

Goulburn Mulwaree Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025



Goulburn Mulwaree Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Goulburn Mulwaree Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

184-194 Bourke Street
Goulburn NSW 2580

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.goulburn.nsw.gov.au.

Goulburn Mulwaree Council

General Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 21 October 2025.



Cr Nina Dillon

Mayor

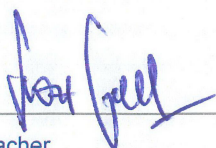
29 October 2025



Cr Caitlin Flint

Deputy Mayor

29 October 2025



Scott Gallacher

General Manager

29 October 2025



Brendan Hollands

Responsible Accounting Officer

29 October 2025

Goulburn Mulwaree Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
48,766	Rates and annual charges	B2-1	49,576	42,871
19,820	User charges and fees	B2-2	23,936	21,338
1,485	Other revenues		2,255	1,977
10,452	Grants and contributions provided for operating purposes	B2-3	11,759	17,974
23,836	Grants and contributions provided for capital purposes	B2-3	52,686	21,397
3,655	Interest and investment income	B2-4	6,950	6,316
499	Other income		15	639
462	Net gain from the disposal of assets	B4-1	—	—
108,975	Total income from continuing operations		147,177	112,512
	Expenses from continuing operations			
34,440	Employee benefits and on-costs	B3-1	32,738	31,749
28,045	Materials and services	B3-2	30,237	29,717
1,489	Borrowing costs		1,826	1,896
1,009	Other expenses		943	1,142
—	Net loss from the disposal of assets	B4-1	3,332	227
64,983	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		69,076	64,731
43,992	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		78,101	47,781
33,574	Depreciation, amortisation and impairment of non-financial assets	B3-3	31,232	30,571
10,418	Operating result from continuing operations		46,869	17,210
10,418	Net operating result for the year attributable to Council		46,869	17,210
(11,657)	Net operating result for the year before grants and contributions provided for capital purposes		(5,817)	(4,187)

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

Goulburn Mulwaree 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		46,869	17,210
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	(42,544)	71,550
Total items which will not be reclassified subsequent to operating result		(42,544)	71,550
Total other comprehensive income for the year		(42,544)	71,550
Total comprehensive income for the year attributable to Council		4,325	88,760

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

Goulburn Mulwaree Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	38,198	37,652
Investments	C1-2	112,000	97,000
Receivables	C1-4	9,477	8,204
Inventories		418	410
Contract assets and contract cost assets	C1-5	3,060	4,372
Other		516	1,015
Total current assets		163,669	148,653
Non-current assets			
Investments	C1-2	35,000	2,000
Receivables	C1-4	82	63
Infrastructure, property, plant and equipment (IPPE)	C1-6	1,581,765	1,601,601
Investment property	C1-7	5,400	5,750
Right of use assets	C2-1	432	576
Total non-current assets		1,622,679	1,609,990
Total assets		1,786,348	1,758,643
LIABILITIES			
Current liabilities			
Payables	C3-1	14,511	7,997
Contract liabilities	C3-2	35,485	18,192
Lease liabilities	C2-1	160	160
Borrowings	C3-3	2,086	2,290
Employee benefit provisions	C3-4	7,716	7,414
Total current liabilities		59,958	36,053
Non-current liabilities			
Payables	C3-1	1,200	1,500
Lease liabilities	C2-1	291	428
Borrowings	C3-3	29,141	31,227
Employee benefit provisions	C3-4	985	935
Provisions	C3-5	17,372	15,424
Total non-current liabilities		48,989	49,514
Total liabilities		108,947	85,567
Net assets		1,677,401	1,673,076
EQUITY			
Accumulated surplus	C4-1	569,151	522,282
IPPE revaluation surplus	C4-1	1,108,250	1,150,794
Total equity		1,677,401	1,673,076

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

Goulburn Mulwaree Council

Statement of Changes in Equity

for the year ended 30 June 2025

		2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
\$ '000	Notes						
Opening balance at 1 July		522,282	1,150,794	1,673,076	505,072	1,079,244	1,584,316
Net operating result for the year		46,869	–	46,869	17,210	–	17,210
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	(42,544)	(42,544)	–	71,550	71,550
Total comprehensive income		46,869	(42,544)	4,325	17,210	71,550	88,760
Closing balance at 30 June		569,151	1,108,250	1,677,401	522,282	1,150,794	1,673,076

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

Goulburn Mulwaree 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:				
48,766	Rates and annual charges		49,082	42,738
19,820	User charges and fees		23,161	20,425
3,655	Interest received		6,689	5,808
34,288	Grants and contributions		59,394	39,279
–	Bonds, deposits and retentions received		7,024	–
1,984	Other		8,483	8,399
Payments:				
(34,440)	Payments to employees		(32,300)	(31,309)
(28,045)	Payments for materials and services		(30,141)	(31,478)
(1,489)	Borrowing costs		(1,481)	(6,572)
–	Bonds, deposits and retentions refunded		–	(368)
(1,009)	Other		(5,755)	(2,202)
43,530	Net cash flows from operating activities	G1-1	84,156	44,720
Cash flows from investing activities				
Receipts:				
–	Redemption of term deposits		99,000	96,500
462	Proceeds from sale of IPPE		285	324
Payments:				
–	Acquisition of term deposits		(147,000)	(99,000)
–	Purchase of investment property		(19)	–
(60,608)	Payments for IPPE		(33,449)	(36,105)
(60,146)	Net cash flows from investing activities		(81,183)	(38,281)
Cash flows from financing activities				
Payments:				
(2,263)	Repayment of borrowings		(2,290)	(2,283)
(136)	Principal component of lease payments		(137)	(132)
(2,399)	Net cash flows from financing activities		(2,427)	(2,415)
(19,015)	Net change in cash and cash equivalents		546	4,024
37,652	Cash and cash equivalents at beginning of year		37,652	33,628
18,637	Cash and cash equivalents at end of year	C1-1	38,198	37,652

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

Goulburn Mulwaree Council

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Goulburn Mulwaree 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 31 October 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The 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 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 investment property – refer Note C1-8
- ii. fair values of infrastructure, property, plant and equipment – refer Note C1-7
- iii. tip remediation provisions – refer Note C3-5
- iv. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The Consolidated Fund has been included in the financial statements of the Council. Cash and other assets of the following activities have been included as part of the Consolidated Fund:

- General Purpose Operations
- Domestic Waste Management Fund
- Water Supply Fund
- Sewerage Service Fund

A1-1 Basis of preparation (continued)

The Trust Fund

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

It is Council's opinion that no Trust monies held by Council are subject to Council's control and therefore they have not been included in these reports.

As at 30 June 2025 the balance of the trust fund was \$547,744 (\$395,396 at 30 June 2024).

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

Volunteer services

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

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.

Council's assessment on the impact of upcoming new standards and interpretations (pronouncements) published by the Australian Accounting Standards Board that are likely to have an effect on Council's future financial statements, financial performance, financial position and cash flows are set out below:

AASB 18 Presentation and Disclosure in Financial Statements

This Standard replaces AASB 101 Presentation of Financial Statements and sets out new requirements for the structure of financial statements, including the application of fundamental concepts such as materiality. AASB 18 introduces additional subtotals into the Statement of Profit or Loss and requires restructuring of the statement into operating, investing and financing elements. It also requires disclosure of management performance measures. The Standard is effective for annual reporting periods beginning on or after 1 January 2028, and will be applicable to Council's financial statements for the year ending 30 June 2029.

The presentation of Council's primary statements will be changed along with some additional disclosures, however there will be no effect on Council's reported position or performance.

New accounting standards adopted during the year

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

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

Council has reviewed its fair value methodology to ensure alignment with the requirements of AASB 2022-10. The adoption of the standard did not have a material impact on Council's reported financial position or performance.

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										
Civic Leadership	39,949	37,994	12,147	10,613	27,802	27,381	7,928	10,425	253,591	201,569
Community	2,959	3,303	7,561	6,372	(4,602)	(3,069)	2,044	2,581	180,112	173,675
Economy	6,792	5,642	14,145	14,532	(7,353)	(8,890)	2,098	2,185	14,252	13,533
Environment	20,279	15,448	20,182	12,025	97	3,423	7,427	2,386	145,437	146,144
Infrastructure	77,198	50,125	46,273	51,760	30,925	(1,635)	44,948	21,794	1,192,956	1,223,722
Total functions and activities	147,177	112,512	100,308	95,302	46,869	17,210	64,445	39,371	1,786,348	1,758,643

B1-2 Components of functions or activities

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

Civic Leadership

Our Leadership - Council administration including executive management, councillor expenses, human resources, financial services, organisational overheads and oncosts, information and technology, customer service and administrative support. Governance such as access to information, code of conduct, legal services, insurances and policies and procedures.

Community

Our Community - Community services and education, including development, youth services, aged and disabled services. Community amenities such as public cemeteries, public conveniences and street lighting. Recreation and cultural services including, public library, art gallery and museums, community halls, sporting grounds and venues, swimming pool, parks and gardens, and other sport and recreation.

Economy

Our Economy - Economic affairs including marketing, visitor information and events, strategic planning and property management.

Environment

Our Environment - Activities such as public health, noxious plants and animal control, solid waste management, street cleaning, drainage and stormwater management, other environmental protection activities.

Infrastructure

Our Infrastructure - Includes the following networks; sewerage services, water supplies, bridges, footpaths, parking areas, sealed and unsealed roads, urban streets, rural and regional roads.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	20,393	16,258
Farmland	2,900	2,390
Business	6,393	5,218
Less: pensioner rebates	(586)	(444)
Rates levied to ratepayers	29,100	23,422
Pensioner rate subsidies received	260	243
Total ordinary rates	29,360	23,665
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	5,438	5,213
Water supply services	3,084	2,877
Sewerage services	11,310	10,747
Waste management services (non-domestic)	597	585
Less: pensioner rebates	(468)	(476)
Annual charges levied	19,961	18,946
Pensioner annual charges subsidies received:		
– Water	96	95
– Sewerage	92	91
– Domestic waste management	67	74
Total annual charges	20,216	19,206
Total rates and annual charges	49,576	42,871

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.

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

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

B2-2 User charges and fees

\$ '000	Timing	2025	2024
Specific user charges			
Water supply services	2	8,945	7,879
Sewerage services	2	2,814	2,474
Waste management services (non-domestic)	2	1,645	1,695
Total specific user charges		13,404	12,048
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions			
Building regulation	2	348	309
Planning and building regulation	1	1,176	1,345
Private works – section 67	2	200	130
Regulatory/ statutory fees	2	204	214
Section 10.7 certificates (EP&A Act)	2	143	106
Section 603 certificates	2	93	78
Total fees and charges – statutory/regulatory		2,164	2,182
(ii) Fees and charges – other (incl. general user charges)			
Cemeteries	2	325	282
Gravel pits	2	–	76
Library and art gallery	2	51	81
Transport for NSW works (state roads not controlled by Council)	2	2,468	1,177
GPAC Income	2	565	520
Swimming centres	1	1,328	1,348
Waste disposal tipping fees	2	2,914	3,115
Aged and disabled services	2	183	42
Hire of council properties	2	137	91
Sports stadium/recreation facilities	2	112	102
Animal Impounding	2	23	26
Other	2	262	248
Total fees and charges – other		8,368	7,108
Total other user charges and fees		10,532	9,290
Total user charges and fees		23,936	21,338
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time (2)		21,590	18,632
User charges and fees recognised over time (1)		2,346	2,706
Total user charges and fees		23,936	21,338

Material accounting policy information

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

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

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

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

B2-3 Grants and contributions

\$ '000	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)					
Current year allocation					
Financial assistance	2	1,085	339	–	–
Payment in advance - future year allocation					
Financial assistance	2	3,620	5,830	–	–
Amount recognised as income during current year		4,705	6,169	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Water supplies	2	45	–	221	227
Sewerage services	2	–	–	487	188
Aged care	2	–	201	–	–
Bushfire and emergency services	2	152	645	344	–
Community care	2	309	310	–	746
Economic development	2	45	14	–	–
Employment and training programs	2	77	–	–	–
Environmental programs	1	–	44	(61)	542
Floodplain management	2	43	(4)	–	52
Heritage and cultural	2	209	8	227	–
Library – per capita	2	257	255	–	–
LIRS subsidy	2	–	72	–	–
Noxious weeds	2	203	215	–	53
NSW rural fire services	2	–	–	–	9
Recreation and culture	1	273	193	5,517	6,382
Storm/flood damage	2	2,150	2,861	–	–
Road safety initiatives	2	53	68	–	24
Street lighting	2	158	161	–	–
Traffic route subsidy	2	–	2	–	–
Transport (roads to recovery)	2	250	1,566	–	–
Transport (other roads and bridges funding)	1	562	3,390	8,590	3,676
Other specific grants	1	–	–	13	253
Previously contributions:					
Bushfire services	2	–	299	–	–
Community services	2	–	23	–	80
Drainage	2	–	16	–	–
Other councils – joint works/services	2	19	26	–	–
Recreation and culture	2	–	–	–	168
Roads and bridges	2	–	2	–	3,557
Transport for NSW contributions (regional roads, block grant)	2	–	31	–	15
Sewerage (excl. section 64 contributions)	2	–	–	24	22
Other contributions	2	367	39	200	–
Veolia host fee	2	876	775	–	–
ESL Subsidy	2	–	–	–	–
Total special purpose grants and non-developer contributions – cash		6,048	11,212	15,562	15,994
Non-cash contributions					
Other	2	–	–	225	–
Total other contributions – non-cash		–	–	225	–
Total special purpose grants and non-developer contributions (tied)		6,048	11,212	15,787	15,994

continued on next page ...

