City of Nedlands

AGENDA

Agenda Briefing Forum

Wednesday 15 July 2026

Notice of Meeting

An Agenda Briefing Forum of the City of Nedlands is to be held on Wednesday 15 July 2026 in the Council Chambers at 71 Stirling Highway, Nedlands commencing at 5:00 pm.

Arthur Kyron | Interim Chief Executive Officer
Friday, 10 July 2026

Information

Agenda Briefing Forums are convened for the purpose of reviewing draft agenda items to be presented at the Ordinary Council meeting. These briefings are limited to questions pertaining to the items and are not open to debate.

Agenda Briefing Forums are run in accordance with the City of Nedlands Standing Orders 2016. If you have any questions in relation to the agenda, procedural matters, addressing the Council or attending these meetings please contact the Governance Officer on 9273 3500 or governance@nedlands.wa.gov.au

Disclaimer

Members of the public who attend Council Meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example, by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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This item will be dealt with at the Ordinary Council Meeting.

13 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

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- Item 21.1 – Debt Recovery Issue
- Item 21.2 – Records Management Software Proposal

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This item will be dealt with at the Ordinary Council Meeting.

15 DIVISIONAL REPORTS - CITY DEVELOPMENT AND REGULATORY SERVICES

15.1 City Implications - Divestment of Irwin Barracks

Report Number	**DRS11.07.26**
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Simple Majority
Authority/Discretion	Advocacy
Contributing Officer	Casey Hill - Coordinator Strategic Planning
Responsible Officer	David Banovic – Acting Manager Urban Planning and Development
Director	Bruce Thompson - Director City Development and Regulatory Services
Attachments	1. Mount Claremont Masterplan Area - Government Ownership Map [**15.1.1**]

Purpose

The purpose of this report is for Council to consider the City's strategic approach to the future planning and redevelopment for the Irwin Barracks site, following the Federal Government's confirmation of its divestment.

Officer Recommendation

That Council AUTHORISES the Chief Executive Officer to:

a) Liaise with the Federal and State Governments to advocate for a coordinated and holistic approach to future planning for the Irwin Barracks site;

b) Commence preliminary investigations into the planning and community implications associated with the divestment, including assessment of potential impacts on existing City strategies and statutory documents; and

c) Note the City's preparedness to actively engage with relevant State and Commonwealth agencies throughout the progression of the Irwin Barracks site toward divestment and future redevelopment, including participation in planning, infrastructure, servicing and community consultation processes to achieve coordinated and beneficial outcomes for the local community.

Background

On 4 February 2026, the Federal Government announced its intention to fully or partially divest 67 defence assets across Australia. Within Western Australia, four sites were identified for divestment, comprising:

- Irwin Barracks;
- Leeuwin Barracks;
- Coolilup Rifle Range (leased); and
- Karratha Dampier Rifle Range (leased).

The Irwin Barracks is situated within the City of Nedlands jurisdiction and has been selected to be “fully divested”, with services to be relocated to other defence institutions across the State.

Given the Federal Government has now formally confirmed the divestment of Irwin Barracks, this report seeks to establish a strategic framework to guide the City’s advocacy, planning and engagement regarding the future of the site.

Discussion

The Irwin Barracks is a significant 61.17-hectare landholding within the City’s endorsed Mount Claremont Masterplan area. The site is bound by four street frontages and shares a fifth interface with Shenton Bushland.

The site represents a major opportunity for strategic mixed-use infill development, with preliminary analysis from the draft Local Planning Strategy indicating that the Irwin Barracks site could accommodate approximately 2,000 - 4,000 new dwellings, subject to zoning and built-form parameters. This scale of development, located immediately adjacent to Karrakatta Station, would deliver substantial transit-oriented housing supply in a highly sought-after area and act as a catalyst for broader redevelopment within Mount Claremont.

It is important to note that any development of the site, specifically the Irwin Barracks Magazine building, would have to take into consideration its heritage significance which is reflected at a Local and Federal level with the building being listed on the Local and Commonwealth Heritage Registers.

<u>Mount Claremont Masterplan</u>

The Mount Claremont Master Plan Area is a 480-hectare area located six kilometres from the Perth CBD. The area is close to passenger rail, hospitals, schools, and an abundance of open space and recreation opportunities including Bold Park, Swanbourne Beach, the UWA Sports Park, and Wembley Sports Park. This Master Plan has been created to inform landowners, government, the wider community, and developers of the City’s desired vision for the future development of the Mount Claremont Master Plan Area. Within the Master Plan are various scenarios estimating potential dwelling yield, with estimates ranging from 1,329 to 6,142.

The City seeks to ensure that the Master Plan Area becomes a highly liveable place that takes full advantage of existing community facilities, natural assets and transport connections. The primary constraint affecting the masterplan area is the Subiaco Wastewater Treatment Plant odour buffer, refer to *Figure 1*. Although mitigation options exist, they have never been perused given the type of land holdings currently present within the precinct. However, with the availability of the Irwin Barrack site the cost benefit of investing in the Subiaco Wastewater odour buffer is significantly more viable. This is evident with the Water Corporation currently reviewing the viability of a modified water treatment plant following a report commissioned by InfrastructureWA that recommends the upgrade of the facility given the availability developable land. This would unlock the use of further adjoining lots that could be considered as underutilised assets but are currently appropriate given the odour buffer constraints. Examples of nearby government-owned landholdings include various Council depot's as well as the State-owned Graylands Hospital, which the Department of Health is currently reviewing for potential sale and residential redevelopment. Refer to *Attachment One* for a map illustrating all Federal, State and Local Government owned land parcels within the Mount Claremont Masterplan Area.

