243,381	391,441	634,822	224,461	374,341	598,802
Net operating result for the year		19,685	–	19,685	18,920	–	18,920
Net operating result for the period		19,685	–	19,685	18,920	–	18,920
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	15,958	15,958	–	16,704	16,704
– Impairment (loss) reversal relating to IPP&E	C1-7	–	–	–	–	396	396
Other comprehensive income		–	15,958	15,958	–	17,100	17,100
Total comprehensive income		19,685	15,958	35,643	18,920	17,100	36,020
Closing balance at 30 June		263,066	407,399	670,465	243,381	391,441	634,822

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

Tenterfield Shire Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
Cash flows from operating activities				
Receipts:				
14,933	Rates and annual charges		15,196	13,852
2,751	User charges and fees		3,449	2,995
1,076	Interest received		2,990	1,799
9,003	Grants and contributions		26,973	48,705
41	Bonds, deposits and retentions received		–	46
450	Other		2,496	5,029
Payments:				
(8,649)	Payments to employees		(7,502)	(7,421)
(7,013)	Payments for materials and services		(20,667)	(10,023)
(910)	Borrowing costs		(890)	(924)
(41)	Bonds, deposits and retentions refunded		(15)	–
(2,558)	Other		(634)	(1,263)
9,083	Net cash flows from operating activities	G1-1	21,396	52,795
Cash flows from investing activities				
Receipts:				
–	Redemption of term deposits		1,000	–
Payments:				
–	Acquisition of term deposits		(2,000)	(1,000)
(5,724)	Payments for IPPE		(26,984)	(18,197)
(5,724)	Net cash flows from investing activities		(27,984)	(19,197)
Cash flows from financing activities				
Payments:				
(1,054)	Repayment of borrowings		(734)	(950)
–	Principal component of lease payments		(56)	(55)
(1,054)	Net cash flows from financing activities		(790)	(1,005)
2,305	Net change in cash and cash equivalents		(7,378)	32,593
31,037	Cash and cash equivalents at beginning of year		67,484	34,891
33,342	Cash and cash equivalents at end of year	C1-1	60,106	67,484
–	plus: Investments on hand at end of year	C1-2	2,000	1,000
33,342	Total cash, cash equivalents and investments		62,106	68,484

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

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 24 September 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of 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. fair values of infrastructure, property, plant and equipment – refer Note C1-7
- ii. tip remediation provisions – refer Note C3-5
- iii. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

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

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

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

- General purpose operations
- Tenterfield Water service
- Tenterfield Sewerage service
- Stormwater Management Fund
- Waste Management Fund

Due to their immaterial value and nature, the following committees, entities and operations have been excluded from consolidation:

A1-1 Basis of preparation (continued)

- Sir Henry Parkes Memorial Management Committee (Joint Committee);
- Tenterfield Saleyards Advisory Committee;
- Aboriginal Advisory Committee;
- Heritage Advisory Committee;
- ANZAC Centenary Steering Committee; and
- Disability, Inclusion and Access Advisory Committee.

The Trust Fund

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

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council does not recognise services provided by volunteers in its income statement due to the immateriality and unjustifiable cost of trying to reliably capture and assign a value to the many services volunteers in our community provide.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

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

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

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

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

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

B Financial Performance

B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Functions or activities										
Civic Office	9	8	363	275	(354)	(267)	9	8	523	475
Organisation and Leadership	–	–	1,191	768	(1,191)	(768)	–	–	–	–
Community Development	(15)	52	27	26	(42)	26	(15)	52	916	832
Economic Growth and Tourism	198	346	182	553	16	(207)	180	343	4,388	4,217
Theatre and Museum Complex	31	34	127	173	(96)	(139)	7	6	408	489
Finance and Technology	12,828	12,408	649	552	12,179	11,856	3,132	4,155	40,625	48,655
Corporate and Governance	10	5	661	708	(651)	(703)	–	–	370	443
Workforce Development	94	252	1,373	1,087	(1,279)	(835)	49	39	–	–
Library Services	96	93	422	494	(326)	(401)	91	91	170	41
Emergency Services	226	432	697	977	(471)	(545)	221	283	1,297	1,245
Asset Management and Resourcing	–	–	779	321	(779)	(321)	–	–	4,262	4,214
Commercial Works	439	201	165	105	274	96	–	–	–	–
Environmental Management	106	117	372	269	(266)	(152)	105	109	46	48
Planning and Regulation	820	740	469	404	351	336	455	443	1,316	1,358
Plant, Fleet and Equipment	73	39	67	236	6	(197)	–	–	5,711	6,381
Buildings and Amenities	250	768	1,111	1,166	(861)	(398)	89	520	18,944	19,069
Livestock Saleyards	172	148	194	173	(22)	(25)	–	–	2,277	2,402
Parks, Gardens and Open Space	149	332	1,175	1,101	(1,026)	(769)	–	192	14,008	13,802
Swimming Complex	25	–	275	242	(250)	(242)	–	–	1,323	1,527
Stormwater and Drainage	100	99	136	123	(36)	(24)	3	2	5,187	5,125
Transport Network	25,240	22,856	16,593	14,618	8,647	8,238	24,925	22,690	490,539	463,717
Sewerage Services	3,612	3,253	2,478	1,914	1,134	1,339	248	30	34,067	32,135
Waste Management	4,072	4,290	2,329	2,591	1,743	1,699	85	540	19,050	17,711
Water Supply	6,863	4,841	3,878	3,518	2,985	1,323	3,478	1,683	58,822	53,544
Total functions and activities	55,398	51,314	35,713	32,394	19,685	18,920	33,062	31,186	704,249	677,430

B1-2 Components of functions or activities

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

Civic Office

Corporate affairs and relations; the governance framework; overall corporate performance and reporting; community advocacy; mayoral, councillor and committee support; and media and external communications.

Organisation and Leadership

Collaboration with other organisations and governments; continual improvement; overall strategic direction of the administrative arm; community engagement; administrative support; service integration and corporate advertising.

Community Development

Community engagement, development of partnerships, indigenous affairs, inclusiveness, accessible services, supporting diversity and cultural events.

Economic Growth and Tourism

Community prosperity, tourism, connectivity, partnering, promotion and livability. The Office of the Chief Executive directly oversees these outcomes.

Theatre and Museum Complex

Sir Henry Parkes School of Art; cultural diversity, events and art activities; youth engagement; volunteering; and festivals.

Finance and Technology

Information technology; financial sustainability and advise; investments; financial capacity; procurement compliance; regulatory and statutory compliance; business systems; property strategy, overall management and register, land mapping service (GIS).

Corporate and Governance

Statutory reporting, business processes and integration; procurement compliance; audit; community involvement; customer service; governance; information technology and information management; insurance, risk and business continuity; registers and records management, legal services and election support.

Workforce Development

Workplace health and wellbeing, planning and culture; workers compensation; workforce performance; training; recruitment, selection and retention; and internal communications.

Library Services

Home services; vision impaired; review and updating collections; exchanges; internet and Wi Fi access; accessible technology; exhibitions; online training and resources; research and reference services; and the management of corporate art and memorabilia.

Emergency Services

Integrating land use policies to support emergency management; disaster management; review of emergency management plans; inter-agency communication and collaboration; and rural addressing.

Asset Management and Resourcing

Review, investigation, survey, design, development and project management; asset investigation, planning, policy formulation and management (both as a bureau service to whole organisation and for transport infrastructure).

Commercial Works

Private works management, benchmarking, offsetting costs through creating synergies.

Environmental Management

Education; noxious plants; feral pests (advocacy); illegal dumping and pollution; and roads & footpath regulatory enforcement.

B1-2 Components of functions or activities (continued)

Planning and Regulation

Development planning, controls, assessment and certification; regulation of premises; built environment; urban design; land use data, mapping and reporting; building and assessment advice; heritage; domestic animals; public health and pollution.

Plant, Fleet and Equipment

Effective provision and management of plant, fleet, equipment, store and depots; and tendering and procurement.

Buildings and Amenities

Energy management and conservation, asset planning and maintenance scheduling; building and amenities utilisation, income generation and administration.

Livestock Saleyards

Planning, development, maintenance, operations and administration of the Saleyards.

Parks, Gardens and Open Space

Consultation, planning, development; increasing patronage; amenity; maintenance and operations; public art; cycleways; public trees; sportsgrounds (active and passive); cleanliness and administration.

Swimming Complex

Service provision; regulatory compliance; planning; supervision of patrons; and management.

Stormwater and Drainage

Ongoing management and improvement of all stormwater infrastructure, gross pollutant traps, natural urban waterways and erosion control apparatus.

Transport Network

Sustainable management and improvement of all infrastructure used to facilitate transportation: vehicular, aviation, pedestrian and cyclists; car parking; quarries; delineation, line marking, signage and lighting; regulatory compliance; emergency response and on-call; traffic committee administration; and risk mitigation.

Sewerage Services

Ongoing catchment, transportation, and treatment; monitoring, reporting, environmental compliance and emergency management; trade waste and commercial; fees and charges; public education and administration.

Waste Management

Ongoing and sustainably managing waste: reduction; recycling; landfill remediation and development; and public education.

Water Supply

Ongoing water catchment, storage, treatment, distribution, monitoring, regulating, reporting, compliance, charging and administration.

