

STRATHFIELD



ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Strathfield Municipal Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025



Strathfield Municipal Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Strathfield Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

Strathfield Municipal Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

65 Homebush Rd
Strathfield NSW 2135

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

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

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

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

Strathfield Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 28 October 2025.



Benjamin Cai
Mayor
28 October 2025



Sandy Reddy
Deputy Mayor
28 October 2025



Michael Mamo
General Manager
28 October 2025



Waisale Iowane
Responsible Accounting Officer
28 October 2025

Strathfield Municipal Council

Income Statement

for the year ended 30 June 2025

<i>Original unaudited budget</i> 2025	\$ '000		Notes	Actual 2025	Actual 2024
		Income from continuing operations			
40,989		Rates and annual charges	B2-1	41,903	36,920
5,057		User charges and fees	B2-2	6,565	5,290
2,696		Other revenue	B2-3	3,497	2,673
2,467		Grants and contributions provided for operating purposes	B2-4	3,163	2,850
9,483		Grants and contributions provided for capital purposes	B2-4	14,511	22,943
2,524		Interest and investment income	B2-5	3,017	2,304
1,201		Other income	B2-6	1,252	1,019
64,417		Total income from continuing operations		73,908	73,999
		Expenses from continuing operations			
26,236		Employee benefits and on-costs	B3-1	30,090	25,805
22,635		Materials and services	B3-2	24,085	19,777
518		Borrowing costs	B3-3	504	—
1,479		Other expenses	B3-5	1,346	1,354
(450)		Net loss from the disposal of assets	B4-1	2,939	1,674
50,418		Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		58,964	48,610
13,999		Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		14,944	25,389
10,506		Depreciation and amortisation	B3-4	10,906	9,971
3,493		Operating result from continuing operations		4,038	15,418
3,493		Net operating result attributable to Council		4,038	15,418
(5,990)		Net operating result for the year before grants and contributions provided for capital purposes		(10,473)	(7,525)

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

Strathfield Municipal Council

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Net operating result for the year – from Income Statement		4,038	15,418
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	26,195	14,893
Total items which will not be reclassified subsequent to operating result		26,195	14,893
Other comprehensive income for the year		26,195	14,893
Total comprehensive income for the year attributable to Council		30,233	30,311

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

Strathfield Municipal Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	11,747	18,544
Investments	C1-2	63,500	28,000
Receivables	C1-4	5,259	5,193
Inventories	C1-5	48	73
Other assets		611	578
Total current assets		81,165	52,388
Non-current assets			
Investments	C1-2	4,000	16,000
Infrastructure, property, plant and equipment (IPPE)	C1-6	535,075	504,411
Intangible assets	C1-7	1,034	1,347
Total non-current assets		540,109	521,758
Total assets		621,274	574,146
LIABILITIES			
Current liabilities			
Payables	C3-1	21,453	16,846
Contract liabilities	C3-2	10,079	5,716
Borrowings	C3-3	1,201	548
Employee benefit provisions	C3-4	5,055	4,196
Total current liabilities		37,788	27,306
Non-current liabilities			
Borrowings	C3-3	12,989	6,452
Employee benefit provisions	C3-4	487	611
Total non-current liabilities		13,476	7,063
Total liabilities		51,264	34,369
Net assets		570,010	539,777
EQUITY			
Accumulated surplus		237,522	233,484
IPPE revaluation surplus	C4-1	332,488	306,293
Total equity		570,010	539,777
Total equity		570,010	539,777

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

Strathfield Municipal Council

Statement of Changes in Equity

for the year ended 30 June 2025

	Notes	2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
\$ '000							
Opening balance at 1 July		233,484	306,293	539,777	218,066	291,400	509,466
Opening balance		233,484	306,293	539,777	218,066	291,400	509,466
Net operating result for the year		4,038	–	4,038	15,418	–	15,418
Net operating result for the period		4,038	–	4,038	15,418	–	15,418
Other comprehensive income							
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	26,195	26,195	–	14,893	14,893
Other comprehensive income		–	26,195	26,195	–	14,893	14,893
Total comprehensive income		4,038	26,195	30,233	15,418	14,893	30,311
Closing balance at 30 June		237,522	332,488	570,010	233,484	306,293	539,777

