

Warren Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Warren Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	73
On the Financial Statements (Sect 417 [3])	76

Overview

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

115 Dubbo Street
WARREN NSW 2824

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

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

Warren Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Warren Shire 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 (NSW)*

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

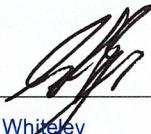
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards issued by the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 28 August 2025.



Greg Whitley
Mayor
28 August 2025



Sarah Derrett
Councillor
28 August 2025



Gary Woodman
General Manager
28 August 2025



Bradley Pascoe
Divisional Manager of Finance &
Administration
28 August 2025

Warren Shire Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000	Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
Income from continuing operations			
7,142	Rates and annual charges	B2-1	7,146
5,527	User charges and fees	B2-2	5,544
346	Other revenues	B2-3	446
20,991	Grants and contributions provided for operating purposes	B2-4	15,609
6,000	Grants and contributions provided for capital purposes	B2-4	5,794
589	Interest and investment income	B2-5	627
147	Other income	B2-6	126
40,742	Total income from continuing operations		35,292
			31,859
Expenses from continuing operations			
7,384	Employee benefits and on-costs	B3-1	7,553
13,100	Materials and services	B3-2	12,424
91	Borrowing costs	B3-3	91
368	Other expenses	B3-5	361
–	Net loss from the disposal of assets	B4-1	1,564
20,943	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		21,993
			18,018
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets			
19,799			13,299
			13,841
3,844	Depreciation, amortisation and impairment of non-financial assets	B3-4	5,531
15,955	Operating result from continuing operations		7,768
			10,169
15,955	Net operating result for the year attributable to Council		7,768
			10,169
Net operating result for the year before grants and contributions provided for capital purposes			
6,855			1,974
			6,431

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

Warren Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
Net operating result for the year – from Income Statement		7,768	10,169
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	173,518	11,495
Total items which will not be reclassified subsequent to operating result		173,518	11,495
Total other comprehensive income for the year		173,518	11,495
Total comprehensive income for the year attributable to Council		181,286	21,664

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

Warren Shire Council

Statement of Financial Position

as at 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,116	11,971
Receivables	C1-3	6,382	10,491
Inventories	C1-4	861	916
Other		38	39
Total current assets		21,397	23,417
Non-current assets			
Receivables	C1-3	440	354
Infrastructure, property, plant and equipment (IPPE)	C1-5	440,908	257,493
Investments accounted for using the equity method	D2-2	109	102
Total non-current assets		441,457	257,949
Total assets		462,854	281,366
LIABILITIES			
Current liabilities			
Payables	C3-1	1,184	1,641
Contract liabilities	C3-2	2,987	2,232
Borrowings	C3-3	172	167
Employee benefit provisions	C3-4	1,612	1,541
Total current liabilities		5,955	5,581
Non-current liabilities			
Borrowings	C3-3	3,185	3,356
Employee benefit provisions	C3-4	85	86
Total non-current liabilities		3,270	3,442
Total liabilities		9,225	9,023
Net assets		453,629	272,343
EQUITY			
Accumulated surplus	C4-1	149,629	141,861
IPPE revaluation surplus	C4-1	304,000	130,482
Council equity interest		453,629	272,343
Total equity		453,629	272,343

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

Warren Shire Council

Statement of Changes in Equity

for the year ended 30 June 2025

Notes	2025			2024		
	Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000
Opening balance at 1 July	141,861	130,482	272,343	131,692	118,987	250,679
Net operating result for the year	7,768	–	7,768	10,169	–	10,169
Other comprehensive income						
Gain (loss) on revaluation of infrastructure, property, plant and equipment	–	173,518	173,518	–	11,495	11,495
Other comprehensive income	–	173,518	173,518	–	11,495	11,495
Total comprehensive income	7,768	173,518	181,286	10,169	11,495	21,664
Closing balance at 30 June	149,629	304,000	453,629	141,861	130,482	272,343

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

Warren Shire Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000	Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
Cash flows from operating activities			
<i>Receipts:</i>			
7,142		7,133	6,733
6,527		7,034	4,286
346		610	496
23,991		23,756	16,420
3,592		4,573	378
<i>Payments:</i>			
(7,364)		(7,502)	(7,127)
(13,320)		(15,322)	(11,019)
(91)		(91)	(95)
(1,005)		(892)	(1,606)
19,818	G1-1	19,299	8,466
Cash flows from investing activities			
<i>Receipts:</i>			
479		197	221
4		—	4
<i>Payments:</i>			
(18,546)		(17,185)	(14,025)
(18,063)	Net cash flows from investing activities	(16,988)	(13,800)
Cash flows from financing activities			
<i>Payments:</i>			
(166)		(166)	(163)
(166)	Net cash flows from financing activities	(166)	(163)
1,589	Net change in cash and cash equivalents	2,145	(5,497)
12,350	Cash and cash equivalents at beginning of year	11,971	17,468
13,939	Cash and cash equivalents at end of year	14,116	11,971

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

Warren Shire Council

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

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	16
B2-1 Rates and annual charges	16
B2-2 User charges and fees	17
B2-3 Other revenues	18
B2-4 Grants and contributions	19
B2-5 Interest and investment income	22
B2-6 Other income	22
B3 Costs of providing services	23
B3-1 Employee benefits and on-costs	23
B3-2 Materials and services	24
B3-3 Borrowing costs	24
B3-4 Depreciation, amortisation and impairment of non-financial assets	25
B3-5 Other expenses	26
B4 Gains or losses	27
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	27
B5 Performance against budget	28
B5-1 Material budget variations	28
C Financial position	30
C1 Assets we manage	30
C1-1 Cash and cash equivalents	30
C1-2 Restricted and allocated cash, cash equivalents and investments	31
C1-3 Receivables	33
C1-4 Inventories	35
C1-5 Infrastructure, property, plant and equipment	37
C1-6 Intangible assets	n/a
C2 Leasing activities	41
C2-1 Council as a lessor	41
C3 Liabilities of Council	42
C3-1 Payables	42
C3-2 Contract Liabilities	43
C3-3 Borrowings	44
C3-4 Employee benefit provisions	46
C4 Reserves	48
C4-1 Nature and purpose of reserves	48
D Council structure	49
D1 Results by fund	49

Warren Shire Council

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

D1-1 Income Statement by fund	49
D1-2 Statement of Financial Position by fund	50
D2 Interests in other entities	51
D2-1 Subsidiaries	51
D2-2 Interests in joint arrangements	51
D2-3 Subsidiaries, joint arrangements and associates not recognised	53
E Risks and accounting uncertainties	54
E1-1 Risks relating to financial instruments held	54
E2-1 Fair value measurement	57
E3-1 Contingencies	63
F People and relationships	66
F1 Related party disclosures	66
F1-1 Key management personnel (KMP)	66
F1-2 Councillor and Mayoral fees and associated expenses	68
F1-3 Other related parties	69
F2 Other relationships	70
F2-1 Audit fees	70
G Other matters	71
G1-1 Statement of Cash Flows information	71
G2-1 Commitments	72
G3-1 Events occurring after the reporting date	72

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 28 August 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) employee benefit provisions – refer Note C3-4

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

Volunteer services

Council's Information Centre re-opened in 2023 in a new location at the Windows on the Wetlands area when the appointment of a Tourism Manager was finalised. The Information Centre is occasionally manned by residents of Warren on an adhoc volunteer basis, the cost cannot be reliably measured therefore it is has not been included in the Income Statement.

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

New accounting standards adopted during the year

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

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

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

There is not expected to be significant impact on the Councils' reported financial position, however Councils should review their fair value methodology to ensure that it is in accordance with the guidance included in AASB 2022-10 using the information and resources in Appendix E of the Code.

B Financial Performance

B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Functions or activities										
Social	277	382	1,132	1,068	(855)	(686)	135	264	4,966	4,802
Economic	237	1,013	898	902	(661)	111	173	1,073	4,410	4,501
Infrastructure	21,383	17,468	18,620	12,893	2,763	4,575	16,408	13,270	380,931	204,158
Environmental	4,063	2,937	2,805	2,511	1,258	426	1,835	811	43,839	38,980
Governance	365	481	4,069	4,316	(3,704)	(3,835)	–	–	28,708	28,925
General Purpose Revenues	8,967	9,578	–	–	8,967	9,578	2,852	3,776	–	–
Total functions and activities	35,292	31,859	27,524	21,690	7,768	10,169	21,403	19,194	462,854	281,366

B1-2 Components of functions or activities

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

Social

Includes income and expenses relating to Fire Protection, Animal Control, Health, Youth Services, Community Services, Public Cemeteries and Council Housing etc.

