
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 10 SEPTEMBER 2025
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 31 AUGUST 2025

Author	Director Finance & Corporate Strategy
Responsible Officer	Director Finance & Corporate Strategy
Link to Strategic Plans	CSP – 4.3 - A financially sound Council that is responsible and sustainable DP – 4.3.1.1 - Ensure Council's long-term financial sustainability DP – 4.3.1.3 - Maximise return on investment of Council funds

Executive Summary

Council's investments are made in accordance with legislative requirements and are certified as such by the Responsible Accounting Officer. This report details Council's investments as at 31 August 2025.

Report

Under the Local Government Act 1993 and Local Government (General) Regulation 2021, the Responsible Accounting Officer is required to report on Council's Investment portfolio monthly. The report must be made up to the last day of the month immediately preceding the meeting.

The management of Council's Investments is delegated by the General Manager to the Director of Finance and Corporate Strategy.

Council's investments are made in accordance with the Local Government Act 1993, Local Government (General) Regulation 2021, Ministerial Investment Order issued February 2011, the Office of Local Government's Guidelines and Council's Investment Policy.

Council's investment portfolio is managed through term deposits and the current interest rates range from 3.80% to 4.85%. During August, Council's total cash and investments increased by \$2,241M from \$20,934M to \$23,175M. This is due to the transfer of excess funds from the cheque account to investments. Council's investment portfolio as at 31 August 2025 is attached (**Attachment No. 1**).

Financial Implications

The 2025/26 Budget estimates the total annual Investment Revenue as \$898,464 which represents an estimated return of 4.35% and is split proportionally across General, Water and Sewer Funds and changes monthly in accordance with cash flow requirements.

Legal and Regulatory Compliance

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2021 – Clause 212
- Council Investment Policy
- Ministerial Investment Order – 12 January 2011

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1. INVESTMENT REPORT AS AT 31 AUGUST 2025 (Cont'd)

Risk Management Issues

Council's risk management strategy is to diversify the allocation of funds across different financial institutions and government authorities based on credit ratings as per the Investment Policy. The investment portfolio is regularly reviewed to maximise investment performance and minimise risk.

Certification – Responsible Accounting Officer

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2021 and Council's Investment Policy.

Attachments

- Investment Portfolio as at 31 August 2025 (***Attachment No. 1***)

RECOMMENDATION

1. That the report regarding Council's Investment Portfolio be received and noted.
2. That the certification of the Responsible Accounting Officer be noted and the report adopted.

2. FINANCIAL REPORT – 31 AUGUST 2025

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.3.1 – Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies. DP-4.3.1.1 Ensure Council's long-term financial sustainability

Executive Summary

This report provides information to Council regarding its financial performance and position for the period ended 31 August 2025 and progress of the 2025/26 capital works program.

Report

The financial report as 31 August 2025 has been prepared and is presented to Council as ***Attachment No. 2***.

This report provides information to Council regarding its actual income and expenditure for the period ended 31 August 2025 and compares it to the budgeted income and expenditure for the year. Council adopted its budget for the 2025-26 financial year as part of the Operational Plan at the June 2025 Ordinary Council Meeting.

2. FINANCIAL REPORT – 31 AUGUST 2025 (Cont'd)

Legal and Regulatory Compliance

The Local Government (General) Regulation 2021 (the Regulations) clause 202, states that Council's Responsible Accounting Officer must:

- "a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of Council's income and expenditure; and
- b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of Council."

Financial Implications

There are no variations proposed to Council in this report.

Attachments

- Financial report as at 31 August 2025 (**Attachment No. 2**)

RECOMMENDATION

That the financial report as at 31 August 2025 be received and noted.

3. DRAFT 2024/2025 FINANCIAL STATEMENTS REFERRAL TO AUDIT

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.3.1 Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance DP 4.3.1.2 Ensure financial statements and returns are prepared and submitted in accordance with legislative requirements

Executive Summary

This report presents the Draft 2024/2025 Financial Statements (**see Attachment No. 3**) to be referred to audit.

Report

Section 413(1) of the Local Government Act requires that Council must prepare financial reports for each year and must refer them for audit as soon as practicable (having regard to the requirements of section 416(1)) after the end of that year.

Under Section 416(1) Council's financial reports must be audited within 4 months after the end of the year concerned, and under section 428(4)(a) the audited financial reports must be included in Council's Annual Report.

3. DRAFT 2024/2025 FINANCIAL STATEMENTS REFERRAL TO AUDIT (Cont'd)

Within the financial reports, the Statements required by section 413(2)(c) of the Act must be made by a resolution of the Council and be signed by the Mayor, one other member of the Council, the Responsible Accounting Officer and the General Manager.

The audit of the draft Financial Statements will commence on 29 September 2025 and be conducted by the Audit Office of NSW.

The draft Financial Statements have been referred to the Audit, Risk and Improvement Committee members for their review and comments.

Financial Overview

Council's total income for the year was \$35,996 million. Major sources of income include rates and annual charges (31%) and operating and capital grants of \$17,457 million (49% of total income).

Operating expenses for the year were \$34,231 million which is \$2,111 million higher than the previous year.

Council reported a net operating result of \$1,765 million and 3% increase in equity for the 2024-25 financial year.

Financial Implications

The Annual Financial Statements report on Council's financial performance, results and position for the 2024/2025 financial year.

Legal and Regulatory Compliance

Local Government Act, 1993 – Sections 413(1) and 413(2)(c)
Local Government (General) Regulation 2021 – Clause 215
Local Government Code of Accounting Practice and Financial Reporting 2024/25
Australian Accounting Standards

Risk Management Issues

Compliance with legislative requirements

Internal/External Consultation

NSW Audit Office – Annual Engagement Plan
NSC Audit Risk and Improvement Committee

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3. DRAFT 2024/2025 FINANCIAL STATEMENTS REFERRAL TO AUDIT (Cont'd)

Attachments

- Draft General Purpose Financial Statements for the year ended 30 June 2025
- Draft Special Purpose Financial Statements for the year ended 30 June 2025
- Draft Special Schedules for year ended 30 June 2025

RECOMMENDATION

1. That Council's 2024/25 Draft Financial Statements be referred to the NSW Audit Office for audit.
2. That Council certifies that the 2024/25 Draft Financial Statements have been prepared in accordance with:
 - the Local Government Act 1993 and the regulations made thereunder;
 - the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board;
 - the Local Government Code of Accounting Practice and Financial Reporting;
 - present fairly Council's operating result and financial position for the year;
 - accord with Council's accounting and other records;
 - and that Council is not aware of any matter that would render this report false or misleading in any way.
3. That Council adopts the Statements by Councillors and Management and resolves that they be signed and attached to the year-end accounts.
4. That Council delegates to the General Manager the authority to "fix the date" for the meeting at which the Audited Financial Statements and auditors reports are to be presented to the public and give public notice of the date so fixed (as per section 418(1) of the Local Government Act 1993).

4. PROVISION, OPERATING AND MANAGEMENT OF CORPORATE IPADS FOR COUNCILLORS POLICY

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.2.1 Strive for business excellence through continuous improvement and creativity DP – 4.2.1.1 – Maintain a framework of relevant policies and procedures.

Executive Summary

This report is presented to Council to review and endorse the Provision, Operation and Management of Corporate iPads for Councillors Policy.

Report

Each Councillor is provided with a Council supplied iPad for the purpose of disseminating Council information to enable the Councillor to execute his/her duties in respect of the role of Councillor. The policy provides guidance on the security, support and conditions of use of the device.

4. PROVISION, OPERATING AND MANAGEMENT OF CORPORATE IPADS FOR COUNCILLORS POLICY (Cont'd)

The current policy was adopted by Council 9 July 2014 and revised by Council on 12 September 2018. The policy is due for revision. Suggested amendments have been marked in red for ease of reference (**See Attachment No. 4**)

Financial Implications

The costs associated with the provision, maintenance, and data of corporate iPads to Councillors is budgeted for in Council's Operational Plan.

Legal and Regulatory Compliance

Provision of facilities and payment of expenses must be in accordance with the Councillor Expenses and Facilities Policy. ICT expenses are included in the policy.

Council's Code of Conduct - Sections 8.13, 8.15, 8.17, and 8.20

Risk Management Issues

As the iPad is configured to access Councillor's email and other features, security of the iPad must be treated seriously, including closed meeting reports and other confidential information. The Finance and Corporate Strategy Department must be notified immediately if an iPad is lost or stolen. Should this occur, the entire contents, including private information, will be deleted from the lost or stolen device.

Councillors will be required to complete cyber security awareness training on an annual basis.

Internal/External Consultation

Manager Information Technology
Executive Leadership Team

There is no requirement to place this policy on public exhibition.

Attachments

- Provision, Operation and Management of Corporate iPads for Councillors Policy (**Attachment No. 4**)

RECOMMENDATION

That the Provision, Operation and Management of Corporate iPads for Councillors Policy as presented to Council be adopted.

Barry Bonthuys
Director Finance & Corporate Strategy
Responsible Accounting Officer

Attachment 1 - Investments as at 31 August 2025

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
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Cash & At Call							
Commonwealth Bank	AA-	Business Online Saver - at call - Interest - Special rate 3.80%	A-1+	3.80%	N/A	3,175,080.48	S&P Short Term
TOTAL						3,175,080.48	
Percentage of Total Portfolio						13.70%	
Average Investment Yield						3.80%	
Term Deposits							
Commonwealth Bank	AA-	Term Deposit - 05/09/2025	A-1+	4.75%	241 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 01/10/2025	A-1+	4.85%	243 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 24/10/2025	A-1+	4.70%	241 Days	3,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 03/12/2025	A-1+	4.11%	151 Days	2,000,000.00	S&P Short Term
Commonwealth Bank	AA-	Term Deposit - 03/02/2026	A-1+	3.95%	217 Days	2,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 04/03/2026	A-1+	4.15%	247 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 01/04/2026	A-1+	4.10%	272 Days	3,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 01/05/2026	A-1+	4.10%	269 Days	2,000,000.00	S&P Short Term
TOTAL						20,000,000.00	
Percentage of Total Portfolio						86.30%	
Average Investment Yield						4.47%	

Total Investment Portfolio

23,175,080.48



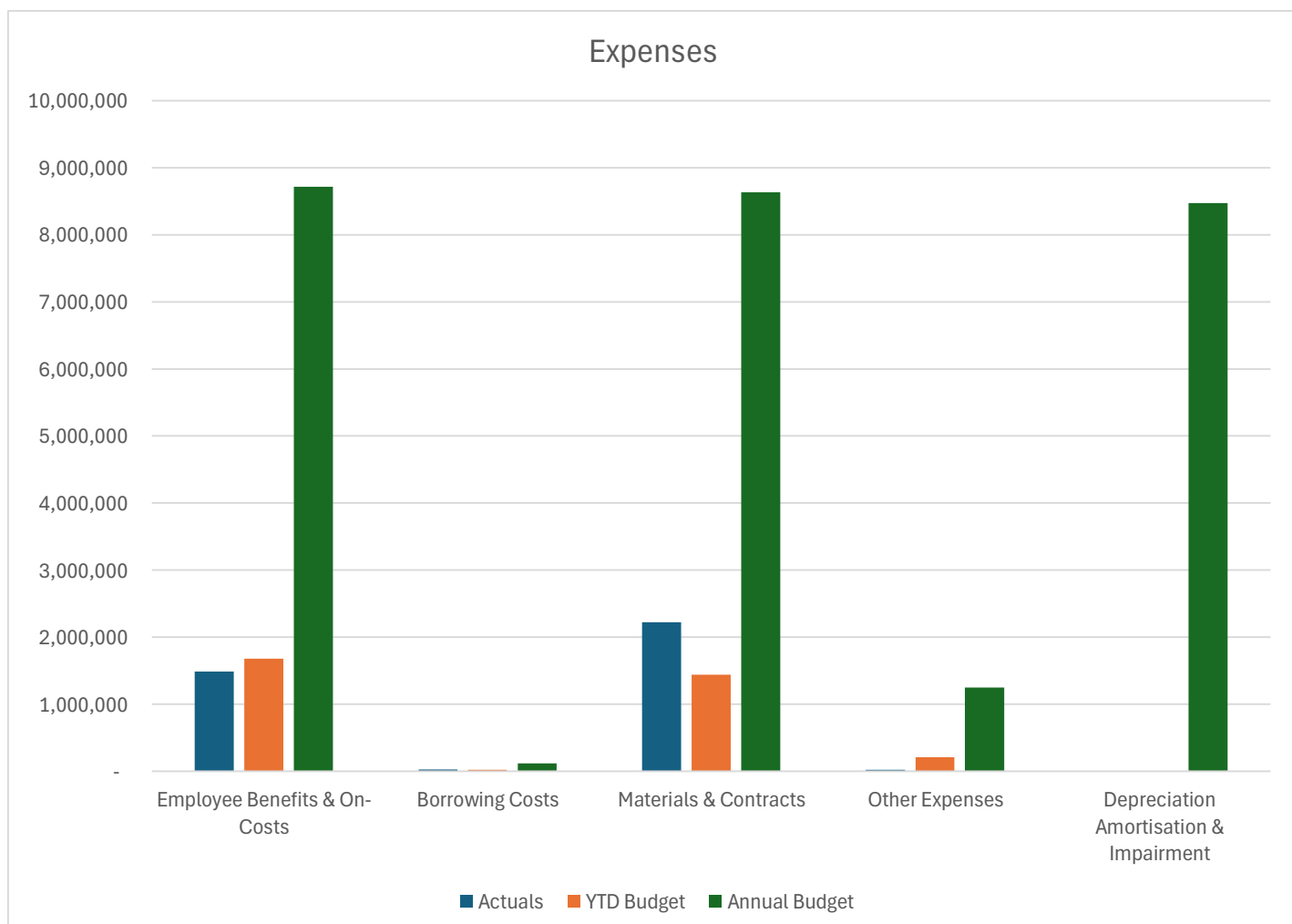
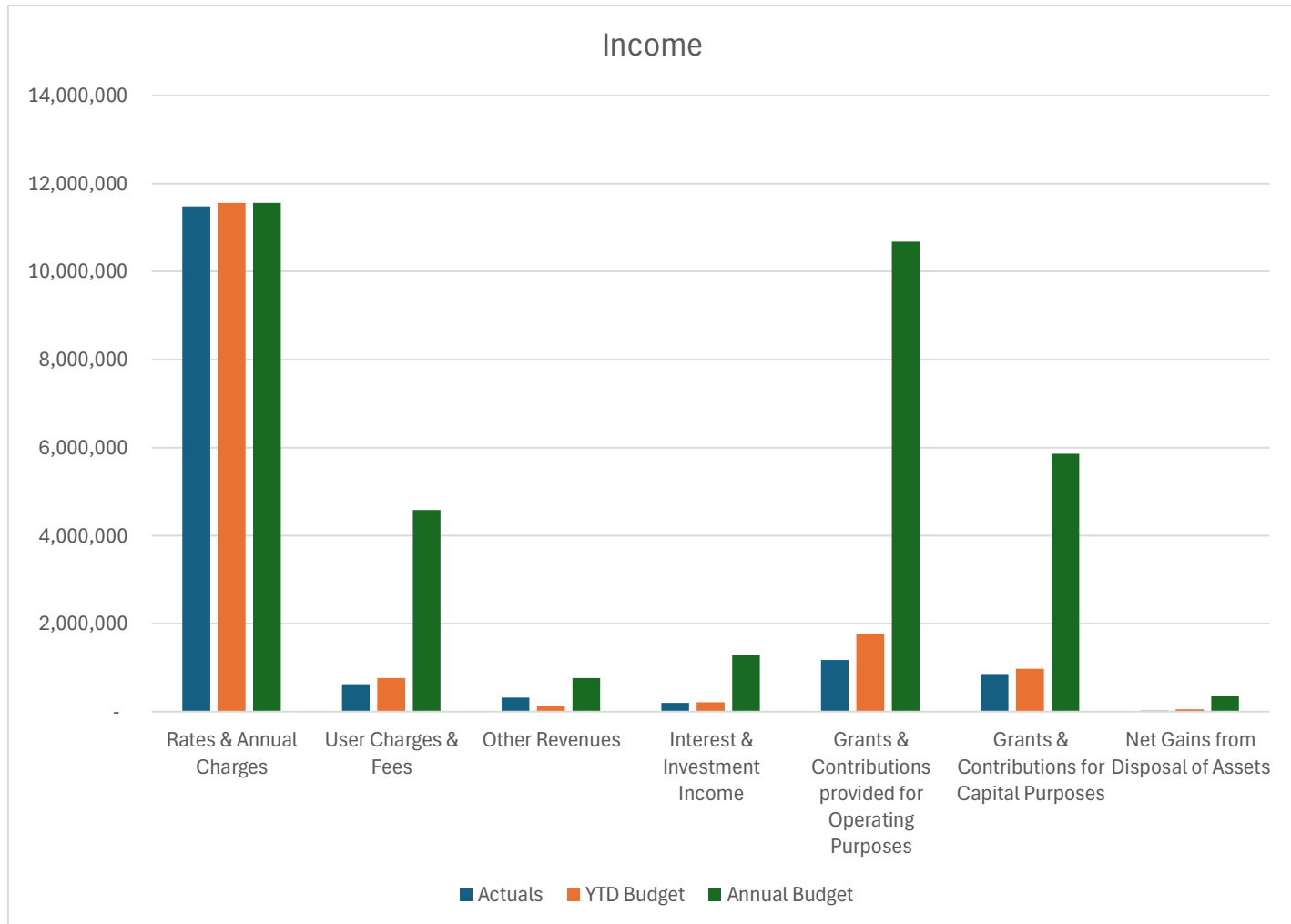
Financial Report

