

DRAFT

Eurobodalla Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

Eurobodalla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	71
On the Financial Statements (Sect 417 [3])	72

Overview

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

Cnr Vulcan & Campbell Streets
Moruya NSW 2537

- Council's guiding principles are detailed in Chapter 3 of the LGA and includes:
- principles applying to the exercise of functions generally by council,
 - principles to be applied when making decisions,
 - principles of community participation,
 - principles of sound financial management, and
 - principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

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

Eurobodalla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Eurobodalla 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 23 September 2025.

Mathew Hatcher
Mayor
23 September 2025

[Councillor]
Councillor
23 September 2025

Mark Ferguson
General Manager
23 September 2025

Stephanie Speedy
Responsible Accounting Officer
23 September 2025

Eurobodalla Shire Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
78,962	Rates and annual charges	B2-1	79,884	75,239
37,474	User charges and fees	B2-2	35,751	37,498
4,284	Other revenue	B2-3	3,948	4,033
18,053	Grants and contributions provided for operating purposes	B2-4	14,936	21,802
57,516	Grants and contributions provided for capital purposes	B2-4	41,350	69,372
5,390	Interest and investment income	B2-5	7,035	8,138
2,758	Other income	B2-6	2,793	2,574
204,437	Total income from continuing operations		185,697	218,656
	Expenses from continuing operations			
51,241	Employee benefits and on-costs	B3-1	54,586	51,358
46,265	Materials and services	B3-2	47,756	51,731
2,556	Borrowing costs	B3-3	2,747	4,075
2,023	Other expenses	B3-5	2,079	1,951
800	Net loss from the disposal of assets	B4-1	4,473	3,628
102,885	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		111,641	112,743
101,552	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		74,056	105,913
46,853	Depreciation, amortisation and impairment of non-financial assets	B3-4	46,978	45,376
54,699	Operating result from continuing operations		27,078	60,537
54,699	Net operating result for the year attributable to Council		27,078	60,537
(2,817)	Net operating result for the year before grants and contributions provided for capital purposes		(14,272)	(8,835)

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

Eurobodalla Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Net operating result for the year – from Income Statement		27,078	60,537
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	67,560	140,935
Amounts which will be reclassified subsequent to operating result when specific conditions are met			
Other movements		(7,147)	–
Total other comprehensive income for the year		60,413	140,935
Total comprehensive income for the year attributable to Council		87,491	201,472

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

DRAFT

Eurobodalla Shire Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	24,526	26,387
Investments	C1-2	147,030	132,020
Receivables	C1-4	16,358	26,233
Inventories	C1-5	1,595	1,888
Contract assets and contract cost assets	C1-6	315	11,347
Other		1,030	900
Total current assets		190,854	198,775
Non-current assets			
Investments	C1-2	8,000	–
Receivables	C1-4	5	5
Infrastructure, property, plant and equipment (IPPE)	C1-7	2,312,239	2,186,257
Right of use assets	C2-1	374	496
Non-current assets classified as held for sale		30	–
Total non-current assets		2,320,648	2,186,758
Total assets		2,511,502	2,385,533
LIABILITIES			
Current liabilities			
Payables	C3-1	16,034	17,841
Contract liabilities	C3-2	21,301	20,331
Lease liabilities	C2-1	188	131
Borrowings	C3-3	8,197	8,102
Employee benefit provisions	C3-4	12,445	12,209
Total current liabilities		58,165	58,614
Non-current liabilities			
Lease liabilities	C2-1	339	420
Borrowings	C3-3	86,925	55,122
Employee benefit provisions	C3-4	898	917
Provisions	C3-5	10,607	3,383
Total non-current liabilities		98,769	59,842
Total liabilities		156,934	118,456
Net assets		2,354,568	2,267,077
EQUITY			
Accumulated surplus	C4-1	1,155,363	1,121,236
IPPE revaluation surplus	C4-1	1,199,205	1,145,841
Council equity interest		2,354,568	2,267,077
Total equity		2,354,568	2,267,077

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

Eurobodalla Shire Council

Statement of Changes in Equity

for the year ended 30 June 2025

\$ '000	Notes	2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
Opening balance at 1 July		1,121,236	1,145,841	2,267,077	1,056,262	1,009,343	2,065,605
Net operating result for the year		27,078	–	27,078	60,537	–	60,537
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	67,560	67,560	–	140,935	140,935
Other reserves movements	C4-1	7,049	(14,196)	(7,147)	4,437	(4,437)	–
Other comprehensive income		7,049	53,364	60,413	4,437	136,498	140,935
Total comprehensive income		34,127	53,364	87,491	64,974	136,498	201,472
Closing balance at 30 June		1,155,363	1,199,205	2,354,568	1,121,236	1,145,841	2,267,077

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

Eurobodalla Shire Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Cash flows from operating activities				
Receipts:				
78,961	Rates and annual charges		79,506	75,306
39,233	User charges and fees		44,036	40,993
5,390	Interest received		7,552	7,645
75,569	Grants and contributions		59,770	80,841
–	Bonds, deposits and retentions received		489	–
5,284	Other		21,862	5,749
Payments:				
(51,241)	Payments to employees		(54,369)	(51,110)
(46,265)	Payments for materials and services		(71,277)	(53,760)
(2,556)	Borrowing costs		(2,747)	(2,847)
–	Bonds, deposits and retentions refunded		–	(1,420)
2,023	Other		(2,088)	(2,872)
106,398	Net cash flows from operating activities	G1-1	82,734	98,525
Cash flows from investing activities				
Receipts:				
–	Redemption of term deposits		63,000	82,990
883	Proceeds from sale of IPPE		674	1,307
8	Deferred debtors receipts		6	8
Payments:				
–	Acquisition of term deposits		(86,010)	(56,000)
(104,663)	Payments for IPPE		(94,302)	(117,792)
–	Purchase of real estate assets		162	(20)
(103,772)	Net cash flows from investing activities		(116,470)	(89,507)
Cash flows from financing activities				
Receipts:				
1,690	Proceeds from borrowings		40,000	–
Payments:				
(8,102)	Repayment of borrowings		(8,102)	(7,526)
–	Principal component of lease payments		(23)	(251)
(6,412)	Net cash flows from financing activities		31,875	(7,777)
(3,786)	Net change in cash and cash equivalents		(1,861)	1,241
25,146	Cash and cash equivalents at beginning of year		26,387	25,146
21,360	Cash and cash equivalents at end of year	C1-1	24,526	26,387
132,020	plus: Investments on hand at end of year	C1-2	155,030	132,020
153,380	Total cash, cash equivalents and investments		179,556	158,407

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

Eurobodalla Shire Council

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

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	15
B1 Functions or activities	15
B1-1 Functions or activities – income, expenses and assets	15
B1-2 Components of functions or activities	16
B2 Sources of income	18
B2-1 Rates and annual charges	18
B2-2 User charges and fees	19
B2-3 Other revenue	20
B2-4 Grants and contributions	20
B2-5 Interest and investment income	23
B2-6 Other income	24
B3 Costs of providing services	25
B3-1 Employee benefits and on-costs	25
B3-2 Materials and services	25
B3-3 Borrowing costs	26
B3-4 Depreciation, amortisation and impairment of non-financial assets	26
B3-5 Other expenses	27
B4 Gains or losses	28
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	28
B5 Performance against budget	29
B5-1 Material budget variations	29
C Financial position	30
C1 Assets we manage	30
C1-1 Cash and cash equivalents	30
C1-2 Financial investments	30
C1-3 Restricted and allocated cash, cash equivalents and investments	31
C1-4 Receivables	32
C1-5 Inventories	34
C1-6 Contract assets and Contract cost assets	35
C1-7 Infrastructure, property, plant and equipment	36
C2 Leasing activities	40
C2-1 Council as a lessee	40
C2-2 Council as a lessor	42
C3 Liabilities of Council	43
C3-1 Payables	43
C3-2 Contract Liabilities	43
C3-3 Borrowings	44
C3-4 Employee benefit provisions	45
C3-5 Provisions	47
C4 Reserves	48

Eurobodalla Shire Council

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

C4-1 Nature and purpose of reserves	48
D Council structure	49
D1 Results by fund	49
D1-1 Income Statement by fund	49
D1-2 Statement of Financial Position by fund	49
E Risks and accounting uncertainties	51
E1-1 Risks relating to financial instruments held	51
E2-1 Fair value measurement	54
E3-1 Contingencies	58
F People and relationships	61
F1 Related party disclosures	61
F1-1 Key management personnel (KMP)	61
F1-2 Councillor and Mayoral fees and associated expenses	62
F2 Other relationships	62
F2-1 Audit fees	62
G Other matters	63
G1-1 Statement of Cash Flows information	63
G2-1 Commitments	64
G3-1 Events occurring after the reporting date	64
G4 Statement of developer contributions	65
G4-1 Summary of developer contributions	65
G4-2 Developer contributions by plan	65
G4-3 Contributions not under plans	68
G4-4 S7.4 planning agreements	68
G4-5 S64 contributions	68

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 23 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 principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

A1-1 Basis of preparation (continued)

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water Supply Fund
- Sewerage Fund
- Domestic and Non-Domestic Waste Fund
- Environmental Fund
- Broulee Tennis Courts Committee
- Moruya Showground Committee
- Tuross Memorial Gardens Committee
- Kyla Hall 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.