Economic

Includes income & expenses relating to Tourism, Economic Development, and other Business Undertakings.

Infrastructure

Includes Income and Expenditure for Roads, Bridges, Footpaths, Recreation, Aerodrome, Parking Areas and CBD.

Environmental

Includes income and expenses for both Domestic and Industry Waste, Stormwater, Levee Protection, Water and Sewerage Services

Governance

Includes income and expenses for Governance and Administration.

General Purpose Revenues

Includes income from General Rates, General Fund Interest on Investments and Overdue Rates, Financial Assistance Grants and General Fund Pensioner Subsidy Rebates.

B2 Sources of income

B2-1 Rates and annual charges

	2025 \$ '000	2024 \$ '000
Ordinary rates		
Residential	728	697
Farmland	4,683	4,484
Business	232	221
Less: pensioner rebates (mandatory)	(35)	(36)
Rates levied to ratepayers	5,608	5,366
Pensioner rate subsidies received	19	20
Total ordinary rates	5,627	5,386
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	359	341
Water supply services	576	548
Sewerage services	604	579
Less: pensioner rebates (mandatory) – Domestic waste	(16)	(18)
Less: pensioner rebates (mandatory) – Water supply services	(16)	(17)
Less: pensioner rebates (mandatory) – Sewerage services	(14)	(16)
Annual charges levied	1,493	1,417
Pensioner annual charges subsidies received:		
– Domestic waste management	9	10
– Water	9	9
– Sewerage	8	9
Total annual charges	1,519	1,445
Total rates and annual charges	7,146	6,831

Council has used 01/07/2022 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

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

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

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

B2-2 User charges and fees

	Timing	2025 \$ '000	2024 \$ '000
Specific user charges (per s502 - specific 'actual use' charges)			
Domestic waste management services	2	26	39
Water supply services	2	396	319
Sewerage services	2	48	44
Total specific user charges		470	402
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	24	25
Private works – section 67	2	13	5
Registration fees	2	1	1
Section 10.7 certificates (EP&A Act)	2	8	6
Section 603 certificates	2	8	7
Total fees and charges – statutory/regulatory		54	44
(ii) Fees and charges – other (incl. general user charges (per s608))			
Aerodrome	2	67	16
Cemeteries	2	28	28
Lease rentals	2	–	1
Leaseback fees – Council vehicles	2	63	80
Multipurpose centre	2	29	30
Sporting Grounds, Reserves & Parks User Fees	2	82	93
Quarry revenues	2	44	4
Transport for NSW works (state roads not controlled by Council)	2	4,615	3,932
Swimming centres	2	23	20
Waste disposal tipping fees	2	56	–
Water connection fees	2	3	9
Other	2	10	6
Total fees and charges – other		5,020	4,219
Total other user charges and fees		5,074	4,263
Total user charges and fees		5,544	4,665
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time (2)		5,544	4,665
Total user charges and fees		5,544	4,665

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 ad-hoc fault hire, the customer is required to pay 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 Other revenues

	Timing	2025 \$ '000	2024 \$ '000
Fines	2	2	1
Commissions and agency fees	1	95	89
Diesel rebate	1	87	90
Insurance claims recoveries	2	57	146
Sales – general	1	77	57
Swimming pool canteen sales	2	35	28
WHS incentive payment	2	18	19
NSW OLG - ESL reimbursement	2	22	–
Motor vehicle insurance rebate	2	–	3
NCBA - Energy Saving Certificates	1	–	1
Sale of Scrap Metal	2	25	17
Procurement Rebates	2	1	1
Sale of Old Materials	2	6	6
Other	1	21	6
Total other revenue		446	464

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	280	230
Other revenue recognised at a point in time (2)	166	234
Total other revenue	446	464

B2-4 Grants and contributions

	Timing	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance	2	653	228	—	—
Payment in advance - future year allocation					
Financial assistance	2	2,199	3,548	—	—
Amount recognised as income during current year					
		2,852	3,776	—	—
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Water supplies	1	—	—	—	363
Parental leave scheme	1	—	18	—	—
Environmental programs	1	38	117	—	—
Youth services	1	88	95	—	—
Library	2	31	—	—	—
Library – per capita	2	25	13	—	—
Library – special projects	2	47	58	—	316
Recreation and culture	1	—	31	708	89
Storm/flood damage	1	4,322	5,397	—	—
Street lighting	1	32	31	—	—
Transport (roads to recovery)	1	852	655	—	—
Transport (other roads and bridges funding)	1	2,753	132	2,690	167
Business development	1	—	3	—	—
Warren Levee Rehabilitation	1	—	—	1,758	70
Showground/Racecourse Upgrades	1	226	672	—	—
Fixing Local Roads Program	1	1,885	913	—	—
Local Roads & Community Infrastructure Program	1	457	464	—	—
Warren Airport Upgrade	1	—	123	—	—
Federal Government Drought Projects	1	—	206	—	—
MDBA Regional Infrastructure Improvements	1	107	719	—	—
Swimming Pool Amenities - SCCF R5	1	—	—	638	218
Previously contributions:					
Bushfire services	1	15	138	—	—
Roads and bridges	1	—	—	—	2,506
Transport for NSW contributions (regional roads, block grant)	1	1,721	1,778	—	9
Tourism	1	66	—	—	—
Other contributions	1	—	29	—	—
Library	1	92	88	—	—
Total special purpose grants and non-developer contributions – cash					
		12,757	11,680	5,794	3,738
Total special purpose grants and non-developer contributions (tied)					
		12,757	11,680	5,794	3,738
Total grants and non-developer contributions					
		15,609	15,456	5,794	3,738

B2-4 Grants and contributions (continued)

	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
Timing				
Comprising:				
– Commonwealth funding	1,748	5,231	1,533	1,136
– State funding	13,861	10,225	4,261	2,602
	15,609	15,456	5,794	3,738

Unspent grants and contributions

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

	Operating 2025 \$ '000	Operating 2024 \$ '000
Unspent grants and contributions		
Unspent funds at 1 July	6,859	7,843
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,112	4,487
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(1,510)	(5,471)
Unspent funds at 30 June	6,461	6,859
Contributions		
Unspent funds at 1 July	6	426
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(6)	(420)
Unspent contributions at 30 June	–	6

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

Capital grants

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

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

B2-4 Grants and contributions (continued)

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

Other grants and contributions

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

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

B2-5 Interest and investment income

	2025 \$ '000	2024 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	62	50
– Cash and investments	565	512
Total interest and investment income (losses)	627	562
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	29	27
General Council cash and investments	457	389
Restricted investments/funds – external:		
Water fund operations	48	41
Sewerage fund operations	86	100
Domestic waste management operations	7	5
Total interest and investment income	627	562

B2-6 Other income

	2025 \$ '000	2024 \$ '000
Rental income		
Other lease income		
Room/Facility Hire	6	–
Other	113	129
Total other lease income	119	129
Total rental income	C2-1	119
Net share of interests in joint ventures and associates using the equity method		
Joint ventures	7	14
Total net share of interests in joint ventures and associates using the equity method	D2-2	7
Total other income	126	143

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2025 \$ '000	2024 \$ '000
Salaries and wages	6,545	6,104
Employee leave entitlements (ELE)	640	604
Superannuation	711	642
Workers' compensation insurance	204	220
Fringe benefit tax (FBT)	9	45
Total employee costs	8,109	7,615
Less: capitalised costs	(556)	(312)
Total employee costs expensed	7,553	7,303
Number of 'full-time equivalent' employees (FTE) at year end	68	73

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

	Notes	2025 \$ '000	2024 \$ '000
Consultancy costs		2	46
Raw materials and consumables		11,026	8,239
Contractor costs		12	10
Audit Fees	F2-1	99	120
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	196	194
Advertising		44	53
Bank charges		14	12
Election expenses		13	—
Electricity and heating		164	144
Insurance		393	371
Postage		6	8
Printing and stationery		42	49
Street lighting		71	79
Subscriptions and publications		70	60
Telephone and communications		34	63
Valuation fees		19	18
Water purchases		34	32
Contribution to north western library co-operative		69	66
Training costs (other than salaries and wages)		111	157
Other expenses		(1)	2
Legal expenses:			
Expenses from leases of low value assets		6	5
Total materials and services		12,424	9,728
Total materials and services		12,424	9,728

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

B3-3 Borrowing costs

	2025 \$ '000	2024 \$ '000
(i) Interest bearing liability costs		
Interest on loans	91	95
Total interest bearing liability costs	91	95
Total interest bearing liability costs expensed	91	95
Total borrowing costs expensed	91	95

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

	Notes	2025 \$ '000	2024 \$ '000
Depreciation and amortisation			
Plant and equipment		1,113	1,152
Office equipment		37	41
Furniture and fittings		19	22
Infrastructure:	C1-5		
– Buildings – non-specialised		181	202
– Buildings – specialised		542	217
– Other structures		253	124
– Roads		2,417	1,298
– Bridges		280	166
– Footpaths		94	21
– Stormwater drainage		56	29
– Swimming pools		53	48
– Water supply network		307	267
– Sewerage network		244	131
– Other open space/recreational assets		202	131
Total gross depreciation and amortisation costs		5,798	3,849
Less: capitalised costs		(267)	(177)
Total depreciation and amortisation costs		5,531	3,672
Total depreciation, amortisation and impairment for non-financial assets		5,531	3,672

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.

