

Blayney Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025



Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Blayney Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

91 Adelaide Street
Blayney NSW 2799

Council's guiding principles are detailed in Chapter 3 of the Local Government Act 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.blayney.nsw.gov.au.

Blayney Shire Council

General Purpose Financial Statements

for the year ended 30 June 2025

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

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

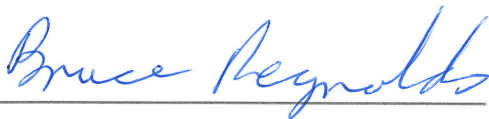
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards issued by the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

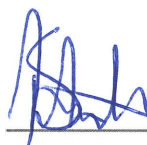
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 26 August 2025.



Cr. B. Reynolds
Mayor
26 August 2025



Cr. R. Scott
Deputy Mayor
26 August 2025



M. Dicker
General Manager
26 August 2025



T. Irlam
Responsible Accounting Officer
26 August 2025

Blayney Shire Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
14,055	Rates and annual charges	B2-1	14,136	12,990
1,615	User charges and fees	B2-2	1,729	1,939
278	Other revenues	B2-3	316	400
5,907	Grants and contributions provided for operating purposes	B2-4	4,926	5,930
5,760	Grants and contributions provided for capital purposes	B2-4	5,872	13,187
863	Interest and investment income	B2-5	1,663	1,468
182	Other income	B2-6	1,084	548
28,660	Total income from continuing operations		29,726	36,462
	Expenses from continuing operations			
8,249	Employee benefits and on-costs	B3-1	7,312	6,937
6,600	Materials and services	B3-2	5,979	5,538
173	Borrowing costs	B3-3	163	159
1,059	Other expenses	B3-5	1,015	1,065
5	Net loss from the disposal of assets	B4-1	157	350
16,086	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		14,626	14,049
12,574	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		15,100	22,413
8,363	Depreciation, amortisation and impairment of non-financial assets	B3-4	9,126	8,539
4,211	Operating result from continuing operations		5,974	13,874
4,211	Net operating result for the year attributable to Council		5,974	13,874
(1,548)	Net operating result for the year before grants and contributions provided for capital purposes		102	687

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

Blayney Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Net operating result for the year – from Income Statement		5,974	13,874
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	(3,001)	17,891
Other comprehensive income – joint ventures and associates		1,589	2,477
Total items which will not be reclassified subsequent to operating result		(1,412)	20,368
Amounts which will be reclassified subsequent to operating result when specific conditions are met			
Other movements		–	10
Total items which will be reclassified subsequent to operating result when specific conditions are met		–	10
Total other comprehensive income for the year		(1,412)	20,378
Total comprehensive income for the year attributable to Council		4,562	34,252

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

Blayney Shire Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	2,535	8,042
Investments	C1-2	31,000	25,000
Receivables	C1-4	1,096	1,675
Inventories	C1-5	1,396	1,409
Contract assets and contract cost assets	C1-6	682	1,673
Other		62	64
Total current assets		36,771	37,863
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-7	401,676	404,006
Intangible assets	C1-8	93	35
Right of use assets	C2-1	24	32
Investments accounted for using the equity method	D2-1	40,441	37,923
Total non-current assets		442,234	441,996
Total assets		479,005	479,859
LIABILITIES			
Current liabilities			
Payables	C3-1	1,421	2,289
Contract liabilities	C3-2	1,134	5,224
Lease liabilities	C2-1	8	8
Borrowings	C3-3	457	466
Employee benefit provisions	C3-4	2,073	2,079
Provisions	C3-5	379	371
Total current liabilities		5,472	10,437
Non-current liabilities			
Payables	C3-1	2	1
Lease liabilities	C2-1	17	25
Borrowings	C3-3	4,453	4,910
Employee benefit provisions	C3-4	91	70
Provisions	C3-5	1,083	1,091
Total non-current liabilities		5,646	6,097
Total liabilities		11,118	16,534
Net assets		467,887	463,325
EQUITY			
Accumulated surplus	C4-1	208,580	201,017
IPPE revaluation surplus	C4-1	259,242	262,243
Other reserves	C4-1	65	65
Council equity interest		467,887	463,325
Total equity		467,887	463,325

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

Blayney Shire Council

Statement of Changes in Equity

for the year ended 30 June 2025

\$ '000	Notes	2025				2024			
		Accumulated surplus	IPPE revaluation surplus	Other reserves	Total equity	Accumulated surplus	IPPE revaluation surplus	Other reserves	Total equity
Opening balance at 1 July		201,017	262,243	65	463,325	184,666	244,352	55	429,073
Opening balance		201,017	262,243	65	463,325	184,666	244,352	55	429,073
Net operating result for the year		5,974	–	–	5,974	13,874	–	–	13,874
Net operating result for the period		5,974	–	–	5,974	13,874	–	–	13,874
Other comprehensive income									
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	(3,001)	–	(3,001)	–	17,891	–	17,891
Joint ventures and associates		1,589	–	–	1,589	2,477	–	–	2,477
Other reserves movements		–	–	–	–	–	–	10	10
Other comprehensive income		1,589	(3,001)	–	(1,412)	2,477	17,891	10	20,378
Total comprehensive income		7,563	(3,001)	–	4,562	16,351	17,891	10	34,252
Closing balance at 30 June		208,580	259,242	65	467,887	201,017	262,243	65	463,325

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

Blayney Shire Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Cash flows from operating activities				
Receipts:				
14,065	Rates and annual charges		14,191	12,956
1,790	User charges and fees		1,968	1,941
864	Interest received		1,726	1,245
10,857	Grants and contributions		6,606	15,343
327	Other		2,181	1,941
Payments:				
(8,249)	Payments to employees		(7,329)	(7,035)
(6,426)	Payments for materials and services		(8,200)	(7,037)
(175)	Borrowing costs		(175)	(197)
—	Bonds, deposits and retentions refunded		(129)	(93)
(1,180)	Other		(998)	(985)
11,873	Net cash flows from operating activities	G1-1	9,841	18,079
Cash flows from investing activities				
Receipts:				
769	Sale of investments		—	—
—	Sale of real estate assets		35	—
498	Proceeds from sale of IPPE		834	334
—	Deferred debtors receipts		—	20
Payments:				
—	Acquisition of term deposits		(6,000)	(1,500)
(12,313)	Payments for IPPE		(9,657)	(14,065)
—	Purchase of intangible assets		(86)	—
(11,046)	Net cash flows used in investing activities		(14,874)	(15,211)
Cash flows from financing activities				
Payments:				
(466)	Repayment of borrowings		(466)	(597)
—	Principal component of lease payments		(8)	(10)
—	Other		—	10
(466)	Net cash flows used in financing activities		(474)	(597)
361	Net change in cash and cash equivalents		(5,507)	2,271
2,310	Cash and cash equivalents at beginning of year		8,042	5,771
2,671	Cash and cash equivalents at end of year	C1-1	2,535	8,042

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

Blayney Shire Council

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Blayney Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 26 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 material accounting policy information related to these consolidated financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

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

Historical cost convention

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

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.

Council has made provision for some receivables but based on the effectiveness of Council's debt recovery actions to date has deemed it highly likely that these receivables will not be recoverable.

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

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations (General Fund)
- Sewerage service (Sewer Fund)

A1-1 Basis of preparation (continued)

The Trust Fund

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

Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council have been excluded.

Volunteer services

Council engages the use of volunteers through a Memorandum of Understanding with the Blayney Shire Arts & Craft Inc. in its Visitor Information Centre which is manned during business hours of the adjoining coffee shop. It is located next door to Council which provides much of the same information available as well as at various other locations throughout the Blayney Shire. Information about Council's services and upcoming events are available on both social media and Council's website and therefore Council would be unlikely to employ the services if they were not provided by volunteers.

Council also participates in tree planting with schools and community groups on an ad hoc basis.

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

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.**

The introduction of this standard did not have a significant impact on Council's assessment of fair value of non financial assets. Council's valuation techniques are outlined in Note E2-1.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
1. Public Infrastructure and Services	11,160	18,765	11,992	11,369	(832)	7,396	8,297	15,890	397,049	400,531
2. Local Governance and Finance	15,225	14,113	3,702	3,632	11,523	10,481	1,807	2,371	55,615	53,813
3. The Local and Visitor Economy	189	294	622	547	(433)	(253)	3	72	941	1,086
4. Community, Sport, Heritage and Culture	726	808	4,153	3,874	(3,427)	(3,066)	658	749	22,918	22,049
5. The Natural Environment	2,426	2,482	3,283	3,166	(857)	(684)	33	35	2,482	2,380
Total functions and activities	29,726	36,462	23,752	22,588	5,974	13,874	10,798	19,117	479,005	479,859

B1-2 Components of functions or activities

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

1. Maintain and Improve Public Infrastructure and Services

Public infrastructure and services are the bones that support a community. Council Functions included are Engineering Services, Plant Operations, Local, Regional and State Roads, Bridges, Footpaths, Sewerage Operations, Stormwater Drainage, Public Cemeteries and Public Conveniences.

2. Build the Capacity and Capability of Local Governance and Finance

To achieve our preferred future we will all need to work together. Council functions included are Governance, Corporate Services, Public Order & Safety, Health and Food Control, Public Halls and Community Centres, Real Estate and General Purpose Revenues.

3. Promote Blayney Shire to grow the Local and Visitor Economy

Ensuring that industry, agriculture and mining exist in harmony working together and collaborating for regional economic growth of the region. Council functions included are Tourism, Industrial and Economic Development and Private Works.

4. Enhance facilities and networks that supports Community Sport, Heritage and Culture

Preserving our history while being productive and innovative we will enhance and develop our sporting and recreational assets so that the facilities are modern and have regional standing. Council functions included are Public Libraries, Swimming Pool and Leisure Centre, Sporting Grounds, Parks and Showgrounds, Rural Fire Services, Youth, Family and Aged and Disabled Services.

5. Protect our Natural Environment

Encourage sustainable land use practices and protect the biodiversity and health of our waterways. Council functions include Environmental Services, Noxious Plant Management, Domestic and Other Waste Management, Street Cleaning, Town Planning and Building Control.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	2,372	2,243
Farmland	2,489	2,365
Mining	5,162	4,891
Business	521	498
Less: pensioner rebates (mandatory)	(84)	(84)
Rates levied to ratepayers	10,460	9,913
Pensioner rate subsidies received	46	47
Total ordinary rates	10,506	9,960
Special rates		
Special Variation	431	—
Rates levied to ratepayers	431	—
Total special rates	431	—
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,154	1,074
Sewerage services	1,652	1,582
Waste management services (non-domestic)	421	404
Less: pensioner rebates (mandatory)	(62)	(66)
Annual charges levied	3,165	2,994
Pensioner annual charges subsidies received:		
– Sewerage	13	14
– Domestic waste management	21	22
Total annual charges	3,199	3,030
Total rates and annual charges	14,136	12,990

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2025	2024
Specific user charges		
Sewerage services	247	250
Total specific user charges	247	250
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions		
Building regulation	273	360
Private works – section 67	135	175
Section 10.7 certificates (EP&A Act)	22	24
Section 603 certificates	19	15
Other	19	11
Total fees and charges – statutory/regulatory	468	585
(ii) Fees and charges – other		
Cemeteries	112	67
Room/facility hire	73	75
Leaseback fees – Council vehicles	91	94
Quarry revenues	263	337
Waste disposal tipping fees	463	501
Other	12	30
Total fees and charges – other	1,014	1,104
Total other user charges and fees	1,482	1,689
Total user charges and fees	1,729	1,939
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time (1)	–	–
User charges and fees recognised at a point in time (2)	1,729	1,939
Total user charges and fees	1,729	1,939

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.

