

18.3 2024-25 Annual Financial Statements

CSP Objective: Outcome 4.1 Public funds and assets are managed strategically, transparently and efficiently.

CSP Strategy: 4.1.1 Public funds are managed in accordance with Financial Management Standards and the Local Government Act, with accurate and timely reporting.

Delivery Program: 4.1.1.1 Strengthen financial reporting, ensure legislative compliance, and promote long-term sustainability by enhancing scrutiny and oversight processes while optimising funding opportunities, and improving procurement practices.

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Summary

To advise Council that the preparation of the Annual Financial Statements for the year ended 30 June 2025 has been completed, were considered by Council's Audit, Risk and Improvement Committee, and are presented to Council for authorising and signing the Statement by Councillors and Management.

Financial implication

There are no financial implications because of this report, as this report is simply endorsing the 2024-25 Financial Statements and authorising the Statement by Councillors and Management to be signed.

Risk implication

Not applicable.

Policy

Section 413(1) of the Local Government Act, 1993 requires that "a Council must prepare financial reports for each year and must refer them for audit as soon as practicable". Council must also prepare a Statement by Councillors and Management as to their opinion on the general purpose and the special purpose financial statements.

The 2023-24 Annual Financial Statements have been prepared in accordance with:

- Local Government Act 1993 (NSW)
- Local Government (General) Regulation 2021 (NSW)
- Local Government Code of Accounting Practice and Financial Reporting

Consultation (internal)

Audit Risk and Improvement Committee

Chief Executive Officer

Director Corporate & Commercial

Financial Manager

Communication/Community engagement

Section 420(1) of the Local Government Act 1993 allows any person to make submissions to Council with respect to Council's audited financial statements or with respect to the auditor's reports.

Attachments

- 1 2024/25 Draft Financial Statements - GPFS SPFS SS - After ARIC Meeting [↓](#)

Enclosures

Nil

RECOMMENDATION

That Council:

1. Authorises the Statement by Councillors and Management to be signed by the Chief Executive Officer, the Responsible Accounting Officer, the Mayor and a Councillor as required by the Local Government Act 1993.
2. Notes the financial result and position for the year ending 30 June 2025.
3. Notes the governance role played by Council's Audit, Risk and Improvement Committee in overseeing the preparation and finalisation of the audited 2024-25 financial statements.

Background

This report is to advise Council that the 2024-25 Annual Financial Statements have been completed and endorsed by Council's Audit, Risk and Improvement Committee at its meeting held on 16 October 2025. A copy of the financial statements is attached to this report.

Council's Financial Statements for the year ended 30 June 2025 have been prepared and informally referred for audit.

The audit of the draft Financial Statements has been reviewed and discussed with the Audit Office of NSW and all material adjustments recommended by the audit team are reflected in the current draft.

In accordance with Section 413 of the Local Government Act 1993, Council must now formally refer these statements for audit. Prior to the completion of the audit, Council is required to give its opinion on the Financial Statements. As part of this process, Council is required to present a signed statement on its opinion on the reports.

The statements required to be signed are contained on page 3 of the General Purpose Financial Statements and page 3 of the Special Purpose Financial Statements and must be signed by the Mayor, a Councillor, the Chief Executive Officer and the Responsible Accounting Officer. In the absence of Chief Financial Officer being the Responsible Accounting Officer, Council's Director Corporate and Commercial will sign the statements. It is reasonably standard practice that the Deputy Mayor sign the financial statements as the accompanying Councillor in addition to the Mayor.

Overview of 2024-25 Financial Statements

The draft 2024-25 Financial Statements (General Purpose and Special Purpose) have been reviewed by the auditors, all material changes noted during the audit have been discussed with Council's CEO, COO and Financial Manager and have been incorporated. The review by the auditors is based not only on appropriate compliance with accounting standards but also an understanding and review of underlying systems and processes regarding financial management, documentation and internal controls within Council broadly and specifically within the Finance team.

Councillors are aware of the Audit Office of NSW's disclaimer of opinion on the 2020–21, 2021–22, and 2022–23 financial statements. Over this period, the nature of the qualified opinions has progressively improved—from issues relating to inadequate records, reconciliations, systems, and internal controls, to concerns with reported balances of key reserves, and more recently, the need for comprehensive asset revaluations.

The final significant matter—asset revaluations—was substantively addressed during the 2023-24 audit, sufficiently to satisfy the audit requirements. Management is pleased to advise that this has further improved in the 2024-25 audit, and all asset classes have now undergone comprehensive revaluations. As a result, the Audit Office has expressed confidence that all matters leading to previous disclaimers have now been resolved.

As a result of the above, the Audit Office have indicated that an unmodified audit opinion will again be issued for the 2024-25 Financial Statements.

The attached financial statements present fairly the Council's operating result and financial position for the year; in accordance with Council's accounting and other records and have been prepared in accordance with:

- the Local Government Act 1993 and its regulations,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board,
- the Local Government Code of Accounting Practice and Financial Reporting.

General comment

Significant attention has been given to the systems and processes within the Finance Team and across Council to improve financial reporting. The ensuing Financial Statements have reflected the improvement and the 2025 Financial Statements with the unmodified audit opinion confirm the improvement.

Financial performance summary

Council's net operating result indicates a loss of \$7.4M.

Income Statement is presented below:

\$'000	2025	2024	Movement: fav/(unfav)	%
Income from continuing operations				
Rates and annual charges	28,741	27,686	1,055	4%
User charges and fees	19,567	18,951	616	3%
Other revenues	4,329	4,340	(11)	-1%
Grants and contributions provided for operating purposes	3,454	3,831	(377)	-10%
Grants and contributions provided for capital purposes	15,517	13,809	1,708	12%
Interest and investment income	2,382	2,357	25	1%
Other income	92	286	(194)	-32%
Total income	74,082	71,260	2,822	4%
Expenses from continuing operations				
Employee benefits and on-costs	30,853	27,150	(3,703)	-14%
Materials and services	30,044	31,210	1,166	4%
Borrowing costs	177	174	(3)	-2%
Other expenses	1,135	905	(230)	-25%
Net loss from the disposal of assets	1,063	3,334	2,271	32%
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	63,272	62,773	(499)	-1%
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	10,810	8,487	2,323	27%
Depreciation	11,557	11,185	372	3%
Operating result from continuing operations	(747)	(2,698)	1,951	28%
Operating result from discontinued operations	(6,643)	(10,116)	3,473	33%
Net operating result	(7,390)	(12,814)	5,424	42%
Net operating result before capital grants and contributions	(22,907)	(26,623)	3,716	14%

Please note that, due to the settlement of Blue Haven Bonaira during the 2024–25 financial year, all related transactions and balances have been excluded from both the 2025 and 2024 consolidated results. These have been separately disclosed in Note D1-1: Discontinued Operations.

The cash, cash equivalents and investments balance decreased from \$49.4M (2024) to \$38.4M (June 2025). This is mainly due to the finalisation of the Blue Haven Bonaira sale and associated TCorp loan repayment.

As at 30 June 2025 Council's unrestricted cash balance is \$923K.

Please refer to the attached *2024-25 Annual Financial Statements* for further details.

A structural deficit is a well-known challenge faced by Councils across NSW and Kiama Council is no exception. This issue became prominent in mid to late 2022 with interventions by the Audit Office of NSW raising concerns about Council's solvency and then Office of Local Government issuing a Notice of Intention to Issue a Performance Improvement Order. Strategic Improvement Plan and Financial Sustainability & Cash Flow Strategy were implemented to address the challenge.

Much improvement has occurred since but while acknowledging the improvement, Council received the varied Performance Improvement Order (PIO) from the Hon. Ron Hoenig MP, Minister for Local Government in May 2024. The varied PIO will cover 2 years to May 2026 and has a strong finance and governance focus, particularly regarding becoming financially sustainable by 2026-2027. In issuing the varied PIO, the Minister concluded that Council's previous inability to produce reliable financial reports, including the issuing of a disclaimer from the NSW Audit Office on Council's 2020-21 Financial Statement, was one of the reasons for issuing the PIO. Council has now addressed this concern with the completion of three sets of Financial Statements during the 2023-24 Financial Year which enabled Council to have real time financial data. These 2024-25 Financial Statements will also be submitted to the OLG by the required timeline of 31 October 2025.

As required by the varied PIO, Council adopted its Strategic Finance & Governance Improvement Plan at their extraordinary meeting in June 2024. This Improvement Plan establishes several actions Council will undertake to achieve financial sustainability by 2026-27. Council has identified the following eight (8) strategic levers to help get to where we need to be and guide Council's direction over the following two to three years to achieve financial sustainability:

Strategic Lever 1: Sustainable cash reserves and responsible borrowing

Strategic Lever 2: Optimised revenue opportunities

Strategic Lever 3: Well planned assets

Strategic Lever 4: Reviewed and efficient service landscape

Strategic Lever 5: Investment in transformation

Strategic Lever 6: Robust financial management

Strategic Lever 7: Prioritising advocacy and partnerships

Strategic Lever 8: Ensure good governance

Audit, Risk and Improvement Committee

The Audit, Risk and Improvement Committee (ARIC) reviewed and endorsed the draft Financial Statements on 16 October 2025. Michael Kharzoo, Director – Financial Audit of the Audit Office NSW attended the meeting and provided updates on the progress of the audit to the ARIC members.



