CITY OF NEDLANDS

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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CITY OF NEDLANDS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
Revenue		$	$	$
Rates	2(a)	34,261,272	29,865,310	29,821,188
Grants, subsidies and contributions		465,554	1,517,168	654,638
Fees and charges	16	9,520,902	9,455,293	9,493,813
Service charges	2(f)	0	6,435,083	3,855,577
Interest revenue	10(a)	1,008,229	986,136	1,042,514
Other revenue		197,200	549,534	209,733
		45,453,157	48,808,524	45,077,463
Expenses				
Employee costs		(21,395,634)	(22,187,069)	(18,953,044)
Materials and contracts : Under Ground Power		0	(8,483,007)	(9,319,249)
Materials and contracts : Other		(18,878,291)	(16,176,591)	(15,921,845)
Utility charges		(1,045,308)	(1,017,029)	(1,046,457)
Depreciation	6	(11,369,848)	(10,458,681)	(10,598,779)
Finance costs	10(c)	(223,659)	(206,470)	(261,117)
Insurance		(506,572)	(478,431)	(472,104)
Other expenditure		(922,282)	(1,047,599)	(1,050,643)
		(54,341,594)	(60,054,877)	(57,623,238)
		(8,888,437)	(11,246,353)	(12,545,775)
Capital grants, subsidies and contributions		2,773,374	2,091,576	4,145,081
Profit on asset disposals	5	0	65,249	108,250
Loss on asset disposals	5	0	(106,033)	0
Fair value adjustments to financial assets at fair value through profit or loss		0	151,117	0
		2,773,374	2,201,909	4,253,331
Net result for the period		**(6,115,063)**	**(9,044,444)**	**(8,292,444)**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**(6,115,063)**	**(9,044,444)**	**(8,292,444)**

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 2027

OPERATING ACTIVITIES	Note	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
Revenue from operating activities		$	$	$
General rates	2(a)	34,261,272	29,865,310	29,821,188
Grants, subsidies and contributions		465,554	1,517,168	654,638
Fees and charges	16	9,520,902	9,455,293	9,493,813
Service charges	2(f)	0	6,435,083	3,855,577
Interest revenue	10(a)	1,008,229	986,136	1,042,514
Other revenue		197,200	549,534	209,733
Profit on asset disposals	5	0	65,249	108,250
Fair value adjustments to financial assets at fair value through profit or loss		0	151,117	0
		45,453,157	49,024,890	45,185,713
Expenditure from operating activities				
Employee costs		(21,395,634)	(22,187,069)	(18,953,044)
Materials and contracts : Under Ground Power		0	(8,483,007)	(9,319,249)
Materials and contracts : Other		(18,878,291)	(16,176,591)	(15,921,845)
Utility charges		(1,045,308)	(1,017,029)	(1,046,457)
Depreciation	6	(11,369,848)	(10,458,681)	(10,598,779)
Finance costs	10(c)	(223,659)	(206,470)	(261,117)
Insurance		(506,572)	(478,431)	(472,104)
Other expenditure		(922,282)	(1,047,599)	(1,050,643)
Loss on asset disposals	5	0	(106,033)	0
		(54,341,594)	(60,160,910)	(57,623,238)
Non cash amounts excluded from operating activities		11,812,667	8,689,533	10,490,529
Amount attributable to operating activities		**2,924,230**	**(2,446,487)**	**(1,946,996)**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		2,773,374	2,091,576	4,145,081
Proceeds from disposal of property, plant and equipment	5(a)	0	65,249	108,250
Proceeds from financial assets at amortised cost - self supporting loans	8(a)	0	4,595	4,959
		2,773,374	2,161,420	4,258,290
Outflows from investing activities				
Acquisition of property, plant and equipment	5(a)	(571,730)	(831,578)	(1,990,647)
Acquisition of infrastructure	5	(6,306,209)	(4,689,889)	(8,372,630)
		(6,877,939)	(5,521,467)	(10,363,277)
Amount attributable to investing activities		**(4,104,565)**	**(3,360,047)**	**(6,104,987)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	8(a)	2,000,000	535,500	4,000,000
Transfers from reserve accounts	9(a)	4,529,524	3,850,000	3,850,000
		6,529,524	4,385,500	7,850,000
Outflows from financing activities				
Repayment of borrowings	8(a)	(1,284,587)	(1,008,887)	(1,373,111)
Payments for principal portion of lease liabilities	7	(100,864)	(170,163)	(168,984)
Transfers to reserve accounts	9(a)	(4,282,462)	(1,000,000)	(500,000)
		(5,667,913)	(2,179,050)	(2,042,095)
Amount attributable to financing activities		**861,611**	**2,206,450**	**5,807,905**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	301,580	3,901,664	3,626,289
Amount attributable to operating activities		2,924,230	(2,446,487)	(1,946,996)
Amount attributable to investing activities		(4,104,565)	(3,360,047)	(6,104,987)
Amount attributable to financing activities		861,611	2,206,450	5,807,905
Surplus/(deficit) remaining after the imposition of general rates	3	**(17,144)**	**301,580**	**1,382,211**