**For the period ended
31 August 2025**

Narromine Shire Council
Income Statement
for the financial year to date 31 August 2025

Resource Group	Actual YTD	YTD Budget	YTD Budget Variance %	Annual Budget	Variance \$	Variance %
Income						
Rates & Annual Charges	11,479,000	11,566,532	99%	11,566,532	87,532	99%
User Charges & Fees	628,000	764,381	82%	4,586,285	3,958,285	14%
Other Revenues	316,285	127,597	248%	765,579	449,294	41%
Interest & Investment Income	202,000	214,293	94%	1,285,758	1,083,758	16%
Grants & Contributions provided for Operating Purposes	1,170,000	1,779,664	66%	10,677,983	9,507,983	11%
Grants & Contributions for Capital Purposes	856,000	976,337	88%	5,858,022	5,002,022	15%
<i>Other Income</i>					-	
Net Gains/(Losses) from Disposal of Assets	23,715	60,884	0%	365,301	341,586	6%
Income Total	14,675,000	15,489,687	95%	35,105,460	20,430,460	42%
Expenditure						
Employee Benefits & On-Costs	1,485,000	1,676,272	89%	8,716,613	7,231,613	17%
Borrowing Costs	26,000	19,854	131%	119,123	93,123	22%
Materials & Contracts	2,223,000	1,439,318	154%	8,635,910	6,412,910	26%
Other Expenses	19,000	207,932	9%	1,247,593	1,228,593	2%
Depreciation Amortisation & Impairment	-	-	0%	8,474,810	8,474,810	0%
Expenditure Total	3,753,000	3,343,376	112%	27,194,049	23,441,049	14%
Total	10,922,000	12,146,311	90%	7,911,411	(3,010,589)	138%
Net Operating Result Before Grants and Contributions Provided for Capital Purposes	10,066,000	11,169,974	90%	2,053,389	(8,012,611)	490%

Narromine Shire Council
Income and Expenses Summary
for the financial year to dated 31 August 2025



**Narromine Shire Council
Budget 2025-26
BALANCE SHEET**

	Actual YTD \$'000	Budget 2025-26 \$'000	Variance %
ASSETS			
Current Assets			
Cash & cash equivalents	3,508	1,655	211.96%
Investments	20,000	19,000	105.26%
Receivables	11,652	2,881	404.44%
Inventories	9,583	1,733	552.97%
Other	7	66	10.61%
Total Current Assets	44,750	25,335	176.63%
Non-Current Assets			
Infrastructure, property, plant & equipment	417,170	439,295	94.96%
Investments accounted for using the equity method	440	430	102.33%
Total Non-Current Assets	417,610	439,725	94.97%
TOTAL ASSETS	462,360	465,060	99.42%
LIABILITIES			
Current Liabilities			
Payables	1,116	2,752	40.55%
Borrowings	882	398	221.61%
Employee benefit provision	1,904	1,605	118.63%
Total Current Liabilities	3,902	4,755	82.06%
Non-Current Liabilities			
Borrowings	2,849	2,499	114.01%
Employee benefit provisions	62	58	106.90%
Provisions	2,165	1,986	109.01%
Total Non-Current Liabilities	5,076	4,543	111.73%
TOTAL LIABILITIES	8,978	9,298	96.56%
Net Assets	453,382	455,762	99.48%
EQUITY			
Accumulated Surplus	185,196	181,695	101.93%
Revaluation Reserves	268,186	274,067	97.85%
Council Equity Interest	453,382	455,762	99.48%
Total Equity	453,382	455,762	99.48%

Narromine Shire Council
Income Statement by Department - Community Services
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Other Revenues	254,608	451,236	196,628	56%
Grants & Contributions provided for Operating Purposes	909	219,353	218,444	0%
Grants & Contributions for Capital Purposes	-	-	-	100%
Other Income	-	5,150	5,150	0%
Income Total	255,517	675,739	420,222	38%
Expenditure				
Employee Benefits & On-Costs	72,777	495,150	422,373	15%
<u>Materials & Contracts</u>			-	
Contractors/Consultants	48,694	142,522	93,828	34%
Insurance	84,468	81,974	(2,494)	103%
Utilities	119,373	141,126	21,753	85%
Materials and Services	64,624	119,749	55,125	54%
Internal Cost Allocations	12,169	172,127	159,958	7%
Total Materials and Contracts	329,328	657,498	328,170	50%
<u>Borrowing Costs</u>				
Interest Payments Bank Loans	17,371	84,109	66,738	21%
Total Borrowing Costs	17,371	84,109	66,738	21%
<u>Other Expenses</u>				
Other Sundry Expenses	15,901	504,983	489,082	3%
Total Other Expenses	15,901	504,983	489,082	3%
<u>Depreciation</u>				
Depreciation Expenses	-	208,733	208,733	0%
Total Depreciation	-	208,733	208,733	0%
Expenditure Total	435,377	1,950,473	1,515,096	22%
Total	(179,860)	(1,274,734)	(1,094,874)	14%

Narromine Shire Council
Income Statement by Department - Corporate Services
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Rates and Annual Charges	7,040,033	7,033,571	(6,462)	100%
Other Revenues	16,162	36,019	19,857	45%
Interest & Investment Income	186,800	951,664	764,864	20%
Grants & Contributions provided for Operating Purposes	521,737	5,138,047	4,616,310	10%
Other Income	-	13,880	13,880	0%
Net Gains/(Losses) from Disposal of Assets	23,589	110,141	86,552	21%
Income Total	7,788,321	13,283,322	5,495,001	59%
Expenditure				
Employee Benefits & On-Costs	321,893	3,020,650	2,698,757	11%
<u>Materials & Contracts</u>			-	
Contractors/Consultants	36,970	162,657	125,687	23%
Insurance	135,385	269,188	133,803	50%
Utilities	18,029	64,844	46,815	28%
Materials and Services	190,309	1,004,243	813,934	19%
Internal Cost Allocations	2,403	(3,624,138)	(3,626,541)	0%
Total Materials and Contracts	383,096	(2,123,206)	(2,506,302)	-18%
<u>Borrowing Costs</u>				
Interest Payments Bank Loans	8,333	31,431	23,098	27%
Total Borrowing Costs	8,333	31,431	23,098	27%
<u>Other Expenses</u>				
Other Sundry Expenses	5,859	37,312	31,453	16%
Total Other Expenses	5,859	37,312	31,453	16%
<u>Depreciation</u>				
Depreciation Expenses	-	193,053	193,053	0%
Total Depreciation	-	193,053	193,053	0%
Expenditure Total	719,181	1,159,240	440,059	62%
Total	7,069,140	12,124,082	5,054,942	58%

Narromine Shire Council
Income Statement by Department - Development and Environmental Services
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
User Fees and Charges	54,673	164,698	110,025	33%
Other Revenues	3,840	28,241	24,401	14%
Grants & Contributions provided for Operating Purposes	17,063	305,168	288,105	6%
Grants & Contributions for Capital Purposes	15,531	312,173	296,642	5%
Other Income	-	3,794	3,794	0%
Income Total	91,107	814,074	722,967	11%
Expenditure				
Employee Benefits & On-Costs	157,050	813,823	656,773	19%
<u>Materials & Contracts</u>			-	
Contractors/Consultants	362	65,647	65,285	1%
Insurance	9,072	9,672	600	94%
Utilities	1,943	11,284	9,341	17%
Materials and Services	63,675	146,512	82,837	43%
Internal Cost Allocations	12,320	282,033	269,713	4%
Total Materials and Contracts	87,372	515,148	427,776	17%
<u>Other Expenses</u>				
Other Sundry Expenses	1,799	458,549	456,750	0%
Total Other Expenses	1,799	458,549	456,750	0%
<u>Depreciation</u>				
Depreciation Expenses	-	241,553	241,553	0%
Total Depreciation	-	241,553	241,553	0%
Expenditure Total	246,221	2,029,073	1,782,852	12%
Total	(155,114)	(1,214,999)	(1,059,885)	13%

Narromine Shire Council
Income Statement by Department - Engineering and Infrastructure Services
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Rates and Annual Charges	53,197	49,835	(3,362)	107%
User Fees and Charges	41,895	1,295,499	1,253,604	3%
Other Revenues	44,907	398,656	353,749	11%
Interest & Investment Income	114	740	626	15%
Grants & Contributions provided for Operating Purposes	629,059	4,930,415	4,301,356	13%
Grants & Contributions for Capital Purposes	838,893	4,960,505	4,121,612	17%
Other Income	1,561	52,949	51,388	3%
Income Total	1,609,626	11,688,599	10,078,973	14%
Expenditure				
Employee Benefits & On-Costs	650,955	2,746,541	2,095,586	24%
<u>Materials & Contracts</u>			-	
Contractors/Consultants	187,728	1,713,043	1,525,315	11%
Insurance	257,796	254,324	(3,472)	101%
Utilities	161,645	382,147	220,502	42%
Materials and Services	711,411	2,473,964	1,762,553	29%
Internal Cost Allocations	(621,983)	(464,519)	157,464	134%
Total Materials and Contracts	696,597	4,358,959	3,662,362	16%
<u>Borrowing Costs</u>				
Interest Payments Bank Loans	286	935	649	31%
Total Borrowing Costs	286	935	649	31%
<u>Other Expenses</u>				
Other Sundry Expenses	-	16,548	16,548	0%
Total Other Expenses	-	16,548	16,548	0%
<u>Depreciation</u>				
Depreciation Expenses	-	7,090,655	7,090,655	0%
Total Depreciation	-	7,090,655	7,090,655	0%
Expenditure Total	1,347,838	14,213,638	12,865,800	9%
Total	261,788	(2,525,039)	(2,786,827)	-10%