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your council, your community

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Attachment 1



Kiama Municipal Council

General Purpose Financial Statements for the year ended 30 June 2025



Kiama Municipal Council
General Purpose Financial Statements
for the year ended 30 June 2025

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Kiama Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2025

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

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

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

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

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

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

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

Cameron McDonald
Mayor
21 October 2025

Melissa Matters
Deputy Mayor
21 October 2025

Jane Stroud
Chief Executive Officer
21 October 2025

Joe Gaudiosi
Director Corporate and Commercial
21 October 2025

Kiama Municipal Council | Income Statement | for the year ended 30 June 2025

Kiama Municipal Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
29,179	Rates and annual charges	B2-1	28,741	27,686
19,809	User charges and fees	B2-2	19,567	18,951
3,518	Other revenues	B2-3	4,329	4,340
3,784	Grants and contributions provided for operating purposes	B2-4	3,454	3,831
4,515	Grants and contributions provided for capital purposes	B2-4	15,517	13,809
1,839	Interest and investment income	B2-5	2,382	2,357
–	Other income	B2-6	92	286
62,644	Total income from continuing operations		74,082	71,260
	Expenses from continuing operations			
26,478	Employee benefits and on-costs	B3-1	30,853	27,150
26,427	Materials and services	B3-2	30,044	31,210
138	Borrowing costs		177	174
1,049	Other expenses	B3-4	1,135	905
(2,946)	Net loss from the disposal of assets	B4-1	1,063	3,334
51,146	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		63,272	62,773
11,498	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		10,810	8,487
9,600	Depreciation, amortisation and impairment of non-financial assets	B3-3	11,557	11,185
1,898	Operating result from continuing operations		(747)	(2,698)
	Discontinued operations			
(234)	Operating result from discontinued operations	D1-1	(6,643)	(10,116)
1,664	Net operating result for the year attributable to Council		(7,390)	(12,814)
(2,529)	Net operating result for the year before grants and contributions provided for capital purposes		(22,907)	(26,623)

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

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Kiama Municipal Council | Statement of Comprehensive Income | for the year ended 30 June 2025

Kiama Municipal Council

Statement of Comprehensive Income
for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Net operating result for the year – from Income Statement		(7,390)	(12,814)
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	24,011	27,636
Total items which will not be reclassified subsequent to operating result		24,011	27,636
Total other comprehensive income for the year		24,011	27,636
Total comprehensive income for the year attributable to Council		16,621	14,822

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

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Kiama Municipal Council | Statement of Financial Position | as at 30 June 2025

Kiama Municipal Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	17,928	19,051
Investments	C1-2	19,000	21,000
Receivables	C1-4	3,274	3,304
Inventories		347	329
Contract assets and contract cost assets	C1-5	513	1,488
Current assets classified as held for sale	C1-6	945	909
Net assets transferred to discontinued operations		-	6,301
Prepayments		545	771
Total current assets		42,552	53,153
Non-current assets			
Investments	C1-2	1,465	9,373
Receivables	C1-4	2,950	205
Infrastructure, property, plant and equipment (IPPE)	C1-7	583,583	553,121
Investment property	C1-8	85,960	80,200
Right of use assets		279	395
Total non-current assets		674,237	643,294
Total assets		716,789	696,447
LIABILITIES			
Current liabilities			
Payables	C2-1	69,807	71,949
Contract liabilities	C2-2	4,694	4,365
Lease liabilities		77	114
Borrowings	C2-3	2,519	675
Employee benefit provisions	C2-4	6,006	5,563
Provisions	C2-5	633	-
Total current liabilities		83,736	82,666
Non-current liabilities			
Lease liabilities		226	290
Borrowings	C2-3	8,154	5,414
Employee benefit provisions	C2-4	528	553
Total non-current liabilities		8,908	6,257
Total liabilities		92,644	88,923
Net assets		624,145	607,524
EQUITY			
Accumulated surplus		153,518	160,908
IPPE revaluation surplus		470,627	446,616
Council equity interest		624,145	607,524
Total equity		624,145	607,524

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

Kiama Municipal Council | Statement of Changes in Equity | for the year ended 30 June 2025

Kiama Municipal Council

Statement of Changes in Equity
for the year ended 30 June 2025

	2025			2024		
	Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
Notes						
Opening balance at 1 July	160,908	446,616	607,524	173,722	418,980	592,702
Restated opening balance	160,908	446,616	607,524	173,722	418,980	592,702
Net operating result for the year	(7,390)	-	(7,390)	(12,814)	-	(12,814)
Restated net operating result for the period	(7,390)	-	(7,390)	(12,814)	-	(12,814)
Other comprehensive income						
Gain (loss) on revaluation of infrastructure, property, plant and equipment	-	24,011	24,011	-	27,636	27,636
Other comprehensive income	-	24,011	24,011	-	27,636	27,636
Total comprehensive income	(7,390)	24,011	16,621	(12,814)	27,636	14,822
Closing balance at 30 June	153,518	470,627	624,145	160,908	446,616	607,524

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

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Kiama Municipal Council | Statement of Cash Flows | for the year ended 30 June 2025

Kiama Municipal Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Cash flows from operating activities				
Receipts:				
29,179	Rates and annual charges		28,616	27,597
19,809	User charges and fees		20,554	23,585
1,839	Interest received		2,469	2,579
8,299	Grants and contributions		15,332	15,208
–	Bonds, deposits and retentions received		–	240
3,518	Other		5,716	2,594
Payments:				
(26,443)	Payments to employees		(32,380)	(26,244)
(26,462)	Payments for materials and services		(35,411)	(35,283)
(138)	Borrowing costs		(277)	(319)
–	Bonds, deposits and retentions refunded		(223)	–
(1,049)	Other		2,847	–
–	Discontinued operations		(931)	(918)
8,552	Net cash flows from operating activities	G1-1	6,312	9,039
Cash flows from investing activities				
Receipts:				
–	Redemption of term deposits		10,000	–
6,496	Proceeds from sale of IPPE		1,465	7,419
–	Discontinued operations		10,261	–
Payments:				
–	Acquisition of term deposits		–	(26,250)
–	Purchase of investment property		(500)	–
–	Other investing activity payments		(2,132)	–
(16,360)	Payments for IPPE		(13,286)	(15,966)
(9,864)	Net cash flows from investing activities		5,808	(34,797)
Cash flows from financing activities				
Receipts:				
3,500	Proceeds from retirement villages and residential aged care bonds		2,001	2,567
Payments:				
(675)	Repayment of borrowings		(676)	(801)
–	Principal component of lease payments		(138)	(15)
–	Discontinued operations		(14,430)	–
2,825	Net cash flows from financing activities		(13,243)	1,751
1,513	Net change in cash and cash equivalents		(1,123)	(24,007)
–	Cash and cash equivalents at beginning of year		19,051	43,058
1,513	Cash and cash equivalents at end of year	C1-1	17,928	19,051
–	plus: Investments on hand at end of year	C1-2	20,465	30,373
1,513	Total cash, cash equivalents and investments		38,393	49,424

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

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Kiama Municipal 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 21 October 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the Office of Local Government (OLG) directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements are set out below.

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

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

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Council is a not for-profit entity.

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

This basis remains appropriate notwithstanding the discontinued operations of Blue Haven Bonaira, which have been separately disclosed in the financial statements. The discontinuation does not affect Councils ability to continue as going concern.

Discontinued Operations

Council resolved in October 2022 to begin the sale process of its Blue Haven Bonaira Aged Care and Retirement Living services. This decision was reaffirmed at a follow-up meeting in February 2023. Throughout 2023/24, the sale process progressed through an expression of interest, request for tender, and direct negotiation phases. A sale contract was signed with Hall & Prior Aged Care Group on 17 July 2024 for a gross value of \$95 million. In December 2024, further contract negotiations resulted in an agreed sale price reduction of \$6 million. The final settlement of the sale occurred on 31 March 2025 for a total consideration of \$89 million. The Community Transport operations were transferred to Coast and Country Community Services Ltd on 30 November 2024. In addition Hall and Prior managed the Commonwealth Home Support Programme (CHSP) operations from the sale date until 30 June 2025 on behalf of Council and have invoiced for such services.

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- i. estimated fair values of investment property – refer Note C1-8
- ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- iii. employee benefit provisions – refer Note C2-4.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables (refer Note C1-4)
- (ii) Revenue recognition (AASB 15 and AASB 1058)

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 activities have been included as part of the Consolidated Fund:

- General purpose operations
- Holiday Parks
- Pavilion function centre operations
- Retirement Village operations

Volunteer services

Council engages a range of volunteers from the community to provide support in the running of our visitor information centre, library programs, engineering and environmental services. Volunteer services are required to be recognised in the financial statements if their value is material or if Council would purchase the service if it was not provided by volunteers. In most instances, Council would not purchase the service if it was not provided by volunteers and the overall quantifiable volunteered amount is not considered to be material therefore, the value is not required to be disclosed in these financial statements.

New accounting standards and interpretations issued but not yet effective

Certain new interpretations have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2025 reporting period.

As at the date of authorisation of these financial statements Council considers *AASB 18 Presentation and Disclosure in Financial Statements* to impact presentation of financial statements, effective 1 January 2028. The standard replaces AASB 101 and changes the structure of the income statement and related disclosures. It also renames AASB 108 as "Basis of Preparation of Financial Statements" and makes a range of consequential amendments to most other standards.

Council also considers AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information (a voluntary standard relating to the disclosure of sustainability-related risks and opportunities) and AASB S2 Climate-related Disclosures (a mandatory standard relating to the financial disclosure of climate-related risks and opportunities impacting on Councils) to be effective 1 July 2027 due to Council's employee count at 30 June 2025.

AASBS1 General Requirements for Disclosure of Sustainability-related Financial Information is the financial disclosure of sustainability-related risks and opportunities.

AASBS2 Climate-related Disclosures is the financial disclosure of climate-related risks and opportunities impacting on Councils financial performance.

New accounting standards adopted during the year

For this period, Council adopted *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*. This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.

In particular, this standard provides guidance on:

- (a) highest and best use
- (b) financially feasible uses
- (c) use of assumptions
- (d) nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach.

The standard applies prospectively to annual periods beginning on or after 1 January 2024; i.e. Council's financial statements for the year ended 30 June 2025, with earlier application not permitted. Following a review of the amendments to AASB 13, Council determines that the changes have no material effect on its financial position or disclosures.

Kiama Municipal Council | Notes to the Financial Statements 30 June 2025

B Financial Performance**B1 Functions or activities****B1-1 Functions or activities – income, expenses and assets**

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
\$ '000	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
Office of Chief Executive Officer *	126	1,345	4,781	7,792	(4,655)	(6,447)	–	50	–	–
Corporate and Commercial	42,071	29,208	28,264	32,651	13,807	(3,443)	1,904	2,137	57,344	55,716
Strategy and Communities	26,308	34,021	30,419	25,996	(4,111)	8,025	16,413	12,628	100,350	97,502
Infrastructure and Operations	5,577	6,686	11,365	8,169	(5,788)	(1,483)	654	2,825	559,095	543,229
Total functions and activities	74,082	71,260	74,829	74,608	(747)	(3,348)	18,971	17,640	716,789	696,447

(*) Operating loss due to Office of Chief Executive Officer responsible for Performance Improvement Order Implementation team and legal expenses.

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B1-2 Components of functions or activities

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

Office of Chief Executive Officer

Governance costs relating to Council's role as a component of democratic government; including elections, meetings of council and policy making committees, members' fees and expenses, subscriptions to local authority associations, area representation and public disclosure, governance, communication, and tourism.

Corporate and Commercial

Corporate and other support services, human resources, finance, information technology, member services, holiday and caravan parks, real estate development, risk management, Blue Haven Terralong.