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

Strathfield Municipal Council

Statement of Cash Flows

for the year ended 30 June 2025

<i>Original unaudited budget</i> 2025	\$ '000	Notes	<i>Actual</i> 2025	<i>Actual</i> 2024
Cash flows from operating activities				
Receipts:				
40,773	Rates and annual charges		41,522	36,224
5,057	User charges and fees		7,572	5,287
2,524	Interest received		3,333	1,486
11,949	Grants and contributions		21,985	17,242
–	Bonds, deposits and retentions received		1,450	763
4,151	Other income		7,872	6,658
Payments:				
(25,886)	Payments to employees		(29,244)	(24,951)
(21,283)	Payments for materials and services		(25,364)	(23,361)
–	Borrowing costs		(504)	–
(1,116)	Other expenses		(1,108)	(2,075)
16,169	Net cash flows from operating activities	F1-1	27,514	17,273
Cash flows from investing activities				
Receipts:				
450	Proceeds from sale of IPPE		490	577
Payments:				
–	Acquisition of term deposits		(23,500)	(1,000)
(25,373)	Payments for IPPE		(18,352)	(13,887)
–	Purchase of intangible assets		(139)	–
(24,923)	Net cash flows from investing activities		(41,501)	(14,310)
Cash flows from financing activities				
Payments:				
(1,548)	Repayment of borrowings		(660)	–
10,000	Proceeds from borrowings		7,850	7,000
8,452	Net cash flows from financing activities		7,190	7,000
(302)	Net change in cash and cash equivalents		(6,797)	9,963
72	Cash and cash equivalents at beginning of year		18,544	8,581
(230)	Cash and cash equivalents at end of year	C1-1	11,747	18,544

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

Strathfield Municipal Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 22 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) Fair values of infrastructure, property, plant and equipment – refer Note C1-6 and Note D2-1.
- (ii) Employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables - refer to Note C1-4
- (ii) Impairment of infrastructure, property, plant and equipment - refer Note C1-6
- (iii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

Monies and other assets received by Council

The Consolidated Fund

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

Council's consolidated fund is the General Fund. The Consolidated Fund has been included in the financial statements of the Council.

Volunteer services

Council has various opportunities for volunteers to be involved in various programs. These volunteer services are not recognised in these financial statements on the basis that the service would not be purchased or provided for by Council, if it had not been donated / volunteered.

New accounting standards and interpretations issued but not yet effective

A1-1 Basis of preparation (continued)

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2025.

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

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2025. None of these standards had a significant impact on the reported financial position and performance of Council.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	<i>Income</i>		<i>Expenses</i>		<i>Operating result</i>		<i>Grants and contributions</i>		<i>Carrying amount of assets</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Functions or activities										
1. Connectivity	470	733	845	1,077	(375)	(344)	2,189	5,200	211,124	201,507
2. Community Wellbeing	293	331	4,757	4,305	(4,464)	(3,974)	1,351	2,220	63,156	54,146
3. Celebrating Culture and Place	219	374	1,679	1,739	(1,460)	(1,365)	767	346	–	–
4. Liveable Neighbourhoods	25,385	28,728	31,317	26,542	(5,932)	2,186	13,367	18,027	178,581	194,349
5. Responsible Leadership	47,541	43,833	31,272	24,918	16,269	18,915	–	–	168,413	124,144
Total functions and activities	73,908	73,999	69,870	58,581	4,038	15,418	17,674	25,793	621,274	574,146

B1-2 Components of functions or activities

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

Council's Community Strategic Plan (CSP) provides long-term direction for the Strathfield Council's Local Government Area (LGA) and is Council's overarching plan in the Integrated Planning and Reporting (IPR) framework.

The CSP provides guidance for the alignment of Council's resources to meet community priorities, responds to state and regional plans and in planning and delivering services in the LGA.

Therefore, all the functions and activities of Council can be categorised under the themes listed below as per Council's CSP:

1. Connectivity

This theme reflects on the centrality and connectivity of the Strathfield LGA to Greater Sydney and beyond through infrastructure, transport and communications. The high levels of connectivity are significant attractors for residents, businesses, students and visitors to the Strathfield LGA. The theme is concerned with planning for and the delivery of regional, state and local infrastructure to meet the needs of increasing populations, ensuring regional and local transport networks are integrated, connected and safe, and that service delivery and information access is optimised through integration of communications and digital technology.

