

Annual Financial Statements

For the financial year ended 30 June 2025

Incorporating: General Purpose Financial Statements,
Special Purpose Financial Statements, Special Schedules



WAVERLEY
COUNCIL

Waverley Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

Waverley is a vibrant and resilient community. We take care of each other, our natural environment and local places. Our community is empowered to collaborate for a sustainable and connected Waverley for future generations.



General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

Waverley Council is constituted under the *Local Government Act 1993* and has its principal place of business at:

55 Spring Street
Bondi Junction NSW 2022

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

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

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

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

Executive Summary

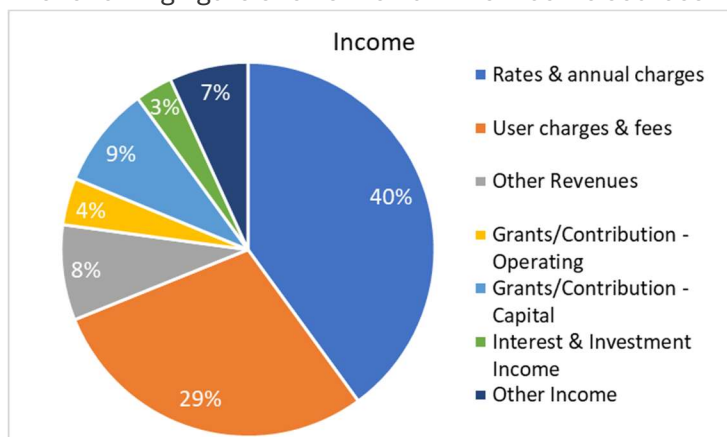
In the 2024/25 financial year, Council has maintained its focus on delivering its strategic priorities, including its ICT modernisation program implementation, asset maintenance and renewal, and environmental sustainability program. It achieved a net operating result for the 2024/25 financial year of \$11.4M surplus (2023/24: \$12.6M) and before depreciation, an operating surplus of \$33.8M compared to the previous year's operating surplus of \$33.6M.

Council invested \$54.4M to renew/upgrade its assets including expanding its Affordable Housing portfolio through a unit block building acquisition, these investments are funded from the 2024/25 operating surplus and Reserves fund.

Income Statement

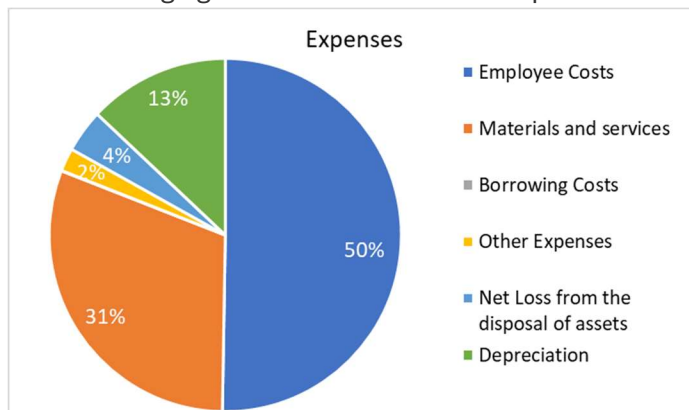
Council's total income increased by 6.9% (\$11.9M) compared to the previous year, reporting a total of \$184.2M. The increase is primarily attributable to the rates peg increase and an increase in income from services provisions.

The following figure shows the 2024/25 income sources.



Council's expenses from operations, including depreciation, amounted to \$172.9M. This represents an increase of 8.2% (\$13.2M) compared to the prior year, primarily driven by employee costs and infrastructure asset's residual value write off due to assets renewal/upgrade works.

The following figure shows the 2024/25 expense allocations.



Council achieved an operating surplus of \$11.4M (2023/24: \$12.6M). When excluding capital grants and contributions, it reported an operating deficit of \$4.8M for the 2024/25 financial year compared with a deficit of \$3.9M for the 2023/24 financial year.

The underlying operating result, excluding the fair valuation adjustment, gain or loss on disposal of assets and capital grants & contributions, resulted in a surplus before depreciation in the 2024/25 financial year of \$21.3M and a deficit (after depreciation) of \$1.1M as illustrated in the following table.

\$'M	FY 2024/25	FY 2023/24
Net operating result before capital grants/contributions	(4.8)	(3.9)
Total income	184.2	172.3
Less: capital nature items and FV movements		
Grants/contributions	(16.1)	(16.6)
FV investment properties movement	(2.1)	0
FV on movement on financial investment	(1.1)	(1.6)
Total Operating revenue	164.9	154.1
Total operating expense excl. depreciation	150.4	138.7
Less: capital nature items and FV movements		
Losses on asset disposal	(6.8)	(3.3)
FV investment properties movement	0	(2.8)
Total Operating expense	143.6	132.7
Underlying operating result	21.3	21.5
Less: Depreciation	(22.4)	(21.0)
Underlying operating result after Depreciation	(1.1)	0.5

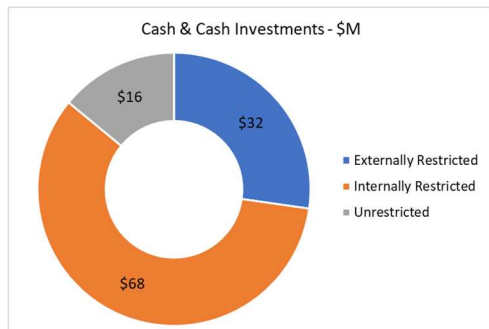
Balance Sheet

Council's net assets increased by \$90.1M to \$1.6B compared to the previous year's \$1.5B. The increase is attributed to the investment in infrastructure assets renewal and upgrade, plant and office equipment amounting to \$54.4M, and the asset fair valuation process in 2024/25 financial year.

Cash, Cash Equivalents and Investments

Cash, Cash Equivalents and Investments totalled \$116.5M as of 30 June 2025, a reduction of \$5.6M from the 2023/24 closing balance of \$122.1M, predominantly as a result of the investment to renew/upgrade Council's infrastructure assets, including an acquisition of a unit block building for the Affordable Housing program.

The following figure illustrates the allocated cash & cash investments as of 30 June 2025.



Financial Result and Outlook

The decline in operating result (due to expenses growing faster than income) and the requirement for infrastructure assets renewal/upgrade reflects the broader challenges facing Council. Council is in a finely balanced financial position and is actively addressing cost control and targeted revenue strategies to ensure its financial sustainability for the provision of current and future services, infrastructure asset maintenance, renewal/upgrade to meet the community's needs over the short and medium term.

Waverley Council

General Purpose Financial Statements

for the year ended 30 June 2025

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Waverley Council

General Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management

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

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

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

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

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

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

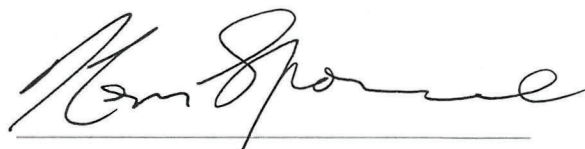
Signed in accordance with a resolution of Council made on 16 September 2025.



William Nemesh

Mayor

16 September 2025



Keri Spooner

Deputy Mayor

16 September 2025



Emily Scott

General Manager

16 September 2025



Teena Su

Responsible Accounting Officer

16 September 2025

Waverley Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
	Income from continuing operations			
73,430	Rates and annual charges	B2-1	73,603	70,268
51,427	User charges and fees	B2-2	53,322	48,957
16,324	Other revenues	B2-3	15,164	14,046
6,160	Grants and contributions provided for operating purposes	B2-4	7,498	6,012
27,013	Grants and contributions provided for capital purposes	B2-4	16,122	16,575
4,127	Interest and investment income	B2-5	5,942	5,915
8,278	Other income	B2-6	12,554	10,559
1,837	Net gain from the disposal of assets	B4-1	—	—
188,596	Total income from continuing operations		184,205	172,332
	Expenses from continuing operations			
86,384	Employee benefits and on-costs	B3-1	86,877	77,820
49,621	Materials and services	B3-2	53,010	51,107
27	Borrowing costs		71	61
4,005	Other expenses	B3-4	3,658	6,432
—	Net loss from the disposal of assets	B4-1	6,795	3,265
140,037	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		150,411	138,685
48,559	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		33,794	33,647
19,500	Depreciation, amortisation and impairment of non-financial assets	B3-3	22,441	21,001
29,059	Operating result from continuing operations		11,353	12,646
29,059	Net operating result for the year attributable to Council		11,353	12,646
2,046	Net operating result for the year before grants and contributions provided for capital purposes		(4,769)	(3,929)

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

Waverley 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		11,353	12,646
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	78,735	16,386
Total items which will not be reclassified subsequent to operating result		78,735	16,386
Total other comprehensive income for the year		78,735	16,386
Total comprehensive income for the year attributable to Council		90,088	29,032

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

Waverley Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	21,722	24,345
Investments	C1-2	94,749	89,712
Receivables	C1-4	12,930	16,123
Other		1,653	644
Total current assets		131,054	130,824
Non-current assets			
Investments	C1-2	–	8,000
Receivables	C1-4	2,876	2,598
Infrastructure, property, plant and equipment (IPPE)	C1-5	1,432,808	1,330,964
Investment property	C1-6	114,930	112,353
Right of use assets		819	279
Total non-current assets		1,551,433	1,454,194
Total assets		1,682,487	1,585,018
LIABILITIES			
Current liabilities			
Payables	C3-1	47,721	42,711
Income received in advance	C3-1	19	473
Contract liabilities	C3-2	3,353	2,383
Lease liabilities		187	91
Borrowings	C3-3	499	486
Employee benefit provisions	C3-4	17,398	15,745
Total current liabilities		69,177	61,889
Non-current liabilities			
Lease liabilities		678	272
Borrowings	C3-3	123	623
Employee benefit provisions	C3-4	1,274	1,087
Total non-current liabilities		2,075	1,982
Total liabilities		71,252	63,871
Net assets		1,611,235	1,521,147
EQUITY			
Accumulated surplus	C4-1	733,382	722,029
IPPE revaluation surplus	C4-1	877,853	799,118
Council equity interest		1,611,235	1,521,147
Total equity		1,611,235	1,521,147

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

Waverley Council

Statement of Changes in Equity

for the year ended 30 June 2025

\$ '000	Notes	2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
Opening balance at 1 July		722,029	799,118	1,521,147	709,383	782,732	1,492,115
Net operating result for the year		11,353	–	11,353	12,646	–	12,646
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	78,735	78,735	–	16,386	16,386
Other comprehensive income		–	78,735	78,735	–	16,386	16,386
Total comprehensive income		11,353	78,735	90,088	12,646	16,386	29,032
Closing balance at 30 June		733,382	877,853	1,611,235	722,029	799,118	1,521,147