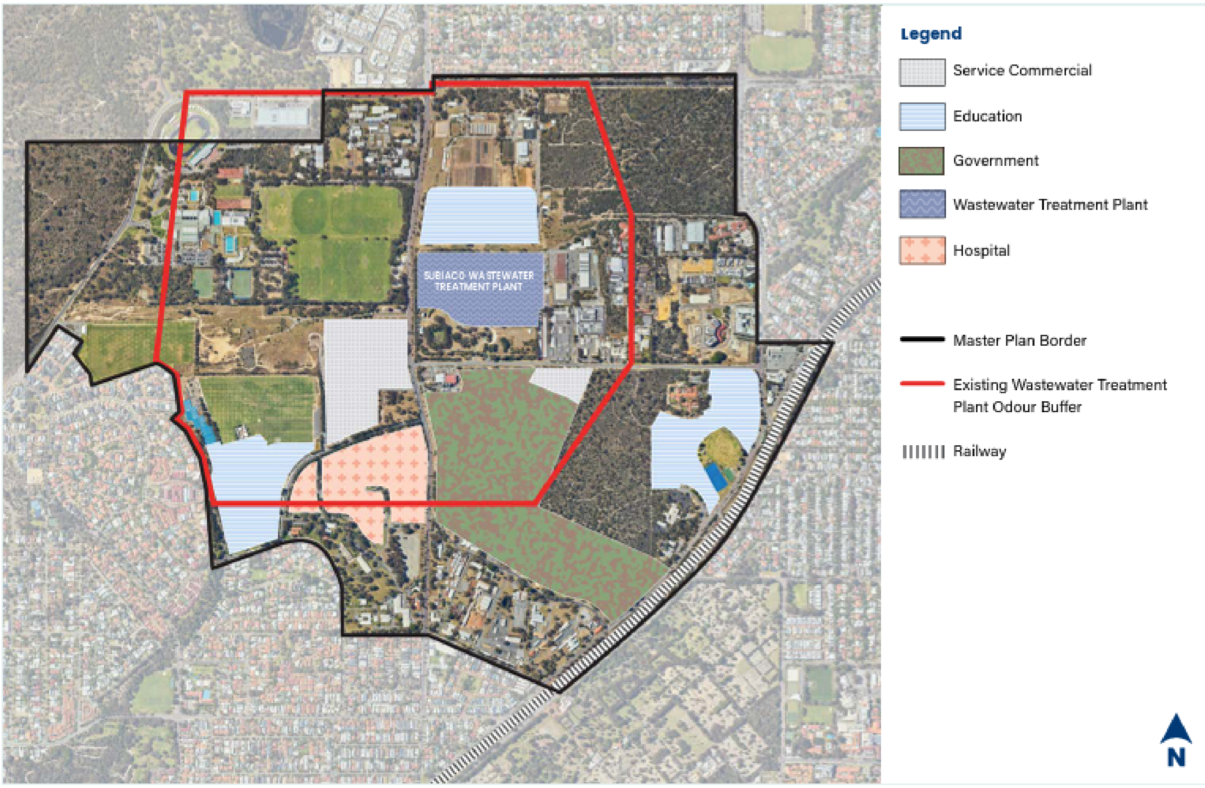


Figure 1: Wastewater Treatment Plant Odour Buffer

At the time the masterplan was adopted by Council, the City was not aware of the Federal Government's intention to sell Irwin Barracks, and as a result the masterplan does not analyse the site in detail compared with the surrounding area. Considering the new direction, the City has internally identified the need to explore an amendment to the masterplan. The City will also investigate how its draft Local Planning Strategy can integrate the site to support achievement of its dwelling targets under the State-led strategy of Perth and Peel @ 3.5 million.

<u>Opportunities of Irwin Barracks Divestment</u>

The divestment of Irwin Barracks presents a significant strategic opportunity for the City, particularly given the scale of the site and its alignment with Western Australia's housing priorities. City involvement is crucial to allow for meaningfully involvement that will address the State's housing shortage and allow for Local Government representation. Redevelopment of this magnitude would also act as a catalyst for broader investment in housing, services and community infrastructure within the Mount Claremont locality.

With Council's support, Administration will investigate mechanisms to strengthen advocacy, collaboration and legislative pathways that enable a proactive approach to long-term planning for the precinct. This includes engagement with key Federal agencies, specifically the Department of Defence and the Department of Finance as well as relevant State agencies such as the Department of Planning, Lands and Heritage, Western Australian Planning Commission, DevelopmentWA, Department of Education, Department of Water and Environmental Regulation and Water Corporation.

Early and coordinated engagement across both levels of government will position the City to influence and participate in a collaborative, precinct wide planning process. This may include the establishment of a memorandum of understanding or similar framework to support integrated planning between the Federal and State Governments and other strategic partners, including the University of Western Australia.

Given the size and strategic location of the site, a coordinated public sector led approach would enable the City to address long standing deficiencies in the area, including the provision of public open space, retail and civic facilities, and improved housing diversity. By contrast, a private sale of the land risks fragmented development, reduced housing yield, limited activation and outcomes that may fall short of community and Council expectations for amenity and public benefit.

Strategic Direction

With Council endorsement, Administration will continue to lead coordinated engagement with key Federal and State stakeholders to advocate for a structured, collaborative approach to the future of the Irwin Barracks site. This will include initiating discussions on planning frameworks, governance arrangements and potential partnership mechanisms that support a precinct wide vision aligned with the City's strategic objectives.

Administration will also begin works to identify the implications of the divestment for City planning instruments as well as what technical investigative works for the site may be required. Any major milestones arising from this process including proposed legislative changes, formal agreements, or amendments to key City documents such as the Mount Claremont Masterplan will be presented to Council for consideration at the appropriate time.