B2 Sources of income

B2-1 Rates and annual charges

	2025 \$ '000	2024 \$ '000
Ordinary rates		
Residential	3,228	3,019
Farmland	3,589	3,401
Mining	15	14
Business	502	482
Less: pensioner rebates (mandatory)	(137)	(132)
Rates levied to ratepayers	7,197	6,784
Pensioner rate subsidies received	76	74
Total ordinary rates	7,273	6,858
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,403	1,297
Stormwater management services	73	72
Water supply services	1,697	1,407
Sewerage services	2,993	2,838
Waste management services (non-domestic)	244	228
Waste management facility charge	1,679	1,573
Less: pensioner rebates (mandatory)	(203)	(203)
Annual charges levied	7,886	7,212
Pensioner annual charges subsidies received:		
– Water	29	29
– Sewerage	26	26
– Domestic waste management	56	56
Total annual charges	7,997	7,323
Total rates and annual charges	15,270	14,181
Timing of revenue recognition for rates and annual charges		
Rates and annual charges recognised at a point in time (2)	15,270	14,181
Total rates and annual charges	15,270	14,181

Council has used 2023 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

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

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

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

B2-2 User charges and fees

	2025 \$ '000	2024 \$ '000
User charges		
Water supply services	1,600	1,653
Sewerage services	190	202
Waste management services (non-domestic)	340	315
Trade waste	31	28
Total user charges	2,161	2,198
Fees		
Inspection services	26	17
Planning and building regulation	321	262
Private works – section 67	439	201
Section 603 certificates	32	29
Companion animals	1	7
Local government and health act fees	1	9
Cemeteries	145	136
Saleyards	172	148
Swimming centres	25	–
Tourism	–	2
Cinema	–	6
Library	5	1
Museum and theatre	3	5
Service installation	44	53
Other	46	42
Total fees	1,260	918
Total user charges and fees	3,421	3,116
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time (1)	2,161	2,198
User charges and fees recognised at a point in time (2)	1,260	918
Total user charges and fees	3,421	3,116

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, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

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

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

B2-3 Other revenues

	Notes	2025 \$ '000	2024 \$ '000
Diesel rebate		73	39
Recycling income (non-domestic)		83	81
Insurance rebates		45	50
Rural fire service program reimbursements		–	149
Sale of surplus material		1	–
Training reimbursement		–	163
Effect from de-recognition of remediation provision	C3-5	2	127
Other		155	217
Total other revenue		359	826

Material accounting policy information for other revenue

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

	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	728	283	–	–
Financial assistance – local roads component	338	91	–	–
Payment in advance - future year allocation				
Financial assistance – general component	2,404	3,872	–	–
Financial assistance – local roads component	1,150	1,852	–	–
Amount recognised as income during current year	4,620	6,098	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	49	–	3,322	1,535
Sewerage services	196	–	38	–
Bushfire and emergency services	221	283	–	–
Community centres	–	–	–	66
Economic development	139	–	–	–
Environmental programs	1,238	5	–	–
Heritage and cultural	20	31	–	–
Library	87	88	–	3
LIRS subsidy	2	7	–	–
Noxious weeds	105	109	–	–
Recreation and culture	9	4	130	966
Community development	(12)	52	–	–
Street lighting	35	35	–	–
Waste management	–	–	38	487
Disaster recovery	1,657	4,616	6,530	4,528
Transport (roads to recovery)	1,838	1,044	–	–
Transport (other roads and bridges funding)	45	4,497	10,403	4,361
Other councils – joint works/services	89	103	–	–
Transport for NSW contributions (regional roads, block grant)	1,688	1,656	–	–
FBT contributions	49	39	–	–
Waste management services	–	3	–	–
Total special purpose grants and non-developer contributions – cash	7,455	12,572	20,461	11,946
Total special purpose grants and non-developer contributions (tied)	7,455	12,572	20,461	11,946
Total grants and non-developer contributions	12,075	18,670	20,461	11,946
Comprising:				
– Commonwealth funding	8,628	6,386	2,736	822
– State funding	3,311	12,284	17,725	11,124
– Other funding	136	–	–	–
	12,075	18,670	20,461	11,946

B2-4 Grants and contributions (continued)

Developer contributions

	Notes	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services	G4	–	–	493	503
S 64 – water supply contributions		–	–	19	36
S 64 – sewerage service contributions		–	–	14	31
Total developer contributions – cash		–	–	526	570
Total developer contributions		–	–	526	570
Total contributions		–	–	526	570
Total grants and contributions		12,075	18,670	20,987	12,516
Timing of revenue recognition					
Grants and contributions recognised over time (1)		308	–	13,725	6,209
Grants and contributions recognised at a point in time (2)		11,767	18,670	7,262	6,307
Total grants and contributions		12,075	18,670	20,987	12,516

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:

	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
Notes				
Grants				
Unspent grants at 1 July	15,004	4,585	14,768	4,811
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	3,979	14,986	37	934
Add: grants received for the provision of goods and services in a future period	–	–	209	14,471
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(9,480)	(4,567)	(104)	(969)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(8,346)	(4,479)
Unspent grants at 30 June	9,503	15,004	6,564	14,768
Contributions				
G4				
Unspent contributions at 1 July	–	–	1,466	870
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	622	596
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Unspent contributions at 30 June	–	–	2,088	1,466

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

Capital grants

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

B2-4 Grants and contributions (continued)

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

	2025 \$ '000	2024 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	142	94
– Cash and investments	2,938	1,756
Total interest and investment income (losses)	3,080	1,850

B2-6 Other income

	Notes	2025 \$ '000	2024 \$ '000
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		18	–
Total investment properties		18	–
Other lease income			
Council owned property		188	155
Total other lease income		188	155
Total rental income	C2-2	206	155
Total other income		206	155

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2025 \$ '000	2024 \$ '000
Salaries and wages	6,016	5,997
Employee leave entitlements (ELE)	1,601	1,170
Superannuation	747	749
Workers' compensation insurance	254	246
Fringe benefit tax (FBT)	53	30
Other	32	14
Total employee costs	8,703	8,206
Less: capitalised costs	(841)	(810)
Total employee costs expensed	7,862	7,396

B3-2 Materials and services

	Notes	2025 \$ '000	2024 \$ '000
Raw materials and consumables		5,014	4,936
Contractor and consultancy costs		6,662	2,861
Audit Fees	F2-1	87	84
Councillor and Mayoral fees and associated expenses	F1-2	222	178
Advertising		11	21
Cleaning		49	46
Election expenses		59	—
Electricity and heating		306	333
Insurance		713	656
Postage		34	24
Printing and stationery		17	19
Street lighting		106	115
Subscriptions and publications		106	81
Telephone and communications		163	177
Travel expenses		4	5
Training costs (other than salaries and wages)		65	37
Other expenses		199	170
– Legal expenses: other		43	25
Other		21	26
Total materials and services		13,882	9,794
Total materials and services		13,882	9,794

B3-3 Borrowing costs

		2025	2024
	Notes	\$ '000	\$ '000
(i) Interest bearing liability costs			
Interest on leases		3	8
Interest on loans		866	870
Total interest bearing liability costs		869	878
Total interest bearing liability costs expensed		869	878
(ii) Other borrowing costs			
– Remediation liabilities	C3-5	121	120
Total other borrowing costs		121	120
Total borrowing costs expensed		990	998

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

	Notes	2025 \$ '000	2024 \$ '000
Depreciation and amortisation			
Plant and equipment		684	697
Office equipment		56	61
Furniture and fittings		22	3
Land improvements (depreciable)		45	41
Infrastructure:	C1-7		
– Buildings		667	587
– Other structures		196	191
– Roads		4,095	3,488
– Bridges		1,180	1,093
– Footpaths		59	56
– Stormwater drainage		121	115
– Water supply network		1,133	870
– Sewerage network		630	593
– Swimming pools		29	28
– Other open space/recreational assets		230	208
Right of use assets	C2-1	60	59
Other assets:			
– Library books		11	28
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-7	201	227
– Quarry assets	C1-7	5	8
Total gross depreciation and amortisation costs		9,424	8,353
Less: capitalised costs		(227)	(176)
Total depreciation and amortisation costs		9,197	8,177
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-7		
– Roads		–	(396)
Total gross IPPE impairment / revaluation decrement costs		–	(396)
Amounts taken through revaluation reserve	C1-7	–	396
Total depreciation, amortisation and impairment for non-financial assets		9,197	8,177

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 C1-7 for intangible assets.

Depreciation is capitalised where in-house assets have contributed to new 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.

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

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

	2025 \$ '000	2024 \$ '000
Other		
Grants funded donations, contributions and assistance to other organisations (incl. Section 356)	20	40
Council funded donations, contributions and assistance to other organisations (incl. Section 356)	74	132
Emergency services levy (includes FRNSW, SES, and RFS levies)	505	517
Total other	599	689
Total other expenses	599	689

B4 Gains or losses

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

	Notes	2025 \$ '000	2024 \$ '000
Gain (or loss) on disposal of property (excl. investment property)			
Less: carrying amount of property assets sold/written off		(95)	(83)
Gain (or loss) on disposal		(95)	(83)
Gain (or loss) on disposal of plant and equipment	C1-7		
Non-cash income from trade-in – plant and equipment		2,215	1,669
Less: carrying amount of plant and equipment assets sold/written off		(2,503)	(1,925)
Gain (or loss) on disposal		(288)	(256)
Gain (or loss) on disposal of infrastructure	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(2,800)	(5,001)
Gain (or loss) on disposal		(2,800)	(5,001)
Net gain (or loss) from disposal of assets		(3,183)	(5,340)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 26 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	14,981	15,270	289	2% F
User charges and fees	2,790	3,421	631	23% F
Mainly due to increased activity - Private works Section 67 (+175% \$279k), Salesyards (+110%, \$90k) water supply (+6%, \$89k), Planning & Regulation (+30%, \$74k), Swimming pool no budget fees received \$24k.				
Other revenues	390	359	(31)	(8)% U
Operating grants and contributions	8,973	12,075	3,102	35% F
Budgeted for what was known at the time - sewerage, disaster recovery, community services, economic development, recreation and culture, environmental protection and emergency services not budgeted for original – totalling \$3.1m.				
Capital grants and contributions	80	20,987	20,907	26,134% F
Budgeted for what was known at the time. Capital projects no budgeted include waste, transport, stormwater, RTR, sewerage and recreation - totalling \$20.4m.				
Interest and investment revenue	1,085	3,080	1,995	184% F
Favourable interest rates and also more invested toward end of the year.				
Other income	–	206	206	∞ F
Council does not budget for other income.				

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Expenses				
Employee benefits and on-costs	8,637	7,862	775	9% F
Materials and services	7,586	13,882	(6,296)	(83)% U
More disaster recovery operation and repair works.				
Borrowing costs	900	990	(90)	(10)% U
Depreciation, amortisation and impairment of non-financial assets	10,186	9,197	989	10% F
Other expenses	2,570	599	1,971	77% F
Net losses from disposal of assets	304	3,183	(2,879)	(947)% U
This is non-cash loss which represents write-off of undepreciated components of renewed assets. Hard to budget.				
Statement of cash flows				
Cash flows from operating activities	9,083	21,396	12,313	136% F
In line with above - more operational grants and fees and charges.				
Cash flows from investing activities	(5,724)	(27,984)	(22,260)	389% U
Completion of capital projects.				
Cash flows from financing activities	(1,054)	(790)	264	(25)% F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2025 \$ '000	2024 \$ '000
Cash assets		
Cash on hand and at bank	47,037	55,415
Cash equivalent assets		
– Deposits at call	13,000	12,000
Trust account	69	69
Total cash and cash equivalents	60,106	67,484

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	60,106	67,484
Balance as per the Statement of Cash Flows	60,106	67,484

C1-2 Financial investments

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Debt securities at amortised cost				
Short term deposits	2,000	–	1,000	–
Total	2,000	–	1,000	–
Total financial investments	2,000	–	1,000	–
Total cash assets, cash equivalents and investments	62,106	–	68,484	–

