



City of Nedlands

2025/26 Annual Budget

Adopted 27 August 2025

CITY OF NEDLANDS
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

LOCAL GOVERNMENT ACT 1995

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The City of Nedlands is a Class 2 local government that conducts the operations of local government with the following community vision:

Our City will be an environmentally-sensitive, beautiful, and inclusive place.

CITY OF NEDLANDS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2025/26 Budget	2024/25 Estimated Actual	2024/25 Budget
Revenue		\$	\$	\$
Rates	2(a)	29,821,188	28,306,277	27,851,855
Grants, subsidies and contributions		654,638	812,937	150,112
Fees and charges	16	9,493,813	9,147,307	9,289,708
Service charges	2(e)	3,855,577	0	0
Interest revenue	10(a)	1,042,514	1,190,413	1,045,430
Other revenue		209,733	409,428	195,751
		45,077,463	39,866,362	38,532,856
Expenses				
Employee costs		(18,953,044)	(16,306,382)	(16,632,549)
Materials and contracts : Under Ground Power		(9,319,249)	(4,294,898)	(4,389,146)
Materials and contracts : Other		(15,921,845)	(13,461,505)	(14,143,981)
Utility charges		(1,046,457)	(971,685)	(805,723)
Depreciation	6	(10,598,779)	(9,133,304)	(9,210,126)
Finance costs	10(c)	(261,117)	(155,658)	(142,121)
Insurance		(472,104)	(462,808)	(461,818)
Other expenditure		(1,050,643)	(1,040,651)	(783,622)
		(57,623,238)	(45,826,891)	(46,569,086)
Net result from operations		(12,545,775)	(5,960,529)	(8,036,230)
Capital grants, subsidies and contributions		4,145,081	803,794	3,574,980
Profit on asset disposals	5	108,250	390,376	220,821
		4,253,331	1,193,212	3,795,801
Net result for the period		(8,292,444)	(4,767,317)	(4,240,429)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(8,292,444)	(4,767,317)	(4,240,429)

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

CITY OF NEDLANDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	2025/26	2024/25	2024/25
	Budget	Estimated Actual	Budget
	\$	\$	\$
Rates	29,696,188	28,169,633	27,851,855
Grants, subsidies and contributions	654,638	461,768	223,899
Fees and charges	9,493,813	9,160,777	9,289,708
Service charges	3,855,577	0	0
Interest revenue	1,042,514	1,190,413	1,045,430
Other revenue	209,733	409,428	195,751
	44,952,463	39,392,019	38,606,643

Payments

Employee costs	(18,953,044)	(18,253,887)	(16,296,549)
Materials and contracts : Under Ground Power	(9,319,249)	(4,294,898)	(4,389,146)
Materials and contracts : Other	(15,933,220)	(10,111,012)	(13,997,853)
Utility charges	(1,046,457)	(971,685)	(805,723)
Finance costs	(261,117)	(716,651)	(142,121)
Insurance paid	(472,104)	(462,808)	(461,818)
Other expenditure	(1,050,643)	(1,040,651)	(783,622)
	(47,035,834)	(35,851,592)	(36,876,832)

Net cash provided by (used in) operating activities	4	(2,083,371)	3,540,427	1,729,811
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CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(1,990,647)	(806,617)	(1,488,388)
Payments for construction of infrastructure	5(b)	(8,372,630)	(1,708,616)	(8,142,789)
Capital grants, subsidies and contributions		3,515,914	1,432,961	3,574,980
Proceeds from sale of property, plant and equipment	5(a)	108,250	390,376	258,702
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	4,959	15,881	18,504
Net cash (used in) investing activities		(6,734,154)	(676,015)	(5,778,991)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	7(a)	(1,373,111)	(901,183)	(1,129,117)
Payments for principal portion of lease liabilities	8	(168,984)	(161,261)	(146,128)
Proceeds from new borrowings	7(a)	4,000,000	4,257,158	4,257,158
Net cash provided by financing activities		2,457,905	3,194,714	2,981,913

Net increase (decrease) in cash held

		(6,359,620)	6,059,126	(1,067,267)
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Cash at beginning of year

		19,956,300	13,897,174	13,310,248
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Cash and cash equivalents at the end of the year

4	13,596,680	19,956,300	12,242,981
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This statement is to be read in conjunction with the accompanying notes.