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 2027

	Note	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		$	$	$
Rates		34,111,272	29,315,015	29,696,188
Grants, subsidies and contributions		908,373	234,452	654,638
Fees and charges		9,520,902	9,455,293	9,493,813
Service charges		0	6,435,083	3,855,577
Interest revenue		1,008,229	986,136	1,042,514
Goods and services tax received		410,978	0	0
Other revenue		197,200	501,115	209,733
		46,156,954	46,927,094	44,952,463
Payments				
Employee costs		(21,395,634)	(21,820,502)	(18,953,044)
Materials and contracts : Under Ground Power		0	(8,483,007)	(9,319,249)
Materials and contracts : Other		(16,658,560)	(16,697,901)	(15,933,220)
Utility charges		(1,045,308)	(1,017,029)	(1,046,457)
Finance costs		(223,659)	109,467	(261,117)
Insurance paid		(506,572)	(478,431)	(472,104)
Goods and services tax paid		(2,430,709)	0	0
Other expenditure		(922,282)	(1,047,599)	(1,050,643)
		(43,182,724)	(49,435,002)	(47,035,834)
Net cash provided by (used in) operating activities	4	2,974,230	(2,507,908)	(2,083,371)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(571,730)	(831,578)	(1,990,647)
Payments for construction of infrastructure	5	(6,306,209)	(4,689,889)	(8,372,630)
Proceeds from capital grants, subsidies and contributions		2,197,239	2,038,544	3,515,914
Proceeds from disposal of property, plant and equipment	5(a)	0	65,249	108,250
Proceeds on financial assets at amortised cost - self supporting loans	8(a)	0	4,595	4,959
Net cash (used in) investing activities		(4,680,700)	(3,413,079)	(6,734,154)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	8(a)	(1,284,587)	(1,008,887)	(1,373,111)
Proceeds from new borrowings	8(a)	2,000,000	535,500	4,000,000
Payments for principal portion of lease liabilities	7	(100,864)	(170,163)	(168,984)
Net cash provided by (used in) financing activities		614,549	(643,550)	2,457,905
Net (decrease) in cash held		(1,091,921)	(6,564,537)	(6,359,620)
Cash at beginning of year		13,913,397	20,477,934	19,956,300
Cash and cash equivalents at the end of the year	4	**12,821,476**	**13,913,397**	**13,596,680**

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

CITY OF NEDLANDS
FOR THE YEAR ENDED 30 JUNE 2027
INDEX OF NOTES TO THE BUDGET

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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the annual budget.

2025/26 actual balances
Balances shown in this budget as 2025/26 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 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*
• *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*
• *AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*
It is not expected these standards will have an impact on the annual budget on initial application.

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]*
It is not expected these standards will have an impact on the annual budget on initial application.
• *AASB 18 Presentation and Disclosure in Financial Statements*
• *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*
These accounting standards will materially change the presentation of the annual financial report and 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.

The annual budget is a forward-looking statement and is comprised of management estimates. As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the annual budget.