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

	2025 \$ '000	2024 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	62,106	68,484
Less: Externally restricted cash, cash equivalents and investments	(41,390)	(52,188)
Cash, cash equivalents and investments not subject to external restrictions	20,716	16,296
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	6,547	10,572
Specific purpose unexpended grants – water fund	–	207
External restrictions – included in liabilities	6,547	10,779
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants (recognised as revenue) – general fund (including waste and stormwater)	9,353	18,868
Specific purpose unexpended grants (recognised as revenue) – water fund	–	18
Specific purpose unexpended grants (recognised as revenue) – sewer fund	59	–
Developer contributions – general (including waste and stormwater)	1,840	1,251
Developer contributions – water fund	149	130
Developer contributions – sewer fund	99	85
RFS reserves	110	107
Water fund	2,805	2,348
Sewer fund	9,533	7,724
Domestic waste management	9,693	9,771
Stormwater management	1,133	1,038
Trust fund	69	69
External restrictions – other	34,843	41,409
Total external restrictions	41,390	52,188

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

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

	2025	2024
	\$ '000	\$ '000

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

	20,716	16,296
Less: Internally restricted cash, cash equivalents and investments	(9,539)	(7,595)
Unrestricted and unallocated cash, cash equivalents and investments	11,177	8,701

Internal allocations

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

Plant and vehicle replacement	2,350	850
Employees leave entitlement	805	805
FAG Road Component (Advanced)	496	1,852
Special projects infrastructure	2,500	2,500
SRV money unspent 2014	843	1,048
SRV money unspent 2023	384	439
Saleyard specific purpose	64	101
Interest earned from RERRF funds in term deposits	201	—
Interest earned from DRFA funds in term deposits	99	—
IT System upgrade	770	—
Financial Support Payment for Preliminary Land Classifications 2024 (NSW Emergency Services Levy Funding Reform)	27	—
Future grant co-contributions	1,000	—
Total internal allocations	9,539	7,595

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

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Rates and annual charges	794	–	720	–
Interest and extra charges	133	–	111	–
User charges and fees	947	–	919	–
Private works	233	–	75	–
Accrued revenues				
– Interest on investments	122	–	54	–
Government agency receivables	710	–	574	–
Net GST receivable	982	–	656	–
Total	3,921	–	3,109	–
Less: provision for impairment				
Other debtors	(55)	–	(55)	–
Total provision for impairment – receivables	(55)	–	(55)	–
Total net receivables	3,866	–	3,054	–

	2025 \$ '000	2024 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year	55	55
Balance at the end of the year	55	55

C1-4 Receivables (continued)

Material accounting policy information

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

Impairment

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

When 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 60 days past due has seen a significant increase in credit risk.

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

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

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

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.

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
(i) Inventories at cost				
Stores and materials	220	–	119	–
Total inventories at cost	220	–	119	–
Total inventories	220	–	119	–

C1-6 Contract assets

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Contract assets	4,212	–	2,490	–
Total contract assets	4,212	–	2,490	–

Contract assets

Contract Asset (AASB 15)	89	–	103	–
Grant Contract Asset (AASB 1058 - asset exemption)	2,855	–	2,181	–
Accrued Income (AASB 1058)	1,268	–	206	–
Total contract assets	4,212	–	2,490	–

Significant changes in contract assets

Contract Assets relating to work for external parties (AASB 15)

No significant changes - consistent with prior year.

Grant Contract Assets - work related to infrastructure grants (AASB 1058 - Asset Exemption)

No significant changes - consistent with prior year.

Accrued Income - not specific or not enforceable grants (AASB 1058)

Increase mostly due to work on DRFA jobs which will be reimbursed later.

C1-7 Infrastructure, property, plant and equipment

	At 1 July 2024			Asset movements during the reporting period							At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	6,022	—	6,022	4,738	6,278	—	—	(4,275)	(207)	—	12,556	—	12,556
Plant and equipment	16,116	(8,344)	7,772	2,566	84	(2,503)	(684)	—	(13)	—	16,265	(9,041)	7,224
Office equipment	773	(559)	214	—	3	—	(56)	—	(9)	—	777	(625)	152
Furniture and fittings	351	(147)	204	—	—	—	(22)	—	—	—	353	(169)	184
Land:													
– Crown land - managed by council	1,765	—	1,765	—	—	—	—	—	—	—	1,765	—	1,765
– Crown land - devolved to council	2,970	—	2,970	—	—	—	—	—	—	—	2,970	—	2,970
– Operational land	7,458	—	7,458	—	—	—	—	—	—	753	8,212	—	8,212
– Community land	1,793	—	1,793	—	—	—	—	—	—	—	1,793	—	1,793
– Land under roads (post 30/6/08)	13	—	13	—	—	—	—	—	—	—	13	—	13
Land improvements – depreciable	4,396	(856)	3,540	—	144	—	(45)	807	—	59	5,429	(916)	4,513
Infrastructure:													
– Buildings	43,620	(11,717)	31,903	122	50	(95)	(667)	154	(2)	1,387	45,761	(12,908)	32,853
– Other structures	6,164	(2,712)	3,452	10	147	(9)	(196)	197	(16)	55	6,614	(2,980)	3,634
– Roads	329,248	(65,216)	264,032	4,990	1,916	(2,283)	(4,095)	1,732	7	6,811	343,615	(70,506)	273,109
– Bridges	111,756	(44,619)	67,137	—	7,293	—	(1,180)	94	(8)	1,728	122,090	(47,026)	75,064
– Footpaths	4,757	(1,309)	3,448	—	—	—	(59)	—	—	89	4,883	(1,405)	3,478
– Bulk earthworks (non-depreciable)	124,986	(1,527)	123,459	—	434	—	—	650	1	3,235	129,346	(1,567)	127,779
– Stormwater drainage	9,722	(5,653)	4,069	—	—	—	(121)	—	(13)	98	9,941	(5,908)	4,033
– Water supply network	81,023	(35,585)	45,438	640	113	(468)	(1,133)	205	(24)	1,107	71,730	(25,853)	45,877
– Sewerage network	36,556	(14,018)	22,538	—	—	—	(630)	232	(2)	548	37,699	(15,014)	22,685
– Swimming pools	1,673	(1,327)	346	15	—	(2)	(29)	—	—	5	1,703	(1,367)	336
– Other open space/recreational assets	6,440	(1,299)	5,141	47	120	(35)	(230)	204	(6)	83	6,873	(1,550)	5,323
Other assets:													
– Library books	167	(154)	13	—	—	—	(11)	—	—	—	168	(166)	2
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Quarry assets	99	(64)	35	—	—	—	(5)	—	2	—	75	(43)	32
– Tip assets	2,627	(2,312)	315	—	—	—	(201)	—	(3)	—	2,625	(2,513)	112
Total infrastructure, property, plant and equipment	800,495	(197,418)	603,077	13,128	16,582	(5,395)	(9,364)	—	(293)	15,958	833,256	(199,557)	633,699

(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	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	46,079	–	46,079	1,253	3,317	(79)	–	–	(44,549)	–	–	–	6,022	–	6,022
Plant and equipment	16,299	(8,102)	8,197	1,839	359	(1,925)	(697)	–	–	–	–	–	16,116	(8,344)	7,772
Office equipment	770	(499)	271	–	–	–	(61)	–	4	–	–	–	773	(559)	214
Furniture and fittings	155	(145)	10	–	3	–	(3)	–	194	–	–	–	351	(147)	204
Land:															
– Operational land	7,220	–	7,220	–	–	–	–	–	–	–	–	238	7,458	–	7,458
– Community land	1,793	–	1,793	–	–	–	–	–	–	–	–	–	1,793	–	1,793
– Crown land - managed by council	1,765	–	1,765	–	–	–	–	–	–	–	–	–	1,765	–	1,765
– Crown land - devolved to council	2,970	–	2,970	–	–	–	–	–	–	–	–	–	2,970	–	2,970
– Land under roads (post 30/6/08)	13	–	13	–	–	–	–	–	–	–	–	–	13	–	13
Land improvements – depreciable	2,054	(788)	1,266	–	154	–	(41)	–	2,121	–	–	40	4,396	(856)	3,540
Infrastructure:															
– Buildings	38,779	(10,414)	28,365	133	369	(83)	(587)	–	1,775	–	–	1,930	43,620	(11,717)	31,903
– Other structures	5,734	(2,458)	3,276	89	85	(65)	(191)	–	158	–	–	100	6,164	(2,712)	3,452
– Roads	319,906	(82,874)	237,032	3,782	913	(2,477)	(3,488)	396	22,576	–	–	5,299	329,248	(65,216)	264,032
– Bridges	104,064	(44,599)	59,465	4,818	–	(1,738)	(1,093)	–	3,803	–	–	1,884	111,756	(44,619)	67,137
– Footpaths	4,449	(1,169)	3,280	17	93	(16)	(56)	–	139	–	(9)	–	4,757	(1,309)	3,448
– Bulk earthworks (non-depreciable)	113,018	(1,393)	111,625	3	115	–	–	–	7,605	–	–	4,111	124,986	(1,527)	123,459
– Stormwater drainage	9,685	(5,543)	4,142	2	8	(1)	(115)	–	6	–	–	27	9,722	(5,653)	4,069
– Water supply network	71,245	(33,183)	38,062	996	385	(520)	(870)	–	5,501	–	–	1,884	81,023	(35,585)	45,438
– Sewerage network	34,403	(12,896)	21,507	518	–	(78)	(593)	–	124	–	–	1,060	36,556	(14,018)	22,538
– Swimming pools	1,614	(1,257)	357	–	7	–	(28)	–	–	–	–	11	1,673	(1,327)	346
– Other open space/recreational assets	5,324	(1,149)	4,175	173	353	(26)	(208)	–	543	–	–	129	6,440	(1,299)	5,141
Other assets:															
– Library books	167	(126)	41	–	–	–	(28)	–	–	–	–	–	167	(154)	13
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Tip assets	2,661	(2,085)	576	–	–	–	(227)	–	–	(33)	–	–	2,627	(2,312)	315
– Quarry assets	114	(55)	59	–	–	–	(8)	–	–	(15)	–	–	99	(64)	35
Total infrastructure, property, plant and equipment	790,281	(208,735)	581,546	13,623	6,161	(7,008)	(8,294)	396	–	(48)	(9)	16,713	800,495	(197,418)	603,077

(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

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 Industry (DoI) – Water.

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

Land is not depreciated unless it was acquired to be controlled by the council for a specified period of time. Depreciation on other assets is calculated using the straight-line method to allocate their carrying amount, net of their residual values, over their estimated remaining useful lives as follows:

Plant and equipment	Years	Water and sewer assets	Years
Office equipment	10	Water - Mains	80 to 90
Office furniture	10 to 20	Water - Pumping Stations	30 to 80
Computer equipment	4	Water Dam	100
Plants - Light vehicles	1	Water - Reservoirs	40 to 80
Plants - Heavy plant/road making equipment	10 - 15	Water - Treatment Works	30 to 80
Other plant and equipment	2 - 83	Sewerage - Ancilliary	30 to 50
		Sewerage - Pumping Stations	30
		Sewerage - Treatment Works	30 to 70
		Sewerage - Mains	70 to 210
Transportation assets		Stormwater assets	
Sealed roads: surface	30	Drains	80
Sealed roads: pavement base	50		
Sealed roads: pavement sub-base	Infinite		
Unsealed roads surface:			
- depreciable component	25		
- non-depreciable component	Infinite	Buildings	
Bulk earthworks	Infinite	Buildings	15 to 75
Bridge: concrete	100		
Bridge: timber	80	Other infrastructure assets	
Kerb, gutter and footpaths	80	Swimming pools	50
		Other open space/ recreational assets	10 to 100

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. As at 30 June 2023 only vehicle assets had residual values.