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- J Britten Award
- K E Snell Land Acquisition Compensation
- Unidentified cash receipts and deposits

Unidentified cash receipts and deposits are monies held in trust relating to net proceeds on the sale of property for unpaid rates, and other receipts and deposits normally returned to the owner or applied to their accounts where they can be identified and contacted. These funds are held for six years, after which time they are remitted to the Office of State Revenue.

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 has many volunteers working in various areas. These volunteer services have not been recognised as income as per AASB 1058.18. This is because the fair value of such services cannot be reliably measured and it would not have been purchased if they were not donated.

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

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

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

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

New accounting standards adopted during the year

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. None of these standards had a significant impact on reported position or performance

DRAFT

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
Ageing and disability services	6,537	6,188	8,590	7,520	(2,053)	(1,332)	1,246	708	–	4,885
Business, tourism and attractions	4,606	5,847	3,535	2,691	1,071	3,156	4,460	5,720	–	319
Children and youth services	2,128	2,238	3,043	2,534	(915)	(296)	763	881	–	2,083
Commercial services	4,412	3,631	1,702	1,885	2,710	1,746	875	195	–	103,047
Community and cultural development	407	783	1,636	1,343	(1,229)	(560)	354	969	–	–
Community facilities and spaces	892	1,091	7,037	5,353	(6,145)	(4,262)	512	898	–	38,964
Corporate and community leadership	11	22	5,094	5,654	(5,083)	(5,632)	2	7	–	–
Development assessment and building certification	1,832	1,740	5,183	3,850	(3,351)	(2,110)	169	87	–	–
Finance and revenue	45,020	44,900	5,013	7,217	40,007	37,683	5,207	6,669	–	–
Information and support services	290	199	9,715	9,796	(9,425)	(9,597)	–	124	–	28,963
Infrastructure services	169	367	4,315	4,173	(4,146)	(3,806)	57	162	–	24,977
Libraries	409	314	2,554	7,683	(2,145)	(7,369)	340	253	–	4,482
Overheads	–	–	(23,982)	(22,229)	23,982	22,229	–	–	–	3
People and safety	224	232	2,722	2,453	(2,498)	(2,221)	68	78	–	–
Property	1,372	1,047	1,962	2,290	(590)	(1,243)	–	–	–	297
Public and environmental health	447	1,229	1,039	1,008	(592)	221	–	124	–	51
Public order and safety	801	1,387	6,576	5,054	(5,775)	(3,667)	556	1,061	–	13,121
Recreation	8,808	6,954	15,975	14,523	(7,167)	(7,569)	4,098	1,753	–	187,921
Sewer services	30,395	32,662	25,466	27,740	4,929	4,922	3,160	4,343	–	393,407
Stormwater	730	1,368	2,324	2,485	(1,594)	(1,117)	224	869	–	171,791
Strategy and sustainability	1,671	680	4,043	3,005	(2,372)	(2,325)	1,671	646	–	5,454
Transport	28,119	38,077	29,987	29,762	(1,868)	8,315	25,380	35,197	–	1,010,579
Waste management	17,484	19,078	15,849	14,137	1,635	4,941	165	2,556	–	22,102
Water services	28,933	49,612	19,241	19,182	9,692	30,430	6,979	27,874	–	373,087
Other	–	–	–	–	–	–	–	–	2,511,502	–
Total functions and activities	185,697	219,646	158,619	159,109	27,078	60,537	56,286	91,174	2,511,502	2,385,533

B1-2 Components of functions or activities

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

Ageing and disability services

Provides flexible, community based services to support the independence and wellbeing of older people, people with a disability and their carers.

Business, tourism and attractions

Provides advocacy, support, training, and advice to businesses, investors, employers and event organisers to assist economic growth and development.

Children and youth services

Provides education and care opportunities, support, resources and facilities to children aged 0-16 years and families.

Commercial services

Supports diversification of the economy and tourism industries. Delivers a return to the community from Council controlled commercial entities.

Community and cultural development

Develops and implements programs that address identified social needs and shapes Eurobodalla's community identity through arts, cultural and creative experiences.

Community facilities and spaces

Provides safe, accessible and affordable facilities to support community activities and events.

Corporate and community leadership

Provides strategic leadership, advocacy and decision-making in the best interests of the community based on good governance and corporate outcomes.

Development Assessment and Building Certification

Applies Australian, NSW and local planning policies and codes to achieve sustainable development across Eurobodalla.

Finance and revenue

Responsible for Council's financial obligations, management and planning.

Information and support services

Provides, customer service, communications, information technology and other support services.

Infrastructure services

Coordinates, maintains and supplies facilities and equipment to assist service delivery across Council.

Libraries

Provides information, education, recreation opportunities and resources for Eurobodalla residents and visitors.

People and safety

Responsible for human resource management, learning and development, payroll and work health and safety services to the organisation.

Property

Responsible for purchasing, developing and managing Council's property.

Public and environmental health

Delivers programs and activities to protect our community and the environment.

Public Order and Safety

Contributes to the safety of the community and the environment in relation to pets, parking, beach patrol and emergency services.

Recreation

Provides planning, programs, infrastructure and open space that enables residents and visitors to participate in recreational activities throughout the year.

Sewer Services

Provision of a safe, reliable and sustainable sewer service.

B1-2 Components of functions or activities (continued)

Provides and maintains infrastructure that collects, controls and manages stormwater.

Strategy and sustainability

Plans for the housing, business and environmental needs and impacts of our current and future population.

Transport

Provides the infrastructure such as roads and paths that enables the movement of people, vehicles and goods into and throughout Eurobodalla.

Waste management

Responsible for waste collection, disposal, recycling, illegal dumping, infrastructure and education.

Water Services

Provision of a safe, reliable and secure town water supply.

Overheads

Includes support services to other areas of Council for the provision of operational support functions. These include services such as corporate and community leadership, finance and revenue, information and support services, and people and safety.

DRAFT

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	29,780	28,057
Farmland	511	483
Business	5,300	4,811
Less: pensioner rebates (mandatory)	(872)	(869)
Rates levied to ratepayers	34,719	32,482
Pensioner rate subsidies received	476	480
Total ordinary rates	35,195	32,962
Special rates		
Environmental	1,244	1,170
Less: pensioner rebates (mandatory)	(34)	(34)
Rates levied to ratepayers	1,210	1,136
Total special rates	1,210	1,136
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	7,140	6,684
Stormwater management services	500	496
Water supply services	9,235	8,778
Sewerage services	25,360	24,030
Waste management services (non-domestic)	1,637	1,540
Less: pensioner rebates (mandatory)	(907)	(906)
Annual charges levied	42,965	40,622
Pensioner annual charges subsidies received:		
– Water	191	192
– Sewerage	180	182
– Domestic waste management	125	126
– Other	18	19
Total annual charges	43,479	41,141
Total rates and annual charges	79,884	75,239
Timing of revenue recognition for rates and annual charges		
Rates and annual charges recognised at a point in time	79,884	75,239
Total rates and annual charges	79,884	75,239

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2025	2024
Specific user charges (per s502 - specific 'actual use' charges)		
Water supply services	12,516	11,153
Sewerage services	894	795
Liquid trade waste	171	149
Total specific user charges	13,581	12,097
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Planning and building regulation	1,765	1,766
Private works – section 67	148	219
Section 10.7 certificates (EP&A Act)	158	140
Section 603 certificates	122	101
Onsite sewerage management	184	204
Sewerage connection	6	10
Water connection	76	64
Total fees and charges – statutory/regulatory	2,459	2,504
(ii) Fees and charges – other (incl. general user charges (per s608))		
Aerodrome	286	317
Caravan park / camping	119	137
Cemeteries	238	210
Child care	1,358	1,342
Licence fees and Lease rentals	287	263
Library and art gallery	43	40
Recycling income (non-domestic)	601	702
Roads and Maritime Services charges (state roads)	1,184	4,665
Swimming centres	3,561	3,305
Community service programs	5,284	5,470
Landfill	6,309	5,943
Other	441	503
Total fees and charges – other	19,711	22,897
Total other user charges and fees	22,170	25,401
Total user charges and fees	35,751	37,498
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	471	467
User charges and fees recognised at a point in time	35,280	37,031
Total user charges and fees	35,751	37,498

Material accounting policy information

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

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

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 the term of the licence.