2. Community Wellbeing

This theme concerns supporting Strathfield's culturally diverse and socially cohesive, connected and safe communities with access to public spaces and community facilities, and opportunities to participate in programs and activities. Council plays an important role in facilitating opportunities for participation in learning, recreation, community programs and activities that enhance healthy active lifestyles. Council will enhance the safety and wellbeing of the community by providing safe, clean, healthy and attractive environments and working with Police on community safety and crime prevention.

3. Celebrating Culture and Place

This theme relates to creating vibrant and enticing public domains, especially our town, village and commercial centres, which blend access to services with opportunities for social connectivity. The theme also celebrates Strathfield as a place of learning, culture and creativity supported by events, cultural programs and acknowledgement of civic and community achievements which promote a sense of civic pride and belonging.

4. Liveable Neighbourhoods

This theme concerns ensuring well planned urban design, protection and maintenance of the built and natural environment of the Strathfield LGA. Liveable Neighbourhoods involve high quality, well planned, sustainable, clean and well maintained urban and natural environments that balance new development with the retention and reflection of established local character and healthy thriving and resilient natural environments. Development, changing lifestyles and increasing population also create higher levels of waste, resource usage and pollution, creating pressure on the local area, at a regional and local level, to maintain the high standards of amenity, character and liveability of the Strathfield LGA.

5. Responsible Leadership

The theme of Responsible Leadership is concerned with leadership and accountable Council services directed by the priorities of an engaged and connected community. Responsible leadership requires the community having confidence in the Council to make decisions based on community priorities and values reflecting meaningful and informed community engagement. Effective management of Council's operations is underpinned by transparent, effective and accountable governance which is responsive to the needs of the community.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	21,792	18,876
Business	9,489	8,338
Less: pensioner rebates (mandatory)	(99)	(94)
Less: pensioner rebates (Council policy)	(114)	(103)
Less: rates levied on council properties	(47)	(88)
Rates levied to ratepayers	31,021	26,929
Pensioner rate subsidies received	94	94
Total ordinary rates	31,115	27,023
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	10,175	9,522
Stormwater management services	514	313
Section 611 charges	146	109
Less: pensioner rebates (mandatory)	(42)	(44)
Less: pensioner rebates (Council policy)	(45)	(47)
Annual charges levied	10,748	9,853
Pensioner annual charges subsidies received:		
– Domestic waste management	40	44
Total annual charges	10,788	9,897
Total rates and annual charges	41,903	36,920

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

Material accounting policy information

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area.

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

B2-2 User charges and fees

\$ '000	<i>Timing</i>	2025	2024
Specific user charges			
Domestic waste management services		82	56
Waste management services (non-domestic)		61	81
Total specific user charges		143	137
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions			
Building regulation		72	–
Inspection services		7	–
Planning and building regulation		859	877
Section 10.7 certificates (EP&A Act)		147	147
Section 603 certificates		114	103
Health act		224	201
Total fees and charges – statutory/regulatory		1,423	1,328
(ii) Fees and charges – other (incl. general user charges)			
Credit card service fee		63	49
Library and art gallery		26	26
Park rents		774	681
Festivals and events		25	15
Restoration charges		428	118
Hoarding income		233	51
Hudson park golf course and driving range		1,899	1,983
Other property rentals		5	19
Parking fees		215	64
Privately funded works and anchor work permits		87	–
Road opening permits		29	19
Work zone parking and standing plant permits		1,090	622
Residential Parking Scheme		2	2
Public halls		62	144
Other		12	1
Road closure		49	31
Total fees and charges – other		4,999	3,825
Total other user charges and fees		6,422	5,153
Total user charges and fees		6,565	5,290
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time		–	–
User charges and fees recognised at a point in time		6,565	5,290
Total user charges and fees		6,565	5,290

Material accounting policy information

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

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

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

B2-3 Other revenue

\$ '000	<i>Timing</i>	2025	2024
Ex gratia rates		–	95
Fines – parking		2,994	2,004
Legal fees recovery – rates and charges (extra charges)		1	4
Legal fees recovery – other		66	24
Diesel rebate		–	1
Insurance claims recoveries		168	262
Sale of abandoned vehicles		88	42
Carbon tax rebate		17	97
Insurance incentives/rebates		74	65
Other		5	18
Other corporate income		24	4
Recycling income (non-domestic)		60	57
Total other revenue		3,497	2,673
Timing of revenue recognition for other revenue			
Other revenue recognised over time		–	–
Other revenue recognised at a point in time		3,497	2,673
Total other revenue		3,497	2,673