B3-5 Other expenses

	2025 \$ '000	2024 \$ '000
Other		
Contributions/levies to other levels of government		
– Emergency services levy (SES)	9	13
– NSW fire and rescue levy	32	32
– NSW rural fire service levy	173	176
– Contribution to Castlereagh Macquarie County Council	123	118
– Other contributions/levies	12	12
Donations, contributions and assistance to other organisations (Section 356)	12	7
Total other	361	358
Total other expenses	361	358

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

	Notes	2025 \$ '000	2024 \$ '000
Gain (or loss) on disposal of property (excl. investment property)			
Less: carrying amount of property assets sold/written off		(153)	—
Gain (or loss) on disposal		(153)	—
Gain (or loss) on disposal of plant and equipment	C1-5		
Proceeds from disposal – plant and equipment		197	221
Less: carrying amount of plant and equipment assets sold/written off		(21)	(27)
Gain (or loss) on disposal		176	194
Gain (or loss) on disposal of infrastructure	C1-5		
Less: carrying amount of infrastructure assets sold/written off		(1,587)	(728)
Gain (or loss) on disposal		(1,587)	(728)
Net gain (or loss) from disposal of assets		(1,564)	(534)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 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	----- Variance -----	2025			
Revenues							
Rates and annual charges							
	7,142	7,146	4	0%	F		
User charges and fees	5,527	5,544	17	0%	F		
Other revenues	346	446	100	29%	F		
Council under estimated the amount of other revenue it was budgeting to receive by \$100K.							
Operating grants and contributions							
	20,991	15,609	(5,382)	(26)%	U		
Council over estimated the amount of grant funding it was budgeting to receive, mainly for flood damage restoration.							
Capital grants and contributions	6,000	5,794	(206)	(3)%	U		
Interest and investment revenue	589	627	38	6%	F		
Other income	147	126	(21)	(14)%	U		
Council over estimated the amount of other income it was budgeting to receive based on prior years figures.							
Expenses							
Employee benefits and on-costs	7,384	7,553	(169)	(2)%	U		
Materials and services	13,100	12,424	676	5%	F		
Borrowing costs	91	91	-	0%	F		
Depreciation, amortisation and impairment of non-financial assets	3,844	5,531	(1,687)	(44)%	U		
The budget for depreciation of infrastructure did not factor in the capitalisation of infrastructure works in 2023/2024.							
Other expenses	368	361	7	2%	F		

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	-----	2025 Variance	-----
Statement of cash flows					
Cash flows from operating activities	19,818	19,299	(519)	(3)%	U
Cash flows from investing activities	(18,063)	(16,988)	1,075	(6)%	F
Cash flows from financing activities	(166)	(166)	-	0%	F

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

	2025 \$ '000	2024 \$ '000
Cash assets		
Cash on hand and at bank	4,967	8,729
Cash equivalent assets		
– Deposits at call	2,139	232
– Short-term deposits	7,010	3,010
Total cash and cash equivalents	14,116	11,971

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	14,116	11,971
Balance as per the Statement of Cash Flows	14,116	11,971

C1-2 Restricted and allocated cash, cash equivalents and investments

	2025 \$ '000	2024 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	14,116	11,971
Less: Externally restricted cash, cash equivalents and investments	(8,431)	(9,218)
Cash, cash equivalents and investments not subject to external restrictions	5,685	2,753
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Cwcma roadside mapping	7	7
Specific purpose unexpended grants – general fund	2,955	2,232
External restrictions – included in liabilities	2,962	2,239
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Other Contributions - Library	–	6
Specific purpose unexpended grants (recognised as revenue) – general fund	3,506	4,627
Water fund	858	613
Sewer fund	1,000	1,639
Domestic waste management	105	94
External restrictions – other	5,469	6,979
Total external restrictions	8,431	9,218

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.

C1-2 Restricted and allocated cash, cash equivalents and investments (continued)

	2025 \$ '000	2024 \$ '000
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	5,685	2,753
Less: Internally restricted cash, cash equivalents and investments	(5,185)	(2,247)
Unrestricted and unallocated cash, cash equivalents and investments	500	506

Internal allocations

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

Infrastructure replacement	930	–
Employees leave entitlement	400	400
Roadworks	351	–
Bridgeworks	85	–
Risk management, whs and insurance	25	–
Specific programs	1,096	–
Prepaid financial assistance grant	2,199	1,847
Other	99	–
Total internal allocations	5,185	2,247

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

	2025 \$ '000	2024 \$ '000
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	500	506

C1-3 Receivables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Rates and annual charges	302	298	300	249
Interest and extra charges	52	52	39	33
User charges and fees	580	90	1,556	72
Accrued revenues				
– Interest on investments	48	–	63	–
– Other income accruals	–	–	72	–
Government grants and subsidies	4,792	–	6,007	–
Net GST receivable	627	–	2,473	–
Total	6,401	440	10,510	354
Less: provision for impairment				
User charges and fees	(19)	–	(19)	–
Total provision for impairment – receivables	(19)	–	(19)	–
Total net receivables	6,382	440	10,491	354

Material accounting policy information

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

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

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

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

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

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

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

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

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

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

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

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

C1-3 Receivables (continued)

Rates and annual charges outstanding are secured against the property.

C1-4 Inventories

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
(i) Inventories at cost				
Real estate for resale	145	—	145	—
Stores and materials	313	—	371	—
Trading stock	224	—	224	—
Loose tools	179	—	176	—
Total inventories at cost	861	—	916	—
Total inventories	861	—	916	—

(ii) Other disclosures

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
(a) Details for real estate development				
Industrial/commercial	92	—	92	—
Other properties	53	—	53	—
Total real estate for resale	145	—	145	—
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	145	—	145	—
Total costs	145	—	145	—
Total real estate for resale	145	—	145	—
Movements:				
Real estate assets at beginning of the year	145	—	145	—
Total real estate for resale	145	—	145	—

(b) Current inventories not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2025 \$ '000	2024 \$ '000
Real estate for resale	126	126
Trading Stock	145	192
Total	271	318

C1-4 Inventories (continued)

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

Land held for resale

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

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

C1-5 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	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	14,062	–	14,062	7,240	527	–	–	(12,426)	–	9,403	–	9,403
Plant and equipment	14,247	(8,604)	5,643	1,421	–	(21)	(1,113)	40	–	15,117	(9,147)	5,970
Office equipment	470	(359)	111	70	–	–	(37)	–	–	540	(396)	144
Furniture and fittings	296	(212)	84	–	–	–	(19)	–	–	296	(231)	65
Land:												
– Operational land	2,288	–	2,288	–	–	–	–	–	–	2,288	–	2,288
– Community land	187	–	187	–	–	–	–	–	–	187	–	187
– Crown land	1,287	–	1,287	–	–	–	–	254	–	1,541	–	1,541
Infrastructure:												
– Buildings – non-specialised	14,000	(4,398)	9,602	38	–	–	(181)	–	602	14,932	(4,871)	10,061
– Buildings – specialised	18,311	(6,241)	12,070	1,388	–	(153)	(542)	4,403	1,299	25,419	(6,954)	18,465
– Other structures	17,752	(8,605)	9,147	2,146	51	–	(253)	2,744	642	23,726	(9,249)	14,477
– Roads	214,985	(65,974)	149,011	3,290	–	(1,587)	(2,417)	2,074	148,700	369,380	(70,309)	299,071
– Bridges	25,069	(7,949)	17,120	–	–	–	(280)	–	19,517	60,005	(23,648)	36,357
– Footpaths	4,750	(1,924)	2,826	–	–	–	(94)	–	47	5,347	(2,568)	2,779
– Stormwater drainage	5,393	(2,438)	2,955	145	–	–	(56)	–	1,614	8,120	(3,462)	4,658
– Water supply network	22,837	(12,166)	10,671	190	–	–	(307)	1,035	290	24,663	(12,784)	11,879
– Sewerage network	25,967	(12,145)	13,822	560	–	–	(244)	27	354	27,218	(12,699)	14,519
– Swimming pools	2,199	(253)	1,946	–	–	–	(53)	–	118	2,337	(326)	2,011
– Other open space/recreational assets	7,030	(2,369)	4,661	390	–	–	(202)	1,849	335	9,733	(2,700)	7,033
Total infrastructure, property, plant and equipment	391,130	(133,637)	257,493	16,878	578	(1,761)	(5,798)	–	173,518	600,252	(159,344)	440,908