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

Land under roads

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

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

Crown reserves

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

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.

C2 Leasing activities

C2-1 Council as a lessee

Information relating to the leases in place and associated balances and transactions is provided below.

Buildings

Council leases land for operational purposes. The land leases contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for periods between 2 and 6 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right-of-use assets

	Office and IT equipment \$ '000	Land \$ '000	Total \$ '000
2025			
Opening balance at 1 July	103	103	206
Depreciation charge	(52)	(8)	(60)
Balance at 30 June	51	95	146
2024			
Opening balance at 1 July	154	110	264
Depreciation charge	(51)	(7)	(58)
Balance at 30 June	103	103	206

(b) Lease liabilities

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Lease liabilities	41	96	56	137
Total lease liabilities	41	96	56	137

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

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

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
2025					
Cash flows	62	72	78	212	137
2024					
Cash flows	62	81	78	221	193

(d) Income Statement

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

	2025 \$ '000	2024 \$ '000
Interest on lease liabilities	3	8
Depreciation of right of use assets	60	59
	63	67

(e) Statement of Cash Flows

Total cash outflow for leases	62	62
	62	62

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

Council has a lease at significantly below market for land and building which is used for School of Arts.

The lease is for 80 years and requires payments of a maximum amount of \$1 per year. The use of the right-to-use asset is restricted by the lessor to specified community services which Council must provide, these services are detailed in the lease. Council does not believe that this lease is material from a statement of financial position or performance perspective.

Material accounting policy information

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

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (below \$10,000). Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

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

	2025 \$ '000	2024 \$ '000
Lease income (excluding variable lease payments not dependent on an index or rate)	18	–
Total income relating to operating leases for investment property assets	18	–

(i) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	188	155
Total income relating to operating leases for Council assets	188	155

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

< 1 year	188	155
1–2 years	188	155
2–3 years	188	155
3–4 years	188	155
4–5 years	188	155
> 5 years	188	155
Total undiscounted lease payments to be received	1,128	930

C3 Liabilities of Council

C3-1 Payables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Goods and services	2,431	–	6,669	–
Accrued expenses:				
– Borrowings	207	–	228	–
– Salaries and wages	203	–	166	–
Advances	7	–	7	–
Security bonds, deposits and retentions	327	–	342	–
Other	37	–	24	–
Trust account	69	–	69	–
Total payables	3,281	–	7,505	–

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

		2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
	Notes				
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	6,547	–	10,778	–
Total grants received in advance		6,547	–	10,778	–
Total contract liabilities		6,547	–	10,778	–

Notes

(i) Drop due to mostly completion of works on a number of grant funded capital projects.

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

	2025 \$ '000	2024 \$ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	8,345	4,716
Total revenue recognised that was included in the contract liability balance at the beginning of the period	8,345	4,716

Significant changes in contract liabilities

Drop due to completion of works on a number of grant funded capital projects.

C3-3 Borrowings

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Loans – secured ¹	982	18,412	987	19,141
Total borrowings	982	18,412	987	19,141

(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

	2024	Non-cash movements					2025
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	20,128	(734)	–	–	–	–	19,394
Lease liability (Note C2-1)	193	(56)	–	–	–	–	137
Total liabilities from financing activities	20,321	(790)	–	–	–	–	19,531

	2023	Non-cash movements					2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	21,078	(950)	–	–	–	–	20,128
Lease liability (Note C2-1)	247	(54)	–	–	–	–	193
Total liabilities from financing activities	21,325	(1,004)	–	–	–	–	20,321

C3-3 Borrowings (continued)

(b) Financing arrangements

	2025 \$ '000	2024 \$ '000
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Total facilities

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

Credit cards/purchase cards	50	50
Standby credit facilities	–	5,000

Total financing arrangements	50	5,050
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Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	12	5
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Total drawn financing arrangements	12	5
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Undrawn facilities

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

– Credit cards/purchase cards	38	45
– Standby credit facilities	–	5,000

Total undrawn financing arrangements	38	5,045
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Additional financing arrangements information

Breaches and defaults

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

C3-4 Employee benefit provisions

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Annual leave	634	–	621	–
Long service leave	950	–	615	–
Total employee benefit provisions	1,584	–	1,236	–

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

	2025 \$ '000	2024 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,197	832
	1,197	832

Material accounting policy information

Long-term employee benefit obligations

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

C3-5 Provisions

	2025 Current \$ '000	2025 Non-Current \$ '000	2024 Current \$ '000	2024 Non-Current \$ '000
Other provisions				
Workers compensation	60	–	43	–
Sub-total – other provisions	60	–	43	–
Asset remediation/restoration:				
Asset remediation/restoration (future works)	1,956	825	1,897	828
Sub-total – asset remediation/restoration	1,956	825	1,897	828
Total provisions	2,016	825	1,940	828

Description of and movements in provisions

	Other provisions		
	Workers compen- sation \$ '000	Asset remediation \$ '000	Total \$ '000
2025			
At beginning of year	43	2,725	2,768
Unwinding of discount	–	121	121
Effect of de-recognition of provision through profit and loss (Note B2-3)	–	(2)	(2)
Re-measurement effect through asset (Note C1-7)	–	(1)	(1)
Amounts used (payments)	–	(62)	(62)
Other	17	–	17
Total other provisions at end of year	60	2,781	2,841
2024			
At beginning of year	34	2,781	2,815
Unwinding of discount	–	120	120
Effect of de-recognition of provision through profit and loss (Note B2-3)	–	(128)	(128)
Re-measurement effect through asset (Note C1-7)	–	(48)	(48)
Other	9	–	9
Total other provisions at end of year	43	2,725	2,768

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

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually

C3-5 Provisions (continued)

during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

	General 2025 \$ '000	Water 2025 \$ '000	Sewer 2025 \$ '000
Income from continuing operations			
Rates and annual charges	10,680	1,644	2,946
User charges and fees	1,528	1,653	240
Interest and investment income	2,889	49	142
Other revenues	343	6	10
Grants and contributions provided for operating purposes	11,685	168	222
Grants and contributions provided for capital purposes	17,594	3,341	52
Other income	206	–	–
Total income from continuing operations	44,925	6,861	3,612
Expenses from continuing operations			
Employee benefits and on-costs	7,082	471	309
Materials and services	11,005	1,484	1,393
Borrowing costs	648	232	110
Other expenses	599	–	–
Net losses from the disposal of assets	2,715	468	–
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	22,049	2,655	1,812
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	22,876	4,206	1,800
Depreciation, amortisation and impairment of non-financial assets	7,337	1,196	664
Operating result from continuing operations	15,539	3,010	1,136
Net operating result for the year	15,539	3,010	1,136
Net operating result attributable to each council fund	15,539	3,010	1,136
Net operating result for the year before grants and contributions provided for capital purposes	(2,055)	(331)	1,084

D1-2 Statement of Financial Position by fund

	General 2025 \$ '000	Water 2025 \$ '000	Sewer 2025 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	47,461	2,954	9,691
Investments	2,000	–	–
Receivables	2,337	1,221	308
Inventories	220	–	–
Contract assets and contract cost assets	3,813	361	38
Total current assets	55,831	4,536	10,037
Non-current assets			
Infrastructure, property, plant and equipment	551,666	57,746	24,287
Right of use assets	146	–	–
Total non-current assets	551,812	57,746	24,287
Total assets	607,643	62,282	34,324
LIABILITIES			
Current liabilities			
Payables	2,842	279	160
Income received in advance	(5)	5	–
Contract liabilities	6,547	–	–
Lease liabilities	41	–	–
Borrowings	530	286	166
Employee benefit provision	1,584	–	–
Provisions	2,016	–	–
Total current liabilities	13,555	570	326
Non-current liabilities			
Lease liabilities	96	–	–
Borrowings	11,907	5,081	1,424
Provisions	825	–	–
Total non-current liabilities	12,828	5,081	1,424
Total liabilities	26,383	5,651	1,750
Net assets	581,260	56,631	32,574
EQUITY			
Accumulated surplus	217,535	28,446	17,085
IPPE revaluation surplus	363,725	28,185	15,489
Council equity interest	581,260	56,631	32,574
Total equity	581,260	56,631	32,574

D2 Interests in other entities

D2-1 Subsidiaries, joint arrangements and associates not recognised

North West Weight of Loads Committee (NWWLC)

Council joined the North West Weight of Loads Committee (NWWLC) in March 2021. The NWWLC is a joint venture between the Council of the Shire of Moree Plains, the Council of the Shire of Narrabri, the Western Plains Regional Council, the Council of the Shire of Glen Innes Severn, the Council of the Shire of Gunnedah, the Council of the Shire of Tenterfield, the Council of the Shire of Inverell and the Council of the Shire of Warrumbungle.

Council's interest in the group capital is 12.5% with no control or significant influence over the group's activity. The principal activity of the NWWLC is the checking and enforcement of load weights carried by heavy vehicles on roads within the above named Council boundaries.

Tenterfield Shire Council's member contribution to the NWWLC in 2025 financial year was \$24,634.20 (2024: zero).

For the period ended 30 June 2025 NWWLC's net operating income attributable to Tenterfield Shire Council was zero (2024: \$28,723.75).

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is carried out by the finance team under policies approved by the Councillors.

The fair value of receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

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

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

(a) Market risk – interest rate and price risk

	2025	2024
	\$ '000	\$ '000

The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates

– Equity / Income Statement	427	483
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(b) Credit risk

Council's receivables for the purposes of credit risk exposure comprise two categories:

1) Category 1: rates and annual charges (including interests on outstanding rates); statutory entitlements (GST receivable); government grants and subsidies; accrued grants income; and interest on investments.

2) Category 2: user charges and fees; private works; other debtors.

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.

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

Credit risk profile

Receivables – Category 1

Rates and annual charges (including interest on overdue rates debtors)

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.

Government grants, subsidies, GST receivable

Credit risk on this type of debtors is negligible due to allocation of the funds to the council for the whole period of fund agreements, absence of evidence of default of the Australian Government in the past, currently and in the future and timely payments made by the government.

Interest on investments

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.

Contract Assets

This class of assets comprises of accrued income under various government grants. Credit risk on this type of accruals is negligible due to allocation of the funds to the council for the whole period of fund agreements, absence of evidence of default of the Australian Government in the past, currently and in the future and timely payments made by the government.