Narromine Shire Council
Income Statement by Department - Governance
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Other Revenues	9,630	12,407	2,777	78%
Grants & Contributions provided for Operating Purposes	-	85,000	85,000	0%
Other Income	-	5,050	5,050	0%
Income Total	9,630	102,457	92,827	9%
Expenditure				
<u>Salary and Wages</u>				
Employee Benefits & On-Costs	78,569	319,769	241,200	25%
Elected Members Allowances	19,632	156,179	136,547	13%
Total Salary and Wages	98,201	475,948	377,747	21%
<u>Materials & Contracts</u>				
Contractors/Consultants	103	24,158	24,055	0%
Insurance	298,355	300,595	2,240	99%
Utilities	-	19,711	19,711	0%
Materials and Services	25,263	323,256	297,993	8%
Internal Cost Allocations	-	945,146	945,146	0%
Total Materials and Contracts	323,721	1,612,866	1,289,145	20%
<u>Other Expenses</u>				
Other Sundry Expenses	-	269	269	0%
Total Other Expenses	-	269	269	0%
<u>Depreciation</u>				
Depreciation Expenses	-	181,837	181,837	0%
Total Depreciation	-	181,837	181,837	0%
Expenditure Total	421,922	2,270,920	1,848,998	19%
Total	(412,292)	(2,168,463)	(1,756,171)	19%

Narromine Shire Council
Income Statement by Department - Water
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Rates and Annual Charges	1,106,664	3,440,978	2,334,314	32%
User Fees and Charges	15,281	31,944	16,663	48%
Other Revenues	1,690	6,786	5,096	25%
Interest & Investment Income	8,879	46,568	37,689	19%
Grants & Contributions for Capital Purposes	-	405,344	405,344	0%
Other Income	-	1,071	1,071	0%
Income Total	1,132,514	3,932,691	2,800,177	29%
Expenditure				
Employee Benefits & On-Costs	77,868	458,969	381,101	17%
<u>Materials & Contracts</u>			-	
Contractors/Consultants	79,692	180,890	101,198	44%
Insurance	41,077	30,856	(10,221)	133%
Utilities	23,580	141,301	117,721	17%
Materials and Services	97,354	720,965	623,611	14%
Internal Cost Allocations	34,912	603,028	568,116	6%
Total Materials and Contracts	276,615	1,677,040	1,400,425	16%
<u>Other Expenses</u>				
Other Sundry Expenses	-	150	150	0%
Total Other Expenses	-	150	150	0%
<u>Depreciation</u>				
Depreciation Expenses	-	197,552	197,552	0%
Total Depreciation	-	197,552	197,552	0%
Expenditure Total	354,483	2,333,711	1,979,228	15%
Total	778,031	1,598,980	820,949	49%

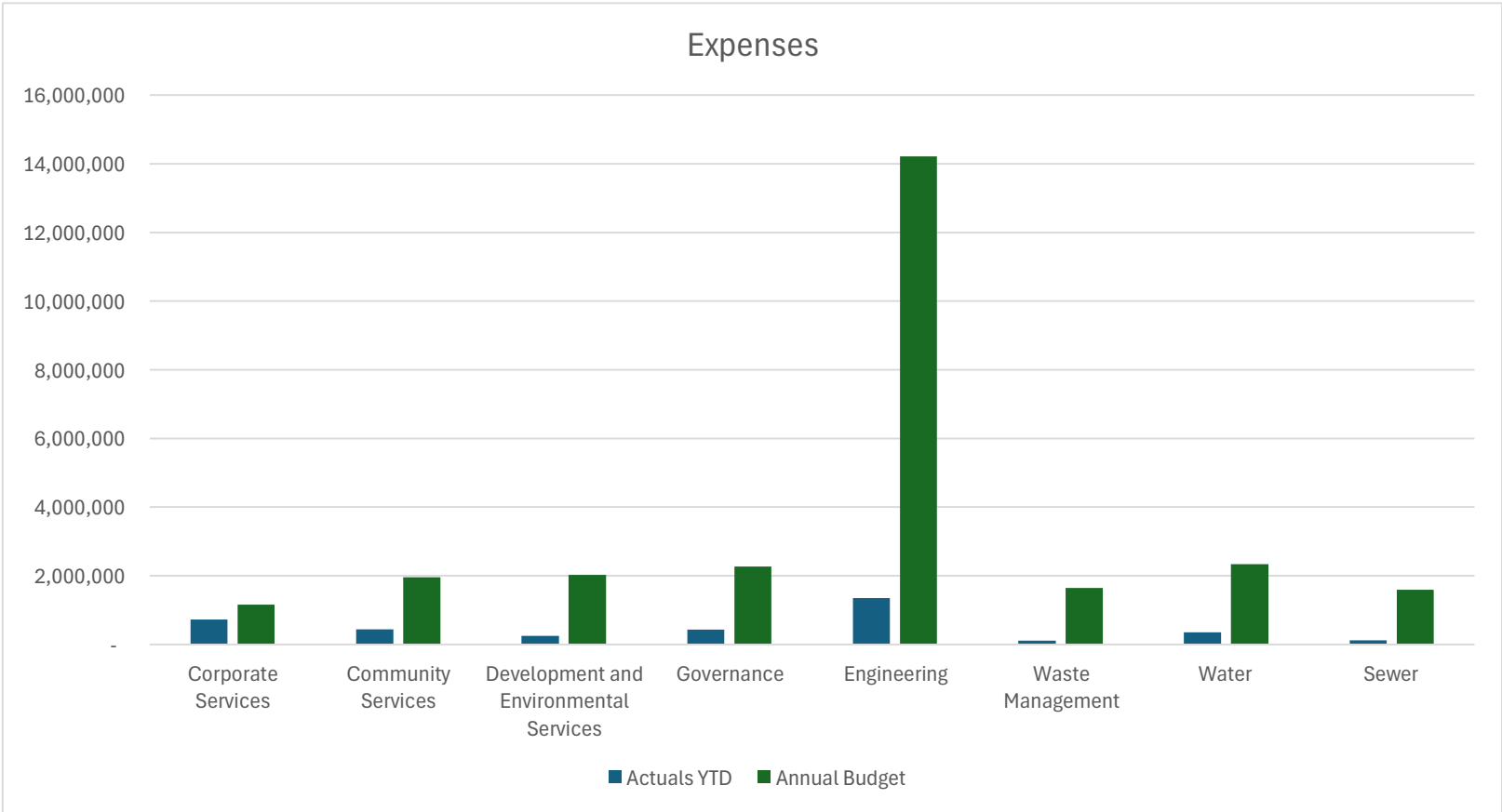
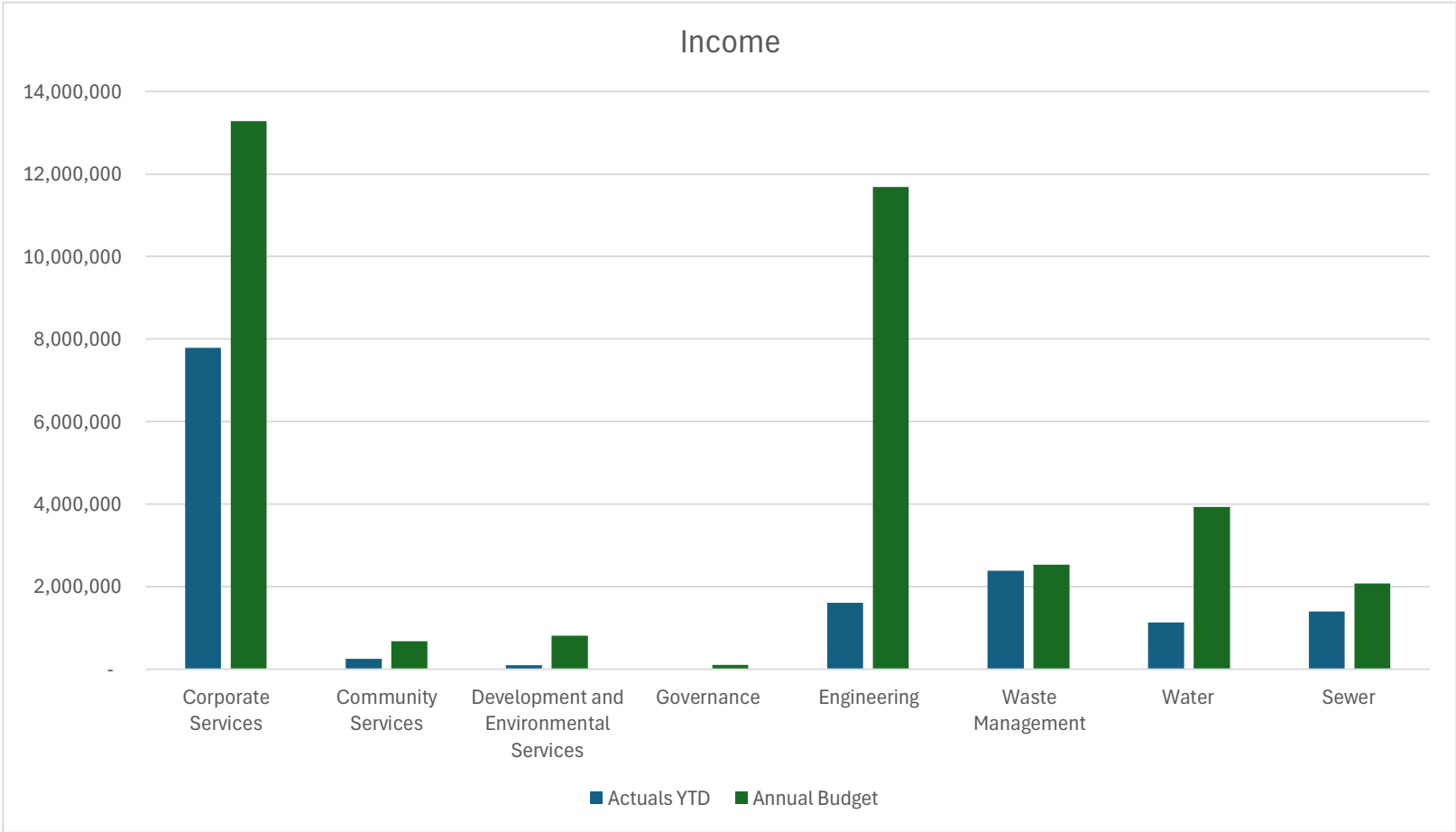
Narromine Shire Council
Income Statement by Department - Sewer
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Rates and Annual Charges	1,388,302	1,813,118	424,816	77%
Interest & Investment Income	4,340	267,053	262,713	2%
Other Income	3,669	1,000	(2,669)	367%
Income Total	1,396,311	2,081,171	684,860	67%
Expenditure				
Employee Benefits & On-Costs	42,554	276,596	234,042	15%
<u>Materials & Contracts</u>			-	
Contractors/Consultants	18,730	300,000	281,270	6%
Insurance	14,385	16,149	1,764	89%
Utilities	22,490	64,431	41,941	35%
Materials and Services	2,348	29,796	27,448	8%
Internal Cost Allocations	22,616	584,166	561,550	4%
Total Materials and Contracts	80,569	994,542	913,973	8%
<u>Other Expenses</u>				
Other Sundry Expenses	-	1,264	1,264	0%
Total Other Expenses	-	1,264	1,264	0%
<u>Depreciation</u>				
Depreciation Expenses	-	315,928	315,928	0%
Total Depreciation	-	315,928	315,928	0%
Expenditure Total	123,123	1,588,330	1,465,207	8%
Total	1,273,188	492,841	(780,347)	258%

Narromine Shire Council
Income Statement by Department - Waste
for the financial year to date 31 August 2025

	Actual YTD	Annual Budget	Variance \$	Variance %
Income				
Rates and Annual Charges	1,890,587	1,945,723	55,136	97%
User Fees and Charges	495,093	377,451	(117,642)	131%
Other Revenues	-	4,500	4,500	0%
Interest & Investment Income	3,125	19,733	16,608	16%
Grants & Contributions for Capital Purposes	780	180,000	179,220	0%
Income Total	2,389,585	2,527,407	137,822	95%
Expenditure				
Employee Benefits & On-Costs	65,985	428,936	362,951	15%
<u>Materials & Contracts</u>				
Contractors/Consultants	21,795	875,526	853,731	2%
Insurance	947	971	24	98%
Utilities	5,144	8,448	3,304	61%
Materials and Services	4,777	43,966	39,189	11%
Internal Cost Allocations	5,587	234,521	228,934	2%
Total Materials and Contracts	38,250	1,163,432	1,125,182	3%
<u>Borrowing Costs</u>				
Interest Payments Bank Loans	684	2,648	1,964	26%
Total Borrowing Costs	684	2,648	1,964	26%
<u>Other Expenses</u>				
Other Sundry Expenses	-	8,150	8,150	0%
Total Other Expenses	-	8,150	8,150	0%
<u>Depreciation</u>				
Depreciation Expenses	-	45,499	45,499	0%
Total Depreciation	-	45,499	45,499	0%
Expenditure Total	104,919	1,648,665	1,543,746	6%
Total	2,284,666	878,742	(1,405,924)	260%
Total Profit Across All Departments	10,919,547	7,911,411	(3,008,137)	138%

Narromine Shire Council
Income Statement by Department
for the financial year to date 31 August 2025