CITY OF NEDLANDS
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2026

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2025/26 Budget \$	2024/25 Estimated Actual \$	2024/25 Budget \$
General rates	2(a)(i)	26,818,587	25,356,932	24,902,509
Rates excluding general rates	2(a)	3,002,601	2,949,346	2,949,346
Grants, subsidies and contributions		654,638	812,937	150,112
Fees and charges	16	9,493,813	9,147,307	9,289,708
Service charges	2(e)	3,855,577	0	0
Interest revenue	10(a)	1,042,514	1,190,413	1,045,430
Other revenue		209,733	409,428	195,751
Profit on asset disposals	5	108,250	390,376	220,821
		45,185,713	40,256,739	38,753,677

Expenditure from operating activities

Employee costs		(18,953,044)	(16,306,382)	(16,632,549)
Materials and contracts : Under Ground Power		(9,319,249)	(4,294,898)	(4,389,146)
Materials and contracts : Other		(15,921,845)	(13,461,505)	(14,143,981)
Utility charges		(1,046,457)	(971,685)	(805,723)
Depreciation	6	(10,598,779)	(9,133,304)	(9,210,126)
Finance costs	10(c)	(261,117)	(155,658)	(142,121)
Insurance		(472,104)	(462,808)	(461,818)
Other expenditure		(1,050,643)	(1,040,651)	(783,622)
Loss on asset disposals	5	0	(958)	0
		(57,623,238)	(45,827,849)	(46,569,086)

Non cash amounts excluded from operating activities

	3(c)	10,490,529	8,830,692	9,025,305
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Amount attributable to operating activities

		(1,946,996)	3,259,582	1,209,896
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INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions		4,145,081	803,794	3,574,980
Proceeds from disposal of property, plant and equipment	5(a)	108,250	390,376	258,702
Proceeds from financial assets at amortised cost	7(a)	4,959	15,881	18,504
		4,258,290	1,210,051	3,852,186

Outflows from investing activities

Payments for property, plant and equipment	5(a)	(1,990,647)	(806,617)	(1,488,388)
Payments for construction of infrastructure	5(b)	(8,372,630)	(1,708,616)	(8,142,789)
		(10,363,277)	(2,515,233)	(9,631,177)

Amount attributable to investing activities

		(6,104,987)	(1,305,182)	(5,778,991)
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FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new borrowings	7(a)	4,000,000	4,257,158	4,257,158
Transfers from reserve accounts	9(a)	3,850,000	1,402,822	1,485,109
		7,850,000	5,659,980	5,742,267

Outflows from financing activities

Repayment of borrowings	7(a)	(1,373,111)	(901,183)	(1,129,117)
Payments for principal portion of lease liabilities	8	(168,984)	(161,261)	(146,128)
Transfers to reserve accounts	9(a)	(500,000)	(4,796,191)	(2,583,414)
		(2,042,095)	(5,858,635)	(3,858,659)

Amount attributable to financing activities

		5,807,905	(198,655)	1,883,608
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MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

	3	3,626,289	1,870,544	2,685,487
Amount attributable to operating activities		(1,946,996)	3,259,582	1,209,896
Amount attributable to investing activities		(6,104,987)	(1,305,182)	(5,778,991)
Amount attributable to financing activities		5,807,905	(198,655)	1,883,608

Surplus/(deficit) remaining after the imposition of general rates

	3	1,382,211	3,626,289	0
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This statement is to be read in conjunction with the accompanying notes.

CITY OF NEDLANDS
FOR THE YEAR ENDED 30 JUNE 2026
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CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

1 BASIS OF PREPARATION

The annual budget of the City of Nedlands which is a Class 2 local government is a forward looking document and 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 annual budget 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 Leases* which would have required the City to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual budget 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.

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 annual budget.

2024/25 actual balances

Balances shown in this budget as 2024/25 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in the budget relate to the original budget estimate for the relevant item of disclosure.

Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Rounding off figures

All figures shown in this statement are rounded to the nearest dollar.

Statement of Cashflows

Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- *AASB 2020-1 Amendments to Australian Accounting Standards*
- *Classification of Liabilities as Current or Non-current*
- *AASB 2022-5 Amendments to Australian Accounting Standards*
- *Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards*
- *Non-current Liabilities with Covenants*
- *AASB 2023-1 Amendments to Australian Accounting Standards*
- *Supplier Finance Arrangements*
- *AASB 2023-3 Amendments to Australian Accounting Standards*
- *Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards*
- *Supplier Finance Arrangements: Tier 2 Disclosures*

It is not expected these standards will have an impact on the annual budget.

- *AASB 2022-10 Amendments to Australian Accounting Standards*
- *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*, became mandatory during the budget year. Amendments to *AASB 13 Fair Value Measurement* impacts the future determination of fair value when revaluing assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2025-26 statutory budget.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- *AASB 2014-10 Amendments to Australian Accounting Standards*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2024-4b Amendments to Australian Accounting Standards*
- *Effective Date of Amendments to AASB 10 and AASB 128*
[deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- *AASB 2022-9 Amendments to Australian Accounting Standards*
- *Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards*
- *Lack of Exchangeability*
- *AASB 18 (FP) Presentation and Disclosure in Financial Statements*
- *(Appendix D) [for for-profit entities]*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements*
- *(Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-2 Amendments to Australian Accounting Standards*
- *Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards*
- *Standards – Annual Improvements Volume 11*

It is not expected these standards will have an impact on the annual budget.