Income from operating leases, where Council is the lessor, has been presented as rental income in Note C2-2 - Operating Leases.

B2-3 Other revenue

\$ '000	2025	2024
Hire income – Council facilities	584	590
Fines	175	229
Legal fees recovery – rates and charges (extra charges)	207	329
Commissions and agency fees	139	106
Insurance claims recoveries	–	14
Batemans Bay Beach Resort - Commission	1,798	1,667
Bay Pavilions	583	477
Sales – general	201	234
WHS incentive	156	143
Other	105	244
Total other revenue	3,948	4,033

Timing of revenue recognition for other revenue

Other revenue recognised over time	3,070	2,978
Other revenue recognised at a point in time	878	1,055
Total other revenue	3,948	4,033

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)				
Financial assistance grant ¹				
- Relating to current year	1,408	465	–	–
- Prepayment received in advance for subsequent year	4,753	7,676	–	–
Amount recognised as income during current year	6,161	8,141	–	–

Special purpose grants and non-developer contributions (tied)

Cash contributions

Water supplies	–	–	5,807	25,846
Sewerage services	–	762	1,102	1,261
Bushfire and emergency services	587	511	604	180
Community care	2,272	1,957	–	–
Economic development	–	3	875	195
Environmental programs	224	846	509	1,093
Heritage and cultural	84	67	117	118
Library	7	63	89	–
Recreation and culture	118	58	7,914	7,393
Aerodrome	–	–	278	–
Marine	–	20	679	791
Street lighting	109	107	–	–
Transport (roads to recovery)	1,352	998	–	–
Transport (other roads and bridges funding)	57	3,514	6,272	7,468
Other specific grants	539	844	722	455
Disaster recovery services	1,922	2,102	5,476	727
Transport for NSW contributions (regional roads, block grant)	1,071	881	–	–

continued on next page ...

B2-4 Grants and contributions (continued)

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Sewerage (excl. section 64 contributions)	3	3	–	26
Other contributions	289	225	32	207
Employment and training program	129	263	–	–
Waste management	–	406	–	2,006
Total special purpose grants and non-developer contributions – cash	8,763	13,630	30,476	47,766
Total special purpose grants and non-developer contributions (tied)	8,763	13,630	30,476	47,766
Total grants and non-developer contributions	14,924	21,771	30,476	47,766
Comprising:				
– Commonwealth funding	10,129	10,522	2,923	4,884
– State funding	4,479	10,855	27,343	42,620
– Other funding	316	394	210	262
	14,924	21,771	30,476	47,766

(1) \$4.753m of the 2025-2026 Financial Assistance Grant from the Commonwealth Government was received by Council in June 2025 and hence is reported as 2024-2025 income although it relates to the 2025-26 financial year.

Developer contributions

\$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions: (s7.4, s7.11 & s7.12 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.4 – contributions using planning agreements		–	–	144	–
S 7.11 – contributions towards amenities/services		12	31	457	1,026
S 7.12 – fixed development consent levies		–	–	525	320
S 64 – water supply contributions		–	–	530	1,056
S 64 – sewerage service contributions		–	–	700	1,554
Total developer contributions – cash		12	31	2,356	3,956
Non-cash contributions					
S 7.11 – contributions towards amenities/services		–	–	6,950	14,358
S 64 – water supply contributions		–	–	394	741
S 64 – sewerage service contributions		–	–	1,174	2,551
Total developer contributions non-cash		–	–	8,518	17,650
Total developer contributions		12	31	10,874	21,606
Total contributions		12	31	10,874	21,606
Total grants and contributions		14,936	21,802	41,350	69,372
Timing of revenue recognition					
Grants and contributions recognised over time		1,806	4,337	23,248	43,621
Grants and contributions recognised at a point in time		13,130	17,465	18,102	25,751
Total grants and contributions		14,936	21,802	41,350	69,372

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants				
Unspent funds at 1 July	7,912	8,031	11,099	2,791
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,136	5,566	21,706	13,445
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(5,566)	(5,685)	(13,445)	(5,137)
Unspent grants at 30 June	6,482	7,912	19,360	11,099
Contributions				
Unspent funds at 1 July	2,678	2,880	14,720	16,857
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	585	1,403	3,065	4,891
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(1,754)	(1,605)	(8,396)	(7,028)
Unspent contributions at 30 June	1,509	2,678	9,389	14,720

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

Capital grants

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

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

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

Developer contributions

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

B2-4 Grants and contributions (continued)

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	380	290
– Cash and investments	6,655	7,848
Total interest and investment income	7,035	8,138
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	5,439	5,313
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11	334	289
– Section 7.12	97	80
– Section 64	267	555
Water fund operations	57	735
Sewerage fund operations	841	1,166
Total interest and investment income	7,035	8,138

Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2025	2024
Rental income			
Caravan Parks		611	434
Airport Hangers		213	229
Leaseback fees - council vehicles		253	248
Land		1,716	1,663
Total rental income	C2-2	2,793	2,574
Total other income		2,793	2,574

DRAFT

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	41,251	39,851
Travel expenses	221	295
Employee leave entitlements (ELE)	8,073	7,513
Superannuation	5,441	4,985
Workers' compensation insurance	2,743	2,042
Fringe benefit tax (FBT)	243	373
Payroll tax	461	453
Training costs (other than salaries and wages)	622	640
Other	898	357
Total employee costs	59,953	56,509
Less: capitalised costs	(5,367)	(5,151)
Total employee costs expensed	54,586	51,358
Number of 'full-time equivalent' employees (FTE) at year end (excluding casuals)	497	507

Material accounting policy information

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		9,981	9,458
Contractor costs		22,452	28,192
Audit Fees	F2-1	161	144
Councillor and Mayoral fees and associated expenses	F1-2	410	355
Advertising		272	330
Bank charges / cash collection expenses		267	285
Computer software charges		2,090	1,946
Electricity and heating		3,357	2,860
Insurance		2,269	2,051
Postage		472	445
Printing and stationery		195	120
Street lighting		527	443
Subscriptions and publications		382	417
Telephone and communications		543	642
Valuation fees		230	199
Commissions		61	69
Community care outsourced		670	706
Other expenses		3,599	3,339
Venue / facility hire		5	20

B3-2 Materials and services (continued)

\$ '000	2025	2024
Legal expenses:		
– Legal expenses: planning and development	617	26
– Legal expenses: debt recovery	206	319
– Legal expenses: other	205	403
Expenses from leases of low value assets	98	105
Less: capitalised costs	(1,313)	(1,143)
Total materials and services	47,756	51,731

Material accounting policy information

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

B3-3 Borrowing costs

\$ '000	Notes	2025	2024
(i) Interest bearing liability costs			
Interest on loans		2,533	2,841
Total interest bearing liability costs		2,533	2,841
Total interest bearing liability costs expensed		2,533	2,841
(ii) Other borrowing costs			
– Lease liabilities		162	87
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	52	1,147
Total other borrowing costs		214	1,234
Total borrowing costs expensed		2,747	4,075

Material accounting policy information

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

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

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Plant and equipment		2,178	2,045
Office equipment		1,337	1,345
Furniture and fittings		223	217
Infrastructure:	C1-7		
– Buildings		4,159	3,920
– Other structures		1,256	704
– Roads		13,901	13,354
– Bridges		863	827
– Footpaths		972	952
– Stormwater drainage		1,638	1,516
– Water supply network		7,090	7,364
– Sewerage network		9,442	9,887
– Swimming pools		419	402
– Other open space/recreational assets		2,959	2,263
Right of use assets	C2-1	121	176
Other assets:			
– Library books		174	158
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5, C1-7	246	246

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

Total depreciation and amortisation costs	46,978	45,376
Total depreciation, amortisation and impairment for non-financial assets	46,978	45,376

Material accounting policy information**Depreciation and amortisation**

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

Impairment of non-financial assets

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

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

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

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

B3-5 Other expenses

\$ '000	2025	2024
Impairment of receivables	161	13
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	146	182
– NSW fire brigade levy	258	283
– NSW rural fire service levy	1,017	1,033
– Other contributions/levies	319	290
Donations, contributions and assistance to other organisations (Section 356)	178	150
Total other expenses	2,079	1,951

Material accounting policy information

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

Impairment expenses are recognised when identified.