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Estimated Actual total revenue	2025/26 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
Residential	Gross rental valuation	0.0542085	7,246	454,839,337	24,656,158	383,630	25,039,788	21,643,414	21,599,292
Non residential	Gross rental valuation	0.0796910	425	63,552,454	5,064,559	0	5,064,559	4,377,720	4,377,720
Residential vacant	Gross rental valuation	0.0764000	156	11,520,050	880,132	0	880,132	841,575	841,575
Total general rates			7,827	529,911,841	30,600,849	383,630	30,984,479	26,862,709	26,818,587
		Minimum							
(ii) Minimum payment		$							
Residential	Gross rental valuation	1,865	1,415	40,053,310	2,638,975	0	2,638,975	2,390,196	2,390,196
Non residential	Gross rental valuation	2,459	134	2,704,068	329,506	0	329,506	278,253	278,253
Residential vacant	Gross rental valuation	2,267	136	2,915,850	308,312	0	308,312	334,152	334,152
Total minimum payments			**1,685**	**45,673,228**	**3,276,793**	**0**	**3,276,793**	**3,002,601**	**3,002,601**
Total general rates and minimum payments			**9,512**	**575,585,069**	**33,877,642**	**383,630**	**34,261,272**	**29,865,310**	**29,821,188**
(iii) Specified area rates			0	0	0	0	0	0	0
Total specified area rates			0	0	0	0	0	0	0
(ii) Ex-gratia rates			0	0	0	0	0	0	0
Total ex-gratia rates			0	0	0	0	0	0	0
					33,877,642	**383,630**	**34,261,272**	**29,865,310**	**29,821,188**
Discounts (Refer note 2(g))					0	0	0	0	0
Concessions (Refer note 2(g))					0	0	0	0	0
Total rates					**33,877,642**	**383,630**	**34,261,272**	**29,865,310**	**29,821,188**
Instalment plan charges							145,800	104,817	124,800
Instalment plan interest							150,870	141,481	127,050
Late payment of rate or service charge interest							51,360	54,849	110,000
							348,030	**301,147**	**361,850**

*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 (UV).

The general rates detailed for the 2026/27 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.

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	Friday, 2 October 2026	0	0.0%	0.0%
Option two				
First installment	Friday, 2 October 2026	0	0.0%	11.0%
Second instalment	Friday, 4 December 2026	18.85	5.5%	11.0%
Third instalment	Friday, 5 February 2027	18.85	5.5%	11.0%
Fourth instalment	Friday, 9 April 2027	18.85	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.

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 $0.054208 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 residentials.

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 $0.079691 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 residentials.
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 $0.076400 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 residentials vacant.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
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 $1,865 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 residentials.
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 $2,459 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 residentials.
Mimimum Residential Vacant.	Mimimum 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 $2,267 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.

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) 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	0.054208	0.054208	
Non residential	0.079691	0.079691	
Residential vacant	0.076400	0.076400	

Minimum payment	Proposed Minimum $	Adopted Minimum $	Reasons for the difference
Residential	1,865	1,865	
Non residential	2,459	2,459	
Residential vacant	2,267	2,267	

2. RATES AND SERVICE CHARGES (CONTINUED)

(f) Service Charges

Service charge	Amount of charge	2026/27 Budgeted revenue	Budget amount to be applied to costs	Budget amount to be set aside to reserve	Reserve amount to be applied to costs	2025/26 Estimated Actual revenue	2025/26 Budget revenue
	$	$	$	$	$	$	$
Nedlands North	0	0	0	0	0	1,922,375	1,222,065
Nedlands West	0	0	0	0	0	4,512,708	2,633,512
	0	**0**	**0**	**0**	**0**	**6,435,083**	**3,855,577**

Nature of the service charge	Objects of the charge	Reasons for 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