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	<i>Timing</i>	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component		208	17	–	–
Financial assistance – local roads component		60	5	–	–
Payment in advance - future year allocation					
Financial assistance – general component		687	1,106	–	–
Financial assistance – local roads component		206	331	–	–
Amount recognised as income during current year		1,161	1,459	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Community centres		100	–	50	508
Employment and training programs		28	–	–	–
Environmental programs		(77)	141	–	–
Heritage and cultural		573	13	–	–
Library – per capita		196	252	–	–
Road Safety		47	57	–	–
Noxious weeds		108	–	–	–
Parks and open space		468	–	1,949	888
Festivals and events		194	334	–	–
Street lighting		142	140	–	–
Traffic route subsidy		10	–	–	–
Transport (roads to recovery)		–	–	–	196
Other transport (bridges, footpaths, cycleways)		–	–	1,984	4,305
Community services		49	–	–	–
Transport (Block Grants)		–	–	194	190
Other Council's Long Service Leave contributions		164	454	–	–
Other grants		–	–	61	55
Total special purpose grants and non-developer contributions – cash		2,002	1,391	4,238	6,142
Total special purpose grants and non-developer contributions (tied)		2,002	1,391	4,238	6,142
Total grants and non-developer contributions		3,163	2,850	4,238	6,142
Comprising:					
– Commonwealth funding		2,467	1,459	22	386
– State funding		521	936	4,186	5,756
– Other funding		175	455	30	–
		3,163	2,850	4,238	6,142

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions	F4				
S 7.4 – contributions using planning agreements		–	–	–	681
S 7.11 – contributions towards amenities/services		–	–	8,502	9,160
S 7.12 – fixed development consent levies		–	–	1,771	1,360
Total developer contributions – cash		–	–	10,273	11,201
Non-cash contributions					
S 7.4 – contributions using planning agreements		–	–	–	5,600
Total developer contributions non-cash		–	–	–	5,600
Total developer contributions		–	–	10,273	16,801
Total contributions		–	–	10,273	16,801
Total grants and contributions		3,163	2,850	14,511	22,943
Timing of revenue recognition					
Grants and contributions recognised over time		100	–	3,889	6,362
Grants and contributions recognised at a point in time		3,063	2,850	10,622	16,581
Total grants and contributions		3,163	2,850	14,511	22,943

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds at 1 July	144	327	5,258	8,027
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	(24)	144	7,229	5,258
Add: Funds received and not recognised as revenue in the current year	787	–	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(143)	(327)	(2,773)	(8,027)
Unspent funds at 30 June	764	144	9,714	5,258
Contributions				
Unspent funds at 1 July	–	–	28,418	16,996
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	11,582	11,614
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(1,473)	(192)
Unspent contributions at 30 June	–	–	38,527	28,418

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

Performance obligations may be satisfied either at a point-in-time or over-time and this is reflected in the revenue recognition pattern. Point-in-time recognition occurs when the beneficiary obtains control of the goods / services at a single time such as the completion of a project or when a report / outcome is provided, whereas over-time recognition is where the control of the services is ongoing throughout the project.

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

Capital grants

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

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

For acquisitions of assets (i.e. purchases), the revenue is recognised when the asset is acquired and controlled by the Council.

Developer contributions

B2-4 Grants and contributions (continued)

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	231	150
– Cash and investments	2,786	2,154
Total interest and investment income	3,017	2,304

Material accounting policy information

Interest income is recognised using the effective interest rate at the date that interest is earned.