Critical accounting estimates and judgements

The preparation of the annual budget 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 that are 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
- Expected credit losses on financial assets
- Assets held for sale
- Impairment losses of non-financial assets
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits
- Measurement of provisions

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Est. Actual total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
Residential	Gross rental valuation	0.062851	7,093	337,294,420	21,199,292	400,000	21,599,292	20,189,647	19,735,224
Non residential	Gross rental valuation	0.077551	432	56,449,563	4,377,720	0	4,377,720	4,241,723	4,241,723
Residential vacant	Gross rental valuation	0.083158	178	10,120,187	841,575	0	841,575	925,562	925,562
Total general rates			7,703	403,864,170	26,418,587	400,000	26,818,587	25,356,932	24,902,509
		Minimum							
		\$							
(ii) Minimum payment									
Residential	Gross rental valuation	1,636	1,461	31,010,200	2,390,196	0	2,390,196	2,326,176	2,326,176
Non residential	Gross rental valuation	2,157	129	2,345,620	278,253	0	278,253	276,374	276,374
Residential vacant	Gross rental valuation	1,989	168	2,690,485	334,152	0	334,152	346,796	346,796
Total minimum payments			1,758	36,046,305	3,002,601	0	3,002,601	2,949,346	2,949,346
Total general rates and minimum payments			9,461	439,910,475	29,421,188	400,000	29,821,188	28,306,278	27,851,855
Discounts (Refer note 2(f))					0	0	0	0	0
Concessions (Refer note 2(f))					0	0	0	0	0
Total rates					29,421,188	400,000	29,821,188	28,306,278	27,851,855
Instalment plan charges							124,800	121,000	100,000
Instalment plan interest							127,050	121,250	135,000
Late payment of rate interest							110,000	85,100	110,000
							361,850	327,350	345,000

*Rateable Value at time of adopting budget.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation

The general rates detailed for the 2025/26 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum payments have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	13/10/2025	0	0.0%	0.0%
Option two				
First instalment	13/10/2025	0	0.0%	11.0%
Second instalment	10/12/2025	16	5.5%	11.0%
Third instalment	16/02/2026	16	5.5%	11.0%
Fourth instalment	24/04/2026	16	5.5%	11.0%

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the City the following rate categories have been determined for the implementation of differential rating.

(i) Differential general rate

Description	Characteristics	Objects	Reasons
GRV Residential	GRV residential category relates to property where the predominant purpose for which the property is used is predominantly residential.	The objective of the proposed rate in the dollar of \$0.062851 is to ensure that all ratepayers in this category make an equitable contribution to the City's revenue and that the proportion of total rates revenue derived from residential properties remains essentially consistent with the previous year.	This includes the ongoing maintenance and service provision of the City's assets and services primarily used in residential.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

GRV Non Residential	GRV non residential categoryrelates to property where the predominant purpose for which the property is used is predominantly non residential.	The objective of the proposed rate in the dollar of \$0.077551 is to ensure that all ratepayers in this category make an equitable contribution to the City's revenue and that the proportion of total rates revenue derived from non residential properties remains essentially consistent with the previous year.	This includes the ongoing maintenance and service provision of the City's assets and services primarily used in non residential.
GRV Residential Vacant.	GRV residential vacant category relates to property where the predominant purpose for which the property is used is predominantly vacant residential.	The objective of the proposed rate in the dollar of \$0.083158 is to ensure that all ratepayers in this category make an equitable contribution to the City's revenue and that the proportion of total rates revenue derived from residential vacant properties remains essentially consistent with the previous year.	This includes the ongoing maintenance and service provision of the City's assets and services primarily used in residential vacant.
(ii) Differential Minimum Payment			
Minimum Residential	Minimum residential category relates to property where the predominant purpose for which the property is used is predominantly residential.	The objective of the proposed rate of \$1,636 is to ensure that all ratepayers in this category make an equitable contribution to the City's revenue.	This includes the ongoing maintenance and service provision of the City's assets and services primarily used in residential.
Mimimum Non Residential	Mimimum non residential categoryrelates to property where the predominant purpose for which the property is used is predominantly non residential.	The objective of the proposed rate of \$2,157 is to ensure that all ratepayers in this category make an equitable contribution to the City's revenue.	This includes the ongoing maintenance and service provision of the City's assets and services primarily used in non residential.