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

B2-3 Other revenues

\$ '000	2025	2024
Diesel rebate	80	90
Employment & training incentives	45	106
Insurance claims recoveries	–	19
Insurance rebates	26	28
Legal fees recovery – other	17	14
Recycling income (non-domestic)	80	82
Other	68	61
Total other revenue	316	400

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)	316	400
Total other revenue	316	400

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)					
Current year allocation					
Financial assistance	2	586	202	–	–
Payment in advance - future year allocation ¹					
Financial assistance	2	1,953	3,145	–	–
Amount recognised as income during current year		2,539	3,347	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Sewerage services	1	55	18	–	–
Bushfire and emergency services	2	35	107	–	440
Environmental programs	1	84	41	–	–
Local Roads & Community Infrastructure	2	847	1,050	–	–
Library	2	82	82	–	–
Recreation and culture	1	4	22	141	383
Transport (other roads and bridges funding)	1	280	205	3,736	9,436
Transport (roads to recovery)	2	556	537	–	–
Transport for NSW contributions (regional roads, block grant)	2	360	353	–	–
Tourism	1	3	72	–	–
Stronger Country Communities	1	–	–	620	221
Other specific grants	2	81	96	–	–
Total special purpose grants and non-developer contributions – cash		2,387	2,583	4,497	10,480
Non-cash contributions					
Bushfire services	2	–	–	418	–
Drainage	2	–	–	146	684
Roads, bridges and footpaths	2	–	–	535	915
Sewerage (excl. section 64 contributions)	2	–	–	–	366
Total other contributions – non-cash		–	–	1,099	1,965
Total special purpose grants and non-developer contributions (tied)		2,387	2,583	5,596	12,445
Total grants and non-developer contributions		4,926	5,930	5,596	12,445
Comprising:					
– Commonwealth funding		3,942	4,934	–	–
– State funding		767	822	4,803	10,386
– Other funding		217	174	793	2,059
		4,926	5,930	5,596	12,445

(1) \$1.95m of the 2025 – 2026 Financial Assistance Grant from Commonwealth Government was received by NSW Council in June 2025 and hence is reported as 2024 – 2025 income although it relates to 2025 – 2026 financial year.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
	G3					
Cash contributions						
s7.11 – contributions towards amenities/services		2	–	–	164	408
s64 – sewerage service contributions		2	–	–	5	233
Sewerage Services - Future Infrastructure Subsidy		2	–	–	107	101
Total developer contributions – cash			–	–	276	742
Total developer contributions			–	–	276	742
Total contributions			–	–	276	742
Total grants and contributions			4,926	5,930	5,872	13,187
Timing of revenue recognition						
Recognised over time (1)			1,084	1,268	4,358	8,283
Recognised at a point in time (2)			3,842	4,662	1,514	4,904
Total grants and contributions			4,926	5,930	5,872	13,187

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Grants				
Unspent funds at 1 July	509	1,053	6,218	8,083
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	32	48	–	1,455
Add: Funds received and not recognised as revenue in the current year	162	61	–	721
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(43)	–	(4)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(234)	(653)	(4,019)	(4,041)
Unspent grants at 30 June	426	509	2,195	6,218

Unexpended grants as at 30 June 2025 include funding received to construct roads and community infrastructure under the State Government's Resources for Regions Rounds 9 and Local Government's Flood Recovery Program.

Contributions

Unspent funds at 1 July	–	–	3,741	3,160
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	457	931
Add: contributions received and not recognised as revenue in the current year	–	–	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(242)	(350)
Unspent contributions at 30 June	–	–	3,956	3,741

Unexpended contributions as at 30 June 2025 include contributions levied under s7.11 Developer Contributions, s64 Contributions, and Sewerage Services Future Infrastructure Subsidy.

B2-4 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grants 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.

As at 30 June 2025 Council did not have any grant funding within the scope of AASB 15.

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	18	28
– Cash and investments	1,645	1,440
Total interest and investment income (losses)	1,663	1,468

B2-6 Other income

\$ '000	Notes	2025	2024
Rental income			
Rental income		155	152
Total rental income	C2-2	155	152
Net share of interests in joint ventures and associates using the equity method			
Associates		929	396
Total net share of interests in joint ventures and associates using the equity method	D2	929	396
Total other income		1,084	548

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	5,771	5,641
Employee leave entitlements (ELE)	1,154	1,034
ELE on-costs	6	—
Superannuation	782	747
Workers' compensation insurance	135	120
Fringe benefit tax (FBT)	101	97
Training costs (other than salaries and wages)	104	97
Protective clothing	25	27
Other	56	45
Less: capitalised costs	(822)	(871)
Total employee costs expensed	7,312	6,937

Material accounting policy information

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

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

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

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		2,757	2,717
Consultancy costs		573	453
Audit Fees	F2-1	96	102
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	213	175
Advertising		32	44
Bank charges		29	27
Cleaning		4	7
Election expenses		83	—
Electricity and heating		436	373
Insurance		606	584
Postage		15	20
Printing and stationery		32	30
Street lighting		79	81
Subscriptions and publications		499	464
Telephone and communications		61	67
Valuation fees		39	38
Water charges		155	154
Other expenses		162	170
Legal expenses:			
– Legal expenses: planning and development		2	1
– Legal expenses: debt recovery		14	12
– Legal expenses: other		84	14
Expenses from short-term leases		8	5
Total materials and services		5,979	5,538
Total materials and services		5,979	5,538

B3-3 Borrowing costs

\$ '000	Notes	2025	2024
(i) Interest bearing liability costs			
Interest on leases		1	2
Interest on loans		171	192
Total interest bearing liability costs		172	194
Total interest bearing liability costs expensed		172	194
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	(9)	(35)
Total other borrowing costs		(9)	(35)
Total borrowing costs expensed		163	159

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

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Plant and equipment		1,325	1,342
Office equipment		118	107
Furniture and fittings		19	19
Land improvements (depreciable)		177	164
Infrastructure:	C1-7		
– Buildings – non-specialised		102	96
– Buildings – specialised		906	849
– Roads		4,476	3,899
– Bridges		427	398
– Footpaths		179	161
– Stormwater drainage		237	204
– Sewerage network		740	708
– Swimming pools		66	63
– Other open space/recreational assets		202	187
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	18	18
– Quarry assets	C3-5,C1-7	94	283
– Other remediation assets	C3-5,C1-7	4	4
Intangible assets	C1-8	28	27
Right of use assets	C2-1	8	10
Total depreciation and amortisation costs		9,126	8,539
Total depreciation, amortisation and impairment of non-financial assets		9,126	8,539

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

\$ '000	2025	2024
Other		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW & SES)	57	64
– NSW Rural Fire Services levy	413	420
Donations, contributions and assistance to other organisations (Section 356)	172	230
– Contributions to Central West Libraries	199	191
– Contribution to Central Tablelands Weeds Authority	174	160
Total other	1,015	1,065
Total other expenses	1,015	1,065

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

\$ '000	Notes	2025	2024
Infrastructure, property, plant and equipment	C1-7		
Proceeds from disposal		834	334
Less: carrying amount of assets sold/written off		(995)	(684)
Gain (or loss) on disposal		(161)	(350)
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal		35	—
Less: carrying amount of assets sold/written off		(31)	—
Gain (or loss) on disposal		4	—
Net gain (or loss) from disposal of assets		(157)	(350)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 25 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Other revenues	278	316	38	14% F
Council was in receipt of additional rebate income mainly fuel and employment training rebates.				
Operating grants and contributions	5,907	4,926	(981)	(17)% U
Council forecasts the annual allocation of the financial assistance grant in the operational plan however due to prepayments variances often occur. In 2024/25 approximately 50% of the 2025/26 allocation was paid in June 2025 compared to 85% in June 2024, resulting in only 65% being recognised in the current year. A breakdown of the current year and advanced payments can be found in Note B2-4.				
Interest and investment revenue	863	1,663	800	93% F
Interest and investment returns were significantly higher than forecast with Council continuing to forecast conservatively and investment returns starting to decline. Council continues to hold high cash levels with grant funding paid in advance for capital works programmed for the 2025/26 financial year.				
Other income	182	1,084	902	496% F
Share of interest in Council's Joint Ventures - Central Tablelands Water and Central Tablelands Weeds Authority was significantly higher than forecast.				

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
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Expenses

Employee benefits and on-costs	8,249	7,312	937	11% F
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Council had a number of positions vacant throughout the year including some staff transitioning to retirement. This was compounded by an increased allocation of inhouse design and technical wages capitalised on programmed capital works.

Net losses from disposal of assets	5	157	(152)	(3,040)% U
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During the analysis conducted during the transportation revaluation, it was identified that a bridge thought to be in Blayney Shire Council was owned by a neighboring Council. The bridge was subsequently disposed of resulting in a higher than anticipated disposal on infrastructure related assets. This was partially offset by an increase in profit on sale of fleet replacements throughout the year.

Statement of cash flows

Cash flows from operating activities	11,873	9,841	(2,032)	(17)% U
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Operating and capital grants and contributions recognised were less than forecast due to only 50% prepayment of the financial assistance grant compared to 85% on the prior year as detailed below. Capital grants and contributions recognised included \$1.1m in no cash contributions including contributed assets identified during the transportation revaluation and new Red Fleet attributed from the RFS.

Cash flows from investing activities	(11,046)	(14,874)	(3,828)	35% U
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Whilst significantly declined, Council continues to hold operating and capital grants and contributions received in advance, including capital contributions which were forecast to be expended in the 2024/25 financial year but due to delays in commencement of construction works they were carried over for completion in 2025/26.

Additionally continual prepayment of the financial assistance grant has contributed to higher than forecast cash holdings at yearend which has been invested in short term deposits to maximise investment returns.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash assets		
Cash on hand and at bank	2,535	8,042
Total cash and cash equivalents	2,535	8,042

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	2,535	8,042
Balance as per the Statement of Cash Flows	2,535	8,042

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Debt securities at amortised cost				
Term deposits	31,000	–	25,000	–
Total	31,000	–	25,000	–
Total financial investments	31,000	–	25,000	–
Total cash assets, cash equivalents and investments	33,535	–	33,042	–

Material accounting policy information

Financial assets

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

Amortised cost

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

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

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

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	33,535	33,042
Less: Externally restricted cash, cash equivalents and investments	(14,619)	(18,340)
Cash, cash equivalents and investments not subject to external restrictions	18,916	14,702
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	1,096	5,163
Specific purpose unexpended grants – sewer fund	38	61
External restrictions – included in liabilities	1,134	5,224
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general Fund	1,684	1,683
Developer contributions – sewer fund	2,272	2,058
Specific purpose unexpended grants (recognised as revenue) – general fund	1,487	1,503
Sewer fund	6,795	6,625
Voluntary planning agreements	694	589
Domestic waste management	553	658
External restrictions – other	13,485	13,116
Total external restrictions	14,619	18,340

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

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

\$ '000	2025	2024
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	18,916	14,702
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	3,082	1,769
Employees leave entitlement	1,307	1,063
Emergency works - natural disaster	70	70
Asset renewals – buildings	533	–
Asset renewals – stormwater	99	–
Centrepont	35	35
Election reserve	25	89
Environmental projects – Belubula River	27	27
Financial Assistance Grant	1,953	3,145
Future financial sustainability	4,063	–
I.T reserve	394	394
Property account	1,671	1,565
Property account - borrowings	586	733
Quarry remediation	896	806
Village enhancement program	357	232
Security bonds, deposits & retentions	375	465
Carryover works	591	215
Total internal allocations	16,064	10,608

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

C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	155	—	199	—
Interest and extra charges	20	—	23	—
User charges and fees	102	—	172	—
Private works	16	—	42	—
Contributions to works	—	—	378	—
Accrued revenues				
– Interest on investments	574	—	634	—
Government grants and subsidies	3	—	1	—
Net GST receivable	226	—	226	—
Total	1,096	—	1,675	—
Total net receivables	1,096	—	1,675	—

Material accounting policy information

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

Impairment

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

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

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 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.

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
(i) Inventories at cost				
Real estate for resale	403	—	434	—
Stores and materials	192	—	181	—
Trading stock	801	—	794	—
Total inventories at cost	1,396	—	1,409	—
Total inventories	1,396	—	1,409	—

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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.

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.

C1-6 Contract assets and Contract cost assets

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Contract assets	682	—	1,673	—
Total contract assets and contract cost assets	682	—	1,673	—

Contract assets

Work relating to infrastructure grants	682	—	1,673	—
Total contract assets	682	—	1,673	—

Contract assets

Contract assets represent work completed by Council in advance of grant funding being provided.