B2-3 Grants and contributions (continued)

\$ '000	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024	
Total grants and non-developer contributions						
		10,753	17,381	15,787	15,994	
Comprising:						
– Other funding		(780)	4,605	593	(498)	
– Commonwealth funding		14	14	980	316	
– State funding		11,519	12,762	14,214	16,176	
		10,753	17,381	15,787	15,994	
Developer contributions						
\$ '000	Notes	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
	G3					
Cash contributions						
S 7.4 – contributions using planning agreements			969	–	–	–
S 7.11 – contributions towards amenities/services		2	37	591	5,137	2,403
S 64 – water supply contributions		2	–	–	2,574	652
S 64 – sewerage service contributions		2	–	–	4,772	807
S 64 – stormwater contributions		2	–	–	750	193
Other developer contributions		2	–	2	–	–
Total developer contributions – cash			1,006	593	13,233	4,055
Non-cash contributions						
S 7.11 – contributions towards amenities/services		2	–	–	15,494	584
S 64 – water supply contributions		2	–	–	1,195	380
S 64 – sewerage service contributions		2	–	–	1,565	24
S 64 – stormwater contributions		2	–	–	5,412	360
Total developer contributions non-cash			–	–	23,666	1,348
Total developer contributions			1,006	593	36,899	5,403
Total contributions			1,006	593	36,899	5,403
Timing of revenue recognition						
Grants and contributions recognised over time (1)			2,703	3,627	14,059	10,853
Grants and contributions recognised at a point in time (2)			9,056	14,347	38,627	10,544
Total grants and contributions			11,759	17,974	52,686	21,397

B2-3 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds at 1 July	1,416	906	19,755	20,664
Add (Less): Operating adjustment	(39)	98	–	–
Add (Less): Capital adjustment	–	–	20	(98)
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	3,274	–	–
Add: Funds received and not recognised as revenue in the current year	476	168	20,860	2,629
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(963)	(2,334)	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(146)	(696)	(3,662)	(3,440)
	–	–	–	–
Unspent funds at 30 June	744	1,416	36,973	19,755
Contributions				
Unspent funds at 1 July	–	–	28,721	23,631
Add: Contributions adjustment	–	–	–	873
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	15,915	5,775
Add: contributions received and not recognised as revenue in the current year	–	–	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(3,141)	(1,558)
Unspent contributions at 30 June	–	–	41,495	28,721

Material accounting policy information

Grants and contributions - enforceable agreement with sufficiently specific performance obligations

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

Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

B2-3 Grants and contributions (continued)

Other grants and contributions

Assets arising from grants in the scope of AASB 1058 is recognised at the assets 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.

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

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

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*.

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

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

B2-4 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	194	137
– Cash and investments	6,756	6,179
Total interest and investment income (losses)	6,950	6,316

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	24,144	23,940
Employee leave entitlements (ELE)	5,535	5,262
Superannuation	3,194	3,077
Workers' compensation insurance	774	537
Fringe benefit tax (FBT)	94	121
Payroll tax	133	106
Protective clothing	119	133
Total employee costs	33,993	33,176
Less: capitalised costs	(1,255)	(1,427)
Total employee costs expensed	32,738	31,749

Material accounting policy information

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

Retirement benefit obligations

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.

Superannuation plans

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

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		5,154	5,488
Contractor costs		16,661	15,228
Audit Fees	F2-1	182	152
Councillor and Mayoral fees and associated expenses	F1-2	308	278
Advertising		206	298
Bank charges		237	240
Electricity and heating		2,526	3,014
Insurance		2,154	2,157
Postage		173	159
Printing and stationery		154	170
Street lighting		650	719
Subscriptions and publications		264	277
Telephone and communications		306	273
Valuation fees		154	152
Training costs (other than salaries and wages)		395	422
Other expenses		220	99
Legal expenses: planning and development		148	299
Legal expenses: debt recovery		157	135
Legal expenses: other		188	157
Total materials and services		30,237	29,717

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

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Plant and equipment		1,859	1,696
Office equipment		146	804
Furniture and fittings		120	89
Land improvements (depreciable)		74	67
Infrastructure:	C1-6		
– Buildings – non-specialised		3,265	3,036
– Other structures		578	558
– Roads		11,027	10,220
– Bridges		1,372	1,299
– Footpaths		1,350	1,233
– Stormwater drainage		1,874	1,758
– Water supply network		4,343	4,118
– Sewerage network		3,097	2,980
– Swimming pools		258	394
– Other open space/recreational assets		1,060	1,227
Right of use assets	C2-1	144	144
Other assets:			
– Library books		–	157
– Other		120	158
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-6	531	619
– Quarry assets	C3-5,C1-6	14	14
Total gross depreciation and amortisation costs		31,232	30,571
Total depreciation and amortisation costs		31,232	30,571
Total depreciation, amortisation and impairment for non-financial assets		31,232	30,571

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.

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

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

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		285	324
Less: carrying amount of plant and equipment assets sold/written off		(380)	(222)
Gain (or loss) on disposal		(95)	102
Gain (or loss) on disposal of infrastructure	C1-6		
Less: carrying amount of infrastructure assets sold/written off		(3,237)	(329)
Gain (or loss) on disposal		(3,237)	(329)
Gain (or loss) on disposal of term deposits	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		99,000	96,500
Less: carrying amount of term deposits sold/redeemed/matured		(99,000)	(96,500)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(3,332)	(227)

B5 Performance against budget

B5-1 Material budget variations

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

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	48,766	49,576	810	2% F
User charges and fees	19,820	23,936	4,116	21% F
A conservative budget was set for all planning and development fees but income was maintained through 2025. An increase across most fees and charges compared to 2024 resulted in this variance.				
Other revenues	1,485	2,255	770	52% F
Favourable result is due to Waste Steel sales (\$493) which was not budgeted; as well as higher than anticipated operational returns across a number of business units. Examples include Fines - other (\$164), Merchandise revenues (\$80) and GPAC Bar Sales (\$100)				
Operating grants and contributions	10,452	11,759	1,307	13% F
This favourable result is due to a couple of grants awarded above budgeted figures during the year. These include Special Purpose grants for storm/flood damage (\$2,150) and RMCC Revenues (\$2,140).				
Capital grants and contributions	23,836	52,686	28,850	121% F
This favourable result is due to Developer contributions received being significantly higher than anticipated. These include s7.11 contributions (\$15,436) and s64 contributions (\$16,328).				
Interest and investment revenue	3,655	6,950	3,295	90% F
The sustained high interest rates throughout this financial year have resulted in this year's actual returns being significantly higher than anticipated.				
Net gains from disposal of assets	462	–	(462)	(100)% U
Anticipated disposal and replacement of Plant and Fleet was not required during the year at the level budgeted.				
Other income	499	15	(484)	(97)% U
This decrease is due to the decrease in investment property valuation (-\$369)				
Expenses				
Employee benefits and on-costs	34,440	32,738	1,702	5% F
Materials and services	28,045	30,237	(2,192)	(8)% U
Borrowing costs	1,489	1,826	(337)	(23)% U
This result was due to the unwinding discount relating to Goulburn Tip provision. This was in line with previous years and current rates, however budget was not projected for this expense.				
Depreciation, amortisation and impairment of non-financial assets	33,574	31,232	2,342	7% F

continued on next page ...

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----		
Other expenses	1,009	943	66	7%	F
Net losses from disposal of assets	–	3,332	(3,332)	∞	U
This is due to the revaluation of Transport Assets and write off assets based on the new valuations.					

Statement of cash flows

Cash flows from operating activities	43,530	84,156	40,626	93%	F
This variance is due to favourable cash inflows from operating and other expenditure as outline above.					
Cash flows from investing activities	(60,146)	(81,183)	(21,037)	35%	U
This variance is due to favourable cash inflows which has resulted in Council investing significantly more funds in 2025.					
Cash flows from financing activities	(2,399)	(2,427)	(28)	1%	U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash on hand and at bank	477	453
Cash equivalent assets		
– Deposits at call	37,721	37,199
Total cash and cash equivalents	38,198	37,652

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	38,198	37,652
Balance as per the Statement of Cash Flows	38,198	37,652

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Debt securities at amortised cost				
Long term deposits	112,000	35,000	97,000	2,000
Total	112,000	35,000	97,000	2,000
Total financial investments	112,000	35,000	97,000	2,000
Total cash assets, cash equivalents and investments	150,198	35,000	134,652	2,000

Material accounting policy information

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

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

Financial assets

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

Classification

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

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	185,198	136,652
Less: Externally restricted cash, cash equivalents and investments	(163,683)	(121,590)
Cash, cash equivalents and investments not subject to external restrictions	21,515	15,062

External restrictions

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

Specific purpose unexpended loans – general	4	99
Specific purpose unexpended loans – water	103	122
Employee leave entitlements – domestic waste	256	244
Employee leave entitlements – sewerage	385	368
Employee leave entitlements – water	703	670
Specific purpose unexpended grants – general fund	6,486	8,648
Specific purpose unexpended grants – water fund	–	37
Specific purpose unexpended grants – sewer fund	31,250	12,486
Developer contributions – general	12,073	7,278
Developer contributions – water fund	13,631	10,560
Developer contributions – sewer fund	15,791	10,883
Water fund	13,029	12,475
Water supplies – incomplete works	13,446	10,925
Sewerage services – incomplete works	26,877	24,874
Domestic waste management	3,346	3,129
Sewer fund	26,186	18,607
Domestic Waste Management - Incomplete Works	117	185
Total external restrictions	163,683	121,590

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

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

\$ '000	2025	2024
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	21,515	15,062
Less: Internally restricted cash, cash equivalents and investments	(15,568)	(14,818)
Unrestricted and unallocated cash, cash equivalents and investments	5,947	244
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	1,403	1,903
Employees leave entitlement	1,066	1,066
Bridges	14	14
Buildings	497	182
Collex/Veolia host fee	1,633	1,017
Community assistance scheme	194	168
Election reserve	–	141
Energy efficiency	5	5
Environment	176	–
Financial Assistance Grant	3,620	5,830
Gallery	202	99
Insurance rebates	195	133
Library development	20	20
Local roads/infrastructure	1,558	159
Marulan hall	138	138
Museums	74	184
Performing arts	194	252
Other Rec & Culture	408	484
Risk management	281	281
Social plan	33	33
Special projects	549	919
Strategic planning	426	513
Technology	366	408
Tip replacement	1,257	–
Tourism	327	88
Training	100	100
Printers	221	120
Landscaped Areas	152	138
Other	459	423
Total internal allocations	15,568	14,818

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

C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	1,880	82	1,447	63
Interest and extra charges	83	–	61	–
User charges and fees	3,209	–	2,669	–
Accrued revenues				
– Interest on investments	1,951	–	1,712	–
– Other income accruals	2,540	–	2,527	–
Other debtors	18	–	1	–
Total	9,681	82	8,417	63
Less: provision for impairment				
Rates and annual charges	(127)	–	(122)	–
User charges and fees	(5)	–	(6)	–
Other debtors	(72)	–	(85)	–
Total provision for impairment – receivables	(204)	–	(213)	–
Total net receivables	9,477	82	8,204	63

\$ '000	2025	2024
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 9)	213	139
+ new provisions recognised during the year	–	74
– amounts provided for but recovered during the year	(9)	–
Balance at the end of the year	204	213

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.

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

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

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 1 year past due, whichever occurs first. None of the receivables that have been written off are subject to enforcement activity.