	Not yet overdue \$ '000	overdue rates and annual charges < 5 years \$ '000	≥ 5 years \$ '000	Total \$ '000
2025				
Gross carrying amount - Receivables (AASB 9)	794	–	–	794
Contract Assets (AASB 15 and AASB 1058)	4,212	–	–	4,212
2024				
Gross carrying amount - Receivables (AASB 9)	720	–	–	720
Contract Assets (AASB 15 and AASB 1058)	2,490	–	–	2,490

Receivables - Category 2

Fees and charges, Private works and other debtors

Council applies the simplified approach for Category 2 debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, Category 2 debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2024 is determined as follows. The expected credit losses incorporate forward-looking information.

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts 31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	Total \$ '000
2025						
Gross carrying amount	2,588	71	260	208	–	3,127
Expected loss rate (%)	0.22%	10.00%	0.17%	20.02%	0.00%	1.75%
ECL provision	6	7	–	42	–	55
2024						
Gross carrying amount	4,513	8	5	250	–	4,776
Expected loss rate (%)	0.04%	5.00%	15.00%	20.90%	0.00%	1.16%
ECL provision	2	–	1	52	–	55

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

(c) Liquidity risk

Payables, lease liability and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. 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 (for lease liability maturity analysis refer to Note C2-1) and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2025							
Payables	0.00%	327	2,954	–	–	3,281	3,281
Loans	4.17%	–	1,784	6,980	18,158	26,922	19,394
Total financial liabilities		327	4,738	6,980	18,158	30,203	22,675
2024							
Payables	0.00%	342	7,163	–	–	7,505	7,505
Loans	4.63%	–	1,867	6,888	19,957	28,712	20,128
Total financial liabilities		342	9,030	6,888	19,957	36,217	27,633

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

Fair value measurement hierarchy								
Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Infrastructure, property, plant and equipment	C1-7							
Plant and equipment		30/06/18	–	–	7,224	7,803	7,224	7,803
Office equipment		30/06/16	–	–	152	214	152	214
Furniture and fittings		30/06/16	–	–	184	204	184	204
Crown land	30/06/21	30/06/21	–	–	4,735	4,735	4,735	4,735
Land – operational	30/06/23	30/06/23	8,212	7,458	–	–	8,212	7,458
Land – community	30/06/21	30/06/21	–	–	1,793	1,793	1,793	1,793
Land under roads	30/06/14	30/06/14	–	–	13	13	13	13
Land improvements – depreciated	30/06/21	30/06/21	–	–	4,513	3,540	4,513	3,540
Buildings	30/06/23	30/06/23	–	–	32,853	31,903	32,853	31,903
Other structures	29/06/21	30/06/21	–	–	3,634	3,452	3,634	3,452
Roads	30/06/24	30/06/24	–	–	273,109	264,032	273,109	264,032
Bulk earthworks	30/06/21	30/06/21	–	–	127,779	123,459	127,779	123,459
Footpaths	30/06/24	30/06/24	–	–	3,478	3,448	3,478	3,448
Bridges	30/06/24	30/06/24	–	–	75,064	67,137	75,064	67,137
Stormwater assets	30/06/24	30/06/24	–	–	4,033	4,069	4,033	4,069
Water supply assets	30/06/22	30/06/22	–	–	45,877	45,438	45,877	45,438
Sewerage network	30/06/22	30/06/22	–	–	22,685	22,538	22,685	22,538
Swimming pools	30/06/21	30/06/21	–	–	336	346	336	346
Open space and recreation	30/06/21	30/06/21	–	–	5,323	5,141	5,323	5,141
Library books	30/06/21	30/06/21	–	–	2	13	2	13
Tip assets	30/06/22	30/06/22	–	–	112	315	112	315
Quarry assets	30/06/22	30/06/22	–	–	32	35	32	35
Total infrastructure, property, plant and equipment			8,212	7,458	612,931	589,628	621,143	597,086

Valuation techniques

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

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

E2-1 Fair value measurement (continued)

Infrastructure, property, plant and equipment (IPPE)

Crown Land

All valuations of Crown Land are based upon the land valuations issued by the Valuer - General. Crown Land was valued as at 30 June 2021 using the 1 July 2019 VG valuation data. There has been no change to the valuation process during the reporting period.

Community Land

All valuations of Community Land are based upon the land valuations issued by the Valuer - General. Community Land was valued as at 30 June 2021. There has been no change to the valuation process during the reporting period.

Operational Land

The valuation of Operational Land has been based upon relevant sales in the area. In certain locations there was a lack of appropriate comparable sales evidence and in these instances the closest comparable sales and factors relating the land parcels geographic, land use and zoning were also taken into consideration. The last valuation was undertaken at 30 June 2023 by APV Valuers & Asset Management. There has been no change to the valuation process during the reporting period.

Other Structures, Swimming Pools and Open Space & Recreation Assets

The valuation process involved current replacement cost approach. Unobservable inputs such as replacement cost, asset condition and useful life required extensive professional judgement. The unobservable inputs place this class of asset at Level 3. The last valuation was undertaken on 30 June 2021 by APV Valuers and Asset Management Pty Ltd. There has been no change to the valuation process during the reporting period.

Plant & Equipment, Office Equipment, Furniture & Fittings and Library Books

Plant & Equipment, Furniture & Fittings, Library Books and Office Equipment are valued at cost but disclosed at fair value in the Notes of the financial statements. It is assumed that the carrying amount of these asset classes is approximate fair value. Assets include graders, motor vehicles, mowers, chainsaws, computers, tables, chairs, lighting, library books and resources. The key unobservable input is the condition of the assets. There has been no change to the valuation process during the reporting period.

Buildings

Buildings assets are valued externally. Council engaged APV Valuers & Asset Management to perform a comprehensive valuation of buildings assets as at 30 June 2023.

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

There were no changes in valuation technique from prior year.

Water supply and Sewerage network assets

Due to specialised nature of the assets all water and sewer network assets were valued using cost approach with the Level 3 input dominating the valuation. As a result, this class of assets is always valued externally with sufficient regularity to ensure carrying amount of the assets is not materially different to fair value. Council engaged independent professional valuer, Australis Asset Advisory Group, to perform a comprehensive revaluation of its water and sewerage supply network assets as at 30 June 2022.

Valuer applied significant judgement in determining following inputs into the valuation process: unit rates, condition assessment and obsolescence, useful life. The valuation technique has not changed from previous year.

Transportation assets

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

E2-1 Fair value measurement (continued)

This valuation relies on key unobservable inputs such as unit rates, condition ratings, useful life. The key unobservable inputs and no active market place these assets categories at Level 3. The last valuation was undertaken on 30 June 2024 by AVR Consulting.

Remediation Assets for Tips and Quarries

Restoration, cell capping, leachate collection and site closures have been recognised as significant costs for the remediation assets. In particular, the closing of a landfill site will include preparation, final cell capping, site re-vegetation and leachate management. The key unobservable inputs are discount rate, estimated costs, legislative requirements, and timing of remediation and indexation of labour costs. Council engaged an external independent valuation firm (Australis) to update critical estimates related to rehabilitation of a tip and used internal expertise to update critical estimates for remediation of quarries on 30 June 2022.

Fair value measurements using significant unobservable inputs (level 3)

There were no movements between levels of hierarchy during the year. The operational land level of hierarchy was adjusted to Level 2 retrospectively. For schedule of changes in values please refer to Note C1-6.

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

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

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

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

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June.

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

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

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

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

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

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

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the Scheme and recognised as an expense for the year ending 30 June 2025 was \$31,653.70. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2024.

Council's expected contribution to the plan for the next annual reporting period is \$8,891.09.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2024 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.9	105.0%
Vested Benefits	2,130.4	103.2%

* excluding member accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.17%

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

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by me as the Fund's Actuary, the final end of year review will be completed by December 2025..

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

E3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

	2025 \$ '000	2024 \$ '000
Compensation:		
Short-term benefits	715	615
Post-employment benefits	78	57
Interim general manager contract	—	145
Total	793	817

F1-2 Councillor and Mayoral fees and associated expenses

	2025	2024
	\$ '000	\$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	29	28
Councillors' fees	130	117
Other Councillors' expenses (including Mayor)	63	33
Total	222	178

F2 Other relationships

F2-1 Audit fees

	2025	2024
	\$ '000	\$ '000

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services		
Audit and review of financial statements	87	84
Remuneration for audit and other assurance services	87	84
Total Auditor-General remuneration	87	84
Total audit fees	87	84

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

	2025 \$ '000	2024 \$ '000
Net operating result from Income Statement	19,685	18,920
Add / (less) non-cash items:		
Depreciation and amortisation	9,197	8,177
(Gain) / loss on disposal of assets	3,183	5,340
Net effect from de-recognition of remediation provision	—	—
Unwinding of discount rates on reinstatement provisions	121	120
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(812)	550
(Increase) / decrease of inventories	(101)	102
(Increase) / decrease of contract asset	(1,722)	11,759
Increase / (decrease) in payables	(4,238)	2,364
Increase / (decrease) in accrued interest payable	(21)	(46)
Increase / (decrease) in other accrued expenses payable	37	(21)
Increase / (decrease) in other liabilities	(2)	(361)
Increase / (decrease) in contract liabilities	(4,231)	6,062
Increase / (decrease) in employee benefit provision	348	(4)
Increase / (decrease) in other provisions	(48)	(167)
Net cash flows from operating activities	21,396	52,795

G2-1 Commitments

Capital commitments (exclusive of GST)

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

Property, plant and equipment

Water Supply	275	1,996
Plant and equipment	560	—
Sewer Network	16	—
Waste Management	2,176	3,504
Roads	13,009	9,965
Parks	8	5
Buildings	—	75
Other	201	37
Total commitments	16,245	15,582

These expenditures are payable as follows:

Within the next year	16,245	15,582
Total payable	16,245	15,582

Sources for funding of capital commitments:

Unrestricted general funds	331	578
Future grants and contributions	9,197	2,765
Externally restricted reserves	6,717	3,854
Internally restricted reserves	—	8,385
Total sources of funding	16,245	15,582

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed. No other matters have arisen subsequent to balance date that would require these financial statements to be amended

G4 Statement of developer contributions

G4-1 Summary of developer contributions

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Expenditure during year and transfers to unrestricted \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
Drainage	9	2	–	–	2	–	–	13	–
Roads	856	386	–	–	33	–	–	1,275	–
New multi-residential development	115	–	–	–	54	–	–	169	–
Open space	12	5	–	–	–	–	–	17	–
Community facilities	33	12	–	–	–	–	–	45	–
Emergency services	64	26	–	–	2	–	–	92	–
Waste management	118	47	–	–	4	–	–	169	–
Other	35	15	–	–	1	–	–	51	–
S7.11 contributions – under a plan	1,242	493	–	–	96	–	–	1,831	–
Total S7.11 and S7.12 revenue under plans	1,242	493	–	–	96	–	–	1,831	–
S64 contributions	224	33	–	–	–	–	–	257	–
Total contributions	1,466	526	–	–	96	–	–	2,088	–

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.