CAPITAL WORKS PROGRAM 2025/26								
Asset Class	Town	Project Description						
			Actuals	Committed	Total	Annual Budget	Variance	Budget %
Corporate and Financial Services	Shire	Capital Contingency Fund	-	-	-	200,000	200,000	0%
Total Corporate and Financial Services			-	-	-	200,000	200,000	0%
Buildings	Shire	Mungery Hall Upgrades (CAP 023)	-	-	-	30,848	30,848	0%
Buildings	Trangie	Stronger Country Communities Round 4 SCCF4 -0308 - Trangie Main Street Toilet Upgrade	4,956	-	4,956	30,707	25,751	16%
Buildings	Trangie	Library Extension - Local Roads and Community Infrastructure Program Phase 4	119	3,030	3,149	6,491	3,342	49%
Buildings	Narromine	Renewals and Upgrades - Customer Service Office	1,294	-	1,294	118,000	116,706	1%
Buildings	Narromine	Depot Renewals and Upgrades - Intercom, key safe, removal of emulsion tank, new signage, battery storage, truck wash upgrade	9,887	18,855	28,742	80,000	51,258	36%
Buildings	Trangie	Depot Renewals and Upgrades - New hot desk, internet and electrical upgrades	-	-	-	25,000	25,000	0%
Buildings	Shire	Electrical Upgrades - Various Sites as per safety requirements	14,492	25,637	40,129	100,000	59,871	40%
Buildings	Narromine	Renewals and Upgrades - Council Chambers Electronic Gates	-	15,000	15,000	15,000	-	100%
Buildings	Narromine	Animal Shelter Upgrade - Power to Office	2,620	1,734	4,354	5,000	646	87%
Buildings	Narromine	Animal Shelter Upgrade - Multipurpose Stock Holding Yards	12,171	-	12,171	25,000	12,829	49%
Total Buildings			45,539	64,256	109,795	436,046	326,251	25%
Cemeteries	Narromine	Narromine Cemetery (Dappo Road) Toilet Block	623	16,852	17,475	35,000	17,525	50%
Total Cemeteries			623	16,852	17,475	35,000	17,525	50%
IT Services	Narromine	Civica eServices - Procure to Pay	3,350	35,779	39,129	38,900	- 229	101%
IT Services	Narromine	Small Storage Devices	-	-	-	15,000	15,000	0%
IT Services	Narromine	Audio/Video Equipment Upgrade	-	-	-	40,000	40,000	0%
Total IT Services			3,350	35,779	39,129	93,900	54,771	42%
Real Estate Development	Narromine	Residential Land Development - Planning and Development - 36 Jones Circuit	9,951	11,700	21,651	50,000	28,349	43%
Real Estate Development	Narromine	Industrial Estate Land Development - Business Planning Freight Exchange	6,789	45,753	52,542	312,173	259,631	17%
Total Real Estate Development			16,740	57,453	74,193	362,173	287,980	20%
Recreation Facilities	Narromine	Fowler Engine Restoration	-	-	-	5,000	5,000	0%
Recreation Facilities	Narromine	Argonauts Park - Replace Softfall and Equipment	-	-	-	50,000	50,000	0%
Recreation Facilities	Trangie	Argonauts Park - New Equipment, Softfall and Fencing Park and Area Upgrades	-	-	-	150,000	150,000	0%
Recreation Facilities	Narromine	McKinnon Park - New Softfall Barrier	-	-	-	7,000	7,000	0%
Recreation Facilities	Tomingley	Dicken Park - New Softfall Border	-	-	-	10,000	10,000	0%
Recreation Facilities	Narromine	Riverside Precinct Upgrade - Design and Carparking	-	-	-	10,000	10,000	0%
Recreation Facilities	Narromine	Tennis Court Hit Wall - Cale Oval	-	-	-	10,000	10,000	0%
Recreation Facilities	Narromine	Sporting Fields Upgrade and Renewal - Dundas Oval White Picket Fencing (Section 7.12 Contribution)	-	-	-	120,000	120,000	0%
Recreation Facilities	Narromine	Sporting Fields Upgrade and Renewal - Payten Oval White Picket Fence Replacement (Section 7.12 Contribution)	-	-	-	150,000	150,000	0%
Recreation Facilities	Narromine	Sporting Fields Upgrade and Renewal - Olsen Oval Irrigation Upgrade	-	-	-	30,000	30,000	0%
Recreation Facilities	Trangie	Sporting Fields Upgrade and Renewal - Burns Oval	-	-	-	5,000	5,000	0%
Recreation Facilities	Tomingley	Tennis Courts Hit Wall	-	-	-	25,000	25,000	0%
Recreation Facilities	Narromine	Pool Equipment Upgrade (Pumps and Pipes)	1,111	19,286	20,397	30,000	9,603	68%
Recreation Facilities	Narromine	Pool - Install Edge Delineation	12,394	289	12,683	25,000	12,317	51%
Recreation Facilities	Trangie	Pool - Replace Filter	277	-	277	100,000	99,723	0%
Recreation Facilities	Narromine	Dundas Park Cricket Storage Upgrade - 7.12 Contributions	-	-	-	60,000	60,000	0%
Total Recreation Facilities			13,782	19,575	33,357	787,000	753,643	4%

CAPITAL WORKS PROGRAM 2025/26								
Asset Class	Town	Project Description						
			Actuals	Committed	Total	Annual Budget	Variance	
Saleyards	Narromine	Saleyards Redevelopment - Planning, Design and Consultation	-	6,986	6,986	25,000	18,014	28%
Total Saleyards			-	6,986	6,986	25,000	18,014	28%
Aerodrome	Narromine	Runway Upgrades, replace gables, electrical upgrades - Airports Program Round 4	18,630	49,999	68,629	180,000	111,371	38%
Total Aerodrome			18,630	49,999	68,629	180,000	111,371	38%
Roads	Narromine	Rural Roads - Tomingley and Gainsborough Road Intersection Upgrade (Block Grant)	224	-	224	700,000	699,776	0%
Roads	Narromine	Resources For Regions Rd8 & 9 - R4R8/R4R9 - 109 - Newhaven Rd Upgrade	89,865	1,784	91,649	245,899	154,250	37%
Roads	Narromine	2023-2024 Tullamore Road Repair (Block Grant and Regional and Local Roads Repair Funding) - 20.3km to 27.0km	414,293	364,828	779,121	1,050,532	271,411	74%
Roads	Narromine	Towards Zero Safer Roads Program (Rd2) - Tullamore Road (McGrane Way) Curve Safety Improvements 30km-33km	11,280	17,909	29,189	644,000	614,811	5%
Roads	Shire	Storm & Flood June 2022 Event - AGRN1025 - Euromedah Road (Kookaburra Creek)	85,962	130,010	215,972	331,740	115,768	65%
Roads	Shire	Rural Roads Reseal Program	-	-	-	652,966	652,966	0%
Roads	Shire	Regional Roads Reseal (Block Grant)	-	-	-	400,000	400,000	0%
Roads	Shire	Regional Roads Upgrades (Block Grant)	-	-	-	400,000	400,000	0%
Roads	Shire	Urban Roads Reseal - Various	-	-	-	155,000	155,000	0%
Roads	Shire	Gravel Resheet Program	-	-	-	380,000	380,000	0%
Roads	Shire	Upgrade and Renewals -RERRF Funding	-	-	-	1,000,000	1,000,000	0%
Roads	Narromine	Betterment Improvement Funding - Various Roads	169,670	114,352	284,022	1,505,026	1,221,004	19%
Roads	Shire	Roads to Recovery Projects	-	-	-	500,000	500,000	0%
Roads	Shire	Bulgandramine Culvert Replacement - RTR	7,768	-	7,768	200,000	192,232	4%
Roads	Narromine	Moss Ave (From Algalah to Payton Close) Kerb and Gutter - RTR	-	-	-	200,000	200,000	0%
Roads	Narromine	Narromine Urban Streets - Seal to Kerb	-	-	-	40,000	40,000	0%
Roads	Tomingley	Heavy Vehicle Rest Area Initiative - Tomingley Truck Stop Upgrade	4,674	-	4,674	100,000	95,326	5%
Roads	Shire	Traffic Counter Unit Replacements	-	-	-	15,000	15,000	0%
Roads	Narromine	Footpaths Renewals and Upgrades - St Augustine Infant Path Connection	-	19,401	19,401	90,000	70,599	22%
Roads	Tomingley	Footpaths Renewals and Upgrades - Start footpath along Myall Street (Design Only)	-	-	-	15,000	15,000	0%
Roads	Trangie	Footpaths Renewals and Upgrades - Footpath in Front of Café 2823	-	-	-	25,000	25,000	0%
Roads	Trangie	Footpaths Renewals and Upgrades - Footpath in Front of Empower	-	-	-	15,000	15,000	0%
Roads	Trangie	Footpaths Renewals and Upgrades - Footpath at Hospital	-	-	-	30,000	30,000	0%
Roads	Narromine	Street Lighting in Narromine Industrial Area	-	-	-	35,000	35,000	0%
Total Roads			783,736	648,284	1,432,020	8,730,163	7,298,143	16%
Sewer	Narromine	Pump Replacement Program	-	-	-	60,000	60,000	0%
Sewer	Trangie	Pump Replacement Program	-	-	-	23,000	23,000	0%
Sewer	Trangie	Upgrade of SPS 4	-	-	-	60,000	60,000	0%
Sewer	Trangie	Trangie Sewer Treatment Plant Upgrade - Head of Works Screening System	2,220	-	2,220	238,480	236,260	1%
Sewer	Shire	Minor Capital Works	-	-	-	24,487	24,487	0%
Sewer	Shire	Sewer Main Replacement - Relining Program	-	-	-	320,021	320,021	0%
Sewer	Shire	Telemetry Equipment Replacement	-	-	-	20,000	20,000	0%
Total Sewer			2,220	-	2,220	745,988	743,768	0%
Stormwater	Tomingley	Lined & Outlined Open Channel Drain - Capital Program	-	-	-	20,300	20,300	0%

CAPITAL WORKS PROGRAM 2025/26								
Asset Class	Town	Project Description						
			Actuals	Committed	Total	Annual Budget	Variance	
Stormwater	Narromine	Narromine Northern Catchment Storm Water Project - RTR	87,742	212,568	300,310	300,000	- 310	100%
Stormwater	Narromine	Wetlands Capital Program - complete paths and water fountains	5,782	-	5,782	12,000	6,218	48%
Stormwater	Narromine	Backwater Road Stormwater Channel and Pump System	-	-	-	25,000	25,000	0%
Stormwater	Narromine	Stormwater Upgrades - Manildra Street Drainage Upsize	-	-	-	200,000	200,000	0%
Stormwater	Trangie	Enmore Street Drainage - RTR	-	-	-	200,000	200,000	0%
Stormwater	Shire	Kerb and Gutter Capital Works	-	-	-	77,250	77,250	0%
Total Stormwater			93,524	212,568	306,092	834,550	528,458	37%
Waste Management	Trangie	Transfer Station Design	-	7,500	7,500	30,000	22,500	25%
Waste Management	Trangie	Transfer Station Rehabilitation	2,289	-	2,289	200,000	197,711	1%
Waste Management	Narromine	Irrigation - Waste Facilities	-	-	-	45,000	45,000	0%
Waste Management	Tomingley	Solar Panels and Battery Installation for Office	-	-	-	17,500	17,500	0%
Waste Management	Trangie	Solar Panels and Battery Installation for Office	-	-	-	17,500	17,500	0%
Waste Management	Narromine	Waste Depot Security Fencing	-	-	-	50,000	50,000	0%
Waste Management	Narromine	Waste Depot Security CCTV Upgrade	-	-	-	5,000	5,000	0%
Waste Management	Narromine	Offices and Amenities Upgrade	-	-	-	100,000	100,000	0%
Waste Management	Narromine	Waste Depot - Gravel Southern Fire Access Road	309	-	309	15,000	14,691	2%
Waste Management	Narromine	Waste Depot - Purchase and installation of Litter Fence	-	-	-	30,000	30,000	0%
Waste Management	Narromine	Waste Depot - Traffic Management and Public Access Signage	-	-	-	5,000	5,000	0%
Waste Management	Narromine	Waste Depot - Fencing Front Paddock	-	-	-	55,000	55,000	0%
Waste Management	Tomingley	CCTV Installation	-	-	-	5,000	5,000	0%
Total Waste Management			2,598	7,500	10,098	575,000	564,902	2%
Water Supply	Narromine	Concept and Detailed Design WTP	5,032	431,871	436,903	500,000	63,097	87%
Water Supply	Narromine	Resources For Regions Round 9 - R4R9 - Narromine Northern Zone Water Pressure Booster System	784	-	784	30,344	29,560	3%
Water Supply	Trangie	Harris Street Main Replacement and Relocation of Treated Water Standpipe	28,645	-	28,645	18,632	- 10,013	154%
Water Supply	Tomingley	Installation of Smart Meter Receiver (Alkane Fund)	-	-	-	3,638	3,638	0%
Water Supply	Tomingley	Installation of Satellite Internet Connection (Alkane Fund)	-	-	-	4,829	4,829	0%
Water Supply	Shire	Network Mains Replacement - Moss Avenue Pipeline Replacement	-	-	-	202,155	202,155	0%
Water Supply	Shire	Water Pumps Capital Rehabilitation	-	-	-	20,000	20,000	0%
Water Supply	Shire	Valves Renewal	-	-	-	20,000	20,000	0%
Water Supply	Trangie	Potable Water Reservoir Rehabilitation	-	-	-	200,000	200,000	0%
Water Supply	Narromine	Water Quality Online Monitoring System	6,834	-	6,834	29,219	22,385	23%
Water Supply	Shire	Minor Capital Works	-	-	-	20,000	20,000	0%
Water Supply	Tomingley	Potable Water Reservoir Fencing and Sealing	1,417	-	1,417	50,000	48,583	3%
Total Water Supply			42,712	431,871	474,583	1,098,817	624,234	43%
Plant and Equipment	Narromine	New and Replacement - Plant and Vehicles 25/26	601,382	587,101	1,188,483	3,179,794	1,991,311	37%
Total Plant and Equipment			601,382	587,101	1,188,483	3,179,794	1,991,311	37%
GRAND TOTAL			1,606,206	2,081,239	3,687,445	17,283,431	13,520,371	21%

Narromine Shire Council - Loans Balances at 31 August 2025

Loan Description	Financial Institution	Amount Borrowed	Loan Drawdown	Loan Expiry	Interest Rate	Repayment Amount	Repayment Timing	Total Principal Outstanding
Loan 73 - Medical Centre Expansion	Commonwealth Bank	200,000.00	9/02/2018	9/02/2028	4.00%	\$ 6,091.42	Quarterly	\$ 57,699.78
Loan 74 - Narromine Aerodrome Re-Seal	ANZ Bank	112,221.74	3/04/2012	3/04/2027	3.66%	\$ 4,062.13	Quarterly	\$ 27,420.67
Loan 81 - Narromine Residential Sky Park Land Development	T/Corp	1,940,000.00	15/06/2020	15/06/2026	1.16%	\$ 83,796.07	Quarterly	\$ 332,768.20
Loan 82 - Narromine Aerodrome Industrial Development	T/Corp	1,100,000.00	18/05/2020	18/05/2026	1.14%	\$ 47,483.96	Quarterly	\$ 141,643.73
Loan 83 - Plant & Equipment Narromine & Trangie Waste Depots	Commonwealth Bank	112,414.74	29/06/2020	29/06/2026	1.95%	\$ 4,974.88	Quarterly	\$ 19,659.98
Loan 84 - Waste - Capital Improvements	ANZ Bank	166,205.74	7/04/2022	7/04/2028	3.26%	\$ 7,376.03	Quarterly	\$ 77,279.85
Loan 85 - Residential Land Development - Dappo Road	T/Corp	1,100,000.00	28/06/2022	28/06/2032	4.51%	\$ 34,317.96	Quarterly	\$ 820,077.30
Loan 86 - Industrial Hub and Freight Exchange Development	T/Corp	1,270,000.00	31/03/2023	31/03/2033	4.34%	\$ 39,305.83	Quarterly	\$ 1,030,035.90
Loan 87 - Jones Circuit Property Purchase	T/Corp	1,300,000.00	23/10/2024	23/10/2034	5.18%	\$ 41,846.36	Quarterly	\$ 1,223,990.03
Total		\$ 7,300,842.22						\$ 3,730,575.44

Narromine Shire Council

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2025

*To enhance our Shire's image, lifestyle and environment
through effective leadership, community involvement and
commitment to service.*



Narromine Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

*To enhance our Shire's image, lifestyle and environment
through effective leadership, community involvement and
commitment to service.*



Narromine Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

124 Dandaloo Street
Narromine NSW 2821

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.narromine.nsw.gov.au.