Strategy and Communities

Animal control, building control, compliance, enforcement of local government regulations, food control, public conveniences, public halls, immunisation, town planning, environmental protection, community centre, indoor sports complex, leisure centre, youth services, family history centre, public libraries and other community services.

Infrastructure and Operations

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, parking areas, bus shelters, fire protection, RTA works, street lighting, emergency services, street cleaning, public cemeteries, swimming pools, sporting grounds, parks and gardens, private works, stormwater drainage, engineering support services, waste unit and waste management, property maintenance and beach control.

The functions are based on the Council's structure as at the date of authorisation of financial statements.

B2 Sources of income**B2-1 Rates and annual charges**

\$ '000	2025	2024
Ordinary rates		
Residential	19,296	18,315
Business	1,668	1,600
Farmland	808	771
Less: pensioner rebates (Council policy)	(24)	(87)
Less: pensioner rebates (mandatory)	(301)	(256)
Rates levied to ratepayers	21,447	20,343
Pensioner rate subsidies received	176	160
Total ordinary rates	21,623	20,503
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	6,712	6,618
Commercial waste management services	196	333
Stormwater management services	231	230
Sewerage services	57	56
Less: pensioner rebates (Council policy)	(10)	(32)
Less: pensioner rebates (mandatory)	(129)	(91)
Annual charges levied	7,057	7,114
Pensioner annual charges subsidies received:		
– Domestic waste management	61	69
Total annual charges	7,118	7,183
Total rates and annual charges	28,741	27,686

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates and 4.5% rates increase.

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	2025	2024
User charges		
Domestic waste management services	35	49
Contract plant and truck hire	1,245	1,479
Waste management services (non-domestic)	174	6
Total user charges	1,454	1,534
Other user charges and fees		
Planning and building regulation	637	718
Building services – other	161	167
Registration fees	86	96
Inspection services	47	61
Section 603 certificates	53	46
Holiday parks	11,385	10,880
Blue Haven aged care	1,110	1,033
Leisure centre	2,531	2,423
Council properties	1,178	1,102
Public cemeteries	446	453
Waste disposal tipping fees	147	126
Engineering services	112	114
Saddleback mountain tower	118	89
Other	102	109
Total other user charges and fees	18,113	17,417
Total user charges and fees	19,567	18,951

B2-3 Other revenues

Deferred Management Fees	2,001	2,262
Visitor Information Centre	94	394
Motor vehicle leaseback	200	162
Fines – other	77	124
Recycling income (non-domestic)	198	143
Insurance claims recoveries	312	15
Diesel fuel rebate	108	85
Legal Settlements	202	8
Rental income	231	271
Commissions and agency fees	4	5
Return & Earn	15	19
Other	409	551
Workers Compensation Rebate	130	110
Sales – general	348	191
Total other revenue	4,329	4,340

B2-4 Grants and contributions

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)				
Current year allocation				
Financial assistance	378	108	–	–
Payment in advance - future year allocation				
Financial assistance	1,260	2,029	–	–
Amount recognised as income during current year	1,638	2,137	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Commonwealth Home Support Program (CHSP)	266	–	–	–
Transport for NSW contributions (regional roads, block grant)	938	–	51	–
Transport (roads to recovery)	–	269	420	104
Bushfire and emergency services	137	139	–	–
Tourism	66	25	–	–
Library	124	123	–	–
Youth opportunities	53	71	–	–
Road safety program	45	53	–	62
Environmental programs	–	113	–	–
Cultural development	128	–	–	–
Recreation and culture	59	52	2,142	1,910
Community centres	–	–	167	11
Storm/flood damage	–	83	6,297	5,945
Restart – infrastructure	–	–	–	391
Traffic facilities/black spot program	–	–	–	143
Other specific grants	–	47	12	–
Transport (other roads and bridges funding)	–	719	76	1,357
Showground Stimulus Funding	–	–	419	114
Stronger Countries Community Fund	–	–	–	718
Flood Study	–	–	336	571
Non-cash contributions				
Contributed asset	–	–	5,509	–
Total special purpose grants and non-developer contributions (tied)	1,816	1,694	15,429	11,326
Total grants and non-developer contributions	3,454	3,831	15,429	11,326
Comprising:				
– Commonwealth funding	282	292	1,145	695
– State funding	3,172	3,539	8,775	10,631
– Other funding	–	–	5,509	–
	3,454	3,831	15,429	11,326

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:					
(s7.4 & s7.11 & s7.12 - EP&A Act):					
s7.11 & s7.12 contributions ¹	G4	—	—	64	2,462
Other developer contributions		—	—	24	21
Total developer contributions		—	—	88	2,483
Total grants and contributions		3,454	3,831	15,517	13,809

(1) Developer Contributions revenue is offset by significant refunds issued during the year

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds at 1 July	101	8	4,186	6,870
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	—	—	—	—
Add: Funds received and not recognised as revenue in the current year	132	93	377	—
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	—	—	—	(2,684)
Less: Funds received in prior year but revenue recognised and funds spent in current year	—	—	—	—
Unspent funds at 30 June	233	101	4,563	4,186
Funds relate to unspent capital grants. These funds are externally restricted.				
Contributions				
Unspent funds at 1 July	—	—	12,691	10,545
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	—	—	64	2,474
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	—	—	(473)	(328)
Unspent contributions at 30 June	—	—	12,282	12,691

Unspent developer contributions were restricted as required by legislation.

B2-4 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Cash and investments	2,324	2,308
– Overdue rates and annual charges (incl. special purpose rates)	58	49
Total interest and investment income (losses)	2,382	2,357
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
General Council cash and investments	1,304	1,343
Overdue rates and annual charges (general fund)	44	49
Restricted investments/funds – external:		
Developer contributions		
– Section 7.11 & 7.12	674	636
- Domestic waste management operations	360	329
Total interest and investment income	2,382	2,357

B2-6 Other income

Fair value increment on investments

Fair value increment on investments through profit and loss (Civic Risk Mutual)	92	286
Total fair value increment on investments	92	286
Total other income	92	286

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	21,983	19,273
Employee leave entitlements (ELE)	4,943	4,130
Superannuation	2,854	2,333
Workers' compensation insurance	1,150	1,091
Training costs (other than salaries and wages)	373	341
Fringe benefit tax (FBT)	114	78
Superannuation – defined benefit plans	58	80
Other	85	69
Total employee costs	31,560	27,395
Less: capitalised costs	(707)	(245)
Total employee costs expensed	30,853	27,150
Number of 'full-time equivalent' employees (FTE) at year end	255	236

Material accounting policy information

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

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		14,203	14,084
Contractor costs		5,556	5,933
Computer software charges		2,332	2,095
Insurance		1,467	1,483
Electricity and heating		962	937
Other expenses		237	351
Audit Fees	F2-1	313	396
Telephone and communications		509	524
Subscriptions and publications		548	558
Street lighting		187	310
Cleaning		200	150
Advertising		446	429
Councillor and Mayoral fees and associated expenses	F1-2	338	343
Election expenses		172	3
Bank charges		226	210
Postage		70	68
Printing and stationery		65	95
Cost of sales		15	69
Travel expenses		37	17
Waste Disposal		25	29
Legal expenses:			
– Legal expenses: planning and development		25	49
– Legal expenses: other		2,019	3,053
– Legal expenses: debt recovery		92	24
Total materials and services		30,044	31,210

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

\$ '000	2025	2024
Depreciation and amortisation		
Plant and equipment	1,880	2,031
Office equipment	124	239
Furniture and fittings	141	143
Land improvements (depreciable)	81	106
Infrastructure:		
– Roads	4,082	3,819
– Stormwater drainage	953	478
– Bridges	682	648
– Footpaths	308	287
– Other open space/recreational assets	376	201
– Other structures	167	205
– Swimming pools	35	34
– Buildings	2,409	2,322
Right of use assets	153	103
Other assets:		
– Other	94	103
– Library books	72	45
Total gross depreciation and amortisation costs	11,557	10,764
Impairment / revaluation decrement of IPPE		
Plant and equipment	–	419
Furniture and fittings	–	2
Total gross IPPE impairment / revaluation decrement costs	–	421
Total depreciation, amortisation and impairment for non-financial assets	11,557	11,185

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 C1-7 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 not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

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

B3-4 Other expenses

\$ '000	Notes	2025	2024
Impairment of receivables			
User charges and fees		66	98
Reversal of Prior Year Doubtful Debt		(76)	(105)
Total impairment of receivables	C1-4	(10)	(7)
Other			
Contributions/levies to other levels of government			
– Crown reserve levy		529	353
– Emergency services levy (includes FRNSW, SES, and RFS levies)		448	482
Donations, contributions and assistance to other organisations (Section 356)		168	77
Total other		1,145	912
Total other expenses		1,135	905

B4 Gains or losses

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment	C1-7	908	761
Less: carrying amount of plant and equipment assets sold/written off		(1,644)	(1,709)
Gain (or loss) on disposal		(736)	(948)
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property ¹		557	6,658
Less: carrying amount of property assets sold/written off		(557)	(9,044)
Gain (or loss) on disposal		–	(2,386)
Gain (or loss) on disposal of infrastructure			
Carrying amount of infrastructure assets written off	C1-7	(327)	–
Gain (or loss) on disposal		(327)	–
Net gain (or loss) from disposal of assets		(1,063)	(3,334)

(1) Disposal relates to O'Connell Street

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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B5-1 Material budget variations (continued)

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----		
Revenues					
Rates and annual charges	29,179	28,741	(438)	(2)%	U
User charges and fees	19,809	19,567	(242)	(1)%	U
Other revenues	3,518	4,329	811	23%	F
Received additional revenue from insurance claims, StateCover contributions, and recovery of legal fees which were not anticipated and were therefore not included in the original budget.					
Operating grants and contributions	3,784	3,454	(330)	(9)%	U
Capital grants and contributions	4,515	15,517	11,002	244%	F
Received additional Betterment, Natural Disaster Recovery, and LRCI funding, as well as Gerringong Surf Club contributed asset which was not included in original budget.					
Interest and investment revenue	1,839	2,382	543	30%	F
Original budget projections for interest revenue from investments and cash balances were conservative, based on the assumption that interest rates would decline more than they ultimately did. Additionally, the budget underestimated the interest income generated from overdue rates, contributing to a higher-than-expected revenue outcome.					
Expenses					
Employee benefits and on-costs	26,478	30,853	(4,375)	(17)%	U
The original budget did not account for the financial impact of the revised salary restructure implemented during the year, which involved changes to positions and pay grades. Casual and overtime requirements across various business units were also underestimated. Additionally, lump sum back payments and costs associated with the departure of long-term employees were unforeseen. Leave entitlement provisions increased more than expected due to reduced leave taken and the effects of the restructure and award increases.					
Materials and services	26,427	30,044	(3,617)	(14)%	U
The original budget did not account for cost increases outside of Council's control, including those related to waste disposal, vehicle maintenance, and maintenance of Blue Haven Terralong. In addition, the legal settlement could not have been anticipated and was therefore not included in the original budget.					
Borrowing costs	138	177	(39)	(28)%	U
The original budget did not account for interest expenses associated with lease liabilities.					
Depreciation, amortisation and impairment of non-financial assets	9,600	11,557	(1,957)	(20)%	U
Following the comprehensive asset revaluations undertaken in 2023/24, asset values increased, resulting in a higher depreciation expense compared to the original adopted budget.					
Other expenses	1,049	1,135	(86)	(8)%	U
Net losses from disposal of assets	(2,946)	1,063	(4,009)	136%	U
Several planned property asset divestments did not materialise during the year. Additionally, net losses were incurred on plant and equipment following asset stocktakes and clean-up activities, which led to unexpected asset write-offs. Furthermore, infrastructure disposals occurred during the year that were not included in the original budget.					
Operating result from discontinued operations	(234)	(6,643)	(6,409)	2,739%	U
Following final sale negotiations, the sale price was reduced, resulting in a net loss. Further details are provided in Note D1-1 – Discontinued Operations.					