CITY OF NEDLANDS
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

Minimum Residential Vacant.	Minimum residential vacant categoryrelates to property where the predominant purpose for which the property is used is predominantly vacant residential.	The objective of the proposed rate of \$1,989 is to ensure that all ratepayers in this category make an equitable contribution to the City's revenue.	This includes the ongoing maintenance and service provision of the City's assets and services primarily used in vacant residentials.
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(d) Variation in Adopted Differential Rates to Local Public Notice

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

Differential general rate or general rate	Proposed Rate in \$	Adopted Rate in \$	Reasons for the difference
Residential	0.063456	0.062851	Due to 1% rate reduction proposed by the Commissioners
Non residential	0.078298	0.077551	Due to 1% rate reduction proposed by the Commissioners
Residential vacant	0.083959	0.083158	Due to 1% rate reduction proposed by the Commissioners

Differential minimum rate or minimum rate	Proposed Minimum \$	Adopted Minimum \$	Reasons for the difference
Residential	1,652	1,636	Due to 1% rate reduction proposed by the Commissioners
Non residential	2,178	2,157	Due to 1% rate reduction proposed by the Commissioners
Residential vacant	2,008	1,989	Due to 1% rate reduction proposed by the Commissioners

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Service Charges

	Amount of charge	2025/26 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2024/25 Actual revenue	2024/25 Budget revenue
Service charge	\$	\$	\$	\$	\$	\$	\$
Nedlands North	1,222,065	1,222,065	1,222,065	0	1,220,297	0	0
Nedlands West	2,633,512	2,633,512	2,633,512	0	2,629,703	0	0
		3,855,577	3,855,577	0	3,850,000	0	0

Nature of the service charge	Objects of the charge	Area/Properties charge to be imposed on
Nedlands North	Under the City's policy, 50% of the City's contribution is recoverable directly from affected property owners	Nedlands North
Nedlands West	Under the City's policy, 50% of the City's contribution is recoverable directly from affected property owners	Nedlands West

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Financial assets
Receivables
Inventories
Other assets

Less: current liabilities

Trade and other payables
Contract liabilities
Capital grant/contribution liability
Lease liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Note	2025/26 Budget 30 June 2026	2024/25 Est. Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	13,596,680	19,956,300	* See note below
	0	4,959	
	1,026,582	2,226,402	
	0	13,627	
	486,046	461,046	
	15,109,308	22,662,334	
	(4,742,763)	(5,975,149)	
	(97,395)	(97,395)	
	0	(629,167)	
8	(61,075)	(168,984)	
7	(3,132,474)	(1,373,112)	
	(981,408)	(981,408)	
	(9,015,115)	(9,225,215)	
	6,094,193	13,437,119	
3(b)	(4,711,982)	(9,810,830)	
	1,382,211	3,626,289	

* Note: The Statutory Budget for 2024/25 did not include the Net Current Assets disclosure therefore the comparative values are not available.

(b) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - reserve accounts
Less: Current assets not expected to be received at end of year
Contract liabilities
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of lease liabilities

Total adjustments to net current assets

9	(8,002,926)	(11,352,926)	* See note below
	97,395	0	
	3,132,474	1,373,112	
	61,075	168,984	
	(4,711,982)	(9,810,830)	

* Note: The Statutory Budget for 2024/25 did not include the Net Current Assets disclosure therefore the comparative values are not available.

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(c) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
Add: Depreciation
Non-cash movements in non-current assets and liabilities:

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	(108,250)	(390,376)	(220,821)
6	10,598,779	9,133,304	9,210,126

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

- Pensioner deferred rates
- Employee provisions
- Other provisions

Non cash amounts excluded from operating activities

	0	77,366	0
	0	0	36,000
	0	10,398	
	10,490,529	8,830,692	9,025,305

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

(d) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

SUPERANNUATION

The City contributes to a number of superannuation funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

INVENTORY - LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Inventory - land held for resale is classified as current except where it is held as non-current based on the City's intentions to release for sale.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

CONTRACT LIABILITIES

Contract liabilities represent the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore the City measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the City's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position.