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

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

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period							At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	10,195	–	10,195	7,578	651	–	–	(5,739)	–	–	12,685	–	12,685
Plant and equipment	23,045	(16,802)	6,243	–	1,694	(406)	(1,325)	–	–	–	22,750	(16,544)	6,206
Office equipment	1,066	(923)	143	–	125	–	(118)	–	–	–	1,191	(1,041)	150
Furniture and fittings	539	(407)	132	–	9	–	(19)	–	–	–	548	(426)	122
Land:													
– Operational land	1,797	–	1,797	–	–	–	–	–	–	–	1,797	–	1,797
– Community land	10,931	–	10,931	–	–	–	–	–	–	496	11,427	–	11,427
– Land under roads (post 30/6/08)	47	–	47	–	–	–	–	–	–	–	47	–	47
Land improvements – non-depreciable	3,881	–	3,881	–	–	–	–	450	–	–	4,331	–	4,331
Land improvements – depreciable	7,000	(1,994)	5,006	–	–	(1)	(177)	455	46	–	7,502	(2,173)	5,329
Infrastructure:													
– Buildings – non-specialised	5,053	(2,492)	2,561	–	–	–	(102)	–	–	–	5,053	(2,594)	2,459
– Buildings – specialised	44,369	(14,087)	30,282	7	55	–	(906)	1,382	–	–	45,812	(14,992)	30,820
– Roads	277,156	(54,546)	222,610	53	123	(58)	(4,476)	1,204	115	(2,576)	259,458	(42,463)	216,995
– Bridges	41,225	(11,447)	29,778	–	412	(355)	(427)	2	(100)	(91)	40,171	(10,952)	29,219
– Footpaths	12,758	(3,811)	8,947	–	11	(6)	(179)	858	(61)	(221)	12,737	(3,388)	9,349
– Major earthworks (non-depreciable)	15,936	–	15,936	–	–	–	–	–	–	314	16,250	–	16,250
– Stormwater drainage	23,564	(5,507)	18,057	31	146	(5)	(237)	788	–	(1,604)	23,148	(5,972)	17,176
– Sewerage network	38,420	(10,402)	28,018	–	–	(30)	(740)	–	–	681	39,321	(11,392)	27,929
– Swimming pools	3,576	(267)	3,309	–	–	–	(66)	–	–	–	3,576	(333)	3,243
– Other open space/recreational assets	8,062	(2,463)	5,599	–	–	(134)	(202)	451	–	–	8,248	(2,534)	5,714
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Quarry assets	934	(508)	426	10	–	–	(94)	–	–	–	944	(602)	342
– Tip assets	281	(242)	39	–	–	–	(18)	–	–	–	281	(260)	21
– Other remediation assets	80	(11)	69	–	–	–	(4)	–	–	–	80	(15)	65
Total infrastructure, property, plant and equipment	529,915	(125,909)	404,006	7,679	3,226	(995)	(9,090)	(149)	–	(3,001)	517,357	(115,681)	401,676

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

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	10,177	—	10,177	—	—	—	—	18	—	10,195	—	10,195
Plant and equipment	21,392	(15,360)	6,032	—	1,840	(287)	(1,342)	—	—	23,045	(16,802)	6,243
Office equipment	1,049	(816)	233	—	17	—	(107)	—	—	1,066	(923)	143
Furniture and fittings	531	(388)	143	—	8	—	(19)	—	—	539	(407)	132
Land:												
– Operational land	1,797	—	1,797	—	—	—	—	—	—	1,797	—	1,797
– Community land	10,931	—	10,931	—	—	—	—	—	—	10,931	—	10,931
– Land under roads (post 30/6/08)	47	—	47	—	—	—	—	—	—	47	—	47
Land improvements – non-depreciable	3,693	—	3,693	—	—	—	—	—	188	3,881	—	3,881
Land improvements – depreciable	6,697	(1,742)	4,955	—	—	(29)	(164)	—	244	7,000	(1,994)	5,006
Infrastructure:												
– Buildings – non-specialised	4,773	(2,269)	2,504	18	—	—	(96)	—	135	5,053	(2,492)	2,561
– Buildings – specialised	39,734	(12,389)	27,345	67	24	—	(849)	2,005	1,690	44,369	(14,087)	30,282
– Roads	257,458	(48,179)	209,279	3,049	921	(255)	(3,899)	3,049	10,466	277,156	(54,546)	222,610
– Bridges	37,624	(10,709)	26,915	1,049	—	(78)	(398)	949	1,341	41,225	(11,447)	29,778
– Footpaths	11,496	(3,483)	8,013	38	254	(8)	(161)	411	400	12,758	(3,811)	8,947
– Major earthworks (non-depreciable)	15,163	—	15,163	—	—	—	—	—	773	15,936	—	15,936
– Stormwater drainage	21,763	(5,038)	16,725	18	683	(3)	(204)	—	838	23,564	(5,507)	18,057
– Sewerage network	35,479	(9,196)	26,283	—	400	(12)	(708)	758	1,297	38,420	(10,402)	28,018
– Swimming pools	3,361	(188)	3,173	—	—	—	(63)	—	199	3,576	(267)	3,309
– Other open space/recreational assets	7,330	(2,134)	5,196	9	13	(12)	(187)	260	320	8,062	(2,463)	5,599
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):												
– Tip assets	281	(224)	57	—	—	—	(18)	—	—	281	(242)	39
– Quarry assets	762	(225)	537	—	172	—	(283)	—	—	934	(508)	426
– Other remediation assets	80	(7)	73	—	—	—	(4)	—	—	80	(11)	69
Total infrastructure, property, plant and equipment	491,618	(112,347)	379,271	4,248	4,332	(684)	(8,502)	7,450	17,891	529,915	(125,909)	404,006

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

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

Material accounting policy information

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

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

Other asset classes are indexed in accordance with the appropriate Australian Bureau of Statistics indices.

Increases in the carrying amounts arising on revaluation are credited to the asset 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.

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	30
Office furniture	10 to 20	Benches, seats etc.	25 to 50
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	35 to 150
Other plant and equipment	5 to 15	Buildings: other	30 to 200
Sewer assets		Stormwater assets	
Bores	20 to 40	Pits	100
Reticulation pipes: PVC	70	Pipes	70 to 100
Reticulation pipes: other	45 to 170	Culverts	100
Pumps and telemetry	10 to 60	Flood control structures	80 to 100
Transportation assets		Other infrastructure assets	
Sealed roads: surface	15 to 80	Other infrastructure	14 to 100
Sealed roads: structure	45 to 200	Swimming pools	30 to 80
Unsealed roads	25 to 200	Other open space/recreational assets	15 to 100
Bridge: concrete/steel	100	Land improvements depreciable	10 to 100
Bridge: other	50	Land improvements non depreciable	infinite
Bulk earthworks	infinite		
Kerb, gutter and footpaths	25 to 200		

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

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

Land under roads

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

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

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

Crown reserves

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

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

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2025	2024
Software		
Opening values at 1 July		
Gross book value	661	661
Accumulated amortisation	(626)	(599)
Net book value – opening balance	35	62
Movements for the year		
Purchases	86	–
Amortisation charges	(28)	(27)
Closing values at 30 June		
Gross book value	747	661
Accumulated amortisation	(654)	(626)
Total software – net book value	93	35
Total intangible assets – net book value	93	35

Material accounting policy information

IT development and software

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

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Buildings

Council does not lease any land and buildings.

Vehicles

Council leases equipment with lease terms of 5 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage. Usage charges have been expensed to the income statement.

Extension options

Council does not include any options in any current leases.

(a) Right of use assets

\$ '000	Plant & Equipment	Total
2025		
Opening balance at 1 July	32	32
Depreciation charge	(8)	(8)
Balance at 30 June	24	24
2024		
Opening balance at 1 July	42	42
Depreciation charge	(10)	(10)
Balance at 30 June	32	32

(b) Lease liabilities

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Lease liabilities	8	17	8	25
Total lease liabilities	8	17	8	25

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2025					
Cash flows	9	18	–	27	25
2024					
Cash flows	9	27	–	36	33

(d) Income Statement

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

\$ '000	2025	2024
Interest on lease liabilities	1	2
Depreciation of right of use assets	8	10
Expenses relating to short-term leases	8	5
	17	17

(e) Statement of Cash Flows

Total cash outflow for leases	17	17
	17	17

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

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

Material accounting policy information

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer Note C1-7) in the Statement of Financial Position.

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

- Pipeline rental
- Coffee shop - Visitor Information Centre
- Telecommunications towers
- Blayney Meals on Wheels
- Blayney Men's Shed - Carpark
- Blayney Golf Club
- Millthorpe Public School - Carpark

\$ '000	2025	2024
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(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings and land for the purpose of tourism and economic affairs, the table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	155	152
Total income relating to operating leases for Council assets	155	152

(ii) Maturity analysis of contractual lease income

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

< 1 year	163	156
1–2 years	169	130
2–3 years	174	132
3–4 years	167	118
4–5 years	172	121
> 5 years	1,474	1,436
Total undiscounted lease payments to be received	2,319	2,093

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Goods and services – operating expenditure	622	–	1,374	–
Accrued expenses:				
– Borrowings	19	–	21	–
– Other expenditure accruals	42	2	38	1
Security bonds, deposits and retentions	375	–	504	–
Prepaid rates	363	–	352	–
Total payables	1,421	2	2,289	1

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

\$ '000	2025	2024
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	308	377
Total payables	308	377

Material accounting policy information

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Unexpended capital grants (to construct Council controlled assets)	(i)	1,134	–	5,224	–
Total contract liabilities		1,134	–	5,224	–

Notes

(i) Council has received funding to construct assets including sporting facilities, roads, bridges 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. All revenue is expected to be recognised in the next 12 months.

C3-2 Contract Liabilities (continued)

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

\$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	4,019	5,057
Other	151	140
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,170	5,197

Significant changes in contract liabilities

Council received grant funding in advance in 2022/23 and 2023/24 to construct Council controlled assets from Resources for Regions Round 9, NSW Flood Recovery Grant and Bridge Replacement Program. Projects funded by these programs commenced in 2023/24 and were mostly finalised in 2024/25 with the remaining works programmed for finalisation in 2025/26.

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	457	4,453	466	4,910
Total borrowings	457	4,453	466	4,910

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

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

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	5,376	(466)	–	–	–	–	4,910
Lease liability (Note C2-1)	33	(8)	–	–	–	–	25
Total liabilities from financing activities	5,409	(474)	–	–	–	–	4,935

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	5,973	(597)	–	–	–	–	5,376
Lease liability (Note C2-1)	43	(10)	–	–	–	–	33
Total liabilities from financing activities	6,016	(607)	–	–	–	–	5,409

C3-3 Borrowings (continued)

(b) Financing arrangements

\$ '000	2025	2024
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	50	50
Credit cards/purchase cards	40	40
Total financing arrangements	90	90
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	11	3
Total drawn financing arrangements	11	3
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	50	50
– Credit cards/purchase cards	29	37
Total undrawn financing arrangements	79	87

Additional financing arrangements information

Breaches and defaults

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

Covenants

A requirement of Council's borrowings with TCorp is to ensure that it meets the following benchmarks:

- Debt Service Cover Ratio > 1.50
- Interest Cover Ratio > 3.00
- Cash Expense Ratio > 2 months

At the reporting date Council exceeded all the benchmark ratios.

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

C3-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	402	–	424	–
Long service leave	1,579	88	1,564	68
ELE on-costs	92	3	91	2
Total employee benefit provisions	2,073	91	2,079	70

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

\$ '000	2025	2024
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,057	1,539
	1,057	1,539

Material accounting policy information

Other long-term employee benefit obligations

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

C3-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	379	1,083	371	1,091
Sub-total – asset remediation/restoration	379	1,083	371	1,091
Total provisions	379	1,083	371	1,091

Description of and movements in provisions

\$ '000	Other provisions		
	Asset remediation	Legal claims	Total
2025			
At beginning of year	1,462	–	1,462
Changes to provision:			
– Revised discount rate	(65)	–	(65)
Unwinding of discount	55	–	55
Additional provisions	10	–	10
Total other provisions at end of year	1,462	–	1,462
2024			
At beginning of year	1,335	70	1,405
Changes to provision:			
– Revised discount rate	(94)	–	(94)
– Revised costs	(10)	–	(10)
Unwinding of discount	59	–	59
Additional provisions	172	–	172
Amounts used (payments)	–	(66)	(66)
Unused amounts reversed	–	(4)	(4)
Total other provisions at end of year	1,462	–	1,462

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate Council's tips and quarries.

Material accounting policy information

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

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

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

Asset remediation – tips and quarries and other remediation assets

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

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

C3-5 Provisions (continued)

rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

Other reserves

The remediation reserve is used to record increments and decrements in the revaluation of the rehabilitation provision for restoration assets including Council's quarries and waste facility.

D Council structure

D1 Results by fund

General Fund refers to all Council activities other than 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 sewer column is restricted for use for these activities.