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

C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	24,512	–	24,512	4,615	484	–	–	(15,549)	–	14,062	–	14,062
Plant and equipment	13,253	(7,904)	5,349	1,300	33	(27)	(1,152)	140	–	14,247	(8,604)	5,643
Office equipment	388	(318)	70	82	–	–	(41)	–	–	470	(359)	111
Furniture and fittings	290	(190)	100	6	–	–	(22)	–	–	296	(212)	84
Land:												
– Operational land	2,288	–	2,288	–	–	–	–	–	–	2,288	–	2,288
– Community land	187	–	187	–	–	–	–	–	–	187	–	187
– Crown land	1,287	–	1,287	–	–	–	–	–	–	1,287	–	1,287
Infrastructure:												
– Buildings – non-specialised	13,065	(4,000)	9,065	295	–	–	(202)	15	429	14,000	(4,398)	9,602
– Buildings – specialised	16,966	(5,733)	11,233	24	173	–	(217)	290	567	18,311	(6,241)	12,070
– Other structures	15,430	(8,034)	7,396	–	360	–	(124)	1,073	442	17,752	(8,605)	9,147
– Roads	194,887	(62,087)	132,800	5,272	22	(657)	(1,298)	5,185	7,687	214,985	(65,974)	149,011
– Bridges	24,082	(7,470)	16,612	–	–	(166)	–	–	674	25,069	(7,949)	17,120
– Footpaths	4,497	(1,841)	2,656	110	–	(8)	(21)	–	89	4,750	(1,924)	2,826
– Stormwater drainage	5,233	(2,337)	2,896	–	–	–	(29)	–	88	5,393	(2,438)	2,955
– Water supply network	20,561	(11,312)	9,249	395	–	–	(267)	779	515	22,837	(12,166)	10,671
– Sewerage network	17,538	(11,512)	6,026	499	–	(63)	(131)	6,824	667	25,967	(12,145)	13,822
– Swimming pools	1,933	(192)	1,741	22	–	–	(48)	130	101	2,199	(253)	1,946
– Other open space/recreational assets	5,012	(2,118)	2,894	549	–	–	(131)	1,113	236	7,030	(2,369)	4,661
Total infrastructure, property, plant and equipment	361,409	(125,048)	236,361	13,169	1,072	(755)	(3,849)	–	11,495	391,130	(133,637)	257,493

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

C1-5 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by NSW 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.

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

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

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. 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 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	3 to 5		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 100
Water and sewer assets		Stormwater assets	
Reservoirs	100	Drains	80 to 100
Bores	50	Culverts	50 to 80
Reticulation pipes: PVC	80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	25	Swimming pools	50
Sealed roads: pavement	60	Other open space/recreation assets	20 to 50
Unsealed roads: pavement	30		
Road: formation	100		
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Kerb, gutter and footpaths	80		

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

Land under roads

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

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

C1-5 Infrastructure, property, plant and equipment (continued)

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".

C2 Leasing activities

C2-1 Council as a lessor

Operating leases

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

– property, plant and equipment – where the rental is incidental, or the asset is held to meet Council's service delivery objective (refer note C1-6).

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

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

Operating lease expenses

(i) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of staff housing, medical and aged care services to the Warren Shire Community, the table below relates to operating leases on assets disclosed in C1-6.

Lease income (excluding variable lease payments not dependent on an index or rate)	119	129
Total income relating to operating leases for Council assets	119	129

Material accounting policy information

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

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

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

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

C3 Liabilities of Council

C3-1 Payables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Goods and services – operating expenditure	168	–	621	–
Goods and services – capital expenditure	389	–	385	–
Accrued expenses:				
– Salaries and wages	186	–	185	–
– Other expenditure accruals	114	–	105	–
Sundry deposits	54	–	45	–
Other	48	–	30	–
Government departments and agencies	17	–	100	–
Prepaid rates	208	–	170	–
Total payables	1,184	–	1,641	–

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

Notes	2025	2025	2024	2024
	Current \$ '000	Non-current \$ '000	Current \$ '000	Non-current \$ '000
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets) (i)	2,648	—	2,232	—
Unexpended operating grants (received prior to performance obligation being satisfied) (ii)	307	—	—	—
Total grants received in advance	2,955	—	2,232	—
User fees and charges received in advance:				
Other (ii)	32	—	—	—
Total user fees and charges received in advance	32	—	—	—
Total contract liabilities	2,987	—	2,232	—

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) Upfront membership fees for the gym 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

	2025 \$ '000	2024 \$ '000
Grants and contributions received in advance:		
Operating grants (received prior to performance obligation being satisfied)	2,232	243
Total revenue recognised that was included in the contract liability balance at the beginning of the period	2,232	243

Significant changes in contract liabilities

Council received advanced grant funding totalling \$2,676K on 26 June 2025 for capital works projects that under construction but not completed.

Material accounting policy information

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

C3-3 Borrowings

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Loans – secured ¹	172	3,185	167	3,356
Total borrowings	172	3,185	167	3,356

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

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

(a) Changes in liabilities arising from financing activities

	2024		Non-cash movements			2025	
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	3,523	(166)	–	–	–	–	3,357
Total liabilities from financing activities	3,523	(166)	–	–	–	–	3,357

	2023		Non-cash movements			2024	
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	3,686	(163)	–	–	–	–	3,523
Total liabilities from financing activities	3,686	(163)	–	–	–	–	3,523

C3-3 Borrowings (continued)

(b) Financing arrangements

	2025 \$ '000	2024 \$ '000
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	45	25
Total financing arrangements	545	525
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	24	15
Total drawn financing arrangements	24	15
Undrawn financing facilities available to Council at the reporting date are:		

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

Material accounting policy information

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

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

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

C3-4 Employee benefit provisions

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Annual leave	562	—	557	—
Long service leave	1,050	85	984	86
Total employee benefit provisions	1,612	85	1,541	86

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

	2025 \$ '000	2024 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	952	848
	952	848

Description of and movements in provisions

	ELE provisions		
	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
2025			
At beginning of year	557	1,070	1,627
Additional provisions	447	176	623
Amounts used (payments)	(456)	(113)	(569)
Remeasurement effects	14	2	16
Total ELE provisions at end of year	562	1,135	1,697
2024			
At beginning of year	453	1,001	1,454
Additional provisions	453	150	603
Amounts used (payments)	(350)	(93)	(443)
Remeasurement effects	1	12	13
Total ELE provisions at end of year	557	1,070	1,627

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

C3-4 Employee benefit provisions (continued)

On-costs

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

	General 2025 \$ '000	Water 2025 \$ '000	Sewer 2025 \$ '000
Income from continuing operations			
Rates and annual charges	5,875	641	630
User charges and fees	5,084	407	53
Interest and investment revenue	493	48	86
Other revenues	441	5	—
Grants and contributions provided for operating purposes	15,592	9	8
Grants and contributions provided for capital purposes	5,794	—	—
Net gains from disposal of assets	—	—	34
Other income	126	—	—
Total income from continuing operations	33,405	1,110	811
Expenses from continuing operations			
Employee benefits and on-costs	7,116	246	191
Materials and services	11,605	583	236
Borrowing costs	17	17	57
Other expenses	351	4	6
Net losses from the disposal of assets	1,598	—	—
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	20,687	850	490
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	12,718	260	321
Depreciation, amortisation and impairment of non-financial assets	4,939	330	262
Operating result from continuing operations	7,779	(70)	59
Net operating result for the year	7,779	(70)	59
Net operating result attributable to each council fund	7,779	(70)	59
Net operating result for the year before grants and contributions provided for capital purposes	1,985	(70)	59

D1-2 Statement of Financial Position by fund

	General 2025 \$ '000	Water 2025 \$ '000	Sewer 2025 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	12,258	858	1,000
Receivables	6,041	241	100
Inventories	861	—	—
Other	38	—	—
Total current assets	19,198	1,099	1,100
Non-current assets			
Receivables	189	155	96
Infrastructure, property, plant and equipment	413,528	12,312	15,068
Investments accounted for using the equity method	109	—	—
Total non-current assets	413,826	12,467	15,164
Total assets	433,024	13,566	16,264
LIABILITIES			
Current liabilities			
Payables	1,141	43	—
Contract liabilities	2,680	307	—
Borrowings	33	32	107
Employee benefit provision	1,572	—	40
Total current liabilities	5,426	382	147
Non-current liabilities			
Borrowings	597	597	1,991
Employee benefit provision	85	—	—
Total non-current liabilities	682	597	1,991
Total liabilities	6,108	979	2,138
Net assets	426,916	12,587	14,126
EQUITY			
Accumulated surplus	135,528	6,585	7,516
IPPE revaluation surplus	291,388	6,002	6,610
Council equity interest	426,916	12,587	14,126
Total equity	426,916	12,587	14,126

D2 Interests in other entities

D2-1 Subsidiaries

Council has no interest in any controlled entities (subsidiaries).