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

C1-5 Contract assets and Contract cost assets

C1-5 Contract assets and Contract cost assets (continued)

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Contract assets	3,060	—	4,372	—
Total contract assets and contract cost assets	3,060	—	4,372	—

Contract assets

Work relating to infrastructure grants	2,284	—	2,236	—
Construction of Transport assets	560	—	1,971	—
Construction of Open space assets	149	—	165	—
Other	67	—	—	—
Total contract assets	3,060	—	4,372	—

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period								At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	63,981	–	63,981	17,336	14,683	–	–	(24,185)	(14)	–	–	71,801	–	71,801
Plant and equipment	26,084	(15,079)	11,005	–	–	(380)	(1,859)	3,003	(4)	(55)	–	25,760	(14,050)	11,710
Office equipment	5,757	(5,374)	383	–	–	–	(146)	23	–	–	3	846	(583)	263
Furniture and fittings	1,380	(975)	405	–	–	–	(120)	270	–	–	5	1,218	(658)	560
Land:														
– Operational land	41,108	–	41,108	–	–	(397)	–	–	–	–	944	41,655	–	41,655
– Community land	35,391	–	35,391	–	451	(427)	–	253	–	–	965	36,633	–	36,633
– Land under roads (post 30/6/08)	286	–	286	–	–	–	–	–	27	–	–	313	–	313
Land improvements – depreciable	2,757	(959)	1,798	–	–	–	(74)	77	(42)	–	42	2,713	(912)	1,801
Infrastructure:														
– Buildings – non-specialised	150,535	(57,722)	92,813	–	–	–	(3,265)	4,930	–	–	2,856	160,181	(62,847)	97,334
– Other structures	17,388	(3,061)	14,327	–	–	–	(578)	136	–	–	421	17,989	(3,683)	14,306
– Roads	824,933	(265,592)	559,341	–	7,305	(1,696)	(11,027)	11,947	3,971	(635)	–	972,347	(403,141)	569,206
– Bridges	181,021	(48,128)	132,893	–	–	–	(1,372)	–	–	(25,436)	–	165,145	(59,060)	106,085
– Footpaths	61,848	(14,125)	47,723	–	2,304	(576)	(1,350)	115	3,887	(26,932)	–	44,678	(19,507)	25,171
– Stormwater drainage	190,085	(58,313)	131,772	–	5,412	(141)	(1,874)	2,108	–	(6,193)	–	204,681	(73,597)	131,084
– Water supply network	374,642	(123,943)	250,699	–	1,195	–	(4,343)	39	–	–	6,183	385,266	(131,493)	253,773
– Sewerage network	240,786	(66,708)	174,078	–	1,565	–	(3,097)	323	–	–	4,311	248,730	(71,550)	177,180
– Swimming pools	13,636	(1,542)	12,094	–	–	–	(258)	131	–	–	366	14,187	(1,854)	12,333
– Other open space/recreational assets	24,869	(4,391)	20,478	–	–	–	(1,060)	697	(2,261)	–	611	23,531	(5,066)	18,465
Other assets:														
– Library books	1,431	(1,431)	–	–	–	–	–	–	–	–	–	464	(464)	–
– Other	3,203	(249)	2,954	–	–	–	(120)	113	–	–	–	3,313	(366)	2,947
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Quarry assets	246	(145)	101	–	–	–	(14)	–	–	–	–	246	(159)	87
– Tip assets	12,250	(4,279)	7,971	–	–	–	(531)	–	1,618	–	–	13,869	(4,811)	9,058
Total infrastructure, property, plant and equipment	2,273,617	(672,016)	1,601,601	17,336	32,915	(3,617)	(31,088)	(20)	7,182	(59,251)	16,707	2,435,566	(853,801)	1,581,765

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

C1-6 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 new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	53,124	—	53,124	35,655	—	—	(24,771)	(27)	—	63,981	—	63,981
Plant and equipment	24,687	(14,199)	10,488	—	(222)	(1,696)	2,035	400	—	26,084	(15,079)	11,005
Office equipment	5,758	(4,571)	1,187	—	—	(804)	—	—	—	5,757	(5,374)	383
Furniture and fittings	1,380	(886)	494	—	—	(89)	—	—	—	1,380	(975)	405
Land:												
– Operational land	39,163	—	39,163	—	—	—	—	171	1,774	41,108	—	41,108
– Community land	34,034	—	34,034	—	—	—	—	(171)	1,528	35,391	—	35,391
– Land under roads (post 30/6/08)	105	—	105	5	—	—	—	—	176	286	—	286
Land improvements – depreciable	2,601	(837)	1,764	—	—	(67)	—	25	76	2,757	(959)	1,798
Infrastructure:												
– Buildings – non-specialised	139,749	(51,726)	88,023	—	—	(3,036)	3,228	55	4,543	150,535	(57,722)	92,813
– Other structures	15,960	(3,406)	12,554	—	—	(558)	839	—	1,492	17,388	(3,061)	14,327
– Roads	775,461	(242,737)	532,724	521	(329)	(10,220)	9,283	451	26,911	824,933	(265,592)	559,341
– Bridges	171,613	(44,502)	127,111	63	—	(1,299)	621	(1)	6,398	181,021	(48,128)	132,893
– Footpaths	56,286	(12,181)	44,105	—	—	(1,233)	2,692	(15)	2,174	61,848	(14,125)	47,723
– Stormwater drainage	179,964	(53,727)	126,237	360	—	(1,758)	464	143	6,326	190,085	(58,313)	131,772
– Water supply network	355,694	(113,845)	241,849	380	—	(4,118)	513	—	12,075	374,642	(123,943)	250,699
– Sewerage network	228,038	(60,510)	167,528	24	—	(2,980)	1,159	—	8,347	240,786	(66,708)	174,078
– Swimming pools	14,547	(1,016)	13,531	—	—	(394)	1	—	(1,044)	13,636	(1,542)	12,094
– Other open space/recreational assets	24,153	(4,971)	19,182	—	—	(1,227)	3,926	(665)	(738)	24,869	(4,391)	20,478
Other assets:												
– Library books	1,431	(1,274)	157	—	—	(157)	—	—	—	1,431	(1,431)	—
– Other	2,091	(508)	1,583	—	—	(158)	10	7	1,512	3,203	(249)	2,954
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Quarry assets	246	(131)	115	—	—	(14)	—	—	—	246	(145)	101
– Tip assets	11,486	(3,660)	7,826	—	—	(619)	—	764	—	12,250	(4,279)	7,971
Total infrastructure, property, plant and equipment	2,137,571	(614,687)	1,522,884	37,008	(551)	(30,427)	—	1,137	71,550	2,273,617	(672,016)	1,601,601

C1-6 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed 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 revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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 cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 25	Playground equipment	5 to 15
Office furniture	10 to 22	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 15	Buildings	
Heavy plant/road making equipment	5 to 25	Buildings: masonry	50 to 161
Other plant and equipment	2 to 50	Buildings: other	10 to 50
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 215	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 100
Reticulation pipes: PVC	70 to 208	Flood control structures	40 to 200
Reticulation pipes: other	25 to 75		
Pumps and telemetry	8 to 113	Other infrastructure assets	

C1-6 Infrastructure, property, plant and equipment (continued)

Other Instrumentations	2 to 15	Bulk earthworks	85 to 200
Transportation assets		Swimming pools	10-95
Sealed roads: surface	20 - 73	Unsealed roads	20
Sealed roads: structure	50	Other open space/recreational assets	4 - 110
Unsealed roads	20	Other infrastructure	10 - 130
Bridge: concrete	86-115	Land Improvements - Depreciable	5 - 90
Bridge: other	29-173		
Road pavements - Base (Sealed Roads)	60-96		
Road pavements - Base (Unsealed Roads)	15-20		
Road pavements - Sub Base	60-200		
Kerb and gutter	80-85		
Footpaths	20-85		

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

Land under roads

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

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

Crown reserves

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

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

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed". Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land and buildings.

C1-7 Investment properties

Owned investment property

\$ '000	2025	2024
At fair value		
Opening balance at 1 July	5,750	5,500
Net gain/(loss) from fair value adjustments	(369)	250
Other movements	19	–
Closing balance at 30 June	5,400	5,750

Material accounting policy information

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.

C2 Leasing activities

C2-1 Council as a lessee

Terms and conditions of leases

Buildings

Council currently has a lease over part of a building that it utilises to run a community centre from. This property is located at 155 Auburn Street Goulburn. The original lease term was for a period of 5 years and commenced on 1 July 2018. This lease allowed for a renewal option for another 5 year period.

This lease contains an annual pricing mechanism based on either a 3% increase or CPI increase, whichever is greater, at each anniversary of the lease inception.

Extension options

Council included an option in this building lease to provide flexibility and certainty to Council operations and reduce costs of moving premises; and this extension option is at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension option will be exercised.

The current lease was renewed on 1 July 2023 for a period of 5 years, expiring on 30 June 2028

(a) Right of use assets

\$ '000	Buildings	Total
2025		
Opening balance at 1 July	576	576
Depreciation charge	(144)	(144)
Balance at 30 June	432	432
2024		
Additions to right-of-use assets	720	720
Depreciation charge	(144)	(144)
Balance at 30 June	576	576

(b) Lease liabilities

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Lease liabilities	160	291	160	428
Total lease liabilities	160	291	160	428

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2025					
Cash flows	147	404	–	551	451
2024					
Cash flows	153	551	–	704	588

(d) Income Statement

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

\$ '000	2025	2024
Interest on lease liabilities	23	28
Depreciation of right of use assets	144	144
	167	172

(e) Statement of Cash Flows

Total cash outflow for leases	(160)	(160)
	(160)	(160)

Material accounting policy information

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

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

Exceptions to lease accounting

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

Council has concluded that the low value exception amount to be applied is \$10,000 and below.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties. These leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-6).

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

\$ '000	2025	2024
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(i) Assets held as investment property

Investment property operating lease relates to 56 Clinton Street Goulburn NSW 2580 where the bottom floor is leased to NSW Property Services as the anchor tenant. The remainder of the building contains office space leased to smaller organisations, not for profit organisations and casual users (hot desks).

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

Lease income (excluding variable lease payments not dependent on an index or rate)	384	389
Total income relating to operating leases for investment property assets	384	389

\$ '000	2025	2024
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(ii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

≤ 1 year	285	317
1–2 years	346	244
Total undiscounted lease payments to be received	631	561

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
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Payables

Goods and services – operating expenditure	611	–	507	–
Goods and services – capital expenditure	670	–	597	–
Accrued expenses:				
– Borrowings	212	–	228	–
– Salaries and wages	160	–	74	–
– Other expenditure accruals	1,934	–	2,382	–
Security bonds, deposits and retentions	8,608	–	1,584	–
Performing Art centre shows	224	–	344	–
Regional Hockey Facility	300	1,200	300	1,500
Other	47	–	193	–
Prepaid rates	1,745	–	1,788	–
Total payables	14,511	1,200	7,997	1,500
Total payables	14,511	1,200	7,997	1,500

C3-1 Payables (continued)

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

\$ '000	2025	2024
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	1,113	667
Total payables	1,113	667

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	34,698	–	17,455	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	639	–	354	–
Total grants received in advance		35,337	–	17,809	–
User fees and charges received in advance:					
Other	(iii)	148	–	383	–
Total user fees and charges received in advance		148	–	383	–
Total contract liabilities		35,485	–	18,192	–

Notes

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

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

(iii) Upfront membership fees for the leisure centre do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

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

\$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	3,662	3,282
Operating grants (received prior to performance obligation being satisfied)	214	686
User fees and charges received in advance:		
Other	317	579
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,193	4,547

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	2,086	29,141	2,290	31,227
Total borrowings	2,086	29,141	2,290	31,227

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	33,517	(2,290)	–	–	–	–	31,227
Lease liability (Note C2-1)	588	(137)	–	–	–	–	451
Total liabilities from financing activities	34,105	(2,427)	–	–	–	–	31,678

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	35,800	(2,283)	–	–	–	–	33,517
Lease liability (Note C2-1)	–	(132)	720	–	–	–	588
Total liabilities from financing activities	35,800	(2,415)	720	–	–	–	34,105

(b) Financing arrangements

\$ '000	2025	2024
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Total facilities

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

Credit cards/purchase cards

	110	110
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Total financing arrangements

Drawn facilities

Financing facilities drawn down at the reporting date are:

Undrawn facilities

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

– Credit cards/purchase cards

	110	110
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Total undrawn financing arrangements

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans are secured over the general rating income of Council.