B2-6 Other income

\$ '000	2025	2024
Rental income		
Other lease income		
Room/Facility Hire	1,035	877
Leaseback fees - council vehicles	154	142
Other	63	–
Total other lease income	1,252	1,019
Total other income	1,252	1,019

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	20,437	17,769
Employee termination costs (where material – other than vested leave paid)	148	613
Travel expenses	4	–
Employee leave entitlements (ELE)	4,634	3,754
Superannuation	2,623	2,232
Workers' compensation insurance	2,242	1,167
Fringe benefit tax (FBT)	149	163
Training costs (other than salaries and wages)	411	280
Recruitment costs	132	107
Other	120	147
Total employee costs	30,900	26,232
Less: Capitalised employee costs	(810)	(427)
Total employee costs expensed	30,090	25,805

Material accounting policy information

Employee benefit expenses are recorded when the service has been provided by the employee.

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

Capitalised employee costs

Employee costs that are directly attributable to the construction or acquisition of items of Infrastructure, Property Plant and Equipment (IPPE) are capitalised to the cost of the respective items of IPPE in accordance with AASB 16.

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		3,104	2,959
Contractor costs		7,697	6,872
Street and gutter cleaning		1,284	776
Audit Fees	E2-1	413	315
Infringement notice contract costs (SEINS)		565	174
Councillor and Mayoral fees and associated expenses	E1-2	288	255
Advertising		100	88
Bank charges		89	81
Cleaning		461	368
Election expenses		290	–
Electricity, heating and water		562	304
Insurance		1,101	1,043
Office expenses (including computer expenses)		398	145
Postage		173	81
Printing and stationery		72	75
Street lighting		550	453
Subscriptions, memberships and publications		578	393
Telephone and communications		526	405
Valuation fees		53	51
Other expenses		38	141
Security		47	101
Waste disposal – tipping fees		5,111	3,862
Legal expenses:			
– Legal expenses: planning and development		494	669
– Legal expenses: debt recovery		20	68
– Legal expenses: other		48	87
Expenses from short-term leases		3	3
Other		20	8
Total materials and services		24,085	19,777
Total materials and services		24,085	19,777

Material accounting policy information

Expenses are recorded on an accruals basis as the Council receives the goods or services.

B3-3 Borrowing costs

\$ '000	2025	2024
Interest on loans	504	–
Total interest bearing liability costs	504	–
Total interest bearing liability costs expensed	504	–

Material accounting policy information

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset during the period of time required to complete and prepare the asset for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

During the financial year ended 30 June 2025, Council obtained new borrowings of \$5.85 million on 3 January 2025 and \$2.00 million on 18 June 2025. Borrowing costs associated with these loans were accounted for in accordance with the above policy.

In the prior year, Council borrowed \$7.00 million on 28 June 2024. No borrowing costs were capitalised or recognised as an expense in the 2023–24 financial year in respect of this borrowing.

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2025	2024
Depreciation and amortisation	C1-8,C1-7		
Plant and equipment		1,162	1,168
Office equipment		479	534
Other assets:			
– Library books		105	118
Infrastructure:			
– Buildings and other structures		1,677	1,227
– Roads		2,837	2,619
– Bridges		93	91
– Footpaths		666	534
– Other road assets		496	–
– Stormwater drainage		887	931
– Car parks		79	73
– Other open space/recreational assets		1,973	2,153
Intangible assets		452	523
Total gross depreciation and amortisation costs		10,906	9,971
Total depreciation, amortisation and impairment for non-financial assets		10,906	9,971

Material accounting policy information

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

B3-5 Other expenses

\$ '000	2025	2024
Impairment of receivables		
Other	(6)	(55)
Total impairment of receivables	(6)	(55)
Other		
Contributions/levies to other levels of government		
– Department of planning levy	107	103
– Emergency services levy (includes FRNSW, SES, and RFS levies)	165	221
– NSW fire brigade levy	994	1,015
Donations, contributions and assistance to other organisations (Section 356)	86	70
Total other	1,352	1,409
Total other expenses	1,346	1,354

Material accounting policy information

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		490	577
Less: carrying amount of plant and equipment assets sold/written off		(185)	(165)
Gain (or loss) on disposal		305	412
Gain (or loss) on disposal of infrastructure	C1-6		
Less: carrying amount of bridge assets sold/written off		–	(15)
Less: carrying amount of road assets written off ^a		(1,077)	(700)
Less: carrying amount of other roads sold/written off		(252)	–
Less: carrying amount of footpath assets written off ^b		(399)	(858)
Less: carrying amount of building assets sold/written off		(2)	(429)
Less: carrying amount of open space assets sold/written off ^c		(1,503)	(21)
Less: carrying value of car park assets sold/written off		(1)	(63)
Less: carrying amount of stormwater assets write off		(10)	–
Gain (or loss) on disposal		(3,244)	(2,086)
Net gain (or loss) from disposal of assets ⁴		(2,939)	(1,674)