Narromine 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* (NSW)

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

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

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

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

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

Signed in accordance with a resolution of Council made on 10 September 2025.

Cr Ewen Jones
Mayor
10 September 2025

Cr Stacey Bohm
Councillor
10 September 2025

Jane Redden
General Manager
10 September 2025

Barry Bonthuys
Responsible Accounting Officer
10 September 2025

Narromine Shire Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
10,902	Rates and annual charges	B2-1	11,071	10,415
5,045	User charges and fees	B2-2	5,269	3,040
639	Other revenues		577	473
7,593	Grants and contributions provided for operating purposes	B2-3	9,905	10,639
9,475	Grants and contributions provided for capital purposes	B2-3	7,552	9,498
897	Interest and investment income	B2-4	1,278	1,392
337	Other income		344	313
656	Net gain from the disposal of assets		–	165
35,544	Total income from continuing operations		35,996	35,935
	Expenses from continuing operations			
8,625	Employee benefits and on-costs	B3-1	9,077	8,256
6,579	Materials and services	B3-2	12,987	13,097
200	Borrowing costs		147	152
980	Other expenses		965	980
–	Net loss from the disposal of assets		654	–
16,384	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		23,830	22,485
19,160	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		12,166	13,450
9,210	Depreciation, amortisation and impairment of non-financial assets	B3-3	10,401	9,635
9,950	Operating result from continuing operations		1,765	3,815
9,950	Net operating result for the year attributable to Council		1,765	3,815
475	Net operating result for the year before grants and contributions provided for capital purposes		(5,787)	(5,683)

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

Narromine 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		1,765	3,815
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain / (loss) on revaluation of IPP&E	C1-7	10,150	(2,209)
Total items which will not be reclassified subsequent to operating result		10,150	(2,209)
Total other comprehensive income for the year		10,150	(2,209)
Total comprehensive income for the year attributable to Council		11,915	1,606

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

Narromine Shire Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	3,569	9,097
Investments	C1-2	20,000	20,000
Receivables	C1-4	3,524	2,716
Inventories	C1-5	3,190	2,643
Contract assets	C1-6	1,876	1,524
Other		7	62
Total current assets		32,166	36,042
Non-current assets			
Inventories	C1-5	6,392	5,797
Infrastructure, property, plant and equipment (IPPE)	C1-7	415,523	402,257
Investments accounted for using the equity method		440	406
Total non-current assets		422,355	408,460
Total assets		454,521	444,502
LIABILITIES			
Current liabilities			
Payables	C2-1	2,231	2,594
Contract liabilities	C2-2	3,939	6,080
Borrowings	C2-3	927	1,120
Employee benefit provisions	C2-4	1,907	1,616
Total current liabilities		9,004	11,410
Non-current liabilities			
Borrowings	C2-3	2,893	2,570
Employee benefit provisions	C2-4	62	54
Provisions	C2-5	2,165	1,986
Total non-current liabilities		5,120	4,610
Total liabilities		14,124	16,020
Net assets		440,397	428,482
EQUITY			
Accumulated surplus		172,212	170,447
IPPE Revaluation Surplus	C3-1	268,185	258,035
Total equity		440,397	428,482

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

Narromine 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		170,447	258,035	428,482	166,632	260,244	426,876
Net operating result for the year		1,765	–	1,765	3,815	–	3,815
Other comprehensive income							
– Gain / (loss) on revaluation of IPP&E	C1-7	–	10,150	10,150	–	(2,209)	(2,209)
Total comprehensive income		1,765	10,150	11,915	3,815	(2,209)	1,606
Closing balance at 30 June		172,212	268,185	440,397	170,447	258,035	428,482

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

Narromine 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:				
12,731	Rates and annual charges		11,209	10,213
1,277	User charges and fees		4,229	3,609
897	Interest received		1,336	1,269
11,361	Grants and contributions		14,959	22,862
2,067	Other		3,502	3,002
Payments:				
(8,452)	Payments to employees		(8,778)	(8,043)
(6,449)	Payments for materials and services		(15,978)	(15,325)
(149)	Borrowing costs		(145)	(153)
(960)	Other		(828)	(1,189)
12,323	Net cash flows from operating activities	G1-1	9,506	16,245
Cash flows from investing activities				
Receipts:				
969	Sale of real estate assets		218	—
1,626	Proceeds from sale of IPPE		322	165
Payments:				
(19,212)	Payments for IPPE		(14,365)	(12,953)
(1,300)	Purchase of real estate assets		(1,307)	(1,524)
—	Purchase of intangible assets		(32)	(40)
(17,917)	Net cash flows from investing activities		(15,164)	(14,352)
Cash flows from financing activities				
Receipts:				
1,300	Proceeds from borrowings		1,300	—
Payments:				
(1,327)	Repayment of borrowings		(1,170)	(1,263)
(27)	Net cash flows from financing activities		130	(1,263)
(5,621)	Net change in cash and cash equivalents		(5,528)	630
26,137	Cash and cash equivalents at beginning of year		9,097	8,467
20,516	Cash and cash equivalents at end of year	C1-1	3,569	9,097
—	plus: Investments on hand at end of year		20,000	20,000
20,516	Total cash, cash equivalents and investments	C1-2	23,569	29,097

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

Narromine Shire Council

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Narromine Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 10 September 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

Historical cost convention

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

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

Monies and other assets received by Council

The Consolidated Fund

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

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

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

- General purpose operations
- Water service
- Sewerage service

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2024.

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.

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										
Governance	130	1	2,503	1,743	(2,373)	(1,742)	–	–	2,846	2,766
Administration	11,314	11,345	4,825	3,867	6,489	7,478	4,089	3,661	35,259	34,264
Public Order & Safety	129	124	828	624	(699)	(500)	123	120	26,377	25,634
Environment & Health	538	168	973	846	(435)	(678)	52	–	1,317	1,280
Community & Cultural Services	1,255	1,551	3,177	2,327	(1,922)	(776)	366	448	6,161	6,145
Planning & Development	–	–	339	335	(339)	(335)	–	126	96	93
Waste Management	2,286	2,286	2,154	1,136	132	1,150	68	–	1,856	1,804
Infrastructure	13,192	13,498	11,031	11,596	2,161	1,902	11,528	13,012	286,794	281,345
Recreational Facilities	381	418	4,010	3,066	(3,629)	(2,648)	293	1,111	19,969	19,406
Economic Development	564	2,151	619	2,523	(55)	(372)	350	693	4,856	4,719
Water Supplies	4,027	2,780	2,380	2,653	1,647	127	588	966	30,941	30,069
Sewerage Services	2,180	1,613	1,392	1,404	788	209	–	–	38,049	36,977
Total functions and activities	35,996	35,935	34,231	32,120	1,765	3,815	17,457	20,137	454,521	444,502

B1-2 Components of functions or activities

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

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosure (e.g. GIPA), and legislative compliance.

Administration

- Executive services - provision of effective and efficient support to councillors, Council and the community
- Legal advice and services for Council, its delegates and officers, procure adequate and appropriate insurance coverage at a minimum cost, manage claims against Council and manage litigation by and against Council
- Provision of management accounting, financial reporting, rates, payroll, creditors, accounts receivable, cashiering, financial grants and income, debt recovery and investments
- Information Technology, computing and support services to Council
- Management and improvement of the quality, performance, opportunities & safety conditions of Council's staff
- Civic administration building.

Public Order & Safety

- Co-operation and liaison with the Rural Fire Service and other Emergency Service organisations.

Environment & Health

- Protection of the environment, its enhancement and the promotion of environmental sustainability
- Maintenance of the health standards and safety of premises that are accessible to and impact upon the community
- Development of an innovative best practice policy to control the incidence of noxious plants
- Companion animal management and issues in relation to straying livestock.

Community & Cultural Services

- Provision of community, cultural and educational services and facilities to enhance the community's way of life
- Provision of programs and services for young people between 12-24 years of age
- Active participation in and co-operation with community organisations in the delivery of Aged & Disability Services
- Provision for the development and management of a range of community facilities
- Provision of effective public library lending, information and referral services
- Provision of quality cemetery services and memorial facilities
- Advocate for a strong cultural role in community revitalisation and identity by the encouragement & promotion of local historical, cultural and art organisations and activities.

Planning & Development

- Creation of a quality environment for the community in which land use and development is planned and assessed and the social, environmental, economic, agricultural, heritage and physical wellbeing of the community is enhanced and protected
- Planning the Shire's future whilst embracing the principles of Ecologically Sustainable Development
- Assessment and determination of development applications
- Regulatory inspections.

Waste Management

- Effective management of waste collection, minimise waste whilst encouraging commercial and residential recycling
- Collection & recycling
- Disposal.

Infrastructure

- Provision of well constructed, maintained and functional roads, drains, public buildings and associated engineering structures; including operational support, construction and maintenance, design, stormwater management and aerodromes.

Recreational Facilities

- Provision of equitable access to social, cultural, sporting and recreational services and facilities
- Parks, playing fields and reserves

B1-2 Components of functions or activities (continued)

- Recreational buildings and infrastructure
- Swimming Pools.

Economic Development

- Development and assistance in the implementation of strategies, programs and policies that will provide employment and a positive environment for the local economy
- Tourism & area promotion
- Real estate development
- Saleyards and markets
- External partnerships
- Camping areas.

Water Supplies

- Provision of a cost effective, environmentally sensitive and ecologically sustainable water supply service, including business plan, service delivery, customer service, demand management, infrastructure management.

Sewerage Services

- Provision of a cost effective, environmentally sensitive & ecologically sustainable sewerage service, including business plan, service delivery, customer service, demand management, infrastructure management.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	1,988	1,897
Farmland	3,773	3,622
Mining	402	319
Business	720	666
Other	(6)	(1)
Less: pensioner rebates (mandatory)	(115)	(116)
Rates levied to ratepayers	6,762	6,387
Pensioner rate subsidies received	38	37
Total ordinary rates	6,800	6,424
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,555	1,469
Stormwater management services	53	53
Water supply services	1,003	868
Sewerage services	1,380	1,314
Waste management services (non-domestic)	286	295
Less: pensioner rebates (mandatory)	(71)	(70)
Annual charges levied	4,206	3,929
Pensioner annual charges subsidies received:		
– Water	20	19
– Sewerage	19	18
– Domestic waste management	26	25
Total annual charges	4,271	3,991
Total rates and annual charges	11,071	10,415

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2025	2024
User charges		
Water supply services	2,375	1,617
Sewerage services	533	323
Waste management services (non-domestic)	98	77
Total user charges	3,006	2,017
Fees		
Building services – other	2	(1)
Planning and building regulation	206	179
Private works – section 67	143	85
Cemeteries	111	103
Gravel pits	1,256	16
Lease rentals	74	10
Recycling income (non-domestic)	170	382
Other	301	249
Total fees	2,263	1,023
Total user charges and fees	5,269	3,040
Timing of revenue recognition for user charges and fees		
User charges and fees recognised at a point in time	5,269	3,040
Total user charges and fees	5,269	3,040

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. 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.