C3-4 Employee benefit provisions

	2025	2025	2024	2024
\$ '000	Current	Non-current	Current	Non-current
Annual leave	2,678	–	2,585	–
Sick leave	38	–	38	–
Long service leave	4,965	985	4,713	935
Other leave	35	–	78	–
Total employee benefit provisions	7,716	985	7,414	935

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	5,163	4,869
	5,163	4,869

Material accounting policy information

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

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.

C3-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation/restoration:				
Goulburn tip	–	16,930	–	14,991
Gravel pits	–	442	–	433
Sub-total – asset remediation/restoration	–	17,372	–	15,424
Total provisions	–	17,372	–	15,424

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2025		
At beginning of year	15,424	15,424
Changes to provision:		
– Revised costs	2,219	2,219
– Revised discount rate	(319)	(319)
Unwinding of discount	680	680
Remeasurement effects ¹	(641)	(641)
Other	9	9
Total other provisions at end of year	17,372	17,372
2024		
At beginning of year	14,382	14,382
Changes to provision:		
– Revised costs	455	455
– Revised discount rate	(5,011)	(5,011)
Unwinding of discount	345	345
Remeasurement effects ¹	5,253	5,253
Total other provisions at end of year	15,424	15,424

(1) Remeasurement effects: Change in Inflation

Nature and purpose of provisions

Asset remediation

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

Material accounting policy information

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

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

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

Asset remediation – tips and quarries

Provision for close-down restoration and environmental cleanup costs

	Provision \$000	Years to remediation
Goulburn Tip	\$13,886	15
Marulan Tip	\$3,044	15
Gravel Pits	\$442	09

C3-5 Provisions (continued)

Restoration

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 costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

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

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

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

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in 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.

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

D Council structure

D1 Results by fund

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

It should be noted that for this note, General Fund income and expenditure also include income generated by, and expenses incurred by the Domestic Waste management Fund.

D1-1 Income Statement by fund

\$ '000	General 2025	Water 2025	Sewer 2025
Income from continuing operations			
Rates and annual charges	35,157	3,105	11,314
User charges and fees	11,327	9,548	3,061
Interest and investment revenue	1,407	1,720	3,823
Other revenues	1,966	199	90
Grants and contributions provided for operating purposes	11,673	86	—
Grants and contributions provided for capital purposes	41,848	3,990	6,848
Other income	15	—	—
Total income from continuing operations	103,393	18,648	25,136
Expenses from continuing operations			
Employee benefits and on-costs	28,991	2,043	1,704
Materials and services	19,547	5,761	4,929
Borrowing costs	1,229	621	(24)
Other expenses	934	—	9
Net losses from the disposal of assets	3,332	—	—
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	54,033	8,425	6,618
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	49,360	10,223	18,518
Depreciation, amortisation and impairment of non-financial assets	23,649	4,447	3,136
Operating result from continuing operations	25,711	5,776	15,382
Net operating result for the year	25,711	5,776	15,382
Net operating result attributable to each council fund	25,711	5,776	15,382
Net operating result for the year before grants and contributions provided for capital purposes	(16,137)	1,786	8,534

D1-2 Statement of Financial Position by fund

\$ '000	General 2025	Water 2025	Sewer 2025
ASSETS			
Current assets			
Cash and cash equivalents	9,932	8,178	20,088
Investments	25,590	25,001	61,409
Receivables	5,049	2,375	2,053
Inventories	418	—	—
Contract assets and contract cost assets	3,060	—	—
Other	128	162	226
Total current assets	44,177	35,716	83,776
Non-current assets			
Investments	8,275	7,733	18,992
Receivables	82	—	—
Contract assets and contract cost assets	(10)	10	—
Infrastructure, property, plant and equipment	1,103,092	269,791	208,882
Investment property	5,400	—	—
Right of use assets	432	—	—
Other	(5,080)	2,254	2,826
Total non-current assets	1,112,191	279,788	230,700
Total assets	1,156,368	315,504	314,476
LIABILITIES			
Current liabilities			
Payables	13,801	680	30
Contract liabilities	4,235	—	31,250
Lease liabilities	160	—	—
Borrowings	1,445	536	105
Employee benefit provision	6,763	609	344
Total current liabilities	26,404	1,825	31,729
Non-current liabilities			
Payables	1,200	—	—
Lease liabilities	291	—	—
Borrowings	17,888	9,654	1,599
Employee benefit provision	850	94	41
Provisions	17,372	—	—
Total non-current liabilities	37,601	9,748	1,640
Total liabilities	64,005	11,573	33,369
Net assets	1,092,363	303,931	281,107
EQUITY			
Accumulated surplus	308,315	105,239	155,597
IPPE revaluation surplus	784,048	198,692	125,510
Total equity	1,092,363	303,931	281,107

D1-3 Details of internal loans

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

Details of individual internal loans	War Memorial Museum	Goulburn Performing Arts Centre
	General Fund Sewer Fund	General Fund Sewer & Water Fund
Borrower (by purpose)	General Fund	General Fund
Lender (by purpose)	Sewer Fund	Sewer & Water Fund
Date of Minister's approval	8 July 2019	8 June 2021
Date raised	30 June 2019	30 June 2021
Term years	15	15
Dates of maturity	30 June 2034	30 June 2036
Rate of interest (%)	2.00%	Variable
Amount originally raised - Sewer (\$'000)	\$1,000	\$3,150
Amount originally raised - Water (\$'000)		\$3,150

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

\$ '000	Carrying value 2025	Carrying value 2024	Fair value 2025	Fair value 2024
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	38,198	37,652	38,198	37,652
Receivables	9,559	8,267	9,559	8,267
Investments				
Term Deposits	147,000	99,000	147,000	99,000
Total financial assets	194,757	144,919	194,757	144,919
Financial liabilities				
Payables	15,711	9,497	15,711	9,497
Borrowings	31,227	33,517	31,227	33,517
Total financial liabilities	46,938	43,014	46,938	43,014

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and investments measured at amortised cost** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

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

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

The risks associated with the instruments held are:

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

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

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

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,847	1,362

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

(b) Credit risk

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

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

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

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

The level of outstanding receivables is reported to Council quarterly and benchmarks are set and monitored for acceptable collection performance.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2025				
Gross carrying amount	–	1,880	82	1,962
2024				
Gross carrying amount	–	1,447	63	1,510

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2025						
Gross carrying amount	8,615	18	1,100	109	1,019	10,861
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	7.55%	0.71%
ECL provision	–	–	–	–	77	77
2024						
Gross carrying amount	9,452	3	630	220	1,037	11,342
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	8.78%	0.80%
ECL provision	–	–	–	–	91	91

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

(c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended 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%	8,608	5,903	1,200	–	15,711	15,711
Borrowings	4.57%	–	3,485	13,942	23,485	40,912	31,227
Total financial liabilities		8,608	9,388	15,142	23,485	56,623	46,938
2024							
Payables	0.00%	1,584	6,413	1,200	300	9,497	9,497
Borrowings	4.56%	–	3,779	13,952	26,970	44,701	33,517
Total financial liabilities		1,584	10,192	15,152	27,270	54,198	43,014

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property

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

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

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

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

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

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

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
Recurring fair value measurements							
Investment property	C1-7						
Investment property		5,400	5,750	–	–	5,400	5,750
Total investment property		5,400	5,750	–	–	5,400	5,750
Infrastructure, property, plant and equipment							
Plant and equipment	C1-6	–	–	11,710	11,005	11,710	11,005
Office equipment		–	–	263	383	263	383
Furniture and fittings		–	–	560	405	560	405
Operational land		41,655	41,108	–	–	41,655	41,108
Community land		–	–	36,634	35,391	36,634	35,391
Land under roads (post 30/6/08)		–	–	313	286	313	286
Land improvements – depreciable		–	–	1,801	1,798	1,801	1,798
Buildings – non-specialized		–	–	97,334	92,813	97,334	92,813
Other structures		–	–	14,306	14,327	14,306	14,327
Roads		–	–	569,206	559,341	569,206	559,341
Bridges		–	–	106,086	132,893	106,086	132,893
Footpaths		–	–	25,171	47,723	25,171	47,723
Stormwater drainage		–	–	131,084	131,772	131,084	131,772
Water supply network		–	–	253,773	250,699	253,773	250,699
Sewerage network		–	–	177,180	174,078	177,180	174,078
Recreation and Open Space		–	–	18,465	20,478	18,465	20,478
Swimming Pools		–	–	12,332	12,094	12,332	12,094
Other		–	–	2,946	2,954	2,946	2,954
Tip assets		–	–	9,058	7,971	9,058	7,971
Quarry assets		–	–	87	101	87	101
Total infrastructure, property, plant and equipment		41,655	41,108	1,468,309	1,496,512	1,509,964	1,537,620

Valuation techniques

E2-1 Fair value measurement (continued)

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:

Investment property

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The investment property valuation is included in level 2 of the hierarchy. The fair value of the investment property is determined by an independent, qualified valuer on an annual basis who has experience in the location of the property. Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2025 the valuation of the investment property was performed by an external valuer. There has been no change to the valuation process during the reporting period.

Infrastructure, property, plant and equipment (IPPE)

Property, Plant & Equipment and Furniture & Fittings

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

- Plant and Equipment: Trucks, tractors, ride-on mowers, street sweepers, earthmoving equipment and motor vehicles.
- Office Equipment: Refrigerators, electronic whiteboards, flat-screen monitors and computer equipment.
- Furniture & Fittings: Chairs, desks and display systems.

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The most recent valuation was undertaken at 30 June 2023 and was performed by an external valuer. This asset class is indexed by 2.32% using the ABS's Total Value of Dwellings - Mean price of residential dwellings NSW as at March 2025 in financial year ending 30 June 2025.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

Community Land

Valuations of all Council's Community Land and Council managed land are based on either the land values provided by the Valuer-General or an average unit rate based on the land values for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3. While Community Land has been re-valued as at 30 June 2025 in line with the Valuer General, there has been no change to the valuation process during the reporting period.

Land under Roads

Council has elected to recognise Land under Roads where the road was acquired on or after 30/06/2008. 'Land under roads' have been valued using the square metres rates applicable for nearby or adjacent Community Land having regard to the highest and best use for this land. There has been no change to the valuation process during the reporting period. This asset class is revalued using the En globo valuation approach (using Valuer General's value and a discounting adjustment of 90%) in the financial year ending 30 June 2025.

Land Improvements - Depreciable

This asset class comprises land improvements such as spectator mounds, swales, berms, gardens, mulched areas, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves. 'Land Improvements' were valued in-house using the cost approach by experienced Council engineers and asset management staff.

E2-1 Fair value measurement (continued)

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period. This asset class is indexed by 2.32% using the ABS's Total Value of Dwellings - Mean price of residential dwellings NSW as at March 2025 in the financial year ending 30 June 2025.

Buildings – Non Specialised

Buildings – Non Specialised were valued by an external valuer, at 30 June 2023 using a combination of sales comparison approach, income capitalisation approach and cost approach. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period. This asset class is indexed by 3.05% using the ABS's Building Construction NSW in the financial year ending 30 June 2025.

Other Structures

This asset class comprises Boardwalks, Viewing platforms, Floodlighting Systems, Irrigation System, Pedestrian Bridges, Retaining Walls, Monuments, Statues, Fences, Wash bays, Cemetery walls and beams. The cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period. This asset class is indexed by 3.05% using the ABS's Building Construction NSW in the financial year ending 30 June 2025.

Roads

This asset class comprises the Road Carriageway, Kerb and Gutter, Signs, and Traffic facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter. Cost Approach using Level 3 inputs was used to value the road carriageway and other road infrastructure assets. Valuations for the road infrastructure assets were carried out by APV Valuers and Asset Management as at 30 June 2025.

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Bridges

Bridges were valued by an external valuer as at 30 June 2025, using the cost approach. The approach estimated the replacement cost for each bridge by componentising the bridges into significant parts with different useful lives and taking into account a range of factors. The components included the Bridge Deck/Superstructure, Bridge Abutments/Foundations and Bridge rails/handrails. Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Footpaths

Footpaths were valued by an external valuer as at 30 June 2025, using the cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally mapped and condition assessed using a combination of video condition assessment and physical inspection. Condition information is updated as changes in the network are observed through regular inspections. There has been no change to the valuation process during the reporting period.