G4-2 Developer contributions by plan

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Expenditure during year and transfers to unrestricted \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
CONTRIBUTION PLAN NUMBER 2013									
Drainage	9	2	–	–	2	–	–	13	–
Roads	856	386	–	–	33	–	–	1,275	–
New multi-residential development	115	–	–	–	54	–	–	169	–
Open space	12	5	–	–	–	–	–	17	–
Community facilities	33	12	–	–	–	–	–	45	–
Emergency services	64	26	–	–	2	–	–	92	–
Waste management	118	47	–	–	4	–	–	169	–
Other	35	15	–	–	1	–	–	51	–
Total	1,242	493	–	–	96	–	–	1,831	–

End of the audited financial statements

Statement of performance measures

Statement of performance measures – consolidated results

	Amounts 2025 \$ '000	Indicator 2025	Indicators 2024 2023		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	1,881	5.47%	30.27%	16.55%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	34,411				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	22,336	40.32%	39.23%	24.08%	> 60.00%
Total continuing operating revenue ¹	55,398				
3. Unrestricted current ratio					
Current assets less all external restrictions	27,086	4.66x	1.95x	2.73x	> 1.50x
Current liabilities less specific purpose liabilities	5,811				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	12,068	6.78x	10.44x	8.34x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,780				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	927	5.71%	5.63%	3.86%	< 10.00%
Rates and annual charges collectable	16,243				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	62,106	24.44	39.82	15.76	> 3.00
Monthly payments from cash flow of operating and financing activities	2,541	months	months	months	months

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

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

Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2025	2024	2025	2024	2025	2024	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	4.13%	33.07%	(9.40)%	(7.58)%	30.45%	40.63%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	34.83%	31.94%	48.86%	64.64%	92.41%	98.25%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	4.66x	1.95x	7.96x	5.53x	30.79x	46.66x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	6.34x	12.93x	4.73x	3.23x	16.89x	9.36x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding ⁴	5.39%	5.28%	6.83%	6.90%	6.23%	6.26%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	22.39 months	112.86 months	16.28 months	14.21 months	64.00 months	7.69 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(4) Water and sewer rates and annual charges outstanding ratios were adjusted for 2023 financial year

(1) - (2) Refer to Notes at Note G5-1 above.

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

Council information and contact details

Principal place of business:

247 Rouse Street
Tenterfield NSW 2372

Contact details

Mailing Address:

PO Box 214
Tenterfield NSW 2372

Telephone: 02 6736 6000

Facsimile: 02 6736 6005

Opening hours:

9:00am - 4:30pm
Monday to Friday

Internet: www.tenterfield.nsw.gov.au

Email: council@tenterfield.nsw.gov.au

Officers

General Manager

Hein Basson

Responsible Accounting Officer

Jane Walton

Public Officer

Elizabeth Alley

Auditors

Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

Elected members

Mayor

Bronwyn Petrie

Councillors

Greg Sauer (Deputy Mayor)
Roger Turner
Tim Bonner
Gregory Purcell
Peter Petty
Peter Murphy
Kim Rhodes
Owen Bancroft
Tom Peters

Other information

ABN: 85 010 810 083



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Tenterfield Shire Council

To the Councillors of Tenterfield Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the statement of performance measures, 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
- on additional council disclosures 'Statement of performance measures'
- 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.



Furqan Yousuf
Delegate of the Auditor-General for New South Wales

22 October 2025
SYDNEY



Cr Bronwyn Petrie
Mayor
Tenterfield Shire Council
PO Box 214
TENTERFIELD NSW 2372

Contact: Furqan Yousuf
Phone no: 02 9275 7470
Our ref: R008-1981756498-5507

29 October 2025

Dear Mayor

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

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

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

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

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

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

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

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

INCOME STATEMENT

Financial performance

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	15.3	14.2	↑ 7.7
Grants and contributions provided for operating purposes revenue	12.1	18.7	↓ 35.3
Grants and contributions provided for capital purposes revenue	21.0	12.5	↑ 68.0
Operating result from continuing operations	19.7	18.9	↑ 4.2
Net Operating result for the year before grants and contributions provided for capital purposes	(1.3)	6.4	↓ 120

Operating result from continuing operations

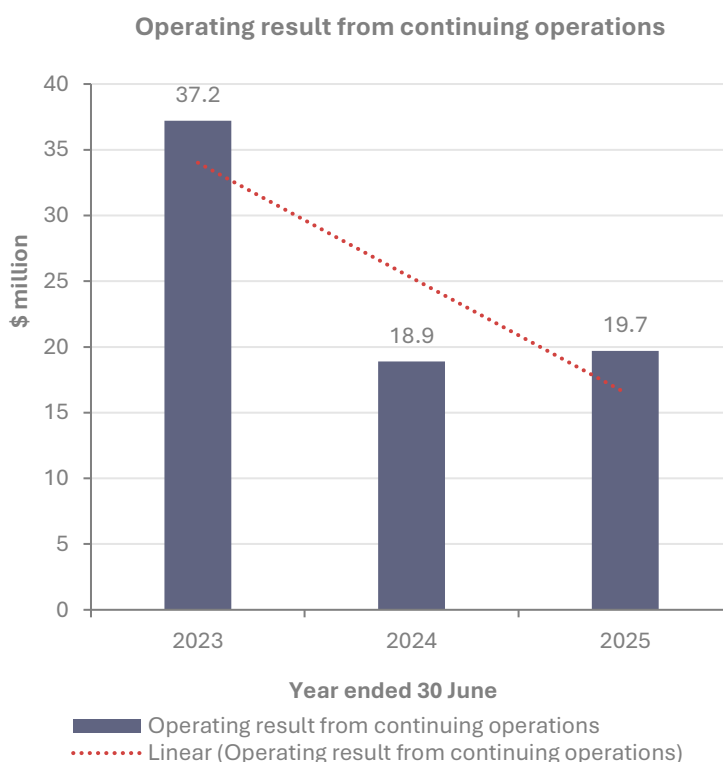
This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations has improved in the current financial year compared to previous financial year.

Council's operating result from continuing operations for the year was \$765,000 higher than the 2023–24 result.

In 2024–25:

- Depreciation, amortisation and impairment of non-financial assets expense (\$9.2 million) increased by \$1.0 million (12.5 per cent) mainly due to depreciation on fair value increments and additions from the previous financial year.
- Material and services expense (\$13.9 million) increased by \$4.1 million mainly due to operational works relating to disaster recovery funding from previous financial year.



The net operating result for the year before grants and contributions provided for capital purposes was negative \$1.3 million. Refer to ‘Grants and contributions revenue’ below for details.

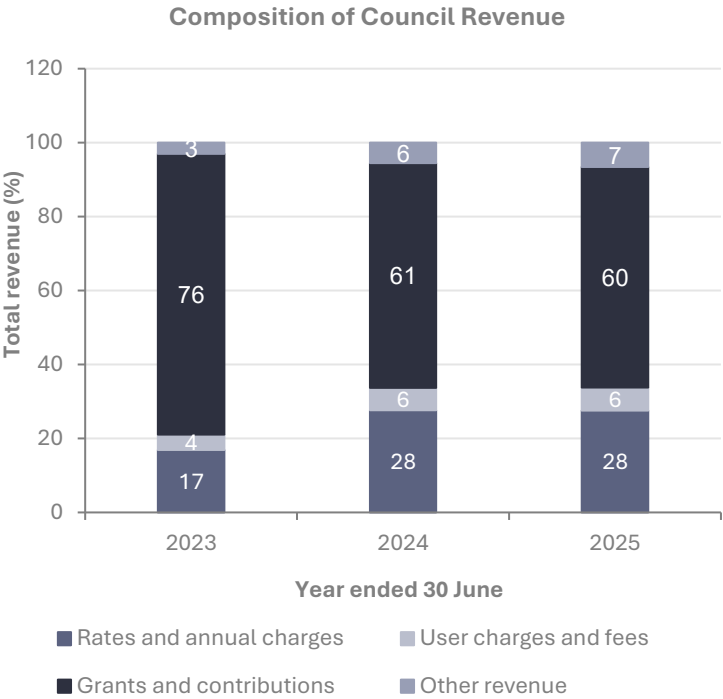
Income

Council revenue

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

Council revenue (\$55.4 million) increased by \$4.1 million (8.0 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$15.3 million) which increased by \$1.1 million (7.7 per cent) predominantly due to approved special rate variation increase of 5.7 per cent.
- user charges and fees revenue (\$3.4 million) which increased by \$305,000 (9.8 per cent) predominantly due to budgeted annual charges increases and private works undertaken during the year.
- grants and contributions revenue (\$33.1 million) which increased by \$1.9 million (6.0 per cent).



Grants and contributions revenue

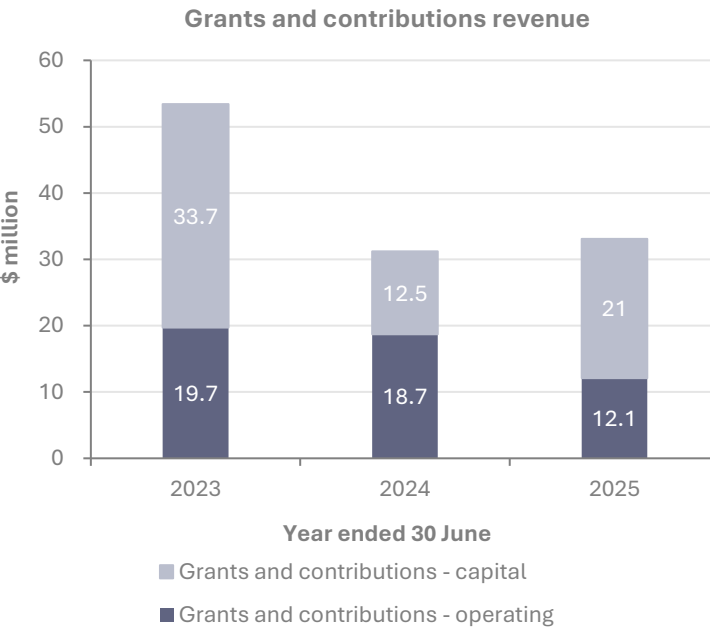
This graph shows the amount of grants and contributions revenue recognised for the current and prior two financial years.

Grants and contributions revenue (\$33.1 million) increased by \$1.9 million (6.0 per cent) in 2024–25 due to:

- increase of \$8.5 million of grants recognised for capital purposes predominantly for infrastructure assets relating to roads, bridges and water supply assets.