	Council's share of net assets	
	2025 \$ '000	2024 \$ '000
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Joint ventures	109	102
Total net share of interests in joint ventures and associates using the equity method – assets	109	102
Total Council's share of net assets	109	102

D2-2 Interests in joint arrangements

Net carrying amounts – Council's share

	Nature of relationship	Place of business	Interest in ownership			
			2025	2024	2025 \$ '000	2024 \$ '000
North Western Library Co-operative	Joint Venture	Warren	25.0%	25.0%	109	102
Total carrying amounts					109	102

North Western Library Co-operative

Joint purchasing of books and e-resources

Material joint ventures

Council has incorporated the following joint venture into its consolidated financial statements.

Details

	Principal activity	Measurement method
North Western Library Co-operative	Joint purchasing of books and e-resources	At cost

Relevant interests and fair values

		Interest in outputs		Proportion of voting power	
		2025	2024	2025	2024
North Western Library Co-operative		25.0%	25.0%	25.0%	25.0%

D2-2 Interests in joint arrangements (continued)

Summarised financial information for joint ventures

	North Western Library Co-operative	2025	2024
	\$ '000	\$ '000	
Statement of financial position			
Current assets			
Cash and cash equivalents	136	152	
Non-current assets	301	258	
Net assets	437	410	
Statement of comprehensive income			
Income	279	267	
Depreciation and amortisation	(84)	(84)	
Other expenses	(168)	(126)	
Profit/(loss) from continuing operations	27	57	
Profit/(loss) for the period	27	57	
Total comprehensive income	27	57	
Share of income – Council (%)	25.0%	25.0%	
Profit/(loss) – Council (\$)	7	14	
Total comprehensive income – Council (\$)	7	14	
Summarised Statement of cash flows			
Cash flows from operating activities	111	112	
Cash flows from investing activities	(127)	(98)	
Net increase (decrease) in cash and cash equivalents	(16)	14	
Reconciliation of the carrying amount			
Opening net assets (1 July)	410	353	
Profit/(loss) for the period	27	57	
Closing net assets	437	410	
Council's share of net assets (%)	25.0%	25.0%	
Council's share of net assets (\$)	109	102	

County Councils

Council is a member of the Castlereagh Macquarie County Council, a body corporate established under the Local Government Act 1993 (NSW) to control noxious weeds. Council is one of five constituent council members and does not control the County Council. Accordingly, the County Council has not been consolidated in the financial statements.

D2-3 Subsidiaries, joint arrangements and associates not recognised

Orana Joint Organisation

Warren Shire Council is a member of the Orana Joint Organisation along with Bogan, Gilgandra, Narromine, Mid-Western and Warrumbungle Shire Councils.

The principal functions of the Orana Joint Organisation is to:

- establish strategic regional priorities for the Joint Organisation area and develop strategies and plans for delivering these priorities.
- provide regional leadership for the Joint Organisation area and to be an advocate for strategic regional priorities.
- identify and take up opportunities for intergovernmental cooperation on matters relating to the Joint Organisation area.

Other services, functions or types of functions the Orana Joint Organisation will undertake are:

- to provide support for the operations of its Member Councils aimed at strengthening local government in its Joint Organisation area.

All members of the Orana Joint Organisation resolved to resign from the organisation and request the Minister for Local Government to dissolve the Orana JO, to date no formal response to that request has been received.

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.

	Carrying value 2025 \$ '000	Carrying value 2024 \$ '000	Fair value 2025 \$ '000	Fair value 2024 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	14,116	11,971	14,116	11,971
Receivables	6,822	10,845	6,822	10,845
Total financial assets	20,938	22,816	20,938	22,816
Financial liabilities				
Payables	1,184	1,641	1,184	1,641
Loans/advances	3,357	3,523	3,357	3,523
Total financial liabilities	4,541	5,164	4,541	5,164

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 its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

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

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

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

Impact of a 1% movement in interest rates

– Equity / Income Statement	141	120
-----------------------------	-----	-----

(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.

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.

	Not yet overdue \$ '000	overdue rates and annual charges		Total \$ '000
	< 5 years \$ '000	≥ 5 years \$ '000		
2025				
Gross carrying amount	–	535	65	600
2024				
Gross carrying amount	–	514	35	549

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

Receivables - non-rates and annual charges and contract assets

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

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

	Not yet overdue \$ '000	Overdue debts				Total \$ '000
		0 - 30 days \$ '000	31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
2025						
Gross carrying amount	154	989	45	45	5,008	6,241
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.38%	0.30%
ECL provision	—	—	—	—	19	19
2024						
Gross carrying amount	1,712	143	89	148	8,223	10,315
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.23%	0.18%
ECL provision	—	—	—	—	19	19

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in:			Actual carrying values \$ '000
			≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	
2025						
Payables	0.00%	—	1,171	—	—	1,171
Borrowings	2.60%	—	172	928	2,257	3,357
Total financial liabilities		—	1,343	928	2,257	4,528
2024						
Payables	0.00%	—	1,641	—	—	1,641
Borrowings	2.60%	—	167	904	2,452	3,523
Total financial liabilities		—	1,808	904	2,452	5,164

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment

The fair value of assets 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).

Notes	Fair value measurement hierarchy							
	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Recurring fair value measurements								
Infrastructure, property, plant and equipment								
C1-5								
	Plant & Equipment	–	–	5,970	5,643	5,970	5,643	
	Office Equipment	–	–	144	111	144	111	
	Furniture & Fittings	–	–	65	84	65	84	
	Operational Land	30/06/2023	30/06/2023	–	2,288	2,288	2,288	2,288
	Community/Crown Land	30/06/2023	30/06/2023	–	1,728	1,474	1,728	1,474
	Buildings – Non-Specialised	30/06/2023	30/06/2023	–	10,061	9,602	10,061	9,602
	Buildings– Specialised	30/06/2023	30/06/2023	–	18,465	12,070	18,465	12,070
	Other Structures	30/06/2022	30/06/2022	–	14,477	9,147	14,477	9,147
	Roads	30/06/2025	30/06/2020	–	299,071	149,011	299,071	149,011
	Bridges	30/06/2025	30/06/2020	–	36,357	17,120	36,357	17,120
	Footpaths	30/06/2025	30/06/2020	–	2,779	2,826	2,779	2,826
	Stormwater Drainage	30/06/2025	30/06/2020	–	4,658	2,955	4,658	2,955
	Water Supply Network	30/06/2022	30/06/2022	–	11,879	10,671	11,879	10,671
	Sewerage Network	30/06/2022	30/06/2022	–	14,519	13,822	14,519	13,822
	Swimming Pools	30/06/2022	30/06/2022	–	2,011	1,946	2,011	1,946
	Other Open Space/Recreational Assets	30/06/2022	30/06/2022	–	7,033	4,661	7,033	4,661
	Total infrastructure, property, plant and equipment			–	431,505	243,431	431,505	243,431

Transfers between level 1 and level 2 fair value hierarchies

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

Valuation techniques

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

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

E2-1 Fair value measurement (continued)

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office 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 - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computers, photocopiers, calculators etc.
- Furniture & Fittings - Chairs, desks and display boards.

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

Operational & Community Land

Operational & Community Land are based on either the Land Value provided by the Valuer-General or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. Operational Land is based on the Valuer General's land value as these are representative of the land values in the Warren Shire LGA. As these rates were not considered to be observable market evidence they have been classified a Level 3.

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

Buildings - Non-Specialised & Specialised

Non-Specialised & Specialised Buildings were valued externally by qualified valuers Aspect Property Consultants in 2022/23 using the Rawlinson's Construction Guide in June 2022 using the cost approach. The approach estimated the replacement cost for each building by componentising the building into significant parts. While all buildings were physically inspected and the unit rates based on square metres from Rawlinson's Construction Guide no market based evidence (Level 2) could not be established. As such these assets were classified as having been valued as Level 3 valuation inputs.