Stormwater Drainage

Stormwater drainage assets were valued by an external valuer as at 30 June 2025, using the cost approach. Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The Level of componentisation adopted by Council is in accordance with DLG Circular 09-09. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Water Supply Network

Water Supply and Sewerage infrastructure assets were re-valued at fair value as at 30 June 2022. These assets are indexed each year in line with the Reference Rates Manual as published by the NSW Office of Water. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition and indexed annually. This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets (such as estimates of pattern of consumption, residual value, asset condition and useful life), that require significant professional judgement and are therefore unobservable. There has been no change to the valuation process during the reporting period. This asset class is indexed by 2.5% using the NSW Government Reference Rates Manual's Cost Indices in the financial year ending 30 June 2025.

Recreation and Open Space

This asset class comprises of Playground equipment, BBQ's, Shade shelters and Outdoor fitness facilities. These assets may be located on parks, reserves and also within road reserves. 'Recreation and Open Space' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period. This asset class is indexed by 3.05% using the ABS's Building Construction NSW in the financial year ending 30 June 2025.

Swimming Pool

This asset class comprises of Swimming pools only, it does not include related plant and equipment, buildings other structures and car parks. 'Swimming Pool' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period. This asset class is indexed by 3.05% using the ABS's Building Construction NSW in the financial year ending 30 June 2025.

Library Books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Other Assets

Assets within this class comprise of all assets not classified elsewhere such as artwork. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. There has been no change to the valuation process during the reporting period.

Reinstatement, Rehabilitation & Restoration Assets - Tips & Quarries

Council owns and manages tips and quarries in its local government area, and it has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site. Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Community Land	Market approach	Land value, land area, level of restriction
Land under Roads (post 30/6/08)	Market approach	• Unimproved capital value (price per square metre)
Land Improvements - depreciable	Market approach	Market cost of land per square metre. The market value of land varies significantly depending on location and current market conditions.
Buildings - Non Specialised	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Other Structures	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Roads	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Bridges	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Footpaths	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Stormwater Drainage	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Water Supply Network	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Sewerage Network	Cost approach	• Asset condition • Remaining useful life • Residual value
Recreation and Open Space	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Swimming Pools	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Library Books	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Tip Assets	Cost approach	• Discount Rate • CPI
Quarry Assets	Cost approach	• Discount Rate • CPI

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E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Plant and Equipment	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Office Equipment	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Furniture and Fittings	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value

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

	Plant and equipment		Office equipment		Furniture and fittings		Operational land	
\$ '000	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	11,005	10,488	383	1,187	405	494	41,108	39,163
Total gains or losses for the period								
Other movements								
Purchases (GBV)	3,003	2,035	23	–	270	–	–	–
Disposals (WDV)	(380)	(223)	–	–	–	–	(397)	–
Depreciation and impairment	(1,859)	(1,696)	(146)	(804)	(120)	(89)	–	–
Revaluation increments to Equity	(55)	–	3	–	5	–	944	1,774
Other movement	(4)	401	–	–	–	–	–	171
Closing balance	11,710	11,005	263	383	560	405	41,655	41,108

	Community Land		Land under Roads		Land improvement		Building non-specialised	
\$ '000	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	35,391	34,034	286	105	1,798	1,764	92,813	88,023
Total gains or losses for the period								
Other movements								
Disposals (WDV)	(427)	–	–	–	(43)	–	–	–
Depreciation and impairment	–	–	–	–	(74)	(67)	(3,265)	(3,036)
Revaluation increments to Equity	965	1,528	27	177	42	77	2,856	4,542
Other movement (Tfr from WIP)	253	–	–	–	77	–	4,929	3,229
Other movement	451	(171)	–	4	–	24	–	55
Closing balance	36,633	35,391	313	286	1,800	1,798	97,333	92,813

	Other structures		Roads		Bridges		Footpaths	
\$ '000	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	14,327	12,554	559,341	532,724	132,893	127,111	47,723	44,105
Total gains or losses for the period								
Other movements								
Purchases (GBV)	–	–	–	520	–	63	–	–
Disposals (WDV)	–	–	(1,696)	(329)	–	–	(576)	–
Depreciation and impairment	(578)	(558)	(11,027)	(10,220)	(1,372)	(1,299)	(1,350)	(1,233)
Revaluation increments to Equity	421	1,492	3,177	26,912	(25,434)	6,397	(27,132)	2,174
Other movement (Tfr from WIP)	136	839	19,410	9,284	–	621	2,619	2,692

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E2-1 Fair value measurement (continued)

\$ '000	Other structures		Roads		Bridges		Footpaths	
	2025	2024	2025	2024	2025	2024	2025	2024
Other movement	–	–	–	450	–	–	3,887	(15)
Closing balance	14,306	14,327	569,205	559,341	106,087	132,893	25,171	47,723

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Recreation and open space	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	131,772	126,237	250,699	241,849	174,078	167,528	20,478	19,182
Total gains or losses for the period								
Other movements								
Purchases (GBV)	–	360	–	380	–	24	–	–
Disposals (WDV)	(141)	–	–	–	–	–	(2,261)	–
Depreciation and impairment	(1,874)	(1,758)	(4,343)	(4,118)	(3,097)	(2,980)	(1,060)	(1,227)
Revaluation increments to Equity	(6,193)	6,325	6,182	12,075	4,311	8,347	611	(737)
Other movement (Tfr from WIP)	7,520	464	1,234	513	1,888	1,159	697	3,926
Other movement	–	144	–	–	–	–	–	(666)
Closing balance	131,084	131,772	253,772	250,699	177,180	174,078	18,465	20,478

\$ '000	Swimming pools		Library books		Other assets		Tip assets	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	12,094	13,531	–	157	2,954	1,583	7,971	7,826
Total gains or losses for the period								
Other movements								
Depreciation and impairment	(258)	(394)	–	(157)	(120)	(158)	(531)	(619)
Revaluation increments to Equity	365	(1,043)	–	–	–	1,513	1,619	–
Other movement (Tfr from WIP)	131	–	–	–	113	10	–	–
Other movement	–	–	–	–	–	6	–	764
Closing balance	12,332	12,094	–	–	2,947	2,954	9,059	7,971

\$ '000	Quarry assets		Investment properties		Total	
	2025	2024	2025	2024	2025	2024
Opening balance	101	115	5,750	5,500	1,543,370	1,475,260
Purchases (GBV)	–	–	–	–	3,296	3,382
Disposals (WDV)	–	–	–	–	(5,921)	(552)
Depreciation and impairment	(14)	(14)	–	–	(31,088)	(30,427)
Revaluation increments to Equity	–	–	(369)	250	(37,655)	71,803
Other movement (Tfr from WIP)	–	–	19	–	39,026	22,737
Other movement	–	–	–	–	4,334	1,167
Closing balance	87	101	5,400	5,750	1,515,362	1,543,370

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

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

The past service contribution for each pooled employer is a share of the total past service contributions \$20 million per annum from 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June.

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

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

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

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

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

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

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2025 was \$185,918.64. The last valuation of the Scheme was performed by Mr Richard Boyfield FIAA as at 30 June 2024.

Council expected contribution to the plan for the next annual reporting period is \$72,039.07

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

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

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

E3-1 Contingencies (continued)

(iv) Other guarantees

Council has a Bank Guarantee liability of \$10,000. This is to ensure the performance obligations under Crown Land Acquisition for easements at Goulburn for Essential Energy projects.

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

(iii) Upper Lachlan Council asset transfers

In accordance with the proclamation by the Minister for Local Government on 7th September 2006, in the event of the sale of the former Mulwaree Shire Council administration building in Clinton Street, Goulburn, 'Upper Lachlan Council is to be reimbursed 24.22% of the net profit.'

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	1,190	1,293
Post-employment benefits	122	128
Termination benefits	36	–
Total	1,348	1,421

Other transactions with KMP and their related parties

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

Nature of the transaction		Transactions	Outstanding		Impairment	
\$ '000	Ref	during the year	balances	Terms and conditions	provision on	Impairment
			including		outstanding	expense
			commitments		balances	
2025						
Supply of Recycling Contract	1	608	60	30 days	–	–
Supply of plant and road construction	2	1,485	–	30 days	–	–
Council employee wages	3	416	–	Award wages	–	–
Donation	4	–	–	Donation policy	–	–
Donation – Fee waiver	5	–	–	Donation policy	–	–
Development application fee	6	5	–	30 days	–	–
Tipping Fees	7	–	–	30 days	–	–
Section 94 Contributions	8	–	–	30 days	–	–
Burial and Funeral Applications	9	236	–	30 days	–	–
Council Lessee	10	–	–	30 days	–	–
South East Weight Loads (SEWOL) contribution	11	27	–		–	–

F1-1 Key management personnel (KMP) (continued)

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2024						
Supply of Recycling Contract	1	707	–	30 days	–	–
Supply of plant and road construction	2	5,595	40	30 days	–	–
Council employee wages	3	379	–	Award wages	–	–
Commercial Waste	4	–	–	30 days	–	–
Advertising		–	–	30 days	–	–
Donation	4	19	–	Donation policy	–	–
Donation – Fee waiver	5	7	–	Donation policy	–	–
Architecture and design		–	–	30 days	–	–
Inspection Fees	7	–	–	30 days	–	–
Development application fee	6	5	–	30 days	–	–
Tipping Fees	7	81	–	30 days	–	–
Section 94 Contributions	8	8	–	30 days	–	–
Burial and Funeral Applications	9	281	6	30 days	–	–
Council Lessee	10	65	–	30 days	–	–
South East Weight Loads (SEWOL) contribution	11	–	–		–	–

- 1 Council has appointed its recycling contract to a company of which a previous councillor is a board member and a current councilor is the General Manager, the Councillor has declared their involvement and is excluded from all meetings.
- 2 Council engages three local companies for various plant hire and road making activities. The company directors are a related party to a Councillor, the Councillor has declared an interest and follows the code of conduct. All contracts are awarded through the tender process.
- 3 Two members of Council staff are related parties to KMP and Councillors. The interest is declared.
- 4 Council provided a donation/sponsorship to several community groups where Councillors are related parties. Interest had been declared and payments made through the executive donations procedure.
- 5 Council provided a donation to a charity group equal to the value of the Council facility hire fee of which a Councillor is a related party. Interest was declared and payment was made through the executive donations procedure.
- 6 Council has received a development application from a Councillor. Interest has been declared.
- 7 Council provides a debtor account for the purposes of tipping fees at the Goulburn Waste Management Centre to related parties of Councillors. Interest has been declared and all fees are charged as per the adopted fees and charges. Payment terms are 30 days.

F1-1 Key management personnel (KMP) (continued)

- | | |
|----|---|
| 8 | Council provides a debtor account to issue section 94 contributions which are required to be paid by businesses who own quarries to maintain their rural haulage routes within the Goulburn Mulwaree Area. Interest has been declared and all fees are charged according to the Goulburn Mulwaree s94 Development Contribution Plan 2009 disclosed in the Councils fees and charges. Payment terms are 30 days. |
| 9 | Council provides a debtor account for the purpose of burial and funeral director application fees. Interest has been declared and all fees are charged as per the adopted fees and charges. Payment terms are 30 days. |
| 10 | The Council provides a debtor account to issue lease invoices for the Goulburn Hockey Centre to the Goulburn District Hockey Association where a KMP was a Treasurer. Interest has been declared and all fees and charges as per the executed lease agreement. |
| 11 | Council is required to pay contributions under the 'South East Weight of Loads' partnership which is paid to a council where one of the councilors is employed. Interest has been declared. |

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	45	47
Councillors' fees	186	196
Other Councillors' expenses (including Mayor)	77	35
Total	308	278

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit of financial statements	182	152
Total audit fees	182	152

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	46,869	17,210
Add / (less) non-cash items:		
Depreciation and amortisation	31,232	30,571
(Gain) / loss on disposal of assets	3,332	227
Non-cash capital grants and contributions	(23,891)	(1,348)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	369	(250)
Unwinding of discount rates on reinstatement provisions	361	(4,666)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(1,283)	(1,333)
Increase / (decrease) in provision for impairment of receivables	(9)	126
(Increase) / decrease of inventories	(8)	77
(Increase) / decrease of other current assets	499	(613)
(Increase) / decrease of contract asset	1,312	2,425
Increase / (decrease) in payables	104	(1,838)
Increase / (decrease) in accrued interest payable	(16)	(10)
Increase / (decrease) in other accrued expenses payable	(362)	(176)
Increase / (decrease) in other liabilities	6,415	(382)
Increase / (decrease) in contract liabilities	17,293	(1,459)
Increase / (decrease) in employee benefit provision	352	451
Increase / (decrease) in other provisions	1,587	5,708
Net cash flows from operating activities	84,156	44,720

G2-1 Commitments

Capital commitments (exclusive of GST)

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

Property, plant and equipment

Buildings	526	2,009
Other structures	3,996	5,492
Roads infrastructure	3,566	6,769
Waste water infrastructure	118	1,385
Water infrastructure	981	1,094
Total commitments	9,187	16,749

These expenditures are payable as follows:

Within the next year	9,187	16,749
Total payable	9,187	16,749

Details of capital commitments

Council has a number of capital projects that have been commenced but not completed. The funding for these projects has been allocated and the majority will be completed within the 2025/2026 financial year.