(g) Waivers or concessions

The City does not anticipate any waivers or concessions for the year ended 30th June 2027.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	2026/27 Budget 30 June 2027	2025/26 Estimated Actual 30 June 2026	2025/26 Budget 30 June 2026
Current assets		$	$	$
Cash and cash equivalents	4	12,821,476	13,913,397	13,596,680
Receivables		1,905,847	1,755,847	1,026,582
Other assets		875,033	950,033	486,046
		15,602,356	16,619,277	15,109,308
Less: current liabilities				
Trade and other payables		(5,489,535)	(5,364,535)	(4,742,763)
Contract liabilities		0	0	(97,395)
Capital grant/contributions liabilities		0	(576,135)	0
Lease liabilities	7	0	(100,864)	(61,075)
Long term borrowings	8	(2,000,000)	(1,284,587)	(3,132,474)
Employee provisions		(2,376,106)	(2,376,106)	(981,408)
		(9,865,641)	(9,702,227)	(9,015,115)
Net current assets		5,736,715	6,917,050	6,094,193
Less: Total adjustments to net current assets	3(b)	(5,753,859)	(6,615,470)	(4,711,982)
Net current assets used in the Statement of Financial Activity		**(17,144)**	**301,580**	**1,382,211**

(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.

	Note	2026/27 Budget 30 June 2027	2025/26 Estimated Actual 30 June 2026	2025/26 Budget 30 June 2026
Adjustments to net current assets				
Less: Reserve accounts	9	(7,753,859)	(8,000,921)	(8,002,926)
Less: Current assets not expected to be received at end of year				
- Contract Liabilities		0	0	97,395
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		2,000,000	1,284,587	3,132,474
- Current portion of lease liabilities		0	100,864	61,075
Total adjustments to net current assets		**(5,753,859)**	**(6,615,470)**	**(4,711,982)**

EXPLANATION OF DIFFERENCE IN 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) Amounts excluded from operating activities

	Note	2026/27 Budget 30 June 2027	2025/26 Estimated Actual 30 June 2026	2025/26 Budget 30 June 2026
		$	$	$
Less: Profit on asset disposals	5	0	(65,249)	(108,250)
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	(151,117)	0
Less: Deferred service charge		0	(1,726,734)	0
Add: Loss on asset disposals	5	0	106,033	0
Add: Depreciation	6	11,369,848	10,458,681	10,598,779
Movement in current liabilities				
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		0	(32,396)	0
- Employee benefit provisions		0	100,315	0
- Differed service charge receivables		442,819	0	0
Non cash amounts excluded from operating activities		**11,812,667**	**8,689,533**	**10,490,529**

3. NET CURRENT ASSETS (CONTINUED)

(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 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.

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.

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.

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.

4. RECONCILIATION OF CASH

(a) 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	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
		$	$	$
Cash and cash equivalents		**12,821,476**	**13,913,397**	**13,596,680**
Restrictions				
The following classes of financial 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		7,753,859	8,577,056	8,002,926
		7,753,859	8,577,056	8,002,926
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	9	7,753,859	8,000,921	8,002,926
Contract liabilities		0	0	0
Capital grant/contributions liabilities		0	576,135	0
Total restricted financial assets		7,753,859	8,577,056	8,002,926

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
Net result		(6,115,063)	(9,044,444)	(8,292,444)
Non-cash items:				
Depreciation	6	11,369,848	10,458,681	10,598,779
(Profit)/loss on sale of assets	5	0	40,784	(108,250)
Adjustments to fair value of financial assets at fair value through profit and loss		0	(151,117)	0
Changes in assets and liabilities:				
(Increase)/decrease in receivables		292,819	(1,743,044)	(125,000)
Decrease in inventories		0	4,937	13,627
(Increase)/decrease in other assets		75,000	(424,687)	(25,000)
Decrease in trade and other payables		125,000	204,981	0
(Increase) in contract liabilities		0	(138,386)	0
(Increase) in capital grant/contributions liabilities		(576,135)	(53,032)	(629,167)
Decrease in employee related provisions		0	375,963	0
Capital grants, subsidies and contributions		(2,197,239)	(2,038,544)	(3,515,916)
Net cash provided by/(used in) operating activities		**2,974,230**	**(2,507,908)**	**(2,083,371)**

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.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

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.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

5. PROPERTY, PLANT AND EQUIPMENT

2026/27 Budget

	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$		$	$	$
Buildings	273,730	0	0	0	0	0	0
Plant and equipment	0	0	0	0	0	0	0
Public art work	0	0	0	0	0	0	0
WIP	298,000	0	0	0	0	0	0
Total	571,730	0	0	0	0	0	0
Infrastructure							
Infrastructure - roads	3,081,916	0	0	0	0	0	0
Infrastructure - drainage	1,178,699	0	0	0	0	0	0
Infrastructure - parks Development	2,045,594	0	0	0	0	0	0
Total	6,306,209	0	0	0	0	0	0
Total	**6,877,939**	**0**	**0**	**0**	**0**	**0**	**0**