While the costs were current and the impact of depreciation negligible, the building has been classified as Level 3 as they are immaterial in relation to the overall value of the asset type.

Building assets were re-assessed in 2024/25 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2024 until 30 June 2025, this resulted in a revaluation increment of \$1,901K.

Other Structures

Other Structures comprise of Aerodrome runway, lighting, irrigation systems and fencing etc. The cost approach has been utilised whereby replacement cost was estimated for each asset by taking into account a range of factors. No market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using Level 3 valuation inputs.

Other Structure assets were re-assessed in 2024/25 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2024 until 30 June 2025, this resulted in a revaluation increment of \$642K.

Roads

Roads comprise road carriageway, roadside shoulders & kerb & gutter. The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken in-house in June 2025 based on actual costs and assumptions from Council's Engineering Department. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

The revaluation of road assets in 2024/25 resulted in an increase in value of \$148,700K, which has been a result of large increase in unit rates that were derived from a cost approach methodology (recent capital works expenditure), in addition to a detailed assessment of physical assets in-situ (widths, lengths etc) at a component level.

Bridges

Bridges were valued in-house in June 2025. The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken in-house in June 2025 based on actual costs and assumptions from Council's Engineering Department. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

E2-1 Fair value measurement (continued)

The revaluation of bridge assets in 2024/25 resulted in an increase in value of \$19,517K, which has been a result of large increase in unit rates that were derived from a cost approach methodology (recent capital works expenditure), in addition to a detailed assessment of physical assets in-situ (widths, lengths etc) at a component level. Culverts with a span of more than 6m were included as a bridge as per industry standards.

Footpaths

Footpaths were valued in-house by Council's Engineering Department in June 2025 and were based on actual cost per square metre of works carried out during the year. Footpaths are inspected annually and condition assessed.

The revaluation of footpath assets in 2024/25 resulted in an increase in value of \$47K.

Drainage Infrastructure

Drainage assets were revalued in June 2025. 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. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other 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. 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.

The revaluation of drainage assets in 2024/25 resulted in an increase in value of \$1,614K.

Water Supply Network

Assets within this class comprise reservoirs, pumping stations and, water pipelines.

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. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other 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. 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. These assets were externally revalued in 2021/22 by APV Valuers.

Water assets were re-assessed in 2024/25 using percentages as advised by DCCEEW - NSW Reference Rates Manual, the 2025 construction cost index was 2.5%, a desktop assessment was carried out from 30th June 2024 until 30 June 2025, this resulted in a revaluation increment of \$290K.

Sewerage Network

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. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other 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. 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. These assets were externally revalued in 2021/22 by APV Valuers.

Sewerage assets were re-assessed in 2024/25 using percentages as advised by DCCEEW - NSW Reference Rates Manual, the 2025 construction cost index was 2.5%, a desktop assessment was carried out from 30th June 2024 until 30 June 2025, this resulted in a revaluation increment of \$354K.

Swimming Pools

Assets within this class comprise Council's outdoor swimming pool. The swimming pool was valued in-house by experienced staff in Council's Health & Development Department using the cost approach. The approach estimated the replacement cost for each pool by componentising its significant parts.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other 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.

Swimming Pool assets were re-assessed in 2024/25 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2024 until 30 June 2025, this resulted in a revaluation increment of \$118K.

E2-1 Fair value measurement (continued)

Other Open Space/Recreational Assets

Assets within this class comprise synthetic & turf surfaces, lighting, playground equipment etc. All assets in Other Structures were valued in-house by experienced engineering staff.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other 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.

Open Space/Recreational assets were re-assessed in 2024/25 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2024 until 30 June 2025, this resulted in a revaluation increment of \$335K.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

	Plant & equipment		Office equipment		Furniture and fittings		Operational Land	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Opening balance	5,643	5,349	111	70	84	100	2,288	2,288
Total gains or losses for the period								
Other movements								
Purchases (GBV)	1,421	1,333	70	82	—	6	—	—
Disposals (WDV)	(21)	(27)	—	—	—	—	—	—
Depreciation and impairment	(1,113)	(1,152)	(37)	(41)	(19)	(22)	—	—
Transfers from Works in Progress	40	140	—	—	—	—	—	—
Closing balance	5,970	5,643	144	111	65	84	2,288	2,288

	Community / Crown Land		Buildings non-specialised		Building specialised		Other structures	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
	Opening balance	1,474	1,474	9,602	9,065	12,070	11,233	9,147
Total gains or losses for the period								
Other movements								
Purchases (GBV)	—	—	38	295	1,388	197	2,197	360
Disposals (WDV)	—	—	—	—	(153)	—	—	—
Depreciation and impairment	—	—	(181)	(202)	(542)	(217)	(253)	(124)
Transfers from Works in Progress	254	—	—	15	4,403	290	2,744	1,073
Revaluation Increment / (Decrement) to Equity	—	—	602	429	1,299	567	642	442
Closing balance	1,728	1,474	10,061	9,602	18,465	12,070	14,477	9,147

	Roads		Bridges		Footpaths		Stormwater drainage	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
	Opening balance	149,011	132,800	17,120	16,612	2,826	2,656	2,955
Total gains or losses for the period								
Other movements								
Purchases (GBV)	3,290	5,294	—	—	—	110	145	—
Disposals (WDV)	(1,587)	(657)	—	—	—	(8)	—	—
Depreciation and impairment	(2,417)	(1,298)	(280)	(166)	(94)	(21)	(56)	(29)
Transfers from Works in Progress	2,074	5,185	—	—	—	—	—	—
Revaluation Increment / (Decrement) to Equity	148,700	7,687	19,517	674	47	89	1,614	88
Closing balance	299,071	149,011	36,357	17,120	2,779	2,826	4,658	2,955

	Water supply network		Sewerage network		Swimming pools		Open space / recreational	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
	Opening balance	10,671	9,249	13,822	6,026	1,946	1,741	4,661
Total gains or losses for the period								

E2-1 Fair value measurement (continued)

	Water supply network		Sewerage network		Swimming pools		Open space / recreational	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Other movements								
Purchases (GBV)	190	395	560	499	–	22	390	549
Disposals (WDV)	–	–	–	(63)	–	–	–	–
Depreciation and impairment	(307)	(267)	(244)	(131)	(53)	(48)	(202)	(131)
Transfers from Works in Progress	1,035	779	27	6,824	–	130	1,849	1,113
Revaluation Increment /(Decrement) to Equity	290	515	354	667	118	101	335	236
Closing balance	11,879	10,671	14,519	13,822	2,011	1,946	7,033	4,661
Total								
							2025	2024
							\$ '000	\$ '000
Opening balance							243,431	211,849
Purchases (GBV)							9,689	9,142
Disposals (WDV)							(1,761)	(755)
Depreciation and impairment							(5,798)	(3,849)
Transfers from Works in Progress							12,426	15,549
Revaluation Increment /(Decrement) to Equity							173,518	11,495
Closing balance							431,505	243,431

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

There were no transfers in or out of Level 3 hierarchy

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 9.5% of salaries for the year ending 30 June 2025 to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025.

The adequacy of contributions is assessed at each actuarial investigation which will 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 Council.

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

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

E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and Vision Super and recognised as an expense for the year ending 30 June 2025 was \$43,615.99. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2024.

The amount of additional contributions included in the total employer contribution advised above is \$12,236.64. Council's expected contribution to the plan for the next annual reporting period is \$4,760.98.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.13%

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% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by me as the Fund's Actuary, the final end of year review will be completed by December 2025.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

E3-1 Contingencies (continued)

(iv) Other guarantees

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

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) Garbage Depot Reinstatement

Garbage is disposed of in pits at the Ewenmar Depot. When a new pit is required the old pit is reinstated at the same time as the digging of the new pit. As a result reinstatement costs are expensed each year. Should current practices change, it will be necessary to consider the need to establish a Garbage Depot Remediation provision.

(iii) Mount Foster Quarry Remediation

Mt Foster is an above ground crushing operation of material that Council utilises from the hill for the supply of road making materials, there will be no remediation costs involved with this operation. The Mt Foster Quarry operations have now been leased to a private company whom will be responsible for any remediation if ever require.

(iv) Gravel Pits Reinstatement

Council's practice with regard to the remediation of road reserve and private property gravel pits is to construct water storage for future road maintenance or a farm dam in return for the use of material where feasible. If this is not feasible for whatever reason then the pit is scarified and seeded upon completion of works undertaken and expensed accordingly, therefore future remediation costs are zero.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by Revenue NSW.