Consultation

City Officers attended a Community Information Session on 11 June 2026, hosted by the Federal Government. The session was well attended, with participation from residents within the City of Nedlands as well as neighbouring local government areas. A range of issues were raised by the community, providing valuable insight into the significance of this site.

Given the status of project the City is not proposing to undertake formal consultation at this stage.

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision: Sustainable and responsible for a bright future

Place
6. Sustainable population growth with responsible urban planning.

Financial Implications

Nil

Legislative and Policy Compliance

Nil

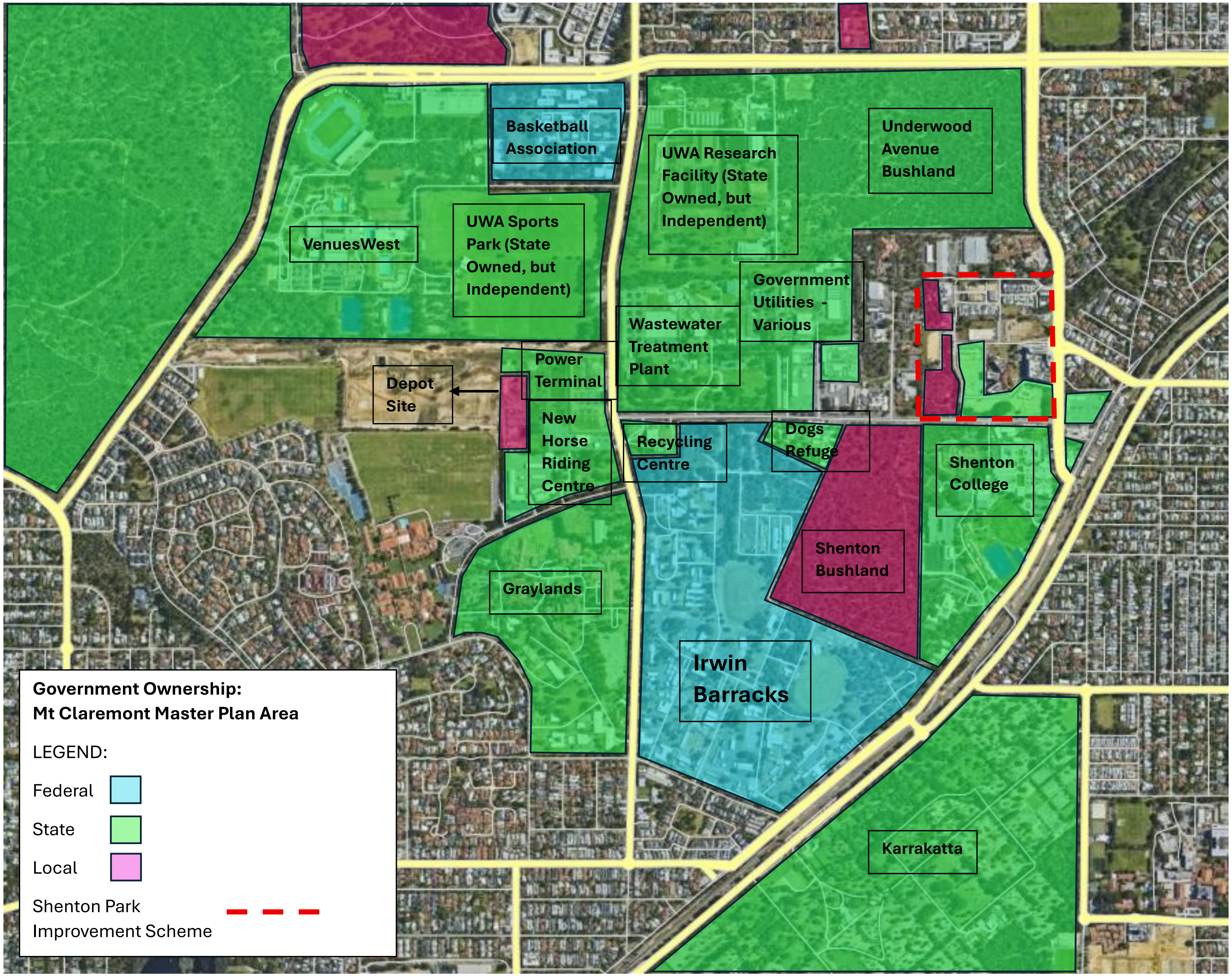
Risk Considerations

Risk Category	Risk Rating	Comment on Risk
Reputational	High	Failure to follow a transparent, consistent and professionally supported assessment process could lead to criticism regarding heritage outcomes. This risk is mitigated through the engagement of an independent heritage consultant, application of a documented assessment methodology, and provision of formal public advertising and consultation processes prior to Council decision-making.
Environment	High	The matter relates to the review of heritage listings and does not involve any physical works or activities that would result in environmental impacts. Any future conservation or management actions arising from heritage assessments would be subject to separate consideration and approvals as required.

Analysis and Conclusion

The divestment of Irwin Barracks represents a rare and significant opportunity for the City to influence the future planning, housing supply and community infrastructure of the Mount Claremont locality. Given the scale of the site and its alignment with State housing priorities, early and coordinated engagement with the Federal and State Government is essential to ensure redevelopment outcomes can deliver long-term public benefit aligned with Council vision.

With Council endorsement, Administration will continue to take a proactive and collaborative approach, advocating for a structured planning framework, initiating discussions on governance and partnership models, and undertaking preliminary assessments of the implications for City strategies and documents. This approach positions the City to shape a precinct wide vision that addresses existing gaps in amenity, supports housing diversity and reflects community expectations.