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		70	–
Less: carrying amount of property assets sold/written off		–	(40)
Gain (or loss) on disposal		70	(40)
Gain (or loss) on disposal of plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		604	1,307
Less: carrying amount of plant and equipment assets sold/written off		(458)	(991)
Gain (or loss) on disposal		146	316
Gain (or loss) on disposal of infrastructure			
	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(4,689)	(3,904)
Gain (or loss) on disposal		(4,689)	(3,904)
Net gain (or loss) from disposal of assets		(4,473)	(3,628)

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

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

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	78,962	79,884	922	1% F
User charges and fees	37,474	35,751	(1,723)	(5)% U
Other revenues	4,284	3,948	(336)	(8)% U
Operating grants and contributions	18,053	14,936	(3,117)	(17)% U
This unfavourable variance is primarily due to a reduction in the prepayment of the Financial Assistance Grant. For the 2024–25 financial year, only 50% of the grant was prepaid, compared to 85% in 2023–24.				
Capital grants and contributions	57,516	41,350	(16,166)	(28)% U
This unfavourable variation is largely due to timing differences across several capital projects and the associated recognition of grant revenue. While there are multiple contributing factors, the key drivers include lower than budgeted actuals for the Eurobodalla Southern Storage Facility offset by higher than budgeted actuals for capital works related to the March 2022 flood.				
Interest and investment revenue	5,390	7,035	1,645	31% F
This favourable variance is driven by higher than anticipated interest rates, which have resulted in increased revenue from cash investments held in term deposits.				
Other income	2,758	2,793	35	1% F
Expenses				
Employee benefits and on-costs	51,241	54,586	(3,345)	(7)% U
Materials and services	46,265	47,756	(1,491)	(3)% U
Borrowing costs	2,556	2,747	(191)	(7)% U
Depreciation, amortisation and impairment of non-financial assets	46,853	46,978	(125)	0% U
Other expenses	2,023	2,079	(56)	(3)% U
Net losses from disposal of assets	800	4,473	(3,673)	(459)% U
This unfavourable variance is due to the asset renewal program and the disposal of infrastructure assets at year-end, which were not included in the original budget.				
Statement of cash flows				
Cash flows from operating activities	106,398	82,734	(23,664)	(22)% U
Cash flows from investing activities	(103,772)	(116,470)	(12,698)	12% U
Cash flows from financing activities	(6,412)	31,875	38,287	(597)% F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash at bank and on hand	14,855	13,577
Deposits at call	9,671	12,810
Total cash and cash equivalents	24,526	26,387

Material accounting policy information

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

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Debt securities at amortised cost				
Term deposits	147,030	8,000	132,020	—
Total financial investments	147,030	8,000	132,020	—
Total cash assets, cash equivalents and investments	171,556	8,000	158,407	—

Material accounting policy information

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

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

The Australian Government guarantees deposits up to \$250,000 in Authorised Deposit-Taking Institutions (ADIs) such as banks (including online and digital banks), building societies or credit unions. Council has \$1.75m in the investment portfolio that is considered as "Remote Risk" under the investment policy and covered by the Australian Government guarantee. This guarantee is recognised as part of the investments balance.

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	179,556	158,407
Less: Externally restricted cash, cash equivalents and investments	(104,540)	(87,224)
Cash, cash equivalents and investments not subject to external restrictions	75,016	71,183

External restrictions

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

Water fund	14,653	7,738
Sewer fund	22,588	19,521
Specific purpose unexpended loans - general fund	32	85
Specific purpose unexpended loans - water fund	18,799	—
Specific purpose unexpended loans - sewer fund	—	—
Specific purpose unexpended grants – general fund	18,018	29,856
Specific purpose unexpended grants - water fund	7,325	—
Specific purpose unexpended grants - sewer fund	500	403
Developer contributions – general fund	8,717	8,015
Developer contributions – water fund	—	3,241
Developer contributions – sewer fund	735	3,526
Stormwater management	1,306	1,018
Domestic waste management	1,756	1,598
Crown reserves	1,611	2,587
Special rates variation	7,328	6,384
Other External	1,172	3,252
Total external restrictions	104,540	87,224

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)

\$ '000	2025	2024
---------	------	------

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

75,016	71,183
--------	--------

Less: Internally restricted cash, cash equivalents and investments	(64,520)	(63,017)
--	----------	----------

Unrestricted and unallocated cash, cash equivalents and investments	10,496	8,166
--	---------------	--------------

Internal allocations

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

Employees leave entitlement	3,971	4,050
Financial assistance grant	4,753	7,676
Gravel pits	1,066	999
Waste management	33,289	30,932
Real estate disposal fund	6,526	7,711
Asset renewal	13,519	5,181
Other Internal	1,396	6,468
Total internal allocations	64,520	63,017

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

\$ '000	2025	2024
---------	------	------

(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	10,496	8,166
--	---------------	--------------

C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	1,746	–	1,368	–
Interest and extra charges	539	–	443	–
User charges and fees	3,058	–	9,416	–
Accrued revenues				
– Interest on investments	1,722	–	2,335	–
– Other income accruals	8,769	–	12,442	–
Deferred debtors	–	–	6	–
Net GST receivable	801	–	879	–
Other debtors	13	5	18	5
Total	16,648	5	26,907	5

C1-4 Receivables (continued)

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Less: provision for impairment				
Rates and annual charges	(25)	–	(25)	–
User charges and fees	(265)	–	(649)	–
Total provision for impairment – receivables	(290)	–	(674)	–
Total net receivables	16,358	5	26,233	5

\$ '000	2025	2024
Movement in provision for impairment of receivables		
Amounts written off as uncollectible	(527)	–
Balance at the beginning of the year	674	669
+ new provisions recognised during the year	237	32
– amounts provided for but recovered during the year	(94)	(27)
Balance at the end of the year	290	674

Material accounting policy information

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

Impairment

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 7 years past due, whichever occurs first.

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

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

C1-4 Receivables (continued)

C1-5 Inventories

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
(i) Inventories at cost				
Real estate development	545	–	707	–
Stores and materials	1,050	–	1,181	–
Total inventories at cost	1,595	–	1,888	–
Total inventories	1,595	–	1,888	–

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Residential	545	–	707	–
Total real estate development	545	–	707	–
Represented by:				
Acquisition costs	545	–	707	–
Total costs	545	–	707	–
Total real estate development	545	–	707	–
Movements:				
Real estate assets at beginning of the year	707	–	687	–
– Purchases and other costs	(162)	–	20	–
Total real estate development	545	–	707	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

Real Estate Development

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

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

C1-6 Contract assets and Contract cost assets

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Contract assets	315	–	11,347	–
Total contract assets and contract cost assets	315	–	11,347	–

Contract assets

Work relating to capital grants	315	–	11,346	–
Work relating to operating grants	–	–	1	–
Total contract assets	315	–	11,347	–

Significant changes in contract assets

The decrease in contract assets reflects the completion and billing of multi-year projects recognised in the prior financial year, with a lower level of unbilled revenue at year end.