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

Waverley 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:				
73,306	Rates and annual charges		74,497	68,960
51,375	User charges and fees		55,533	47,733
4,242	Interest received		5,955	5,559
32,872	Grants and contributions		24,025	19,735
–	Bonds, deposits and retentions received		738	816
24,267	Other		32,944	31,678
Payments:				
(80,269)	Payments to employees		(85,008)	(78,027)
(33,625)	Payments for materials and services		(54,524)	(49,844)
(41)	Borrowing costs		(74)	(64)
–	Bonds, deposits and retentions refunded		(253)	(299)
(25,995)	Other		(10,908)	(8,577)
46,132	Net cash flows from operating activities	G1-1	42,925	37,670
Cash flows from investing activities				
Receipts:				
1,378	Sale of investments		94,650	87,700
1,837	Proceeds from sale of IPPE		1,656	1,032
Payments:				
(3,424)	Purchase of investments		(90,613)	(82,221)
–	Purchase of investment property		(518)	(84)
(45,979)	Payments for IPPE		(49,996)	(47,603)
(46,188)	Net cash flows from investing activities		(44,821)	(41,176)
Cash flows from financing activities				
Payments:				
(486)	Repayment of borrowings		(487)	(471)
–	Principal component of lease payments		(240)	(126)
(486)	Net cash flows from financing activities		(727)	(597)
(542)	Net change in cash and cash equivalents		(2,623)	(4,103)
30,137	Cash and cash equivalents at beginning of year		24,345	28,448
29,595	Cash and cash equivalents at end of year	C1-1	21,722	24,345
81,764	plus: Investments on hand at end of year	C1-2	94,749	97,712
111,359	Total cash, cash equivalents and investments		116,471	122,057

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

Waverley 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 16 September 2025, Council has the power to amend and reissue these financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and Local Government (General) Regulations 2021 (regulation), and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties – refer Note C1-6
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-5
- (iii) employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations

A1-1 Basis of preparation (continued)

The Trust Fund

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

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

The following Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements:

- Staff Charitable Funds

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

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2025 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

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

New accounting standards adopted during the year

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

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

Those newly adopted standard had no material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
Asset Management Services	21,904	27,764	4,725	6,650	17,179	21,114	4,719	11,017	292,083	317,286
Beach Services, Maintenance & Safety	695	956	9,698	9,088	(9,003)	(8,132)	–	–	371	406
Cemetery Services	2,421	2,568	2,507	2,655	(86)	(87)	–	–	67,965	63,934
Child Care Services	9,753	9,234	11,935	11,301	(2,182)	(2,067)	743	727	11,900	10,988
Community Services	625	515	2,923	2,438	(2,298)	(1,923)	580	520	315,444	249,279
Corporate Support Services	63,608	59,492	22,916	22,162	40,692	37,330	2,309	2,720	85,396	82,104
Cultural Services	737	564	6,893	6,183	(6,156)	(5,619)	57	5	–	–
Customer Services & Communication	2,019	1,933	899	269	1,120	1,664	–	–	–	–
Development, Building & Health Services	22,786	14,254	28,681	22,406	(5,895)	(8,152)	12,638	6,193	6,475	21,147
Emergency Management Services	78	40	440	495	(362)	(455)	97	58	934	870
Environmental Services	1,447	661	3,870	3,198	(2,423)	(2,537)	1,250	521	426	40
Governance, Integrated Planning & Community Engagement	17	20	3,140	3,627	(3,123)	(3,607)	1	–	–	–
Library Services	509	331	6,486	5,916	(5,977)	(5,585)	453	269	51,864	47,428
Parking Services	28,461	26,393	13,839	13,715	14,622	12,678	384	373	19,356	17,898
Parks Services & Maintenance	1,296	1,211	12,921	11,522	(11,625)	(10,311)	6	5	198,609	180,660
Place Management	533	295	983	522	(450)	(227)	244	96	–	–
Recreation Services	21	–	297	612	(276)	(612)	–	–	240	249
Regulatory Services	455	600	2,953	2,585	(2,498)	(1,985)	–	–	32	43
Social & Affordable Housing	1,013	1,005	2,554	2,454	(1,541)	(1,449)	–	–	82,700	67,729
Traffic & Transport Services	102	83	102	83	–	–	102	83	62,778	59,068
Urban Open Space Maintenance & Accessibility	90	50	8,353	7,500	(8,263)	(7,450)	–	–	457,779	443,328
Waste Services	25,635	24,363	25,737	24,305	(102)	58	37	–	28,135	22,561
Total functions and activities	184,205	172,332	172,852	159,686	11,353	12,646	23,620	22,587	1,682,487	1,585,018

B1-2 Components of functions or activities

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

Asset Management Services

This service includes planning for renewal of assets, financial management and project delivery of works on vital infrastructure. The Service contributes to every aspect of Council's operations, to our ability to deliver our services cost effectively and to the community's social, environmental and economic well being.

Beach Services, Maintenance & Safety

This service includes beach safety, beach maintenance and cleaning and also supports voluntary surf lifesaving clubs.

Cemetery Services

This service currently includes interment of ashes and remains at two sites, Waverley and South Head. Waverley Cemetery is a fully operational Cemetery with sales in excess of \$2 million per annum.

Child Care Services

Providing quality, affordable long day care and family day care for children aged 0-5 as well as parenting programs and counselling for families.

Community Services

Council provides a range of community services within Waverley in addition to supporting a broad range of community organisations. Our services and support for other groups and agencies ensure that the community has access to relevant, accessible and affordable facilities, spaces, programs and activities.

Corporate Support Services

This service includes a range of professional support services for financial planning and management, workforce planning, organisational development and performance management, business systems improvement, risk management and insurance, procurement, telecommunications and IT and special projects to support the Executive in customer service and organisational review.

Cultural Services

Council provides and supports a range of activities that celebrate and strengthen an appreciation of our cultural heritage and diversity.

Customer Services & Communication

This area is responsible for ensuring that customer service is provided in a professional, friendly and timely way, and that our community is informed about Council's plans, initiatives, services and activities.

Development, Building & Health Services

This service involves preparing new Local Environmental Plans, Development Control Plans and Planning Strategies relating to future land use planning and heritage conservation.

It also assesses and determines development applications in accordance with the EP&A Act and provides Council with a digital mapping service.

Emergency Management Services

Waverley Council and Woollahra Council have a joint relationship in funding and supporting the local SES unit. It is a requirement under the NSW State Emergency Act.

Environmental Services

This is a growing service area covering all aspects of the aquatic, biological and air environments. Its subservices are specifically geared to meet the requirements of our Environmental Action Plan (EAP). EAP is a key element of Waverley's resourcing strategy for Waverley Community Strategic Plan.

B1-2 Components of functions or activities (continued)

Governance, Integrated Planning & Community Engagement

This service is designed to ensure we can engage with our community in an open and responsive way, discussing and making decisions with them about their future on the basis of sound and balanced judgement and policies. It also ensures that we can be properly held to account for planning decisions and for the efficiency and effectiveness of the services we deliver.

Library Services

The Library offers information, recreation and entertainment as well as opportunities for people to train, learn or simply interact with neighbours and friends. The Library is a major education and community capacity building resource.

Parking Services

This service provides substantial community safety and amenity by ensuring that our very limited supply of public parking opportunities (limited relative to demand) is shared fairly by all. This service is more effectively delivered if its implemented in close conjunction with Environmental Services and Traffic and Transport Services.

Parks Services & Maintenance

This service maintains and cares for Council's 99 parks. The parks and reserves are divided into a number of categories including regional parks, coastal reserves, small parks, pocket parks, linkages and remnant vegetation.

Place Management

Bondi Beach and Bondi Junction are important places for Waverley residents and for the wider Sydney community. They contain a world famous beach and one of Sydney's most vibrant retail precincts and play a significant role in delivering recreational and commercial experiences to the region. A Place Management approach has been adopted to allow Council to give special focus to these areas, as well as ensuring that our smaller retail villages continue to thrive.

An ongoing challenge for the Place Managers is to find the right balance between the needs of visitors, residents and the business sector.

Recreation Services

This includes all aspects of sport and active leisure, from broad LGA-wide planning, through to the detailed design and construction of specific facilities. A newly emerging area is sports facilities management, programming and maintenance.

Regulatory Services

In the summer season there is an increased demand for this service due to the large influx of visitors. Core areas of focus are:

- Monitoring building sites to ensure adequate pollution control is in place
- Ensuring companion animals are effectively and responsibly managed and cared for in accordance with the Companion Animals Act and Regulation
- Providing education material and information to the public, investigating reports of abandoned vehicles and removing them in accordance with Impounding Act
- The quantitative volume of noise, time, place and the frequency of the noise

Social & Affordable Housing

This service includes creating and managing secure housing for local people on very low incomes in addition to providing medium term accommodation at subsidised rents to those on low-to-middle income levels.

Traffic & Transport Services

This service helps ensure that traffic flows as smoothly, efficiently and safely in Waverley as is possible, given the very small amount of road space we have to share, relative to the very high demand of the residents and visitors who use it.

The service also functions to help provide as many alternatives as possible to private car use including planning and design of pedestrian and cycling routes, and negotiation with the community and other levels of government for improved traffic and parking distribution systems such as residential preferred parking schemes.

Urban Open Space Maintenance & Accessibility

This service maintains the roads, footpaths, drains, trees and grass along the 123.46 km of local and regional roads within Waverley Council.

B1-2 Components of functions or activities (continued)

Waste Services

This service provides waste and recycling collection services to 31,269 residential properties as well as a commercial collection to businesses within Waverley Council.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	38,483	36,595
Business	13,861	13,331
Less: pensioner rebates (mandatory)	(238)	(244)
Less: pensioner rebates (Council policy)	(77)	(79)
Rates levied to ratepayers	52,029	49,603
Pensioner rate subsidies received	133	132
Total ordinary rates	52,162	49,735
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	20,928	20,023
Stormwater Management Services	535	534
Section 611 charges	42	43
Less: pensioner rebates (mandatory)	(144)	(148)
Annual charges levied	21,361	20,452
Pensioner annual charges subsidies received:		
– Domestic waste management	80	81
Total annual charges	21,441	20,533
Total rates and annual charges	73,603	70,268

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

Material accounting policy information

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

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

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

B2-2 User charges and fees

\$ '000	Timing	2025	2024
Specific user charges (per s502 - specific 'actual use' charges)			
Waste management services (non-domestic)	2	3,680	3,499
Total specific user charges		3,680	3,499
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	3,615	2,992
Section 10.7 certificates (EP&A Act)	2	260	275
Section 603 certificates	2	164	175
Hoarding/crane permits	2	8,114	4,326
Total fees and charges – statutory/regulatory		12,153	7,768
(ii) Fees and charges – other (incl. general user charges (per s608))			
Cemeteries	2	1,773	2,144
Child care	2	8,978	8,477
Leaseback fees – Council vehicles	2	122	155
Park rents	1	636	846
Restoration charges	2	232	1,527
Room/facility hires	1	1,097	1,003
Admission and service fees	1	318	280
Bus shelter fees	1	217	625
Car parking fees	2	4,947	4,766
Car parking meter income	2	12,790	12,083
Road opening permits	2	1,200	1,559
Temporary truck zone permit	1	1,438	2,028
Other	2	3,741	2,197
Total fees and charges – other		37,489	37,690
Total other user charges and fees		49,642	45,458
Total user charges and fees		53,322	48,957
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		3,706	4,782
User charges and fees recognised at a point in time (2)		49,616	44,175
Total user charges and fees		53,322	48,957

Material accounting policy information

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

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

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

B2-3 Other revenues

\$ '000	Timing	2025	2024
Ex gratia rates	2	23	17
Fines	2	559	563
Fines – parking	2	12,129	10,871
Legal fees recovery – rates and charges (extra charges)	2	48	62
Legal fees recovery – other	2	635	726
Insurance claims recoveries	2	164	170

B2-3 Other revenues (continued)

\$ '000	Timing	2025	2024
Recycling income (non-domestic)	2	58	89
Sale of abandoned vehicles	2	31	73
Sales – general	2	8	12
Other	2	1,509	1,463
Total other revenue		15,164	14,046

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		15,164	14,046
Total other revenue		15,164	14,046