B2-3 Grants and contributions

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	648	201	–	–
Financial assistance – local roads component	294	75	–	–
Payment in advance - future year allocation				
Financial assistance – general component	2,147	3,460	–	–
Financial assistance – local roads component	1,000	1,610	–	–
Other				
Other grants	192	–	1,035	1,217
Amount recognised as income during current year	4,281	5,346	1,035	1,217
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
– Domestic waste management	–	–	68	–
Water supplies	199	111	362	608
Bushfire and emergency services	123	120	–	–
Community care and centres	5	19	408	100
Community centres	–	–	33	–
Economic development	67	134	60	559
Library	82	82	–	–
LIRS subsidy	–	–	3	15
Noxious weeds	52	50	–	–
Recreation and culture	240	25	36	861
Community infrastructure grant	167	391	624	3,916
Transport (roads to recovery)	–	–	1,174	1,267
Transport (other roads and bridges funding)	4,109	3,873	3,736	845
Other specific grants	210	76	13	50
Other contributions	223	187	–	60
Total special purpose grants and non-developer contributions – cash	5,477	5,068	6,517	8,281
Total special purpose grants and non-developer contributions (tied)	5,477	5,068	6,517	8,281
Total grants and non-developer contributions	9,758	10,414	7,552	9,498
Comprising:				
– Commonwealth funding	4,466	5,371	2,182	2,319
– State funding	5,069	4,405	5,370	7,179
– Other funding	223	638	–	–
	9,758	10,414	7,552	9,498

B2-3 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies	G4	140	225	–	–
S 64 – sewerage service contributions		7	–	–	–
Total developer contributions – cash		147	225	–	–
Total developer contributions		147	225	–	–
Total contributions		147	225	–	–
Total grants and contributions		9,905	10,639	7,552	9,498
Timing of revenue recognition					
Grants and contributions recognised over time		–	–	–	9,498
Grants and contributions recognised at a point in time		9,905	10,639	7,552	–
Total grants and contributions		9,905	10,639	7,552	9,498

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds as at 1 July	5,754	1,935	6,127	752
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	3,329	5,241	845	8,274
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	–	(2,899)
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(5,334)	(1,422)	(2,965)	–
Unspent funds at 30 June	3,749	5,754	4,007	6,127

B2-3 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include milestones such as executing the agreement to acquire or construct roads, stormwater drainage and airport runway. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-4 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	146	120
– Cash and investments	1,132	1,272
Total interest and investment income (losses)	1,278	1,392

Material accounting policy information

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

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	7,261	7,046
Employee leave entitlements (ELE)	1,175	1,087
Superannuation	931	812
Other	371	426
Total employee costs	9,738	9,371
Less: capitalised costs	(661)	(1,115)
Total employee costs expensed	9,077	8,256

Material accounting policy information

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		6,910	5,717
Contractor costs		3,303	4,475
Audit Fees	F2-1	111	82
Councillor and Mayoral fees and associated expenses	F1-2	183	160
Advertising		76	77
Computer software charges		320	388
Election expenses		56	–
Electricity and heating		371	372
Insurance		703	694
Office expenses (including computer expenses)		122	97
Postage		29	18
Street lighting		125	136
Subscriptions and publications		115	126
Telephone and communications		68	62
Cost of sales		–	352
Travel expenses		10	11
Training costs (other than salaries and wages)		5	8
Expenses from leases of low value assets		–	20
Legal expenses: debt recovery		43	41
Legal expenses: other		34	41
Other		403	220
Total materials and services		12,987	13,097

B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Plant and equipment		1,140	1,096
Office equipment		37	68
Furniture and fittings		2	2
Infrastructure:	C1-7		
– Buildings – non-specialised		284	286
– Buildings – specialised		1,459	1,583
– Other structures		329	306
– Roads		5,230	4,270
– Bridges		302	226
– Footpaths		161	115
– Stormwater drainage		138	267
– Water supply network		211	286
– Sewerage network		313	301
– Swimming pools		120	133
– Other open space/recreational assets		278	348
Other assets:			
– Aerodrome		317	265
Intangible assets	C1-7	80	83
Total depreciation and amortisation costs		10,401	9,635
Total depreciation, amortisation and impairment for non-financial assets		10,401	9,635

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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.

B3-4 Other expenses

\$ '000	2025	2024
Grants and contributions	5	17
Other	29	4
Fair value decrement on investment properties	–	1
Donations, contributions and assistance to other organisations (Section 356)	48	73
Emergency services levy (includes FRNSW, SES, and RFS levies)	23	30
Macquarie regional library	427	416
NSW fire brigade levy	49	49
NSW rural fire service levy	384	390
Total other expenses	965	980

B4 Performance against budget

B4-1 Material budget variations

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

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Operating grants and contributions	7,593	9,905	2,312	30% F
Grant funding received in excess of original budget due to additional funding received for the maintenance of roads network.				
Capital grants and contributions	9,475	7,552	(1,923)	(20)% U
Grant funding received less than expected due to major capital works not completed during the year and deferred to future years.				
Interest and investment revenue	897	1,278	381	42% F
Interest on investments higher than expected due higher interest rates and surplus funds invested for longer periods during the year.				
Net gains from disposal of assets	656	–	(656)	(100)% U
Net gains on disposal of assets less than budgeted due to expected number of properties (inventory assets) not sold during the year and plant and equipments assets sold for less than expected.				
Expenses				
Materials and services	6,579	12,987	(6,408)	(97)% U
Expenditure in excess of original budget due to increase in flood damage works, contractor costs and road maintenance.				
Borrowing costs	200	147	53	27% F

B4-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
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Interest on loans paid less than expected during the year.

Depreciation, amortisation and impairment of non-financial assets	9,210	10,401	(1,191)	(13)%	U
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Depreciation expenses higher than original budget due to depreciation of new and additional assets and the impact of indexation of assets.

Net losses from disposal of assets	–	654	(654)	∞	U
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Net loss due to the replacement of plant and equipment.

Statement of cash flows

Cash flows from operating activities	12,323	9,506	(2,817)	(23)%	U
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Cash flows from operating activities decreased due to lesser capital grants received and increased maintenance cost of road assets.

Cash flows from investing activities	(17,917)	(15,164)	2,753	(15)%	F
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Cash flows from investing activities increased due to lesser capital expenditure during the year.

C Financial position**C1 Assets we manage****C1-1 Cash and cash equivalents**

\$ '000	2025	2024
Cash assets		
Cash on hand and at bank	3,569	9,097
Total cash and cash equivalents	3,569	9,097

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Debt securities at amortised cost				
Term deposits	20,000	—	20,000	—
Total	20,000	—	20,000	—
Total financial investments	20,000	—	20,000	—
Total cash assets, cash equivalents and investments	23,569	—	29,097	—

C1-2 Financial investments (continued)

Material accounting policy information

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

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

Council's financial assets measured at fair value through profit or loss comprise investments of \$20m in the Statement of Financial Position.

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	23,569	29,097
Less: Externally restricted cash, cash equivalents and investments	(16,723)	(16,486)
Cash, cash equivalents and investments not subject to external restrictions	6,846	12,611
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	3,789	6,593
External restrictions – included in liabilities	3,789	6,593
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	883	308
Developer contributions – water fund	215	215
Developer contributions – sewer fund	372	366
Specific purpose unexpended grants (recognised as revenue) – general fund	693	199
Water fund	1,791	304
Sewer fund	8,036	7,556
Board of control - NSRAC and TSRAC	165	151
Domestic waste management	779	794
External restrictions – other	12,934	9,893
Total external restrictions	16,723	16,486

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

\$ '000	2025	2024
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Alkane community contributions	20	123
Alkane infrastructure contributions	276	44
Carry over works	1,630	2,198
Election expenses	45	45
Employees leave entitlement	591	501
FAGS advance grant	3,147	5,070
Other	185	2,488
Total internal allocations	5,894	10,469

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

C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	704	–	788	–
Interest and extra charges	347	–	304	–
User charges and fees	2,047	–	918	–
Accrued revenues				
– Interest on investments	330	–	395	–
Net GST receivable	221	–	392	–
Other debtors	–	–	1	–
Total	3,649	–	2,798	–
Less: provision for impairment				
Interest and extra charges	(70)	–	(34)	–
User charges and fees	(55)	–	(48)	–
Total provision for impairment – receivables	(125)	–	(82)	–
Total net receivables	3,524	–	2,716	–

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

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

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

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

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

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

C1-5 Inventories

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Inventories at cost				
Real estate for resale ⁱ	2,067	6,392	1,669	5,797
Stores and materials	1,123	–	974	–
Total inventories at cost	3,190	6,392	2,643	5,797
Total inventories	3,190	6,392	2,643	5,797

(i) Real estate assets for resale

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Details for real estate development				
Residential	1,037	1,933	746	609
Industrial/commercial	1,030	4,459	923	5,188
Total real estate for resale	2,067	6,392	1,669	5,797
Represented by:				
Acquisition costs	–	1,307	1,669	2,171
Development costs	2,067	5,085	–	3,626
Total costs	2,067	6,392	1,669	5,797
Total real estate for resale	2,067	6,392	1,669	5,797
Movements:				
Real estate assets at beginning of the year	1,669	5,797	1,748	4,194
– Purchases and other costs	398	595	(79)	1,603
Total real estate for resale	2,067	6,392	1,669	5,797

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 for resale

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

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

C1-6 Contract assets and Contract cost assets

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Contract assets	1,876	–	1,524	–
Total contract assets and contract cost assets	1,876	–	1,524	–

Contract assets

Work relating to the upgrade and construction of roads.

	1,876	–	1,524	–
Total contract assets	1,876	–	1,524	–

Significant changes in contract assets

Funding for various projects are provided to Council under contract arrangements with the Federal and State Governments. These projects include major roads construction and upgrades and stormwater upgrades.

Construction works for these projects were completed before funding was received by Council.

Material accounting policy information

Contract assets

Contract assets represent Council's 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	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	6,815	–	6,815	–	6,213	–	–	(5,155)	–	7,873	–	7,873
Plant and equipment	21,151	(12,496)	8,655	–	1,578	(422)	(1,140)	(31)	–	19,479	(10,839)	8,640
Office equipment	1,348	(1,142)	206	–	155	(149)	(37)	63	–	1,038	(800)	238
Furniture and fittings	329	(295)	34	–	–	–	(2)	–	–	329	(297)	32
Land:												
– Operational land	5,843	–	5,843	–	2	–	–	810	–	6,656	–	6,656
– Community land	3,393	–	3,393	–	–	–	–	–	–	3,393	–	3,393
Infrastructure:												
– Buildings – non-specialised	8,090	(5,000)	3,090	248	15	(184)	(284)	2	117	8,274	(5,271)	3,003
– Buildings – specialised	59,492	(29,522)	29,970	350	35	(281)	(1,459)	232	1,240	62,257	(32,169)	30,088
– Other structures	8,923	(2,876)	6,047	51	292	–	(329)	317	242	9,946	(3,327)	6,619
– Roads	310,795	(82,405)	228,390	4,242	20	–	(5,230)	3,469	5,923	326,745	(89,931)	236,814
– Bridges	25,133	(10,584)	14,549	–	–	–	(302)	–	373	25,791	(11,172)	14,619
– Footpaths	5,106	(2,112)	2,994	–	–	–	(161)	–	74	5,239	(2,333)	2,906
– Stormwater drainage	11,958	(4,052)	7,906	–	563	–	(138)	160	151	12,912	(4,270)	8,642
– Water supply network	37,384	(8,235)	29,149	182	216	–	(211)	182	631	38,884	(8,733)	30,151
– Sewerage network	38,112	(8,685)	29,427	–	144	–	(313)	130	731	39,342	(9,223)	30,119
– Swimming pools	6,717	(2,162)	4,555	–	17	–	(120)	3	75	6,851	(2,320)	4,531
– Other open space/recreational assets	9,288	(3,499)	5,789	–	–	–	(278)	–	245	9,700	(3,944)	5,756
– Other infrastructure	–	–	–	–	–	–	–	–	–	–	–	–
Other assets:												
– Aerodrome	21,636	(8,039)	13,597	–	–	–	(317)	–	348	22,203	(8,575)	13,628
– Intangibles	1,086	(860)	226	–	32	(1)	(80)	17	–	1,050	(857)	193
– Remediation Assets	1,792	(170)	1,622	–	–	–	–	–	–	1,792	(170)	1,622
Total infrastructure, property, plant and equipment	584,391	(182,134)	402,257	5,073	9,282	(1,037)	(10,401)	199	10,150	609,754	(194,231)	415,523

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	Carrying value of disposals	Depreciation expense	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000										
Capital work in progress	16,135	–	16,135	(9,320)	–	–	–	6,815	–	6,815
Plant and equipment	18,058	(10,496)	7,562	2,819	(630)	(1,096)	–	21,151	(12,496)	8,655
Office equipment	1,315	(1,074)	241	33	–	(68)	–	1,348	(1,142)	206
Furniture and fittings	329	(293)	36	–	–	(2)	–	329	(295)	34
Land:										
– Operational land	5,843	–	5,843	–	–	–	–	5,843	–	5,843
– Community land	3,429	–	3,429	(2)	(34)	–	–	3,393	–	3,393
Infrastructure:										
– Buildings – non-specialised	7,497	(4,454)	3,043	173	–	(286)	160	8,090	(5,000)	3,090
– Buildings – specialised	53,752	(26,440)	27,312	2,743	–	(1,583)	1,498	59,492	(29,522)	29,970
– Other structures	6,711	(2,445)	4,266	1,882	–	(306)	205	8,923	(2,876)	6,047
– Roads	282,626	(53,098)	229,528	10,380	–	(4,270)	(7,248)	310,795	(82,405)	228,390
– Bridges	24,050	(9,175)	14,875	1	–	(226)	(105)	25,133	(10,584)	14,549
– Footpaths	4,590	(2,423)	2,167	384	–	(115)	558	5,106	(2,112)	2,994
– Stormwater drainage	27,385	(10,324)	17,061	385	–	(267)	(9,273)	11,958	(4,052)	7,906
– Water supply network	33,620	(7,598)	26,022	1,956	–	(286)	1,532	37,384	(8,235)	29,149
– Sewerage network	35,744	(7,958)	27,786	452	–	(301)	1,490	38,112	(8,685)	29,427
– Swimming pools	6,369	(1,916)	4,453	(1)	–	(133)	236	6,717	(2,162)	4,555
– Other open space/recreational assets	7,243	(2,971)	4,272	1,631	–	(348)	234	9,288	(3,499)	5,789
Other assets:										
– Aerodrome	20,606	(15,467)	5,139	219	–	(265)	8,504	21,636	(8,039)	13,597
– Intangibles	1,046	(777)	269	40	–	(83)	–	1,086	(860)	226
– Remediation Assets	1,792	(170)	1,622	–	–	–	–	1,792	(170)	1,622
Total infrastructure, property, plant and equipment	558,140	(157,079)	401,061	13,775	(664)	(9,635)	(2,209)	584,391	(182,134)	402,257

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 and other assets	5 to 50
Office furniture	5 to 20	Benches, seats etc.	10 to 30
Computer equipment	5 to 10		
Vehicles	5 to 20	Buildings	
Heavy plant/road making equipment	5 to 20	Buildings: masonry	50 to 100
Other plant and equipment	5 to 75	Buildings: other	15 to 50
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 80	Culverts	50 to 100
Reticulation pipes: PVC	70 to 100	Flood control structures	80 to 100
Reticulation pipes: other	25 to 110		
Pumps and telemetry	15 to 75		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	15 to 40	Bulk earthworks	infinite
Sealed roads: structure	20 to 100	Swimming pools	50 to 70
Unsealed roads	10 to 30	Other open space/recreational assets	10 to 100
Bridge: concrete	80 to 300	Other infrastructure	50 to 100
Bridge: other	50 to 80		
Road pavements	60 to 120		
Kerb, gutter and footpaths	40 to 100		

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

Land under roads

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

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Council has not acquired land under roads after 1 July 2008.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of 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.