Basketball Association
UWA Research Facility (State Owned, but Independent)
Underwood Avenue Bushland
UWA Sports Park (State Owned, but Independent)
VenuesWest
Government Utilities - Various
Wastewater Treatment Plant
Power Terminal
Depot Site
New Horse Riding Centre
Recycling Centre
Dogs Refuge
Shenton College
Shenton Bushland
Graylands
Irwin Barracks
Karrakatta
Government Ownership:
Mt Claremont Master Plan Area
LEGEND:
Federal
State
Local
Shenton Park Improvement Scheme

16 DIVISIONAL REPORTS - CITY PERFORMANCE AND COMMUNITY DEVELOPMENT

16.1 Monthly Financial Report - May 2026

Report Number	**PCD17.07.26**
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Simple Majority
Authority/Discretion	Executive
Contributing Officer	Mark Ponton - Accountant
Responsible Officer	Thushara Wijesiri – Manager Financial Services
Director	Noelene Jennings - Acting Director City Performance and Community Development
Attachments	1. Cover - May 2026 [**16.1.1**] 2. Stmt of Financial Activity - May 2026 [**16.1.2**] 3. Stmt of Financial Position - May 2026 [**16.1.3**] 4. Note 1 Basis of Preparation - May 2026 [**16.1.4**] 5. Note 2 Net Current Assets - May 2026 [**16.1.5**] 6. Note 3 Reserve Accounts - May 2026 [**16.1.6**] 7. Note 4 Borrowings - May 2026 [**16.1.7**] 8. Note 5 Capital Works - May 2026 [**16.1.8**]

Purpose

Administration is required to provide Council with a monthly financial report in accordance with regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*. Material variances are highlighted to Council in the attached Monthly Financial Report.

Officer Recommendation

That Council RECEIVES the Monthly Financial Report for 31 May 2026.

Background

All opening positions from prior year are a preliminary result for the year ended 30 June 2025, as the Financial Statements 2024/25 are in the process of being reviewed by the Auditors.

Movements in the opening balance from prior months shown in the Statement of Financial Activity (**SOFA**), Statement of Financial Position (**SOFP**), and Reserve Movements reflect accounting adjustments posted in 2024/25 for the Final Audit. This monthly financial report has been prepared on the same basis as any other month in the reporting cycle and does not include any year end accounting adjustments. These accounting adjustments will be made in the accounting ledger in Period 13 which preserves the integrity of monthly reporting to Council within the current financial year.

The May 2026 Financial Statements report variances of actuals against the Amended budget which includes the Mid-Year Review approved at the Ordinary Council Meeting held on March 11, 2026.

The materials supporting the preparation of the approved budget were prepared on an aggregate basis which limits the ability to provide a detailed analysis of variances.

The monthly financial management report meets the requirements of regulation 34(1), 34(3), and 34(5) of the *Local Government (Financial Management) Regulations 1996*.

The attached report shows the month end position as at the end of May 2026.

The SOFA presents a municipal closing surplus as of 31 May 2026 as $6,651,152 which is favourable compared to a budgeted surplus for the same period of $591,360.

The operating revenue at the end of May 2026 was $47,734,619 which represents a $516,255 favourable variance compared to the year-to-date budget of $47,218,364.

The operating expense at the end of May 2026 was $51,689,948 which represents a $3,602,760 favourable variance compared to the year-to-date budget of $55,292,708 primarily in Materials & Contracts.

The attached SOFA compares Actuals with Year to Date Amended Budget by Nature or Type as per regulation 34 (3) of the Local Government Financial Management Regulations 1996. Material variances from the budget as defined under Budget Implications are explained for revenue and expenditure.

<u>Operating Activities</u>

Other revenue
Favourable variance of $299,025 compared to the year-to-date budget of $179,340 primarily due to a catch up of re-imbursement of utility charges from clubs invoiced in September 2025.

Profit on disposal of assets
Unfavourable variance of $38,516 compared to the year-to-date budget of $108,250 due to the timing of Asset Disposals.

Loss on disposal of assets
Unfavourable variance of $102,981 due to various disposals including losses of $20k for a Mower, and $80k of IT equipment and software which are subject to year end adjustments.

Materials and contracts
Favourable variance of $3,930,147 primarily due to the budgeted phasing of expenditure in Consultancy ($1,154k), Contract Services ($946k), Software Licences

($518k) and Refuse Collection ($493k), all of which are offset by current commitments not yet invoiced.

Finance Costs
Unfavourable variance of $20,485 is due to the Loan Guarantee Fee not being included in the budget.

Investing Activities

Proceeds from capital grants, subsidies and contributions
Unfavourable variance of $2,289,916 is due to timing of grant and contribution receipts.

Acquisition of property, plant and equipment
Actual spend is lower than budget by $1,019,128 primarily due to timing of major projects including Replacement of Retaining Walls ($279k), Network Equipment ($250k) and fleet vehicles ($233k), noting that this is offset by $320k in current commitments not yet invoiced.

Acquisition of infrastructure
Actual spend is lower than budget by $3,424,337 primarily due to timing of major projects including multiple road projects ($1,732k), College Park Floodlighting ($322k) and Charles Court Reserve ($684k), offset by $1,700k in current commitments not yet invoiced.

Rates Receivable
Rates debtors (net of any rebates) are $1,203,120 at the end of May 2026, compared to $1,077,107 for the same period in the prior year. Breakdown is as follows:

Receivable	31 May 2026 ($)	31 May 2025 ($)	Variance ($)
Rates	1,203,120	1,077,107	126,013
UGP	232,882	7,046	225,836
Rubbish & Pool	129,222	117,101	12,121
Deferred (Pensioners)	343,005	379,232	(36,227)
ESL	120,658	92,724	27,934
Total	**2,028,887**	**1,673,210**	**355,677**

Consultation

The report has been prepared in consultation with relevant officers.