2025/26 Estimated Actual

	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$		$	$	$
Buildings	192,568	0	0	0	0	0	0
Plant and equipment	639,010	0	106,034	0	65,249	65,249	(106,033)
Public art work	0	0	0	0	0	0	0
WIP	0	0	0	0	0	0	0
Total	831,578	0	106,034	0	65,249	65,249	(106,033)
Infrastructure							
Infrastructure - roads	3,532,789	0	0	0	0	0	0
Infrastructure - drainage	479,814	0	0	0	0	0	0
Infrastructure - parks Development	677,286	0	0	0	0	0	0
Total	4,689,889	0	0	0	0	0	0
Total	**5,521,467**	**0**	**106,034**	**0**	**65,249**	**65,249**	**(106,033)**

2025/26 Budget

	Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$		$	$	$
Buildings	814,303	0	0	0	0	0
Plant and equipment	327,890	0	0	52,704	52,704	0
Public art work	335,454	0	0	55,546	55,546	0
WIP	513,000	0	0	0	0	0
Total	1,990,647	0	0	108,250	108,250	0
Infrastructure						
Infrastructure - roads	5,645,104	0	0	0	0	0
Infrastructure - drainage	668,050	0	0	0	0	0
Infrastructure - parks Development	2,059,476	0	0	0	0	0
Total	8,372,630	0	0	0	0	0
Total	**10,363,277**	**0**	**0**	**108,250**	**108,250**	**0**

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.

6. DEPRECIATION

	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
	$	$	$
By Class			
Buildings - non-specialised	2,652,535	2,650,673	1,429,419
Furniture and equipment	64,638	68,150	0
Plant and equipment	376,551	356,258	787,052
Infrastructure - roads	5,157,708	4,396,116	4,921,312
Infrastructure - footpaths	770,392	764,795	894,220
Infrastructure - drainage	804,925	753,208	865,688
Infrastructure - parks Development	1,282,765	1,112,683	1,605,519
Other infrastructure	175,152	176,935	0
Right of use - land	85,182	179,863	95,567
	11,369,848	**10,458,681**	**10,598,779**
By Program			
Education and welfare	269,694	267,647	153,499
Recreation and culture	3,271,781	3,117,435	2,644,353
Transport	6,911,816	6,094,692	6,681,526
Other property and services	916,557	978,907	1,119,401
	11,369,848	**10,458,681**	**10,598,779**

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
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
Right of use - land	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.

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2026	2026/27 Budget New Leases	2026/27 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2027	2026/27 Budget Lease Interest Repayments	Est. Actual Principal 1 July 2025	2025/26 Est. Actual New Leases	2025/26 Est. Actual Lease Principal repayments	Est. Actual Lease Principal outstanding 30 June 2026	2025/26 Est. Actual Lease Interest repayments	Budget Principal 1 July 2025	2025/26 Budget New Leases	2025/26 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest repayments
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Land	K855915	DPLH**	2.5%	21 years	73,249	0	(20,165)	53,084	(1,771)	92,865	0	(19,616)	73,249	(8,212)	87,129	0	(18,437)	68,692	(2,176)
Plotter Printer	AGR-13122	Kyocera	6.6%	60 months	7,807	0	(5,196)	2,611	(36)	12,968	0	(5,161)	7,807	(71)	12,968	0	(5,161)	7,807	(71)
Laptops		HP	5.2%	36 months	75,499	0	(75,503)	(4)	(1,123)	220,885	0	(145,386)	75,499	(1,511)	220,889	0	(145,386)	75,503	(7,866)
					156,555	**0**	**(100,864)**	**55,691**	**(2,930)**	**326,718**	**0**	**(170,163)**	**156,555**	**(9,794)**	**320,986**	**0**	**(168,984)**	**152,002**	**(10,113)**

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.