Material accounting policy information

Contract assets

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

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

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

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period								At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	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														
Capital work in progress	163,775	–	163,775	28,262	73,715	–	–	(84,867)	(1)	–	–	180,884	–	180,884
Plant and equipment	40,477	(21,215)	19,262	–	–	(490)	(2,178)	2,193	–	–	–	41,251	(22,463)	18,788
Office equipment	12,199	(5,194)	7,005	–	–	–	(1,337)	216	–	–	–	11,677	(5,793)	5,884
Furniture and fittings	2,334	(459)	1,875	–	–	–	(223)	135	–	–	–	2,457	(669)	1,788
Land:														
– Operational land	103,641	–	103,641	–	–	–	–	1,085	(261)	–	1,551	106,015	–	106,015
– Community land	209,650	–	209,650	–	–	–	–	–	(60)	–	1,029	210,620	–	210,620
– Land under roads (post 30/6/08)	26,869	–	26,869	–	202	–	–	189	287	(27)	–	27,518	–	27,518
Infrastructure:														
– Buildings	214,086	(53,847)	160,239	–	439	(558)	(4,159)	4,761	(3,840)	–	4,379	220,570	(59,308)	161,262
– Other structures	33,993	(11,964)	22,029	–	–	(190)	(1,256)	753	–	–	837	35,199	(13,025)	22,174
– Roads	938,969	(320,068)	618,901	–	4,489	(1,903)	(13,901)	13,558	–	–	25,534	979,983	(333,307)	646,676
– Bridges	82,486	(20,860)	61,626	–	–	–	(863)	1,282	–	–	157	88,654	(26,452)	62,202
– Footpaths	62,836	(17,561)	45,275	–	380	(94)	(972)	1,071	(254)	–	3,369	70,883	(22,112)	48,771
– Stormwater drainage	177,963	(47,677)	130,286	–	1,121	(306)	(1,638)	3,175	–	–	3,001	187,331	(51,694)	135,637
– Water supply network	481,803	(243,592)	238,211	–	394	(324)	(7,090)	11,118	–	–	7,754	506,135	(256,072)	250,063
– Sewerage network	594,625	(278,640)	315,985	–	1,174	(1,213)	(9,442)	40,982	–	–	9,525	648,702	(291,690)	357,012
– Swimming pools	16,743	(5,771)	10,972	–	–	(13)	(419)	26	–	–	380	17,319	(6,373)	10,946
– Other open space/recreational assets	97,500	(49,351)	48,149	–	320	(88)	(2,959)	4,133	4,095	–	1,918	108,932	(53,361)	55,571
Other assets:														
– Library books	896	(338)	558	–	–	–	(174)	181	–	–	–	965	(399)	566
– Other	35	(2)	33	–	–	–	–	8	–	–	–	42	(3)	39
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	2,162	(246)	1,916	–	–	–	(246)	–	–	–	8,153	10,316	(493)	9,823
Total infrastructure, property, plant and equipment	3,263,042	(1,076,785)	2,186,257	28,262	82,234	(5,179)	(46,857)	(1)	(34)	(27)	67,587	3,455,453	(1,143,214)	2,312,239

(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	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	94,497	–	94,497	32,093	85,699	–	–	(48,514)	–	–	163,775	–	163,775
Plant and equipment	38,342	(21,675)	16,667	–	–	(991)	(2,045)	5,631	–	–	40,477	(21,215)	19,262
Office equipment	12,263	(4,151)	8,112	–	–	–	(1,345)	238	–	–	12,199	(5,194)	7,005
Furniture and fittings	2,301	(276)	2,025	–	–	–	(217)	67	–	–	2,334	(459)	1,875
Land:													
– Operational land	100,133	–	100,133	–	–	–	–	1,605	–	1,903	103,641	–	103,641
– Community land	154,203	–	154,203	–	–	(40)	–	–	–	55,487	209,650	–	209,650
– Land under roads (post 30/6/08)	24,853	–	24,853	–	–	–	–	111	–	1,905	26,869	–	26,869
Infrastructure:													
– Buildings	202,130	(47,239)	154,891	–	–	(143)	(3,920)	1,161	–	8,250	214,086	(53,847)	160,239
– Other structures	31,517	(10,672)	20,845	–	–	(149)	(704)	246	–	1,791	33,993	(11,964)	22,029
– Roads	879,986	(295,097)	584,889	–	7,235	(1,511)	(13,354)	11,507	–	30,135	938,969	(320,068)	618,901
– Bridges	73,151	(20,453)	52,698	–	1,139	(964)	(827)	6,846	–	2,734	82,486	(20,860)	61,626
– Footpaths	57,912	(16,067)	41,845	–	546	(126)	(952)	1,924	(171)	2,209	62,836	(17,561)	45,275
– Stormwater drainage	163,894	(43,744)	120,150	–	4,829	(95)	(1,516)	388	–	6,530	177,963	(47,677)	130,286
– Water supply network	446,697	(225,582)	221,115	–	741	(427)	(7,364)	13,177	–	10,969	481,803	(243,592)	238,211
– Sewerage network	561,853	(255,789)	306,064	–	2,551	(60)	(9,887)	2,137	–	15,180	594,625	(278,640)	315,985
– Swimming pools	15,970	(5,627)	10,343	–	–	(107)	(402)	581	–	557	16,743	(5,771)	10,972
– Other open space/recreational assets	88,726	(44,749)	43,977	–	609	(322)	(2,263)	2,692	171	3,285	97,500	(49,351)	48,149
Other assets:													
– Library books	815	(289)	526	–	–	–	(158)	190	–	–	896	(338)	558
– Other	22	(2)	20	–	–	–	–	13	–	–	35	(2)	33
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	2,162	–	2,162	–	–	–	(246)	–	–	–	2,162	(246)	1,916
Total infrastructure, property, plant and equipment	2,951,427	(991,412)	1,960,015	32,093	103,349	(4,935)	(45,200)	–	–	140,935	3,263,042	(1,076,785)	2,186,257

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

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	15 to 30
Office furniture	10 to 20	Benches, seats etc.	20 to 25
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	60
Other plant and equipment	5 to 15	Buildings: other	40 to 50
		Stormwater assets	
Water and sewer assets		Pipes	100 to 200
Dams and reservoirs	10 to 100	Culverts	30 to 100
Valves	10 to 15	Flood control structures	non depreciable
Pipes	50 to 100		
Pumps and telemetry	7 to 25		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	NA
Sealed roads: surface	10 to 18	Swimming pools	60
Sealed roads: structure	50 to non depreciable		
Unsealed roads	10 to non depreciable	Other open space/recreational assets	10 to non depreciable
Bridge: concrete	75 to 120	Other infrastructure	7 to non depreciable
Bridge: other	30 to 100		
Road pavements	50 to non depreciable		
Kerb, gutter and footpaths	30 to 100		

Note: Useful lives shown above are indicative only. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

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

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as

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

profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

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

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.

DRAFT

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Buildings

Council leases land and buildings for records storage at Moruya industrial district and NDIS accommodation services at Batemans Bay.

The records storage lease is for 10 years with annual CPI movements and an extension option of 5 years at market rent.

The NDIS accommodation lease is for five years and includes a five year renewal option. The building leases contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception. The monthly lease amount is offset by funds received from client's Specialist Disability Accommodation funding which covers a tenancy management fee, reactive maintenance fee and planned and preventative maintenance fees. The lease payment is therefore variable and dependent on occupancy.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 10 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

Transmission Towers

Council has a licence for transmission tower at various national parks locations across the shire. The payments are fixed across a five year term with the option for an additional five year extension.

(a) Right of use assets

\$ '000	Storage Facility	Guy Street NDIS housing	Office and IT Equipment	Transmission Towers	Total
2025					
Opening balance at 1 July	196	110	21	169	496
Depreciation charge	(33)	(27)	(4)	(57)	(121)
Balance at 30 June	—	—	—	—	374
2024					
Opening balance at 1 July	228	138	—	—	366
Additions to right-of-use assets	—	—	25	281	306
Depreciation charge	(33)	(27)	(4)	(112)	(176)
Other movement	1	(1)	—	—	—
Balance at 30 June	196	110	21	169	496

(b) Lease liabilities

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Lease liabilities	188	339	131	420
Total lease liabilities	188	339	131	420

C2-1 Council as a lessee (continued)

(c) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2025					
Cash flows	141	386	–	527	527
2024					
Cash flows	141	442	–	583	551

(d) Income Statement

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

\$ '000	2025	2024
Depreciation of right of use assets	121	176
Expenses relating to leases of low-value assets	98	105
	219	281

(e) Statement of Cash Flows

Total cash outflow for leases	(139)	(139)
	(139)	(139)

Material accounting policy information

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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

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

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

Exceptions to lease accounting

C2-1 Council as a lessee (continued)

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of caravan parks, aircraft hangars, staff lease back vehicles and land for telecommunications, golf courses and other business uses. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

\$ '000	2025	2024
(i) Assets held as property, plant and equipment		
Lease income (excluding variable lease payments not dependent on an index or rate)	2,793	2,574
Total income relating to operating leases for Council assets	2,793	2,574

Material accounting policy information

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

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

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

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Payables				
Goods and services – operating expenditure	2,076	–	2,420	–
Goods and services – capital expenditure	7,636	–	9,471	–
Accrued expenses:				
– Borrowings	40	–	40	–
– Other expenditure accruals	3,586	–	3,545	–
Prepaid rental	923	–	1,060	–
Security bonds, deposits and retentions	1,756	–	1,267	–
Other	17	–	38	–
Total payables	16,034	–	17,841	–
Total payables	16,034	–	17,841	–

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

All liabilities, classified as current are also expected to be settled in the next 12 months.