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2025/26 Budget	2024/25 Est. Actual	2024/25 Budget
	\$	\$	\$
Cash at bank and on hand	6,394,047	12,320,235	3,185,117
Term deposits	7,202,633	7,636,065	9,057,864
Total cash and cash equivalents	13,596,680	19,956,300	12,242,981
Held as			
- Unrestricted cash and cash equivalents	5,593,754	7,974,207	3,185,117
- Restricted cash and cash equivalents	8,002,926	11,982,093	9,057,864
3(a)	13,596,680	19,956,300	12,242,981
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	8,002,926	11,982,093	9,057,864
	8,002,926	11,982,093	9,057,864
The assets are restricted as a result of the specified purposes associated with the liabilities below:			
Reserve accounts	9	8,002,926	11,352,926
Unspent capital grants, subsidies and contribution liabilities		0	629,167
		8,002,926	11,982,093
Reconciliation of net cash provided by operating activities to net result			
Net result		(8,292,444)	(4,767,317) * See note below
Depreciation	6	10,598,779	9,133,304
(Profit)/loss on sale of asset	5	(108,250)	(389,418)
(Increase)/decrease in receivables		(125,000)	165,294
(Increase)/decrease in inventories		13,627	0
(Increase)/decrease in other assets		(25,000)	91,611
Increase/(decrease) in payables		0	2,140,213
Increase/(decrease) in contract liabilities		0	(359,269)
Increase/(decrease) in unspent capital grants		(629,167)	629,167
Increase/(decrease) in employee provisions		0	(1,670,197)
Capital grants, subsidies and contributions		(3,515,916)	(1,432,961)
Net cash from operating activities		(2,083,371)	1,729,811

* Note: The Statutory Budget for 2024/25 did not include the Net Current Assets note disclosure therefore the comparative values are not available.

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

5. PROPERTY, PLANT AND EQUIPMENT

		2025/26 Budget						2024/25 Estimated Actual						2024/25 Budget					
				Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss			Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss			Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
		Additions	Disposals - Net Book Value					Additions	Disposals - Net Book Value					Additions	Disposals - Net Book Value				
(a) Property, Plant and Equipment		\$	\$		\$	\$	\$	\$	\$		\$	\$	\$	\$	\$		\$	\$	\$
Buildings		814,303	0	0	0	0	0	228,621	0	0	0	0	0	427,660	0	0	0	0	0
Plant and equipment		327,890	0	0	52,704	52,704	0	228,386	0	0	390,376	390,376	0	1,060,728	0	0	258,702	220,821	37,881
Vehicles		335,454	0	0	55,546	55,546	0	251,104	0	0	0	0	0	0	0	0	0	0	0
ICT		513,000	0	0	0	0	0	98,506	0	0	0	0	0	0	0	0	0	0	0
Total		1,990,647	0	0	108,250	108,250	0	806,617	0	0	390,376	390,376	0	1,488,388	0	0	258,702	220,821	37,881
(b) Infrastructure																			
Infrastructure - roads		5,645,104	0	0	0	0	0	1,410,509	0	0	0	0	0	6,337,964	0	0	0	0	0
Infrastructure - footpaths		0	0	0	0	0	0	47,165	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - drainage		668,050	0	0	0	0	0	65,192	0	0	0	0	0	960,558	0	0	0	0	0
Infrastructure - parks development		2,059,476	0	0	0	0	0	185,750	0	0	0	0	0	844,267	0	0	0	0	0
Total		8,372,630	0	0	0	0	0	1,708,616	0	0	0	0	0	8,142,789	0	0	0	0	0
Total		10,363,277	0	0	108,250	108,250	0	2,515,233	0	0	390,376	390,376	0	9,631,177	0	0	258,702	220,821	37,881

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

6. DEPRECIATION

By Class

Buildings - non-specialised
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - parks development
Right of use - plant and equipment

By Program

Education and welfare
Recreation and culture
Transport
Other property and services

2025/26 Budget	2024/25 Est. Actual	2024/25 Budget
\$	\$	\$
1,429,419	1,231,776	1,231,776
787,052	678,228	678,228
4,921,312	4,240,851	4,240,852
894,220	770,578	770,578
865,688	745,991	745,991
1,605,519	1,334,914	1,383,527
95,567	130,966	159,174
10,598,779	9,133,304	9,210,126
153,500	132,276	132,276
2,275,628	1,960,981	1,960,981
7,049,980	6,075,191	6,075,191
1,119,671	964,856	1,041,678
10,598,779	9,133,304	9,210,126

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Buildings	10 to 100 years
Furniture and equipment	4 to 50 years
Plant and equipment	5 to 16 years
Roads - pavement	100 - 121 years
Roads -Sub Grade	Not depreciated
Roads - Top surface	18 - 40 years
Footpaths	20 - 50 years
Stormwater - Pipes and pits	44 - 103 years
Stormwater - Plant	68 - 96 years
Bus Shelters	24 - 38 years
Roundabouts	50 - 96 years
Street Lights	21 - 43 years
Parks	10 - 25 years
Parks Reticulation	11 - 41 years
Right of use (plant and equipment)	Based on the remaining lease