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision: Sustainable and responsible for a bright future

Performance
11. Effective leadership and governance.

Financial Implications

At the Special Council Meeting on 27 August 2025, item CPS47.08.25, Council adopted the following thresholds for the reporting of material financial variances in the monthly SOFA reports:

a. Operating items – Greater than 10% and a value greater than $20,000
b. Capital items – Greater than 10% and a value greater than $50,000

Legislative and Policy Compliance

Administration is required to provide Council with a monthly financial report in accordance with regulation 34(1) of the Local Government (Financial Management) Regulations 1996. Material variances are highlighted to Council in the attached Monthly Financial Report.

Risk Considerations

Risk Category	Adopted Risk Appetite Rating	Comment on Risk
Financial	Moderate	Monthly reporting is a key control in ensuring that the City prudently manages its financial position with due regard to anticipating and mitigating financial risks.

Analysis and Conclusion

The closing surplus as of 31 May 2026 is $5,146,168 which is favourable compared to a budgeted closing surplus for the same period of $908,640. It should be noted that the year end closing position may vary significantly from the 31 May 2026 year to date position due to year end adjustments, final capital works carry forwards and any audit adjustments.

The operating revenue at the end of May 2026 was $47,734,619 which represents a $516,255 favourable variance compared to the year-to-date budget of $47,218,364.

The operating expense at the end of May 2026 was $51,689,948 which represents a $3,602,760 favourable variance compared to the year-to-date budget of $55,292,708 primarily in Materials & Contracts.

CITY OF NEDLANDS

MONTHLY FINANCIAL REPORT

(Containing the required statement of financial activity and statement of financial position)

For the period ended 31 May 2026

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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CITY OF NEDLANDS
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 MAY 2026

	Note	Full Year Amended Budget (a)	YTD Amended Budget (b)	YTD Actual (c)	Variance $ (c) - (b)	Variance % ((c) - (b))/(b)	Var.
		$	$	$	$	%	
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates		29,821,188	29,721,188	**29,865,148**	143,960	0.48%	
Grants, subsidies and contributions		666,638	612,918	**628,147**	15,229	2.48%	
Fees and charges		9,476,058	9,102,471	**9,084,158**	(18,313)	(0.20%)	
Service charges		6,644,211	6,644,211	**6,730,970**	86,759	1.31%	
Interest revenue		1,042,514	849,986	**878,097**	28,111	3.31%	
Other revenue		194,233	179,340	**478,365**	299,025	166.74%	▲
Profit on asset disposals		108,250	108,250	**69,734**	(38,516)	(35.58%)	▼
		47,953,092	**47,218,364**	**47,734,619**	**516,255**	1.09%	
Expenditure from operating activities							
Employee costs		(21,630,766)	(19,855,058)	**(20,396,539)**	(541,481)	(2.73%)	
Materials and contracts		(17,899,167)	(16,105,263)	**(12,175,116)**	3,930,147	24.40%	▲
Materials and contracts Underground Power		(8,483,007)	(8,483,007)	**(8,483,007)**	0	0.00%	
Utility charges		(1,046,457)	(959,252)	**(933,043)**	26,209	2.73%	
Depreciation		(10,598,779)	(9,715,547)	**(9,514,657)**	200,890	2.07%	
Finance costs		(184,737)	(173,403)	**(193,888)**	(20,485)	(11.81%)	▼
Insurance		(502,104)	(457,761)	**(433,979)**	23,782	5.20%	
Other expenditure		(1,146,558)	(1,043,417)	**(961,722)**	81,695	7.83%	
Loss on Disposal of Assets		0	0	**(102,981)**	(102,981)	0.00%	
		(61,491,575)	**(56,792,708)**	**(53,194,932)**	**3,597,776**	6.33%	
Non cash amounts excluded from operating activities	2(c)	8,763,795	7,880,563	**7,706,698**	(173,865)	(2.21%)	
Amount attributable to operating activities		**(4,774,688)**	**(1,693,781)**	**2,246,385**	**3,940,166**	232.63%	
INVESTING ACTIVITIES							
Inflows from investing activities							
Proceeds from capital grants, subsidies and contributions		4,365,881	3,906,158	**1,616,242**	(2,289,916)	(58.62%)	▼
Proceeds from disposal of assets		108,250	108,250	**69,734**	(38,516)	(35.58%)	
Proceeds from financial assets at amortised cost - self supporting loans		4,959	4,047	**4,047**	0	0.00%	
		4,479,090	**4,018,455**	**1,690,023**	**(2,328,432)**	(57.94%)	
Outflows from investing activities							
Right of use assets recognised		0	0	**(1,161)**	(1,161)	0.00%	
Acquisition of property, plant and equipment		(1,630,904)	(1,550,505)	**(530,607)**	1,019,898	65.78%	▲
Acquisition of infrastructure		(8,031,427)	(7,332,098)	**(3,907,761)**	3,424,337	46.70%	▲
		(9,662,331)	**(8,882,603)**	**(4,439,528)**	**4,443,074**	50.02%	
Amount attributable to investing activities		**(5,183,241)**	**(4,864,148)**	**(2,749,505)**	**2,114,642**	43.47%	
FINANCING ACTIVITIES							
Inflows from financing activities							
Proceeds from new borrowings		535,500	0	**0**	0	0.00%	
Transfer from reserves		3,850,000	3,850,000	**3,850,000**	(0)	(0.00%)	
		4,385,500	**3,850,000**	**3,850,000**	**(0)**	(0.00%)	
Outflows from financing activities							
Payments for principal portion of lease liabilities		(168,984)	(155,677)	**(155,677)**	0	0.00%	
Repayment of borrowings		(1,048,597)	(1,008,887)	**(1,008,887)**	0	0.00%	
Transfer to reserves		(1,000,000)	(1,000,000)	**(1,000,000)**	0	0.00%	
		(2,217,581)	**(2,164,564)**	**(2,164,564)**	**0**	0.00%	
Amount attributable to financing activities		**2,167,919**	**1,685,436**	**1,685,435**	**(0)**	(0.00%)	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year	2(a)	3,963,853	3,963,853	**3,963,853**	0	0.00%	
Amount attributable to operating activities		(4,774,688)	(1,693,781)	**2,246,385**	3,940,166	232.63%	▲
Amount attributable to investing activities		(5,183,241)	(4,864,148)	**(2,749,505)**	2,114,642	43.47%	▲
Amount attributable to financing activities		2,167,919	1,685,436	**1,685,435**	(0)	(0.00%)	
Surplus or deficit after imposition of general rates		**(3,826,157)**	**(908,640)**	**5,146,168**	**6,054,808**	666.36%	▲