8. 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 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Est.Actual Principal 1 July 2025	2025/26 Est. Actual New Loans	2025/26 Est. Actual Principal Repayments	Est. Actual Principal outstanding 30 June 2026	2025/26 Est. Actual Interest Repayments	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
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Community amenities																		
Underground Power (W.Hollywood Res)	188	WATC	3.07%	158,031	0	(77,821)	80,210	(4,852)	233,534	0	(75,503)	158,031	(7,169)	234,373	0	(76,077)	158,296	(5,249)
Underground Power (Alfred & MTC Res)	189	WATC	3.07%	23,081	0	(11,366)	11,715	(709)	34,109	0	(11,028)	23,081	(1,047)	33,077	0	(9,989)	23,088	(760)
Underground Power (Alderbury Res)	190	WATC	3.07%	16,393	0	(8,072)	8,321	(503)	24,225	0	(7,832)	16,393	(744)	23,491	0	(7,095)	16,396	(540)
Underground Power (Nedlands North)	191	WATC	4.66%	3,076,412	0	(831,512)	2,244,900	(121,169)	3,871,932	0	(795,520)	3,076,412	(144,727)	3,871,937	0	(796,073)	3,075,864	(150,799)
Underground Power (Nedlands West)	132	WATC	4.80%	535,500	0	(124,452)	411,048	(23,484)	0	535,500	0	535,500	0	0	4,000,000	(364,514)	3,635,486	(82,380)
Capital Works	192	WATC	4.80%	0	2,000,000	(231,364)	1,768,636	(42,534)	0	0	0	0	0	0	0	0	0	0
				0														
Recreation and culture																		
Building Infrastructure	184	WATC	3.1%	0	0	0	0	0	77,653	0	(77,653)	0	(910)	77,653	0	(77,653)	0	(506)
Building Infrastructure	185	WATC	3.1%	0	0	0	0	0	36,756	0	(36,756)	0	(431)	36,751	0	(36,751)	0	(239)
				3,809,417	2,000,000	(1,284,587)	4,524,830	(193,251)	4,278,209	535,500	(1,004,292)	3,809,417	(155,028)	4,277,282	4,000,000	(1,368,152)	6,909,130	(240,473)
Self Supporting Loans																		
Dalkeith Bowling Club	186	WATC	3.1%	0	0	0	0	0	4,595	0	(4,595)	0	(31)	4,959	0	(4,959)	0	(31)
				0	0	0	0	0	4,595	0	(4,595)	0	(31)	4,959	0	(4,959)	0	(31)
				3,809,417	**2,000,000**	**(1,284,587)**	**4,524,830**	**(193,251)**	**4,282,804**	**535,500**	**(1,008,887)**	**3,809,417**	**(155,059)**	**4,282,241**	**4,000,000**	**(1,373,111)**	**6,909,130**	**(240,504)**

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.

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

Particulars/Purpose	Institution	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
			%	$	$	$	$
Capital Works	WATC	4	4.8%	2,000,000	191,184	2,000,000	0
				2,000,000	**191,184**	**2,000,000**	**0**

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2026 nor is it expected to have unspent borrowing funds as at 30th June 2027.

(d) Credit Facilities

	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date			
Credit card limit	50,000	50,000	50,000
Credit card balance at balance date	0	9,377	0
Total amount of credit unused	50,000	40,623	50,000
Loan facilities			
Loan facilities in use at balance date	4,524,830	3,809,417	6,909,130

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.