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)					
Current year allocation					
Financial assistance – general component	2	285	17	–	–
Financial assistance – local roads component	2	85	9	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	958	1,547	–	–
Financial assistance – local roads component	2	288	464	–	–
Amount recognised as income during current year		1,616	2,037	–	–
Special purpose grants and non-developer contributions (tied)					
Child care	2	743	513	–	–
Community care	2	339	276	–	–
Employment and training programs	2	55	3	–	–
Environmental programs	2	232	46	–	–
Library	2	58	72	–	–
Library – per capita	2	204	197	–	–
Street lighting	2	204	200	–	–
Transport (roads to recovery)	2	361	278	–	–
Transport (other roads and bridges funding)	1	–	–	2,414	8,531
Other specific grants	2	803	368	–	–
Community services	2	681	663	–	–
Other councils – joint works/services	2	1,503	740	–	–
Recreation and culture	2	161	137	–	–
Roads and bridges	2	538	482	–	–
Other contributions	2	–	–	113	705
Total special purpose grants and non-developer contributions (tied)		5,882	3,975	2,527	9,236
Total grants and non-developer contributions		7,498	6,012	2,527	9,236
Comprising:					
– Commonwealth funding		2,700	2,377	87	358
– State funding		2,514	1,458	2,327	8,173
– Other funding		2,284	2,177	113	705
		7,498	6,012	2,527	9,236

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:						
(s7.4 & s7.12 - EP&A Act):						
Cash contributions						
S 7.4 – contributions using planning agreements	G4-1	2	–	–	7,834	641
S 7.12 – fixed development consent levies		2	–	–	4,798	5,494
Total developer contributions – cash			–	–	12,632	6,135
Non-cash contributions						
S 7.4 – contributions using planning agreements		2	–	–	963	1,204
Total developer contributions non-cash			–	–	963	1,204
Total developer contributions			–	–	13,595	7,339
Total contributions			–	–	13,595	7,339
Total grants and contributions			7,498	6,012	16,122	16,575
Timing of revenue recognition						
Grants and contributions recognised over time (1)			–	–	2,414	8,531
Grants and contributions recognised at a point in time (2)			7,498	6,012	13,708	8,044
Total grants and contributions			7,498	6,012	16,122	16,575

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds at 1 July	1,724	1,759	147	3,293
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,979	453	–	–
Add: Funds received and not recognised as revenue in the current year	–	–	–	147
Add: operating grant Received for the provision of goods and services in a future	2,572	1,214	–	–
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(2,189)	(1,616)	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(707)	(86)	(114)	(3,293)
Unspent funds at 30 June	3,379	1,724	33	147
Contributions				
Unspent funds at 1 July	–	–	21,147	22,771
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	12,632	6,135
Add: contributions received and not recognised as revenue in the current year	–	–	515	960
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(27,819)	(8,719)
Unspent contributions at 30 June	–	–	6,475	21,147

Material accounting policy information

Grant income under AASB 15

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

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

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

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

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's 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

B2-4 Grants and contributions (continued)

Capital grants

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

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

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

Contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	342	280
– Cash and investments	5,600	5,635
Total interest and investment income	5,942	5,915
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	342	280
General Council cash and investments	4,111	3,758
Restricted investments/funds – external:		
Domestic waste management operations	971	812
Other externally restricted assets	518	1,065
Total interest and investment income	5,942	5,915

B2-6 Other income

\$ '000	Notes	2025	2024
Fair value increment on investments			
Fair value increment on investments through profit and loss		1,074	1,610
Total fair value increment on investments		1,074	1,610
Fair value increment on investment properties			
Fair value increment on investment properties		2,059	–
Total fair value increment on investment properties	C1-6	2,059	–
Rental income			
Investment properties			
Lease income		3,166	3,252
Total investment properties		3,166	3,252
Other lease income			
Other		6,255	5,697

continued on next page ...

B2-6 Other income (continued)

\$ '000	Notes	2025	2024
Total other lease income		6,255	5,697
Total rental income		9,421	8,949
Total other income		12,554	10,559

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	68,837	63,259
Employee leave entitlements (ELE)	8,806	6,967
Superannuation	7,934	7,013
Workers' compensation insurance	3,054	2,758
Fringe benefit tax (FBT)	183	156
Other	369	270
Total employee costs	89,183	80,423
Less: capitalised costs	(2,306)	(2,603)
Total employee costs expensed	86,877	77,820

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		8,226	7,985
Contractor costs		10,221	10,984
Contractor and consultancy costs (temporary staff)		2,209	2,160
Audit Fees	F2-1	129	138
Infringement notice contract costs (SEINS)		1,780	1,614
Councillor and Mayoral fees and associated expenses	F1-2	504	485
Advertising		799	718
Bank charges		774	766
Cleaning		2,290	2,242
Computer software charges		2,972	2,566
Electricity and heating		738	667
Insurance		1,798	1,814
Office expenses (including computer expenses)		448	500
Postage		274	195
Printing and stationery		439	339
Street lighting		746	794
Subscriptions and publications		641	628
Telephone and communications		107	98
Valuation fees		122	91
Abandonment of fines by office of state debt recovery		1,569	1,319
Car park levy		126	126
Family day care subsidy		504	620
Land tax – crown land		860	793
Waste disposal charges		8,575	8,073
Water rates and charges		301	287
Strata Levy		428	430
Training costs (other than salaries and wages)		439	409
Other expenses		1,522	973
Legal expenses:			
– Legal expenses: planning and development		635	811
– Legal expenses: other		1,146	615
Variable lease expense relating to usage (IT Network Data and Cloud Charges)		1,101	1,185
Operating leases expense:			
Other (fuel and gas)		587	682
Total materials and services		53,010	51,107

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

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Plant and equipment		2,074	2,140
Office equipment		471	381
Infrastructure:	C1-5		
– Buildings – non-specialised		2,905	2,806
– Buildings – specialised		2,534	2,066
– Other structures		846	1,457
– Roads, Bridges and Footpaths		8,255	7,662
– Stormwater drainage		958	939
– Other open space/recreational assets		3,699	2,921
Right of use assets		202	153
Other assets:			
– Library books		226	223
– Other		271	253
Total depreciation and amortisation costs		22,441	21,001
Total depreciation, amortisation and impairment for non-financial assets		22,441	21,001

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 C1-5 for IPPE assets.

Depreciation is capitalised where in-house assets have contributed to new 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.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

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

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

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

B3-4 Other expenses

\$ '000	Notes	2025	2024
Fair value decrement on investment properties			
Fair value decrement on investment properties		–	2,754
Total fair value decrement on investment properties	C1-6	–	2,754
Other			
Contributions/levies to other levels of government		26	14
– Department of planning levy		571	464
– Emergency services levy (includes SES, and RFS levies)		248	337
– NSW fire brigade levy		2,140	2,113
Donations, contributions and assistance to other organisations (Section 356)		673	750
Total other expenses		3,658	6,432

B4 Gains or losses

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment	C1-5		
Proceeds from disposal – plant and equipment		647	1,032
Less: carrying amount of plant and equipment assets sold/written off		(280)	(444)
Gain (or loss) on disposal		367	588
Gain (or loss) on disposal of infrastructure	C1-5		
Proceeds from disposal – infrastructure		1,009	–
Less: carrying amount of infrastructure assets sold/written off		(8,171)	(3,828)
Gain (or loss) on disposal		(7,162)	(3,828)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		94,650	87,700
Less: carrying amount of investments sold/redeemed/matured		(94,650)	(87,700)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of other assets			
Proceeds from disposal – Other (enter details...)		–	–
Less: carrying amount of other assets sold/written off		–	(25)
Gain (or loss) on disposal		–	(25)
Net gain (or loss) from disposal of assets		(6,795)	(3,265)

B5 Performance against budget

B5-1 Material budget variations

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

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	73,430	73,603	173	0% F
User charges and fees	51,427	53,322	1,895	4% F
Other revenues	16,324	15,164	(1,160)	(7)% U
Operating grants and contributions	6,160	7,498	1,338	22% F
Higher operating grants and contributions are mainly due to higher contributions from other Council relating to regional environment program.				
Capital grants and contributions	27,013	16,122	(10,891)	(40)% U
Lower capital grants and contributions are mainly due to lower than expected voluntary planning agreement contributions.				
Interest and investment revenue	4,127	5,942	1,815	44% F
RBA cash rates has remained high and more cash to invest over the last 12 months resulted in higher returns.				
Net gains from disposal of assets	1,837	–	(1,837)	(100)% U
The budget was for asset disposal proceeds, it does not incorporate infrastructure assets partially write off as result of asset renewal/upgrade works. The actual result is a net loss from infrastructure assets written off due to the renewal/upgrade works, which sits under expense section.				
Other income	8,278	12,554	4,276	52% F
Due to fair value increment on investment properties and investment which are not in the budget				
Expenses				
Employee benefits and on-costs	86,384	86,877	(493)	(1)% U
Materials and services	49,621	53,010	(3,389)	(7)% U
Borrowing costs	27	71	(44)	(163)% U
Interest expense on leased assets was not budgeted.				
Depreciation, amortisation and impairment of non-financial assets	19,500	22,441	(2,941)	(15)% U
Flow-on effect from asset fair valuation impact of FY23/24.				
Other expenses	4,005	3,658	347	9% F
Net losses from disposal of assets	–	6,795	(6,795)	∞ U
Net losses from disposal of assets are primarily from the replaced infrastructure assets write-off as as result of renewal/upgrade works				

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	46,132	42,925	(3,207)	(7)% U
Cash flows from investing activities	(46,188)	(44,821)	1,367	(3)% F
Cash flows from financing activities	(486)	(727)	(241)	50% U
Principal component of lease payments was not budgeted.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash assets		
Cash on hand and at bank	462	3,059
Cash equivalent assets		
– Deposits at call	12,230	5,814
– Managed funds	9,030	15,472
Total cash and cash equivalents	21,722	24,345

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	21,722	24,345
Balance as per the Statement of Cash Flows	21,722	24,345

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Financial assets at fair value through the profit and loss				
NCD's, FRN's	29,749	–	26,412	–
Total	29,749	–	26,412	–
Debt securities at amortised cost				
Long term deposits	65,000	–	63,300	8,000
Total	65,000	–	63,300	8,000
Total financial investments	94,749	–	89,712	8,000
Total cash assets, cash equivalents and investments	116,471	–	114,057	8,000

Material accounting policy information

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

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

Financial assets

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

Classification

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

- amortised cost
- 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.

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments at fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in the Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above 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.

C1-2 Financial investments (continued)

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

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	116,471	122,057
Less: Externally restricted cash, cash equivalents and investments	(31,750)	(43,001)
Cash, cash equivalents and investments not subject to external restrictions	84,721	79,056
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	2,591	1,361
External restrictions – included in liabilities	2,591	1,361
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	6,475	21,147
Specific purpose unexpended grants (recognised as revenue) – general fund	821	510
Stormwater management	347	1,276
Domestic waste management	21,516	18,707
External restrictions – other	29,159	41,640
Total external restrictions	31,750	43,001

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		
Cash, cash equivalents and investments not subject to external restrictions	84,721	79,056
Less: Internally restricted cash, cash equivalents and investments	(68,380)	(67,300)
Unrestricted and unallocated cash, cash equivalents and investments	16,341	11,756

Internal allocations

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

Plant and vehicle replacement	5,125	5,194
SAMP Infrastructure	3,046	4,251
Employees leave entitlements	5,635	5,311
Carry over works	2,281	1,952
Deposits, retentions and bonds	30,785	27,572
Affordable housing	2,134	1,964
Cemeteries	2,568	2,922
Election	–	495

continued on next page ...