Offset by:

- decrease of \$6.6 million in operational grants due to receiving 50 per cent of the financial assistance grants for 2025–26 in advance (85 per cent for 2024–25) and one-off disaster recovery grants received in previous financial year.



CASH FLOWS

Statement of cash flows

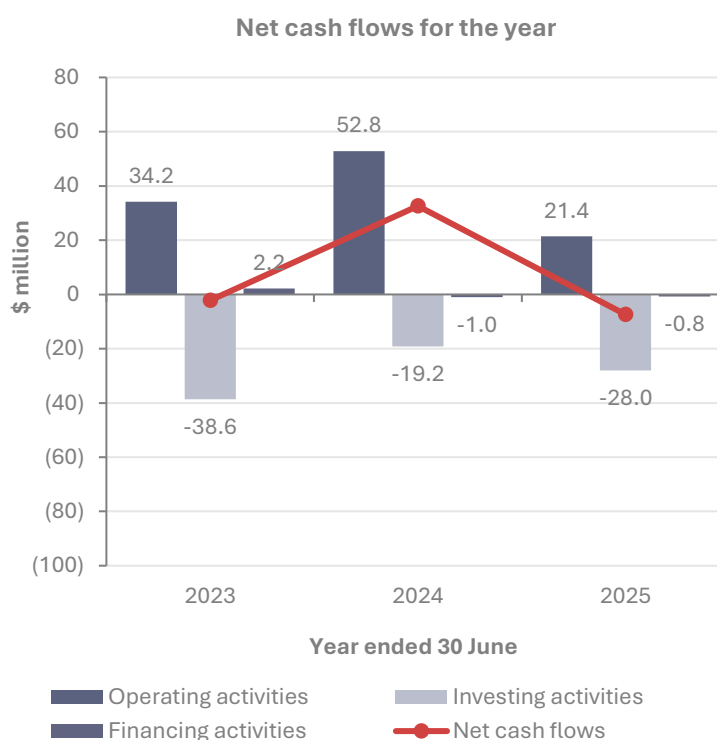
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating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

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

The net cash flows for the year were negative \$7.4 million (positive \$32.6 million in 2023–24).

In 2024–25 the net cashflows:

- from operating activities decreased by \$31.4 million, mainly due to decrease in grant funding received in the current financial year and increases in payments for materials and services relating to project works where the funding was received in advance in the previous financial year.
- used in investing activities increased by \$8.8 million, mainly due to increased spend on assets additions and renewals during the year.
- used in financing activities decreased by \$215,000, mainly due to decrease in 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.

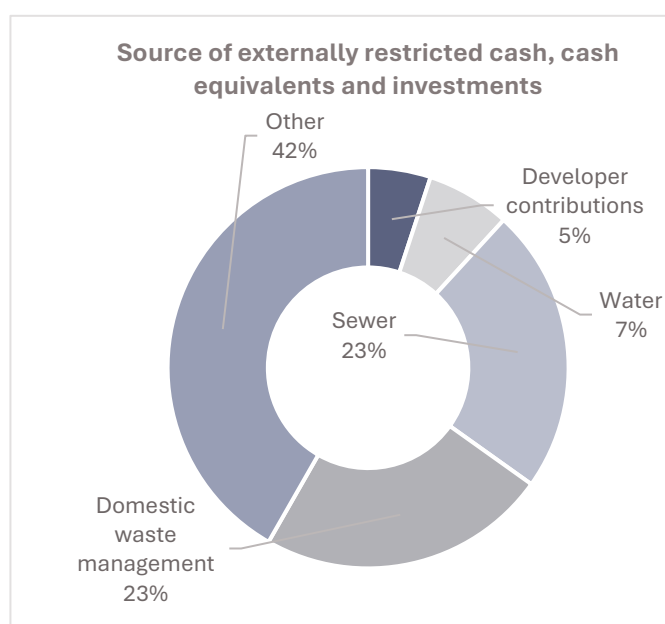
Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	62.1	68.5		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.
Restricted and allocated cash, cash equivalents and investments:				Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	41.4	52.2	66.6	External restrictions have decreased in 2024–25 due to completion of works on the funding received in advance/unspent grants in the previous financial year.
• Internal allocations	9.5	7.6	15.4	

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 \$2.1 million which increased by \$622,000, mainly due to cash contributions received and interest earned on the developer contributions balance.
- water charges of \$2.8 million which increased by \$457,000 from prior year.
- sewer charges of \$ 9.5 million which increased by \$1.8 million from prior year.
- domestic waste management charges of \$9.7 million which are consistent to prior year.

Other externally restricted cash, cash equivalents comprise of mainly unexpended grants and stormwater management.

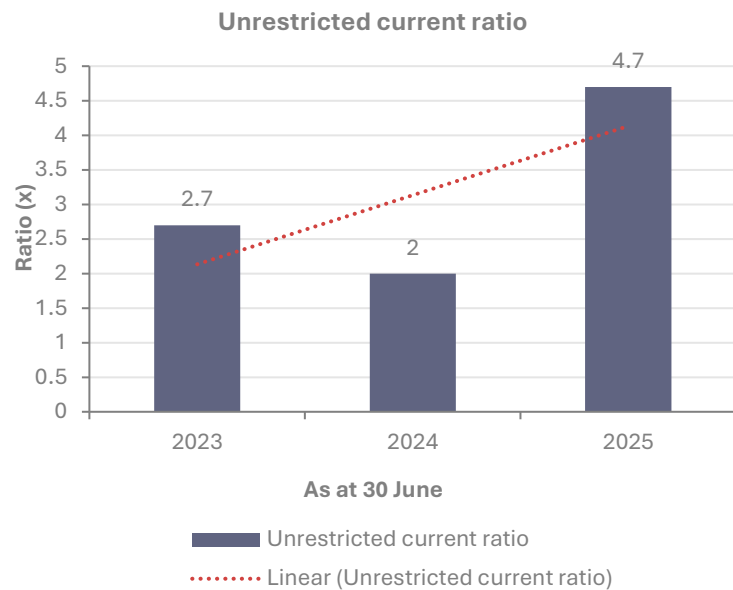


Council liquidity

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

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

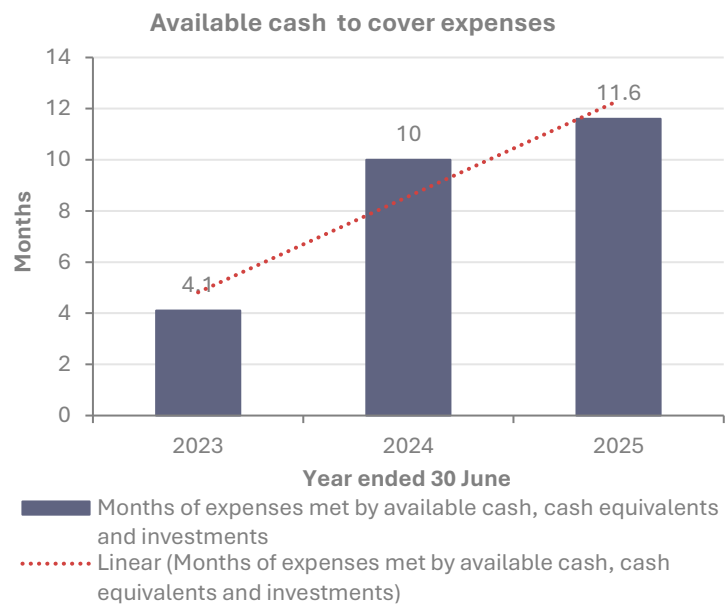
Council's ratio has improved from previous years.



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.

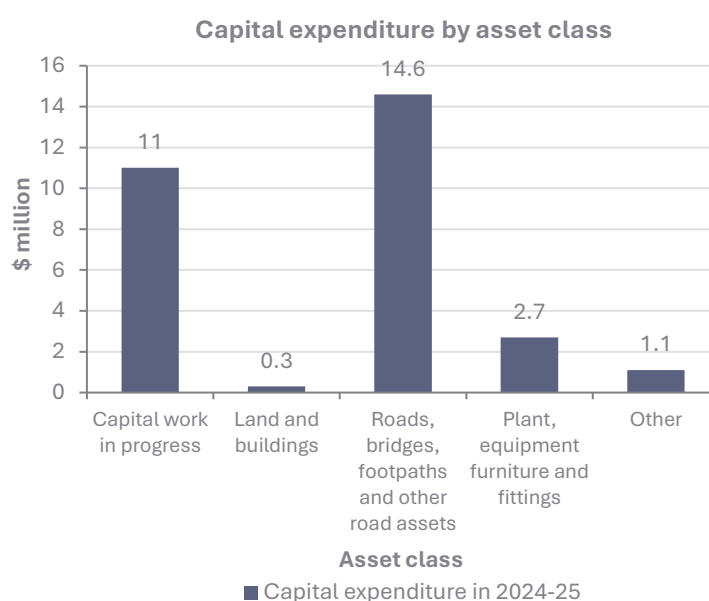
Council's ratio has improved in 2024-25.



Infrastructure, property, plant and equipment

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

Council renewed \$13.1 million of infrastructure, property, plant and equipment during the 2024–25 financial year. This was mainly spent on roads and plant and equipment. A further \$16.6 million was spent on new assets including bridges.



Debt

The table below provides an overview of the Council's loans and committed borrowing facilities.

Committed borrowing facilities are an element of liquidity management and include bank overdrafts, and credit cards.

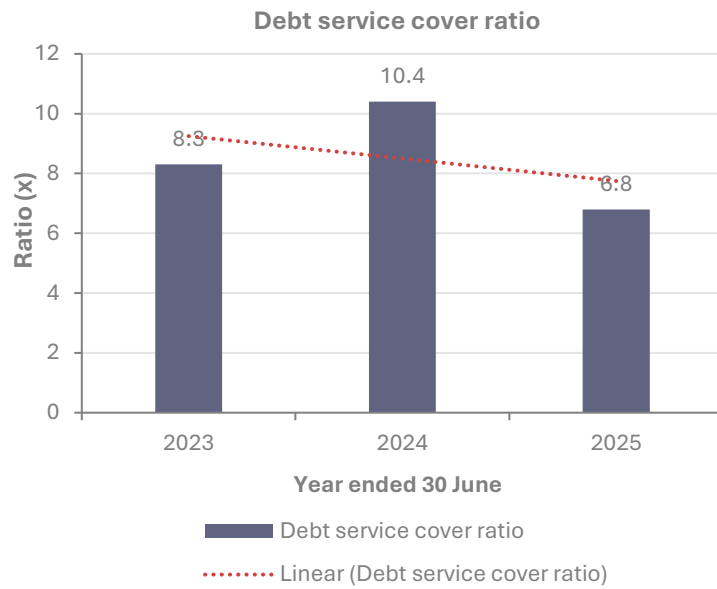
Debt	2025	2024	Commentary
	\$ '000	\$ '000	
Loans	19,394	20,128	Loans have decreased due to repayments during the year.
Approved overdraft facility	-	5,000	The overdraft facility was closed during the year.
Amount drawn down	-	-	
Credit card facility	50	50	
Amount used	12	5	

Debt service cover

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

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

The ratio has declined in 2024–25.