D1-1 Income Statement by fund

\$ '000	General 2025	Sewer 2025
Income from continuing operations		
Rates and annual charges	12,426	1,710
User charges and fees	1,473	256
Interest and investment revenue	1,272	391
Other revenues	316	–
Grants and contributions provided for operating purposes	4,857	69
Grants and contributions provided for capital purposes	5,759	113
Other income	1,084	–
Total income from continuing operations	27,187	2,539
Expenses from continuing operations		
Employee benefits and on-costs	6,985	327
Materials and services	4,979	1,000
Borrowing costs	142	21
Other expenses	1,012	3
Net losses from the disposal of assets	127	30
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	13,245	1,381
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	13,942	1,158
Depreciation, amortisation and impairment of non-financial assets	8,348	778
Operating result from continuing operations	5,594	380
Net operating result for the year	5,594	380
Net operating result attributable to each council fund	5,594	380
Net operating result for the year before grants and contributions provided for capital purposes	(165)	267

D1-2 Statement of Financial Position by fund

\$ '000	General 2025	Sewer 2025
ASSETS		
Current assets		
Cash and cash equivalents	1,847	688
Investments	22,583	8,417
Receivables	1,064	32
Inventories	1,396	—
Contract assets and contract cost assets	682	—
Other	62	—
Total current assets	27,634	9,137
Non-current assets		
Infrastructure, property, plant and equipment	371,694	29,982
Investments accounted for using the equity method	40,441	—
Intangible assets	93	—
Right of use assets	24	—
Total non-current assets	412,252	29,982
Total assets	439,886	39,119
LIABILITIES		
Current liabilities		
Payables	1,361	60
Contract liabilities	1,095	39
Lease liabilities	8	—
Borrowings	382	75
Employee benefit provision	2,065	8
Provisions	379	—
Total current liabilities	5,290	182
Non-current liabilities		
Payables	2	—
Lease liabilities	17	—
Borrowings	4,306	147
Employee benefit provision	87	4
Provisions	1,083	—
Total non-current liabilities	5,495	151
Total liabilities	10,785	333
Net assets	429,101	38,786
EQUITY		
Accumulated surplus	196,654	11,926
IPPE revaluation surplus	232,382	26,860
Other reserves	65	—
Council equity interest	429,101	38,786
Total equity	429,101	38,786

D2 Interests in other entities

\$ '000	Council's share of net assets	
	2025	2024
Council's share of net assets		
Net share of interests in joint ventures and associates using the equity method – assets		
Associates	40,441	37,923
Total net share of interests in joint ventures and associates using the equity method – assets	40,441	37,923
Total Council's share of net assets	40,441	37,923

Interests in associates

Net carrying amounts – Council's share

\$ '000	Nature of relationship	Place of business	2025	2024
Central Tablelands Water *	Associate	Blayney	40,055	37,574
Central Tablelands Weeds Authority	Associate	Bathurst	386	349
Total carrying amounts – material associates			40,441	37,923

(*) Share of interest in associates for Central Tablelands Water represents the 2023/24 audited Financial Statements for Central Tablelands Water

Central Tablelands Water

Council is a member of Central Tablelands Water County Council, a water supply authority constituted under NSW Local Government Legislation. The county area embraces the Shires of Blayney, Cabonne and Weddin.

Central Tablelands Weeds Authority

Council is a member of Upper Macquarie County Council which is a single purpose local government authority, established by the Governor under Section 387 of the Local Government Act 1993, as the control authority for biosecurity weed threats in the areas of Bathurst Regional Council, Blayney Shire Council, Lithgow City Council and Oberon Council.

D2-1 Interests in associates (continued)

The following information is provided for associates that are individually material to the Council. Included are the amounts as per the individual associates' financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Details

	Principal activity	Measurement method
Central Tablelands Water	Water supply	Equity
Central Tablelands Weeds Authority	Weeds Council	Equity

Relevant interests and fair values

	Proportion of voting power	
	2025	2024
Central Tablelands Water	33%	33%
Central Tablelands Weeds Authority	25%	25%

D2-1 Interests in associates (continued)

Summarised financial information for associates

\$ '000	Central Tablelands Water *		Central Tablelands Weeds Authority	
	2025	2024	2025	2024
Statement of financial position				
Current assets				
Cash and cash equivalents	1,658	2,268	1,485	1,374
Other current assets	10,867	8,958	95	168
Non-current assets	109,780	103,097	237	186
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	938	567	–	–
Other current liabilities	1,163	1,002	270	327
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	27	21	4	6
Net assets	120,177	112,733	1,543	1,395
Statement of comprehensive income				
Income	10,373	8,639	1,971	1,803
Interest income	546	289	50	53
Depreciation and amortisation	(3,014)	(2,727)	(63)	(46)
Other expenses	(5,228)	(5,073)	(1,810)	(1,728)
Profit/(loss) from continuing operations	2,677	1,128	148	82
Profit/(loss) for period	2,677	1,128	148	82
Other comprehensive income	4,767	7,430	–	–
Total comprehensive income	7,444	8,558	148	82
Share of income – Council (%)	33%	33%	25%	25%
Profit/(loss) – Council (\$)	892	376	37	21
Total comprehensive income – Council (\$)	2,481	2,852	37	21
Summarised Statement of cash flows				
Cash flows from operating activities	5,829	3,999	184	(7)
Cash flows from investing activities	(6,439)	(2,664)	(73)	(12)
Net increase (decrease) in cash and cash equivalents	(610)	1,335	111	(19)
Reconciliation of the carrying amount				
Opening net assets (1 July)	112,733	104,175	1,395	1,313
Profit/(loss) for the period	2,677	1,128	148	82
Other adjustments to equity	4,767	7,430	–	–
Closing net assets	120,177	112,733	1,543	1,395
Council's share of net assets (%)	33%	33%	25%	25%
Council's share of net assets (\$)	40,055	37,574	386	349

(*) Share of interest in associates for Central Tablelands Water represents the 2023/24 audited Financial Statements for Central Tablelands Water

D2-1 Interests in associates (continued)

In addition to the joint ventures and associates disclosed individually above, Council has interests in a number of individually immaterial joint ventures and associates that have still been accounted for using the equity method.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

The risks associated with the financial instruments held are:

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

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

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	25	80
Impact of a 10% movement in price of investments		
– Equity / Income Statement	254	804

(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.

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2025				
Gross carrying amount	–	155	–	155
2024				
Gross carrying amount	–	199	–	199

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	Overdue debts				
\$ '000		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	Total
2025						
Gross carrying amount	1,588	27	4	–	4	1,623
2024						
Gross carrying amount	2,127	73	258	93	598	3,149

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2025							
Payables	0.00%	375	1,046	2	–	1,423	1,423
Borrowings	3.33%	–	613	2,100	3,222	5,935	4,910
Total financial liabilities		375	1,659	2,102	3,222	7,358	6,333
2024							
Payables	0.00%	504	1,785	1	–	2,290	2,290
Borrowings	3.21%	–	639	2,337	3,598	6,574	5,376
Total financial liabilities		504	2,424	2,338	3,598	8,864	7,666

Loan agreement breaches

There have been no breaches to loan agreements throughout the financial year.

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
Infrastructure, property, plant and equipment	C1-7						
Plant and equipment		–	–	6,206	6,243	6,206	6,243
Office equipment		–	–	150	143	150	143
Furniture and fittings		–	–	122	132	122	132
Operational land		–	–	1,797	1,797	1,797	1,797
Community land		–	–	11,427	10,931	11,427	10,931
Land under roads (post 30/06/08)		–	–	47	47	47	47
Land improvements - non depreciable		–	–	4,331	3,881	4,331	3,881
Land improvements - depreciable		–	–	5,329	5,006	5,329	5,006
Buildings – non-specialised		–	–	2,459	2,561	2,459	2,561
Buildings – specialised		197	207	30,623	30,075	30,820	30,282
Roads		–	–	216,995	222,610	216,995	222,610
Bridges		–	–	29,219	29,778	29,219	29,778
Footpaths		–	–	9,349	8,947	9,349	8,947
Major earthworks		–	–	16,250	15,936	16,250	15,936
Stormwater		–	–	17,176	18,057	17,176	18,057
Sewerage network		–	–	27,929	28,018	27,929	28,018
Swimming Pools		–	–	3,243	3,309	3,243	3,309
Open space/recreation assets		–	–	5,714	5,599	5,714	5,599
Tip assets		–	–	21	39	21	39
Quarry assets		–	–	342	426	342	426
Other remediation assets		–	–	65	69	65	69
Total infrastructure, property, plant and equipment		197	207	388,794	393,604	388,991	393,811

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 and Equipment – Major plant (graders, loaders trucks etc.), fleet vehicles (cars, utes etc.) and minor plant (chainsaws, mowers etc.)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Plant and Equipment are valued at cost but are disclosed at fair value.

Office Equipment – Computers, servers

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Office Equipment is valued at cost but is disclosed at fair value.

Furniture and Fittings – Desks, chairs, air conditioners, cupboards

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Furniture and Fittings are valued at cost but are disclosed at fair value.

Operational Land – Industrial land, quarries and rural fire service land

Valuation Techniques: 'Market approach'

Inputs Used (Level 3): Land area, rate per square metre, zoning restrictions, geographical location - sales of comparable land

Council's Operational Land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and/or dimensions,
- Planning and other constraints on development, and
- The potential for alternative use.

Community Land – Parkland, sporting grounds, reserves, land under public buildings (halls & community centre)

Valuation Techniques: 'Market approach adjusted for restrictions'

Inputs Used (Level 3): The NSW Valuer General's valuations

Community land was revalued using the latest VG valuations as at 30 June 2025.

Council's community land is land intended for public access and use, or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, or dedication under section 94 of the Environmental Planning and Assessment Act 1979). This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community Land:

- Cannot be sold
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years
- Must have a plan of management

In relation to the valuing of Community Land the Office of Local Government has authorised the use of the NSW Valuer General's valuations as a sufficient basis to represent fair value for the revaluation of community land under clause 31 of AASB 116.

Depreciable Land Improvements – Gardens/softfall areas, cricket pitches, other depreciable assets.

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions and specifications, unit rates, useful lives and asset condition.

Depreciable Land Improvements were valued as at 30 June 2021.

E2-1 Fair value measurement (continued)

Valuations are based on dimensions, specifications and unit rates derived from indexed historical costs and from industry rates such as the 'Rawlinsons Australian Construction handbook'. A spatial information system and 7.5cm aerial imagery were used to accurately calculate asset dimensions.

Council Officers undertook onsite inspections to verify asset location, type and to establish condition ratings for each asset to calculate the remaining life/fair value of each asset.

Council has indexed Depreciable Land Improvements by the annual road and bridge construction Index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Non Depreciable Land Improvements – Bores, wetlands and earthworks.

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions units rates and useful lives.

Non Depreciable Land Improvements were valued as at 30 June 2021.

Valuations are based on dimensions and unit rates derived from indexed historical costs and from industry rates such as the 'Rawlinsons Australian Construction handbook'. A spatial information system and 7.5cm aerial imagery were used to accurately calculate asset dimensions.

Council has indexed Non Depreciable Land Improvements by the annual road and bridge construction price index of 5.10% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Buildings (Specialised/Non Specialised) – Community halls, toilet blocks, council offices, library, multipurpose centre, works depot

Valuation Techniques: 'Cost approach & Market approach'

Inputs Used (Level 2 and Level 3): Market approach, Unit rates, useful life, asset condition

Council's buildings were valued at fair value on 30th June 2023 in accordance with Australian Accounting Standards (Fair Value Methodology) and international valuation standards. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation.

Council's Specialised Buildings were valued by Assetval a business of Marsh Pty Ltd as at 30 June 2023. The methodology adopted by Assetval is on an individually assessed (asset-by-asset) basis to determine which method is most appropriate.

Council has indexed Specialised and Non Specialised buildings by the non-residential building construction price index of 6.41% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Open Space/Recreational Assets – Fencing, shadesails, other recreational furniture

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions, specifications, unit rates, useful life and asset condition.

Open space/recreational assets were valued as at 30 June 2021.

Valuations are based on dimensions, specifications and unit rates derived from indexed historical costs and from industry rates such as the 'Rawlinsons Australian Construction handbook'. A spatial information system and 7.5cm aerial imagery were used to accurately calculate asset dimensions.

Council officers undertook onsite inspections to verify asset location, type and to establish condition ratings for each asset to calculate the remaining life/fair value of each asset.