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	8,552	6,312	(2,240)	(26)% U
Cash flows from operating activities are unfavourable against the original budget due to unfavourable variances in employee costs and materials and services as noted above.				
Cash flows from investing activities	(9,864)	5,808	15,672	(159)% F
Cash flows from investing activities were favourable for the year, primarily due to lower-than-anticipated expenditure on Council's capital works program partly attributed to staffing capacity constraints and project delays.				
Cash flows from financing activities	2,825	(13,243)	(16,068)	(569)% U
Cash flows from financing activities are unfavourable due to lower than originally forecast proceeds from retirement villages and residential aged care bonds. Ongoing independent living unit refurbishments have limited the number of available units for sale. The cash outflow relating to the principal component of lease payments was not considered in the original adopted budget.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash on hand and at bank	10,928	11,301
Cash equivalent assets		
– Short-term deposits	7,000	7,750
Total cash and cash equivalents	17,928	19,051

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	17,928	19,051
Balance as per the Statement of Cash Flows	17,928	19,051

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Debt securities at amortised cost				
Long term deposits	19,000	1,000	21,000	9,000
Total	19,000	1,000	21,000	9,000
Other financial assets				
Interest in CivicRisk Mutual	–	465	–	373
Total	–	465	–	373
Total financial investments	19,000	1,465	21,000	9,373
Total cash assets, cash equivalents and investments	36,928	1,465	40,051	9,373

C1-2 Financial investments (continued)

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.

Amortised cost

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

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

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

Financial assets through profit or loss

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

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

Council's investment in CivicRisk Mutual Limited is valued at fair value through profit and loss. Its value of \$465,000 in the Statement of Financial Position by comparison with the face value of \$1,070,000 in CivicRisk Mutual Limited's accounts at 30 June 2025. The valuation of CivicRisk Mutual Limited investment was undertaken by Alycia Jeffrey FIAA and Mark Hurst FIAA from Finity Consulting.

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	38,393	49,424
Less: External restrictions	(33,916)	(39,532)
Cash, cash equivalents and investments not subject to external restrictions	4,477	9,892
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – general	400	500
Specific purpose unexpended grants – general fund	4,796	4,287
External restrictions – included in liabilities	5,196	4,787

External restrictions – other

continued on next page

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

\$ '000	2025	2024
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions - general	13,883	13,618
Stormwater Levy Management	439	230
Security bonds, Deposits & Retentions	1,959	2,185
Crown Land Reserve	3,334	4,837
Blue Haven aged in-home care unspent client fund	—	117
Domestic waste management	7,272	6,665
Blue Haven - ILU Maintenance Levy carried forward surplus (Terralong)	1,798	1,798
Road Reserve	35	—
Blue Haven - ILU Maintenance Levy carried forward surplus (Bonaira)	—	395
Blue Haven - Residential aged care prudential standards	—	4,900
External restrictions – other	28,720	34,745
Total external restrictions	33,916	39,532

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

\$ '000	2025	2024
(b) Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Terralong ILU Capital Works	787	—
Council Elections	—	50
Employees leave entitlement	2,941	3,444
Land development	—	747
Temporary Funding of Disaster Recovery Funding Agreement Works	(711)	(4,925)
Blue Haven ILU Prudential Cover (Terralong)	500	4,100
Plant replacement	—	1,700
Risk Improvement Incentive	37	99
Waste and sustainability	—	1,423
Total internal allocations	3,554	6,638

* At 30 June 2025, Council has spent \$711k in advance for Disaster Recovery Funding Agreement and has used internal reserves to fund this spend.

C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	911	—	724	—
User charges and fees	1,070	—	347	—
— Other asset sales	—	2,738	—	—
Accrued revenues				
— Interest on investments	907	—	994	—
— Other income accruals	39	—	318	—
Government grants and subsidies	—	—	409	—
Net GST receivable	347	—	512	—
Other – advances to public	—	212	—	205
Total	3,274	2,950	3,304	205
Total net receivables	3,274	2,950	3,304	205

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C1-4 Receivables (continued)

\$ '000	2025	2024
Movement in provision for impairment of receivables		
Balance at the beginning of the year	98	90
Movement through provision	(33)	8
Balance at the end of the year	65	98

Material accounting policy information

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

Impairment

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

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

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

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

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 2 years past due, whichever occurs first.

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

C1-5 Contract assets

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants	513	—	1,488	—
Total contract assets	513	—	1,488	—

Material accounting policy information

Contract assets

A contract asset is the equivalent of work in progress or accrued income. A contract asset is recognised in relation to grants when Council has performed the work and believes that the costs expended are recoverable, however an invoice has not yet been raised. Therefore, the amounts cannot be classified as a receivable, although it is assessed for impairment using the Expected Credit Loss model in AASB 9.

C1-6 Non-current assets classified as held for sale

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Land and Building ¹	945	–	909	–
Total non-current assets classified as held for sale	945	–	909	–

(1) The closing balance of assets held for sale includes Lot 100 South Kiama Drive and Lot 6 Manning Street.

Reconciliation of non-current assets held for sale and disposal groups – i.e. discontinued operations

\$ '000	2025 Assets 'held for sale'	2024 Assets 'held for sale'
Opening balance	909	5,461
Less: carrying value of assets/operations sold	–	(5,461)
Balance still unsold after 12 months:	909	–
Plus:		
– Assets held for sale from operational land and buildings	36	909
Closing balance of held for sale non-current assets and operations	945	909

Material accounting policy information

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Kiama Municipal Council | Notes to the Financial Statements 30 June 2025

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period										At 30 June 2025			
	At 1 July 2024													
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP Capitalised	Transferred to held for sale	Reclassification	Revaluation to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	20,530	—	20,530	14,330	54	—	—	(13,678)	—	—	—	21,236	—	21,236
Plant and equipment	26,539	(18,147)	8,392	3,109	—	(1,665)	(1,880)	—	—	—	—	19,730	(11,774)	7,956
Office equipment	5,705	(5,271)	434	1	—	—	(124)	—	—	—	—	5,702	(5,391)	311
Furniture and fittings	3,277	(2,779)	498	445	—	(40)	(141)	—	—	—	—	3,597	(2,835)	762
Land:														
— Operational land	50,187	—	50,187	633	—	(557)	—	—	(36)	—	(1,629)	48,598	—	48,598
— Community land	107,654	—	107,654	—	—	—	—	—	—	—	—	107,654	—	107,654
— Land under roads (post 30/6/08)	28	—	28	—	—	—	—	—	—	—	—	28	—	28
Land improvements — non-depreciable	3,379	—	3,379	188	—	(45)	—	—	—	(121)	(2,064)	1,337	—	1,337
Land improvements — depreciable	3,103	(1,980)	1,123	—	—	(15)	(81)	—	—	(590)	(274)	461	(298)	163
Infrastructure:														
— Bridges	67,887	(27,465)	40,422	—	—	—	(682)	—	—	—	1,039	69,663	(28,884)	40,779
— Bulk earthworks (non-depreciable)	20,707	(1)	20,706	1,022	—	—	—	—	—	257	568	22,568	(15)	22,553
— Footpaths	15,981	(6,212)	9,769	281	—	(74)	(308)	—	—	34	261	16,634	(6,671)	9,963
— Buildings	153,601	(46,312)	107,289	482	5,900	—	(2,409)	—	—	119	(458)	166,882	(55,959)	110,923
— Other structures	4,889	(2,611)	2,278	—	—	(43)	(167)	—	—	2,540	15,390	36,328	(16,330)	19,998
— Stormwater drainage	97,902	(33,023)	64,879	212	—	—	(953)	—	—	14	1,717	100,849	(34,980)	65,869
— Swimming pools	1,208	(409)	799	1	—	—	(35)	—	—	243	2,377	5,599	(2,214)	3,385
— Other open space/recreational assets	10,895	(4,980)	5,915	3,543	—	—	(376)	—	—	(1,773)	4,310	16,771	(5,152)	11,619
— Roads	193,374	(85,891)	107,483	3,984	—	(350)	(4,082)	—	—	29	2,872	202,211	(92,275)	109,936
Other assets:														
— Library books	2,148	(1,944)	204	—	175	—	(72)	—	—	—	—	2,323	(2,016)	307
— Other	1,746	(594)	1,152	—	—	(2)	(94)	—	—	(752)	(98)	250	(44)	206
Total infrastructure, property, plant and equipment	790,740	(237,619)	553,121	28,231	6,129	(2,791)	(11,404)	(13,678)	(36)	—	24,011	848,421	(264,838)	583,583

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

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Kiama Municipal Council | Notes to the Financial Statements 30 June 2025