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data outside the adopted materiality threshold.
▲ Indicates a variance with a positive impact on the financial position.
▼ Indicates a variance with a negative impact on the financial position.
Refer to Note 3 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying notes.

CITY OF NEDLANDS
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MAY 2026

	Actual 30 June 2025	Actual as at 31 May 2026
	$	$
CURRENT ASSETS		
Cash and cash equivalents	19,251,922	18,304,226
Trade and other receivables	1,771,932	2,859,511
Other financial assets	1,230,606	0
Inventories	4,937	4,937
Other assets	525,346	206,829
TOTAL CURRENT ASSETS	22,784,743	21,375,503
NON-CURRENT ASSETS		
Trade and other receivables	781,514	2,387,216
Other financial assets	159,239	159,239
Property, plant and equipment	99,900,160	97,599,983
Infrastructure	236,504,074	233,839,026
Right of use assets	311,817	146,082
TOTAL NON-CURRENT ASSETS	337,656,804	334,131,546
TOTAL ASSETS	360,441,547	355,507,049
CURRENT LIABILITIES		
Trade and other payables	5,097,362	4,468,488
Contract liabilities	138,386	30,000
Capital grant/contributions liabilities	629,167	1,195,815
Lease liabilities	170,163	100,354
Borrowings	1,008,888	928,772
Employee related provisions	2,100,459	2,312,967
TOTAL CURRENT LIABILITIES	9,144,425	9,036,396
NON-CURRENT LIABILITIES		
Lease liabilities	156,555	57,166
Borrowings	3,273,369	2,344,598
Employee related provisions	486,962	587,277
TOTAL NON-CURRENT LIABILITIES	3,916,886	2,989,041
TOTAL LIABILITIES	13,061,311	12,025,437
NET ASSETS	**347,380,236**	**343,481,612**
EQUITY		
Retained surplus	(69,370,026)	(68,321,401)
Reserve accounts	(10,850,921)	(8,000,922)
Revaluation surplus	(267,159,289)	(267,159,289)
TOTAL EQUITY	**(347,380,236)**	**(343,481,612)**

This statement is to be read in conjunction with the accompanying notes.

CITY OF NEDLANDS
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 MAY 2026

1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed financial report has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements
Section 6.4(2) of the Local Government Act 1995 read with the *Local Government (Financial Management) Regulations 1996,* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supplementary information does not form part of the financial report.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

PREPARATION TIMING AND REVIEW
Date prepared: All known transactions up to 08-Jun-2026

THE LOCAL GOVERNMENT REPORTING ENTITY
All funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements.

MATERIAL ACCOUNTING POLICES
Material accounting policies utilised in the preparation of these statements are as described within the 2024-25 Annual Budget. Please refer to the adopted budget document for details of these policies.

Critical accounting estimates and judgements
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are 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 and further information on their nature and impact can be found in the relevant note:
- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment
  - Infrastructure
- Impairment losses of non-financial assets
- Expected credit losses on financial assets
- Assets held for sale
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits
- Measurement of provisions
- Estimation uncertainties and judgements made in relation to lease accounting

CITY OF NEDLANDS
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 MAY 2026

2 NET CURRENT ASSETS INFORMATION

	Note	Actual as at 30 June 2025	Actual as at 31 May 2026
(a) Net current assets used in the Statement of Financial Activity		$	$
Current assets			
Cash and cash equivalents		19,251,922	18,304,226
Trade and other receivables		1,771,932	2,859,511
Other financial assets		1,230,606	0
Inventories		4,937	4,937
Other assets		525,346	206,829
		22,784,743	21,375,503
Less: current liabilities			
Trade and other payables		(5,097,362)	(4,468,488)
Contract liabilities		(138,386)	(30,000)
Capital grant/contributions liabilities		(629,167)	(1,195,815)
Lease liabilities		(170,163)	(100,354)
Borrowings		(1,008,888)	(928,772)
Employee related provisions		(2,100,459)	(2,312,967)
		(9,144,425)	(9,036,396)
Net current assets		13,640,318	12,339,107
Less: Total adjustments to net current assets	2(b)	(9,676,465)	(7,192,939)
Closing funding surplus / (deficit)		**3,963,853**	**5,146,168**
(b) Current assets and liabilities excluded from budgeted deficiency			
Adjustments to net current assets			
Less: Reserve accounts		(10,850,921)	(8,000,922)
Less: Financial assets at amortised cost - self supporting loans		(4,595)	0
Add: Current liabilities not expected to be cleared at the end of the year			
- Current portion of lease liabilities		170,163	100,354
- Current portion of borrowings		1,008,888	928,772
- Current portion of Adjs			(221,143)
Total adjustments to net current assets	2(a)	**(9,676,465)**	**(7,192,939)**