Council has indexed Open Space and Other Recreation Assets by the non-residential building construction price index of 6.41% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Roads – Road surface, pavement, formation, major earthworks

Valuation Techniques: 'Cost approach'

E2-1 Fair value measurement (continued)

Inputs Used (Level 3): Unit rates, useful life, asset condition

Council's road infrastructure assets were last valued in-house on 30 June 2025. As per Paragraph 43 of AASB116, Council's roads infrastructure assets were segmented and componentised into the following categories (each representing a significant part of the overall asset):

- Road Surface
- Pavement Base Layer
- Pavement Subbase Layer
- Formation including Minor Culverts
- Roadside Furniture (crash barriers & signs)

GPS logged to establish the length and extent of the network. Road terminuses (extent of Council maintenance activities) were taken as the measure of asset length. Recent works have been included from works as executed plans.

Seal widths (sealed roads) and running surface width (unsealed roads) were verified using aerial imagery and random field testing. Pavement widths are assumed to be equal to the seal width / running surface width, which was confirmed by random sampling of a range of road classifications across the Shire.

Formation widths for sealed and unsealed roads were established by random sampling in the field and from aerial imagery analysis of a range of road classifications and were demonstrated to be double the width of the pavement for sealed roads and 1.4 times the width of the surface for unsealed roads. Formation depth varies according to the Class of road, with urban areas assumed to be a greater depth, as urban roads have greater drainage requirements and higher traffic volumes.

Unit rates for formation, pavement and sealing were based on 'First Principle' calculations using Council's internal rates. These calculations were then validated against recent works and neighbouring councils. Unit rates are assumed to be for an undulating topography, as this represents the majority of road corridors in the Shire. The slightly steeper grades are assumed to be countered by the substantially longer corridors of flat to slightly undulating topography.

Condition Assessment data for sealed and unsealed roads was captured as follows:

- Sealed roads - condition was obtained from laser survey undertaken by the Australian Road Research Board (ARRB) in 2024/25
- Unsealed roads - condition assessment by Council officers utilising UnsealedRoads.com assessment methodology (percentage of gravel remaining)

For both of the above, condition data was used as a substitute for date of construction data to establish remaining lives. This was due to Council not having complete historic road construction / rehabilitation / initial sealing data.

Roadside furniture including crash barriers and signs were collated from the ARRB survey for sealed roads and by Council staff for unsealed roads. An average unit rate by length categories was applied to crash barriers (including guard rail and wire rope) to account for variations in the value of the various 'end treatments' used on guard rail. Condition ratings are per item, collated by Council staff using a standard Condition Rating Guide. Unit rates for signs are based on a typical sign with one post, to provide an average cost, to account for multiple posts and multiple sign faces on a single post. The unit rate was adopted from Rawlinson's. Condition ratings were supplied by ARRB for sealed road signs and by Council staff for unsealed roads.

Bridges – Concrete bridges, Timber Bridges, Bridge sized culverts

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimension and specifications (concrete/timber).

Council's bridge infrastructure assets were last valued in-house on 30 June 2025.

Council defines a bridge as a structure with a road centreline length of 6m or more and has inspected all Bridges and Major Culverts utilising a standardised Bridge Measurement Guide to determine the split between Bridges and Major Culverts, resulting in transfers into and out of the Bridge Asset Class.

Condition assessment for bridges was undertaken in the following manner:

- Timber bridges - Level 3 inspection by external professional bridge engineering consultancy
- Concrete bridges - Level 2 inspection by qualified internal staff member
- Culvert-style Bridges - Level 1 inspection by qualified internal staff member

All the above inspections were visual only and did not include any core sampling or tensile testing of any components. Bridges constructed in the last 5 years have been assumed to be in Condition 1.

Bridge values were determined on the basis of a square metre (of deck) rate, based on several bridges Council has had built in the last five years.

E2-1 Fair value measurement (continued)

Footpaths – Footways including cycleways

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications (concrete/bitumen/pavers).

Council's footpath infrastructure assets were last valued in-house on 30 June 2025.

Footpaths assets lengths, widths and extents were verified using 7.5cm aerial imagery and verification with random field inspections. Condition Assessments were undertaken of the entire network by Council staff utilising a standardised Condition Assessment Guide. These inspections are undertaken 6 monthly in the Blayney and Millthorpe townships and annual across the full network.

Unit Rates for footpaths are derived from recent Council works, as Council has constructed significant lengths of footpath in recent years.

Stormwater Drainage - includes pits and pipes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Council's stormwater infrastructure assets were last valued in-house on 30 June 2025.

Council's register was developed using a combination of field observation and aerial imagery. The level of capture is estimated to be around 85% to 95%, as by its nature Urban Stormwater drainage is difficult to locate and Council does not have complete historic records of drainage installed. Some pipe sizes have been estimated, based on outlet and inlet sizes where possible, as it is not possible to access all pipes.

Condition assessment was undertaken by Council staff using a standardised Condition Assessment Guide, with the condition of most pipes assumed from the condition of associated pits, inlets or outlets, due to a lack of accessibility.

Unit Rates for stormwater pits, pipes were derived from the Office of Water; NSW Reference Rates Manual; Valuation of Water Supply, Sewerage and Stormwater Assets, and Reinforced Concrete Box Culverts from recent council works. These rates do not take into account any allowance for the removal of existing (failed) stormwater assets, if any.

Major Earthworks – (transport asset class only)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, dimensions and specifications

Council's major earthworks infrastructure assets were last valued in-house on 30 June 2025.

Major Earthworks have been captured through field surveys and works as executed plans for more recent works. Bulk earthworks do not include earthworks for buildings and within Parks and Gardens, as these are accounted for within those asset classes, where applicable.

Council has previously verified the extent of some of its major earthworks through the use of Drone Survey.. The condition of major earthworks is assumed to be 1, as these are a very long life assets, which are not depreciated.

The Unit Rates for Major Earthworks are derived from indexing previous Council works and have been compared with rates from the Rawlinsons Australian Construction Handbook. Council has not completed sufficient major earthworks to constitute recalculating solely based on internal rates.

Major Culverts – Pipe Culverts, Reinforced Concrete Box Culverts

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset dimensions, asset condition

Council's major culvert infrastructure assets were last valued in-house on 30 June 2025.

The location and condition of all Major Culverts has been verified by an extensive review by Council officers, utilising standardised Condition Inspection Guides. Culverts of 450mm or less have not been valued separately due to their cost (purchase price and installation cost) and have been allowed for in the square metre rate for road formation.

E2-1 Fair value measurement (continued)

Major Culverts have been normalised to align with Modern Engineering Equivalent Replacement Asset (MEERA) to standardise culvert sizes and interpolation was used to account for nonstandard sizes. They are valued as single, double, triple or quad pipes / box culverts. Major Culverts do not include Bridge size (6m+ along road centre line) culverts, as these were valued in the Bridge Register.

Unit rates for culverts are derived from recent Council works and include materials (contract rates), excavation and nonlinear variation for multi cell culverts, excluding any removal costs.

Kerb and Gutter – highback concrete, rollback concrete, median and 'splitter islands', bluestone and riverstone

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset dimensions, asset condition

Council's kerb and gutter infrastructure assets were last valued in-house on 30 June 2025.

The Kerb and Gutter asset register was developed using 7.5cm Aerial imagery for Blayney and the Villages. This data was verified with an inspection program to determine the accuracy and materials used. The bulk of Council's kerb and gutter network is concrete ('high back' or 'roll back'), however some kerb and gutter is constructed from bluestone or river stone. Median and 'splitter islands' are included in this asset sub class.

Condition assessment for Kerb and Gutter was collated by Council staff using a standardised Condition Assessment Guide.

Unit Rates were established on 'First Principles' and verified against recent internal kerb and gutter works. Unit rates for the bluestone and river stone kerbs and gutters were established by indexing previously calculated unit rates.

Sewerage Network – Sewer pipes, pump stations, treatment plant, telemetry system, manholes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Council's Sewer Assets were valued by AUSTRALIS Asset Advisory Group as at 30 June 2022, based on current unit rates.

Australis conducted a physical inspection of the ground-level facility assets in the system such as treatment plants, pumping stations and effluent reuse reservoir. Condition assessments of the Gravity Main Network were supplied by Council to Australis, being a combination of in-house and contractor inspections from 2017 to 2022, utilising the WSAA Conduit Inspection and Reporting Code for the differing age groupings of the pipe network.

The asset register was built using Council GIS data with modifications made to achieve the correct level of componentisation and to collect additional details regarding material and capacities of the assets. Council has further componentised the Sewer pipe network into a pipe and a conduit component to account for the contemporary practice of relining of pipes. It is anticipated that pipes can be relined at least twice generating an extension of the useful life of the conduit component.

Council has indexed Sewer assets by the annual NSW Water and Sewer Reference Rate of 2.5% during the 2025 financial year to account for material increases in costs due to the high inflation experienced in 2024/25 financial year.

Swimming Pools

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Council's swimming pools were valued at fair value on 30th June 2023 in accordance with Australian Accounting Standards (Fair Value Methodology) and international valuation standards. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation.

Council's swimming pools were valued by Assetval a business of Marsh Pty Ltd (Assetval) The methodology adopted by Assetval is on an individually assessed (asset-by-asset) basis to determine which method is most appropriate.

Council has indexed Swimming Pools by the non-residential building construction price index of 6.41% during the 2024 financial year to account for material increases in costs due to the high inflation experienced in 2023/24 financial year.

Tip, Quarry & other remediation Assets – Reinstatement, rehabilitation and restoration

Valuation Techniques: 'Cost approach'

E2-1 Fair value measurement (continued)

Inputs Used (Level 3): Unit rates, useful life, dimensions and specifications

It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill, quarry and other remediation sites. Closure of the landfill and quarry sites will involve a wide range of activities including final capping of the landfill waste and site re-vegetation, monitoring of landfill gas, revision of the surface water management system and leachate management infrastructure to suit post-closure operation.

Valuations are based on actual timing of costs and future environmental management requirements.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

\$ '000	Fair value (30/6/25) 2025	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Equipment	6,206	Cost Approach	• Gross Replacement Cost • Remaining Useful Life
Office Equipment	150	Cost Approach	• Gross Replacement Cost • Remaining Useful Life
Furniture & Fittings	122	Cost Approach	• Gross Replacement Cost • Remaining Useful Life
Operational Land	1,797	Market Approach	• Price per square metre
Community Land	11,427	Market Approach - adjusted for restrictions	• NSW Valuer General Valuation (Unimproved Capital Value)
Land under roads - (post 30/06/2008)	47	Market Approach	• Price per square metre
Land Improvements - non depreciable	4,331	Cost Approach	• Unit Rates
Depreciable Land Improvements	5,329	Cost Approach	• Unit Rates • Asset Condition • Useful life
Buildings – Specialised	2,459	Cost Approach & Market Approach	• Unit Rates • Asset Condition • Useful life
Buildings – Non Specialised	30,623	Cost Approach & Market Approach	• Unit Rates • Asset Condition • Useful life
Open Space/Recreation Assets	5,714	Cost Approach	• Unit Rates • Asset Condition • Useful life
Roads	216,995	Cost Approach	• Unit Rates • Asset Conditions • Useful Life
Bridges	29,219	Cost Approach	• Unit Rates • Asset Conditions • Useful Life
Footpaths	9,349	Cost Approach	• Unit Rates • Asset Conditions • Useful Life
Major Earthworks	16,250	Cost Approach	• Unit Rates
Stormwater Drainage	17,176	Cost Approach	• Unit Rates • Asset Conditions • Useful Life
Sewerage Network	27,929	Cost Approach	• Unit Rates • Useful Life • Asset Conditions
Swimming Pools	3,243	Cost Approach	• Unit Rates • Asset Conditions • Useful Life
Waste facility, quarries & other remediation assets	428	Cost Approach	• Discounted Future Cash Flow

E2-1 Fair value measurement (continued)

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

\$ '000	Total	
	2025	2024
Opening balance	393,604	368,877
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	(3,001)	17,891
Other movements		
Other adjustments and transfers	–	–
Purchases (GBV)	8,266	16,012
Disposals (WDV)	(995)	(684)
Depreciation and impairment	(9,080)	(8,492)
Closing balance	388,794	393,604

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

For each FV hierarchy transfer into or out of level 3, please reference and list the details and reasons for the change here.

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under Active Super – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB 119 *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 formula 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).

(a) a description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements.

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 (increasing to 9.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

(b) a description of the extent to which Council can be liable to the plan for other Councils 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.

(c) a description of any agreed allocation of a deficit or surplus on:

E3-1 Contingencies (continued)

- *wind-up of the plan*

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

- *the entity's withdrawal from the plan*

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

(d) Given the entity accounts for the plan as if it were a defined contribution plan in accordance with paragraph 34, the following information:

- *the fact that the plan is a defined benefit plan.*

We confirm that the plan is a defined benefit plan.