G3 Statement of developer contributions

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Drainage	1,586	750	–	5,412	65	(68)	–	2,334	–
Roads	2,433	523	332	15,163	113	(179)	1,150	4,039	–
Traffic facilities	(812)	1,220	–	–	–	(10)	(1,119)	(720)	–
Open space	211	466	–	–	13	(226)	(6)	457	–
Community facilities	221	81	–	–	4	(150)	–	156	–
Other	40	37	–	–	1	–	(25)	54	–
Urban and civic improvements	–	–	–	–	–	–	–	–	–
Rural addressing	–	–	–	–	–	–	–	–	–
Rural waste	–	–	–	–	–	–	–	–	–
S7.11 contributions – under a plan	3,679	3,077	332	20,575	196	(633)	–	6,320	–
S7.12 levies – under a plan	2,092	847	–	–	46	(1,339)	–	1,646	–
Total S7.11 and S7.12 revenue under plans	5,771	3,924	332	20,575	242	(1,972)	–	7,966	–
S7.11 not under plans	1,507	3,200	–	–	156	(599)	(156)	4,107	–
S64 contributions	21,443	7,346	–	–	1,046	(413)	–	29,422	–
Total contributions	28,721	14,470	332	20,575	1,444	(2,984)	(156)	41,495	–

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.

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
S7.11 contributions – under a plan									
CONTRIBUTION PLAN - New Mulwaree Plan									
Drainage	289	–	–	1,815	8	–	–	298	–
Total	289	–	–	1,815	8	–	–	298	–
CONTRIBUTION PLAN - New Goulburn Citywide Plan									
Drainage	471	170	–	–	18	–	–	660	–
Other	–	25	–	–	–	–	(25)	–	–

continued on next page ...

G3-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Total	471	195	–	–	18	–	(25)	660	–
CONTRIBUTION PLAN - Marys Mount									
Drainage	630	580	–	3,597	35	–	–	1,245	–
Traffic facilities	–	1,150	–	–	–	–	(1,150)	–	–
Open space	–	263	–	–	–	–	(263)	–	–
Total	630	1,993	–	3,597	35	–	(1,413)	1,245	–
CONTRIBUTION PLAN - Ducks Lane									
Drainage	124	–	–	–	4	–	–	127	–
Traffic facilities	(823)	70	–	–	–	–	32	(720)	–
Total	(699)	70	–	–	4	–	32	(593)	–
CONTRIBUTION PLAN - Common Street									
Drainage	72	–	–	–	–	(68)	–	4	–
Traffic facilities	11	–	–	–	–	(10)	(1)	–	–
Open space	83	–	–	–	–	(76)	(6)	–	–
Total	166	–	–	–	–	(154)	(7)	4	–
CONTRIBUTION PLAN LICP									
Roads	2,433	523	332	15,163	113	(179)	1,150	4,039	–
Open space	128	203	–	–	13	(150)	263	457	–
Community facilities	221	81	–	–	4	(150)	–	156	–
Other	40	12	–	–	1	–	–	54	–
Total	2,822	819	332	15,163	131	(479)	1,413	4,706	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN - S94A Levies

Other	2,092	847	–	–	46	(1,339)	–	1,646	–
Total	2,092	847	–	–	46	(1,339)	–	1,646	–

G3-3 Contributions not under plans

S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

Drainage	146	–	–	–	4	–	–	150	–
Roads	1,361	3,200	–	–	152	(599)	(156)	3,957	–

G3-3 Contributions not under plans (continued)

Total	1,507	3,200	–	–	156	(599)	(156)	4,107	–
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\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal Adjustments	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					

G3-4 S64 contributions

Sewer and Water S.64 Contributions

Sewer & Water	21,444	7,346	–	2,759	1,046	(413)	–	29,423	–
Total	21,444	7,346	–	2,759	1,046	(413)	–	29,423	–

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Goulburn Mulwaree Council

To the Councillors of Goulburn Mulwaree Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

A handwritten signature in black ink, reading 'Nicky Rajani' with a stylized underline.

Nicky Rajani
Delegate of the Auditor-General for New South Wales

31 October 2025
SYDNEY



Ms Nina Dillon
Mayor
Goulburn Mulwaree Council
Locked Bag 22
GOULBURN NSW 2500

Contact: Nicky Rajani
Phone no: 0403 743 080
Our ref: [R008-1981756498-6797](#)

31 October 2025

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2025
Goulburn Mulwaree Council**

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

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

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

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

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

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

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

INCOME STATEMENT

Financial performance

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	49.6	42.9	↑ 15.6
Grants and contributions provided for operating purposes revenue	11.8	18.0	↓ 34.6
Grants and contributions provided for capital purposes revenue	52.7	21.4	↑ 146.2
Operating result from continuing operations	46.9	17.2	↑ 172.3
Net Operating result for the year before grants and contributions provided for capital purposes	(5.8)	(4.2)	↓ 38.9

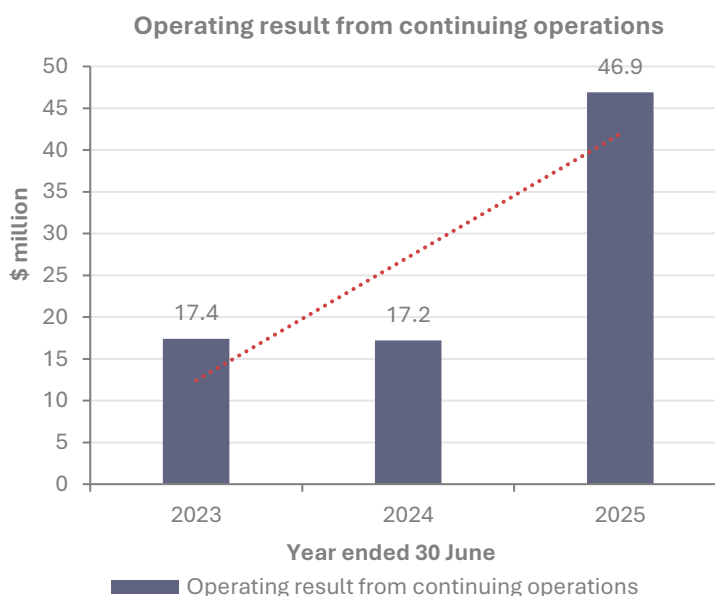
Operating result from continuing operations

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

Council's operating result from continuing operations for the year was \$29.7 million higher than the 2023–24 result.

In 2024-25:

- Council revenue excluding grants and contributions (\$82.7 million) increased by \$9.6 million. Refer to 'Council revenue' below for details
- Council grants and contributions revenue (\$64.4 million) increased by \$25.1 million. Refer to 'Grants and contributions revenue' below for details
- Council's total expenses from continuing operations including depreciation, amortisation and impairment of non-financial assets increased by \$5.0 million primarily due to net loss from disposal of assets of 3.1 million



and increase in employee benefits and oncosts of \$1.0 million during the year.

The net operating result for the year before grants and contributions provided for capital purposes was a deficit of \$5.8 million. Refer to 'Grants and contributions revenue' below for details.

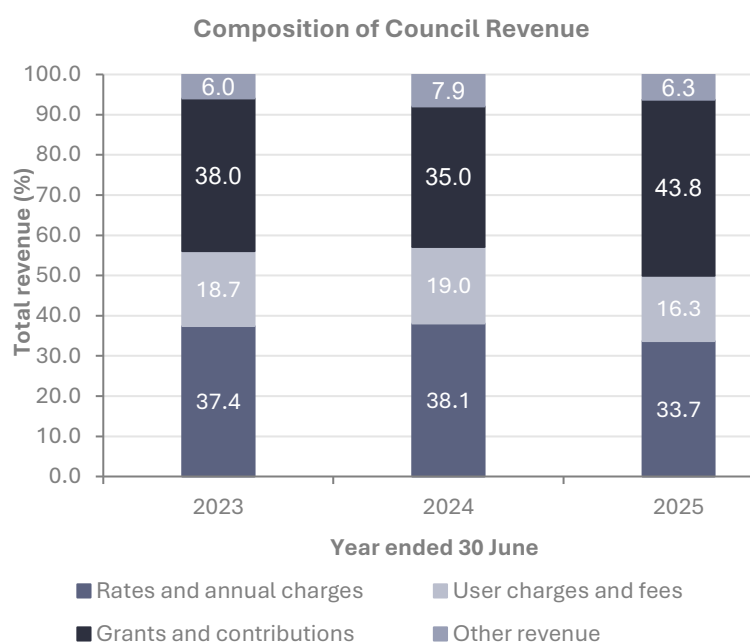
Income

Council revenue

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

Council revenue excluding grants and contribution (\$82.7 million) increased by \$9.6 million (13.1 per cent) in 2024–25 primarily due to:

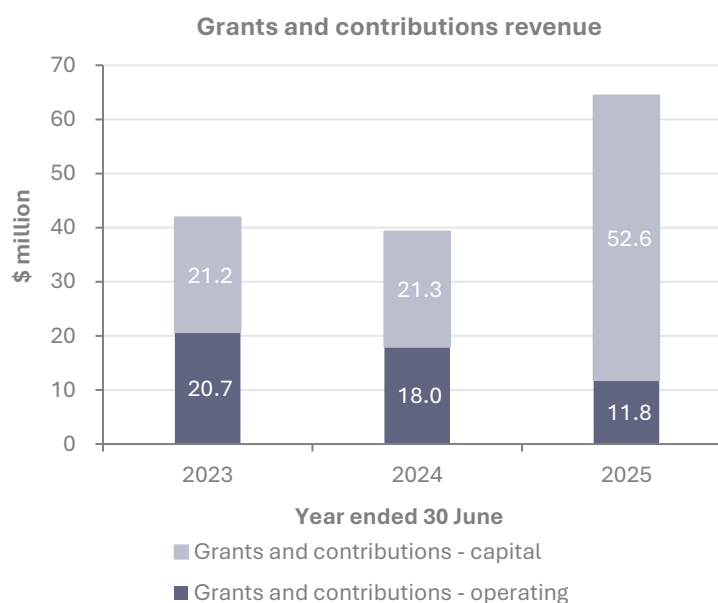
- rates and annual charges revenue (\$49.6 million) which increased by \$6.7 million (15.6 per cent) mainly due to the IPART-approved special rate variation of 22.5 per cent; and
- user charges and fees revenue (\$23.9 million) which increased by \$2.6 million (12.2 per cent) mainly due to increase in specific user charges of \$1.4 million and fees and charges received from Transport for NSW works of \$1.3 million.



Grants and contributions revenue

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

Grants and contributions revenue (\$64.4 million) increased by \$25.1 million (63.7 per cent) in 2024–25 primarily due to an increase in cash and non-cash developer contributions of \$31.9 million. This increase was partially offset by the decrease in special purpose operating grants and contributions of \$5.2 million and financial assistance operating grants of \$1.5 million.



CASH FLOWS

Statement of cash flows

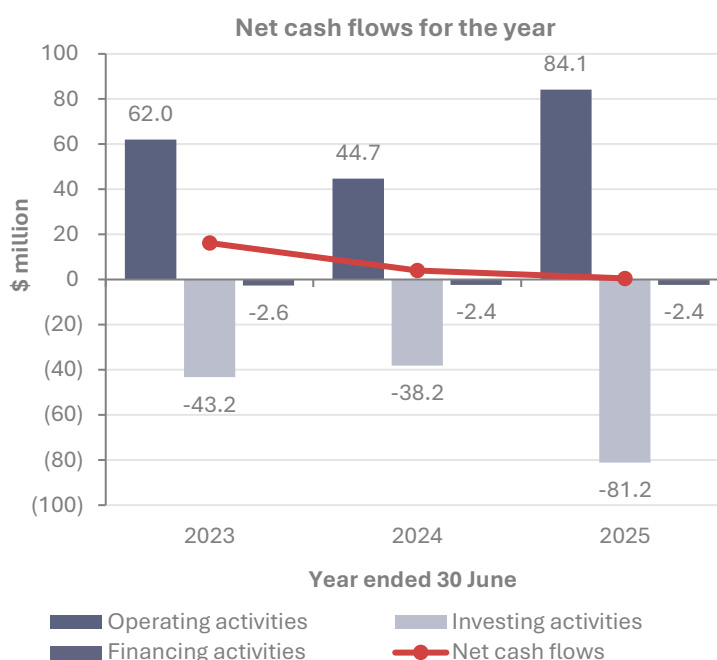
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating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

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

The net cash flows for the year were positive \$0.5 million (positive \$4.0 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities increased by \$39.4 million, primarily due to an increase in receipts of grants and contributions, rates and annual charges and bonds, deposits and retentions.
- used in investing activities increased by \$43.0 million, primarily due to an increase in acquisition of term deposits.
- used in financing activities related to repayment of borrowings and lease payments which was similar to prior year with no significant movements.