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

7. BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments	Est. Actual Principal 1 July 2024	2024/25 Est. Actual New Loans	2024/25 Est. Actual Principal Repayments	Est. Actual Principal outstanding 30 June 2025	2024/25 Est. Actual Interest Repayments	Budget Principal 1 July 2024	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding 30 June 2025	2024/25 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Underground Power (W.Hollywood Res)	188	WATC	3.07%	234,373	0	(76,077)	158,296	(5,249)	306,788	0	(72,415)	234,373	(7,751)	310,456	0	(67,405)	243,051	0
Underground Power (Alfred & MTC Res)	189	WATC	3.07%	33,077	0	(9,989)	23,088	(760)	44,808	0	(11,731)	33,077	(1,105)	44,809	0	(10,381)	34,428	0
Underground Power (Alderbury Res)	190	WATC	3.07%	23,491	0	(7,095)	16,396	(540)	31,822	0	(8,331)	23,491	(785)	31,821	0	(7,372)	24,449	0
Underground Power (Nedlands North)	191	WATC	4.66%	3,871,937	0	(796,073)	3,075,864	(150,799)	0	4,257,158	(385,221)	3,871,937	(119,380)	0	4,257,158	(531,661)	3,725,497	(124,285)
Underground Power (Nedlands West)	192	WATC	4.12%	0	4,000,000	(364,514)	3,635,486	(82,380)	0	0	0	0	0	0	0	0	0	0
Building Infrastructure	183	WATC	2.8%	0	0	0	0	0	184,059	0	(184,059)	0	(2,783)	184,059	0	(129,935)	54,124	0
Building Infrastructure	184	WATC	3.1%	77,653	0	(77,653)	0	(506)	229,386	0	(151,733)	77,653	(4,604)	212,185	0	(164,291)	47,894	0
Building Infrastructure	185	WATC	3.1%	36,751	0	(36,751)	0	(239)	108,563	0	(71,812)	36,751	(2,179)	125,765	0	(52,413)	73,352	0
Road Infrastructures	179	WATC	6.04%	0	0	0	0	0	0	0	0	0	0	0	0	(147,155)	(147,155)	0
				4,277,282	4,000,000	(1,368,152)	6,909,130	(240,473)	905,426	4,257,158	(885,302)	4,277,282	(138,587)	909,095	4,257,158	(1,110,613)	4,055,640	(124,285)
Self Supporting Loans																		
Dalkeith Bowling Club	186	WATC	3.1%	4,959	0	(4,959)	0	(31)	19,928	0	(15,881)	4,959	(430)	19,928	0	(18,504)	1,424	0
				4,959	0	(4,959)	0	(31)	19,928	0	(15,881)	4,959	(430)	19,928	0	(18,504)	1,424	0
				4,282,241	4,000,000	(1,373,111)	6,909,130	(240,504)	925,354	4,257,158	(901,183)	4,282,241	(139,017)	929,023	4,257,158	(1,129,117)	4,057,064	(124,285)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

7. BORROWINGS

(b) New borrowings - 2025/26

Particulars/Purpose	Institution	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
			%	\$	\$	\$	\$
Underground power project-Nedlands West	WATC	5 Years	4.12%	4,000,000	466,935	4,000,000	0
				4,000,000	466,935	4,000,000	0

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2025 nor is it expected to have unspent borrowing funds as at 30th June 2026.

(d) Credit Facilities

	2025/26 Budget	2024/25 Est. Actual	2024/25 Budget
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	0
Credit card limit	50,000	50,000	50,000
Total amount of credit unused	50,000	50,000	50,000
Loan facilities			
Loan facilities in use at balance date	6,909,130	4,282,241	4,057,064

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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.

Borrowings fair values are based on discounted cash flows using a current borrowing rate.

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal	2025/26 Budget New Leases	2025/26 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest Repayments	Est. Actual Principal 1 July 2024	2024/25 Est. Actual Lease Principal repayments	Est. Actual Lease Principal outstanding 30 June 2025	2024/25 Est. Actual Lease Interest repayments	Budget Principal 1 July 2024	2024/25 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2025	2024/25 Budget Lease Interest repayments
					1 July 2025												
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	K855915	DPLH**	2.5%	21 years	87,129	0	(18,437)	68,692	(2,176)	105,064	(17,935)	87,129	(2,679)	91,831	(17,935)	73,896	(2,679)
Plotter Printer	AGR-13122	Kyocera	6.6%	60 months	12,968	0	(5,161)	7,807	(71)	18,094	(5,126)	12,968	(105)	(190,195)	(5,126)	(195,321)	(105)
Laptops		HP	5.2%	36 months	220,889	0	(145,386)	75,503	(7,866)	359,089	(138,200)	220,889	(15,052)	0	(123,067)	0	(15,052)
					320,986	0	(168,984)	152,002	(10,113)	482,247	(161,261)	320,986	(17,836)	(98,364)	(146,128)	(121,425)	(17,836)