- *the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.*

See earlier section on "AASB119 accounting observation"

- *the expected contributions to the plan for the next annual reporting period.*

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2025 was \$88,206.88. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2024.

Based on the July 2025 invoice issued to you and your outstanding Past Service Liability contribution as at 30 June 2025, the anticipated employer defined benefit contributions for the 2025/26 year is \$45,091.59. This includes regular contributions credit of \$1,495.65.

(iv) *information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.*

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 this deficit that is broadly attributed to the Council is estimated to be 0.17% as at 30 June 2025.

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

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

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

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2025.

E3-1 Contingencies (continued)

(v) an indication of the level of participation of the entity in the plan compared with other participating entities.

An employer's share of any funding surplus or deficit that can be attributed to each organisation provides an indication of the level of participation of that employer compared with other employers in the Pooled Employer sub-group. Given the funding position of the Fund as at 30 June 2024, it was recommended that these past service contributions cease effective 1 January 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 Mutual Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

E3-1 Contingencies (continued)

(ii) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	1,101	1,036
Post-employment benefits	107	81
Other long-term benefits	47	20
Total	1,255	1,137

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		Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref					
2025						
Donations & Financial Assistance Grants	1	14	–	Paid on completion of works	–	–
Supply of water	2	173	–	Payable by instalment date	–	–
Supply of materials and consumables	3	3	–	Paid on invoice	–	–
Cleaning Services	4	9	–	Paid on invoice	–	–
2024						
Donations & Financial Assistance Grants	1	46	–	Paid on completion of works	–	–
Supply of water	2	158	–	Payable by instalment date	–	–
Supply of materials and consumables	3	5	–	Paid on invoice	–	–
Cleaning Services	4	–	–	Paid on invoice	–	–

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

- 1 Catering for training and meetings of Council were supplied by related parties of a number of KMP's
- 2 Council have donated funds to local not for profit organisations for community projects where a number of KMP's are members
- 3 A KMP was the Chair of a joint organisation (County Council) who supplies water to Council Facilities
- 4 Council has procured materials and consumables from a supplier who is a related party of a KMP of Council.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	28
Councillors' fees	89	92
Other Councillors' expenses (including Mayor)	83	42
Superannuation	13	13
Total	213	175

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	66	67
Remuneration for audit and other assurance services	66	67
Total Auditor-General remuneration	66	67
Non NSW Auditor-General audit firms		
(ii) Non-assurance services		
Internal Audit	30	35
Remuneration for non-assurance services	30	35
Total remuneration of non NSW Auditor-General audit firms	30	35
Total audit fees	96	102

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	5,974	13,874
Add / (less) non-cash items:		
Depreciation and amortisation	9,126	8,539
(Gain) / loss on disposal of assets	157	350
Non-cash capital grants and contributions	(1,099)	(1,965)
Unwinding of discount rates on reinstatement provisions	(10)	(35)
Share of net (profits)/losses of associates/joint ventures using the equity method	(929)	(396)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	579	(669)
(Increase) / decrease of inventories	(18)	(59)
(Increase) / decrease of other current assets	2	9
(Increase) / decrease of contract asset	991	2,082
Increase / (decrease) in payables	(752)	321
Increase / (decrease) in accrued interest payable	(2)	(3)
Increase / (decrease) in other accrued expenses payable	5	(21)
Increase / (decrease) in other liabilities	(118)	(59)
Increase / (decrease) in contract liabilities	(4,090)	(3,912)
Increase / (decrease) in employee benefit provision	15	(69)
Increase / (decrease) in other provisions	10	92
Net cash flows from operating activities	9,841	18,079

G2-1 Commitments

Capital commitments (exclusive of GST)

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

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Sewerage and water infrastructure	–	362
Road infrastructure	335	841
Total commitments	335	1,203

These expenditures are payable as follows:

Within the next year	335	1,203
Total payable	335	1,203

Sources for funding of capital commitments:

Future grants and contributions	252	–
Unexpended grants	83	841
Externally restricted reserves	–	362
Total sources of funding	335	1,203

Details of capital commitments

Council entered into a contract for replacement of the Rodd Street Culvert in April 2025 with works programmed for completion in 2025/26. Additionally, Council entered into a contract and commenced work on design of the Blayney CBD Detail Design project in March 2025 also scheduled for completion in 2025/26.

G3 Statement of developer contributions

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Local infrastructure fund	1,683	164	–	–	79	(242)	–	1,684	–
S7.11 contributions – under a plan	1,683	164	–	–	79	(242)	–	1,684	–
Future Sewerage Infrastructure Contributions	442	107	–	–	26	–	–	575	–
S64 contributions	1,616	5	–	–	76	–	–	1,697	–
Total contributions	3,741	276	–	–	181	(242)	–	3,956	–

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

G3-2 Developer contributions by plan

	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Non-cash Other					
S7.11 contributions – under a plan									
CONTRIBUTION PLAN NUMBER – Local infrastructure fund									
Local infrastructure fund	1,683	164	–	–	79	(242)	–	1,684	–
Total	1,683	164	–	–	79	(242)	–	1,684	–

G3-3 Contributions not under plans

Future Infrastructure Subsidy

Sewerage services	442	107	–	–	26	–	–	575	–
Total	442	107	–	–	26	–	–	575	–

G3-4 S64 contributions

S64 contributions

Sewerage services	1,616	5	–	–	76	–	–	1,697	–
Total	1,616	5	–	–	76	–	–	1,697	–

End of the audited financial statements

H1 Statement of performance measures

H1-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2025	Indicator 2025	Indicators 20242023		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(670)	(2.92)%	2.80%	4.51%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	22,925				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	17,999	62.50%	46.99%	47.78%	> 60.00%
Total continuing operating revenue ¹	28,797				
3. Unrestricted current ratio					
Current assets less all external restrictions	22,120	7.82x	6.23x	5.68x	> 1.50x
Current liabilities less specific purpose liabilities	2,829				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	8,619	13.53x	12.19x	9.55x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	637				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	175	1.22%	1.69%	1.24%	< 10.00%
Rates and annual charges collectable	14,376				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	33,535	23.25 months	24.87 months	22.65 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	1,442				

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

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

H1-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Sewer Indicators		Benchmark
	2025	2024	2025	2024	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}					
Total continuing operating revenue excluding capital grants and contributions ¹	(4.57)%	2.02%	11.01%	10.00%	> 0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue excluding capital grants and contributions ¹					
Total continuing operating revenue ¹	59.57%	44.48%	92.83%	75.18%	> 60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions					
Current liabilities less specific purpose liabilities	7.82x	6.23x	50.20x	38.51x	> 1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹					
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	12.26x	11.28x	50.76x	38.12x	> 2.00x
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding					
Rates and annual charges collectable	1.13%	1.61%	1.87%	2.24%	< 10.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits					
Monthly payments from cash flow of operating and financing activities	18.27 months	19.53 months	86.85 months	103.28 months	> 3.00 months

(1) - (2) Refer to Notes at Note G6-1 above.

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

H1-3 Council information and contact details

Principal place of business:

91 Adelaide Street
Blayney NSW 2799

Contact details**Mailing Address:**

PO Box 62
Blayney NSW 2799

Opening hours:

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

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers**General Manager**

M. Dicker

Responsible Accounting Officer

T. Irlam

Public Officer

A. Franze

Auditors

Auditor General New South Wales
Level 19 Tower 2 Darling Park
201 Sussex Street
SYDNEY NSW 2000

Elected members**Mayor**

Cr. B. Reynolds

Deputy Mayor

Cr. R Scott

Councillors

Cr. I Dorsett
Cr. C Gosewisch
Cr. K Hutchings
Cr. S Johnston
Cr. J Newstead



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

I have audited the accompanying financial statements of Blayney 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.



Farisha Ali
Delegate of the Auditor-General for New South Wales

8 October 2025
SYDNEY

Cr Bruce Reynolds
Mayor
Blayney Shire Council
PO Box 62
BLAYNEY NSW 2799

Contact: Farisha Ali
Phone no: 02 9275 7373
Our ref: [R008-1981756498-4923](#)

8 October 2025

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of the Blayney 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	14.1	13.0	8.5
Grants and contributions provided for operating purposes revenue	4.9	5.9	16.9
Grants and contributions provided for capital purposes revenue	5.9	13.2	55.3
Operating result from continuing operations	6.0	13.9	56.8
Net Operating result for the year before grants and contributions provided for capital purposes	0.1	0.7	85.7

Operating result from continuing operations

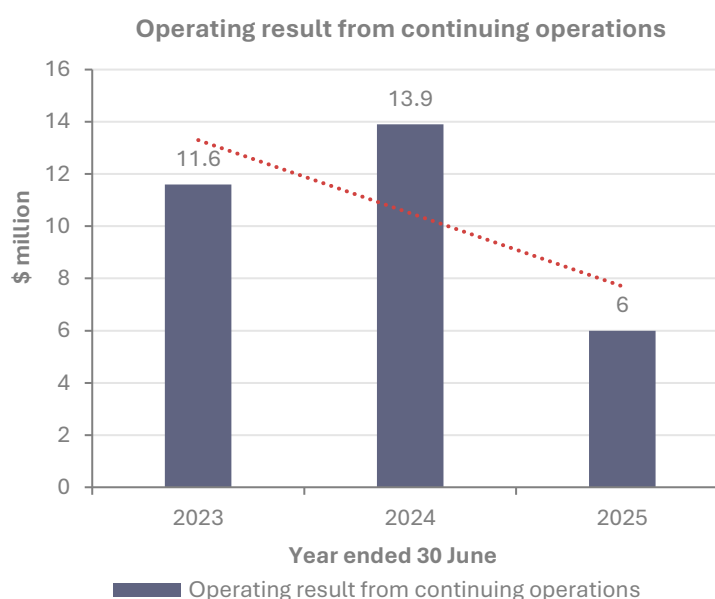
This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was \$7.9 million lower than the 2023-24 result.

In 2024-25:

- Depreciation, amortisation and impairment of non-financial assets expense (\$9.1 million) increased by \$0.6 million (6.9 per cent) due to increase in fair value of assets resulting from indexation in 2023-24.
- Capital Grants and contributions decreased from \$13.2 million in 2023-24 to \$5.9 million in 2024-25. Refer to 'Grants and contributions revenue' below for details.

The net operating result for the year before grants and contributions



provided for capital purposes was \$0.1 million. Refer to ‘Grants and contributions revenue’ below for details.

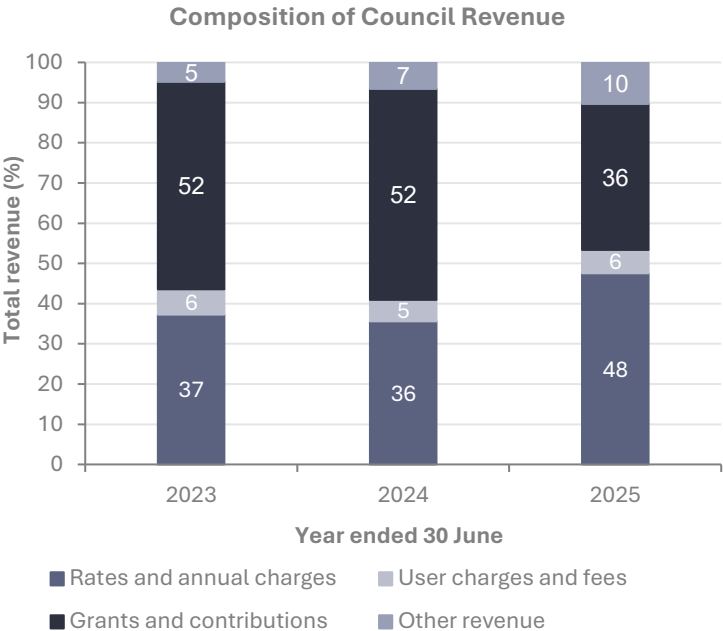
Income

Council revenue

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

Council revenue (\$29.7 million) decreased by \$6.7 million (18.5 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$14.1 million) which increased by \$1.1 million (8.8 per cent) due to special rate variation increase of 10 per cent. Offset by a small decrease in pensioner rate subsidies.
- grants and contributions revenue (\$10.8 million) which decreased by \$8.3 million (43.5 per cent) – see additional details below.