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

\$ '000	2025	2024
Centralised reserve	2,325	453
IT Information	2,288	3,889
Property Investment strategy	4,324	6,180
Parking meters	2,737	2,450
Car Park Parking	3,327	2,960
Social housing	664	638
Other	1,141	1,069
Total internal allocations	68,380	67,300

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

\$ '000	2025	2024
Unrestricted and unallocated cash, cash equivalents and investments	16,341	11,756

C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	2,139	1,249	3,096	1,016
Interest and extra charges	448	301	347	196
User charges and fees	1,918	–	3,765	–
Accrued revenues				
– Interest on investments	1,260	–	1,479	–
– Other income accruals	1,764	–	927	–
Government grants and subsidies	1,952	–	3,142	–
Net GST receivable	1,526	–	1,895	–
Parking fines	2,005	2,825	1,528	2,777
Total	13,012	4,375	16,179	3,989
Less: provision for impairment				
User charges and fees	(82)	–	(56)	–
Parking fines	–	(1,499)	–	(1,391)
Total provision for impairment – receivables	(82)	(1,499)	(56)	(1,391)
Total net receivables	12,930	2,876	16,123	2,598

\$ '000	2025	2024
Movement in provision for impairment of receivables		
Balance at the beginning of the year	1,447	1,461
– amounts already provided for and written off this year	185	13
– Provision recognised/(reduced) during the year	(51)	(27)
Balance at the end of the year	1,581	1,447

Material accounting policy information

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

Impairment

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

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

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

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

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

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

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

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

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

C1-4 Receivables (continued)

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

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period							At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments/(decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	62,764	–	62,764	11,012	1,667	(163)	–	(48,841)	–	–	26,439	–	26,439
Plant and equipment	24,013	(15,560)	8,453	–	2,158	(273)	(2,074)	–	–	–	23,598	(15,334)	8,264
Office equipment	9,335	(7,239)	2,096	–	800	(7)	(471)	838	–	–	8,544	(5,288)	3,256
Land:													
– Crown land	172,777	–	172,777	–	–	–	–	–	–	21,540	194,317	–	194,317
– Operational land	111,831	–	111,831	–	–	–	–	–	–	11,579	123,410	–	123,410
– Community land	123,129	–	123,129	–	–	–	–	–	–	17,146	140,275	–	140,275
Infrastructure:													
– Buildings – non-specialised	152,405	(39,141)	113,264	366	8,581	(1,354)	(2,905)	1,592	29,016	7,637	202,151	(45,954)	156,197
– Buildings – specialised	159,216	(43,941)	115,275	9,986	–	–	(2,534)	36,320	(29,016)	7,390	186,129	(48,708)	137,421
– Other structures	33,474	(9,547)	23,927	1,319	–	(465)	(846)	4,883	–	(1,168)	37,989	(10,339)	27,650
– Roads, Bridges and Footpaths	603,250	(229,743)	373,507	6,178	–	(4,314)	(8,255)	3,680	–	9,013	621,899	(242,090)	379,809
– Stormwater drainage	130,154	(37,086)	93,068	2,013	–	(516)	(958)	–	–	5,906	137,994	(38,481)	99,513
– Other open space/recreational assets	196,784	(71,727)	125,057	9,481	–	(1,359)	(3,699)	1,528	261	(308)	206,136	(75,175)	130,961
Other assets:													
– Library books	2,379	(1,272)	1,107	–	238	–	(226)	–	–	–	2,618	(1,499)	1,119
– Other	7,687	(2,978)	4,709	–	–	–	(271)	–	(261)	–	7,327	(3,150)	4,177
Total infrastructure, property, plant and equipment	1,789,198	(458,234)	1,330,964	40,355	13,444	(8,451)	(22,239)	–	–	78,735	1,918,826	(486,018)	1,432,808

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

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments/ (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	38,527	–	38,527	32,285	1,292	(994)	–	(8,346)	–	–	62,764	–	62,764
Plant and equipment	22,582	(15,726)	6,856	–	4,115	(378)	(2,140)	–	–	–	24,013	(15,560)	8,453
Office equipment	8,885	(7,161)	1,724	–	819	(66)	(381)	–	–	–	9,335	(7,239)	2,096
Land:													
– Crown land	172,777	–	172,777	–	–	–	–	–	–	–	172,777	–	172,777
– Operational land	111,831	–	111,831	–	–	–	–	–	–	–	111,831	–	111,831
– Community land	123,129	–	123,129	–	–	–	–	–	–	–	123,129	–	123,129
Infrastructure:													
– Buildings – non-specialised	147,927	(36,266)	111,661	440	–	–	(2,806)	17	–	3,952	152,405	(39,141)	113,264
– Buildings – specialised	150,727	(39,400)	111,327	756	–	–	(2,066)	101	–	5,157	159,216	(43,941)	115,275
– Other structures	39,854	(9,732)	30,122	1,935	–	(220)	(1,457)	2,328	(7,499)	(1,282)	33,474	(9,547)	23,927
– Roads, Bridges and Footpaths	574,226	(212,173)	362,053	5,722	–	(1,962)	(7,662)	4,526	(2,081)	12,911	603,250	(229,743)	373,507
– Stormwater drainage	129,095	(35,742)	93,353	697	–	(75)	(939)	44	314	(326)	130,154	(37,086)	93,068
– Other open space/recreational assets	185,470	(67,017)	118,453	3,532	–	(577)	(2,921)	1,330	9,266	(4,026)	196,784	(71,727)	125,057
Other assets:													
– Library books	4,524	(3,384)	1,140	–	215	(25)	(223)	–	–	–	2,379	(1,272)	1,107
– Other	7,681	(2,725)	4,956	6	–	–	(253)	–	–	–	7,687	(2,978)	4,709
Total infrastructure, property, plant and equipment	1,717,235	(429,326)	1,287,909	45,373	6,441	(4,297)	(20,848)	–	–	16,386	1,789,198	(458,234)	1,330,964

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

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

Material accounting policy information

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred. When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their carrying amount, net of their residual values, over their estimated remaining useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 150
Other plant and equipment	5 to 15	Buildings: other	20 to 100
Other Assets		Stormwater assets	
Library Books	5 to 10	Drains	82 to 150
Other	5 to 100	Culverts	50 to 80
		Flood control structures	80 to 100
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Bulk earthworks	20
Sealed roads: structure	60	Swimming pools	100
Unsealed roads	20	Seawall	120
Bridge: concrete	100	Other open space/recreational assets	50
Bridge: other	50	Other infrastructure	30
Road pavements	60		
Kerb, gutter and footpaths	75		

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 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

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.

C1-6 Investment properties

\$ '000	2025	2024
Owned investment property		
Investment property on hand at fair value	114,930	112,353
Total owned investment property	114,930	112,353
Owned investment property		
At fair value		
Opening balance at 1 July	112,353	115,023
Capitalised subsequent expenditure	518	84
Net gain/(loss) from fair value adjustments	2,059	(2,754)
Closing balance at 30 June	114,930	112,353

Material accounting policy information

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

C2 Leasing activities

C2-1 Council as a lessor

Operating leases

Council leases out a number of properties; these leases have been classified as operating leases for financial reporting purposes.

\$ '000	2025	2024
(i) Assets held as investment property		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below		
Lease income (excluding variable lease payments not dependent on an index or rate)	3,166	3,252
Total income relating to operating leases for investment property assets	3,166	3,252
Operating lease expenses		
Direct operating expenses that generated rental income	(2,724)	(2,625)
Direct operating expenses that did not generate rental income	(482)	(519)
Total expenses relating to operating leases	(3,206)	(3,144)
(ii) Assets held as property, plant and equipment		
Lease income (excluding variable lease payments not dependent on an index or rate)	6,255	5,697
Total income relating to operating leases for Council assets	6,255	5,697

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

< 1 year	7,305	6,694
1–2 years	6,143	6,319
2–3 years	1,545	5,355

C2-1 Council as a lessor (continued)

\$ '000	2025	2024
3–4 years	904	1,265
4–5 years	742	695
> 5 years	4,193	4,716
Total undiscounted lease payments to be received	20,832	25,044

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Payables				
Goods and services – operating expenditure	4,821	–	6,335	–
Goods and services – capital expenditure	10,569	–	7,729	–
Accrued expenses:				
– Borrowings	4	–	7	–
– Salaries and wages	29	–	–	–
– Other expenditure accruals	408	–	270	–
Security bonds, deposits and retentions	3,581	–	3,096	–
Builders deposits	27,204	–	24,477	–
Other	215	–	77	–
Prepaid rates	890	–	720	–
Total payables	47,721	–	42,711	–
Income received in advance				
Payments received in advance	19	–	473	–
Total income received in advance	19	–	473	–
Total payables	47,740	–	43,184	–

C3-1 Payables (continued)

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

\$ '000	2025	2024
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	27,204	24,477
Total payables	27,204	24,477

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	33	–	147	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	1,506	–	1,214	–
Total grants received in advance		1,539	–	1,361	–
Upfront fees	(iii)	1,814	–	1,022	–
Total user fees and charges received in advance		1,814	–	1,022	–
Total contract liabilities		3,353	–	2,383	–

Notes

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

(ii) Operating grants received in advance. The revenue is expected to be recognised in the next 12 months.

(iii) These are mainly from upfront income for truck permits/construction zones, venue hire and property rental.

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

\$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	33	147
Total revenue recognised that was included in the contract liability balance at the beginning of the period	33	147

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	499	123	486	623
Total borrowings	499	123	486	623

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

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

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	1,109	(487)	–	–	–	–	622
Lease liability (Note C2-1)	363	(182)	684	–	–	–	865
Total liabilities from financing activities	1,472	(669)	684	–	–	–	1,487

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	1,580	(471)	–	–	–	–	1,109
Lease liability (Note C2-1)	143	(155)	375	–	–	–	363
Total liabilities from financing activities	1,723	(626)	375	–	–	–	1,472

(b) Financing arrangements

\$ '000	2025	2024
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Total facilities

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

Credit cards/purchase cards	30	30
Total financing arrangements	30	30

Drawn facilities

Financing facilities drawn down at the reporting date are:

Undrawn facilities

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

– Credit cards/purchase cards	30	30
Total undrawn financing arrangements	30	30

C3-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	7,149	–	6,339	–
Sick leave	980	–	1,257	–
Long service leave	8,908	1,274	7,547	1,087
Gratuities	48	–	373	–
Time off in lieu	313	–	229	–
Total employee benefit provisions	17,398	1,274	15,745	1,087

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	10,724	11,505
	10,724	11,505

Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	Other employee benefits	
2025					
At beginning of year	6,339	1,257	8,634	602	16,832
Additional provisions	5,195	–	3,315	296	8,806
Amounts used (payments)	(4,385)	(277)	(1,767)	(537)	(6,966)
Total ELE provisions at end of year	7,149	980	10,182	361	18,672
2024					
At beginning of year	6,312	1,272	8,524	543	16,651
Additional provisions	4,673	–	2,024	270	6,967
Amounts used (payments)	(4,646)	(15)	(1,914)	(211)	(6,786)
Total ELE provisions at end of year	6,339	1,257	8,634	602	16,832

Material accounting policy information

Other long-term employee benefit obligations

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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

D Council structure

D1 Interests in other entities

D1-1 Interests in joint arrangements

(i) Joint operations

	Principal activity
Council is involved in the following joint operations (JO's)	
Name of joint operation: Bourke Road Integrated Facility	Council main depot operation is a shared operations facility with Woollahra Council

Council assets employed in the joint operations

\$ '000	2025	2024
Council's own assets employed in the operations		
Current assets:		
Receivables	119	536
Non-current assets		
Property, plant and equipment	27,874	25,667
Total assets – Council owned	27,993	26,203
Total net assets employed – Council and jointly owned	27,993	26,203

Material accounting policy information

The council has determined that it has only joint operations.