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

		2026/27 Budget				2025/26 Estimated Actual				2025/26 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	368,333	22,579	0	390,912	368,333	0	0	368,333	519,817	0	0	519,817
		368,333	**22,579**	**0**	**390,912**	**368,333**	**0**	**0**	**368,333**	**519,817**	**0**	**0**	**519,817**
	Restricted by council												
(b)	Plant replacement reserve	292,395	67,924	0	360,319	292,395	0	0	292,395	292,395	0	0	292,395
(c)	City development reserve	299,687	0	(299,687)	0	299,687	0	0	299,687	188,898	0	0	188,898
(d)	North street reserve	158,951	9,744	0	168,695	158,951	0	0	158,951	158,951	0	0	158,951
(e)	Welfare reserve	369,884	22,674	0	392,558	369,884	0	0	369,884	208,248	0	0	208,248
(f)	Strategic Projects reserve (Formerly Service reserve	28,968	1,776	0	30,744	28,968	0	0	28,968	28,968	0	0	28,968
(g)	Insurance reserve	67,939	4,165	0	72,104	67,939	0	0	67,939	67,939	0	0	67,939
(h)	Underground power project reserve	195,668	11,995	0	207,663	4,045,668	0	(3,850,000)	195,668	3,968,802	0	(3,850,000)	118,802
(i)	Waste management reserve	2,830,292	586,303	0	3,416,595	2,330,292	500,000	0	2,830,292	2,338,667	0	0	2,338,667
(j)	Building replacement reserve	955,315	0	(955,315)	0	955,315	0	0	955,315	623,747	0	0	623,747
(k)	Swanbourne development reserve	128,490	7,877	0	136,367	128,490	0	0	128,490	1,490	0	0	1,490
(l)	Public art reserve	47,334	2,902	0	50,236	47,334	0	0	47,334	47,334	0	0	47,334
(m)	Business system reserve	114,143	6,997	0	121,140	114,143	0	0	114,143	113,143	0	0	113,143
(n)	All abilities play space	442,251	0	(442,251)	0	442,251	0	0	442,251	442,250	0	0	442,250
(o)	Major projects	996,817	0	(996,817)	0	496,817	500,000	0	996,817	1,652,277	500,000	0	2,152,277
(p)	Riverwall maintenance reserve	104,454	0	(104,454)	0	104,454	0	0	104,454	100,000	0	0	100,000
(q)	Laneway reserve	600,000	0	(600,000)	0	600,000	0	0	600,000	600,000	0	0	600,000
(r)	Assets management reserve	0	3,537,526	(1,131,000)	2,406,526	0	0	0	0	0	0	0	0
(s)	Carry forward projects reserve	0	0	0	0	0	0	0	0	0	0	0	0
		7,632,588	**4,259,883**	**(4,529,524)**	**7,362,947**	**10,482,588**	**1,000,000**	**(3,850,000)**	**7,632,588**	**10,833,109**	**500,000**	**(3,850,000)**	**7,483,109**
		8,000,921	**4,282,462**	**(4,529,524)**	**7,753,859**	**10,850,921**	**1,000,000**	**(3,850,000)**	**8,000,921**	**11,352,926**	**500,000**	**(3,850,000)**	**8,002,926**

(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	Purpose of the reserve
	Restricted by legislation	
(a)	Cash-in-lieu of public open space reserve	To fund Public Open Space
	Restricted by council	
(b)	Plant replacement reserve	To fund replacement of plant and equipment so the cost is spread over a number of years.
(c)	City development reserve	To fund improvement and purchases of property, plant and equipment and infrastructure.
(d)	North street reserve	To fund operational and capital costs of community and recreational facilities at Mt Claremont and Swanbourne, and infrastructure generally.
(e)	Welfare reserve	To fund the operational and capital costs to welfare services.
(f)	Strategic Projects reserve (Formerly Service reserve)	To fund the Citywide strategic operational and capital activities to ensure strategic budget objective of intergenerational equity.
(g)	Insurance reserve	To fund any excess that may arise from having a performance based workers compensation premium.
(h)	Underground power project reserve	To fund underground power projects.
(i)	Waste management reserve	To fund operational and capital costs to ensure the continued provision of waste management services to the community.
(j)	Building replacement reserve	To fund the upgrade and/or replacement of council buildings.
(k)	Swanbourne development reserve	To fund capital works in the Swanbourne area associated with the Swanbourne Masterplan. Set-up with proceeds of the insurance claim arisin
(l)	Public art reserve	To fund works of art in the City of Nedlands.
(m)	Business system reserve	To fund councils business system.
(n)	All abilities play space	To fund the annual operating and maintenance cost of the All Abilities Play Space.
(o)	Major projects	To fund capital works from proceeds from sale of major assets.
(p)	Riverwall maintenance reserve	To fund river wall capital and maitenance works.
(q)	Laneway reserve	To fund laneway raod projects.
(r)	Assets management reserve	To fund assets operations. Renewal, upgrade and new assets.
(s)	Carry forward projects reserve	To fund carry forwards projects from previous financial year.