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

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	20,922	–	20,219	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	379	–	112	–
Total grants received in advance		21,301	–	20,331	–
Total contract liabilities		21,301	–	20,331	–

Notes

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

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

C3-2 Contract Liabilities (continued)

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

\$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	9,603	4,363
Operating grants (received prior to performance obligation being satisfied)	74	10
Total revenue recognised that was included in the contract liability balance at the beginning of the period	9,677	4,373

Material accounting policy information

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

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	8,197	86,925	8,102	55,122
Total borrowings	8,197	86,925	8,102	55,122

(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 E-2.

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

All borrowings classified as current, are also expected to be settled in the next 12 months.

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025	
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance	
Loans – secured	63,224	31,898	–	–	–	–	95,122	
Lease liability (Note C2-1)	551	(24)	–	–	–	–	527	
Total liabilities from financing activities	63,775	31,874	–	–	–	–	95,649	

\$ '000	2023		Non-cash movements				2024	
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance	
Loans – secured	70,750	(7,526)	–	–	–	–	63,224	
Lease liability (Note C2-1)	496	(139)	306	(112)	–	–	551	
Total liabilities from financing activities	71,246	(7,665)	306	(112)	–	–	63,775	

C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2025	2024
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	2,000	2,000
Credit cards/purchase cards	500	500
Total financing arrangements	2,500	2,500
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	2,000	2,000
– Credit cards/purchase cards	421	448
Total undrawn financing arrangements	2,421	2,448

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

Material accounting policy information

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

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

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

C3-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	3,686	–	3,786	–
Long service leave	6,500	791	6,347	815
Other leave (TOIL and RDO)	648	–	625	–
Other ELE on-costs (Payroll tax and WorkCover)	1,611	107	1,451	102
Total employee benefit provisions	12,445	898	12,209	917

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

\$ '000	2025	2024
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	6,095	5,873
	6,095	5,873

C3-4 Employee benefit provisions (continued)

Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Long service leave	ELE on-costs	Other employee benefits	
2025					
At beginning of year	3,786	7,162	1,553	625	13,126
Other	(100)	129	165	23	217
Total ELE provisions at end of year	3,686	7,291	1,718	648	13,343
2024					
At beginning of year	4,107	7,535	632	604	12,878
Other	(321)	(373)	921	21	248
Total ELE provisions at end of year	3,786	7,162	1,553	625	13,126

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	10,607	–	3,383
Sub-total – asset remediation/restoration	–	10,607	–	3,383
Total provisions	–	10,607	–	3,383

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2025		
At beginning of year	3,383	3,383
Other	7,224	7,224
Total other provisions at end of year	10,607	10,607
2024		
At beginning of year	2,162	2,162
Unwinding of discount	1,221	1,221
Total other provisions at end of year	3,383	3,383

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.

The estimation methodology relies on internally developed unit costs supported by EPA and current contractor inputs.

Asset remediation – tips and quarries

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

DRAFT

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2025	Water 2025	Sewer 2025
Income from continuing operations			
Rates and annual charges	45,968	8,886	25,030
User charges and fees	21,775	12,911	1,065
Interest and investment revenue	5,869	146	1,020
Other revenues	3,815	13	120
Grants and contributions provided for operating purposes	14,546	205	185
Grants and contributions provided for capital purposes	31,601	6,774	2,975
Other income	2,793	–	–
Total income from continuing operations	126,367	28,935	30,395
Expenses from continuing operations			
Employee benefits and on-costs	46,121	3,603	4,862
Materials and services	31,614	7,793	8,349
Borrowing costs	1,276	29	1,442
Other expenses	2,079	–	–
Net losses from the disposal of assets	2,932	329	1,212
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	84,022	11,754	15,865
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	42,345	17,181	14,530
Depreciation, amortisation and impairment of non-financial assets	30,161	7,266	9,551
Operating result from continuing operations	12,184	9,915	4,979
Net operating result for the year	12,184	9,915	4,979
Net operating result attributable to each council fund	12,184	9,915	4,979
Net operating result for the year before grants and contributions provided for capital purposes	(19,417)	3,141	2,004

D1-2 Statement of Financial Position by fund

ASSETS

Current assets

Cash and cash equivalents	24,526	–	–
Investments	82,431	40,676	23,923
Receivables	11,174	3,860	1,324
Inventories	1,595	–	–
Contract assets and contract cost assets	315	–	–
Other	959	55	16
Total current assets	121,000	44,591	25,263

Non-current assets

continued on next page ...

D1-2 Statement of Financial Position by fund (continued)

\$ '000	General 2025	Water 2025	Sewer 2025
Investments	8,000	–	–
Receivables	5	–	–
Infrastructure, property, plant and equipment	1,541,118	391,791	379,330
Right of use assets	374	–	–
Non-current assets classified as held for sale	30	–	–
Total non-current assets	1,549,527	391,791	379,330
Total assets	1,670,527	436,382	404,593
LIABILITIES			
Current liabilities			
Payables	11,453	3,563	1,018
Contract liabilities	13,476	7,325	500
Lease liabilities	188	–	–
Borrowings	4,127	2,070	2,000
Employee benefit provision	12,445	–	–
Total current liabilities	41,689	12,958	3,518
Non-current liabilities			
Lease liabilities	339	–	–
Borrowings	22,019	38,438	26,468
Employee benefit provision	898	–	–
Provisions	10,607	–	–
Total non-current liabilities	33,863	38,438	26,468
Total liabilities	75,552	51,396	29,986
Net assets	1,594,975	384,986	374,607
EQUITY			
Accumulated surplus	743,092	250,099	162,172
IPPE revaluation surplus	851,883	134,887	212,435
Council equity interest	1,594,975	384,986	374,607
Total equity	1,594,975	384,986	374,607

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

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

\$ '000	Carrying value 2025	Carrying value 2024	Fair value 2025	Fair value 2024
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	24,526	26,387	24,526	26,387
Receivables	16,363	26,238	16,363	26,238
Investments				
– Term deposits at amortised cost	155,030	132,020	155,030	132,020
Total financial assets	195,919	184,645	195,919	184,645
Financial liabilities				
Payables	16,034	17,841	16,044	17,821
Borrowings	95,122	63,224	95,122	63,224
Total financial liabilities	111,156	81,065	111,166	81,045

Fair value is determined as follows:

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

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

Council's finance area manages the cash and Investments portfolio based on market and product information provided by independent sources.

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.