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

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.

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

\$ '000	Carrying value 2025	Carrying value 2024	Fair value 2025	Fair value 2024
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	21,722	24,345	21,722	24,345
Receivables	15,806	18,721	15,806	18,721
Investments				
– Debt securities at amortised cost	65,000	71,300	65,000	71,300
Fair value through profit and loss				
Investments				
– Available for sale	29,749	26,412	29,749	26,412
Total financial assets	132,277	140,778	132,277	140,778
Financial liabilities				
Payables	47,721	42,711	47,721	42,711
Loans/advances	622	1,109	622	1,109
Total financial liabilities	48,343	43,820	48,343	43,820

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

The risks associated with the instruments held are:

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

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

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	1,168	1,223
Impact of a 10% movement in price of investments		
– Equity / Income Statement	2,975	2,641

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

(b) Credit risk

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

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
2025				
Gross carrying amount	–	3,388	–	3,388
2024				
Gross carrying amount	–	4,112	–	4,112

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 0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	Total
2025						
Gross carrying amount	9,369	748	287	71	2,973	13,448
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	53.18%	11.76%
ECL provision	–	–	–	–	1,581	1,581
2024						
Gross carrying amount	11,735	291	285	164	3,266	15,741
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	44.30%	9.19%
ECL provision	–	–	–	–	1,447	1,447

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2025							
Payables	0.00%	–	21,024	26,697	–	47,721	47,721
Borrowings	2.68%	–	499	123	–	622	622
Total financial liabilities		–	21,523	26,820	–	48,343	48,343
2024							
Payables	0.00%	–	18,234	24,477	–	42,711	42,711
Borrowings	2.68%	–	486	623	–	1,109	1,109
Total financial liabilities		–	18,720	25,100	–	43,820	43,820

Loan agreement breaches

No breaches to loan agreements which have occurred during the reporting year.

E2-1 Fair value measurement

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

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

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.

E2-1 Fair value measurement (continued)

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

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through profit or loss		29,749	26,412	—	—	29,749	26,412
Investment property							
Investment properties	C1-6	114,930	112,353	—	—	114,930	112,353
Total investment property		114,930	112,353	—	—	114,930	112,353
Infrastructure, property, plant and equipment							
Buildings – non-specialised	C1-5	67,512	54,421	88,685	58,843	156,197	113,264
Buildings special		—	—	137,421	115,275	137,421	115,275
Community land		—	—	140,275	123,129	140,275	123,129
Crown Land		—	—	194,317	172,777	194,317	172,777
Operational land		123,410	111,831	—	—	123,410	111,831
Roads, Bridges and Footpaths		—	—	379,809	373,507	379,809	373,507
Stormwater drainage		—	—	99,513	93,068	99,513	93,068
Office equipment and furniture		—	—	3,256	2,096	3,256	2,096
Plant and equipment		—	—	8,264	8,453	8,264	8,453
Open space and recreation		—	—	130,961	125,057	130,961	125,057
Library books and resources		—	—	1,119	1,107	1,119	1,107
Other structures		—	—	27,650	23,927	27,650	23,927
Other assets		—	—	4,177	4,709	4,177	4,709
Total infrastructure, property, plant and equipment		190,922	166,252	1,215,447	1,101,948	1,406,369	1,268,200

Valuation techniques

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

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

Financial assets

At fair value through profit and loss are represented by Floating Rate Notes, Covered Bonds and Term Deposits. Council obtains valuations from its Investment Advisor on a monthly basis and at the end of each accounting period to ensure the financial statements reflect the most up to date valuation. The valuations of Floating Rate Notes are sourced base on mid-market prices. That is, valuations are marked at the mid-point of the bid and ask prices in the secondary market. This price represents a general market value for the asset.

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

Investment property

The valuation of Council's investment properties was undertaken at June 2025 by APV Valuers & Asset Management, RICS Registered Valuer - 5308.

Investment properties such as commercial units, commercial terraces and retail shops have been valued as market value, having regard to the "highest and best use", taking in consideration the criteria of physical possibility, legal permissibility

E2-1 Fair value measurement (continued)

and financial feasibility. Implied within these criteria is the recognition of the contribution of that specific use to community environment or to community development goals, in addition to wealth maximisation to the individual owner.

The valuation technique utilised is Level 2 inputs (observable inputs), where applicable, included:

- Current rental income
- Rent reviews
- Capitalisation rate
- Price per square metre
- Direct comparison to sales evidence
- Zoning
- Location
- Land area and configuration
- Planning controls

Other properties such as public car park and shopping centre office space have been valued using Cost approach with Level 3 valuation inputs in the past.

Infrastructure, property, plant and equipment (IPPE)

Operational Land

The asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The last valuation was undertaken at June 2025 by APV Valuers & Asset Management, RICS Registered Valuer – 5308.

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

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

Sale prices of comparable land parcels in close proximity were adjusted for differences in key attributes such as size and configuration. The most significant inputs into this valuation approach are price per square metre.

Since extensive professional judgements were required to determine the inputs these assets were classified as having been valued using Level 3 valuation input. There has been no change to the valuation process during the reporting period.

Community Land and Crown Land

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

Buildings – Non Specialised and Specialised

Council's buildings are valued at June 2025 by APV Valuers & Asset Management, RICS Registered Valuer – 5308.

The approach estimated the replacement cost of each building and componentising of significant parts with different useful lives and taking into account a range of factors. The unit rates could be supported by market evidence (Level 2 inputs), other inputs (such as estimates of residual value, useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.

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

Roads

The roads asset class includes roads, defined as the trafficable portion of a road, between but not including the kerb and gutter. It also includes "other roads" assets including Bridges, Carparks, Kerb and Gutter and Traffic facilities.

The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other road infrastructure. Valuations for the road carriageway, comprising surface, pavement and formation were based primarily on unit rates derived from the Councils schedule of rates tender. Other inputs (such as estimated pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to

E2-1 Fair value measurement (continued)

limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Footpaths

The 'Cost Approach' using Level 3 inputs was used to value footpaths. Valuation for the footpath was based primarily on unit rates derived from the Councils schedule of rates tender. Other inputs (such as estimated pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Stormwater Drainage

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit on similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Plant & Equipment, Office Equipment and Furniture & Fittings

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

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

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

Other Open Space / Recreational Assets

Assets within this class comprise Soft Fall Surfaces, BBQs, Regional Sporting Facilities, Playgrounds and Seawalls. All assets in this class were valued in-house by experienced engineering & asset management staff. While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Library Books and Resources

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

Other Structures

This asset class comprises Mall Light, Shade Structure, Flag Pole, Planter Boxes and Garden Beds.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Other Assets

This asset class comprises other miscellaneous assets.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Buildings	Non-Specialised Buildings: Market Value Specialised Buildings: Depreciated replacement cost	* Gross replacement cost * Asset Condition * Remaining useful life
Community Land and Crown Land	Land values obtained from the NSW Valuer-General	* Price Per square metre
Operational Land	Market Value	* Price Per square metre
Footpaths	Unit rates per m2 or length	* Gross replacement cost * Asset Condition * Remaining useful life
Roads	Unit rates per m2 or length	* Gross replacement cost * Asset Condition * Remaining useful life
Stormwater Drainage	Unit rates per m2 or length	* Gross replacement cost * Asset Condition * Remaining useful life
Plant & Equipment	Historical Cost	* Gross replacement cost * Remaining useful life
Office Equipment	Historical Cost	* Gross replacement cost * Remaining useful life
Open Space & Recreation	Depreciated replacement cost	* Gross replacement cost * Asset Condition * Remaining useful life
Library Books	Historical Cost	* Gross replacement cost * Remaining useful life
Other Structures	Depreciated replacement cost	* Gross replacement cost * Asset Condition * Remaining useful life
Other Assets	Historical Cost	* Gross replacement cost * Remaining useful life

E2-1 Fair value measurement (continued)

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

\$ '000	Buildings		Land		Plant & equipment		Infrastructure	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	228,540	222,988	407,737	407,737	10,549	8,580	615,558	603,981
Total gains or losses for the period								
Recognised in other comprehensive income	15,027	9,109	50,265	–	–	–	13,443	7,277
Other movements								
Purchases (GBV)	56,844	1,315	–	–	3,797	4,933	29,344	20,114
Disposals (WDV)	(1,354)	–	–	–	(281)	(444)	(6,654)	(2,835)
Depreciation and impairment	(5,439)	(4,872)	–	–	(2,545)	(2,520)	(13,758)	(12,979)
Closing balance	293,618	228,540	458,002	407,737	11,520	10,549	637,933	615,558

\$ '000	Other assets		Total	
	2025	2024	2025	2024
Opening balance	5,816	6,096	1,268,200	1,249,382
Recognised in other comprehensive income	–	–	78,735	16,386
Purchases (GBV)	238	221	90,223	26,583
Disposals (WDV)	(261)	(25)	(8,550)	(3,304)
Depreciation and impairment	(497)	(476)	(22,239)	(20,847)
Closing balance	5,296	5,816	1,406,369	1,268,200

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

E3-1 Contingencies (continued)

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

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

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

* For 180 Point Members, Members, Employers are required to contribute 9.5% of salaries for the year ending 30 June 2025 (increasing to 10% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2024. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2025 was \$538,870.54. The last valuation of the Scheme was performed by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2024.

Council's expected contribution to the plan for the next annual reporting period is \$132,103.46.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 1.13%.

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

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

Investment return	6% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

E3-1 Contingencies (continued)

* Plus promotional increases

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

(ii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30/6/2025 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 Mutual Limited 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.

E3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(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.

They included 12 councillors and five senior staff in FY2024/25:

- Councillors,
- General Manager, and
- Directors

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	1,856	1,835
Post-employment benefits	149	136
Other long-term benefits	23	22
Total	2,028	1,993

Other transactions with KMP and their related parties

No other material transaction with the KMPs and their related parties occurred during the year.