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

	2025 \$ '000	2024 \$ '000
Compensation:		
Short-term benefits	1,056	885
Post-employment benefits	95	75
Other long-term benefits	19	17
Total	1,170	977

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2025						
Supply of general household goods	1	2	-		-	-
Building construction, maintenance & repair	2	171	-		-	-
Rent of Council Building	4	2	-		-	-
2024						
Supply of general household goods	1	2	-		-	-
Building construction, maintenance & repair	2	367	-		-	-
Catering	3	10	-		-	-
Rent of Council Building	4	24	-		-	-

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

- 1 Council purchases general household goods such as cleaning material, drinks, batteries etc. from the local supermarket of which a KMP is the owner, all goods purchased are at normal retail prices that the general public are offered.
- 2 The partner of a KMP owns a building company, Council tendered for the construction of a building that was won by the KMP's partner company.
- 3 A KMP with family owns a takeaway cafe and catering business that Council utilises on occasions for meetings and other events..
- 4 A KMP rents one of Council's commercial premises at market value as assessed by an independent valuer every two years as per Council's Policy.

F1-2 Councillor and Mayoral fees and associated expenses

	2025 \$ '000	2024 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	29	28
Councillors' fees	127	116
Other Councillors' expenses (including Mayor)	40	50
Total	196	194

F1-3 Other related parties

	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2025						
Joint Venture	1	69	—	—	—	—
2024	1	66	—	—	—	—
Joint Venture						

1 Council is a member of a Joint Venture being the North Western Library Co-operative with three other councils, each council contributes an equal amount to the joint venture each year for the operation of the service which is to purchase books and e-resources for the benefit of the residents and ratepayers in the four local government areas.

F2 Other relationships

F2-1 Audit fees

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

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

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	77	88
--	----	----

Remuneration for audit and other assurance services

77	88
-----------	-----------

Total Auditor-General remuneration

77	88
-----------	-----------

Non NSW Auditor-General audit firms

(i) Audit and other assurance services

Internal Audit	22	32
----------------	----	----

Remuneration for audit and other assurance services

22	32
-----------	-----------

Total remuneration of non NSW Auditor-General audit firms

22	32
-----------	-----------

Total audit fees

99	120
-----------	------------

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

	2025 \$ '000	2024 \$ '000
Net operating result from Income Statement	7,768	10,169
Add / (less) non-cash items:		
Depreciation and amortisation	5,531	3,672
(Gain) / loss on disposal of assets	1,564	534
Share of net (profits)/losses of associates/joint ventures using the equity method	(7)	(14)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	4,023	(4,183)
(Increase) / decrease of inventories	55	(66)
(Increase) / decrease of other current assets	1	(1)
Increase / (decrease) in payables	(453)	(285)
Increase / (decrease) in other accrued expenses payable	10	75
Increase / (decrease) in other liabilities	(18)	41
Increase / (decrease) in contract liabilities	755	(1,649)
Increase / (decrease) in employee benefit provision	70	173
Net cash flows from operating activities	19,299	8,466

G2-1 Commitments

Capital commitments (exclusive of GST)

	2025 \$ '000	2024 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	187	947
Plant and equipment	—	89
Other	22	182
Road infrastructure	2,262	278
Bridge Infrastructure	934	3,150
Carter Oval Redevelopment	—	342
Levee Rehabilitation & Pumps	4,599	1,096
Total commitments	8,004	6,084
These expenditures are payable as follows:		
Within the next year	8,004	6,084
Total payable	8,004	6,084
Sources for funding of capital commitments:		
Unexpended grants	8,004	5,813
Internally restricted reserves	—	271
Total sources of funding	8,004	6,084

Details of capital commitments

Installation of Chlorination at the Ellengerah Road water reservoirs
 Purchase of Plant - water tanker
 Construction of toilet facilities - Warren Showground/Racecourse
 Carting of road material to Old Warren Road for resheeting
 Construction of a Bird Viewing Platform at Monkeygar Creek

G3-1 Events occurring after the reporting date

There are no other known events after the reporting period which would give rise to a material impact on the reported results of financial position.

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Warren Shire Council

To the Councillors of Warren Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

30 October 2025
SYDNEY



Cr Greg Whiteley
Mayor
Warren Shire Council
PO BOX 6
Warren NSW 2824

Contact: Hong Wee Soh
Phone no: 02 9275 7397
Our ref: R008-1981756498-7452

30 October 2025

Dear Mayor

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

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

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

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

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

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

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

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

INCOME STATEMENT

Financial performance

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	7.1	6.8	4.4
Grants and contributions provided for operating purposes revenue	15.6	15.5	0.6
Grants and contributions provided for capital purposes revenue	5.8	3.7	56.8
Operating result from continuing operations	7.8	10.2	23.5
Net Operating result for the year before grants and contributions provided for capital purposes	2.0	6.4	68.8

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 \$2.4 million lower than the 2023–24 result.

In 2024–25 depreciation, amortisation and impairment of non-financial assets expense (\$5.5 million) increased by \$1.8 million (48.6 per cent).

The decrease in the operating result is partly due to increased depreciation expenses.

The net operating result for the year before grants and contributions provided for capital purposes was \$2 million. Refer to 'Grants and contributions revenue' below for details.



Income

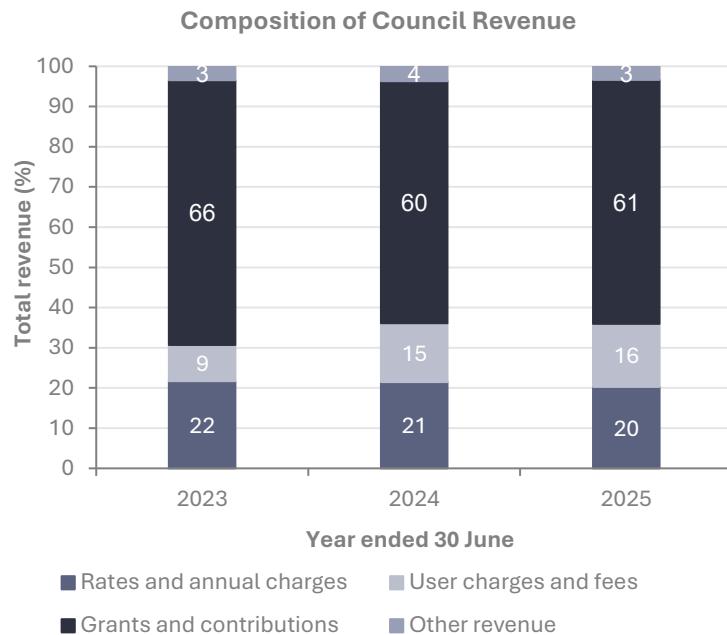
Council revenue

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

Council revenue (\$35.3 million)

increased by \$3.4 million (10.8 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$7.1 million) increased by \$0.3 million (4.4 per cent)
- user charges and fees revenue (\$5.5 million) increased by \$0.9 million (18.8 per cent) due to a increase in Transport for NSW works
- grants and contributions revenue (\$21.4 million) increased by \$2.2 million (11.5 per cent) – see additional details below.



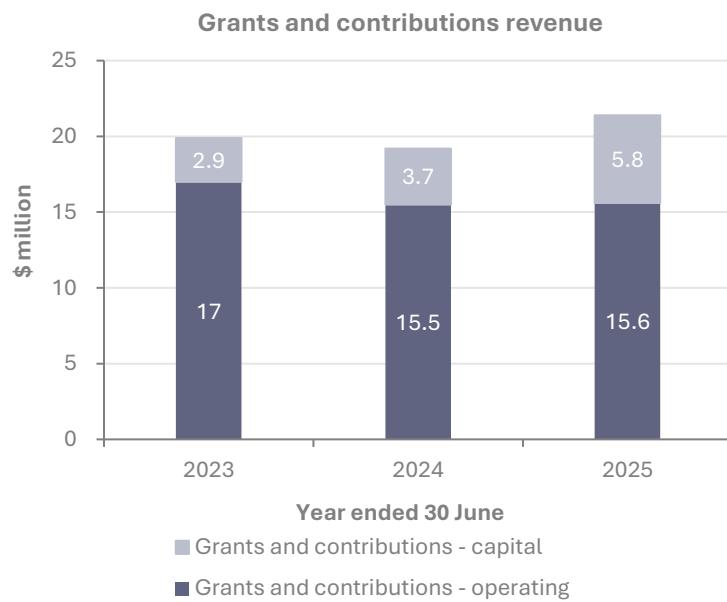
Grants and contributions revenue

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

Grants and contributions revenue

(\$21.4 million) increased by \$2.2 million (11.5 per cent) in 2024–25 due to:

- an increase in specific purpose operating grants of \$1.1 million, primarily relating to roads funding
- an increase in capital grants of \$2.1 million, primarily relating to roads and other capital projects
- receiving 50 per cent of the financial assistance grants for 2025-26 in advance compared to receiving 85 per cent for 2024-25 in 2023-24.