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

By aggregated asset class	Asset movements during the reporting period											At 30 June 2024			
	At 1 July 2023			Impairment loss /											
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment revaluation decrements (recognised in P/L)	WIP Capitalised	Transferred to held for sale	Reclassification	Revaluation to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	9,500	–	9,500	13,083	2,509	–	–	–	(4,562)	–	–	–	20,530	–	20,530
Plant and equipment	29,336	(18,551)	10,785	2,822	–	(1,259)	(2,031)	(419)	–	(1,484)	(22)	–	26,539	(18,147)	8,392
Office equipment	5,401	(5,157)	244	443	–	–	(239)	–	–	–	(14)	–	5,705	(5,271)	434
Furniture and fittings	3,845	(3,193)	652	–	–	(1)	(143)	(2)	–	(8)	–	–	3,277	(2,779)	498
Land:															
–Operational land	57,266	–	57,266	–	–	–	–	–	–	(10,229)	2,300	850	50,187	–	50,187
–Community land	109,954	–	109,954	–	–	–	–	–	–	(909)	(2,300)	909	107,654	–	107,654
–Land under roads (post 30/6/08)	28	–	28	–	–	–	–	–	–	–	–	–	28	–	28
Land improvements – non-depreciable	4,728	–	4,728	–	–	(1)	–	–	–	(1,053)	–	(295)	3,379	–	3,379
Land improvements – depreciable	3,102	(1,874)	1,228	–	1	–	(106)	–	–	–	–	–	3,103	(1,980)	1,123
Infrastructure:															
–Bridges	64,431	(25,419)	39,012	–	–	–	(648)	–	–	–	–	2,058	67,887	(27,465)	40,422
–Bulk earthworks (non-depreciable)	24,345	–	24,345	–	–	–	–	–	–	(3,661)	–	22	20,707	(1)	20,706
–Footpaths	15,107	(5,609)	9,498	62	19	–	(287)	–	–	(12)	–	489	15,981	(6,212)	9,769
–Buildings	206,632	(46,602)	160,030	706	–	(2,467)	(2,322)	–	–	(43,254)	(152)	(5,252)	153,601	(46,312)	107,289
–Other structures	13,047	(6,285)	6,762	–	–	–	(205)	–	–	(18)	(4,780)	519	4,889	(2,611)	2,278
–Stormwater drainage	57,051	(16,746)	40,305	–	1	–	(478)	–	–	–	4,972	20,079	97,902	(33,023)	64,879
–Swimming pools	1,208	(375)	833	–	–	–	(34)	–	–	–	–	–	1,208	(409)	799
–Other open space/recreational assets	6,821	(3,658)	3,163	167	–	–	(201)	–	–	–	–	2,786	10,895	(4,980)	5,915
–Roads	183,512	(77,985)	105,527	751	–	(447)	(3,819)	–	–	–	–	5,471	193,374	(85,891)	107,483
Other assets:															
–Library books	2,148	(1,899)	249	–	–	–	(45)	–	–	–	–	–	2,148	(1,944)	204
–Other	1,751	(492)	1,259	–	–	–	(103)	–	–	–	(4)	–	1,746	(594)	1,152
Total infrastructure, property, plant and equipment	799,213	(213,845)	585,368	18,034	2,530	(4,175)	(10,661)	(421)	(4,562)	(60,628)	–	27,636	790,740	(237,619)	553,121

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

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

Material accounting policy information

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

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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

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

Land is not depreciated. 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	2 to 35	Playground equipment	5 to 20
Furniture & fittings	3 to 50	Benches, seats etc.	10 to 25
Computer equipment	3 to 5		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings	50 to 117
Other plant and equipment	5 to 40		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	15 to 60	Bulk earthworks	infinite
Sealed roads: structure	80 to 120	Swimming pools	10 to 30
Road traffic control devices	25 to 80	Other open space/recreational assets	10 to 50
Traffic management assets	20 to 80	Other infrastructure	15 to 95
Bridge: concrete	80 to 100		
Bridge: other	60 to 100		
Kerb, gutter and footpaths	25 to 60		
Stormwater assets			
Drains	80 to 120		
Culverts	50 to 100		
Flood control structures	20 to 120		

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

Land under roads

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

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

Crown reserves

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

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

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

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, “all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed”.

Council has performed an assessment of its Rural Fire Service “red fleet assets” and concluded that they are not material. On this basis, Council has elected not to recognise the red fleet assets. Buildings however continue to be recognised.

C1-8 Investment properties

\$ '000	2025	2024
At fair value		
Opening balance at 1 July	80,200	124,950
Acquisitions ¹	5,760	–
Classified as held for sale	–	(35,642)
Other movements	–	(9,108)
Closing balance at 30 June	85,960	80,200

(1) Purchase of Shoalhaven Street Property

Material accounting policy information

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

C2 Liabilities of Council**C2-1 Payables**

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Payables				
Prepaid rates	514	–	452	–
Goods and services	2,532	–	3,149	–
Accrued expenses:				
– Borrowings	5	–	105	–
– Salaries and wages	633	–	1,041	–
– Other expenditure accruals	2,050	–	3,745	–
Retirement village loan licence agreement	61,784	–	60,876	–
Security bonds, deposits and retentions	2,187	–	2,410	–
In-home aged care unspent client funds	52	–	112	–
Other	50	–	59	–
Total payables	69,807	–	71,949	–

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

\$ '000	2025	2024
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – retirement village loan licence agreement	55,605	54,793
Total payables	55,605	54,793

Material accounting policy information

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

C2-2 Contract Liabilities

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Unexpended capital grants (to construct Council controlled assets)	(i)	4,797	–	4,287	–
Other user fees and charges	(ii)	(103)	–	78	–
Total contract liabilities		4,694	–	4,365	–

Notes

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

(ii) Deposits received in advance for the Holiday Parks do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue in the following financial year.

C2-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured	2,519	8,154	675	5,414
Total borrowings	2,519	8,154	675	5,414

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Re-measurement	Closing balance
Loans – secured	6,089	(675)	5,259	–	–	–	10,673
Lease liability	404	(138)	–	–	–	37	303
Total liabilities from financing activities	6,493	(813)	5,259	–	–	37	10,976

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Discontinued operations	Closing balance
Loans – secured	21,295	(776)	–	–	–	(14,430)	6,089
Lease liability	42	362	–	–	–	–	404
Total liabilities from financing activities	21,337	(414)	–	–	–	(14,430)	6,493

(b) Financing arrangements

\$ '000	2025	2024
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Total facilities

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

Bank overdraft facilities ¹	2,000	2,000
Credit cards/purchase cards	400	400
Total financing arrangements	2,400	2,400

Drawn facilities

Financing facilities drawn down at the reporting date are:

Bank overdraft facilities	–	–
Credit cards/purchase cards	43	–
Total drawn financing arrangements	43	–

Undrawn facilities

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

Bank overdraft facilities	2,000	2,000
Credit cards/purchase cards	357	359
Total undrawn financing arrangements	2,357	2,359

Breaches and defaults

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

Security over loans

Loans secured over future cash flows

(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	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	2,109	—	1,836	—
Sick leave	161	—	102	—
Long service leave	2,637	466	2,737	478
TOIL Leave	401	—	297	—
ELE on-costs	698	62	591	75
Total employee benefit provisions	6,006	528	5,563	553

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

\$ '000	2025	2024
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	4,498	4,172
Other	396	415
	4,894	4,587

Description of and movements in provisions

Material accounting policy information

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

C2-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works) ¹	633	—	—	—
Sub-total – asset remediation/restoration	633	—	—	—
Total provisions	633	—	—	—

(1) Relates to Havilah Place provision for demolition

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 - Havilah Place

In April 2025, Council endorsed a Statement of Intent, through a formal Council Report, to demolish the former nursing home hostel located at Havilah Place. In line with this decision, Council has initiated the tender process and recognised a provision for the estimated demolition costs based on the tender results. the work is to commence immediately in 2026

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C2-5 Provisions (continued)

financial year, as such no need for discounting.

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.

Fair value through other comprehensive income reserve (FVOCI)

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

DRAFT

D Council structure**D1 Discontinued operations****D1-1 Discontinued operations**

\$ '000	2025	2024
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(a) Description

Council resolved in October 2022 to begin the sale process of its Blue Haven Bonaira Aged Care and Retirement Living services. This was confirmed at a follow up meeting in February 2023. The sale process for Bonaira Aged Care assets and operations involved expression of interest, request for tender, and direct negotiation phases during 2023/24. The sale contract with Hall & Prior Aged Care Group was concluded in December 2024 reflecting a gross value of \$89M. Settlement occurred on 31 March 2025, as such Kiama Municipal Council has disclosed it as a discontinued operation. As part of the contract negotiations the consideration was split into two payments, 75% on 31 March 2025 and the remaining 25% in 2 years on 31 March 2027.

(b) Income Statement and cash flow information

The Income Statement and cash flow information presented are for the 9 months ended 31/03/2025.

\$ '000	2025	2024
Revenue	17,636	22,835
Expenses	(18,832)	(23,843)
Reduction in fair value before settlement date	(5,447)	(9,108)
Operating result from discontinued operations	(6,643)	(10,116)
Cash flows from discontinued operations		
Net cash inflow/(outflow) from operating activities	(931)	(918)
Cash flows from investing activities		
Receipts:		
Proceeds from sale of discontinued operation	88,781	—
Movement in debtors	(2,738)	—
Payments:		
Liabilities transferred	75,781	—
Net cash inflow/(outflow) from investing activities	10,262	—
Net cash inflow/(outflow) from financing activities	(14,430)	—
Net increase/(decrease) in cash generated by the discontinued operation	(5,020)	(918)

(c) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities transferred as at 31/03/2025.