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	46	47
Councillors' fees	284	290
Other Councillors' expenses (including Mayor)	174	148
Total	504	485

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

	129	138
Remuneration for audit and other assurance services	129	138

Total Auditor-General remuneration	129	138
---	------------	------------

Total audit fees	129	138
-------------------------	------------	------------

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	11,353	12,646
Add / (less) non-cash items:		
Depreciation and amortisation	22,441	21,001
(Gain) / loss on disposal of assets	6,795	3,265
Non-cash capital grants and contributions	(963)	(1,204)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(1,074)	(1,610)
– Investment property	(2,059)	2,754
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	2,781	(4,312)
Increase / (decrease) in provision for impairment of receivables	134	(14)
(Increase) / decrease of other current assets	(1,009)	191
Increase / (decrease) in payables	(1,514)	1,263
Increase / (decrease) in accrued interest payable	(3)	(3)
Increase / (decrease) in other accrued expenses payable	167	(177)
Increase / (decrease) in other liabilities	3,066	4,883
Increase / (decrease) in contract liabilities	970	(1,194)
Increase / (decrease) in employee benefit provision	1,840	181
Net cash flows from operating activities	42,925	37,670

(b) Non-cash investing and financing activities

Developer contributions 'in kind'	963	1,204
Total non-cash investing and financing activities	963	1,204

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

Buildings	3,244	4,861
Plant and equipment	699	227
Infrastructure	8,195	16,648
Total commitments	12,138	21,736

These expenditures are payable as follows:

Later than one year and not later than 5 years	4,345	2,903
Within the next year	7,793	18,833
Total payable	12,138	21,736

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
S7.12 levies – under a plan	3,537	4,798	–	–	–	(6,078)	–	2,257	–
Total S7.12 revenue under plans	3,537	4,798	–	–	–	(6,078)	–	2,257	–
S7.4 planning agreements	17,610	7,834	–	963	515	(21,741)	–	4,218	–
Total contributions	21,147	12,632	–	963	515	(27,819)	–	6,475	–

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

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
S7.12 LEVIES – UNDER A PLAN									
Roads	3,537	4,798	–	–	–	(6,078)	–	2,257	–
Total	3,537	4,798	–	–	–	(6,078)	–	2,257	–

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

Customer Service Centre, 55 Spring Street Bondi Junction

Contact details

PO Box 9
Bondi Junction
NSW 1355

Telephone: 02 9083 8000

Opening hours:

9:00am - 5:00pm
Monday to Friday

Internet: www.waverley.nsw.gov.au

Email: info@waverley.nsw.gov.au

Officers

Emily Scott

General Manager

Teena Su

Responsible Accounting Officer

Richard Coelho

Public Officer

Auditors

The Audit Office of New South Wales
Level 19, Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

Elected members

William Nemesh

Mayor

Councillors

Cr Dov Frazer
Cr Margaret Merten
Cr Joshua Spicer
Cr Keri Spooner
Cr Michelle Stephenson
Cr Lauren Townsend
Cr Katherine Westwood
Cr Ludovico Fabiano
Cr Steven Lewis
Cr Paula Masselos
Cr Dominic Wy Kanak

Other information

ABN: 12 502 583 608



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Waverley Council

To the Councillors of Waverley Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Manuel Moncada

Director, Financial Audit
Delegate of the Auditor-General for New South Wales

14 October 2025
SYDNEY



Cr Will Nemesh
Mayor
Waverley Council
PO Box 9
Bondi Junction NSW 1355

Contact: Manuel Moncada
Phone no: 02 9275 7333
Our ref: R008-1981756498-5674

14 October 2025

Dear Mayor

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

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

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

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

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

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

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

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

INCOME STATEMENT

Financial performance

	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	73.6	70.3	4.7
Grants and contributions provided for operating purposes revenue	7.5	6.0	25.0
Grants and contributions provided for capital purposes revenue	16.1	16.6	(3.0)
Operating result from continuing operations	11.4	12.6	(9.5)
Net Operating result for the year before grants and contributions provided for capital purposes	(4.8)	(3.9)	(23.1)

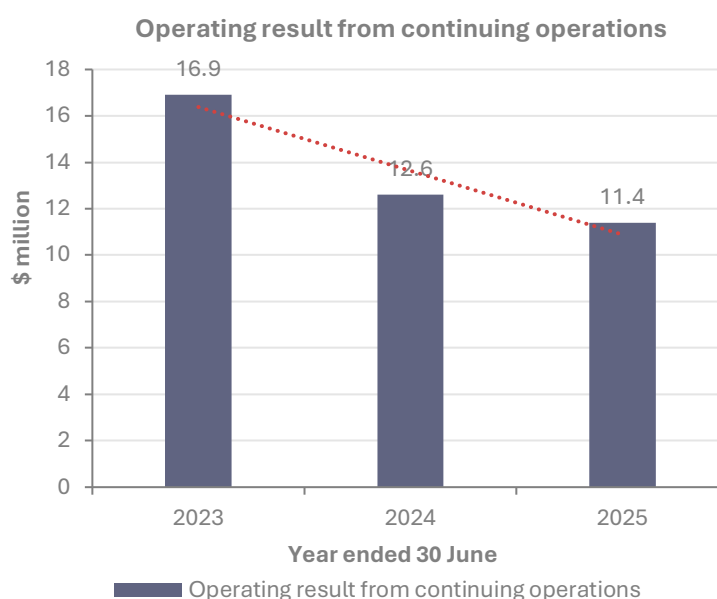
Operating result from continuing operations

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

Council's operating result from continuing operations for the year was \$1.2 million lower than the 2023-24 result.

In 2024-25:

- Council revenue excluding grants and contributions (\$87 million) increased by \$7.5 million. Refer to Council revenue below for details
- Council's grants and contributions revenue (\$23.6 million) increased by \$1.0 million. Refer to 'Grants and contributions revenue' below for details.
- Council's total expenses from continuing operations including depreciation, amortisation and impairment of non-financial assets increased by \$13.2 million mainly due to an increment of



employee benefits and on-cost of \$9.1 million.

The net operating result for the year before grants and contributions provided for capital purposes was a loss of \$4.8 million. Refer to 'Grants and contributions revenue' below for details.

Income

Council revenue

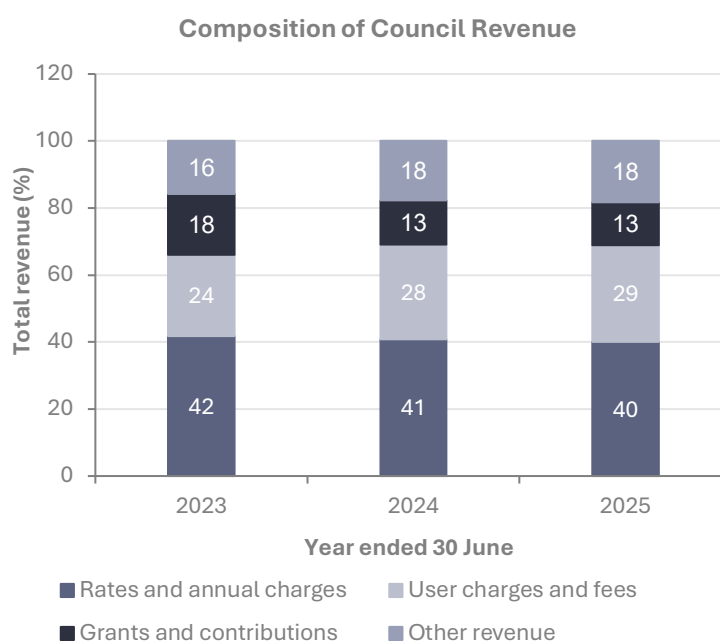
This graph shows the composition of Council's revenue recognised for the current and prior two financial years.

Overall, Council revenue (\$184.2 million) increased by \$11.9 million (6.9 per cent) in 2024–25 due to:

- \$3.3 million increase in rates and annual charges due to rate peg increase of 5.0 per cent

\$4.4 million increase in user charges and fees due to higher crane permit and hoarding & construction fees.

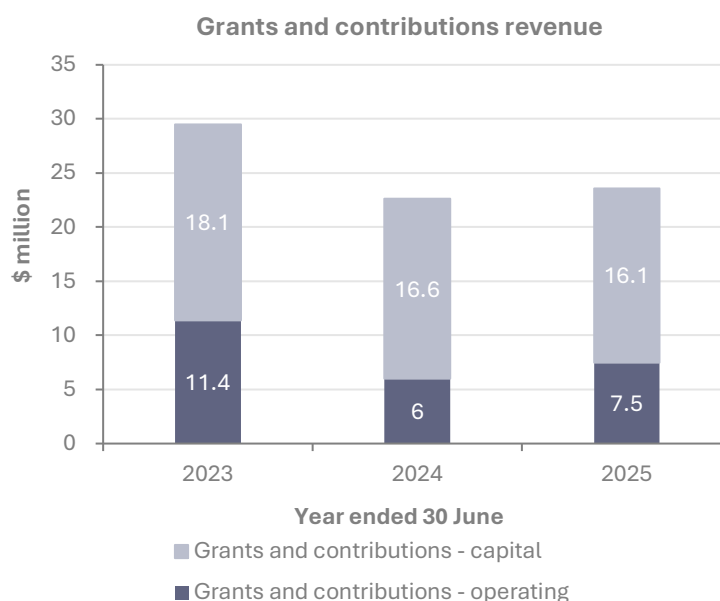
The composition of revenue recognised by Council has not significant changed in 2024-25.



Grants and contributions revenue

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

Grants and contributions revenue (\$23.6 million) marginally increased by \$1.0 million (4.6 per cent) in 2024–25, with a greater proportion of operating grants received.



CASH FLOWS

Statement of cash flows

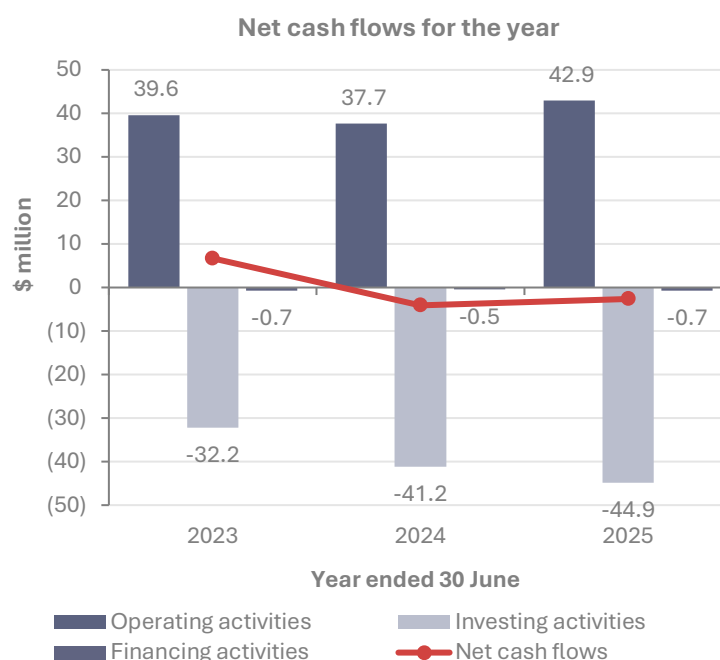
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating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

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

The net cash flows for the year showed a reduction of \$2.6 million (reduction of \$4.1 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities increased by \$5.2 million, mainly due to increase in rates and annual charges
- used in investing activities decreased (outflow) by \$3.6 million, mainly due to greater investment in infrastructure property plant and equipment.
- used in financing activities decreased (outflow) marginally by \$0.1 million,.