	YTD Budget Estimates 31 May 2026	YTD Actual 31 May 2026
	$	$
(c) Non-cash amounts excluded from operating activities		
Adjustments to operating activities		
Less: Profit on asset disposals	(108,250)	(69,734)
Add: Loss on asset disposals	0	102,981
Add: Depreciation	9,715,547	9,514,657
Non-cash movements in non-current assets and liabilities:		
- Pensioner deferred rates	0	(32,396)
- Employee provisions	0	(100,315)
- Deferred service charge - Underground Power	(1,726,734)	(1,708,495)
Total non-cash amounts excluded from operating activities	**7,880,563**	**7,706,698**

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the local governments' operational cycle.

CITY OF NEDLANDS
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 MAY 2026

3 RESERVE ACCOUNTS

	Amended Budget				Actual			
Reserve account name	Opening Balance	Transfers In (+)	Transfers Out (-)	Closing Balance	Opening Balance	Transfers In (+)	Transfers Out (-)	Closing Balance
	$	$	$	$	$	$	$	$
Reserve accounts restricted by legislation								
Cash-in-lieu of Public Open Space	519,817	0	0	519,817	368,333	0	0	368,333
Reserve accounts restricted by Council								
Plant Replacement	292,395	0	0	292,395	292,395	0	0	292,395
City Development	188,898	0	0	188,898	299,686	0	0	299,686
North Street	158,951	0	0	158,951	158,951	0	0	158,951
Welfare	208,248	0	0	208,248	369,884	0	0	369,884
Services	28,968	0	0	28,968	28,969	0	0	28,969
Insurance	67,939	0	0	67,939	67,939	0	0	67,939
Underground Power Projects	3,968,802	0	(3,850,000)	118,802	4,045,668	0	(3,850,000)	195,668
Waste Management	2,338,667	500,000	0	2,838,667	2,330,292	500,000	0	2,830,292
Building Replacement	623,747	0	0	623,747	955,315	0	0	955,315
Swanbourne Development	1,490	0	0	1,490	128,490	0	0	128,490
Public Art	47,334	0	0	47,334	47,334	0	0	47,334
Business System	113,143	0	0	113,143	114,143	0	0	114,143
All Ability Play Space	442,250	0	0	442,250	442,251	0	0	442,251
Major Projects	1,652,277	500,000	0	2,152,277	496,817	500,000	0	996,817
Riverwall Maintenance	100,000	0	0	100,000	104,454	0	0	104,454
Laneway Reserve	600,000	0	0	600,000	600,000	0	0	600,000
	11,352,926	**1,000,000**	**(3,850,000)**	**8,502,926**	**10,850,921**	**1,000,000**	**(3,850,000)**	**8,000,922**

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
Cash-in-lieu of Public Open Space	To fund Public Open Space
Restricted by council	
Plant Replacement	To fund replacement of plant and equipment so the cost is spread over a number of years.
City Development	To fund improvement and purchases of property, plant and equipment and infrastructure.
North Street	To fund operational and capital costs of community and recreational facilities at Mt Claremont and Swanbourne, and infrastructure generally.
Welfare	To fund the operational and capital costs to welfare services.
Services	To fund purchase of property, purchase of land and for parking areas, expense of streets, depots, town planning schemes, valuation and legal costs, items of works of an urgent nature such as drainage.
Insurance	To fund any excess that may arise from having a performance based workers compensation premium.
Underground Power	To fund underground power projects.
Waste Management	To fund replacement of rubbish bin stock so that the cost is spread over a number of years.
Building Replacement	To fund the upgrade and/or replacement of council buildings.
Development - Swanbourne	To fund capital works in the Swanbourne area associated with the Swanbourne Masterplan. Set-up with proceeds of the insurance claim arising from the fire of council prioperty in Swanbourne.
Public Art	To fund works of art in the City of Nedlands.
Business System	To fund councils business system.
All Ability Play Space	To fund the annual operating and maintenance cost of the All Abilities Play Space.
Major projects	To fund capital works from proceeds from sale of major assets.
Riverwall Maintenance	To fund riverwall capital and maintenance works.
Laneway	To fund laneway road projects.

CITY OF NEDLANDS
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 MAY 2026

FINANCING ACTIVITIES

4 BORROWINGS

Repayments - borrowings

Information on borrowings			New Loans		Principal Repayments		Principal Outstanding	
Particulars	**Loan No.**	**1 July 2025**	**Actual**	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**
		$	**$**	**$**	**$**	**$**	**$**	**$**
Building Infrastructure	184	77,653	0	0	(77,653)	(77,653)	0	0
Building Infrastructure	185	36,752	0	0	(36,752)	(36,752)	1	1
Underground Power - West Hollywood	188	233,534	0	0	(75,503)	(75,503)	158,031	158,031
Underground Power - Alfred & Mt Clare	189	34,109	0	0	(11,028)	(11,028)	23,081	23,081
Underground Power - Alderbury	190	24,224	0	0	(7,832)	(7,832)	16,392	16,392
Underground Power - Nedlands North	191	3,871,937	0	0	(796,073)	(796,073)	3,075,864	3,075,864
Underground Power - Nedlands West	192	0	0	535,500	0	0	0	535,500
Self supporting loans								
Dalkeith Bowling Club	186	4,047	0	0	(4,047)	(4,047)	0	0
		4,047	0	0	(4,047)	(4,047)	0	0
Total		**4,282,256**	**0**	**535,500**	**(1,008,887)**	**(1,008,887)**	**3,273,369**	**3,808,869**
Current borrowings		1,008,887					928,772	
Non-current borrowings		3,273,369					2,344,597	
		4,282,256					**3,273,369**	

All debenture repayments were financed by general purpose revenue.
Self supporting loans are financed by repayments from third parties.