Asset held for sale	88,432	94,229
Receivables	100	—
Total Assets	88,532	94,229
Payables	74,342	71,959
Provision for employee benefits	1,539	1,539
Borrowings	—	14,430
Total Liabilities	75,881	87,928
Net assets	12,651	6,301
Carrying amount of net assets transferred	12,651	6,301

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

\$ '000	Carrying value 2025	Carrying value 2024	Fair value 2025	Fair value 2024
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	17,928	19,051	17,928	19,051
Receivables	6,224	3,509	6,224	3,509
Investments				
– Debt securities at amortised cost	20,000	30,000	20,000	30,000
Fair value through other comprehensive income				
Investments				
– Equity securities at fair value through other comprehensive income	465	373	465	373
Total financial assets	44,617	52,933	44,617	52,933
Financial liabilities				
Payables	69,807	71,949	69,087	71,949
Loans/advances	10,673	6,089	10,673	6,089
Total financial liabilities	80,480	78,038	79,760	78,038

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and measure at amortised cost investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified **at fair value through other comprehensive income** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the instruments held are:

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

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

- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	384	494
Impact of a 10% movement in price of investments		
– Equity / Income Statement	3,839	4,942

(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
		1 - 2 years	2 - 5 years	≥ 5 years	
2025					
Gross carrying amount	–	795	67	49	911
2024					
Gross carrying amount	–	632	53	39	724

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

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2025						
Gross carrying amount	3,133	2,104	313	64	212	5,826
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.47%	0.02%
ECL provision	—	—	—	—	1	1
2024						
Gross carrying amount	1,508	1,991	26	323	425	4,273
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	6.90%	0.69%
ECL provision	—	—	—	—	29	29

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2025							
Payables	0.00%	2,187	5,836	61,784	—	69,807	69,807
Borrowings	2.34%	—	2,519	6,128	2,026	10,673	10,673
Total financial liabilities		2,187	8,355	67,912	2,026	80,480	80,480
2024							
Payables	0.00%	2,410	52,063	52,162	—	106,635	71,949
Borrowings	3.22%	—	675	3,188	2,226	6,089	6,089
Total financial liabilities		2,410	52,738	55,350	2,226	112,724	78,038

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets and liabilities

During the reporting period, Council has also fair value measured the following assets on a non-recurring basis:

- Non-current assets classified as 'held for sale'

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

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

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

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

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

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E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
Recurring fair value measurements							
Financial assets							
Other financial assets (Civic Risk Mutual)		465	373	—	—	465	373
Total financial assets		465	373	—	—	465	373
Investment property							
Blue Haven ILU	C1-8	80,200	80,200	—	—	80,200	80,200
Other		5,760	—	—	—	5,760	—
Total investment property		85,960	80,200	—	—	85,960	80,200
Infrastructure, property, plant and equipment							
Operational land	C1-7	48,598	47,226	—	—	48,598	47,226
Community land		—	—	107,654	107,654	107,654	107,654
Land under roads		—	—	28	28	28	28
Land improvements – non-depreciable		—	—	1,337	3,379	1,337	3,379
Land improvements – depreciable		—	—	163	1,123	163	1,123
Buildings		—	—	110,923	107,289	110,923	107,289
Roads bridges footpaths		—	—	160,678	157,674	160,678	157,674
Stormwater drainage		—	—	65,869	64,879	65,869	64,879
Bulk earthworks – non depreciable		—	—	22,553	20,706	22,553	20,706
Other Open Space		—	—	—	—	—	—
Recreation Assets & Swimming Pools		—	—	15,004	6,714	15,004	6,714
Other structures		—	—	19,998	2,278	19,998	2,278
Other		—	—	206	1,152	206	1,152
Total infrastructure, property, plant and equipment		48,598	47,226	504,413	472,876	553,011	520,102
Non-recurring fair value measurements							
Non-current assets classified as held for sale							
Land and Building	C1-6	945	909	—	—	945	909
Total NCA's classified as held for sale		945	909	—	—	945	909

E2-1 Fair value measurement (continued)

Valuation techniques

Pre-ambble

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

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

Cost Approach – A valuation technique that reflects the amount that would be required to replace the service capacity of an asset (current replacement cost)

Income Approach – Valuation technique that converts future amounts (cash flow inflows/outflows) to signal the current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about these future amounts.

Market Approach – A valuation technique that uses prices and other relevant information, generated by market transactions involving identical or comparable (similar) assets, liabilities or a group of assets and liabilities such as a business.

Investment property

Council has conducted an in-house valuation for the financial year 2025, reviewed by StewartBrown Advisory specialising who specialise in age care accounting. After careful consideration, it was determined that there was no material movement and therefore no change is required for Blue Haven Terralong ILU.

During the 2025 financial year, Council acquired the properties located at 113 and 117 Shoalhaven Street via a vendor finance arrangement. The initial recognition of these assets has been measured at fair value, determined with reference to the contracted purchase price as outlined in the executed sale agreements.

Recognition of the associated financial liability has also been recorded in accordance with relevant accounting standards.

Infrastructure, property, plant and equipment (IPPE)**Operational Land**

This asset class comprises all Council's land classified as Operational Land under the NSW Local Government Act 1993. Operational land was revalued on 30 June 2022 based land values provided by Valuer General. Along with the application of market approach, the key unobservable input into the valuation is the price per square metre. Operational Land experienced a 3.00% decrease in indexation on 30 June 2025 based on analysis which was based on percentage changes provided by the NSW Valuer-General for Kiama local government area.

Community Land

All Council's Community Land and Council managed land under the NSW Local Government Act 1993 were listed under this asset category. The "Market Approach" has been utilised whereby the primary unobservable factors considered in the valuation are level of restriction, land area and land value. The asset class of Community Land was revalued as of 30 June 2023 by using data obtained from the NSW Valuer-General.

Land under Roads

Council has elected to recognise Land under Roads where the road was acquired on or after 1 July 2008. 'Land under Roads' have been valued using the square metre rates applicable for nearby or adjacent Community Land, having regard to the highest and best use for this land. There has been no change to the valuation process during the reporting period.

Land Improvements – non depreciable

Land Improvements – Non-depreciable are permanent enhancements to land, such as landscaping or site preparation, that have an indefinite life and therefore are not depreciated. The full revaluation of Land Improvement - Non-Depreciable assets was undertaken on June 2025 by independent valuers, Australis.

The cost approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers, Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Land Improvements – depreciable

This asset class comprises land improvements such as playgrounds. These assets may be located on parks, reserves and also within road reserves. The full revaluation of Land Improvements - Depreciable assets was undertaken on June 2025 by independent valuers, Australis.

E2-1 Fair value measurement (continued)

The cost approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers, Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Buildings – Specialised and Non Specialised

The 2025 financial year experienced an increase of approximately 4.44% in indexation for building as per Australian Bureau of Statistics data for non-residential building construction in New South Wales.

APV, an independent valuer, performed valuation for buildings on 30 June 2022 with the approach of componentising each building into significant parts with different useful lives and took into account a range of factors. For example, a pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets are classified as being valued using Level 3 valuation inputs.

Open Space/Recreational Assets

Assets within this class include playground equipment, BBQs and outdoor fitness facilities. The full revaluation of Open Space assets was undertaken on June 2025 by independent valuers, Australis.

The cost approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers, Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Other Structures

This asset class includes sporting facilities, park furniture, signs, skate facilities etc. The full revaluation of Other Structures assets was undertaken on June 2025 by independent valuers, Australis.

The cost approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers, Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Roads, Bridges, Footpaths

This asset class for the 2025 financial year experienced an increase of approximately 2.68% in indexation as per Australian Bureau of Statistics data for road and bridge construction in New South Wales.

AssetVal (Mercer), an independent valuer, performed valuation for Roads, Bridges, Footpaths on 30 June 2023 with the 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers Australia's, International Infrastructure Management Manual (IIMM). As such, these assets are classified as being valued using Level 3 valuation inputs.

Bulk Earthworks – non depreciable

Bulk Earthworks experienced an increase of approximately 2.68% from indexation as per Australian Bureau of Statistics data for road and bridge construction in New South Wales. On June 2023, AssetVal (Mercer), an independent valuer, performed valuation based on the 'Cost Approach' which estimated the replacement cost for each asset. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM). Additionally, due to limitations in the historical records of very long lived assets, there is uncertainty regarding the actual design, specifications and dimensions of some assets.

Stormwater Drainage

Stormwater drainage assets, including pipelines, pits, headwalls and other drainage structures, experienced an increase of approximately 2.68% from indexation, based on Australian Bureau of Statistics data for road and bridge construction in New South Wales. A full revaluation of these assets was conducted in June 2024 by Australis, an independent valuer, using the *Cost Approach*. This approach estimated the replacement cost by componentising the assets into significant parts with varying useful lives and factoring in a range of considerations. The level of componentisation adopted by Council is consistent with OLG Circular 09-09 and the Institute of Public Works Engineering Australasia's *International Infrastructure Management Manual* (IIMM). Inputs such as asset condition, pattern of consumption, residual value, and useful life required extensive professional judgement and had a significant impact on the final determination of fair value.

E2-1 Fair value measurement (continued)

Non-current assets classified as 'held for sale'

This asset class comprises of standalone parcels of land and a combination of land with buildings, both classified as "held for sale" and valued at fair market value.

Highest and best use

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

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

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

Given the factors set out 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). As such we do not believe that there is sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

As a result we believe that each sponsoring employer should account for the subgroup under paragraph 34 of the Standard and in particular the additional disclosure requirements set out in paragraph 148 apply.

Disclosure items under paragraph 148

We have set out below the disclosure requirements under paragraph 148 of the Standard for each sponsoring employer. These disclosure requirements should be verified with the sponsoring employers' relevant auditors.

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

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

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

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% of 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 past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025.

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

(b) 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.

E3-1 Contingencies (continued)

As stated 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.

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 entity.

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

(i) Wind-up of the plan

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

(ii) The council's withdrawal from the plan

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

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

(i) the fact that the plan is a defined benefit plan

We confirm the plan is a defined benefit plan.

(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan
See earlier section on "AASB119 accounting observations"

(iii) the expected contributions to the plan for the next annual reporting period.

See cover letter

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

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2025 was \$219,214.89. Council's expected contribution to the plan for the next annual reporting period is \$61,675.50

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

Defined Benefit Employer reserves only *	\$ (millions)	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105%
Vested Benefits	2,130.4	103.2%

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

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

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

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, an 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 Richard Boyfield as the Fund's Actuary, the final end of year review will be completed by December 2025

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

E3-1 Contingencies (continued)

An employer's share of any funding surplus or deficit (see cover letter) that can be attributed to each organisation provides an indication of the level of participation of that employer compared with other employers in the Pooled Employer sub-group. Given the funding position of the Fund as at 30 June 2024, it was recommended that these past service contributions cease effective 1 January 2025.