FINANCIAL POSITION

Cash, cash equivalents and investments

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

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

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

Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	116.5	122.1		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.
Restricted and allocated cash, cash equivalents and investments:				

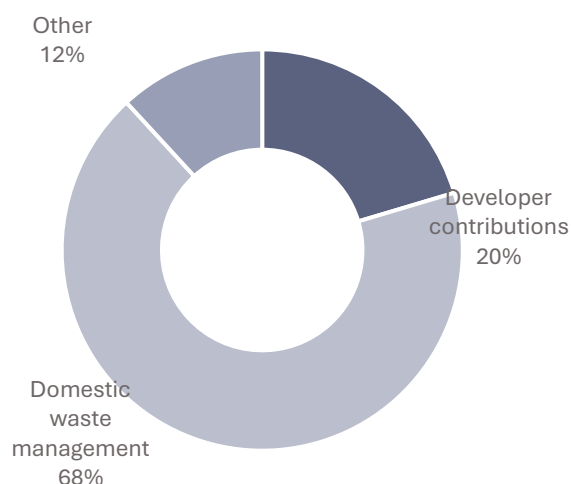
• External restrictions	31.8	43.0	27.3	Internal allocations are determined by council policies or decisions, which are subject to change.
• Internal allocations	68.4	67.3	58.7	

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

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

- developer contributions of \$6.5 million which decreased by \$14.7 million.
- domestic waste management charges of \$21.5 million which increased by \$2.8 million

Source of externally restricted cash, cash equivalents and investments



Council liquidity

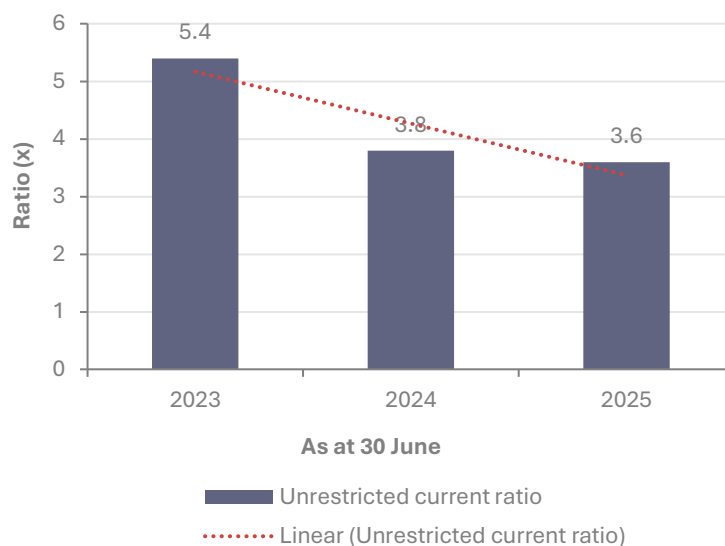
This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

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

In 2023-24, the average unrestricted current ratio was an average of 3.7x for metropolitan councils.

The Council's unrestricted current ratio was 3.6 as at 30 June 2025 and improved from prior year

Unrestricted current ratio

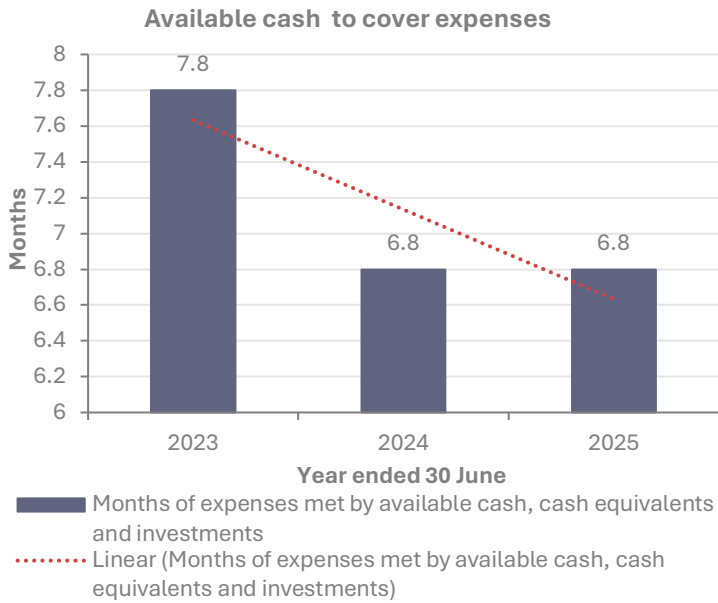


This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

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

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

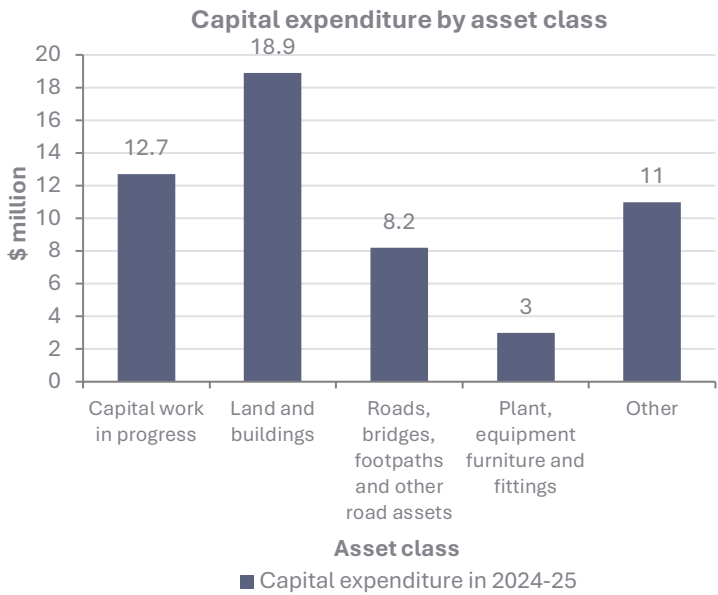
The Council’s available cash to cover expenses stood at 6.8 months during the year, which is consistent with the prior year however lower when compared to the metropolitan average of 8 months.



Infrastructure, property, plant and equipment

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

Council renewed \$40.4 million of infrastructure, property, plant and equipment during the 2024-25 financial year. This was mainly spent on roads and buildings. A further \$13.4 million of new assets were acquired during the year



Manuel Moncada
Director, Financial Audit

Delegate of the Auditor-General

Waverley Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

Waverley is a vibrant and resilient community. We take care of each other, our natural environment and local places. Our community is empowered to collaborate for a sustainable and connected Waverley for future generations.



Special Purpose Financial Statements

for the year ended 30 June 2025

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Background

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

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

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

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

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

Waverley Council

Special Purpose Financial Statements for the year ended 30 June 2025

Statement by Councillors and Management

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

The attached Special Purpose Financial Statements have been prepared in accordance with:

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the 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 **16 September 2025**.



William Nemesh
Mayor
16 September 2025



Keri Spooner
Deputy Mayor
16 September 2025



Emily Scott
General Manager
16 September 2025



Teena Su
Responsible Accounting Officer
16 September 2025

Waverley Council

Income Statement of Property

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	2,705	2,621
Other income	5,594	3,613
Total income from continuing operations	8,299	6,234
Expenses from continuing operations		
Employee benefits and on-costs	669	609
Materials and services	676	742
Depreciation, amortisation and impairment	–	19
Other expenses	1,856	4,540
Total expenses from continuing operations	3,201	5,910
Surplus (deficit) from continuing operations before capital amounts	5,098	324
Surplus (deficit) from continuing operations after capital amounts	5,098	324
Surplus (deficit) from all operations before tax	5,098	324
Less: corporate taxation equivalent (25%) [based on result before capital]	(1,275)	(81)
Surplus (deficit) after tax	3,823	243
Plus accumulated surplus	112,123	114,744
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	1,275	81
Less:		
– Dividend paid	(2,567)	(2,945)
Closing accumulated surplus	114,654	112,123
Calculation of dividend payable:		
Surplus (deficit) after tax	3,824	243
Surplus for dividend calculation purposes	3,824	243
Potential dividend calculated from surplus	1,912	122

Waverley Council

Income Statement of Commercial waste

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	3,680	3,499
Total income from continuing operations	3,680	3,499
Expenses from continuing operations		
Employee benefits and on-costs	1,352	1,291
Materials and services	48	46
Other expenses	1,483	1,344
Total expenses from continuing operations	2,883	2,681
Surplus (deficit) from continuing operations before capital amounts	797	818
Surplus (deficit) from continuing operations after capital amounts	797	818
Surplus (deficit) from all operations before tax	797	818
Less: corporate taxation equivalent (25%) [based on result before capital]	(199)	(205)
Surplus (deficit) after tax	598	613
Plus accumulated surplus	(164)	(180)
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	199	205
Less:		
– Dividend paid	(929)	(802)
Closing accumulated surplus/(deficit)	(296)	(164)
Calculation of dividend payable:		
Surplus (deficit) after tax	598	613
Surplus for dividend calculation purposes	598	613
Potential dividend calculated from surplus	299	307

Waverley Council

Income Statement of Cemetery

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	2,419	2,463
Interest and investment income	2	105
Total income from continuing operations	2,421	2,568
Expenses from continuing operations		
Employee benefits and on-costs	876	784
Materials and services	267	205
Depreciation, amortisation and impairment	73	70
Other expenses	415	411
Total expenses from continuing operations	1,631	1,470
Surplus (deficit) from continuing operations before capital amounts	790	1,098
Surplus (deficit) from continuing operations after capital amounts	790	1,098
Surplus (deficit) from all operations before tax	790	1,098
Less: corporate taxation equivalent (25%) [based on result before capital]	(198)	(275)
Surplus (deficit) after tax	592	823
Plus accumulated surplus	17,392	14,364
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	198	275
Add:		
– Subsidy paid/contribution to operations	(1,631)	1,930
Less:		
Closing accumulated surplus	16,551	17,392
Return on capital %	1.2%	1.8%
Subsidy from Council	1,931	1,526
Calculation of dividend payable:		
Surplus (deficit) after tax	593	823
Surplus for dividend calculation purposes	593	823
Potential dividend calculated from surplus	296	412

Waverley Council

Statement of Financial Position of Property

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	273	240
Total current assets	273	240
Non-current assets		
Investment property	114,930	112,353
Total non-current assets	114,930	112,353
Total assets	115,203	112,593
LIABILITIES		
Current liabilities		
Payables	422	362
Employee benefit provisions	127	108
Total current liabilities	549	470
Total liabilities	549	470
Net assets	114,654	112,123
EQUITY		
Accumulated surplus	114,654	112,123
Total equity	114,654	112,123

Waverley Council

Statement of Financial Position of Commercial waste

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	173	148
Total current assets	173	148
Total assets	173	148
LIABILITIES		
Current liabilities		
Payables	224	119
Employee benefit provisions	245	193
Total current liabilities	469	312
Total liabilities	469	312
Net assets	(296)	(164)
EQUITY		
Accumulated surplus	(296)	(164)
Total equity	(296)	(164)

Waverley Council

Statement of Financial Position of Cemetery

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	2,568	2,920
Total current assets	2,568	2,920
Non-current assets		
Infrastructure, property, plant and equipment	65,397	61,012
Total non-current assets	65,397	61,012
Total assets	67,965	63,932
LIABILITIES		
Current liabilities		
Payables	41	42
Employee benefit provisions	186	142
Total current liabilities	227	184
Total liabilities	227	184
Net assets	67,738	63,748
EQUITY		
Accumulated surplus	16,551	17,392
Revaluation reserves	51,187	46,356
Total equity	67,738	63,748

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. Waverley Council Property Services

Comprising the whole of the operations and assets of the property services, commercial properties controlled by Waverley Council.

b. Waverley Council Trade Waste Services

Comprising the whole of the operations and assets of the commercial waste services which service the area of Waverley. This service collects and disposes of waste collected from commercial premises.

a. Waverley & South Head Cemeteries

Comprising the whole of the operations and assets of both the Waverley & South Head Cemeteries.

This business operates from offices located at Waverley Cemetery dealing with maintenance, sales and burials.

Taxation equivalent charges

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

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

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

Note – Material accounting policy information (continued)

Notional rate applied (%)

Corporate income tax rate – 25%

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

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

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.

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

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

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

(ii) Return on investments (rate of return)

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

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:

Note – Material accounting policy information (continued)

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 5.51% at 30/6/25.