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

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

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

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
---------	------	------

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

Impact of a 1% movement in interest rates

– Equity / Income Statement	1,567	1,448
-----------------------------	-------	-------

(b) Credit risk

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
2025				
Gross carrying amount	–	1,555	191	1,746
2024				
Gross carrying amount	–	1,178	190	1,368

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

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2025						
Gross carrying amount	13,583	878	123	56	582	15,222
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	45.55%	1.74%
ECL provision	—	—	—	—	265	265
2024						
Gross carrying amount	28,680	3,849	—	485	3,877	36,891
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	16.74%	1.76%
ECL provision	—	—	—	—	649	649

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
\$ '000							
2025							
Payables	0.00%	1,756	—	—	—	1,756	16,034
Borrowings	4.61%	—	12,455	41,967	70,365	124,787	95,122
Total financial liabilities		1,756	12,455	41,967	70,365	126,543	111,156
2024							
Payables	0.00%	1,267	16,554	—	—	17,821	17,841
Borrowings	4.16%	—	10,658	30,067	38,990	79,715	63,224
Total financial liabilities		1,267	27,212	30,067	38,990	97,536	81,065

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
- Unlisted equity securities
- Land held for resale

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

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

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

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

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

		Fair value measurement hierarchy				Total	
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2025	2024
		2025	2024	2025	2024		
Recurring fair value measurements							
Infrastructure, property, plant and equipment	C1-7						
Operational land		–	–	–	103,640	–	103,640
Community land		–	–	–	209,651	–	209,651
Land under roads		–	–	–	26,813	–	26,813
Buildings		–	–	–	160,240	–	160,240
Other recreational assets		–	–	–	48,150	–	48,150
Other structures		–	–	–	22,030	–	22,030
Roads		–	–	–	618,900	–	618,900
Bridges		–	–	–	61,627	–	61,627
Footpaths		–	–	–	45,273	–	45,273
Stormwater drainage		–	–	–	130,284	–	130,284
Water supply network		–	–	–	238,210	–	238,210
Sewerage network		–	–	–	315,986	–	315,986
Swimming pools		–	–	–	10,973	–	10,973
Library books		–	–	–	559	–	559
Other		–	–	–	32	–	32
Total infrastructure, property, plant and equipment		–	–	–	1,992,368	–	1,992,368
Non-recurring fair value measurements							
Non-current assets classified as held for sale							
Real Estate Development held for sale	C1-5	–	–	–	–	–	–
Total NCA's classified as held for sale		–	–	–	–	–	–

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment, office equipment and furniture and fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- * Plant & Equipment : Trucks, graders, ride on mowers, motor vehicles
- * Office Equipment : Computers, photocopiers, electronic whiteboards
- * Furniture & Fittings : Chairs, desks, display systems

The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market, therefore placing these assets in Level 3.

Operational and community land

Operational Land was last revalued in the 2022/23 Financial Year, through an external revaluation undertaken by Asset Valuer Pro. In the current reporting period these assets were indexed using the Valuer General's land value trends, percentage increases as of 1 July 2024. Operational land is indexed per the 'commercial' property rate.

Community Land was last revalued in the 2022/23 Financial Year, using the Valuer General's land values at July 2022. In the current reporting period these assets were indexed using the Valuer General's land value trends, percentage increases as of 1 July 2024. Community land is indexed per the 'other' property rate.

Land under roads

Land under roads includes land under roadways, footpaths, nature strips and median strips. Council has elected to recognise all land under roads in accordance with AASB 16 - Property, Plant and Equipment.

Land under roads was last revalued in the 2023/24 Financial Year using the Englobo valuation methodology derived from the Code of Accounting Practice and Financial Reporting. In the current reporting period these assets were indexed using the Valuer General's land value trends, percentage increases as of 1 July 2024. Land under roads is indexed per the 'other' property rate.

The asset class is classified as a Level 3 asset as significant inputs used in the Englobo valuation methodology are unobservable.

Buildings

This asset class includes sporting, operational, community, public toilets, libraries, halls, toilets and Council offices buildings. These assets were last revalued in the 2022/23 Financial Year, through an external revaluation undertaken by Asset Valuer Pro. The valuation methodology used was the cost approach. Although the valuation was undertaken by professional valuers, this asset class is categorised as Level 3 valuation hierarchy, as it is still open to subjective assessment using unobservable (Level 3) inputs.

In the current reporting period these assets were indexed using ABS Building and construction indices data. Useful lives of assets reaching zero carrying value as at 30 June 2025 have been reassessed and adjusted as required.

Transport and stormwater

This asset class includes roads, bridges, carparks, footpaths, road furniture, bus shelters, road drainage, stormwater quality and stormwater systems. This asset class is categorised as Level 3 valuation hierarchy as some inputs such as calculation of replacement costs, asset condition and useful lives are unobservable (Level 3) inputs.

In the current reporting period these assets were revalued by in-house professionals. The valuation methodology used was the cost approach.

Open space, Recreation and Other Structures

E2-1 Fair value measurement (continued)

This asset class includes all assets associated with sporting facilities, parks and reserves, marine facilities, business recreation, aquatic centres, airports, operational sites and waste facilities excluding land and buildings. The most recent valuation was undertaken by in-house professionals for 30 June 2021. The valuation methodology used was the cost approach. This asset class is categorised as Level 3 valuation hierarchy as some inputs such as calculation of replacement costs, asset condition and useful lives are unobservable (Level 3) inputs. In the current reporting period these assets were indexed using ABS Building and construction indices data. Useful lives of assets reaching zero carrying value as at 30 June 2025 have been reassessed and adjusted as required.

Water and Sewer Network

This asset class includes sewer pumping stations, sewer transport, sewer treatment, dams and weirs, water pumping stations, water reservoirs, water transport and water treatment. The most recent valuation was undertaken by in-house professionals for 30 June 2022. The valuation methodology used was the cost approach. This asset class has been indexed in the interim years using the appropriate cost increases or indices with useful lives reviewed annually. In the current reporting period these assets were indexed using the NSW Water Supply and Sewerage Construction cost indices (June 2025 Update).

This asset class is categorised as Level 3 valuation hierarchy as some inputs such as calculation of replacement costs, asset condition and useful lives are unobservable (Level 3) inputs. Useful lives of assets reaching zero carrying value as at 30 June 2025 have been reassessed and adjusted as required.

Library books

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

Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value.

Fair value measurements using significant unobservable inputs (level 3)

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

\$ '000	Operational land		Community Land		Land under Roads		Buildings	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	103,641	100,133	209,650	154,203	26,869	24,853	160,239	154,891
Disposals (WDV)	–	–	–	(40)	–	–	–	(143)
Depreciation and impairment	–	–	–	–	–	–	–	(3,920)
Adjustments and transfers	–	1,605	–	–	–	111	–	1,161
Revaluation increment to equity (ARR)	–	1,903	–	55,487	–	1,905	–	8,250
Closing balance	103,641	103,641	209,650	209,650	26,869	26,869	160,239	160,239

\$ '000	Other structures		Roads		Bridges		Footpaths	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	22,029	20,845	618,901	584,889	61,626	52,698	45,275	41,845
Purchases (GBV)	–	–	–	7,235	–	1,139	–	546
Disposals (WDV)	–	(149)	–	(1,511)	–	(964)	–	(126)
Depreciation and impairment	–	(704)	–	(13,354)	–	(827)	–	(952)
Adjustments and transfers	–	246	–	11,507	–	6,846	–	1,753
Revaluation increment to equity (ARR)	–	1,791	–	30,135	–	2,734	–	2,209
Closing balance	22,029	22,029	618,901	618,901	61,626	61,626	45,275	45,275

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Swimming pools	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	130,286	120,150	238,211	221,115	315,985	306,064	10,972	10,343
Purchases (GBV)	–	4,829	–	741	–	2,551	–	–
Disposals (WDV)	–	(95)	–	(427)	–	(60)	–	(107)

E2-1 Fair value measurement (continued)

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Swimming pools	
	2025	2024	2025	2024	2025	2024	2025	2024
Depreciation and impairment	–	(1,516)	–	(7,364)	–	(9,887)	–	(402)
Adjustments and transfers	–	388	–	13,177	–	2,137	–	581
Revaluation increment to equity (ARR)	–	6,530	–	10,969	–	15,180	–	557
Closing balance	130,286	130,286	238,211	238,211	315,985	315,985	10,972	10,972

\$ '000	Open space recreational assets		Library books		Other		Land held for sale	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	48,149	43,977	558	526	33	20	707	687
Purchases (GBV)	–	609	–	–	–	–	–	20
Disposals (WDV)	–	(322)	–	–	–	–	–	–
Depreciation and impairment	–	(2,263)	–	(158)	–	–	–	–
Adjustments and transfers	–	2,863	–	190	–	13	–	–
Revaluation increment to equity (ARR)	–	3,285	–	–	–	–	–	–
Closing balance	48,149	48,149	558	558	33	33	707	707

\$ '000	Total	
	2025	2024
Opening balance	1,993,131	1,837,239
Purchases (GBV)	–	17,670
Disposals (WDV)	–	(3,944)
Depreciation and impairment	–	(41,347)
Adjustments and transfers	–	42,578
Revaluation increment to equity (ARR)	–	140,935
Closing balance	1,993,131	1,993,131

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

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

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

Description of the funding arrangements.

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

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

* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2025 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, 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, the next of which is due effective 30 June 2025, and monitored annually between triennials. 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. The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$102,449. The last formal valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2023.