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the City assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2025/26 Budget				2024/25 Est. Actual				2024/25 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Cash-in-lieu of public open space reserve	519,817	0	0	519,817	409,317	110,500	0	519,817	184,167	0	0	184,167
	519,817	0	0	519,817	409,317	110,500	0	519,817	184,167	0	0	184,167
Restricted by council												
(b) Plant Replacement Reserve	292,395	0	0	292,395	292,395	0	0	292,395	370,728	0	0	370,728
(c) City Development Reserve	188,898	0	0	188,898	788,898	0	(600,000)	188,898	991,682	0	0	991,682
(d) North Street Reserve	158,951	0	0	158,951	158,951	0	0	158,951	140,827	0	0	140,827
(e) Welfare Reserve	208,248	0	0	208,248	350,538	0	(142,290)	208,248	674,655	0	(142,290)	532,365
(f) Service Reserve	28,968	0	0	28,968	28,968	0	0	28,968	16,888	0	0	16,888
(g) Insurance Reserve	67,939	0	0	67,939	67,939	0	0	67,939	65,464	0	0	65,464
(h) Underground Power Projects	3,968,802	0	(3,850,000)	118,802	3,125,714	975,076	(131,988)	3,968,802	2,585,872	975,076	(131,988)	3,428,960
(i) Waste Management Reserve	2,338,667	0	0	2,338,667	1,008,922	1,329,745	0	2,338,667	1,167,774	1,329,745	(821,380)	1,676,139
(j) Building Replacement Reserve	623,747	0	0	623,747	651,904	278,593	(306,750)	623,747	582,521	278,593	(306,750)	554,364
(k) Swanbourne Development Reserve	1,490	0	0	1,490	1,490	0	0	1,490	130,833	0	0	130,833
(l) Public Art Reserve	47,334	0	0	47,334	47,334	0	0	47,334	45,709	0	0	45,709
(m) Business System Reserve	113,143	0	0	113,143	113,143	0	0	113,143	97,551	0	0	97,551
(n) All Abilities Play Space	442,250	0	0	442,250	467,250	0	(25,000)	442,250	427,356	0	(25,000)	402,356
(o) Major Projects	1,652,277	500,000	0	2,152,277	200,000	1,502,277	(50,000)	1,652,277	338,642	0	0	338,642
(p) Point Resolution Childcare Centre	0	0	0	0	96,794	0	(96,794)	0	138,890	0	(7,701)	131,189
(q) Riverwall Maintenance reserve	100,000	0	0	100,000	150,000	0	(50,000)	100,000	0	0	(50,000)	(50,000)
(r) Laneway Reserve	600,000	0	0	600,000	0	600,000	0	600,000	0	0	0	0
	10,833,109	500,000	(3,850,000)	7,483,109	7,550,240	4,685,691	(1,402,822)	10,833,109	7,775,392	2,583,414	(1,485,109)	8,873,697
	11,352,926	500,000	(3,850,000)	8,002,926	7,959,557	4,796,191	(1,402,822)	11,352,926	7,959,559	2,583,414	(1,485,109)	9,057,864

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
(a) Cash-in-lieu of public open space reserve	On-going	To fund Public Open Space
Restricted by council		
(b) Plant Replacement Reserve	On-going	To fund replacement of plant and equipment so the cost is spread over a number of years.
(c) City Development Reserve	On-going	To fund improvement and purchases of property, plant and equipment and infrastructure.
(d) North Street Reserve	On-going	To fund operational and capital costs of community and recreational facilities at Mt Claremont and Swanbourne, and infrastructure generally.
(e) Welfare Reserve	On-going	To fund the operational and capital costs to welfare services.
(f) Service Reserve	On-going	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.
(g) Insurance Reserve	On-going	To fund any excess that may arise from having a performance based workers compensation premium.
(h) Underground Power Projects	On-going	To fund underground power projects.
(i) Waste Management Reserve	On-going	To fund replacement of rubbish bin stock so that the cost is spread over a number of years.
(j) Building Replacement Reserve	On-going	To fund the upgrade and/or replacement of council buildings.
(k) Swanbourne Development Reserve	On-going	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 property in Swanbourne.
(l) Public Art Reserve	On-going	To fund works of art in the City of Nedlands.
(m) Business System Reserve	On-going	To fund councils business system.
(n) All Abilities Play Space	On-going	To fund the annual operating and maintenance cost of the All Abilities Play Space.
(o) Major Projects	On-going	To fund capital works from proceeds from sale of major assets.
(p) Point Resolution Childcare Centre	On-going	To fund PRCC
(q) Riverwall Maintenance reserve	On-going	To receive from the Hackett Civic Association to fund the specific requests of the Association within Lawler Park, the specific request are for covered seating, an item of exercise equipment and a plaque acknowledging the donation.
(r) Laneway Reserve	On-going	To fund laneway road projects.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

10. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2025/26 Budget	2024/25 Est. Actual	2024/25 Budget
	\$	\$	\$
Investments	595,429	954,881	800,430
Late payment of fees and charges *	110,000	103,361	110,000
Rates 'Instalment plan interest *	127,050	121,311	125,000
Underground Power 'Instalment plan interest *	200,000	0	0
Other interest revenue	10,035	10,860	10,000
	1,042,514	1,190,413	1,045,430

* The City has resolved to charge interest under section 6.13 of the Act for the differed/instalment payment of any amount of money at 5.5%. and late/unpaid payment of any amount of money at 11%

(b) Auditors remuneration

Audit services	161,200	156,843	150,000
Other services	60,000	22,050	66,000
	221,200	178,893	216,000

(c) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	240,504	139,017	124,285
Interest on lease liabilities	20,613	16,641	17,836
	261,117	155,658	142,121

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

11. COUNCIL MEMBERS REMUNERATION

Mayor

Mayor's allowance	23,650
Meeting attendance fees	11,630
Training expenses	1,000
Annual allowance for ICT expenses	3,500
Annual allowance for travel and accommodation expenses	100
Superannuation contribution payments	4,234

Deputy Mayor

Deputy Mayor's allowance	5,913
Meeting attendance fees	8,673
Training expenses	1,000
Annual allowance for ICT expenses	3,500
Annual allowance for travel and accommodation expenses	100
Superannuation contribution payments	1,750

All Other Council members

Meeting attendance fees	49,872
Training expenses	7,000
ICT expenses	0
Annual allowance for ICT expenses	24,500
Annual allowance for travel and accommodation expenses	700
Superannuation contribution payments	5,985

Commissioners

Allowances	221,160
Other reimbursement	48,000
Annual allowance for ICT expenses	10,500
Annual allowance for travel and accommodation expenses	3,000
Superannuation contribution payments	26,539

Total Council Members and Commissioners Remuneration

Mayor's allowance	23,650
Deputy Mayor's allowance	5,913
Commissioners allowances	221,160
Meeting attendance fees	70,175
Other reimbursement	48,000
Training expenses	9,000
ICT expenses	0
Annual allowance for ICT expenses	42,000
Annual allowance for travel and accommodation expenses	3,900
Superannuation contribution payments	38,508

2025/26 Budget	2024/25 Est. Actual	2024/25 Budget
\$	\$	\$
23,650	68,552	68,552
11,630	33,706	33,706
1,000	2,793	0
3,500	3,500	3,500
100	100	100
4,234	0	0
44,114	108,651	105,858
5,913	17,138	21,710
8,673	25,137	25,137
1,000	1,498	0
3,500	3,500	3,500
100	100	100
1,750	0	0
20,936	47,373	50,447
49,872	165,486	175,959
7,000	4,273	0
0	0	8,000
24,500	24,500	24,500
700	658	700
5,985	0	0
88,057	194,917	209,159
221,160	0	0
48,000	0	0
10,500	0	0
3,000	0	0
26,539	0	0
309,199	0	0
462,306	350,941	365,464

23,650	68,552	68,552
5,913	17,138	21,710
221,160	0	0
70,175	224,329	234,802
48,000	0	0
9,000	8,564	0
0	0	8,000
42,000	31,500	31,500
3,900	858	900
38,508	0	0
462,306	350,941	365,464

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

12. MAJOR LAND TRANSACTIONS

It is not anticipated any land transactions or major land transactions will occur in 2025/26

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

13. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in the 2025/26 financial year.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

14. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note AASB 119 *Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or levies including DFES levy and State taxes. Donations and subsidies made to community groups.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

14. REVENUE AND EXPENDITURE

(b) Revenue Recognition

Recognition of revenue from contracts with customers is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

15. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's Community Vision, and for each of its broad activities/programs.

OBJECTIVE

ACTIVITIES

Governance

To provide a decision making process for the efficient allocation of scarce resources

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

Housing

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

Community amenities

Provision and maintenance of elderly residents housing.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and culture

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Economic services

To help promote the City and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Other property and services

To monitor and control City of Nedlands's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

16. FEES AND CHARGES

	2025/26 Budget	2024/25 Est. Actual	2024/25 Budget
	\$	\$	\$
By Program:			
General purpose funding	235,150	189,364	192,312
Law, order, public safety	553,200	506,446	514,330
Health	97,828	86,357	87,701
Education and welfare	67,000	388,360	394,406
Community amenities	5,553,405	5,159,007	5,239,320
Recreation and culture	1,045,720	996,594	1,012,109
Transport	72,000	66,004	67,032
Economic services	1,262,310	1,178,875	1,197,227
Other property and services	607,200	576,300	585,272
	9,493,813	9,147,307	9,289,708

The subsequent pages detail the fees and charges proposed to be imposed by the local government.