10. OTHER INFORMATION

The net result includes as revenues	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
	$	$	$
(a) Interest earnings			
Investments	784,999	767,143	595,429
Late payment of fees and charges *	51,360	54,849	110,000
Rates 'Instalment plan interest *	150,870	141,481	127,050
Underground Power 'Instalment plan interest *	0	0	200,000
Other interest revenue	21,000	22,663	10,035
	1,008,229	**986,136**	**1,042,514**

* 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%

The net result includes as expenses	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
(b) Auditors remuneration			
Audit services	173,000	259,972	161,200
Internal audit fees	75,000	19,510	60,000
Other services	11,750	3,800	9,750
	259,750	**283,282**	**230,950**
(c) Interest expenses (finance costs)			
Borrowings (refer Note 8(a))	193,251	155,059	240,504
Interest on lease liabilities (refer Note 7)	2,930	9,794	10,113
Loan guarantee fee	27,478	41,617	10,500
	223,659	**206,470**	**261,117**

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
	$	$	$
Mayor			
Mayor's allowance	73,435	23,450	23,650
Meeting attendance fees	36,112	11,532	11,630
Training expenses	0	0	1,000
Annual allowance for ICT expenses	3,500	0	3,500
Superannuation contribution payments	13,146	3,175	4,234
Annual allowance for travel and accommodation expenses	2,500	8	100
	128,693	**38,165**	**44,114**
Deputy Mayor			
Deputy Mayor's allowance	18,359	5,863	5,913
Meeting attendance fees	26,931	8,600	8,673
Training expenses	0	0	1,000
Annual allowance for ICT expenses	3,500	0	3,500
Superannuation contribution payments	5,435	1,313	1,750
Annual allowance for travel and accommodation expenses	2,500	8	100
	56,725	**15,784**	**20,936**
All Other Council members			
Meeting attendance fees	188,517	58,103	49,872
Training expenses	0	0	7,000
Annual allowance for ICT expenses	24,500	0	24,500
Superannuation contribution payments	23,634	5,464	5,985
Annual allowance for travel and accommodation expenses	17,500	48	700
	254,151	**63,615**	**88,057**
Commissioners			
Allowances	0	228,324	221,160
Other reimbursement	0	0	48,000
Annual allowance for ICT expenses	0	10,500	10,500
Superannuation contribution payments	0	27,399	26,539
Annual allowance for travel and accommodation expenses	0	1,671	3,000
	0	**267,894**	**309,199**
Total Council Member Remuneration	**439,569**	**385,458**	**462,306**
Mayor's allowance	73,435	23,450	23,650
Deputy Mayor's allowance	18,359	5,863	5,913
Commissioners allowances	0	228,324	221,160
Meeting attendance fees	251,560	78,235	70,175
Other reimbursement	0	0	48,000
Training expenses	0	0	9,000
Annual allowance for ICT expenses	31,500	10,500	42,000
Superannuation contribution payments	42,215	37,351	38,508
Annual allowance for travel and accommodation expenses	22,500	1,735	3,900
	439,569	**385,458**	**462,306**

12. MAJOR LAND TRANSACTIONS

It is not anticipated that any trading undertakings or major trading undertakings will occur in the 2026/27 financial year.

13. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in the 2026/27 financial year.

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
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.

14. REVENUE AND EXPENDITURE (CONTINUED)

(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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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

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.

16. FEES AND CHARGES

	2026/27 Budget	2025/26 Estimated Actual	2025/26 Budget
	$	$	$
By Program:			
General purpose funding	235,575	153,964	235,150
Law, order, public safety	718,800	711,022	553,200
Health	88,345	105,196	97,828
Education and welfare	64,900	62,075	67,000
Community amenities	5,779,540	5,725,033	5,553,405
Recreation and culture	1,062,002	1,005,803	1,045,720
Transport	98,500	76,575	72,000
Economic services	760,000	964,856	1,262,310
Other property and services	713,240	650,769	607,200
	9,520,902	**9,455,293**	**9,493,813**

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