Intangible assets

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset.

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

C2 Liabilities of Council

C2-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Goods and services – operating expenditure	1,653	–	2,120	–
Accrued expenses:				
– Borrowings	3	–	1	–
Other	132	–	84	–
Prepaid rates	443	–	389	–
Total payables	2,231	–	2,594	–

Material accounting policy information

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

C2-2 Contract Liabilities

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets)	3,939	–	6,080	–
Total grants received in advance	3,939	–	6,080	–
Total contract liabilities	3,939	–	6,080	–

C2-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	927	2,893	1,120	2,570
Total borrowings	927	2,893	1,120	2,570

(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 E1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2024 Opening Balance	Cash flows	2025 Closing balance
Loans – secured	3,690	130	3,820
Total liabilities from financing activities	3,690	130	3,820

\$ '000	2023 Opening Balance	Cash flows	2024 Closing balance
Loans – secured	4,953	(1,263)	3,690
Total liabilities from financing activities	4,953	(1,263)	3,690

C2-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2025	2024
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	<u>100</u>	<u>100</u>
Total financing arrangements	<u>100</u>	<u>100</u>
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	<u>100</u>	<u>100</u>
Total undrawn financing arrangements	<u>100</u>	<u>100</u>

Breaches and defaults

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

C2-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	624	–	565	–
Long service leave	1,108	62	1,014	54
Other leave	31	–	32	–
ELE on-costs	144	–	5	–
Total employee benefit provisions	1,907	62	1,616	54

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	1,197	1,123
	1,197	1,123

Material accounting policy information

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.

C2-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	2,165	–	1,986
Sub-total – asset remediation/restoration	–	2,165	–	1,986
Total provisions	–	2,165	–	1,986

Description of and movements in provisions

\$ '000	Asset remediation	Total
2025		
At beginning of year	1,986	1,986
Unwinding of discount	179	179
Total other provisions at end of year	2,165	2,165
2024		
At beginning of year	2,018	2,018
Changes to provision:		
– Revised costs	(113)	(113)
Unwinding of discount	81	81
Total other provisions at end of year	1,986	1,986

C2-5 Provisions (continued)

Nature and purpose of provisions

Landfill and tip assets.

Asset remediation

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

Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

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

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

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

C3 Surplus

C3-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2025	Water 2025	Sewer 2025
Income from continuing operations			
Rates and annual charges	8,696	994	1,381
User charges and fees	2,336	2,409	524
Interest and investment revenue	1,047	65	166
Other revenues	505	71	1
Grants and contributions provided for operating purposes	9,382	523	—
Grants and contributions provided for capital purposes	7,514	38	—
Other income	344	—	—
Total income from continuing operations	29,824	4,100	2,072
Expenses from continuing operations			
Employee benefits and on-costs	8,271	539	267
Materials and services	10,600	1,616	771
Borrowing costs	147	—	—
Other expenses	914	11	40
Net losses from the disposal of assets	654	—	—
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	20,586	2,166	1,078
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	9,238	1,934	994
Depreciation, amortisation and impairment of non-financial assets	9,877	211	313
Operating result from continuing operations	(639)	1,723	681
Net operating result for the year	(639)	1,723	681
Net operating result attributable to each council fund	(639)	1,723	681
Net operating result for the year before grants and contributions provided for capital purposes	(8,153)	1,685	681

D1-2 Statement of Financial Position by fund

ASSETS

Current assets

Cash and cash equivalents	3,128	33	408
Investments	10,027	1,973	8,000
Receivables	2,293	746	485
Inventories	3,190	—	—
Contract assets and contract cost assets	1,746	130	—
Other	7	—	—
Total current assets	20,391	2,882	8,893

Non-current assets

continued on next page ...

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

\$ '000	General 2025	Water 2025	Sewer 2025
Inventories	6,392	–	–
Infrastructure, property, plant and equipment	352,684	31,762	31,077
Investments accounted for using the equity method	440	–	–
Total non-current assets	359,516	31,762	31,077
Total assets	379,907	34,644	39,970
LIABILITIES			
Current liabilities			
Payables	2,128	74	29
Contract liabilities	3,789	150	–
Borrowings	927	–	–
Employee benefit provision	1,736	114	57
Total current liabilities	8,580	338	86
Non-current liabilities			
Borrowings	2,893	–	–
Employee benefit provision	53	4	5
Provisions	2,165	–	–
Total non-current liabilities	5,111	4	5
Total liabilities	13,691	342	91
Net assets	366,216	34,302	39,879
EQUITY			
Accumulated surplus	144,974	13,928	13,310
IPPE revaluation surplus	221,242	20,374	26,569
Council equity interest	366,216	34,302	39,879
Total equity	366,216	34,302	39,879

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

The risks associated with the investments held are:

- Market risk - interest rate risk – the risk that movements in interest rates could affect returns and income.
- 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.
- Liquidity risk – the risk that the Council will not be able to pay its debts as and when they fall due.

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

(a) Market risk – interest rate risk

\$ '000	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 2% movement in interest rates		
– Equity / Income Statement	155	582
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

(b) Credit risk

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

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

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
2025				
Gross carrying amount	443	212	49	704
2024				
Gross carrying amount	373	372	43	788

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	0 - 30 days	Overdue debts 31 - 60 days	61 - 90 days	> 91 days	Total
2025						
Gross carrying amount	3,264	787	15	141	614	4,821
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	2.70%	0.34%
ECL provision	—	—	—	—	17	17
2024						
Gross carrying amount	2,676	30	173	11	644	3,534
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	2.70%	0.49%
ECL provision	—	—	—	—	17	17

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2025							
Payables	0.00%	–	2,231	–	–	2,231	2,231
Borrowings	3.24%	–	927	1,964	929	3,820	3,820
Total financial liabilities		–	3,158	1,964	929	6,051	6,051
2024							
Payables	0.00%	–	2,594	–	–	2,594	2,594
Borrowings	3.10%	–	1,120	1,646	924	3,690	3,690
Total financial liabilities		–	3,714	1,646	924	6,284	6,284

Loan agreement breaches

There have been no breaches to loan agreements during the reporting year.

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
- Investment property

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

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

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

Level 3: Unobservable inputs for the asset or liability

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

E2-1 Fair value measurement (continued)

Recurring fair value measurements

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
Infrastructure, property, plant and equipment	C1-7						
Operational land		6,656	5,843	–	–	6,656	5,843
Community land		–	–	3,393	3,393	3,393	3,393
Buildings – non-specialised		3,003	3,090	–	–	3,003	3,090
Buildings – specialised		–	–	30,088	29,970	30,088	29,970
Other structures		–	–	6,619	6,047	6,619	6,047
Roads		–	–	236,814	228,390	236,814	228,390
Bridges		–	–	14,619	14,549	14,619	14,549
Footpaths		–	–	2,906	2,994	2,906	2,994
Stormwater drainage		–	–	8,642	7,906	8,642	7,906
Water supply network		–	–	30,151	29,149	30,151	29,149
Sewerage network		–	–	30,119	29,427	30,119	29,427
Swimming pools		–	–	4,531	4,555	4,531	4,555
Other open space/recreational assets		–	–	5,756	5,789	5,756	5,789
Other infrastructure		–	–	–	–	–	–
Aerodrome		–	–	13,628	13,597	13,628	13,597
Total infrastructure, property, plant and equipment		9,659	8,933	387,266	375,766	396,925	384,699

E2-1 Fair value measurement (continued)

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

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:

Fair Value - Valuation techniques

Class	Valuation Technique(s)	Unobservable Inputs
Plant, equipment, furniture, fittings and office equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Operational Land	Market approach	Price per square metre
Community Land	Market approach Land values obtain from NSW Land value, land area, level of restriction Valuer-General	
Buildings	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value, rates per m2
Roads, Bridges & Footpaths	Cost approach	Asset condition, remaining lives using componentisation, unit rates per m2 or length
Stormwater Drainage	Cost approach	Asset condition, remaining lives, unit rates per m2 or length
Water Supply Network	Cost approach	Asset condition, remaining lives using componentisation, unit rates per m2 or length
Sewerage Network	Cost approach	Asset condition, remaining lives using componentisation, unit rates per m2 or length
Swimming Pools, Other Open Space/Recreational Assets	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value, rates per m2
Other Infrastructure	Cost approach	Asset condition and remaining lives using componentisation
Aerodrome	Cost approach	Asset condition, remaining lives using componentisation

E2-1 Fair value measurement (continued)

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

\$ '000	IPPE	
	2025	2024
Opening balance	375,766	366,310
Total gains or losses for the period		
Other movements		
Purchases (GBV)	10,605	20,030
Disposals (WDV)	(281)	(34)
Depreciation and impairment	(8,858)	(8,100)
Revaluation	10,034	(2,440)
Closing balance	387,266	375,766

Highest and best use

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

E3-1 Contingencies

Defined benefit plan

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

- a) Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- b) 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.
- c) Benefits for employees of all sponsoring employers are determined according to the same formula and without regard to the sponsoring employer.
- d) The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

Description of the funding arrangements.

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

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

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

The additional lump sum contribution for each pooled employer is a share of the total additional contributions of \$20.0 million per annum from 1 July 2022 to 30 June 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2024. These lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2024.

The adequacy of contributions is assessed at each triennial actuarial investigation 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 2025 was \$31,553.01. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA (AFS License #411770) as at 30 June 2024.

Council's expected contribution to the plan for the next annual reporting period is \$1,901.28.

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 share of any funding surplus or deficit that can be attributed to the Council is 0.07%.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in

E3-1 Contingencies (continued)

Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

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

* Plus promotional increases

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	1,232	1,208
Post-employment benefits	106	109
Other long-term benefits	222	187
Total	1,560	1,504

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	30	28
Councillors' fees	114	99
Other Councillors' expenses (including Mayor)	39	33
Total	183	160

F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions
2025				
Library Services	1	488	—	30 days
2024				
Library Services	1	383	—	30 days
1	Council has joined with Dubbo Regional Council and Warrumbungle Shire Council to form a Joint Venture arrangement called Macquarie Regional Library. Council contributes a proportion of the costs of the entity and receives a share of profits and net assets.			

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
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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:

Audit and review of financial statements	85	82
Total Auditor-General remuneration	85	82

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	1,765	3,815
Add / (less) non-cash items:		
Depreciation and amortisation	10,401	9,635
(Gain) / loss on disposal of assets	654	(165)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	–	1
Share of net (profits)/losses of associates/joint ventures using the equity method	(34)	(32)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(851)	(87)
Increase / (decrease) in provision for impairment of receivables	43	–
(Increase) / decrease of inventories	(149)	(340)
(Increase) / decrease of other current assets	55	(21)
(Increase) / decrease of contract asset	(352)	4,026
Increase / (decrease) in payables	(467)	530
Increase / (decrease) in accrued interest payable	2	(1)
Increase / (decrease) in other accrued expenses payable	–	(2)
Increase / (decrease) in other liabilities	102	10
Increase / (decrease) in contract liabilities	(2,141)	(1,305)
Increase / (decrease) in employee benefit provision	299	213
Increase / (decrease) in other provisions	179	(32)
Net cash flows from operating activities	9,506	16,245

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

Sewerage and water infrastructure	2	40
Road infrastructure	298	572
Other	1,144	58
Total commitments	1,444	670

These expenditures are payable as follows:

Within the next year	1,444	670
Total payable	1,444	670

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					
S7.12 levies – under a plan	308	284	–	–	–	–	–	592	–
Total S7.11 and S7.12 revenue under plans	308	284	–	–	–	–	–	592	–
S64 contributions	581	7	–	–	–	–	–	588	–
Total contributions	889	291	–	–	–	–	–	1,180	–

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.

S7.12 Levies – under a 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					
S7.12 LEVIES – UNDER A PLAN									
Drainage	13	–	–	–	–	–	–	13	–
Roads	31	144	–	–	–	–	–	175	–
Open space	26	–	–	–	–	–	–	26	–
Community facilities	238	140	–	–	–	–	–	378	–
Total	308	284	–	–	–	–	–	592	–

End of the audited financial statements

Narromine 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).

Narromine 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).

Narromine Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

*To enhance our Shire's image, lifestyle and environment
through effective leadership, community involvement and
commitment to service.*



Narromine Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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Narromine Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 10 September 2025.