FINANCIAL POSITION

Cash, cash equivalents and investments

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

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

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

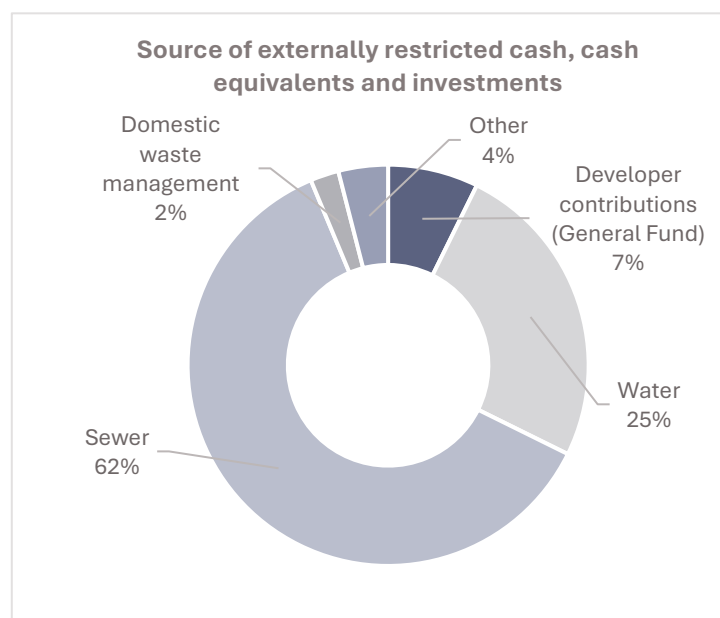
Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	185.2	136.7		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.
Restricted and allocated cash, cash equivalents and investments:				Internal allocations are determined by Council policies or decisions, which are subject to change.
• External restrictions	163.7	121.6	88.4	Cash and investment balances increased as a result of an increase in term deposit balances.
• Internal allocations	15.6	14.8	8.4	

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

As at 30 June 2025, the Council's main sources of externally restricted cash, cash equivalents and investments include:

- sewer fund balances of \$100.5 million which increased by 33.3 million, mainly due to the increase in sewer fund related specific purpose unexpended grants of \$18.8 million; and
- water fund related balances of \$40.9 million which increased by \$6.1 million, mainly due to an increase in water fund related developer contributions of \$3.1 million; and
- general fund developer contributions of \$12.1 million which increased by \$4.8 million, mainly due to the cash contributions received during the year.

Other externally restricted cash, cash equivalents primarily comprise of special purpose unexpended grants relating to general fund of \$6.5 million.



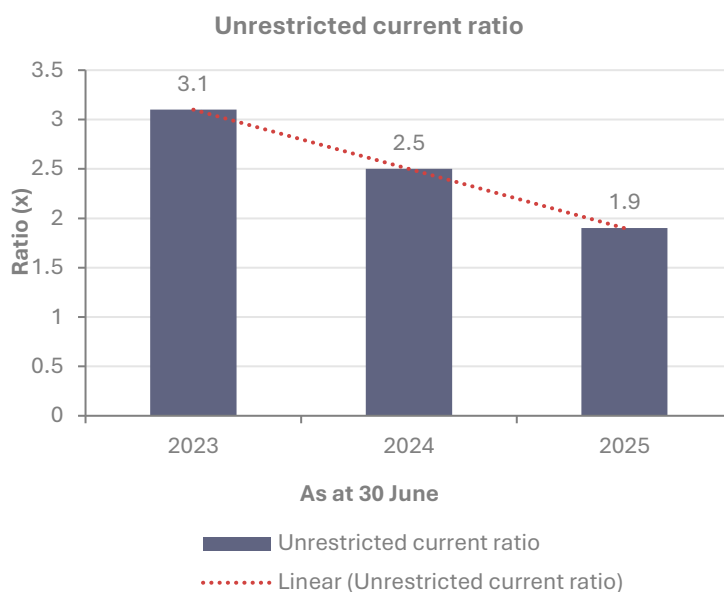
Council liquidity

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

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

As at 30 June 2024, the average unrestricted current ratio was 3.1 for regional councils.

The Council's unrestricted current ratio was 1.9 as at 30 June 2025, which is lower than the regional councils average of 3.1 as at 30 June 2024. This ratio has decreased primarily as a result of increase in security bonds, deposits and retention balances in payables.

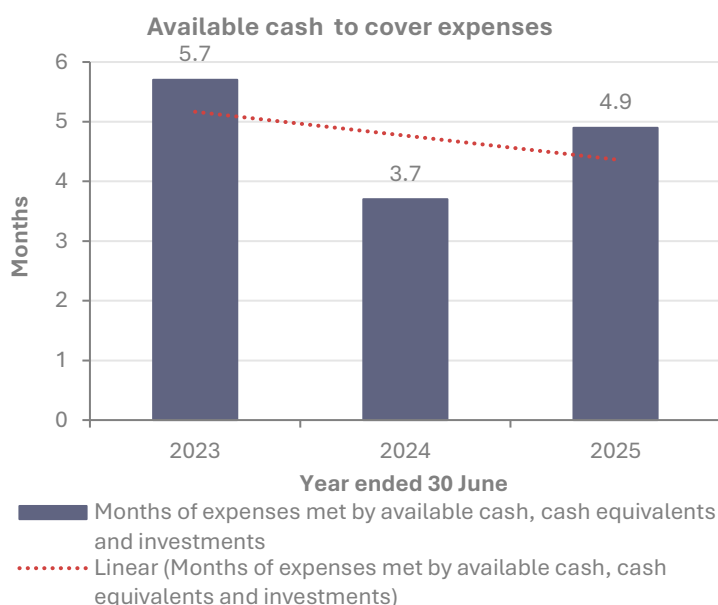


This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

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

For the year ended 30 June 2024, the available cash to cover expenses was an average of 7 months for regional councils.

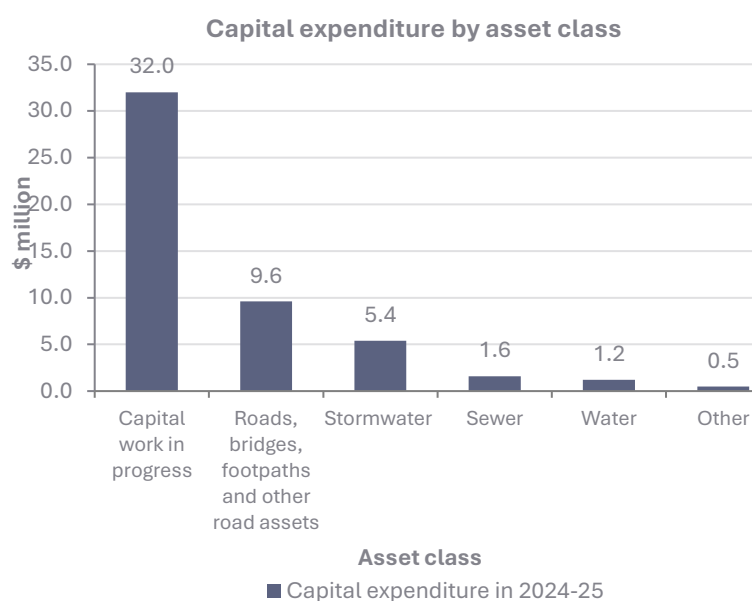
The Council's available cash to cover expenses stood at 4.9 months during the year, which is lower than the regional council average of 7 months for the year ended 30 June 2024. This ratio increased from 2024 due to an increase in the Council's unrestricted cash and investment balances during 2025.



Infrastructure, property, plant and equipment

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

Council spent \$50.3 million on infrastructure, property, plant and equipment during the 2024-25 financial year (\$37.0 million in 2023-24). This was mainly spent on capital work in progress and roads.



Debt

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

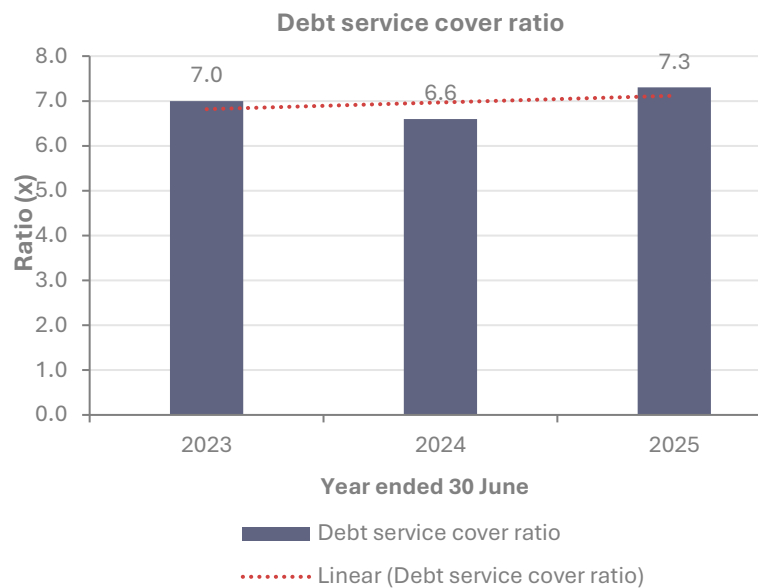
Debt	2025	2024	Commentary
	\$m	\$m	
Loans	31.2	33.5	Council's borrowings decreased due to the repayments of borrowings during the year.

Debt service cover

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

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

The ratio increased during the year primarily due to an increase in the Council's operating cash.



Nicky Rajani
Delegate of the Auditor-General

Goulburn Mulwaree Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



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Goulburn Mulwaree Council

Special Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management

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

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

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

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

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

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

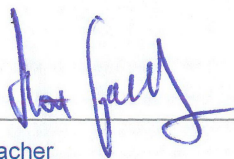
Signed in accordance with a resolution of Council made on 21 October 2025.



Cr Nina Dillon
Mayor
29 October 2025



Cr Caitlin Flint
Deputy Mayor
29 October 2025



Scott Gallacher
General Manager
29 October 2025



Brendan Hollands
Responsible Accounting Officer
29 October 2025

Goulburn Mulwaree Council

Income Statement of water supply business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	3,105	2,908
User charges	9,418	8,334
Fees	130	103
Interest and investment income	1,720	1,335
Grants and contributions provided for operating purposes	86	—
Other income	199	231
Total income from continuing operations	14,658	12,911
Expenses from continuing operations		
Employee benefits and on-costs	2,043	1,983
Borrowing costs	621	713
Materials and services	5,761	5,556
Depreciation, amortisation and impairment	4,447	4,218
Other expenses	—	—
Total expenses from continuing operations	12,872	12,470
Surplus (deficit) from continuing operations before capital amounts	1,786	441
Grants and contributions provided for capital purposes	3,990	1,259
Surplus (deficit) from continuing operations after capital amounts	5,776	1,700
Surplus (deficit) from all operations before tax	5,776	1,700
Less: corporate taxation equivalent (25%) [based on result before capital]	(447)	(110)
Surplus (deficit) after tax	5,329	1,590
Plus accumulated surplus	99,463	97,763
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	447	110
Closing accumulated surplus	105,239	99,463
Return on capital %	0.9%	0.4%
Subsidy from Council	8,816	10,183
Calculation of dividend payable:		
Surplus (deficit) after tax	5,330	1,590
Less: capital grants and contributions (excluding developer contributions)	(3,990)	(1,259)
Surplus for dividend calculation purposes	1,340	331
Potential dividend calculated from surplus	670	165