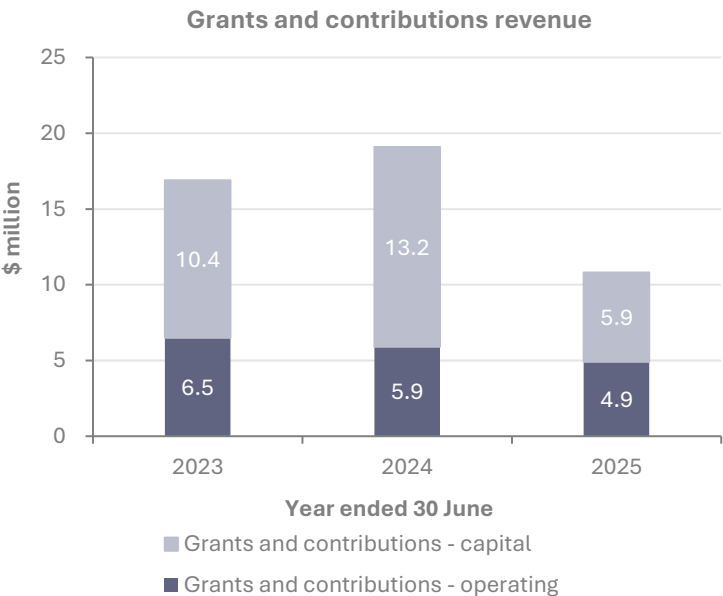


Grants and contributions revenue

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

Grants and contributions revenue (\$10.8 million) decreased by \$8.3 million (43.5 per cent) in 2024–25 due to:

- decrease of \$6.2 million for special purpose grants and non-developer contributions. This is largely due to nil revenue received under the roads and bridges funding in 2024-25.
- decrease of \$0.5 million of developer contributions recognised during the year.
- receiving 50 per cent of the financial assistance grants for 2025-26 in advance (85 per cent for 2024-25).



CASH FLOWS

Statement of cash flows

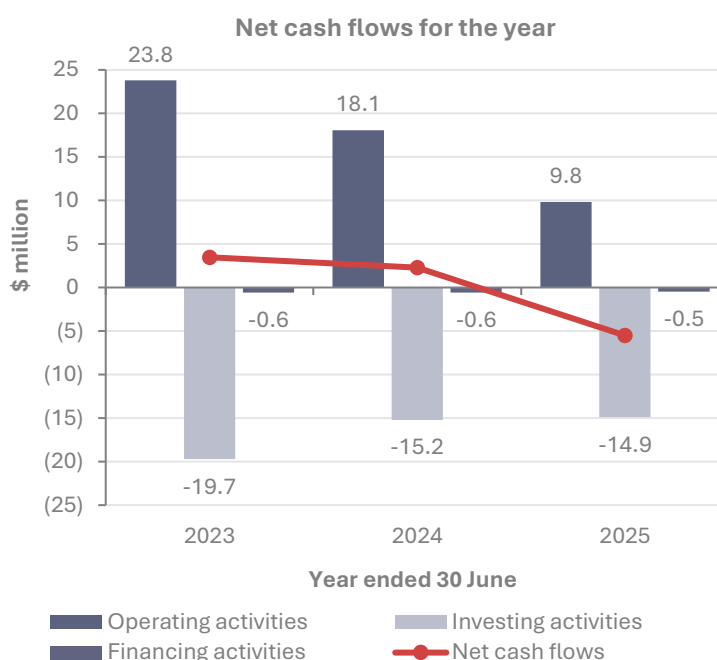
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating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

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

The net cash flows for the year were negative \$5.5 million (positive \$2.3 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities decreased by \$8.3 million, mainly due to a decrease in grants and contributions of \$8.7 million.
- used in investing activities decreased by \$0.3 million, mainly due to a decrease in payments for IPPE offset by an increase in acquisition of term deposits.
- used in financing activities decreased by \$0.1 million.



FINANCIAL POSITION

Cash, cash equivalents and investments

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

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

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

Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	33.5	33.0		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	14.6	18.3	43.6
• Internal allocations	16.1	10.6	48.1

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.

The movements in restrictions are mainly due to:

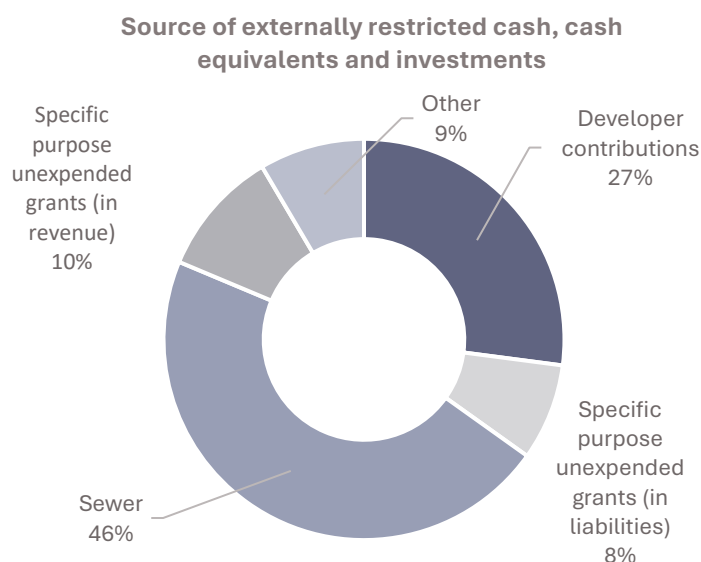
- External restrictions – decrease in specific purpose unexpended grants – general fund of \$4.1 million
- Internal restrictions – increase in future financial sustainability of \$4.1 million and an increase in plant and vehicle replacement of \$1.3 million.

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:

- Specific purpose unexpended grants in liabilities of \$1.1 million which decreased by \$4.1 million, mainly due to the decrease in capital grants
- sewer charges of \$6.8 million which increased by \$0.2 million,
- developer contributions of \$4.0 million which increased by \$0.3 million.

Other externally restricted cash, cash equivalents comprise of voluntary planning agreements and domestic waste management. The combined balance has remained static year on year.



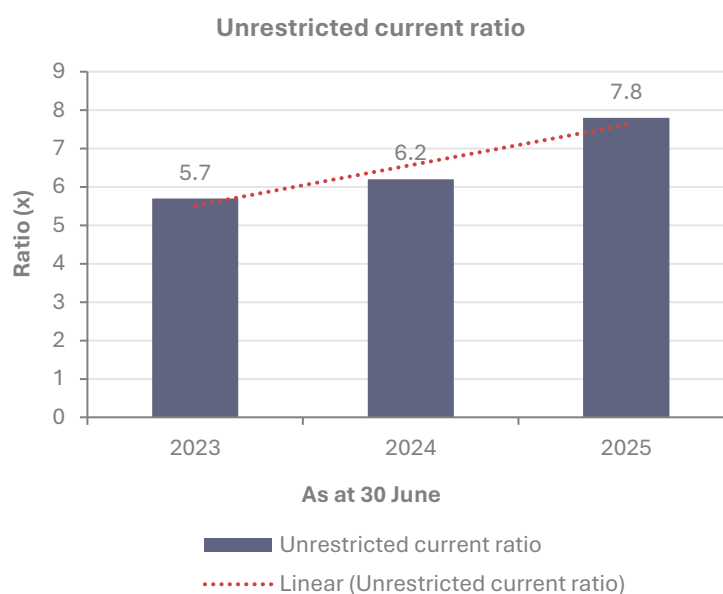
Council liquidity

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 5.6x for rural councils.

Council have continued to increase their unrestricted current ratio and are above the average for rural councils.

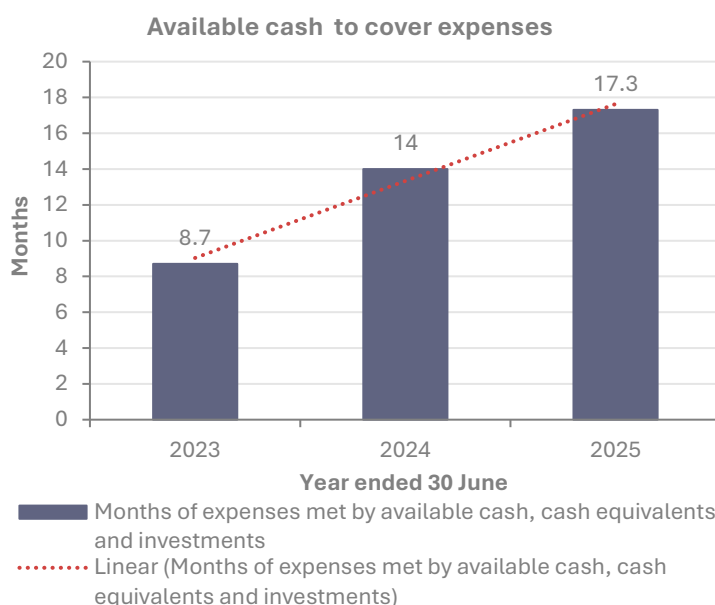


This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

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.

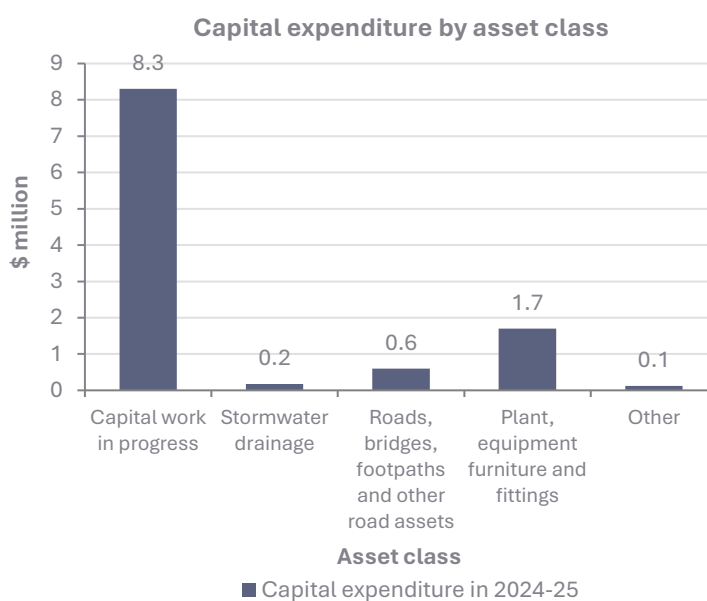
Council has been on an upward trend for this ratio and is well above the rural council average. The increase has been driven by the decrease in external restrictions of \$4.1 million, mainly due to the decrease in capital grants.



Infrastructure, property, plant and equipment

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

Council renewed \$7.7 million of infrastructure, property, plant and equipment during the 2024-25 financial year. This was mainly spent on roads, bridges and sewer mains capital work in progress (WIP) work. A further \$3.2 million was spent on new assets including \$1.7 million on new plant & equipment.



Debt

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

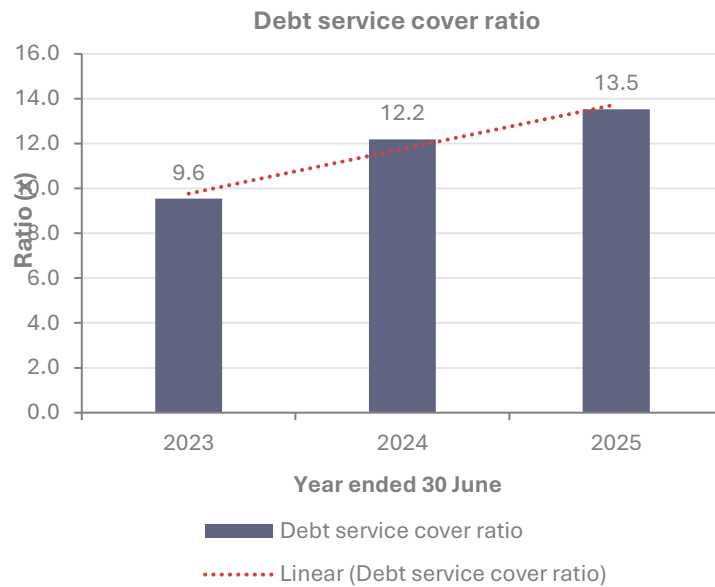
Debt	2025	2024	Commentary
	\$'000	\$'000	
Loans	4,910	5,376	The decrease solely relates to repayments.
Approved overdraft facility	50	50	
Amount drawn down	-	-	
Credit card facility	40	40	

Debt service cover

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

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

The increase in debt service cover ratio is primarily caused by loan repayments and absence of additional borrowing.