Commercial Waste and Property services do not hold any I,PP&E asset, hence there is no calculation on the rate of return.

(iii) Dividends

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Waverley Council

To the Councillors of Waverley Council

Opinion

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

The Declared Business Activities of the Council are:

- Property
- Commercial Waste
- Cemetery

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to be 'Manuel Moncada', with a stylized, cursive script.

Manuel Moncada

Director, Financial Audit
Delegate of the Auditor-General for New South Wales

14 October 2025
SYDNEY

Waverley Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

Waverley is a vibrant and resilient community. We take care of each other, our natural environment and local places. Our community is empowered to collaborate for a sustainable and connected Waverley for future generations.



Waverley Council

Special Schedules

for the year ended 30 June 2025

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Waverley 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	50,865	53,314
Plus or minus adjustments ²	b	(86)	—
Notional general income	c = a + b	50,779	53,314
Permissible income calculation			
Rate peg percentage	d	5.00%	3.80%
Plus rate peg amount ³	f = d x (c + e)	2,539	2,026
Sub-total	g = (c + e + f)	53,318	55,340
Plus (or minus) last year's carry forward total	h	(51)	(41)
Less valuation objections claimed in the previous year	i	—	(6)
Sub-total	j = (h + i)	(51)	(47)
Total permissible income	k = g + j	53,267	55,293
Less notional general income yield	l	53,314	55,279
Catch-up or (excess) result	m = k - l	(47)	14
Plus income lost due to valuation objections claimed ⁴	n	6	—
Carry forward to next year ⁶	p = m + n + o	(41)	14

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Waverley Council

To the Councillors of Waverley Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

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



Manuel Moncada
Delegate of the Auditor-General for New South Wales

14 October 2025
SYDNEY

Waverley Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	3,483	3,483	5,847	6,432	293,618	388,280	43.5%	28.5%	18.1%	6.3%	3.6%
	Sub-total	3,483	3,483	5,847	6,432	293,618	388,280	43.5%	28.5%	18.1%	6.3%	3.6%
Other structures	Other structures	610	610	49	60	27,650	37,989	58.7%	9.0%	23.3%	9.0%	0.0%
	Sub-total	610	610	49	60	27,650	37,989	58.7%	9.0%	23.3%	9.0%	0.0%
Roads	Sealed roads	328	328	1,659	1,669	206,018	370,816	7.2%	21.5%	70.8%	0.5%	0.0%
	Footpaths	561	561	5,828	5,808	58,877	87,976	13.6%	66.9%	15.9%	3.6%	0.0%
	Other road assets	62	62	2,916	2,860	30,158	39,865	51.0%	34.8%	13.4%	0.8%	0.0%
	Kerb and Gutter	1,058	1,058	—	—	84,756	123,242	26.6%	43.9%	25.1%	4.4%	0.0%
	Sub-total	2,009	2,009	10,403	10,337	379,809	621,899	14.8%	33.2%	50.3%	1.7%	0.0%
Stormwater drainage	Stormwater drainage	—	—	502	577	22,763	29,721	30.2%	66.0%	3.8%	0.0%	0.0%
	Stormwater Conduits	631	631	—	—	76,750	108,273	20.3%	60.2%	17.0%	2.1%	0.4%
	Sub-total	631	631	502	577	99,513	137,994	22.4%	61.4%	14.2%	1.6%	0.4%
Open space / recreational assets	Open Space & Recreational Assets	3,256	3,542	6,254	6,175	130,961	206,136	30.3%	23.3%	38.1%	8.1%	0.2%
	Sub-total	3,256	3,542	6,254	6,175	130,961	206,136	30.3%	23.3%	38.1%	8.1%	0.2%
Total – all assets		9,989	10,275	23,055	23,581	931,551	1,392,298	27.0%	32.6%	35.2%	4.1%	1.1%

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

Infrastructure asset condition assessment 'key'

- | | |
|------------------------------|---------------------------------------|
| 1 Excellent/very good | No work required (normal maintenance) |
| 2 Good | Only minor maintenance work required |
| 3 Satisfactory | Maintenance work required |

- | | |
|--------------------|-----------------------------------|
| 4 Poor | Renewal required |
| 5 Very poor | Urgent renewal/upgrading required |

Explanation of the two estimated costs:

Estimated Cost to Agreed Level of Service:

Waverley Council

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

- This cost indicates bringing Council assets that have reached the intervention level agreed by the community to an agreed condition. This condition varies with each asset class and subclass.
- Council has a range of asset condition service levels that are agreed upon., e.g. road assets to be 80% in conditions 1 & 2 with the remainder across conditions 3, 4 & 5.
- This cost provides a meaningful snapshot of the proportion of outstanding renewal works compared to the total suite of assets that the Council has under its care and stewardship.
- Cost to Agreed Level of Service is different from Cost to Satisfactory as it is a measure that does not set a minimum condition standard of 3. Allowing assets to be more accurately represented through their asset lifecycles, whilst reporting on the cost to meet the *"Agreed Levels of Service"*.

Estimated Cost to *Satisfactory Standard*

- The level of satisfactory condition is set at condition 3 for all asset classes. This requires all assets to be strictly maintained at a level of condition 3 and above.
- In determining the cost, Council estimates the amount required to be spent on existing infrastructure only. We take the replacement value of Condition 4 & 5 assets back to Condition 3 or *"Satisfactory"*, the expected cost to bring the assets up to Condition 3.
- This cost does not take into account the cost to bring assets back to conditions 1 and 2. Utilising asset condition valuation percentages, we estimate the cost to match the minimum condition of 3.

Waverley Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	2024	Indicators 2023	2022	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	40,355					
Depreciation, amortisation and impairment	19,197	210.22%	254.14%	217.43%	290.14%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	9,989					
Net carrying amount of infrastructure assets	957,990	1.04%	1.07%	1.09%	1.61%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	23,581					
Required asset maintenance	23,055	102.28%	100.85%	102.90%	97.34%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	10,275	0.74%	0.39%	0.33%	0.27%	
Gross replacement cost	1,392,298					

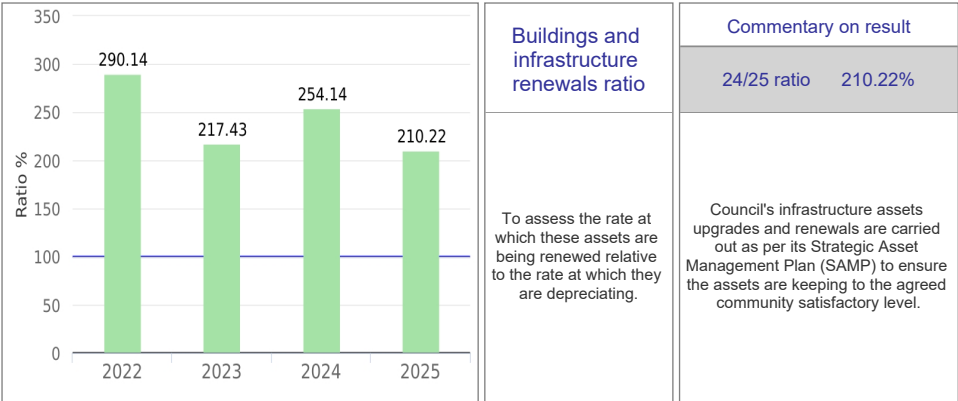
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Waverley Council

Report on infrastructure assets as at 30 June 2025

Buildings and infrastructure renewals ratio



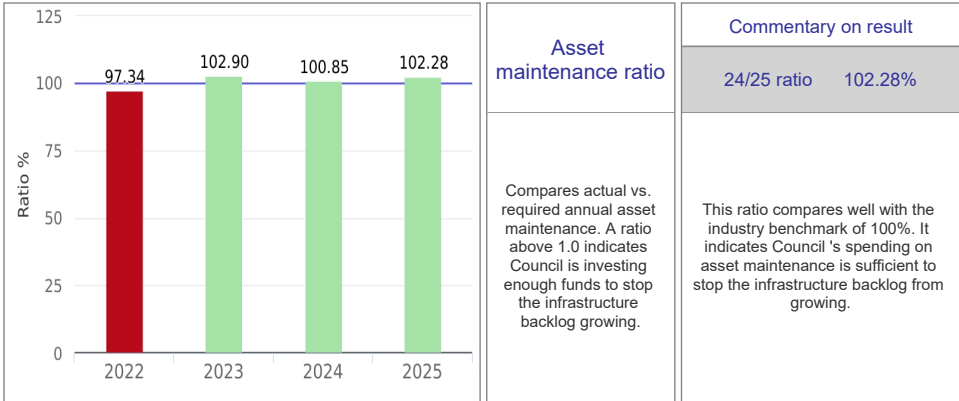
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



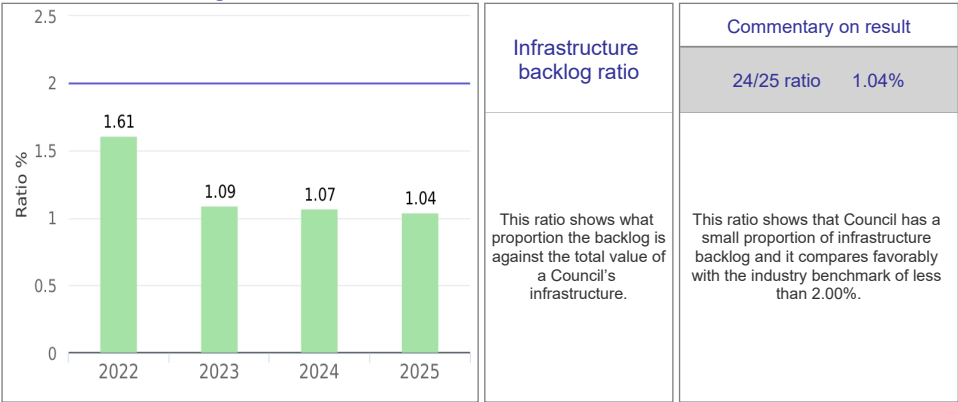
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



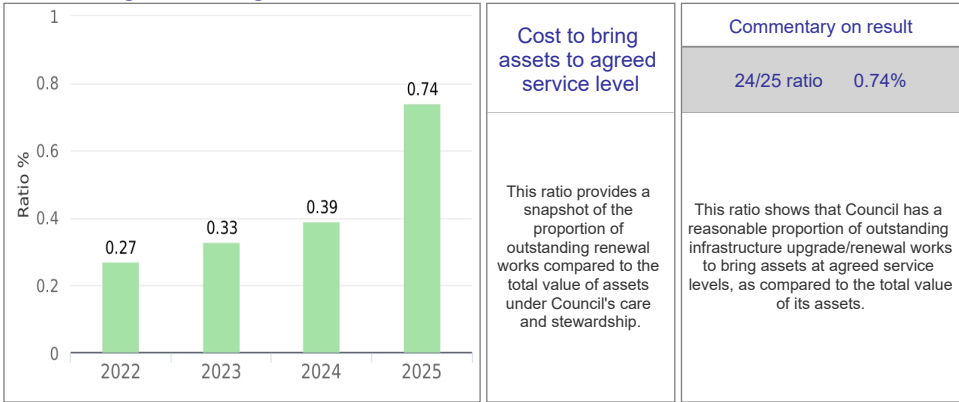
Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level





WAVERLEY
COUNCIL

GET IN TOUCH

9083 8000

info@waverley.nsw.gov.au

waverley.nsw.gov.au

CUSTOMER SERVICE CENTRE

55 Spring St, Bondi Junction, NSW 2022