Furqan Yousuf
Director, Financial Audit

Delegate of the Auditor-General

Tenterfield Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

"Quality Nature, Quality Heritage and Quality Lifestyle"



Special Purpose Financial Statements

for the year ended 30 June 2025

Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
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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).

Tenterfield Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 September 2025.



Bronwyn Petrie

Mayor

24 September 2025



Greg Sauer

Deputy Mayor

24 September 2025



Hein Basson

General Manager

24 September 2025



Jane Walton

Responsible Accounting Officer

24 September 2025

Tenterfield Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2025

	2025 \$ '000	2024 \$ '000
Income from continuing operations		
Access charges	1,644	1,354
User charges	1,600	1,653
Fees	53	64
Interest and investment income	49	50
Grants and contributions provided for operating purposes	168	141
Other income	6	8
Total income from continuing operations	3,520	3,270
Expenses from continuing operations		
Employee benefits and on-costs	471	516
Borrowing costs	232	215
Materials and services	1,484	1,364
Depreciation, amortisation and impairment	1,196	898
Loss on de-recognition of assets	468	525
Total expenses from continuing operations	3,851	3,518
Surplus (deficit) from continuing operations before capital amounts	(331)	(248)
Grants and contributions provided for capital purposes	3,341	1,571
Surplus (deficit) from continuing operations after capital amounts	3,010	1,323
Surplus (deficit) from all operations before tax	3,010	1,323
Surplus (deficit) after tax	3,010	1,323
Plus accumulated surplus	25,436	24,113
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	28,446	25,436
Return on capital %	(0.2)%	(0.1)%
Subsidy from Council	2,501	2,354
Calculation of dividend payable:		
Surplus (deficit) after tax	3,010	1,323
Less: capital grants and contributions (excluding developer contributions)	(3,341)	(1,571)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

Tenterfield Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

	2025 \$ '000	2024 \$ '000
Income from continuing operations		
Access charges	2,946	2,791
User charges	190	202
Liquid trade waste charges	31	28
Fees	19	21
Interest and investment income	142	145
Grants and contributions provided for operating purposes	222	26
Other income	10	9
Total income from continuing operations	3,560	3,222
Expenses from continuing operations		
Employee benefits and on-costs	309	311
Borrowing costs	110	120
Materials and services	1,393	776
Depreciation, amortisation and impairment	664	628
Net loss from the disposal of assets	–	78
Total expenses from continuing operations	2,476	1,913
Surplus (deficit) from continuing operations before capital amounts	1,084	1,309
Grants and contributions provided for capital purposes	52	31
Surplus (deficit) from continuing operations after capital amounts	1,136	1,340
Surplus (deficit) from all operations before tax	1,136	1,340
Less: corporate taxation equivalent (25%) [based on result before capital]	(271)	(327)
Surplus (deficit) after tax	865	1,013
Plus accumulated surplus	15,949	14,609
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	271	327
Closing accumulated surplus	17,085	15,949
Return on capital %	4.9%	5.9%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	865	1,013
Less: capital grants and contributions (excluding developer contributions)	(52)	(31)
Surplus for dividend calculation purposes	813	982
Potential dividend calculated from surplus	407	491

Tenterfield Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2025

	2025 \$ '000	2024 \$ '000
ASSETS		
Current assets		
Contract assets and contract cost assets	361	563
Cash and cash equivalents	2,954	2,703
Receivables	1,221	1,156
Total current assets	4,536	4,422
Non-current assets		
Infrastructure, property, plant and equipment	57,746	53,978
Total non-current assets	57,746	53,978
Total assets	62,282	58,400
LIABILITIES		
Current liabilities		
Contract liabilities	—	207
Payables	279	364
Income received in advance	5	5
Borrowings	286	224
Total current liabilities	570	800
Non-current liabilities		
Borrowings	5,081	5,361
Total non-current liabilities	5,081	5,361
Total liabilities	5,651	6,161
Net assets	56,631	52,239
EQUITY		
Accumulated surplus	28,446	25,436
IPPE revaluation surplus	28,185	26,803
Total equity	56,631	52,239

Tenterfield Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

	2025 \$ '000	2024 \$ '000
ASSETS		
Current assets		
Contract assets and contract cost assets	38	—
Cash and cash equivalents	9,691	7,809
Receivables	308	263
Total current assets	10,037	8,072
Non-current assets		
Infrastructure, property, plant and equipment	24,287	24,259
Total non-current assets	24,287	24,259
Total assets	34,324	32,331
LIABILITIES		
Current liabilities		
Payables	160	56
Borrowings	166	117
Total current liabilities	326	173
Non-current liabilities		
Borrowings	1,424	1,344
Total non-current liabilities	1,424	1,344
Total liabilities	1,750	1,517
Net assets	32,574	30,814
EQUITY		
Accumulated surplus	17,085	15,949
IPPE revaluation surplus	15,489	14,865
Total equity	32,574	30,814

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. Tenterfield Shire Water Supplies

Water supply system servicing the towns of Tenterfield, Urbenville and Jennings.

b. Tenterfield Shire Sewerage Services

Sewerage reticulation and treatment system servicing the towns of Tenterfield and Jennings.

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

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

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

Income tax

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

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

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

(iii) Dividends

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

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

Note – Material accounting policy information (continued)

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Tenterfield Shire Council

To the Councillors of Tenterfield Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- Water supply
- Sewerage.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

Furqan Yousuf
Delegate of the Auditor-General for New South Wales

22 October 2025
SYDNEY

Tenterfield Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

"Quality Nature, Quality Heritage and Quality Lifestyle"



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Tenterfield Shire Council

Permissible income for general rates

	Notes	Calculation 2024/25 \$ '000	Calculation 2025/26 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	6,933	7,341
Plus or minus adjustments ²	b	(13)	(3)
Notional general income	c = a + b	6,920	7,338
Permissible income calculation			
Percentage increase	d	5.70%	5.24%
Plus percentage increase amount ³	f = d x (c + e)	394	385
Sub-total	g = (c + e + f)	7,314	7,723
Plus (or minus) last year's carry forward total	h	(7)	(33)
Sub-total	j = (h + i)	(7)	(33)
Total permissible income	k = g + j	7,307	7,690
Less notional general income yield	l	7,341	7,692
Catch-up or (excess) result	m = k - l	(33)	(2)
Carry forward to next year ⁶	p = m + n + o	(33)	(2)

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

Tenterfield Shire Council

To the Councillors of Tenterfield Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Furqan', with a stylized flourish extending to the right.

Furqan Yousuf
Delegate of the Auditor-General for New South Wales

22 October 2025
SYDNEY

Tenterfield Shire Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard		Estimated cost to bring assets to 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	Other	1	154	240	86	32,853	45,761			13.0%	42.0%	40.0%	4.0%	1.0%
	Sub-total	1	154	240	86	32,853	45,761			13.0%	42.0%	40.0%	4.0%	1.0%
Other structures	Other structures	501	659	155	155	3,634	6,614			16.0%	15.0%	46.0%	14.0%	9.0%
	Sub-total	501	659	155	155	3,634	6,614			16.0%	15.0%	46.0%	14.0%	9.0%
Roads	Roads	5,671	8,880	10,200	5,889	273,110	343,615			60.0%	13.0%	18.0%	7.0%	2.0%
	Bridges	2,586	12,199	1,500	25	75,064	122,090			20.0%	27.0%	32.0%	12.0%	9.0%
	Footpaths	22	—	—	—	3,477	4,883			34.0%	38.0%	26.0%	2.0%	0.0%
	Bulk earthworks	594	1,366	—	—	127,779	129,346			100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	8,873	22,445	11,700	5,914	479,430	599,934			60.3%	13.2%	17.0%	6.5%	3.0%
Water supply network	Other	2,362	4,826	647	647	45,877	71,730			22.0%	60.0%	6.0%	4.0%	8.0%
	Sub-total	2,362	4,826	647	647	45,877	71,730			22.0%	60.0%	6.0%	4.0%	8.0%
Sewerage network	Other	941	1,090	967	967	22,685	37,699			16.0%	36.0%	37.0%	8.0%	3.0%
	Sub-total	941	1,090	967	967	22,685	37,699			16.0%	36.0%	37.0%	8.0%	3.0%
Stormwater drainage	Other	1,543	2,851	120	15	4,033	9,941			1.0%	27.0%	33.0%	10.0%	29.0%
	Sub-total	1,543	2,851	120	15	4,033	9,941			1.0%	27.0%	33.0%	10.0%	29.0%
Open space / recreational assets	Swimming pools	531	1,348	55	13	337	1,703			1.0%	2.0%	3.0%	15.0%	79.0%
	Open Space & Recreation	220	275	345	345	5,322	6,873			60.0%	24.0%	6.0%	6.0%	4.0%
	Sub-total	751	1,623	400	358	5,659	8,576			48.3%	19.6%	5.4%	7.8%	18.9%
Total – all assets		14,972	33,648	14,229	8,142	594,171	780,255			50.6%	20.6%	18.7%	6.3%	3.8%

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

Infrastructure asset condition assessment 'key'

- 1 **Excellent/very good** No work required (normal maintenance)
 2 **Good** Only minor maintenance work required
 3 **Satisfactory** Maintenance work required

- 4 **Poor** Renewal required
 5 **Very poor** Urgent renewal/upgrading required

Tenterfield Shire Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

	Amounts 2025 \$ '000	Indicator 2025	Indicators 2024 2023		Benchmark
Buildings and infrastructure renewals ratio ¹					
Asset renewals ¹	13,128	157.41%	172.46%	207.22%	> 100.00%
Depreciation, amortisation and impairment	8,340				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	14,972	2.47%	3.27%	4.27%	< 2.00%
Net carrying amount of infrastructure assets	606,727				
Asset maintenance ratio					
Actual asset maintenance	8,142	57.22%	100.00%	100.00%	> 100.00%
Required asset maintenance	14,229				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	33,648	4.31%	5.67%	4.90%	
Gross replacement cost	780,255				

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

(1) Includes renewal works in Work In Progress (WIP).

(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.

Tenterfield Shire Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2025	2024	2025	2024	2025	2024	
Buildings and infrastructure renewals ratio ¹							
Asset renewals ¹	189.87%	191.25%	56.49%	114.48%	0.00%	87.35%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	2.17%	2.02%	5.15%	17.25%	4.15%	3.36%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	51.75%	100.00%	100.00%	100.00%	100.00%	100.00%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	4.13%	4.20%	6.73%	18.63%	2.89%	2.78%	
Gross replacement cost							

(1) Includes renewal works in Work In Progress (WIP).

(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.