Council's ex[eced cpmtrobitopm tp tje [;am fpr tje nextammia; re[prtomg [eropd os \$164,540.

E3-1 Contingencies (continued)

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

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

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

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	3.5% for FY 24/25 2.5% per annum

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

(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

Over a period of time, Council has classified some privately owned land parcels with an E2 zoning.

As a result, it is possible that a landowner could notify Council in writing that they require Council to purchase the land parcel.

At reporting date, Council is unaware of any related potential liability.

ASSETS NOT RECOGNISED

(i) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	2,055	1,269
Post-employment benefits	218	167
Other long-term benefits	510	84
Total	2,783	1,520

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	67	64
Councillors' fees	267	235
Other Councillors' expenses (including Mayor)	76	56
Total	410	355

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
During the year, the following fees were incurred for services provided by the auditor of Council, 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	127	123
Remuneration for audit and other assurance services	127	123
Total Auditor-General remuneration	127	123
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Audit and review of financial statements	34	21
Remuneration for audit and other assurance services	34	21
Total remuneration of non NSW Auditor-General audit firms	34	21
Total audit fees	161	144

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	27,078	60,537
Add / (less) non-cash items:		
Depreciation and amortisation	46,978	45,376
(Gain) / loss on disposal of assets	4,473	3,628
Non-cash capital grants and contributions	(8,518)	(17,650)
Unwinding of discount rates on restoration provision	–	1,221
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	10,253	1,229
Increase / (decrease) in provision for impairment of receivables	(384)	5
(Increase) / decrease of inventories	131	3
(Increase) / decrease of other current assets	(130)	138
(Increase) / decrease of contract asset	11,032	1,898
Increase / (decrease) in payables	(9,815)	(6,042)
Increase / (decrease) in accrued interest payable	–	7
Increase / (decrease) in other accrued expenses payable	41	3,533
Increase / (decrease) in other liabilities	331	(1,025)
Increase / (decrease) in contract liabilities	970	5,419
Increase / (decrease) in employee benefit provision	217	248
Increase / (decrease) in other provisions	77	–
Net cash flows from operating activities	82,734	98,525

(b) Non-cash investing and financing activities

Private subdivisions	8,518	17,650
Total non-cash investing and financing activities	8,518	17,650

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2025	2024
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Land	1,527	977
Road infrastructure	1,524	975
Buildings	109	70
Plant and equipment	1,321	845
Water supply	44,957	28,754
Sewer	21,630	13,834
Other structures	4,056	2,594
Bridges	1,473	942
Recreation	4,103	2,624
Total commitments	80,700	51,615

Details of capital commitments

Current capital commitments include plant and equipment (mainly heavy vehicles) required for general operations; Waste, Water and Sewer major construction projects, including Southern Water Supply Storage construction; road and bridge renewal projects.

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	4,615	334	–	–	239	(727)	–	4,461	–
Parking	238	(1)	–	–	12	(140)	–	109	–
Open space	716	62	–	–	53	–	(6)	825	–
Community facilities	91	14	–	–	5	–	–	110	–
Cycleways/Pedestrian	241	33	–	–	13	–	–	287	–
Administration	–	8	–	–	(14)	–	6	–	–
Waste Disposal	63	4	–	–	3	–	–	70	–
Marine	20	3	–	–	1	–	–	24	–
Stormwater	113	13	–	–	6	–	–	132	–
S7.11 contributions – under a plan	6,097	470	–	–	318	(867)	–	6,018	–
S7.12 levies – under a plan	1,706	525	–	6,950	97	–	–	2,328	–
Total S7.11 and S7.12 revenue under plans	7,803	995	–	6,950	415	(867)	–	8,346	–
S7.11 not under plans	11	–	–	–	–	–	–	11	–
S7.4 planning agreements	202	144	–	–	14	–	–	360	–
S64 contributions	6,766	1,230	–	1,568	268	(7,529)	–	735	–
Total contributions	14,782	2,369	–	8,518	697	(8,396)	–	9,452	–

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

G4-2 Developer contributions by plan

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

S7.11 contributions – under a plan

Eurobodalla Local Infrastructure Contributions Plan, Community and Cultural Facilities

Community facilities	91	14	–	–	5	–	–	110	–
Total	91	14	–	–	5	–	–	110	–

Development Contributions Plan 2000 - 2005, Waste Disposal

Waste Facilities	63	4	–	–	3	–	–	70	–
------------------	----	---	---	---	---	---	---	----	---

continued on next page ...

G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Total	63	4	–	–	3	–	–	70	–

DRAFT

G4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Development Contributions Plan 2000 - 2005, Car Parking									
Parking	238	(1)	–	–	12	(140)	–	109	–
Total	238	(1)	–	–	12	(140)	–	109	–
Eurobodalla Local Infrastructure Contributions Plan, Urban Roadworks									
Roads	2,419	279	–	–	124	(727)	–	2,095	–
Total	2,419	279	–	–	124	(727)	–	2,095	–
Eurobodalla Local Infrastructure Contributions Plan, Open Space and Recreation Facilities									
Open space	716	62	–	–	53	–	(6)	825	–
Total	716	62	–	–	53	–	(6)	825	–
Eurobodalla Local Infrastructure Contributions Plan, Plan Preparation and Administration									
Administration	–	8	–	–	(14)	–	6	–	–
Total	–	8	–	–	(14)	–	6	–	–
Eurobodalla Local Infrastructure Contributions Plan, Paths and Cycleway Facilities									
Cycleways/Pedestrian	241	33	–	–	13	–	–	287	–
Total	241	33	–	–	13	–	–	287	–
Eurobodalla Local Infrastructure Contribution Plan, Rural Roads									
– Area 1 - Nelligen West	4	–	–	–	–	–	–	4	–
– Area 2A - NW Batemans Bay	609	–	–	–	32	–	–	641	–
– Area 2B - Long Beach	1	–	–	–	–	–	–	1	–
– Area 3B - Surf Beach/Malua Bay	241	–	–	–	12	–	–	253	–
– Area 4 - Bimbimbi	130	–	–	–	7	–	–	137	–
– Area 5 - Polwambra	201	–	–	–	10	–	–	211	–
– Area 6 - Moruya	164	–	–	–	9	–	–	173	–
– Area 7 - Congo/Bingi	397	–	–	–	20	–	–	417	–
– Area 8 - South Narooma	424	–	–	–	22	–	–	446	–
– Area 9 - Tilba	25	24	–	–	2	–	–	51	–
Total	2,196	24	–	–	114	–	–	2,334	–
Eurobodalla Local Infrastructure Plan, Marine									
Marine	20	3	–	–	1	–	–	24	–
Total	20	3	–	–	1	–	–	24	–
Eurobodalla Local Infrastructure Plan, Stormwater									
Stormwater	113	13	–	–	6	–	–	132	–
Total	113	13	–	–	6	–	–	132	–

G4-2 Developer contributions by plan (continued)

Development Contributions Plan 2000 - 2005, Local Roads - Heffernan Place 1

Roads	–	31	–	–	1	–	–	32	–
Total	–	31	–	–	1	–	–	32	–

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

S7.12 Levies – under a plan

Eurobodalla S7.12 Contribution Plan

Section 94A	1,706	525	–	6,950	97	–	–	2,328	–
Total	1,706	525	–	6,950	97	–	–	2,328	–

G4-3 Contributions not under plans

S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

Parking	11	–	–	–	–	–	–	11	–
Total	11	–	–	–	–	–	–	11	–

G4-4 S7.4 planning agreements

S7.4 Voluntary Planning Agreements

Roads	202	144	–	–	14	–	–	360	–
Total	202	144	–	–	14	–	–	360	–

G4-5 S64 contributions

Development Servicing Plan - Eurobodalla Shire Water Supply

Water headworks	3,240	530	–	394	88	(3,960)	102	–	–
Total	3,240	530	–	394	88	(3,960)	102	–	–

Development Servicing Plan - Eurobodalla Shire Sewerage Services

Sewerage headworks	3,526	700	–	1,174	179	(3,569)	(102)	734	–
--------------------	-------	-----	---	-------	-----	---------	-------	-----	---

continued on next page ...

G4-5 S64 contributions (continued)

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Total	3,526	700	–	1,174	179	(3,569)	(102)	734	–

DRAFT

End of the audited financial statements

DRAFT

Eurobodalla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

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

DRAFT

Eurobodalla Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

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

DRAFT