(ii) CivicRisk Mutual Limited

Council is a member of CivicRisk 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 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities**(i) Third party claims**

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

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

ASSETS NOT RECOGNISED**(i) Land under roads**

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

(ii) Infringement notices/fines

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

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

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

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

- F People and relationships
- F1 Related party disclosures
- F1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	2,023	1,624
Other long-term benefits	167	129
Termination benefits	410	-
Total	2,600	1,753

Other transactions with KMP and their related parties

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

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	47	51
Councillors' fees	194	212
Other Councillors' expenses (including Mayor)	97	80
Total	338	343

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
Audit and review of financial statements	260	341
Audit and review of 2023/24 financial statements	20	-
Total Auditor-General remuneration	280	341
Non NSW Auditor-General audit firms		
Other audit and assurance services	33	55
Total remuneration of non NSW Auditor-General audit firms	33	55
Total audit fees	313	396

G Other matters**G1-1 Statement of Cash Flows information****Reconciliation of Operating Result**

\$ '000	2025	2024
Net operating result from Income Statement	(7,390)	(12,814)
Add / (less) non-cash items:		
Depreciation and amortisation	11,557	10,764
(Gain) / loss on disposal of assets	1,063	3,334
Non-cash capital grants and contributions	(5,533)	(21)
Deferred Management Fees	(2,001)	(2,567)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(92)	(286)
– Revaluation decrements / impairments of IPP&E direct to P&L	–	421
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	23	306
(Increase) / decrease of inventories	(18)	(22)
(Increase) / decrease of other current assets	6,527	(6,492)
(Increase) / decrease of contract asset	975	(617)
Increase / (decrease) in payables	(617)	1,175
Increase / (decrease) in accrued interest payable	(100)	(78)
Increase / (decrease) in other accrued expenses payable	(2,103)	85
Increase / (decrease) in other liabilities	2,641	19,746
Increase / (decrease) in contract liabilities	329	(2,652)
Increase / (decrease) in employee benefit provision	418	(1,243)
Increase / (decrease) in other provisions	633	–
Net cash flows from operating activities	6,312	9,039

G2-1 Commitments**Capital commitments (exclusive of GST)**

\$ '000	2025	2024
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Footpaths and cycleways	–	71
Holiday parks	26	–
Plant and equipment	159	1,411
Roads and Bridges	314	221
Playgrounds	–	2,029
Open space and recreation	216	116
Other	357	–
Investment property		
Buildings	91	146
Total commitments	1,163	3,994

G3-1 Events occurring after the reporting date**Performance Improvement Order**

G3-1 Events occurring after the reporting date (continued)

On 24 May 2024, Council received the varied Performance Improvement Order (PIO) from the Hon. Ron Hoenig MP, Minister for Local Government. While the varied PIO was issued during the 2023-24 Financial Year it is an ongoing matter which Council needs to address in order to become financially sustainable by 2026-2027. In issuing the varied PIO, the Minister concluded that Council's previous inability to produce reliable financial reports, including the issuing of a disclaimer from the NSW Audit Office on Council's 2020/21 Financial Statement, was one of the reasons for issuing the PIO. Council has now addressed this concern with the completion of three sets of Financial Statements during the 2023-24 Financial Year which enables Council to now have real time financial data.

As required by the varied PIO, Council adopted its Strategic Finance & Governance Improvement Plan at their extraordinary meeting in June 2024. This Improvement Plan establishes a number of actions Council will undertake to achieve financial sustainability by 2026-2027.

Council has identified the following eight (8) strategic levers to help get to where we need to be and guide Council's direction over the following two to three years to achieve financial sustainability:

- Strategic Lever 1: Sustainable cash reserves & responsible borrowing
- Strategic Lever 2: Optimised revenue opportunities
- Strategic Lever 3: Well planned assets
- Strategic Lever 4: Reviewed and efficient service landscape
- Strategic Lever 5: Investment in transformation
- Strategic Lever 6: Robust financial management
- Strategic Lever 7: Prioritising advocacy and partnerships
- Strategic Lever 8: Ensure good governance

Council will continue to identify and refine actions and has committed to review the Improvement Plan every six months.

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G4 Statement of developer contributions
G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Transfers and Adjustments	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
S7.12 levies – under a plan	13,618	64	-	-	674	(473)	-	13,883	-
Total S7.11 and S7.12 revenue under plans	13,618	64	-	-	674	(473)	-	13,883	-
Total contributions	13,618	64	-	-	674	(473)	-	13,883	-

Under the *Environmental Planning and Assessment Act 1979*, Council levies development contributions under Section 7.11 and Section 7.12 towards the cost of providing additional infrastructure to meet the needs of the growing population.

End of the audited financial statements

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H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:
11 Manning Street
Kiama NSW 2533

Contact details

Mailing Address:
PO Box 75
Kiama NSW 2533

Telephone: 02 4232 0444
Facsimile: 02 4232 0555

Opening hours:
8:45am - 4:15pm
Monday to Friday

Internet: www.kiama.nsw.gov.au
Email: council@kiama.nsw.gov.au

Officers

Chief Executive Officer
Jane Stroud

Responsible Accounting Officer
Joe Gaudiosi

Auditors
Audit Office of NSW
GPO Box 12, Sydney NSW 2001

Elected members

Mayor
Cameron McDonald

Councillors
Melissa Matters (Deputy Mayor)
Matt Brown
Mike Cains
Imogen Draisma
Stuart Larkins
Melinda Lawton
Yasmin Tatrai
Erica Warren

Other information

ABN: 22 379 679 108

Kiama Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2025

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

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

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Kiama Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2025

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

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Kiama Municipal Council

Special Purpose Financial Statements
for the year ended 30 June 2025



Kiama Municipal Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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Background

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

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

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

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

- 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).

Kiama Municipal Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting

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; and
- accord with Council's accounting and other records.

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

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

Cameron McDonald
Mayor
21 October 2025

Melissa Matters
Deputy Mayor
21 October 2025

Jane Stroud
Chief Executive Officer
21 October 2025

Joe Gaudiosi
Director Corporate and Commercial
21 October 2025

Kiama Municipal Council | Income Statement of Holiday Parks | for the year ended 30 June 2025

Kiama Municipal Council

Income Statement of Holiday Parks

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges and Fees	11,432	10,921
Grants, subsidies, contributions and donations - Operating	—	83
Total income from continuing operations	11,432	11,004
Expenses from continuing operations		
Employee benefits and on-costs	426	359
Borrowing costs	61	73
Materials and services	6,616	6,031
Depreciation, amortisation and impairment	565	694
Calculated taxation equivalents	130	127
Other expenses	1,130	920
Total expenses from continuing operations	8,928	8,204
Surplus (deficit) from continuing operations before capital amounts	2,504	2,800
Surplus (deficit) from continuing operations after capital amounts	2,504	2,800
Surplus (deficit) from all operations before tax	2,504	2,800
Less: corporate taxation equivalent [based on result before capital]	(651)	(728)
Surplus (deficit) after tax	1,853	2,072
Plus accumulated surplus	23,330	21,162
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	130	127
– Corporate taxation equivalent	651	728
Less:		
– Dividend paid (distribution to the general fund)	(677)	(759)
Closing accumulated surplus	25,287	23,330
Return on capital %	7.1%	8.6%

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Kiama Municipal Council | Income Statement of Blue Haven | for the year ended 30 June 2025

Kiama Municipal Council

Income Statement of Blue Haven

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges and fees	1,110	5,489
Grants and contributions provided for operating purposes	–	15,746
Interest and investment income	1	8
Other income - deferred management fees (DMF)	2,001	4,929
Total income from continuing operations	3,112	26,172
Expenses from continuing operations		
Employee benefits and on-costs	393	13,818
Materials and services	2,297	11,837
Borrowing costs	–	701
Depreciation, amortisation and impairment	–	191
Other expenses	255	2,839
Fair value decrement - investment property	–	9,108
Total expenses from continuing operations	2,945	38,494
Surplus (deficit) from continuing operations before capital amounts	167	(12,322)
Surplus (deficit) from continuing operations after capital amounts	167	(12,322)
Surplus (deficit) from all operations before tax	167	(12,322)
Less: corporate taxation equivalent (25%) [based on result before capital]	(42)	–
Surplus (deficit) after tax	125	(12,322)
Plus accumulated surplus	(15,347)	(3,025)
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	42	–
Closing accumulated surplus	(15,180)	(15,347)
Return on capital %	0.0%	0.0%
Subsidy from Council	–	11,621

(*) Prior year accumulated surplus includes Blue Haven Bonaira

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Kiama Municipal Council | Income Statement of Commercial Waste and Plant Hire Activities | for the year ended 30 June 2025

Kiama Municipal Council

Income Statement of Commercial Waste and Plant Hire Activities

for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
Annual Charges	196	198
User charges and fees	1,679	1,642
Other income	754	697
Total income from continuing operations	2,629	2,537
Expenses from continuing operations		
Employee benefits and on-costs	1,217	1,058
Materials and services	2,647	1,574
Depreciation, amortisation and impairment	214	339
Calculated taxation equivalents	66	58
Total expenses from continuing operations	4,144	3,029
Surplus (deficit) from continuing operations before capital amounts	(1,515)	(492)
Surplus (deficit) from continuing operations after capital amounts	(1,515)	(492)
Surplus (deficit) from all operations before tax	(1,515)	(492)
Surplus (deficit) after tax	(1,515)	(492)
Plus accumulated surplus	1,367	1,801
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	66	58
Closing accumulated surplus	(82)	1,367
Return on capital %	(114.2)%	(42.8)%
Subsidy from Council *	1,597	492

(*) Council resolved to discontinue Hire services portion of Commercial Waste as at 30 June 2025

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Kiama Municipal Council | Income Statement of The Pavilion | for the year ended 30 June 2025

Kiama Municipal Council

Income Statement of The Pavilion

for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
Fees	649	783
Grants and contributions provided for capital purposes	24	—
Total income from continuing operations	673	783
Expenses from continuing operations		
Employee benefits and on-costs	282	238
Materials and services	456	445
Depreciation, amortisation and impairment	141	91
Calculated taxation equivalents	24	22
Total expenses from continuing operations	903	796
Surplus (deficit) from continuing operations before capital amounts	(230)	(13)
Surplus (deficit) from continuing operations after capital amounts	(230)	(13)
Surplus (deficit) from all operations before tax	(230)	(13)
Surplus (deficit) after tax	(230)	(13)
Plus accumulated surplus	(231)	(239)
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	24	22
Closing accumulated surplus	(437)	(230)
Return on capital %	(3.2)%	(0.2)%
Subsidy from Council	230	13

Kiama Municipal Council | Statement of Financial Position of Holiday Parks | as at 30 June 2025

Kiama Municipal Council

Statement of Financial Position of Holiday Parks

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	3,672	4,836
Receivables	3,798	2,003
Total current assets	7,470	6,839
Non-current assets		
Infrastructure, property, plant and equipment	35,940	33,462
Total non-current assets	35,940	33,462
Total assets	43,410	40,301
LIABILITIES		
Current liabilities		
Borrowings	500	500
Payables	863	846
Employee benefit provisions	34	10
Total current liabilities	1,397	1,356
Non-current liabilities		
Borrowings	1,750	2,250
Intercompany Loan	—	—
Total non-current liabilities	1,750	2,250
Total liabilities	3,147	3,606
Net assets	40,263	36,695
EQUITY		
Accumulated surplus	25,287	23,330
Revaluation reserves	14,976	13,365
Total equity	40,263	36,695

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Kiama Municipal Council | Statement of Financial Position of Blue Haven | as at 30 June 2025