Goulburn Mulwaree Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	11,314	10,748
User charges	2,349	2,103
Liquid trade waste charges	703	593
Fees	9	16
Interest and investment income	3,823	2,462
Other income	90	81
Total income from continuing operations	18,288	16,003
Expenses from continuing operations		
Employee benefits and on-costs	1,704	1,724
Borrowing costs	(24)	36
Materials and services	4,929	5,228
Depreciation, amortisation and impairment	3,136	3,016
Other expenses	9	—
Total expenses from continuing operations	9,754	10,004
Surplus (deficit) from continuing operations before capital amounts	8,534	5,999
Grants and contributions provided for capital purposes	6,848	1,197
Surplus (deficit) from continuing operations after capital amounts	15,382	7,196
Surplus (deficit) from all operations before tax	15,382	7,196
Less: corporate taxation equivalent (25%) [based on result before capital]	(2,134)	(1,500)
Surplus (deficit) after tax	13,248	5,696
Plus accumulated surplus	140,215	133,019
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	2,134	1,500
Closing accumulated surplus	155,597	140,215
Return on capital %	4.1%	3.0%
Subsidy from Council	179	2,738
Calculation of dividend payable:		
Surplus (deficit) after tax	13,249	5,696
Less: capital grants and contributions (excluding developer contributions)	(6,848)	(1,197)
Surplus for dividend calculation purposes	6,401	4,499
Potential dividend calculated from surplus	3,200	2,250

Goulburn Mulwaree Council

Income Statement of Domestic Waste Management

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
Annual charges	73	74
User charges	5,317	5,085
Interest and investment income	196	133
Grants and contributions provided for operating purposes	(52)	—
Other income	50	51
Total income from continuing operations	5,584	5,343
Expenses from continuing operations		
Employee benefits and on-costs	977	934
Materials and services	4,427	4,086
Total expenses from continuing operations	5,404	5,020
Surplus (deficit) from continuing operations before capital amounts	180	323
Surplus (deficit) from continuing operations after capital amounts	180	323
Surplus (deficit) from all operations before tax	180	323
Less: corporate taxation equivalent (25%) [based on result before capital]	(45)	(81)
Surplus (deficit) after tax	135	242
Plus accumulated surplus	3,514	3,191
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	45	81
Closing accumulated surplus	3,694	3,514
Return on capital %	383.0%	672.9%
Calculation of dividend payable:		
Surplus (deficit) after tax	135	242
Surplus for dividend calculation purposes	135	242
Potential dividend calculated from surplus	68	121

Goulburn Mulwaree Council

Income Statement of Commercial Waste

for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
User charges	1,645	1,695
Total income from continuing operations	1,645	1,695
Expenses from continuing operations		
Employee benefits and on-costs	198	185
Materials and services	1,087	1,042
Depreciation, amortisation and impairment	35	24
Total expenses from continuing operations	1,320	1,251
Surplus (deficit) from continuing operations before capital amounts	325	444
Surplus (deficit) from continuing operations after capital amounts	325	444
Surplus (deficit) from all operations before tax	325	444
Less: corporate taxation equivalent (25%) [based on result before capital]	(81)	(111)
Surplus (deficit) after tax	244	333
Plus accumulated surplus	2,510	2,066
– Corporate taxation equivalent	81	111
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	2,835	2,510
Return on capital %	170.2%	382.8%
Calculation of dividend payable:		
Surplus (deficit) after tax	244	333
Surplus for dividend calculation purposes	244	333
Potential dividend calculated from surplus	122	167

Goulburn Mulwaree Council

Statement of Financial Position of water supply business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	8,178	2,680
Investments	25,001	32,109
Receivables	2,375	1,910
Internal Loan Receivable from General Fund	162	176
Total current assets	35,716	36,875
Non-current assets		
Contract assets and contract cost assets	10	—
Investments	7,733	—
Infrastructure, property, plant and equipment	269,791	263,641
Internal Loan Receivable from General Fund	2,254	2,402
Total non-current assets	279,788	266,043
Total assets	315,504	302,918
LIABILITIES		
Current liabilities		
Payables	680	709
Borrowings	536	631
Employee benefit provisions	609	581
Total current liabilities	1,825	1,921
Non-current liabilities		
Borrowings	9,654	10,191
Employee benefit provisions	94	89
Total non-current liabilities	9,748	10,280
Total liabilities	11,573	12,201
Net assets	303,931	290,717
EQUITY		
Accumulated surplus	105,239	99,463
IPPE revaluation surplus	198,692	191,254
Total equity	303,931	290,717

Goulburn Mulwaree Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	20,088	11,175
Investments	61,409	56,043
Receivables	2,053	1,403
Internal Loan Receivable from General Fund	226	239
Total current assets	83,776	68,860
Non-current assets		
Investments	18,992	—
Infrastructure, property, plant and equipment	208,882	204,012
Internal Loan Receivable from General Fund	2,826	3,039
Total non-current assets	230,700	207,051
Total assets	314,476	275,911
LIABILITIES		
Current liabilities		
Contract liabilities	31,250	12,486
Payables	30	28
Borrowings	105	257
Employee benefit provisions	344	329
Total current liabilities	31,729	13,100
Non-current liabilities		
Borrowings	1,599	1,703
Employee benefit provisions	41	39
Total non-current liabilities	1,640	1,742
Total liabilities	33,369	14,842
Net assets	281,107	261,069
EQUITY		
Accumulated surplus	155,597	140,215
IPPE revaluation surplus	125,510	120,854
Total equity	281,107	261,069

Goulburn Mulwaree Council

Statement of Financial Position of Domestic Waste Management

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	743	904
Investments	2,273	2,654
Receivables	185	154
Total current assets	3,201	3,712
Non-current assets		
Investments	703	–
Infrastructure, property, plant and equipment	47	48
Total non-current assets	750	48
Total assets	3,951	3,760
LIABILITIES		
Current liabilities		
Payables	1	2
Employee benefit provisions	256	244
Total current liabilities	257	246
Total liabilities	257	246
Net assets	3,694	3,514
EQUITY		
Accumulated surplus	3,694	3,514
Total equity	3,694	3,514

Goulburn Mulwaree Council

Statement of Financial Position of Commercial Waste

as at 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
ASSETS		
Current assets		
Receivables	2,644	2,394
Total current assets	2,644	2,394
Non-current assets		
Infrastructure, property, plant and equipment	191	116
Total non-current assets	191	116
Total assets	2,835	2,510
Net assets	2,835	2,510
EQUITY		
Accumulated surplus	2,835	2,510
Total equity	2,835	2,510

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Water Supply

Provide potable water for the Local Government Area.

b. Sewerage Services

Provide waste water services for the Local Government Area.

c. Domestic Waste Management

Collection and disposal of domestic waste in accordance with section 504 of the Local Government Act. This service includes kerbside pickup of general household waste, recycling and green waste and their disposal at the Goulburn Waste Management Centre. The Domestic Waste Management service is funded by the Domestic Waste annual charge. Part of the expenditure of the service is for the disposal of the waste via a disposal charge paid to the Goulburn Waste Management Centre which is operated as part of the General Fund's activities. All plant utilised by the Domestic Waste Management service is currently owned by the General Fund with their maintenance, operation and depreciation funded by the Domestic Waste Management service through plant hire charges paid to the General fund.

Category 2

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

a. Commercial Waste

Collection and disposal of commercial waste on a user pays basis.

Note – Material accounting policy information (continued)

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – **25.0%**

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

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, currently 25.0%.

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

Note – Material accounting policy information (continued)

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of IPPE as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.162% at 30/6/25.

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with the DCCEEW guidelines and must not exceed:

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

In accordance with the DCCEEW guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DCCEEW.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Goulburn Mulwaree Council

To the Councillors of Goulburn Mulwaree Council

Opinion

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

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage
- Domestic Waste Management
- Commercial Waste.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'NMRajani' with a stylized flourish underneath.

Nicky Rajani
Delegate of the Auditor-General for New South Wales

31 October 2025
SYDNEY

Goulburn Mulwaree Council

SPECIAL SCHEDULES
for the year ended 30 June 2025



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Goulburn Mulwaree 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	23,869	29,271
Plus or minus adjustments ²	b	42	660
Notional general income	c = a + b	23,911	29,931
Permissible income calculation			
Percentage increase	d	22.50%	4.20%
Plus percentage increase amount ³	f = d x (c + e)	5,380	1,257
Sub-total	g = (c + e + f)	29,291	31,188
Plus (or minus) last year's carry forward total	h	34	54
Sub-total	j = (h + i)	34	54
Total permissible income	k = g + j	29,325	31,242
Less notional general income yield	l	29,271	31,162
Catch-up or (excess) result	m = k - l	54	79
Carry forward to next year ⁴	p = m + n + o	54	79

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Goulburn Mulwaree Council

To the Councillors of Goulburn Mulwaree Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Nicky Rajani', with a horizontal line underneath the name.

Nicky Rajani
Delegate of the Auditor-General for New South Wales

31 October 2025
SYDNEY

Goulburn Mulwaree Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings – non-specialised	11,734	32,801	3,265	357	97,334	160,181	43.0%	5.0%	20.0%	18.0%	14.0%
	Buildings	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	11,734	32,801	3,265	357	97,334	160,181	43.0%	5.0%	20.0%	18.0%	14.0%
Other structures	Other structures	113	887	578	294	14,306	17,990	73.0%	14.0%	11.0%	2.0%	0.0%
	Sub-total	113	887	578	294	14,306	17,990	73.0%	14.0%	11.0%	2.0%	0.0%
Roads	Roads	421	22,296	2,521	–	70,121	131,026	4.0%	46.0%	48.0%	2.0%	0.0%
	Sealed roads	10,027	119,879	7,712	6,620	370,600	637,769	20.0%	24.0%	49.0%	5.0%	2.0%
	Unsealed roads	1,832	19,836	413	1,513	117,413	185,988	1.0%	64.0%	30.0%	4.0%	1.0%
	Bridges	588	15,460	1,372	–	106,086	165,145	23.0%	43.0%	30.0%	3.0%	1.0%
	Footpaths	1,216	13,049	1,350	276	25,171	44,678	27.0%	17.0%	45.0%	10.0%	1.0%
	Other road assets	269	1,894	381	–	11,072	17,564	7.0%	59.0%	28.0%	4.0%	2.0%
	Other road assets (incl. bulk earth works)	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	14,353	192,414	13,749	8,409	700,462	1,182,170	15.7%	35.6%	42.8%	4.4%	1.5%
Water supply network	Water supply network	20,808	64,089	4,343	2,304	253,772	385,266	12.0%	45.0%	16.0%	18.0%	9.0%
	Sub-total	20,808	64,089	4,343	2,304	253,773	385,266	12.0%	45.0%	16.0%	18.0%	9.0%
Sewerage network	Sewerage network	12,092	29,532	3,097	1,008	177,180	248,730	27.0%	34.0%	16.0%	13.0%	10.0%
	Sub-total	12,092	29,532	3,097	1,008	177,180	248,730	27.0%	34.0%	16.0%	13.0%	10.0%
Stormwater drainage	Stormwater drainage	1,738	26,283	1,874	222	131,084	204,682	31.0%	33.0%	33.0%	1.0%	2.0%
	Sub-total	1,738	26,283	1,874	222	131,084	204,682	31.0%	33.0%	33.0%	1.0%	2.0%
Open space / recreational assets	Swimming pools	–	–	258	–	12,333	14,187	100.0%	0.0%	0.0%	0.0%	0.0%
	Open space and recreation	59	832	1,060	1,718	18,465	23,531	66.0%	23.0%	11.0%	0.0%	0.0%
	Sub-total	59	832	1,318	1,718	30,798	37,718	78.8%	14.3%	6.9%	0.0%	0.0%
Total – all assets		60,897	346,838	28,224	14,312	1,404,937	2,236,737	21.2%	34.1%	31.8%	8.3%	4.6%

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

Goulburn Mulwaree Council

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

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

Goulburn Mulwaree Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicators 20242023		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	17,336	61.42%	64.46%	90.26%	> 100.00%
Depreciation, amortisation and impairment	28,224				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	60,897	4.12%	5.89%	5.92%	< 2.00%
Net carrying amount of infrastructure assets	1,476,738				
Asset maintenance ratio					
Actual asset maintenance	14,312	50.71%	45.02%	49.21%	> 100.00%
Required asset maintenance	28,224				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	346,838	15.51%	10.54%	10.45%	
Gross replacement cost	2,236,737				

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

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

Goulburn Mulwaree Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2025	2024	2025	2024	2025	2024	
Buildings and infrastructure renewals ratio							
Asset renewals ¹	71.52%	69.64%	41.86%	57.24%	21.08%	40.13%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	2.68%	5.61%	8.20%	7.48%	6.82%	5.26%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	52.93%	47.77%	53.05%	39.12%	32.55%	35.03%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	15.80%	8.85%	16.64%	16.25%	11.87%	11.96%	
Gross replacement cost							

(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.