Cr Ewen Jones
Mayor
10 September 2025

Cr Stacey Bohm
Councillor
10 September 2025

Jane Redden
General Manager
10 September 2025

Barry Bonthuys
Responsible Accounting Officer
10 September 2025

Narromine Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	994	860
User charges	2,384	1,630
Fees	25	21
Interest and investment income	65	22
Grants and contributions provided for operating purposes	523	112
Other income	71	1
Total income from continuing operations	4,062	2,646
Expenses from continuing operations		
Employee benefits and on-costs	539	495
Materials and services	1,616	2,109
Depreciation, amortisation and impairment	211	286
Other expenses	11	—
Total expenses from continuing operations	2,377	2,890
Surplus (deficit) from continuing operations before capital amounts	1,685	(244)
Grants and contributions provided for capital purposes	38	608
Surplus (deficit) from continuing operations after capital amounts	1,723	364
Surplus (deficit) from all operations before tax	1,723	364
Less: corporate taxation equivalent (25%) [based on result before capital]	(421)	—
Surplus (deficit) after tax	1,302	364
Plus accumulated surplus	14,398	14,034
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	421	—
Closing accumulated surplus	16,121	14,398
Return on capital %	5.3%	(0.8)%
Calculation of dividend payable:		
Surplus (deficit) after tax	1,302	364
Less: capital grants and contributions (excluding developer contributions)	(38)	(608)
Surplus for dividend calculation purposes	1,264	—
Dividend calculated from surplus (50%)	632	—

Narromine Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	1,381	1,314
User charges	491	298
Liquid trade waste charges	33	15
Interest and investment income	166	137
Other income	1	1
Total income from continuing operations	2,072	1,765
Expenses from continuing operations		
Employee benefits and on-costs	267	226
Materials and services	771	842
Depreciation, amortisation and impairment	313	301
Other expenses	40	—
Total expenses from continuing operations	1,391	1,369
Surplus (deficit) from continuing operations before capital amounts	681	396
Surplus (deficit) from continuing operations after capital amounts	681	396
Surplus (deficit) from all operations before tax	681	396
Less: corporate taxation equivalent (25%) [based on result before capital]	(170)	(99)
Surplus (deficit) after tax	511	297
Plus accumulated surplus	12,500	12,104
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	170	99
Closing accumulated surplus	13,181	12,500
Return on capital %	2.2%	1.3%
Calculation of dividend payable:		
Surplus (deficit) after tax	511	297
Surplus for dividend calculation purposes	511	297
Dividend calculated from surplus (50%)	255	149

Narromine Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Contract assets and contract cost assets	130	–
Cash and cash equivalents	33	519
Investments	1,973	–
Receivables	746	771
Total current assets	2,882	1,290
Non-current assets		
Infrastructure, property, plant and equipment	31,762	29,149
Total non-current assets	31,762	29,149
Total assets	34,644	30,439
LIABILITIES		
Current liabilities		
Contract liabilities	150	–
Payables	74	80
Employee benefit provisions	114	80
Total current liabilities	338	160
Non-current liabilities		
Employee benefit provisions	4	20
Total non-current liabilities	4	20
Total liabilities	342	180
Net assets	34,302	30,259
EQUITY		
Accumulated surplus	13,928	10,517
IPPE revaluation surplus	20,374	19,742
Total equity	34,302	30,259

Narromine Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	408	922
Investments	8,000	7,000
Receivables	485	163
Total current assets	8,893	8,085
Non-current assets		
Infrastructure, property, plant and equipment	31,077	29,427
Total non-current assets	31,077	29,427
Total assets	39,970	37,512
LIABILITIES		
Current liabilities		
Payables	29	61
Employee benefit provisions	57	37
Total current liabilities	86	98
Non-current liabilities		
Employee benefit provisions	5	9
Total non-current liabilities	5	9
Total liabilities	91	107
Net assets	39,879	37,405
EQUITY		
Accumulated surplus	13,310	11,566
IPPE revaluation surplus	26,569	25,839
Total equity	39,879	37,405

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Narromine Shire Council Water Supply

Comprising the whole of the operations and net assets of the water supply activities of Council servicing the towns of Narromine, Trangie, and Tomingley.

Category 2

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

Narromine Shire Council Sewerage Service

Comprising the whole of the operations and net assets of the sewerage reticulation and treatment activities of Council servicing the towns of Narromine and Trangie.

Taxation equivalent charges

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

Notional rate applied (%)

Note – Material accounting policy information (continued)

Corporate income tax rate – 25% (2024/25)

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

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

In accordance with DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities. The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act. Achievement of substantial compliance to DCCEEW's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

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

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

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

Local government rates and charges

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

Subsidies

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

Return on investments (rate of return)

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

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

Dividends

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

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

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

Narromine Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2025

Independent Auditor's Report

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

Narromine Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

*To enhance our Shire's image, lifestyle and environment
through effective leadership, community involvement and
commitment to service.*



Narromine Shire Council

Special Schedules

for the year ended 30 June 2025

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Narromine Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional general income yield	a	6,498	6,826
Plus or minus adjustments ²	b	39	117
Notional general income	c = a + b	6,537	6,943
Permissible income calculation			
Percentage increase	d	4.50%	4.20%
Plus percentage increase amount ³	f = d x (c + e)	294	292
Sub-total	g = (c + e + f)	6,831	7,235
Plus (or minus) last year's carry forward total	h	(4)	1
Sub-total	j = (h + i)	(4)	1
Total permissible income	k = g + j	6,827	7,236
Less notional general income yield	l	6,826	7,182
Catch-up or (excess) result	m = k - l	1	54
Carry forward to next year ⁶	p = m + n + o	1	54

Notes

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

Permissible income for general rates

Permissible income for general rates: PLUS PDF inserted here

Council needs to uplift custom PDF here - please uplift via "PLUS PDF" choice in the Home/TOC screen

Narromine Shire Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost		2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	1,411	1,411	1,532	—	33,091	70,531	19.0%	61.0%	18.0%	2.0%	0.0%
	Sub-total	1,411	1,411	1,532	—	33,091	70,531	19.0%	61.0%	18.0%	2.0%	0.0%
Other structures	Other structures	186	186	111	185	6,619	9,309	55.0%	27.0%	15.0%	3.0%	0.0%
	Sub-total	186	186	111	185	6,619	9,309	55.0%	27.0%	15.0%	3.0%	0.0%
Roads	Roads	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	2,782	2,782	1,805	1,533	—	278,163	23.0%	13.0%	62.0%	2.0%	0.0%
	Unsealed roads	939	939	4,509	3,061	—	46,955	42.0%	45.0%	11.0%	2.0%	0.0%
	Bridges	517	517	331	277	—	25,860	49.0%	35.0%	14.0%	2.0%	0.0%
	Footpaths	104	104	101	179	—	5,215	14.0%	39.0%	45.0%	2.0%	0.0%
	Other road assets	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	10	10	1,550	1,278	254,339	956	39.0%	29.0%	30.0%	2.0%	0.0%
	Other road assets (incl. bulk earth works)	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	4,352	4,352	8,296	6,328	254,339	357,149	27.3%	19.2%	51.5%	2.0%	0.0%
Water supply network	Water supply network	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	389	389	2,313	2,097	30,151	38,884	45.0%	43.0%	11.0%	1.0%	0.0%
	Sub-total	389	389	2,313	2,097	30,151	38,884	45.0%	43.0%	11.0%	1.0%	0.0%
Sewerage network	Sewerage network	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	393	393	998	981	30,119	39,342	73.0%	10.0%	16.0%	1.0%	0.0%
	Sub-total	393	393	998	981	30,119	39,342	73.0%	10.0%	16.0%	1.0%	0.0%
Stormwater drainage	Stormwater drainage	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	258	258	2,854	2,513	8,642	12,912	29.0%	34.0%	34.0%	3.0%	0.0%
	Sub-total	258	258	2,854	2,513	8,642	12,912	29.0%	34.0%	34.0%	3.0%	0.0%
Open space / recreational assets	Swimming pools	—	—	415	527	10,287	6,882	15.0%	81.0%	4.0%	0.0%	0.0%
	Other Open Space Recreational	305	305	1,435	2,255	—	10,166	12.0%	51.0%	33.0%	4.0%	0.0%
	Sub-total	305	305	1,850	2,782	10,287	17,048	13.2%	63.1%	21.3%	2.4%	0.0%

Narromine Shire Council

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

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000			1	2	3	4	5
Other infrastructure assets	Other	238	238	1,727	2,205	–	23,759	13.0%	17.0%	68.0%	2.0%	0.0%
	Sub-total	238	238	1,727	2,205	–	23,759	13.0%	17.0%	68.0%	2.0%	0.0%
	Total – all assets	7,532	7,532	19,681	17,091	373,248	568,934	30.1%	27.1%	40.9%	1.9%	0.0%

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

Infrastructure asset condition assessment 'key'

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

Narromine Shire Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024 2023		Benchmark
Buildings and infrastructure renewals ratio ¹					
Asset renewals ¹	5,073	57.48%	65.77%	104.69%	> 100.00%
Depreciation, amortisation and impairment	8,825				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	7,532	1.98%	2.03%	1.98%	< 2.00%
Net carrying amount of infrastructure assets	381,121				
Asset maintenance ratio					
Actual asset maintenance	17,091	86.84%	101.61%	84.72%	> 100.00%
Required asset maintenance	19,681				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	7,532	1.32%	1.56%	1.56%	
Gross replacement cost	568,934				

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

(1) Excludes WIP

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



POLICY - PROVISION, OPERATION and MANAGEMENT of CORPORATE IPADS FOR COUNCILLORS

Adopted by Council 9 July 2014, Resolution No 2014/203
Amended by Council 12 September 2018, Resolution No 2018/226
Adopted by Council 10 September 2025, Resolution No 2025/xxx

Version Number	Created By	Adopted by Council	Next Review
1	Finance & Corporate Strategy Dept	9/07/2014	1/07/2018
2	Finance & Corporate Strategy Dept	12/09/2018	11/09/2022
<u>3</u>	<u>Finance and Corporate Strategy</u>	<u>10/09/2025</u>	<u>09/09/2029</u>

The Device

Each Councillor will be provided with a Council supplied iPad in accordance with ~~Clause 34 (h) of the "Payment of Expenses and Provision of Facilities for Mayor and Councillors"~~the Councillor Expenses and Facilities Policy, for the purpose of disseminating Council information to enable the Councillor to execute his/her duties in respect of the role of Councillor. ~~Non Council provided iPads devices shall not be configured or supported for this purpose.~~

- The iPad will be provided with a ~~standard-protective~~ cover inclusive of keyboard, ~~warranty pack, screen protector and commissioning of mobile data service.~~
- ~~A~~ A data plan shall be applied to each Councillor's iPad.
- ~~Please note that i~~International data roaming will be disabled by default. Should this facility be required it must be arranged through the ~~IT Department~~ General Manager.

Applications

An adopted set of applications (apps) shall be installed to the device and only these applications shall be supported by ~~the IT Department~~ Council.

Security

As the iPads are configured to access the Councillor's email and other features, security of the iPad must be treated seriously, including closed meeting reports and other confidential information.

All Councillors must provide a passcode to the iPad to secure access to the device.

~~Should the iPad be lost or stolen, the IT Department has the ability to remotely delete the entire contents of the iPad, including any private information that may be stored on the iPad, and accordingly the Finance and Corporate Strategy Department should be notified immediately so the appropriate action can be taken. The Finance & Corporate Strategy Department must be notified immediately if an iPad is lost or stolen. The entire contents, including private information, will be deleted from the lost or stolen iPad.~~

Support

~~All requests for support will be via NSC IT support Ph 02 6889 9999,~~

~~Email it@narromine.nsw.gov.au~~

~~else support can be requested via the Director of Finance and Corporate Strategy.~~

~~All requests for support should be sent to councillorrequests@narromine.nsw.gov.au~~

Email

Council provided iPads will be configured to access the Councillor's corporate email address, [e.g. crjoe.bloggs@narromine.nsw.gov.au](mailto:e.g.crjoe.bloggs@narromine.nsw.gov.au).

~~All Councillors are required to complete cyber security awareness training on an annual basis through Council's preferred training provider.~~

Data

~~NO DATA STORED ON THESE DEVICES IS BACKED UP IN ANY WAY.~~

~~Accordingly, the storing of data on the iPad is done so at the risk of the Councillor. To reduce the impact on the storage capacity of the iPads, old data may need to be erased at some point however all previous business papers and minutes are available on the Council website. Any non Narromine Shire Council data shall be treated as personal data and it is placed on this iPad at the risk of the Councillor. Locally stored data on the iPad is not backed up in any way and accordingly, the storing of data on the iPad is done so at the risk of the Councillor.~~

Personal data such as photos ~~or music~~, may be stored on the iPad at the Councillor's own risk. ~~however this is done so at the risk of the Councillor. Should~~ If the device ~~be required~~needs to be reset to factory default settings, every effort will be made ~~(but new~~without guarantee) ~~will be attempted to save to preserve~~ personal or non Narromine Shire Council data.

Code of Conduct

~~One of the standard functions of the iPad is the ability to browse the Internet. Accordingly, inappropriate use of this device may be considered as a breach of Council's Code of Conduct and disciplinary action may be taken as appropriate. Clause 7.19 of Council's Code of Conduct states "You must not use council's computer resources to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature".~~

iPads have the ability to browse the Internet and accordingly, inappropriate use of these devices will be considered as a breach of Council's Code of Conduct and disciplinary action may be taken as appropriate.

Clause 8.20 of Council's Code of Conduct states "You must not use council's computer resources or mobile or other devices to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature, or that could otherwise lead to criminal penalty or civil liability and/or damage the council's reputation".

The Code of Conduct further states that:

"8.23 All information stored in either soft or hard copy on council supplied resources (including technology devices and email accounts) is deemed to be related to the business of the council and will be treated as council records, regardless of whether the original intention was to create the information for personal purposes.

8.15 You must be scrupulous in your use of council property, including intellectual property, official services, facilities, technology and electronic devices and must not permit their misuse by any other person or body.

8.13 You must council resources ethically, effectively, efficiently and carefully in exercising your official functions, and must not use them for private purposes, except when supplied as part of a contract of employment (but not for private business purposes), unless this use is lawfully authorised, and proper payment is made where appropriate."

General Conditions of Use

- Councillors are responsible for the safe keeping of the device.
- This is a Council resource and is for Council use only.
- ~~All lost or stolen iPads should be reported as soon as practicable.~~
- "Find My iPad" Location Services are to remain on at all times.
- Council will monitor the data usage on the devices
- Councillors must not sign into the device or any of its apps with their non-Council ID.

End of Term

On completion of term of office as a Councillor or at the cessation of civic duties and where requested, Councillors are required to return the iPad and all accessories to Council ~~as soon as practicable, but within 28 days~~ at the preceding Council meeting prior to the elections. If this is not possible, it should be returned within 28 days from the last Council meeting.

Council Issued iPad Details

<u>iPad Serial Number</u>	
<u>iPad Model</u>	
<u>Accessories issued</u>	
<u>iPad Serial Number</u>	
<u>iPad UDID</u>	
<u>iPad Password</u>	
<u>Dashboard Password</u>	
<u>Accessories issued</u>	

I acknowledge that I have received the above iPad. I have read and understood this iPad Policy and declare that I will observe the terms and conditions outlined governing the use of the Council provided iPad.

Councillor.....Signature

Date