KEY INFORMATION
The City has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 31 MAY 2026
5 CAPITAL WORKS PROGRAM

Project Class	Full Year Amended Budget (a)	YTD Amended Budget (b)	YTD Actual (c)	Variance $ (c)-(b)
	$	$	$	$
Buildings	611,004	560,050	130,064	(429,987)
TOTAL LAND AND BUILDINGS	**611,004**	**560,050**	**130,064**	**(429,987)**
Furniture and equipment	-	-	-	-
Computer equipment	438,000	438,000	115,903	(322,097)
Plant and equipment	307,890	282,233	244,129	(38,104)
Fleet	274,010	270,222	40,512	(229,710)
TOTAL PLANT AND EQUIPMENT	**1,019,900**	**990,454**	**400,543**	**(589,911)**
TOTAL BUILDINGS, PLANT AND EQUIPMENT	**1,630,904**	**1,550,505**	**530,607**	**(1,019,898)**
Roads	5,208,901	4,747,728	3,015,314	(1,732,414)
Other infrastructure	60,000	55,000	-	(55,000)
TOTAL INFRASTRUCTURE ROADS	**5,268,901**	**4,802,728**	**3,015,314**	**(1,787,414)**
Footpath	-	-	-	-
Drainage	703,050	641,546	329,593	(311,953)
Park development	2,059,476	1,887,825	562,854	(1,324,971)
TOTAL INFRASTRUCTURE OTHER	**2,762,526**	**2,529,370**	**892,447**	**(1,636,924)**
TOTAL INFRASTRUCTURE	**8,031,427**	**7,332,098**	**3,907,761**	**(3,424,337)**
Total Capital Works	**9,662,331**	**8,882,603**	**4,438,367**	**(4,444,235)**

17 DIVISIONAL REPORTS - CHIEF EXECUTIVE OFFICER

Nil

18 DIVISIONAL REPORTS - CITY INFRASTRUCTURE AND ENVIRONMENT

Nil

19 COUNCIL MEMBERS NOTICE OF MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

This item will be dealt with at the Ordinary Council Meeting.

20 URGENT BUSINESS APPROVED BY THE PRESIDING MEMBER OR BY DECISION

This item will be dealt with at the Ordinary Council Meeting.

21 CONFIDENTIAL ITEMS

REASON FOR CONFIDENTIALITY

This Report is **CONFIDENTIAL** in accordance with Section 5.23(2), of the Local Government Act 1995 (LG Act) which provides that the Council may close to members of the public a meeting, or part of a meeting, if the meeting (or part meeting) deals with a matter identified in sub sections (a) – (h) of section 5.23(2). The reports listed below have been identified as confidential for the following reasons:

Item 21.1 - Debt Recovery Issue

- Section 5.23(2)(c) a prescribed matter

Item 21.2 - Records Management Software Proposal

- Section 5.23(4)(d) information contained in a tender received by the local government for a contract to the extent that —
  - i) the information discloses any technology, or any manufacturing, industrial or trade process, that the tenderer proposes to use in performing the contract; and
  - ii) the information has not previously been made public: and
  - iii) the making public of the information would be likely to have an adverse effect on the tenderer's business interests

Members are reminded that, should Council resolve to close to members of the public that part of its meeting at which this Report and related documents is to be considered, then they are to ensure that the information remains **CONFIDENTIAL** and should not disclose the content of this Report or any related document to any other person. To do so may be an improper use of the information under section 5.93 of the LG Act.

Officer Recommendation

That, in accordance with Section 5.23(2) of the Local Government Act 1995, which permits the meeting to be closed to the public for business relating to the following sections: Section 5.23(2)(c) and Section 5.23(4)(d); Council declares the meeting closed to the public.

21.1 Debt Recovery Issue

Report Number	**PCD18.07.26**
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Simple Majority
Authority/Discretion	Information
Contributing Officer	Kevin Perraudin - Coordinator Revenue
Responsible Officer	Thushara Wijesiri - Manager Financial Services
Director	Noelene Jennings - Acting Director City Performance and Community Development
Attachments	1. CONFIENTIAL REDACTED - Letter from Residents to former CEO [**21.1.1**] 2. CONFIENTIAL REDACTED - Former CEO's response to Residents [**21.1.2**] 3. CONFIENTIAL REDACTED - Residents response email to the former CEO [**21.1.3**] 4. CONFIENTIAL REDACTED - ICEO's Letter to Resident offering extended payment terms [**21.1.4**]

21.2 Records Management Software Proposal

Report Number	**PCD19.07.26**
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Absolute Majority
Authority/Discretion	Advocacy
Contributing Officer	Andrew Van Rooyen - Chief Information Officer
Responsible Officer	Nalin Dias - Information Technology Governance Coordinator
Director	Noelene Jennings - Acting Director City Performance and Community Development
Attachments	1. CONFIENTIAL REDACTED - RFT 2025-26.16 Records Management Tool Evaluation and Recommendation Report - signed [**21.2.1**]

22 DECLARATION OF CLOSURE

There being no further business, the Presiding Member will declare the meeting closed.