Farisha Ali
Delegate of the Auditor-General

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Special Purpose Financial Statements

for the year ended 30 June 2025

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

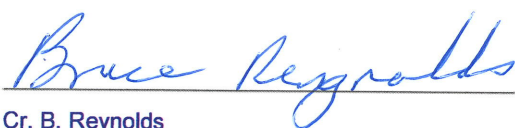
- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections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

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

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

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

Signed in accordance with a resolution of Council made on 26 August 2025.



Cr. B. Reynolds

Mayor

26 August 2025



Cr. R. Scott

Deputy Mayor

26 August 2025



M. Dicker

General Manager

26 August 2025



T. Irlam

Responsible Accounting Officer

26 August 2025

Blayney Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	1,710	1,607
User charges	168	168
Liquid trade waste charges	88	90
Interest and investment income	391	352
Grants and contributions provided for operating purposes	69	32
Total income from continuing operations	2,426	2,249
Expenses from continuing operations		
Employee benefits and on-costs	327	294
Borrowing costs	21	26
Materials and services	1,000	950
Depreciation, amortisation and impairment	778	740
Loss on disposal of assets	30	12
Other expenses	3	2
Total expenses from continuing operations	2,159	2,024
Surplus (deficit) from continuing operations before capital amounts	267	225
Grants and contributions provided for capital purposes	113	700
Surplus (deficit) from continuing operations after capital amounts	380	925
Surplus (deficit) from all operations before tax	380	925
Less: corporate taxation equivalent (25%) [based on result before capital]	(67)	(56)
Surplus (deficit) after tax	313	869
Plus accumulated surplus	11,546	10,621
– Corporate taxation equivalent	67	56
Closing accumulated surplus	11,926	11,546
Return on capital %	1.0%	0.9%
Subsidy from Council	959	1,010
Calculation of dividend payable:		
Surplus (deficit) after tax	313	869
Less: capital grants and contributions (excluding developer contributions)	(113)	(700)
Surplus for dividend calculation purposes	200	169
Potential dividend calculated from surplus	100	85

Blayney Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	688	2,174
Investments	8,417	6,570
Receivables	32	36
Total current assets	9,137	8,780
Non-current assets		
Infrastructure, property, plant and equipment	29,982	29,335
Total non-current assets	29,982	29,335
Total assets	39,119	38,115
LIABILITIES		
Current liabilities		
Contract liabilities	39	61
Payables	60	97
Borrowings	75	70
Employee benefit provisions	8	—
Total current liabilities	182	228
Non-current liabilities		
Borrowings	147	222
Employee benefit provisions	4	—
Total non-current liabilities	151	222
Total liabilities	333	450
Net assets	38,786	37,665
EQUITY		
Accumulated surplus	11,926	11,546
IPPE revaluation surplus	26,860	26,119
Total equity	38,786	37,665

Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Blayney Sewerage Service

Sewerage reticulation and treatment system servicing the town of Blayney, which has been established as a Special Rate Fund

b. Millthorpe Sewerage Service

Sewerage reticulation and treatment system servicing the town of Millthorpe, which has been established as a Special Rate Fund

Taxation equivalent charges

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

Notional rate applied (%)

Note – Material accounting policy information (continued)

Corporate income tax rate – **25%** (LY 25%)

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

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

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

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

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

Income tax

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.16% at 30/6/25.

Note – Material accounting policy information (continued)

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2025 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Farisha Ali'.

Farisha Ali
Delegate of the Auditor-General for New South Wales

8 October 2025
SYDNEY

Blayney Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2025



Blayney Shire Council

Special Schedules

for the year ended 30 June 2025

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INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

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



Farisha Ali
Delegate of the Auditor-General for New South Wales

8 October 2025
SYDNEY

Blayney Shire Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Other	6,766	2,017	560	636	33,279	50,865	20.0%	49.8%	16.9%	9.2%	4.1%
	Sub-total	6,766	2,017	560	636	33,279	50,865	20.0%	49.8%	16.9%	9.2%	4.1%
Roads	Sealed roads	2,064	567	1,774	490	164,051	189,493	69.6%	22.0%	7.3%	0.8%	0.3%
	Unsealed roads	1,961	420	339	1,908	33,213	36,078	79.0%	7.8%	7.8%	4.9%	0.5%
	Bridges	1,434	484	120	20	29,219	40,171	42.5%	42.7%	11.2%	2.1%	1.5%
	Footpaths	422	95	135	3	9,349	12,737	43.3%	26.2%	25.5%	3.1%	1.9%
	Major earthworks (non depreciable)	—	—	—	—	16,250	16,250	100.0%	0.0%	0.0%	0.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Kerb & Gutter	1,186	368	167	—	8,225	17,878	34.8%	42.5%	16.1%	4.4%	2.3%
	Roadside Furniture	96	37	47	—	3,989	4,995	56.6%	38.5%	3.1%	0.9%	1.0%
	Culverts	1,211	420	102	—	7,517	11,014	31.0%	36.8%	21.5%	6.3%	4.4%
	Sub-total	8,374	2,391	2,684	2,421	271,813	328,616	64.4%	23.9%	9.1%	1.9%	0.7%
Sewerage network	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Gravity Reticulations	116	43	208	20	14,319	19,074	98.5%	0.7%	0.2%	0.3%	0.3%
	Rising mains	—	—	74	498	5,206	6,806	100.0%	0.0%	0.0%	0.0%	0.0%
	Sewerage Treatment Plant	47	8	102	463	6,349	9,340	58.8%	25.6%	15.1%	0.5%	0.0%
	Pump Stations	184	32	45	93	2,055	4,101	19.1%	38.5%	37.8%	4.6%	0.0%
	Sub-total	347	83	429	1,074	27,929	39,321	81.1%	10.4%	7.6%	0.8%	0.1%
Stormwater drainage	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Stormwater Pipes/Lines	25	4	98	79	14,718	20,254	19.4%	75.7%	4.8%	0.1%	0.0%
	Stormwater Pits	34	8	14	12	2,458	2,894	72.3%	23.3%	3.2%	1.0%	0.2%
	Sub-total	59	12	112	91	17,176	23,148	26.0%	69.1%	4.6%	0.2%	0.0%
Open space / recreational assets	Swimming pools	—	—	88	189	3,102	3,576	100.0%	0.0%	0.0%	0.0%	0.0%
	Other	26	5	400	432	5,855	8,248	59.0%	22.0%	19.0%	0.0%	0.0%
	Sub-total	26	5	488	621	8,957	11,824	71.4%	15.3%	13.3%	0.0%	0.0%
Total – all assets		15,572	4,508	4,273	4,843	359,154	453,774	59.1%	27.7%	9.7%	2.5%	1.0%

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

Blayney Shire Council

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

Infrastructure asset condition assessment 'key'		
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Blayney Shire Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024 2023		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	7,805	106.41%	154.68%	205.14%	> 100.00%
Depreciation, amortisation and impairment	7,335				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	15,572	4.19%	4.55%	5.52%	< 2.00%
Net carrying amount of infrastructure assets	371,839				
Asset maintenance ratio					
Actual asset maintenance	4,843	113.34%	101.86%	104.88%	> 100.00%
Required asset maintenance	4,273				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	4,508	0.99%	0.95%	1.20%	
Gross replacement cost	453,774				

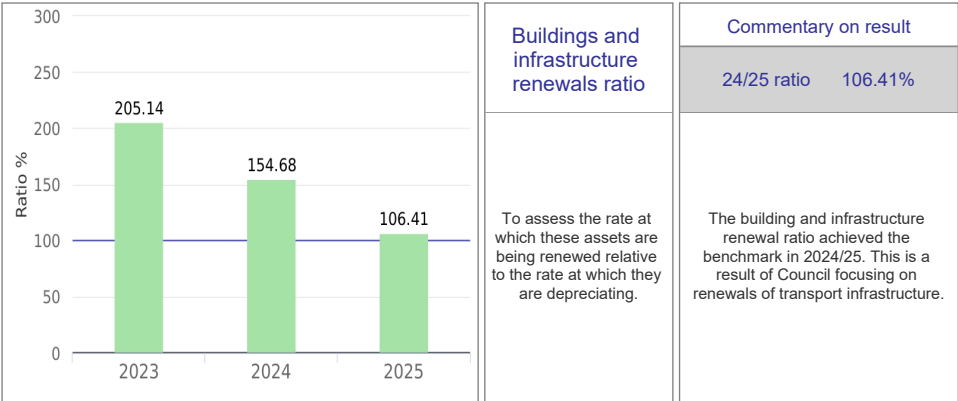
(*) All asset performance indicators are calculated using classes identified in the previous table.

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

Blayney Shire Council

Report on infrastructure assets as at 30 June 2025

Buildings and infrastructure renewals ratio



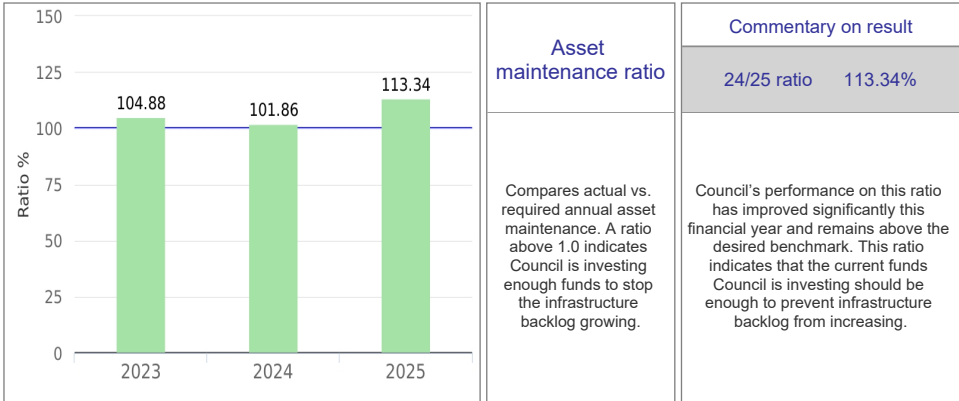
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



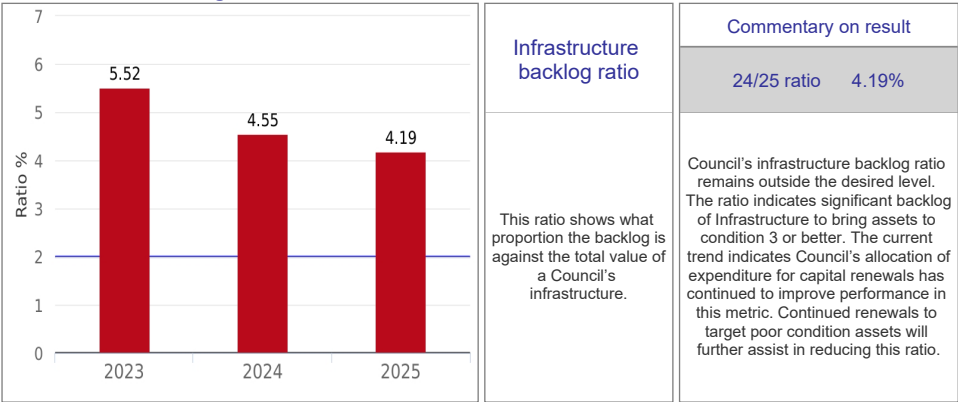
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



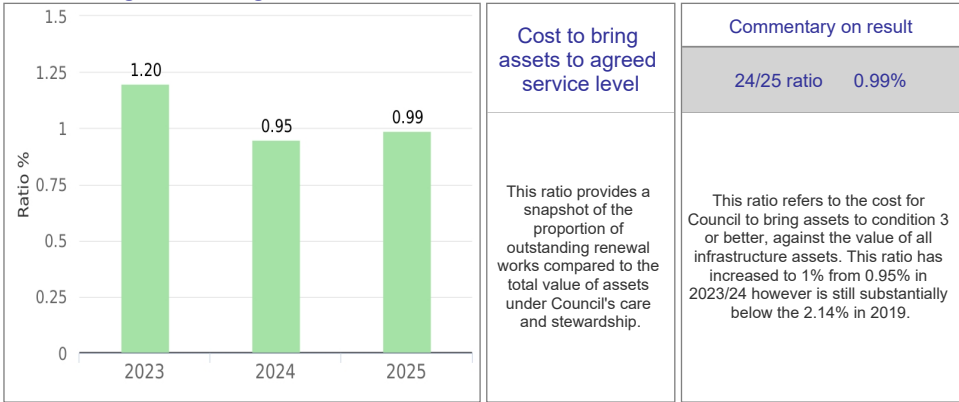
Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Benchmark: — 1.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark