



UPPER LACHLAN SHIRE COUNCIL

FINANCIAL

STATEMENTS

2025/2026



Upper Lachlan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2026



Upper Lachlan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2026

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Overview

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

44 Spring Street
Crookwell NSW 2583

Council's guiding principles are detailed in Chapter 3 of the *Local Government Act 1993* (NSW) 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.upperlachlan.nsw.gov.au.

Upper Lachlan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2026

Statement by Councillors and Management for the year ended 30 June 2026 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 15 October 2026.



Gregory Harris
Mayor
15 October 2026



Rob Cameron
Councillor
15 October 2026



Simon Arkinstall
Acting Chief Executive Officer
15 October 2026



Ashan Hewage
Responsible Accounting Officer
15 October 2026

Upper Lachlan Shire Council

Income Statement

for the year ended 30 June 2026

Original unaudited budget 2026	\$ '000	Notes	Actual 2026	Actual 2025
	Income from continuing operations			
15,356	Rates and annual charges	B2-1	15,372	14,594
6,946	User charges and fees	B2-2	10,991	9,869
537	Other revenues	B2-3	830	755
16,349	Grants and contributions provided for operating purposes	B2-4	14,650	11,875
1,184	Grants and contributions provided for capital purposes	B2-4	7,562	10,938
1,378	Interest and investment income	B2-5	1,669	1,597
51	Net gain from the disposal of assets	B4-1	–	–
41,801	Total income from continuing operations		51,074	49,628
	Expenses from continuing operations			
14,563	Employee benefits and on-costs	B3-1	12,709	13,967
16,522	Materials and services	B3-2	17,647	21,339
223	Borrowing costs	B3-3	504	407
854	Other expenses	B3-5	874	1,092
818	Net loss from the disposal of assets	B4-1	1,468	1,048
32,980	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		33,202	37,853
8,821	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		17,872	11,775
10,560	Depreciation, amortisation and impairment of non-financial assets	B3-4	11,500	10,209
(1,739)	Operating result from continuing operations		6,372	1,566
(1,739)	Net operating result for the year attributable to Council		6,372	1,566
(2,923)	Net operating result for the year before grants and contributions provided for capital purposes		(1,190)	(9,372)

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

Upper Lachlan Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Net operating result for the year – from Income Statement		6,372	1,566
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain on revaluation of infrastructure, property, plant and equipment	C1-6	36,721	1,199
Total items which will not be reclassified subsequent to operating result		36,721	1,199
Total other comprehensive income for the year		36,721	1,199
Total comprehensive income for the year attributable to Council		43,093	2,765

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

Upper Lachlan Shire Council

Statement of Financial Position

as at 30 June 2026

\$ '000	Notes	2026	2025
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,563	14,728
Investments	C1-2	26,376	22,000
Receivables	C1-4	4,974	3,020
Inventories		1,165	1,139
Contract assets and contract cost assets	C1-5	2,342	468
Other		301	165
Total current assets		49,721	41,520
Non-current assets			
Receivables	C1-4	97	44
Infrastructure, property, plant and equipment (IPPE)	C1-6	615,320	580,229
Right of use assets		–	19
Total non-current assets		615,417	580,292
Total assets		665,138	621,812
LIABILITIES			
Current liabilities			
Payables	C2-1	4,153	4,748
Contract liabilities	C2-2	2,919	925
Borrowings	C2-3	580	562
Employee benefit provisions	C2-4	4,377	4,833
Total current liabilities		12,029	11,080
Non-current liabilities			
Borrowings	C2-3	4,676	5,256
Employee benefit provisions	C2-4	218	266
Provisions	C2-5	6,968	7,055
Total non-current liabilities		11,862	12,578
Total liabilities		23,891	23,658
Net assets		641,247	598,154
EQUITY			
Accumulated surplus	C3-1	348,821	342,449
IPPE revaluation surplus	C3-1	292,426	255,705
Council equity interest		641,247	598,154
Total equity		641,247	598,154

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

Upper Lachlan Shire Council

Statement of Changes in Equity

for the year ended 30 June 2026

\$ '000	Notes	2026			2025		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
Opening balance at 1 July		342,449	255,705	598,154	340,883	254,506	595,389
Net operating result for the year		6,372	–	6,372	1,566	–	1,566
Net operating result for the period		6,372	–	6,372	1,566	–	1,566
Other comprehensive income							
Gain on revaluation of infrastructure, property, plant and equipment	C1-6	–	36,721	36,721	–	1,199	1,199
Other comprehensive income		–	36,721	36,721	–	1,199	1,199
Total comprehensive income		6,372	36,721	43,093	1,566	1,199	2,765
Closing balance at 30 June		348,821	292,426	641,247	342,449	255,705	598,154

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

Upper Lachlan Shire Council

Statement of Cash Flows

for the year ended 30 June 2026

Original unaudited budget 2026	\$ '000	Notes	Actual 2026	Actual 2025
Cash flows from operating activities				
Receipts:				
15,356	Rates and annual charges		15,565	14,596
6,946	User charges and fees		9,885	11,375
1,378	Interest received		1,468	1,551
17,533	Grants and contributions		22,369	25,428
–	Bonds, deposits and retentions received		97	276
537	Other		3,616	4,365
Payments:				
(14,563)	Payments to employees		(12,970)	(13,942)
(16,522)	Payments for materials and services		(20,373)	(22,227)
(223)	Borrowing costs		(202)	(218)
–	Bonds, deposits and retentions refunded		–	(405)
(854)	Other		(3,344)	(1,034)
9,588	Net cash flows from operating activities	G1-1	16,111	19,765
Cash flows from investing activities				
Receipts:				
11,500	Sale of investments		17,310	14,900
595	Proceeds from sale of IPPE		1,166	1,697
Payments:				
(11,500)	Purchase of investments		(17,310)	(14,900)
–	Acquisition of term deposits		(4,376)	(3,000)
(12,114)	Payments for IPPE		(12,504)	(19,375)
(11,519)	Net cash flows used in investing activities		(15,714)	(20,678)
Cash flows from financing activities				
Payments:				
(562)	Repayment of borrowings		(562)	(625)
–	Principal component of lease payments		–	(23)
(562)	Net cash flows from (used in) financing activities		(562)	(648)
(2,493)	Net change in cash and cash equivalents		(165)	(1,561)
–	Cash and cash equivalents at beginning of year		14,728	16,289
(2,493)	Cash and cash equivalents at end of year	C1-1	14,563	14,728

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

Upper Lachlan 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 15 October 2026. 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 adopted in the preparation of these financial statements are set out below.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, 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.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income Statement
- Statement of Cash Flows
- Note B5-1 – Material budget variations

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) estimated remediation provisions – refer Note C2-5
- (iii) employee benefit provisions – refer Note C2-4.

Significant judgements in applying the Council's accounting policies

(i) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB15 *Revenue from Contracts with Customers* and/or AASB1058 *Income of Not-for-Profit Entities* - refer to Notes B2-2 - B2-4.

A1-1 Basis of preparation (continued)

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service
- Domestic Waste Management

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.

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

Volunteer services

Volunteer services received by Council have not been recognised in the financial statements as they cannot be reliably measured and would not be purchased if not donated.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 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

There were no new standards relevant to Councils that became mandatorily effective for the year ended 30 June 2026.

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	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Functions or activities										
Our leadership	–	–	1,190	1,613	(1,190)	(1,613)	–	–	772	2,606
Our infrastructure	11,221	15,349	18,654	19,622	(7,433)	(4,273)	9,137	12,045	476,344	436,095
Our society/community	2,296	2,830	5,948	6,154	(3,652)	(3,324)	2,007	2,080	76,069	72,613
Our environment	9,970	8,593	8,790	8,555	1,180	38	375	691	88,910	89,044
Our economy	7,877	8,355	10,120	12,118	(2,243)	(3,763)	1,473	3,466	21,137	19,209
Other – general purpose income	19,710	14,501	–	–	19,710	14,501	9,220	4,531	1,906	2,245
Total functions and activities	51,074	49,628	44,702	48,062	6,372	1,566	22,212	22,813	665,138	621,812

B1-2 Components of functions or activities

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

Our leadership

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

Our infrastructure

Includes sealed local roads, sealed regional roads, unsealed local roads, unsealed regional roads, urban roads, bridges, stormwater drainage, quarries, footpaths and cycleways, parking areas, water supply, sewerage schemes, domestic waste management, solid waste management, engineering services and aerodromes.

Our society

Includes health services, aged and disabled services, community services, public halls, cultural services, community centres, animal control, swimming pools, sporting grounds, parks and gardens, libraries, and emergency services.

Our environment

Includes planning and development control, building control, noxious plants control and other environmental protection.

Our economy

Includes administration costs for the running of Council, camping areas and caravan parks, tourism and area promotion, industrial development promotion, real estate development, private works, State road maintenance contracts and other business undertakings.

Other - general purpose

Includes Ordinary rates and charges revenue.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2026	2025
Ordinary rates		
Residential	2,437	2,270
Farmland	6,202	5,917
Mining	2	2
Business	755	697
Less: pensioner rebates (mandatory)	(105)	(118)
Rates levied to ratepayers	9,291	8,768
Pensioner rate subsidies received	53	52
Total ordinary rates	9,344	8,820
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	1,815	1,721
Stormwater management services	51	50
Water supply services	1,390	1,341
Sewerage services	1,796	1,727
Waste management services (non-domestic)	910	868
Annual charges levied	5,962	5,707
Pensioner annual charges subsidies received:		
– Water	18	19
– Sewerage	17	17
– Domestic waste management	31	31
Total annual charges	6,028	5,774
Total rates and annual charges	15,372	14,594

Council has used 2024 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is 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 disclosed relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance a rates payment.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

B2-2 User charges and fees

\$ '000	Timing	2026	2025
User charges			
Domestic waste management services	2	12	11
Water supply services	2	1,753	1,149
Sewerage services	2	340	375
Waste management services (non-domestic)	2	154	542
Total user charges		2,259	2,077
Fees			
Private works – section 67	2	1,192	47
Section 10.7 certificates (EP&A Act)	2	56	44
Section 603 certificates	2	40	31
Dwelling entitlement searches	2	46	32
Premises inspections	2	10	10
Town planning / building	2	523	363
Caravan park	2	87	81
Cemeteries	2	72	75
Quarry revenues	2	1,388	1,857
Transport for NSW charges (State roads not controlled by Council)	2	5,188	5,084
Water connection fees	2	2	–
Public halls	2	4	8
Sporting grounds	2	31	74
Swimming pools	2	33	12
Truck wash facility	2	19	19
Water meter readings	2	18	15
Other	2	23	40
Total fees		8,732	7,792
Total user charges and fees		10,991	9,869
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)		10,991	9,869
Total user charges and fees		10,991	9,869

Material accounting policy information

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

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

Where an upfront fee is charged for seasonal use at Council swimming pools the fee is recognised on a receipts basis as the season runs for a short period and starts and finishes within the same financial year.

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

B2-3 Other revenues

\$ '000	2026	2025
Rental income – other council properties	100	111
Ex gratia rates	27	25
Fines	17	12
Legal fees recovery – rates and charges (extra charges)	9	24
Commissions and agency fees	93	106
Insurance claims recoveries	273	109
Australia post supplies / sales	–	24
Fuel tax credits	141	143
Miscellaneous / sundry sales	23	27
Other	57	90
Tourist information centre sales and membership fees	43	43
Windfarm Community Enhancement Program administration fee	47	41
Total other revenue	830	755
Timing of revenue recognition for other revenue		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	830	755
Total other revenue	830	755

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2026	Operating 2025	Capital 2026	Capital 2025
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance	3,361	1,043	–	–
Payment in advance - future year allocation				
Financial assistance ⁱ	5,844	3,488	–	–
Amount recognised as income during current year	9,205	4,531	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Water supplies	–	123	–	–
Bushfire and emergency services	174	170	–	–
Noxious weeds	95	117	–	–
Public halls	–	–	25	47
Heritage and cultural	23	10	–	–
Recreation and culture	–	–	1,583	1,723
Public libraries	85	85	–	–
Tourism	–	–	676	2,667
Footpaths	–	–	720	72
Street lighting	31	31	–	–
Transportation (3x3, block, repair, regional roads)	1,861	1,826	986	93
Transport (roads to recovery)	1,546	1,564	–	–
Transport (other roads and bridges funding)	–	–	2,252	5,669
Natural disaster funding – roads	1,062	2,412	–	–
Transferred employee leave entitlements	6	46	–	–
Vehicle leaseback contributions	119	93	–	–
Waste management centres	106	281	–	–
New Gullen Range Wind Farm Contribution	127	124	–	–
Other specific grants	194	462	9	–
Other contributions	16	–	–	–
Total special purpose grants and non-developer contributions – cash	5,445	7,344	6,251	10,271
Total special purpose grants and non-developer contributions (tied)	5,445	7,344	6,251	10,271
Total grants and non-developer contributions	14,650	11,875	6,251	10,271
Comprising:				
– Commonwealth funding	10,762	6,228	9	926
– State funding	3,530	5,104	5,747	9,331
– Other funding	358	543	495	14
	14,650	11,875	6,251	10,271

(i) 5.84m of the 2026/2027 Financial Assistance Grant from the Commonwealth Government was received by Council in June 2026 and hence is reported as 2025/2026 income although it relates to 2026/2027 financial year.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2026	Operating 2025	Capital 2026	Capital 2025
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions	G4				
S 7.11 – contributions towards amenities/services		–	–	941	527
S 64 – water supply contributions		–	–	170	68
S 64 – sewerage service contributions		–	–	200	72
Total developer contributions – cash		–	–	1,311	667
Total developer contributions		–	–	1,311	667
Total contributions		–	–	1,311	667
Total grants and contributions		14,650	11,875	7,562	10,938
Timing of revenue recognition					
Grants and contributions recognised over time (1)		1,097	–	3,992	7,042
Grants and contributions recognised at a point in time (2)		13,553	11,875	3,570	3,896
Total grants and contributions		14,650	11,875	7,562	10,938

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 2026	Operating 2025	Capital 2026	Capital 2025
Unspent grants and contributions				
Unspent funds at 1 July	2,418	5,072	1,723	1,951
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,074	2,418	871	898
Add: Funds received and not recognised as revenue in the current year	2,261	–	558	825
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(2,696)	(5,072)	(1,016)	(1,263)
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(825)	(688)
Unspent funds at 30 June	3,057	2,418	1,311	1,723
Contributions				
Unspent funds at 1 July	–	–	6,828	6,215
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	1,616	958
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	–	–	(447)	(345)
Unspent contributions at 30 June	–	–	7,997	6,828

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations within AASB 15 grants vary according to the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

B2-4 Grants and contributions (continued)

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

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

Developer Contributions

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

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	2026	2025
Interest on financial assets measured at amortised cost		
Overdue rates and annual charges (general fund)	45	67
General Council cash and investments	644	584
Developer contributions		
– Section 7.11	230	222
– Section 64	74	69
Water fund operations	203	184
Sewerage fund operations	363	345
Domestic waste management operations	110	126
Total interest and investment income	1,669	1,597

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2026	2025
Salaries and wages	10,091	9,411
Travel expenses	31	42
Employee leave entitlements (ELE)	1,938	3,087
Superannuation	1,406	1,315
Workers' compensation insurance	350	717
Fringe benefit tax (FBT)	109	64
Training costs (other than salaries and wages)	158	136
Other	192	288
Total employee costs	14,275	15,060
Less: capitalised costs	(1,566)	(1,093)
Total employee costs expensed	12,709	13,967

Material accounting policy information

Superannuation plans

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

B3-2 Materials and services

\$ '000	Notes	2026	2025
Raw materials and consumables		5,365	5,245
Contractor costs		7,810	12,072
Consultancy costs		667	844
Audit Fees	F2-1	172	171
Councillor and Mayoral fees and associated expenses	F1-2	233	226
Advertising		7	4
Bank charges		71	59
Election expenses		–	110
Electricity and heating		607	419
Insurance		1,623	1,300
Postage		35	35
Printing and stationery		88	80
Street lighting		93	103
Subscriptions and publications		123	97
Telephone and communications		80	90
Tourism expenses (excluding employee costs)		26	13
Valuation fees		57	62
Other expenses		338	200
Australia post stock / supplies		–	29
Water usage		210	120
Legal expenses: planning and development		18	8
Legal expenses: other		24	50
Operating lease rentals		–	2
Total materials and services		17,647	21,339

B3-3 Borrowing costs

\$ '000	Notes	2026	2025
Interest on leases		–	1
Interest on loans		202	217
Total interest bearing liability costs		202	218
Total interest bearing liability costs expensed		202	218
– Remediation liabilities	C2-5	302	189
Total other borrowing costs		302	189
Total borrowing costs expensed		504	407

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

Depreciation and amortisation

Plant and equipment		1,900	1,554
Office equipment		216	201
Furniture and fittings		14	15
Land improvements (depreciable)		6	9
Infrastructure:	C1-6		
– Buildings – non-specialised		71	73
– Buildings – specialised		1,004	943
– Other structures		95	53
– Roads		4,332	3,948
– Bridges		1,023	920
– Footpaths		67	64
– Other road assets		51	44
– Stormwater drainage		405	382
– Water supply network		976	857
– Sewerage network		626	549
– Swimming pools		77	51
– Other open space/recreational assets		215	188
Right of use assets		–	21
Other assets:			
– Other		19	20
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-6	393	307
– Quarry assets	C3-5,C1-6	10	10
Total gross depreciation and amortisation costs		11,500	10,209
Total depreciation and amortisation costs		11,500	10,209
Total depreciation, amortisation and impairment of non-financial assets		11,500	10,209

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

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. Useful lives are included in Note C1-6 for IPPE assets.

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 no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Other 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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	Notes	2026	2025
Impairment of receivables			
Other		7	12
Total impairment of receivables	C1-4	7	12
Other			
Contributions/levies to other levels of government			
– Emergency services levy (SES)		27	31
– NSW fire brigade levy		51	46
– NSW rural fire service levy		739	697
Donations, contributions and assistance to other organisations (Section 356)		50	56
Return unspent grant monies		–	250
Total other		867	1,080
Total other expenses		874	1,092

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

\$ '000	Notes	2026	2025
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		525	1,223
Less: carrying amount of property assets sold/written off		(370)	(1,420)
Gain (or loss) on disposal		155	(197)
Gain (or loss) on disposal of plant and equipment			
	C1-6		
Proceeds from disposal – plant and equipment		641	474
Less: carrying amount of plant and equipment assets sold/written off		(301)	(182)
Gain (or loss) on disposal		340	292
Gain (or loss) on disposal of infrastructure			
	C1-6		
Less: carrying amount of infrastructure assets sold/written off		(1,963)	(1,143)
Gain (or loss) on disposal		(1,963)	(1,143)
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		17,310	14,900
Less: carrying amount of investments sold/redeemed/matured		(17,310)	(14,900)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(1,468)	(1,048)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 19 June 2025 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	2026 Budget	2026 Actual	2026 ----- Variance -----	
Revenues				
User charges and fees	6,946	10,991	4,045	58% F
User charges and fees exceeded the original budget, resulting in a favourable variance. This was primarily due to higher income from State Roads routine maintenance works of \$1.40 million, additional State Roads work orders of \$0.373 million, Transgrid HumeLink Project works of \$1.15 million, quarry operations of \$0.486 million and water supply services revenue of \$0.467 million.				
Other revenues	537	830	293	55% F
Other revenue exceeded the original budget, resulting in a favourable variance. This was primarily due to Council receiving insurance proceeds of \$0.270 million relating to the December 2020 fire that destroyed the water treatment facility servicing Taralga.				
Operating grants and contributions	16,349	14,650	(1,699)	(10)% U
Operating grants and contributions were below the original budget, resulting in an unfavourable variance. This was primarily due to natural disaster funding being budgeted at the approved upper limit grant amounts. Actual project expenditure was lower than these upper limits, resulting in reduced revenue recognition from advance funding received under the Tripartite Agreement.				
Capital grants and contributions	1,184	7,562	6,378	539% F
Capital grants and contributions exceeded the original budget resulting in a favourable variance. This was primarily due to \$2.24 million received for the completion of the Tablelands Way project under the Growing Local Economies Program; \$0.935 million from the Local Roads and Community Infrastructure Program (LRCIP) for various projects under Phases 3 and 4; \$1.31 million under the Transport for NSW Road Safety Program for guardrail installation on Wombeyan Caves Road and pedestrian lighting at raised pedestrian crossings across the Shire; \$0.589 million from Round 5 of the Stronger Country Communities Fund (SCCF) for the Crookwell Pool project; and \$0.453 million from Transgrid's HumeLink Project for the construction of cabins at the caravan park.				
Interest and investment revenue	1,378	1,669	291	21% F
Interest and investment revenue exceeded the original budget resulting in a favourable variance. This was primarily due to Council's investments earning higher returns as market interest rates remained above the rates assumed when the budget was prepared.				
Net gains from disposal of assets	51	-	(51)	(100)% U
Net gains from the disposal of assets were below the original budget resulting in an unfavourable variance. The budget estimate primarily reflected anticipated gains from the plant replacement program; however, significant renewal works undertaken on regional roads MR256 (Taralga Road) and MR258 (Wombeyan Caves Road) required the derecognition of replaced infrastructure components resulting in an overall net loss on disposal.				

B5-1 Material budget variations (continued)

\$ '000	2026 Budget	2026 Actual	2026 ----- Variance -----	
Expenses				
Employee benefits and on-costs	14,563	12,709	1,854	13% F
Employee benefits and on-costs were below the original budget resulting in a favourable variance. This was primarily due to efficiencies achieved through the organisational restructure and service review process including the removal of 16.7 FTEs together with vacancies throughout the reporting year.				
Materials and services	16,522	17,647	(1,125)	(7)% U
Materials and services exceeded the original budget resulting in an unfavourable variance. This was primarily due to additional expenditure associated with the higher volume of State Roads routine maintenance works. This also resulted in additional \$1.77 million in income relating to these works.				
Borrowing costs	223	504	(281)	(126)% U
Borrowing costs exceeded the original budget resulting in an unfavourable variance. The net increase was primarily due to an expense of \$0.291 million recognised for the unwinding of the discount on Council's landfill remediation provision.				
Net losses from disposal of assets	818	1,468	(650)	(79)% U
Net losses on the disposal of assets exceeded the original budget resulting in an unfavourable variance. This was primarily due to significant renewal works undertaken on regional roads MR256 (Taralga Road) and MR258 (Wombeyan Caves Road) which required the derecognition of the replaced asset components.				

B5-1 Material budget variations (continued)

	2026	2026	2026
\$ '000	Budget	Actual	----- Variance -----

Statement of cash flows

Cash flows from operating activities	9,588	16,111	6,523	68%	F
Cash flows from operating activities were above budget, primarily due to the timing of grant receipts, increased user charges and fees, and higher than anticipated other revenue. The major contributor was advance funding of \$3.79 million received from Transport for NSW under the tripartite agreement for natural disaster related works.					
Cash flows from investing activities	(11,519)	(15,714)	(4,195)	36%	U
Cash flows from investing activities were unfavourable to the original budget, primarily due to the timing of capital works, additional grant funded projects undertaken during the reporting year and the acquisition of term deposits totalling \$4.38 million.					

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2026	2025
Cash assets		
Cash on hand and at bank	323	2,178
Cash equivalent assets		
– Deposits at call	940	50
– Short-term deposits	13,300	12,500
Total cash and cash equivalents	14,563	14,728

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	14,563	14,728
Balance as per the Statement of Cash Flows	14,563	14,728

C1-2 Financial investments

\$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Debt securities at amortised cost				
Long term deposits	26,376	–	22,000	–
Total	26,376	–	22,000	–
Total financial investments	26,376	–	22,000	–
Total cash assets, cash equivalents and investments	40,939	–	36,728	–

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

C1-2 Financial investments (continued)

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	2026	2025
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	40,939	36,728
Less: Externally restricted cash, cash equivalents and investments	(28,133)	(24,857)
Cash, cash equivalents and investments not subject to external restrictions	12,806	11,871

External restrictions

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

Specific purpose unexpended grants – general fund	2,820	726
Developer contributions – general	5,903	5,178
Developer contributions – water fund	950	746
Developer contributions – sewer fund	1,143	902
Specific purpose unexpended grants (recognised as revenue) – general fund	1,548	3,415
Water fund	4,184	3,582
Sewer fund	8,102	7,179
Stormwater management	333	382
Wind farms community fund	537	310
Trust fund	2	185
Domestic waste management	2,611	2,252
Total external restrictions	28,133	24,857

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	2026	2025
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	12,806	11,871
Less: Internally allocated cash, cash equivalents and investments	<u>(12,630)</u>	<u>(10,347)</u>
Unrestricted and unallocated cash, cash equivalents and investments	176	1,524

Internal allocations

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

Plant and vehicle replacement	1,030	881
Employees leave entitlement	1,839	1,877
Carry over works	587	1,005
Deposits, retentions and bonds	283	307
Buildings and infrastructure improvements	2,434	1,697
Council houses capital works	63	63
Financial Assistance Grant prepayment	5,844	3,488
Gravel pit restoration	259	344
Information technology and equipment	233	293
Library cooperative	58	58
Sale of scrap metal	–	334
Total internal allocations	12,630	10,347

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	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Rates and annual charges	626	85	701	37
Interest and extra charges	41	12	32	7
User charges and fees	3,164	–	1,560	–
Accrued revenues				
– Interest on investments	615	–	428	–
Net GST receivable	293	–	280	–
Other debtors	240	–	24	–
Total	4,979	97	3,025	44
Less: provision for impairment				
User charges and fees	(5)	–	(5)	–
Total provision for impairment – receivables	(5)	–	(5)	–
Total net receivables	4,974	97	3,020	44

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.

C1-5 Contract assets and Contract cost assets

\$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Contract assets	2,342	—	468	—
Total contract assets and contract cost assets	2,342	—	468	—

Contract assets

Work relating to infrastructure grants	2,342	—	468	—
Total contract assets	2,342	—	468	—

Significant changes in contract assets

Material contract assets are detailed below:

- Growing Local Economies - The Tablelands Way Upgrade. The associated contract asset at 30 June 2026 was \$1,235,178 (2025: \$nil).
- Transport for NSW - Road Safety Program:
 - Guardrail installation on Wombeyan Caves road - \$338,185
 - Pedestrian lighting at raised pedestrian crossings - \$372,982
 - Lin Cooper, Crookwell footpath works - \$39,200
 - Warrataw St footpath works - \$28,000
 - Sealing of Wombeyan Caves road - \$328,000
 - Total associated contract asset at 30 June 2026 was \$1,106,367 (2025: \$nil).

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class		At 1 July 2025			Asset movements during the reporting period							At 30 June 2026		
		Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Remediation adjustment	Revaluation increments/(decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000	Notes													
Capital work in progress		7,015	1	7,016	2,546	–	–	(1,617)	–	–	–	7,945	–	7,945
Plant and equipment		17,881	(8,886)	8,995	1,911	(301)	(1,900)	–	–	–	–	17,987	(9,281)	8,706
Office equipment		3,079	(2,256)	823	79	–	(216)	–	–	–	–	3,158	(2,471)	687
Furniture and fittings		387	(133)	254	6	–	(14)	–	–	–	–	393	(148)	245
Land:														
– Operational land		7,341	–	7,341	–	(73)	–	–	–	–	–	7,268	–	7,268
– Community land		6,756	–	6,756	–	–	–	–	–	–	–	6,756	–	6,756
Land improvements – depreciable		218	(121)	97	–	–	(6)	–	–	–	–	218	(127)	91
Infrastructure:														
– Buildings – non-specialised		6,214	(4,039)	2,175	38	(297)	(71)	–	–	–	–	4,904	(3,058)	1,846
– Buildings – specialised		66,252	(32,352)	33,900	334	–	(1,004)	74	–	–	–	66,660	(33,356)	33,304
– Other structures		2,844	(1,210)	1,634	–	–	(95)	–	260	–	175	3,885	(1,912)	1,973
– Roads		191,536	(83,771)	107,765	4,159	(1,430)	(4,332)	541	–	–	12,577	188,972	(69,693)	119,279
– Bridges		94,453	(28,305)	66,148	–	–	(1,023)	–	–	–	6,557	101,990	(30,308)	71,682
– Footpaths		5,330	(2,136)	3,194	290	(1)	(67)	3	–	–	2,485	8,560	(2,656)	5,904
– Other road assets		1,150	(139)	1,011	1,047	–	(51)	–	–	–	(62)	2,051	(106)	1,945
– Bulk earthworks (non-depreciable)		253,428	–	253,428	1,633	(526)	–	–	–	–	13,124	267,658	–	267,658
– Stormwater drainage		39,224	(23,000)	16,224	597	(6)	(405)	–	–	–	818	38,397	(21,169)	17,228
– Water supply network		51,108	(21,697)	29,411	17	–	(976)	142	–	–	626	52,392	(23,172)	29,220
– Sewerage network		35,913	(16,159)	19,754	12	–	(626)	205	–	–	421	36,920	(17,155)	19,765
– Swimming pools		4,159	(690)	3,469	226	–	(77)	652	–	–	–	5,037	(767)	4,270
– Other open space/recreational assets		5,405	(1,879)	3,526	–	–	(215)	–	–	–	–	5,405	(2,093)	3,312
Other assets:														
– Other		931	(791)	140	–	–	(19)	–	–	–	–	931	(811)	120
Reinstatement, rehabilitation and restoration assets:	C2-5													
– Quarry assets		333	(100)	233	–	–	(10)	–	–	(36)	–	297	(110)	187
– Tip assets		8,514	(1,579)	6,935	–	–	(393)	–	(260)	(353)	–	7,228	(1,299)	5,929
Total infrastructure, property, plant and equipment		809,471	(229,242)	580,229	12,895	(2,634)	(11,500)	–	–	(389)	36,721	835,012	(219,692)	615,320

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

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

By aggregated asset class		At 1 July 2024			Asset movements during the reporting period							At 30 June 2025		
		Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Carrying value of disposals	Depreciation expense	WIP transfers	WIP Expensed	Remediation adjustment	Revaluation increments/(decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000	Notes													
Capital work in progress		13,115	–	13,115	3,952	–	–	(9,896)	(156)	–	–	7,015	1	7,016
Plant and equipment		17,766	(8,583)	9,183	1,549	(182)	(1,554)	–	–	–	–	17,881	(8,886)	8,995
Office equipment		2,955	(2,055)	900	124	–	(201)	–	–	–	–	3,079	(2,256)	823
Furniture and fittings		382	(119)	263	5	–	(15)	–	–	–	–	387	(133)	254
Land:														
– Operational land		7,501	–	7,501	–	(160)	–	–	–	–	–	7,341	–	7,341
– Community land		6,756	–	6,756	–	–	–	–	–	–	–	6,756	–	6,756
Land improvements – depreciable		170	(112)	58	48	–	(9)	–	–	–	–	218	(121)	97
Infrastructure:														
– Buildings – non-specialised		6,210	(3,966)	2,244	4	–	(73)	–	–	–	–	6,214	(4,039)	2,175
– Buildings – specialised		64,288	(32,944)	31,344	1,525	(1,260)	(943)	3,234	–	–	–	66,252	(32,352)	33,900
– Other structures		2,844	(1,157)	1,687	–	–	(53)	–	–	–	–	2,844	(1,210)	1,634
– Roads		188,617	(80,600)	108,017	3,617	(1,112)	(3,948)	1,190	–	–	–	191,536	(83,771)	107,765
– Bridges		87,324	(27,385)	59,939	5,350	–	(920)	1,779	–	–	–	94,453	(28,305)	66,148
– Footpaths		5,347	(2,098)	3,249	18	(9)	(64)	–	–	–	–	5,330	(2,136)	3,194
– Other road assets (including bulk earthworks)		1,138	(95)	1,043	12	–	(44)	–	–	–	–	1,150	(139)	1,011
– Bulk earthworks (non-depreciable)		252,861	–	252,861	567	–	–	–	–	–	–	253,428	–	253,428
– Stormwater drainage		39,318	(22,690)	16,628	–	(22)	(382)	–	–	–	–	39,224	(23,000)	16,224
– Water supply network		49,862	(20,311)	29,551	–	–	(857)	–	–	–	717	51,108	(21,697)	29,411
– Sewerage network		35,037	(15,216)	19,821	–	–	(549)	–	–	–	482	35,913	(16,159)	19,754
– Swimming pools		941	(640)	301	–	–	(51)	3,219	–	–	–	4,159	(690)	3,469
– Other open space/recreational assets		4,622	(1,691)	2,931	309	–	(188)	474	–	–	–	5,405	(1,879)	3,526
Other assets:														
– Other		931	(771)	160	–	–	(20)	–	–	–	–	931	(791)	140
Reinstatement, rehabilitation and restoration assets:	C2-5													
– Quarry assets		333	(90)	243	–	–	(10)	–	–	–	–	333	(100)	233
– Tip assets		6,065	(1,272)	4,793	–	–	(307)	–	–	2,449	–	8,514	(1,579)	6,935
Total infrastructure, property, plant and equipment		794,383	(221,795)	572,588	17,080	(2,745)	(10,188)	–	(156)	2,449	1,199	809,471	(229,242)	580,229

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

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

Material accounting policy information

Initial recognition of Infrastructure, Property, Plant and Equipment (IPPE)

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

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

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

Revaluation Model

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

During 2025/26, Council completed comprehensive revaluations of the Transport and Stormwater asset classes. Council also assessed updated indexation rates across all other asset classes. Indexation was applied only to Water and Sewer infrastructure in accordance with the Rates Reference Manual issued by Department of Climate Change, Energy, the Environment and Water (DCCEEW). Following a materiality assessment, Council determined that the impact of applying indexation to the remaining asset classes would not be material to the financial statements. Accordingly, no indexation adjustments were applied to those asset classes.

Increases in carrying amounts arising from revaluation are credited to the IPPE revaluation reserve. To the extent that an increase reverses a decrease previously recognised in profit or loss for the same asset class, the increase is first recognised in the Income Statement. Decreases that reverse previous increases for the same asset class are first charged against the IPPE revaluation reserve, to the extent of the remaining reserve attributable to that class. All other decreases are recognised in the Income Statement.

Useful lives of IPPE

Land and road formation 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	10 to 15	Playground equipment	15
Office fittings	15 to 50		
Office furniture	5 to 10		
Computer equipment	5		
Vehicles	5	Buildings	
Heavy plant/road making equipment	10 to 15	Buildings: masonry	75
Other plant and equipment	5 to 15	Buildings: other	45
Water and sewer assets		Stormwater assets	
Dams and reservoirs	100 to 120	Drains	70 to 100
Bores	25 to 50	Flood control structures	80 to 100
Reticulation pipes	80		
Pump stations	25 to 70		
Telemetry	15		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	25	Drainage structure on roads	70 to 100
Sealed roads: pavement base	30 to 80	Other road structures	25 to 80
Unsealed roads: wearing course	30	Swimming pools	75
Unsealed roads: formation	infinite	Other open space/recreational assets	15 to 50
Bridge: concrete	100	Other structures	15 to 75
Roads sub-base / Formation	infinite		
Kerb, gutter and footpaths	100		

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

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

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.

In 2026 an inventory of land under roads acquired since 30/06/08 has determined the value of land under roads too low to be recorded as a result of the low dollar per square metre rate of land in the Council area and the low occurrence of subdivisions requiring the construction of new roads. At 30 June 2026 the value on non-depreciable land under roads was estimated at \$3,570.

Crown reserves

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

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

Rural Fire Service assets

Upper Lachlan Shire Council accounting policy was approved in 2007/2008 in relation to the recognition of Rural Fire Service (RFS) plant, vehicles and equipment assets. Council determined that the RFS plant, vehicles and equipment is not owned by Council and Council does not have effective control of the plant and equipment assets. Upper Lachlan Shire Council Resolution No.104/08 stated Council will not recognise the assets in Financial Statements.

Further, Council Resolution 207/22 on 15 September 2022 confirms and advises that Upper Lachlan Shire Council is unable to recognise and record RFS fire-fighting assets in Council's Financial Statements for the reasons outlined in Council's accounting position paper.

In accordance with the requirements of the Australian Accounting Standards and the Code of Accounting Practice, the Upper Lachlan Shire Council has continued not to recognise in their financial statements any rural fire-fighting plant and equipment assets that have been "vested" in Council in accordance with Council's Accounting Position Paper.

C2 Liabilities of Council

C2-1 Payables

\$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Prepaid rates	446	–	371	–
Goods and services	2,551	–	3,704	–
Accrued expenses:				
– Salaries and wages	356	–	59	–
– Other expenditure accruals	200	–	62	–
Security bonds, deposits and retentions	284	–	187	–
Community enhancement programs	253	–	310	–
Other	63	–	55	–
Total payables	4,153	–	4,748	–

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

Not applicable.

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.

C2-2 Contract Liabilities

\$ '000	Notes	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	2,919	–	925	–
Total grants received in advance		2,919	–	925	–
Total contract liabilities		2,919	–	925	–

Notes

(i) Council has received funding to construct assets, including transport assets, sporting and community facilities, and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion.

The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

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

\$ '000	2026	2025
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	925	1,260
Total revenue recognised that was included in the contract liability balance at the beginning of the period	925	1,260

Significant changes in contract liabilities

Material contract liabilities are detailed below:

- Department of Industry, Science, Energy and Resources – Black Summer Bushfire Recovery Program (BSBR): An \$875,000 grant for the Taralga Off-Stream Water Storage Assessment and Design Project. The associated contract liability at 30 June 2026 was \$100,000 (2025: \$100,000).
- Department of Planning, Housing and Infrastructure – Changing Places Tranche 2 grant: The associated contract liability at 30 June 2026 was \$140,000 (2025: \$140,000).
- Department of Industry, Science and Resources – Community Energy Upgrades Fund Round 2 grant: The associated contract liability at 30 June 2026 was \$334,100 (2025: \$nil).
- Transport for NSW – Natural Disaster advance payments under the Tripartite Agreement: The associated contract liability at 30 June 2026 was \$2.26 million (2025: \$nil).

C2-3 Borrowings

\$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Loans – secured ¹	580	4,676	562	5,256
Total borrowings	580	4,676	562	5,256

(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	2025		Non-cash movements				2026
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	5,818	(562)	–	–	–	–	5,256
Lease liability	13	(13)	–	–	–	–	–
Total liabilities from financing activities	5,831	(575)	–	–	–	–	5,256

\$ '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	6,443	(625)	–	–	–	–	5,818
Lease liability (Note C2-1)	37	(24)	–	–	–	–	13
Total liabilities from financing activities	6,480	(649)	–	–	–	–	5,831

(b) Financing arrangements

\$ '000	2026	2025
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Total facilities

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

Bank overdraft facilities ¹	300	300
Credit cards/purchase cards	30	30
Total financing arrangements	330	330

Undrawn facilities

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

– Bank overdraft facilities	300	300
– Credit cards/purchase cards	30	30
Total undrawn financing arrangements	330	330

Additional financing arrangements information

Breaches and defaults

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

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

C2-4 Employee benefit provisions

\$ '000	2026 Current	2026 Non-current	2025 Current	2025 Non-current
Annual leave	943	–	1,075	–
Long service leave	2,892	218	3,055	266
Other leave – time in lieu	17	–	31	–
ELE on-costs	525	–	672	–
Total employee benefit provisions	4,377	218	4,833	266

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

\$ '000	2026	2025
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,545	2,562
	2,545	2,562

Material accounting policy information

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

Other long-term employee benefit obligations

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

C2-5 Provisions

\$ '000	2026 Current	2026 Non-Current	2025 Current	2025 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	6,968	–	7,055
Sub-total – asset remediation/restoration	–	6,968	–	7,055
Total provisions	–	6,968	–	7,055

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2026		
At beginning of year	7,055	7,055
Unwinding of discount	302	302
Remediation provision adjustment	(389)	(389)
Total other provisions at end of year	6,968	6,968

Nature and purpose of provisions

Asset remediation

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

Tip provision

Council is required to undertake significant works at the Crookwell waste management centre to comply with EPA requirements. Other minor remediation works on former tip sites converted to transfer stations must also be carried out.

Gravel pit provision

Council is required to remediate gravel pits (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

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

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

C2-5 Provisions (continued)

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

C3 Reserves

C3-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2026	Water 2026	Sewer 2026
Income from continuing operations			
Rates and annual charges	12,186	1,390	1,796
User charges and fees	8,841	1,805	345
Interest and investment revenue	1,028	237	404
Other revenues	830	–	–
Grants and contributions provided for operating purposes	14,615	18	17
Grants and contributions provided for capital purposes	7,192	170	200
Total income from continuing operations	44,692	3,620	2,762
Expenses from continuing operations			
Employee benefits and on-costs	11,411	699	599
Materials and services	15,563	1,300	784
Borrowing costs	477	22	5
Other expenses	813	61	–
Net losses from the disposal of assets	1,468	–	–
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	29,732	2,082	1,388
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	14,960	1,538	1,374
Depreciation, amortisation and impairment of non-financial assets	9,818	1,009	673
Operating result from continuing operations	5,142	529	701
Net operating result for the year	5,142	529	701
Net operating result attributable to each council fund	5,142	529	701
Net operating result for the year before grants and contributions provided for capital purposes	(2,050)	359	501

D1-2 Statement of Financial Position by fund

\$ '000	General 2026	Water 2026	Sewer 2026
ASSETS			
Current assets			
Cash and cash equivalents	14,563	–	–
Investments	11,997	5,134	9,245
Receivables	3,837	873	264
Inventories	1,165	–	–
Contract assets and contract cost assets	2,342	–	–
Other	301	–	–
Total current assets	34,205	6,007	9,509
Non-current assets			
Receivables	97	–	–
Infrastructure, property, plant and equipment	562,440	31,010	21,870
Total non-current assets	562,537	31,010	21,870
Total assets	596,742	37,017	31,379
LIABILITIES			
Current liabilities			
Payables	4,152	1	–
Contract liabilities	2,819	100	–
Borrowings	554	21	5
Employee benefit provision	4,117	79	181
Total current liabilities	11,642	201	186
Non-current liabilities			
Borrowings	4,304	302	70
Employee benefit provision	218	–	–
Provisions	6,968	–	–
Total non-current liabilities	11,490	302	70
Total liabilities	23,132	503	256
Net assets	573,610	36,514	31,123
EQUITY			
Accumulated surplus	305,887	25,039	17,895
IPPE revaluation reserves	267,723	11,475	13,228
Council equity interest	573,610	36,514	31,123
Total equity	573,610	36,514	31,123

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 Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio and if required, could seek the assistance of independent advisers. Council has an investment policy which complies with s625 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 and 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 cash and cash equivalents, receivables, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

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

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

(a) Market risk – interest rate and price risk

\$ '000	2026	2025
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	13	22
Impact of a 10% movement in price of investments		
– Equity / Income Statement	185	157

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

(b) Credit risk

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

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2026				
Gross carrying amount	711	–	–	711
2025				
Gross carrying amount	738	–	–	738

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2026						
Gross carrying amount	6,456	174	3	4	70	6,707
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	7.00%	0.07%
ECL provision	–	–	–	–	5	5
2025						
Gross carrying amount	2,766	8	–	(10)	35	2,799
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	15.00%	0.19%
ECL provision	–	–	–	–	5	5

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 cash flows.

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
2026							
Payables	0.00%	284	3,806	–	–	4,090	4,153
Borrowings	3.61%	–	765	2,829	2,732	6,326	5,256
Total financial liabilities		284	4,571	2,829	2,732	10,416	9,409
2025							
Payables	0.00%	187	4,561	–	–	4,748	4,748
Borrowings	3.58%	–	396	1,525	4,106	6,027	5,818
Total financial liabilities		187	4,957	1,525	4,106	10,775	10,566

Loan agreement breaches

There have been no breaches during the reporting period nor the prior year in relation to loan agreements.

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

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

Recurring fair value measurements

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2026	2025	2026	2025	2026	2025
Recurring fair value measurements							
Infrastructure, property, plant and equipment	C1-6						
Plant and equipment		—	—	8,706	8,995	8,706	8,995
Office equipment		—	—	687	823	687	823
Furniture and fittings		—	—	245	254	245	254
Operational land		7,268	7,341	—	—	7,268	7,341
Community land		—	—	6,756	6,756	6,756	6,756
Land Improvements – depreciable		—	—	91	97	91	97
Buildings – non-specialised		—	—	1,846	2,175	1,846	2,175
Buildings – specialised		—	—	33,304	33,900	33,304	33,900
Other structures		—	—	1,973	1,634	1,973	1,634
Roads		—	—	119,279	107,765	119,279	107,765
Other road assets		—	—	1,945	1,011	1,945	1,011
Bulk earthworks (non-depreciable)		—	—	267,658	253,428	267,658	253,428
Bridges		—	—	71,682	66,148	71,682	66,148
Footpaths		—	—	5,904	3,194	5,904	3,194
Stormwater drainage		—	—	17,228	16,224	17,228	16,224
Water supply network		—	—	29,220	28,694	29,220	28,694
Sewerage network		—	—	19,765	19,272	19,765	19,272
Swimming pools		—	—	4,270	3,469	4,270	3,469
Other open space/recreational assets		—	—	3,312	3,526	3,312	3,526
Other assets		—	—	120	140	120	140
Rehabilitation assets		—	—	6,116	4,719	6,116	4,719
Total infrastructure, property, plant and equipment		7.268	7.341	600.107	562.224	607.375	569.565

Non-recurring fair value measurements

E2-1 Fair value measurement (continued)

Valuation techniques

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

Revaluation at Fair Value

All assets re-valued will be carried in the accounts at their re-valued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment costs.

All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

Valuation of certain classes of assets require the engagement of an external valuer. Comprehensive valuation of infrastructure and operational land asset classes are undertaken every 5 years. The most recent comprehensive valuations are listed below.

2025/2026 - Roads, Bridges, Footpaths, Stormwater, and Drainage assets.

2020/2021 - Community Land (now assessed against the NSW Valuer General valuations)

2021/2022 - Water Supply and Sewerage network assets.

2022/2023 - Buildings, Operational Land and Property, Other Structures and Recreation Assets

Fair value assessments are performed annually in between comprehensive valuations to ensure the carrying amounts of these assets reflect their fair value.

Additional information regarding capitalisation thresholds and depreciation rates utilised has been included as it is relevant in determining what property is deemed to be an 'asset' and is therefore subject to valuation measurement. It also discloses what level of acquisitions will be included after the date of valuation.

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment, Office Equipment and Furniture and Fittings – Fair Value

Plant and Equipment, Office Equipment and Furniture and Fittings are valued at Fair Value under AASB 116 as per the Office of Local Government's directions, using the depreciated historical cost method:-

The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

No market based evidence (Level 2) could be supported therefore these assets were all classified as having been valued using Level 3 valuation inputs.

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

Asset capitalisation thresholds are:-

Office Equipment	\$2,000
Furniture and Fittings	\$2,000
Plant and Equipment	\$5,000

Operational Land

Operational Land was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value, which defines Fair Value as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". This involved establishing the nature of the asset, characteristics important to market participants, the appropriate market and valuation premise. Having maximised the level of valuation input, the adopted technique deemed appropriate is the Market Approach which requires the comparison or income approach to valuation. All new Operational Land acquired after the current valuation date is recorded at the initial cost of acquisition.

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

E2-1 Fair value measurement (continued)

Community Land

Community land was required to be re-valued as at 30 June 2021. In line with the prescribed manner of attributing a valuation to Community Land, the land values (Unimproved Capital Value) as supplied by the Valuer General's Office have been used.

Land Improvements - Depreciable

Land Improvements - Depreciable were re-valued at Fair Value under AASB 13 as at 30 June 2016 using the depreciated historical cost method.

The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the current valuation date are recorded at their initial cost of acquisition. Due to the diverse nature of land improvements, major depreciation periods are up to 100 years and the capitalisation threshold is \$5,000.

No market based evidence (Level 2) could be supported therefore these assets were all classified as having been valued using Level 3 valuation inputs.

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

Buildings - Specialised & Non-Specialised

Buildings were re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value, which defines Fair Value as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". This involved establishing the nature of the asset, characteristics important to market participants, the appropriate market and valuation premise. Having maximised the level of valuation input, the adopted techniques deemed appropriate are:

Non-specialised buildings - Market Approach - This requires the comparison or income approach to valuation.

Specialised buildings - Cost Approach - This requires the current replacement cost approach to valuation.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

All new buildings acquisitions (new acquisitions and capital improvements) made after the current valuation date are recorded at their initial cost of acquisition.

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

Asset capitalisation thresholds include:

Buildings - construction/extensions/renovations	\$2,000
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Other Structures

The Other Structures asset class was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value with the adopted technique deemed appropriate being the Cost Approach which requires the current replacement cost approach to valuation. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

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

Asset capitalisation thresholds include:

Other Structures	\$2,000
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Roads

The Roads asset class was re-valued as at 30 June 2026 componentised by formation (non-depreciable), pavement sub-base (non-depreciable), pavement base, surface and structures including kerb & gutter. This asset class was re-valued at Fair Value by external consultants Australis Asset Advisory Group and were recognised at fair value from 30 June 2026. The

E2-1 Fair value measurement (continued)

Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Asset capitalisation thresholds include:

Road construction, gravel re-sheeting and reconstruction	\$5,000
Kerb and Gutter	\$5,000

Bridges

The Bridges asset class was re-valued as at 30 June 2026 classified as concrete, timber or drainage structures. This asset class was re-valued at Fair Value by external consultants Australis Asset Advisory Group and were recognised at fair value from 30 June 2026. The Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Asset capitalisation thresholds include:

Bridge construction and reconstruction	\$5,000
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Footpaths

Footpaths were re-valued as at 30 June 2026 at Fair Value by external consultants Australis Asset Advisory Group and were recognised at fair value from 30 June 2026. The Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Asset capitalisation thresholds include:

Footpaths	\$5,000
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Stormwater Drainage Assets

Stormwater Drainage assets were re-valued as at 30 June 2026 at Fair Value by external consultants Australis Asset Advisory Group and were recognised at fair value from 30 June 2026. The Cost Approach using Level 3 inputs was used to value this asset class. All asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition.

Limited market based evidence (Level 2) could be supported therefore these assets were all classified as having been valued using Level 3 valuation inputs.

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

Asset capitalisation thresholds include:

All Stormwater assets	\$5,000
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Water Supply and Sewerage Infrastructure Assets

Water Supply and Sewerage infrastructure assets were re-valued during the 2021/2022 financial year when Upper Lachlan Shire Council engaged Australis Asset Advisory Group to complete a comprehensive revaluation of Council's Water and Sewer assets as at 30 June 2022.

Council's water and sewer assets are to be indexed each year in line with the 'Reference Rates Manual' as published by the NSW Office of Water. Council has an extensive water and sewer capital works programme. The Cost Approach using Level 3 inputs was used to value this asset class. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

E2-1 Fair value measurement (continued)

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets (such as estimates of pattern of consumption, residual value, asset condition and useful life), that require significant professional judgement and are therefore unobservable.

The changes to the valuation process during the reporting period are outlined above.

Asset capitalisation thresholds include:

Reticulation extensions and new assets	\$3,000
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Swimming Pool Assets

The Swimming Pool asset class was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value with the adopted technique deemed appropriate being the Cost Approach which requires the current replacement cost approach to valuation. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

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

Asset capitalisation thresholds include:

Swimming Pools	\$3,000
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Other Open Space/Recreational Assets

The Other Open Space/Recreational asset class was re-valued at Fair Value by external independent valuer Scott Fullarton Valuations Pty Ltd as at 30 June 2023. Valuation was undertaken in accordance with the requirements of AASB 13 Fair Value with the adopted technique deemed appropriate being the Cost Approach which requires the current replacement cost approach to valuation. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets that require significant professional judgement and are therefore unobservable.

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

Asset capitalisation thresholds include:

Playground Equipment and Park Furniture	\$1,000
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Other Assets (including Tips & Quarries Rehabilitation)

Assets within this class comprise of all assets not classified elsewhere. Other Assets, other than tips and quarries rehabilitation, are valued at Fair Value under AASB 116 using the depreciated historical cost method. A review of these assets was undertaken for 30 June 2018 and the same valuation methodology was retained for Quarries. The Tip Rehabilitation used an estimation for 30 June 2024 based on an analysis of available independent cost estimations being applied to open cell areas of the rehabilitation site. All new assets and asset acquisitions made after the respective dates of valuation are recorded at their initial cost of acquisition.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Assessment of fair value will be completed at the time of finalisation of the tip remediation provision.

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

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant and equipment	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life • Residual value
Office equipment	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Furniture and fittings	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Community Land	Values from the NSW Valuer General	• Land value • Land area • Level of restriction
Land improvements	Market-based direct comparison	• Gross replacement cost • Asset condition • Remaining useful life
Buildings non-specialised	Cost approach	• Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Buildings specialised	Cost approach	• Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Other structures	Cost approach	• Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Roads	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Bridges	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Footpaths	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Stormwater drainage	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Water supply network	Cost approach	• Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Sewerage network	Cost approach	• Gross replacement cost • Asset componentisation • Asset condition • Remaining useful life
Swimming pools	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Other open space/recreational	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life

E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Other assets	Cost approach	• Gross replacement cost • Asset condition • Remaining useful life
Rehabilitation assets	Cost approach	• Environmental legislation • Discount Rates, CPI • Remaining life

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

	Total	
\$ '000	2026	2025
Opening balance	556,876	551,972
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	36,721	1,199
Other movements		
Purchases (GBV)	10,055	23,024
Disposals (WDV)	(2,355)	(2,585)
Depreciation and impairment	(9,505)	(10,187)
Adjustments	(389)	–
Closing balance	591,403	563,423

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

- 1) Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- 2) 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.
- 3) Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- 4) The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

Description of the funding arrangements.

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

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

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

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

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually.

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

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

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

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

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

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 2026 was \$40,585. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2025.

E3-1 Contingencies (continued)

Council's expected contribution to the plan for the next annual reporting period is \$27,191.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2026 is:

Defined Benefit reserves only *	\$' millions	Asset Coverage
Assets	2,127.6	
Past Service Liabilities	1,966.9	108.2%
Vested Benefits	2,007.4	106.0%

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

The share of any funding surplus or deficit that can be attributed to Council is 0.48%.

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	6.25% per annum
Salary inflation	4.00% - 2026/27, 4.00% - 2027/28, 4.00% - 2028/29, 3.50% p.a. thereafter.
Increase in CPI	4.10% - 2025/26, 3.75% - 2026/27, 2.50% p.a. thereafter.

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2026.

(ii) Statewide Mutual Limited

Council is a member of Statewide Mutual Limited, 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.

E3-1 Contingencies (continued)

2. Other contingent 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) Legal Matters

A Voluntary Planning Agreement (VPA) between Council and Darjeeling Pastoral Pty Limited for the Cloverleigh Subdivision at Tait Street, Crookwell is still in negotiation stage and will be reported to Council for determination.

E3-1 Contingencies (continued)

ASSETS NOT RECOGNISED

(i)

The Minister for Local Government made the following determination on 7 September 2006, relating to the transfer of assets, rights and liabilities of the former Mulwaree Shire Council to Upper Lachlan Shire Council. Schedule 2 of the determination states that "the fixed assets of the Montague Street and Clinton Street, Goulburn properties remain with Goulburn Mulwaree Council. In the event of the sale of this property Upper Lachlan Shire Council will be reimbursed 24.22% of the net profit". The Montague Street property was sold in 2014/2015. Council retains a 24.22 per cent share in the Clinton Street property, which remains disclosed as a contingent asset pending any future sale.

(ii)

Council has entered into several Voluntary Planning Agreements (VPAs) under the *Environmental Planning and Assessment Act 1979 (NSW)* with various renewable-energy developers, including AGL Energy Ltd, Goldwind Australia Pty Ltd, Taralga Wind Farm Nominees (No 2) Pty Ltd, Cullerin Range Wind Farm Pty Ltd, Crookwell Developments Pty Ltd, Rye Park Renewable Energy Pty Ltd, Newtricity Developments Biala Pty Ltd and Collector Wind Farm Pty Ltd.

Under these agreements, developers are required to make CPI-indexed annual monetary contributions to Community Enhancement Funds, generally determined by reference to the number of operational turbines or total project capital cost. The funds are administered by Council on behalf of the community through established Community Fund Committees.

The timing and quantum of future contributions depend on factors such as project progression, turbine commissioning, and ongoing operation. As these inflows are contingent upon future uncertain events not wholly within Council's control, they are disclosed as contingent assets in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

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	2026	2025
Compensation:		
Short-term benefits	1,223	1,173
Post-employment benefits	141	–
Total	1,364	1,173

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2026	2025
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	30	30
Councillors' fees	142	136
Other Councillors' expenses (including Mayor)	61	60
Total ⁱ	233	226

(i) Other transactions between the Council and KMP and their related parties included only the payment of rates and charges at arms length on properties owned by KMP and their related parties.

F2 Other relationships

F2-1 Audit fees

\$ '000	2026	2025
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

	172	171
Remuneration for audit and other assurance services	172	171

Total fees paid or payable to the NSW Auditor-General	172	171
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Non NSW Auditor-General audit firms

Total audit fees	172	171
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G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2026	2025
Net operating result from Income Statement	6,372	1,566
Add / (less) non-cash items:		
Depreciation and amortisation	11,500	10,209
(Gain) / loss on disposal of assets	1,468	1,048
Unwinding of discount rates on remediation provisions	302	189
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(2,007)	711
Increase / (decrease) in provision for impairment of receivables	–	(35)
(Increase) / decrease of inventories	(26)	(34)
(Increase) / decrease of other current assets	(136)	45
(Increase) / decrease of contract asset	(1,874)	2,803
Increase / (decrease) in payables	(1,147)	964
Increase / (decrease) in other accrued expenses payable	435	(241)
Increase / (decrease) in other liabilities	123	39
Increase / (decrease) in contract liabilities	1,994	(335)
Increase / (decrease) in employee benefit provision	(504)	387
Increase / (decrease) in other provisions	(389)	2,449
Net cash flows from operating activities	16,111	19,765

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2026	2025
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	462	907
Plant and equipment	1,645	1,188
Sewerage and water infrastructure	10	38
Transport Assets	414	332
Total commitments	2,531	2,465

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2025	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2026	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads	3,586	678	–	–	160	(426)	–	3,998	–
Open space	209	60	–	–	10	–	–	279	–
Community facilities	735	104	–	–	32	(9)	–	862	–
Other	151	13	–	–	7	–	–	171	–
Bushfire	329	48	–	–	14	(12)	–	379	–
Waste management	168	38	–	–	8	–	–	214	–
S7.11 contributions – under a plan	5,178	941	–	–	231	(447)	–	5,903	–
Total S7.11 and S7.12 revenue under plans	5,178	941	–	–	231	(447)	–	5,903	–
S64 contributions	1,648	370	–	–	75	–	–	2,093	–
Total contributions	6,826	1,311	–	–	306	(447)	–	7,996	–

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

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2025	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2026	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
S7.11 contributions – under a plan									
Upper Lachlan Development Contributions Plan 2007 (previously Section 94)									
Bushfire	329	48	–	–	14	(12)	–	379	–
Roads	3,586	678	–	–	160	(426)	–	3,998	–
Waste management	168	38	–	–	8	–	–	214	–
Open space	209	60	–	–	10	–	–	279	–
Community facilities	735	104	–	–	32	(9)	–	862	–
Other	151	13	–	–	7	–	–	171	–
Total	5,178	941	–	–	231	(447)	–	5,903	–

G4-3 S64 contributions

	Opening balance at 1 July 2025	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2026	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Non-cash Other					
Upper Lachlan Development Servicing Plan for Water & Sewer									
Water supply	747	170	–	–	34	–	–	951	–
Sewerage services	901	200	–	–	41	–	–	1,142	–
Total	1,648	370	–	–	75	–	–	2,093	–

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Upper Lachlan Shire Council

To the Councillors of Upper Lachlan Shire Council

Opinion

I have audited the accompanying financial statements of the Upper Lachlan 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 2026, the Statement of Financial Position as at 30 June 2026, 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 2026, 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 2026 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.

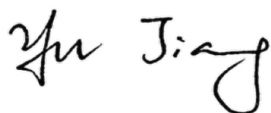
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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'
- 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.



Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 October 2026
SYDNEY



Mr Gregory Harris
Mayor
Upper Lachlan Shire Council
PO Box 42
GUNNING NSW 2581

Contact: Reiky Jiang
Phone no: 0292 757 281
Our ref: R008-266507568-14002

21 October 2026

Dear Mayor

Report on the Conduct of the Audit
for the year ended 30 June 2026
Upper Lachlan Shire Council

I have audited the general purpose financial statements (GPFS) of the Upper Lachlan Shire Council (the Council) for the year ended 30 June 2026 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.

Basis of this report

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2026 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 2025-26
- 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

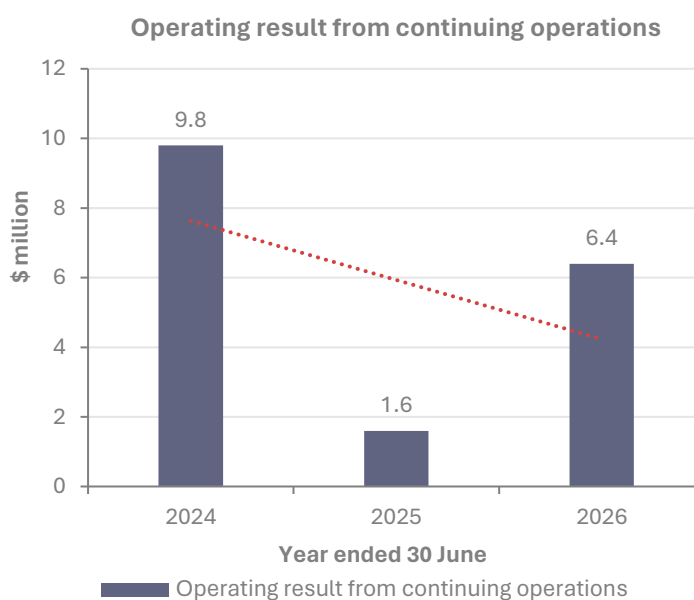
	2026	2025	Variance
	\$m	\$m	%
Rates and annual charges revenue	15.4	14.6	↑ 5.5
Grants and contributions provided for operating purposes revenue	14.6	11.9	↑ 22.7
Grants and contributions provided for capital purposes revenue	7.6	10.9	↓ 30.3
Operating result from continuing operations	6.4	1.6	↑ 300.0
Net operating result for the year before grants and contributions provided for capital purposes	(1.2)	(9.4)	↑ 87.2

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 \$4.8 million higher than the 2024-25 result, which was mainly due to:

- grants and contributions provided for operating purpose (\$14.7 million) increased by \$2.8 million (23.4%), primarily due to \$4.7 million in additional Financial Assistance Grant revenue as a result of the receipt of 2026-27 funding in advance. This was partly offset by lower natural disaster funding for roads
- materials and services expenses (\$17.6 million) decreased by \$3.7 million (17.3%), primarily due to the decrease in contractor costs
- depreciation, amortisation and impairment of non-financial assets expense (\$11.5 million) increased by \$1.3 million (12.6%), mainly reflecting higher depreciation across plant and equipment and infrastructure assets,



including roads, bridges, water supply and sewerage networks.

The net operating result for the year before grants and contributions provided for capital purposes was a deficit of \$1.2 million, compared with a deficit of \$9.4 million in the prior year.

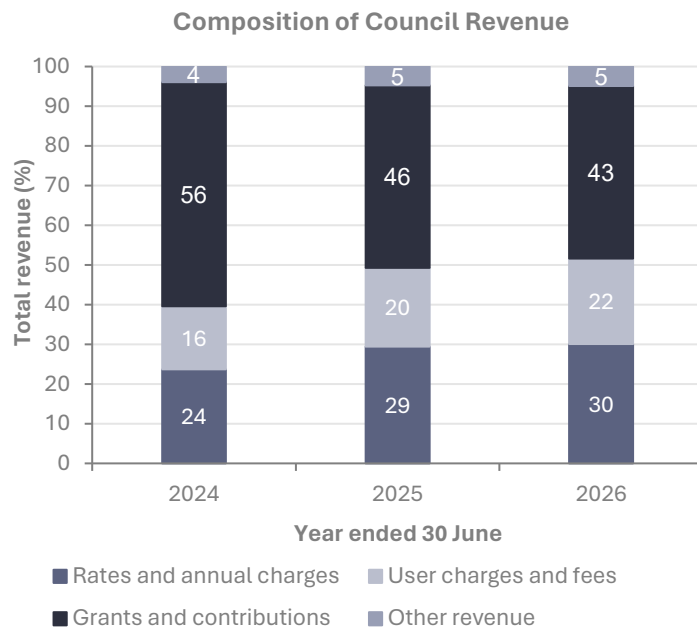
Income

Council revenue

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

Council revenue increased by \$1.4 million (2.9 %) to \$51.1 million in 2025–26 due to:

- rates and annual charges revenue (\$15.4 million) increased by \$0.8 million (5.3%), mainly due to the 5.0 % rate peg increase for 2025-26
- user charges and fees revenue (\$11.0 million) increased by \$1.1 million (11.4%), mainly due to increases in private works and water supply services revenue, partly offset by decreases in quarry revenue and non-domestic waste management services.
- grants and contributions revenue (\$22.2 million) which decreased by \$0.6 million (2.6%), mainly due to lower capital grants and contributions, partly offset by an increase in operating grants and contributions.



Cash flows

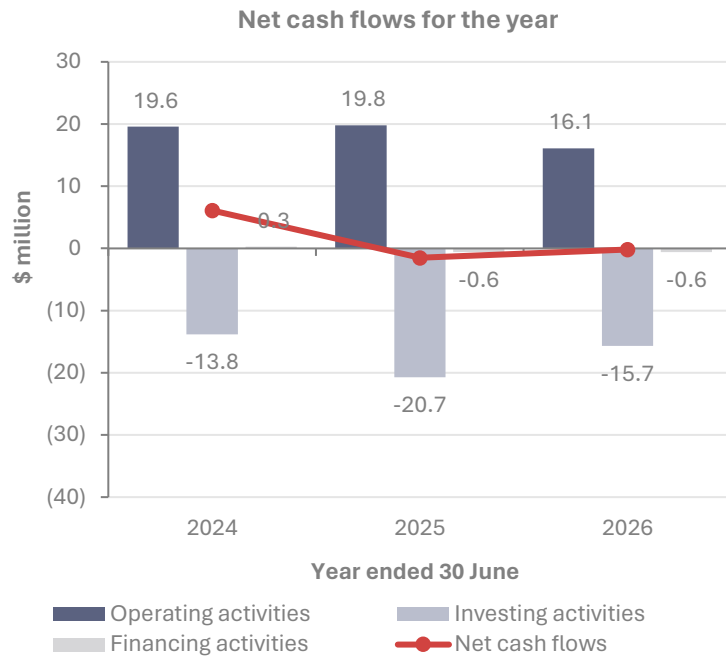
Statement of Cash Flows

The Statement of Cash Flows details the Council's cash inflows and outflows. 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 2025-26 were negative \$0.2 million. In 2025-26 the net cash flows:

- from operating activities decreased by \$3.7 million to \$16.1 million, mainly due to lower grants and contributions receipts and higher other operating payments
- used in investing activities decreased by \$5.0 million to \$15.7 million, mainly due to lower payments for infrastructure, property, plant and equipment
- used in financing activities were relatively consistent with 2024-25 at \$0.6 million, mainly comprising repayments of borrowings.



Financial position

Cash, cash equivalents and investments

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.

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.

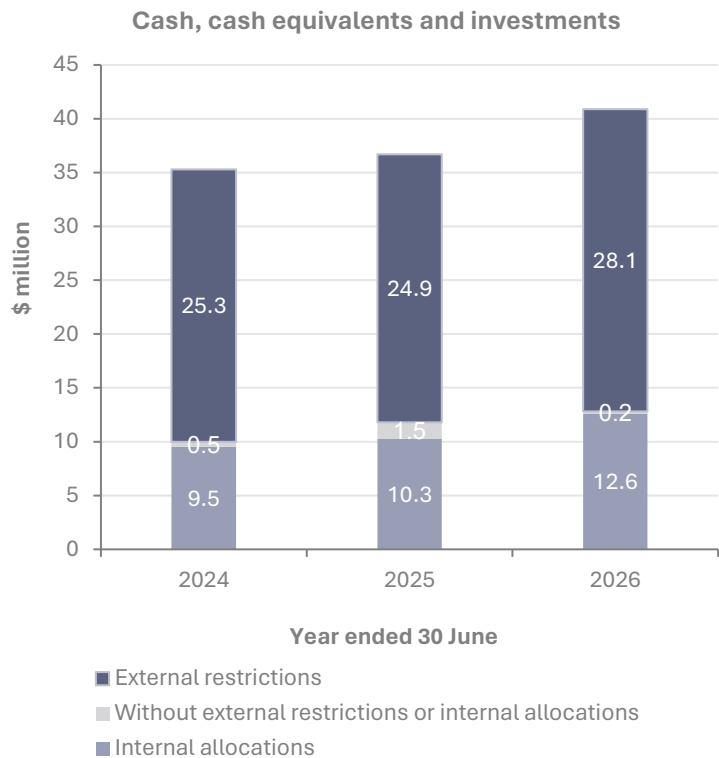
This graph shows the amount of cash, cash equivalents and investments with external restrictions, internal allocations, and those with neither as at 30 June 2026 and prior two financial years.

At 30 June 2026, the Council held \$40.9 million in cash, cash equivalents and investments, compared with \$36.7 million at 30 June 2025.

Externally restricted balances increased by \$3.3 million to \$28.1 million, mainly due to increases in specific purpose unexpended grants and sewer funds.

Internally allocated balances increased by \$2.3 million to \$12.6 million, mainly due to an increase in the Financial Assistance Grant prepayment and funds allocated for buildings and infrastructure improvements.

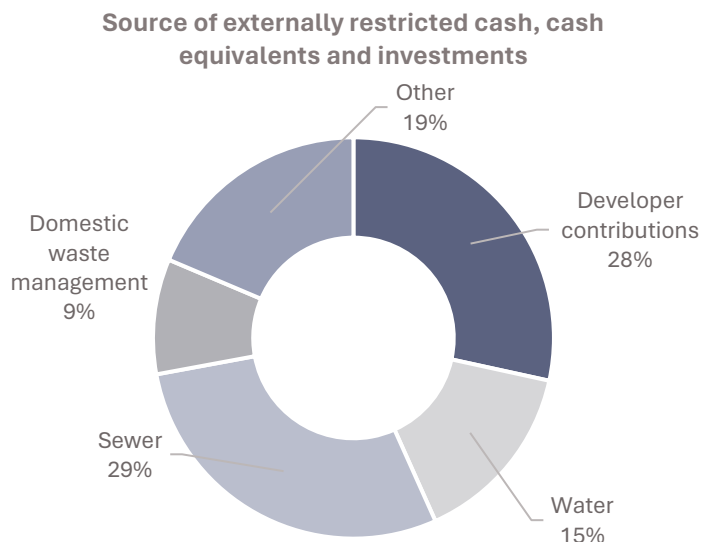
Cash and cash equivalents decreased by \$0.2 million, while investments increased by \$4.4 million due to the investment in term deposits during the year.



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

In 2025-26 the Council's main sources of externally restricted cash, cash equivalents and investments include:

- developer contributions of \$8.0 million
- water funds of \$4.2 million
- sewer funds of \$8.1 million
- domestic waste management funds of \$2.6 million.



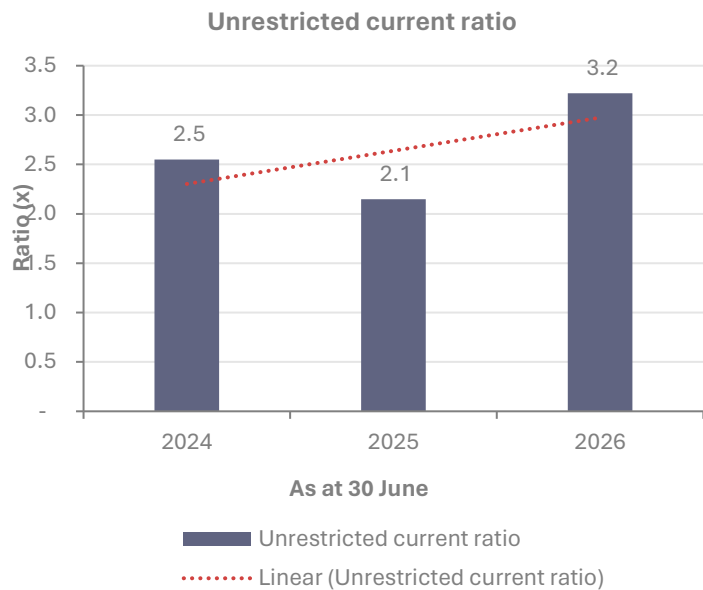
Council liquidity

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

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

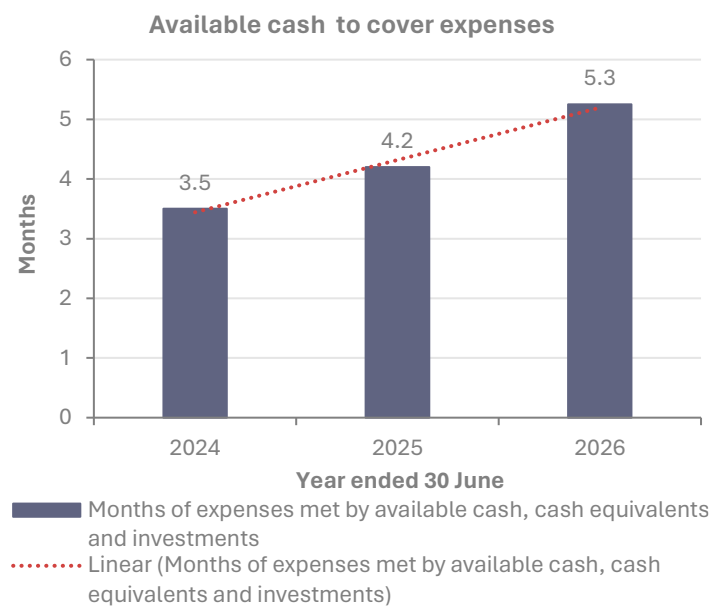
In 2024-25, the average unrestricted current ratio for regional councils was 2.6x.

Council's unrestricted current ratio increased from 2.1x in 2024-25 to 3.2x in 2025-26. The increase reflects higher unrestricted current assets and lower current liabilities after excluding specific purpose liabilities.



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).

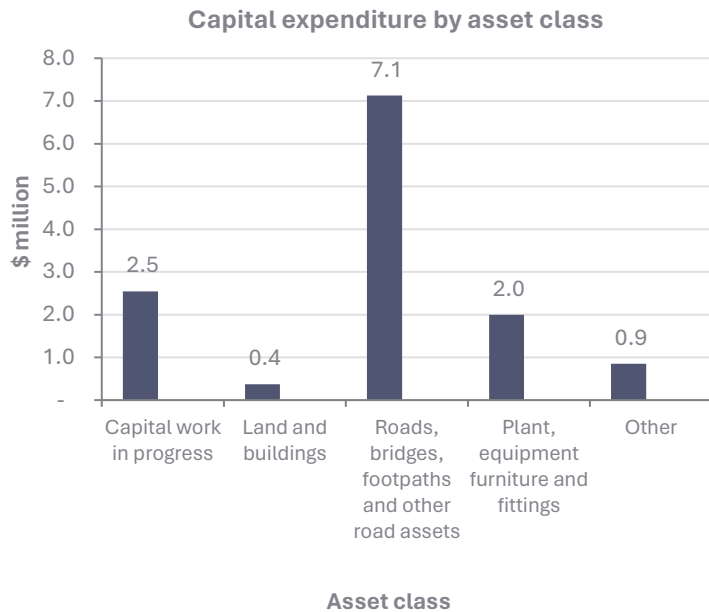
At 30 June 2026, Council has available cash to cover 5.3 months of general fund expenses.



Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2025-26.

Council spent \$12.9 million in infrastructure, property, plant and equipment during 2025-26. This primarily comprised \$7.1 million on roads and related transport assets and \$2.5 million in capital works in progress. Road expenditure and ancillary included approximately \$1.9 million on roads in the Wombeyan Caves area, \$1.05 million in Taralga, \$0.5 million in Crookwell, \$0.4 million in Bannister and bulk earthworks on Wombeyan Caves area amounting to \$0.9 million. The principal capital works projects were the grant-funded Rugby Road Bevendale Black Spot Program amounting to \$0.6 million, the new Visitor Information Centre amounting to \$0.6 million, and the Crookwell Caravan Park Cabins amounting to \$0.5 million.



Debt

At 30 June 2026, the Council had outstanding loans of \$5.3 million with Commonwealth Bank (2025: \$5.8 million). The loans were used to finance capital works relating to Taralga Sewer Scheme, Crookwell Memorial Oval Sports Centre, Timber bridge replacements, and the Crookwell Swimming Pool precinct.

The Council repaid \$0.6 million of loan principal during 2025-26. Council also had an approved overdraft facility of \$0.3 million and credit card facilities of 30,000, which were undrawn at 30 June 2026.

Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Upper Lachlan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2026



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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).

Upper Lachlan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2026

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 15 October 2026.



Gregory Harris
Mayor
15 October 2026



Rob Cameron
Councillor
15 October 2026



Simon Arkinstall
Acting Chief Executive Officer
15 October 2026



Ashan Hewage
Responsible Accounting Officer
15 October 2026

Upper Lachlan Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2026

\$ '000	2026	2025
Income from continuing operations		
Access charges	1,390	1,341
User charges	1,753	1,149
Fees	52	36
Interest and investment revenue	237	222
Grants and contributions provided for operating purposes	18	142
Other income	–	92
Total income from continuing operations	3,450	2,982
Expenses from continuing operations		
Employee benefits and on-costs	699	776
Borrowing costs	22	22
Materials and services	1,300	1,740
Calculated taxation equivalents	–	–
Other expenses	61	14
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	2,082	2,552
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets before capital amounts	1,368	430
Depreciation, amortisation and impairment of non-financial assets	1,009	890
Surplus/(Deficit) from continuing operations before capital amounts	359	(460)
Grants and contributions provided for capital purposes	170	68
Deficit from continuing operations after capital amounts	529	(392)
Deficit from all operations before tax	529	(392)
Less: corporate taxation equivalent (25%) [based on result before capital]	(90)	–
Surplus/(Deficit) after tax	439	(392)
Plus accumulated surplus	24,510	24,902
– Taxation equivalent payments	–	–
– Corporate taxation equivalent	90	–
Closing accumulated surplus	25,039	24,510
Return on capital %	1.2%	(1.4)%
Subsidy from Council	1,089	1,735
Calculation of dividend payable:		
Surplus/(Deficit) after tax	439	(392)
Less: capital grants and contributions (excluding developer contributions)	(170)	(68)
Surplus for dividend calculation purposes	269	–
Potential dividend calculated from surplus	135	–

Upper Lachlan Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2026

\$ '000	2026	2025
Income from continuing operations		
Access charges	1,796	1,727
User charges	340	375
Fees	5	25
Interest and investment revenue	404	393
Grants and contributions provided for operating purposes	17	17
Total income from continuing operations	2,562	2,537
Expenses from continuing operations		
Employee benefits and on-costs	599	604
Borrowing costs	5	5
Materials and services	784	733
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	1,388	1,342
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets before capital amounts	1,174	1,195
Depreciation, amortisation and impairment of non-financial assets	673	590
Surplus/(Deficit) from continuing operations before capital amounts	501	605
Grants and contributions provided for capital purposes	200	72
Surplus from continuing operations after capital amounts	701	677
Surplus from all operations before tax	701	677
Less: corporate taxation equivalent (25%) (based on result before capital)	(125)	(151)
Surplus/(Deficit) after tax	576	526
Plus accumulated surplus	17,194	16,517
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	125	151
Closing accumulated surplus	17,895	17,194
Return on capital %	2.3%	2.8%
Subsidy from Council	531	303
Calculation of dividend payable:		
Surplus/(Deficit) after tax	576	526
Less: capital grants and contributions (excluding developer contributions)	(200)	(72)
Surplus for dividend calculation purposes	376	454
Potential dividend calculated from surplus	188	227

Upper Lachlan Shire Council

Income Statement of Domestic Waste Management

for the year ended 30 June 2026

\$ '000	2026 Category 2	2025 Category 2
Income from continuing operations		
Annual charges	1,815	1,721
User charges	12	11
Interest and investment income	110	137
Grants and contributions provided for operating purposes	31	31
Net gain from the disposal of assets	–	30
Other income	1	1
Total income from continuing operations	1,969	1,931
Expenses from continuing operations		
Employee benefits and on-costs	316	343
Materials and services	1,317	1,236
Other expenses	11	–
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	1,644	1,579
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets before capital amounts	325	352
Depreciation, amortisation and impairment of non-financial assets	119	133
Surplus (deficit) from continuing operations before capital amounts	206	219
Grants and contributions provided for capital purposes	38	21
Surplus (deficit) from continuing operations after capital amounts	244	240
Surplus (deficit) from all operations before tax	244	240
Less: corporate taxation equivalent (25%) (based on result before capital)	(52)	(55)
Surplus (deficit) after tax	192	185
Plus accumulated surplus	3,026	2,786
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	52	55
Closing accumulated surplus	3,270	3,026
Return on capital %	42.3%	36.1%
Calculation of dividend payable:		
Surplus (deficit) after tax	193	185
Less: capital grants and contributions (excluding developer contributions)	(38)	(21)
Surplus for dividend calculation purposes	155	164
Potential dividend calculated from surplus	77	82

Upper Lachlan Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2026

\$ '000	2026	2025
ASSETS		
Current assets		
Investments	5,134	4,328
Receivables	873	440
Total current assets	6,007	4,768
Non-current assets		
Infrastructure, property, plant and equipment	31,010	31,178
Total non-current assets	31,010	31,178
Total assets	37,017	35,946
LIABILITIES		
Current liabilities		
Contract liabilities	100	100
Payables	1	4
Borrowings	21	19
Employee benefit provisions	79	142
Total current liabilities	201	265
Non-current liabilities		
Borrowings	302	322
Total non-current liabilities	302	322
Total liabilities	503	587
Net assets	36,514	35,359
EQUITY		
Accumulated surplus	25,039	24,510
IPPE revaluation surplus	11,475	10,849
Total equity	36,514	35,359

Upper Lachlan Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2026

\$ '000	2026	2025
ASSETS		
Current assets		
Investments	9,245	8,081
Receivables	264	223
Total current assets	9,509	8,304
Non-current assets		
Infrastructure, property, plant and equipment	21,870	21,946
Total non-current assets	21,870	21,946
Total assets	31,379	30,250
LIABILITIES		
Current liabilities		
Payables	–	2
Borrowings	5	5
Employee benefit provisions	181	166
Total current liabilities	186	173
Non-current liabilities		
Borrowings	70	75
Total non-current liabilities	70	75
Total liabilities	256	248
Net assets	31,123	30,002
EQUITY		
Accumulated surplus	17,895	17,194
IPPE revaluation surplus	13,228	12,808
Total equity	31,123	30,002

Upper Lachlan Shire Council

Statement of Financial Position of Domestic Waste Management

as at 30 June 2026

\$ '000	2026 Category 2	2025 Category 2
ASSETS		
Current assets		
Investments	2,612	2,252
Receivables	162	161
Total current assets	2,774	2,413
Non-current assets		
Infrastructure, property, plant and equipment	487	606
Total non-current assets	487	606
Total assets	3,261	3,019
LIABILITIES		
Current liabilities		
Employee benefit provisions	138	140
Total current liabilities	138	140
Total liabilities	138	140
Net assets	3,123	2,879
EQUITY		
Accumulated surplus	3,270	3,026
Revaluation reserves	(147)	(147)
Total equity	3,123	2,879

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 (NSW)*, the *Local Government (General) Regulation 2021*, 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, current values 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, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

a. Water Supply

Provision of reticulated water supply to the townships of Crookwell, Gunning, Taralga and Dalton.

b. Sewerage Services

Provision of sewerage service to the townships of Crookwell, Gunning and Taralga.

Category 2

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

a. Domestic Waste Management

Provision of Domestic Waste disposal services for the townships of Crookwell, Gunning, Taralga and villages.

Note – Material accounting policy information (continued)

Taxation equivalent charges

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

Notional rate applied (%)

Corporate income tax rate – **25%** (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.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when 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.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(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'.

Note – Material accounting policy information (continued)

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.

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.73% at 30/06/2026.

(iii) Dividends

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

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

Each dividend must be calculated and approved in accordance with section 4 of DCCEEW's regulatory and assurance framework and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2026 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Upper Lachlan Shire Council

To the Councillors of Upper Lachlan Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of the Upper Lachlan Shire Council's (the council) declared business activities, which comprise the Statement by Councillors and Management, the Income Statement of each declared business activity for the year ended 30 June 2026, the Statement of Financial Position of each declared business activity as at 30 June 2026 and the Material accounting policy information note.

The declared business activities of the council are:

- water supply
- sewerage
- domestic waste management.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the council's declared business activities as at 30 June 2026, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2025–26 (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 2026 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:

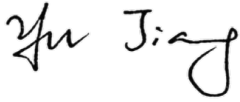
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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 'Yu Jiang'.

Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 October 2026
SYDNEY

Upper Lachlan Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2026



Upper Lachlan Shire Council

Special Schedules

for the year ended 30 June 2026

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Upper Lachlan Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2025/26	Calculation 2026/27
Notional general income calculation ¹			
Last year notional general income yield	a	9,141	9,651
Plus or minus adjustments ²	b	44	122
Notional general income	$c = a + b$	9,185	9,773
Permissible income calculation			
Percentage increase	d	5.00%	4.90%
Plus percentage increase amount ³	$f = d \times (c + e)$	459	479
Sub-total	$g = (c + e + f)$	9,644	10,252
Plus (or minus) last year's carry forward total	h	8	—
Less valuation objections claimed in the previous year	i	(15)	(15)
Sub-total	$j = (h + i)$	(7)	(15)
Total permissible income	$k = g + j$	9,637	10,237
Less notional general income yield	l	9,651	10,229
Catch-up or (excess) result	$m = k - l$	(14)	8
Plus income lost due to valuation objections claimed ⁴	n	15	—
Carry forward to next year ⁶	$p = m + n + o$	1	8

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Upper Lachlan Shire Council

To the Councillors of Upper Lachlan Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the schedule) of the Upper Lachlan Shire Council (the council) for the year ending 30 June 2027.

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 2025–26 (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 2026 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 2026.

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.

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.

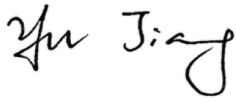
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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.



Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 October 2026
SYDNEY

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2026 (unaudited)

as at 30 June 2026

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	2025/26 Required maintenance ^a	2025/26 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Asset condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	6,990	3,641	1,701	1,619	35,150	71,564	18.0%	15.0%	44.0%	22.0%	1.0%
	Sub-total	6,990	3,641	1,701	1,619	35,150	71,564	18.0%	15.0%	44.0%	22.0%	1.0%
Other structures	Other structures	128	120	43	166	1,973	3,885	24.0%	31.0%	41.0%	4.0%	0.0%
	Sub-total	128	120	43	166	1,973	3,885	24.0%	31.0%	41.0%	4.0%	0.0%
Roads	Roads	1,733	6,969	7,443	7,109	119,280	188,972	27.0%	35.0%	36.0%	2.0%	0.0%
	Bridges	1,487	3,031	210	—	71,682	101,990	35.0%	55.0%	7.0%	3.0%	0.0%
	Footpaths	122	266	103	35	5,903	8,560	54.0%	16.0%	27.0%	3.0%	0.0%
	Bulk earthworks	—	—	—	—	267,658	267,658	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	3,342	10,277	7,756	7,144	466,468	569,231	63.4%	21.7%	13.6%	1.2%	0.0%
Water supply network	Water supply network	4,004	2,317	1,992	2,081	29,220	52,392	36.0%	23.0%	30.0%	1.0%	10.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	4,004	2,317	1,992	2,081	29,220	52,392	36.0%	23.0%	30.0%	1.0%	10.0%
Sewerage network	Sewerage network	2,936	1,715	1,036	1,388	19,765	36,920	31.0%	22.0%	23.0%	24.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	2,936	1,715	1,036	1,388	19,765	36,920	31.0%	22.0%	23.0%	24.0%	0.0%
Stormwater drainage	Stormwater drainage	4,716	2,117	366	364	17,228	38,397	17.0%	18.0%	61.0%	4.0%	0.0%
	Other	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	4,716	2,117	366	364	17,228	38,397	17.0%	18.0%	61.0%	4.0%	0.0%
Open space / recreational assets	Swimming pools	198	77	68	378	4,270	5,037	81.0%	0.0%	0.0%	19.0%	0.0%
	Other open space/recreational assets	371	209	811	855	3,312	5,405	46.0%	28.0%	8.0%	18.0%	0.0%
	Sub-total	569	286	879	1,233	7,582	10,442	62.9%	14.5%	4.1%	18.5%	0.0%
Total – all assets		22,685	20,473	13,773	13,995	577,386	782,831	53.4%	21.0%	20.3%	4.6%	0.7%

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

Infrastructure asset condition assessment 'key'

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2026 (unaudited) (continued)

as at 30 June 2026

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

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2026 (unaudited) as at 30 June 2026

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2026	Indicator 2026	Indicators 20252024		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	7,663	85.70%	87.70%	171.32%	> 100.00%
Depreciation, amortisation and impairment	8,942				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	22,685	3.88%	8.42%	7.72%	< 2.00%
Net carrying amount of infrastructure assets	585,331				
Asset maintenance ratio					
Actual asset maintenance	13,995	101.61%	122.78%	110.05%	> 100.00%
Required asset maintenance	13,773				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	20,473	2.62%	6.42%	5.67%	
Gross replacement cost	782,831				

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

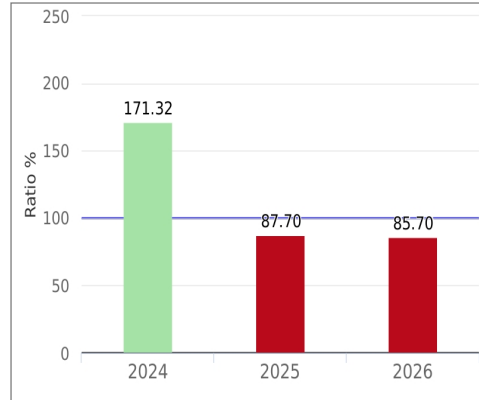
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2026 (unaudited)

as at 30 June 2026

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result

25/26 ratio 85.70%

Council's building and infrastructure renewals ratio was 85.70% (2025: 87.70%) which was below the benchmark of greater than 100%.

The result reflects the mix of Council's capital expenditure during the year including significant expenditure on new and upgraded assets supported by capital grant funding. Expenditure on new and upgraded assets is not classified as asset renewals for the purpose of this ratio.

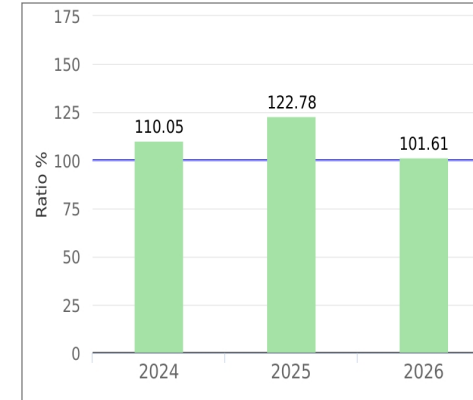
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result

25/26 ratio 101.61%

Council's asset maintenance ratio was 101.61% (2025: 122.78%). While the ratio decreased from the prior year, it remained above the benchmark of greater than 100% indicating that actual maintenance expenditure was sufficient to meet Council's estimated required maintenance expenditure for 2025/2026.

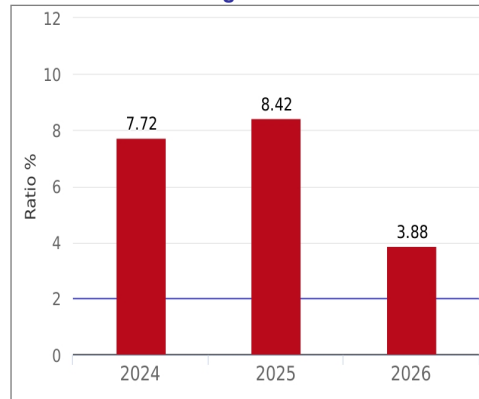
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result

25/26 ratio 3.88%

Council's infrastructure backlog ratio was 3.88% (2025: 8.42%) representing a significant improvement from the prior year. However, the ratio remains above the benchmark of less than 2.00% indicating that the estimated cost to bring infrastructure assets to a satisfactory standard remains above the benchmark relative to the value of Council's infrastructure assets.

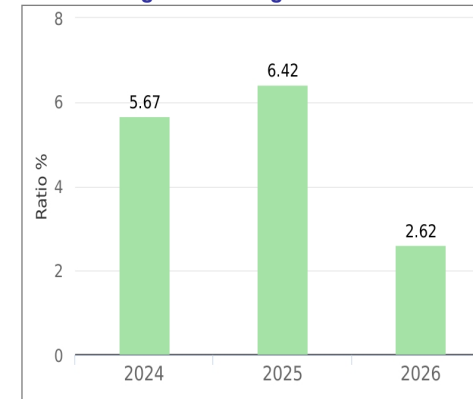
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result

25/26 ratio 2.62%

Council's proportion of outstanding renewal works compared to the total value of infrastructure assets was 2.62% compared with 6.42% in the prior year.

The decrease reflects a reduction in the estimated cost required to bring infrastructure assets to the agreed service level relative to the gross replacement cost of those assets.

Upper Lachlan Shire Council

Report on infrastructure assets as at 30 June 2026 (unaudited)

as at 30 June 2026

Infrastructure asset performance indicators (by fund)

	General fund		Water fund		Sewer fund		Benchmark
\$ '000	2026	2025	2026	2025	2026	2025	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	104.40%	106.20%	0.00%	0.00%	0.00%	0.00%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	2.94%	7.73%	13.70%	17.68%	14.85%	12.11%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	97.96%	107.37%	104.47%	172.67%	133.98%	242.42%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	2.37%	5.76%	4.42%	10.43%	4.65%	6.83%	

(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.