CASH FLOWS

Statement of cash flows

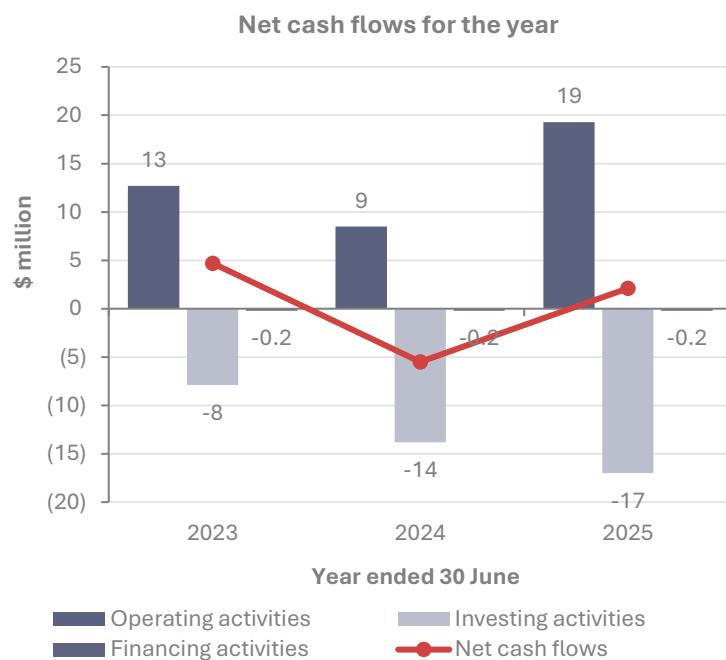
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating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

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

The net cash inflows for the year were \$2.1 million (outflow of \$5.5 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities increased by \$10.8 million, mainly due to increased receipts from grants and user charges revenue
- used in investing activities increased by \$3.2 million due to increased capital expenditure
- used in financing activities was consistent with the prior year.



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	Commentary
			2025	
	\$m	\$m	%	
Total cash, cash equivalents and investments	14.1	12.0		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party

Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	8.4	9.2	59.6
• Internal allocations	5.2	2.2	36.9

contract. A breakdown of the sources of externally restricted balances is included in the graph below.

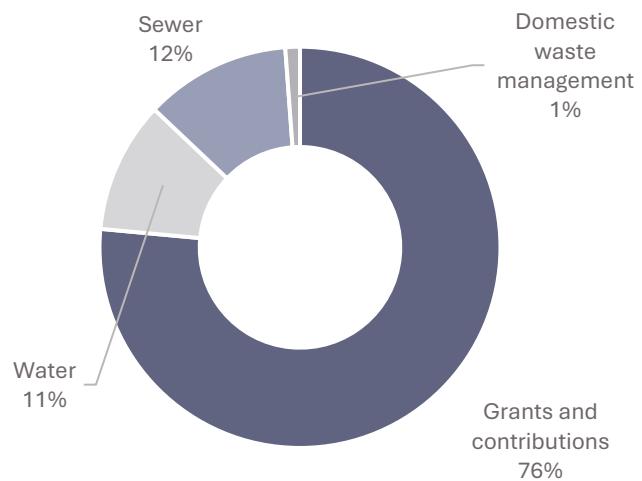
Internal allocations are determined by council policies or decisions, which are subject to change.

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

In 2024-25 the Council's main sources of externally restricted cash, cash equivalents and investments include:

- grants and contributions of \$6.5 million which decreased by \$0.4 million
- water charges of \$0.9 million which increased by \$0.3 million
- sewer charges of \$1 million which decreased by \$0.6 million.

Source of externally restricted cash, cash equivalents and investments

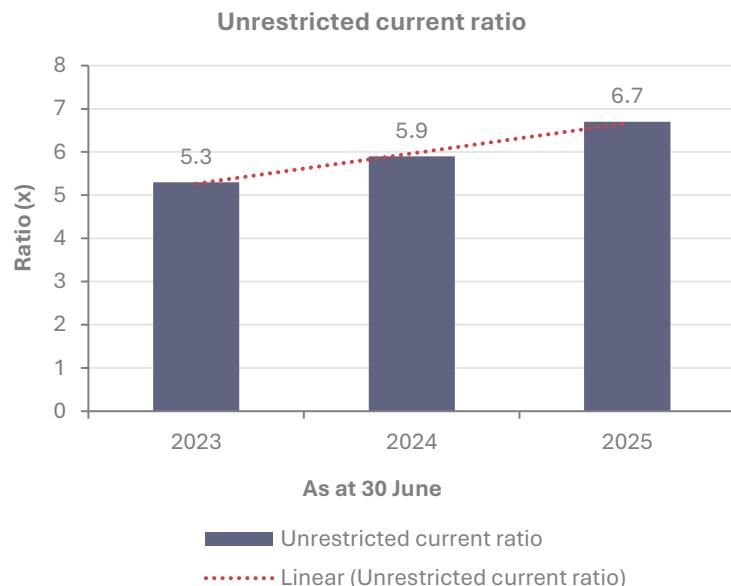


Council liquidity

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

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

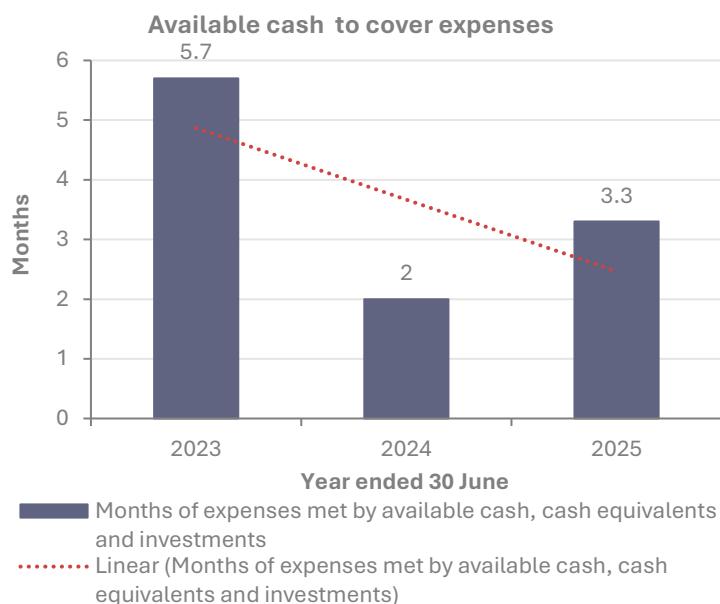
In 2023-24, the average unrestricted current ratio was an average of 5.6 times for rural councils.



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

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

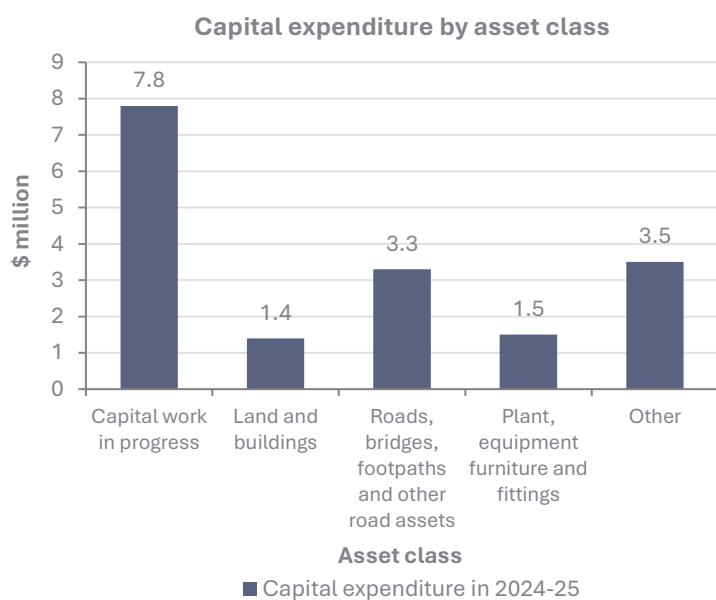
In 2023–24, the available cash to cover expenses was an average of 8 months for rural councils.



Infrastructure, property, plant and equipment

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

Council renewed \$16.9 million of infrastructure, property, plant and equipment during the 2024-25 financial year. This was mainly spent on roads and other capital works in progress. A further \$0.6 million was spent on new assets.



Hong Wee Soh
Associate Director - Financial Audit

Delegate of the Auditor-General