Kiama Municipal Council

Statement of Financial Position of Blue Haven

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	4,152	11,928
Receivables	246	325
Total current assets	4,398	12,253
Non-current assets		
Receivables	212	205
Investment property	80,200	80,200
Asset held for sale	–	94,229
Total non-current assets	80,412	174,634
Total assets	84,810	186,887
LIABILITIES		
Current liabilities		
Payables	62,061	133,841
Employee benefit provisions	32	1,462
Total current liabilities	62,093	135,303
Non-current liabilities		
Borrowings	–	14,430
Intercompany Loan	20,113	34,584
Employee benefit provisions	2	135
Total non-current liabilities	20,115	49,149
Total liabilities	82,208	184,452
Net assets	2,602	2,435
EQUITY		
Retained earnings	(15,180)	(15,347)
Revaluation reserves	17,782	17,782
Total equity	2,602	2,435

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Kiama Municipal Council | Statement of Financial Position of Commercial Waste and Plant Hire Activities | as at 30 June 2025

Kiama Municipal Council

Statement of Financial Position of Commercial Waste and Plant Hire Activities
as at 30 June 2025

\$ '000	Notes	2025 Category 2	2024 Category 2
ASSETS			
Current assets			
Receivables		278	927
Total current assets		278	927
Non-current assets			
Infrastructure, property, plant and equipment		1,327	1,150
Total non-current assets		1,327	1,150
Total assets		1,605	2,077
LIABILITIES			
Current liabilities			
Intercompany Loan		783	–
Employee benefit provisions		765	650
Total current liabilities		1,548	650
Non-current liabilities			
Employee benefit provisions		57	60
Total non-current liabilities		57	60
Total liabilities		1,605	710
Net assets		–	1,367
EQUITY			
Accumulated surplus		–	1,367
Total equity		–	1,367

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Kiama Municipal Council | Statement of Financial Position of The Pavilion | as at 30 June 2025

Kiama Municipal Council

Statement of Financial Position of The Pavilion
as at 30 June 2025

\$ '000	Notes	2025 Category 2	2024 Category 2
ASSETS			
Current assets			
Receivables		42	32
Total current assets		42	32
Non-current assets			
Infrastructure, property, plant and equipment		7,178	6,785
Total non-current assets		7,178	6,785
Total assets		7,220	6,817
LIABILITIES			
Current liabilities			
Payables		36	19
Employee benefit provisions		121	117
Intercompany Loan		356	2
Total current liabilities		513	138
Total liabilities		513	138
Net assets		6,707	6,679
EQUITY			
Retained earnings		(437)	(230)
Revaluation reserves		7,144	6,909
Total equity		6,707	6,679

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Note – Material accounting policy information

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Blue Haven

Aged Care and Independent Living Units

b. Holiday Parks

Caravan and Camping Parks

Category 2

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

a. Commercial Waste and Hire Services

Commercial waste services and commercial plant hire

b. The Pavillion

Venue hire

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.

Note – Material accounting policy information (continued)

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%**

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%.

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

Kiama Municipal Council

Special Purpose Financial Statements for the year ended 30 June 2025

Independent Auditor's Report

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Kiama Municipal Council
Special Schedules Financial Statements
for the year ended 30 June 2025



Kiama Municipal Council

Special Schedules
for the year ended 30 June 2025

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Attachment 1

Kiama Municipal Council | Permissible income for general rates | for the year ended 30 June 2025

Kiama Municipal Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional general income yield	a	20,702	21,840
Plus or minus adjustments ²	b	140	74
Notional general income	c = a + b	20,842	21,914
Permissible income calculation			
Percentage increase	d	4.50%	3.70%
Plus percentage increase amount ³	f = d x (c + e)	938	811
Sub-total	g = (c + e + f)	21,780	22,725
Plus (or minus) last year's carry forward total	h	56	2
Less valuation objections claimed in the previous year	i	—	(6)
Sub-total	j = (h + i)	56	(4)
Total permissible income	o = k + n	21,836	22,721
Less notional general income yield	l	21,840	22,719
Catch-up or (excess) result	m = k - l	(4)	2
Plus income lost due to valuation objections claimed ⁴	n	6	—
Carry forward to next year ⁶	p = m + n + o	2	2

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.

Permissible income for general rates

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Kiama Municipal Council | Report on infrastructure assets as at 30 June 2025

Kiama Municipal Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring to the satisfactory standard		Estimated cost to bring assets agreed level of service set by Council		2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	2,712	2,712	2,712	2,747	2,747	2,747	110,923	167,052	55.0%	40.0%	5.0%	0.0%	0.0%
	Sub-total	2,712	2,712	2,712	2,747	2,747	2,747	110,923	167,052	55.0%	40.0%	5.0%	0.0%	0.0%
Other structures	Other structures	197	197	197	469	469	469	19,998	36,275	50.0%	29.0%	16.0%	4.0%	1.0%
	Sub-total	197	197	197	469	469	469	19,998	36,275	50.0%	29.0%	16.0%	4.0%	1.0%
Roads	Roads	4,275	4,275	4,275	2,062	2,062	2,062	109,981	202,209	39.0%	40.0%	15.0%	3.0%	3.0%
	Bridges	440	400	400	—	—	—	40,779	69,663	90.0%	2.0%	8.0%	0.0%	0.0%
	Footpaths	80	80	80	104	104	104	9,963	16,637	24.0%	44.0%	23.0%	1.0%	8.0%
	Bulk earthworks	—	—	—	—	—	—	22,553	22,576	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	4,795	4,755	4,755	2,166	2,166	2,166	183,231	311,085	46.8%	28.8%	12.8%	2.0%	9.6%
Stormwater drainage	Stormwater drainage	870	870	870	219	219	219	65,869	100,849	30.0%	58.0%	9.0%	1.0%	2.0%
	Sub-total	870	870	870	219	219	219	65,869	100,849	30.0%	58.0%	9.0%	1.0%	2.0%
Open space / recreational assets	Swimming pools	—	—	—	788	788	788	3,385	5,599	71.0%	29.0%	0.0%	0.0%	0.0%
	Recreation	1,388	1,388	1,388	2,198	2,198	2,198	11,619	16,763	75.0%	13.0%	10.0%	1.0%	1.0%
	Sub-total	1,388	1,388	1,388	2,986	2,986	2,986	15,004	22,362	74.0%	17.0%	7.5%	0.7%	0.8%
Total – all assets		9,962	9,922	9,922	8,587	8,587	8,587	395,025	637,623	47.4%	36.0%	10.1%	1.4%	5.1%

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

Infrastructure asset condition assessment 'key'

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

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Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicator 2024	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ^{1, 2}	23,857	264.72%	224.61%	> 100.00%
Depreciation, amortisation and impairment	9,012			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	9,962	2.39%	1.88%	< 2.00%
Net carrying amount of infrastructure assets	416,261			
Asset maintenance ratio				
Actual asset maintenance	8,587	100.00%	100.39%	> 100.00%
Required asset maintenance	8,587			

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

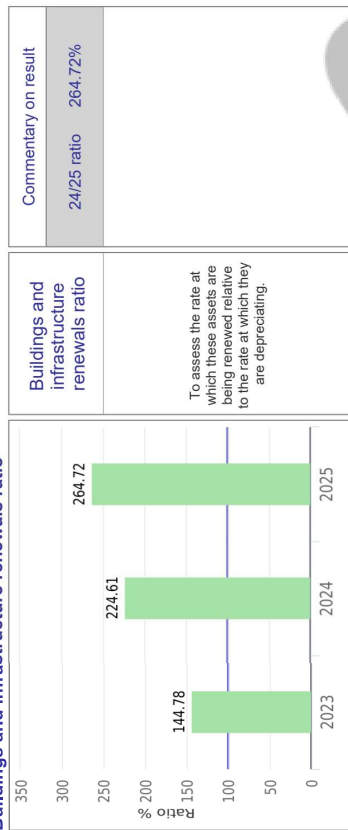
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

(2) The balance of Infrastructure Property Plant and Equipment as at 30 June 2022 and as at 30 June 2021 could not be fully verified by management.

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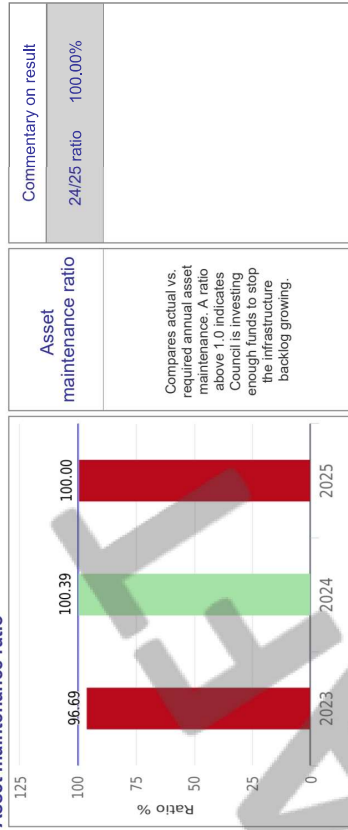
Buildings and infrastructure renewals ratio



Ratio achieves benchmark

Ratio is outside benchmark

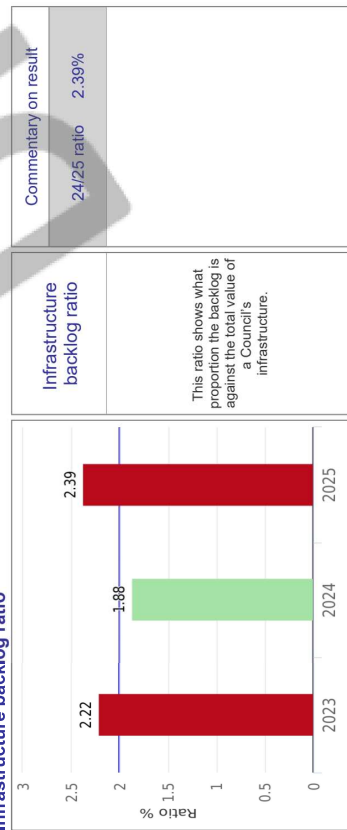
Asset maintenance ratio



Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



Ratio achieves benchmark

Ratio is outside benchmark

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Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Benchmark
	2025	2024	
Buildings and infrastructure renewals ratio			
Asset renewals ¹	264.72%	224.61%	> 100.00%
Depreciation, amortisation and impairment			
Infrastructure backlog ratio			
Estimated cost to bring assets to a satisfactory standard	2.39%	1.88%	< 2.00%
Net carrying amount of infrastructure assets			
Asset maintenance ratio			
Actual asset maintenance	100.00%	100.39%	> 100.00%
Required asset maintenance			
Cost to bring assets to agreed service level			
Estimated cost to bring assets to an agreed service level set by Council	1.56%	3.34%	
Gross replacement cost			

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