Material accounting policy information

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

- (4) Net losses from disposal of assets relate to plant and equipment, roads (surface and base) and footpath assets replaced as part of the capital program.
- (a) This includes road surface, road base and kerbs & gutters that were replaced through capital works undertaken during the financial year. The carrying amounts stated is replaced by the new asset value in Council's asset register. The works included Section 7.11, Local Area Traffic Management (LATM), kerbs and gutters replacement program, RMS block grant and stimulus funding. Council budgeted \$0.45 million in disposal of road asset.
- (b) This includes footpaths that were replaced through capital works undertaken during the financial year. The carrying amounts stated is replaced by the new asset value in Council's asset register. There was no budget for this.
- (c) During the year, Council recognised the partial disposal of assets within the Open Space asset class. This included the partial disposal of the Hudson Park Driving Range Synthetic Turf, together with other minor assets within this classification.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 25 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	40,989	41,903	914	2% F
User charges and fees	5,057	6,565	1,508	30% F
At the start of each financial year, Council establishes its fees and charges as part of the annual budget process. These fees, together with the annual revenue forecast, are informed by a range of factors, including historical performance, market trends, economic conditions, and Council decisions. Unlike rates and charges, which are largely determined by property values and fixed rates in the dollar, user fees and charges are more sensitive to fluctuations in service demand, regulatory changes, and broader external influences. As a result, actual revenue collected can vary from the original forecasts. In 2024/2025, Council achieved a favourable uplift in user fees and charges, primarily driven by heightened construction activity across the local area. This activity led to increased revenue from work zone parking and standing plant permits than originally anticipated.				
Other revenue	2,696	3,497	801	30% F
Other revenue includes items such as fines and infringements, cost recoveries, and miscellaneous income. More than 80% of this category is derived from fines and infringements, which arise from penalties issued for breaches of local regulations, traffic offences, and similar violations. The level of fine revenue depends on both the degree of non-compliance within the community and the level of monitoring and enforcement undertaken by Council. The increase in other revenue for the year was primarily driven by higher income from parking fines.				
Operating grants and contributions	2,467	3,163	696	28% F
Operating grants mainly comprise the Financial Assistance Grant and other State and Federal funding. These are difficult to predict as they depend on government priorities, budget allocations, and the timing of program announcements, many of which are not confirmed until partway through the year. Council therefore takes a conservative approach, only budgeting for grants it knows it will receive and incorporating others through quarterly reviews once confirmed. The variation between budget and actuals reflects lower-than-expected Financial Assistance Grants, offset by additional operational grants secured during the year.				
Capital grants and contributions	9,483	14,511	5,028	53% F
Capital grants and contributions, covering infrastructure projects, community facilities, and developer contributions, are inherently difficult to forecast for Council. Many funding programs are not announced at the time budgets are prepared, and allocations can shift with changing government priorities and timing of approvals. Developer contributions add further complexity, as income depends on the pace and completion of development activity, which is outside Council's control. As a result, actual capital income often varies from forecasts, with the latest variation driven by developer contributions coming in around \$5 million higher than originally budgeted.				
Interest and investment revenue	2,524	3,017	493	20% F
Interest income represents the revenue Council earns from investing surplus cash, primarily through term deposits. These investments are designed to maximise returns on available funds and provide an additional income stream for the community. In 2024/2025, Council's interest income was significantly higher than forecast, largely due to the Reserve Bank of Australia (RBA) maintaining higher-than-expected interest rates, which boosted returns on investments. In addition, Council held higher cash balances than projected, as capital projects progressed more slowly than anticipated, leading to lower cash outflows. When Council holds more cash than budgeted, it can increase the volume of funds placed into investments, further amplifying the overall interest income beyond original forecasts.				

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Other income	1,201	1,252	51	4% F

Expenses

Employee benefits and on-costs	26,236	30,090	(3,854)	(15)% U
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Employee benefits and on-costs include wages, salaries, superannuation, workers compensation insurance, and other employee-related expenses. As the budget is prepared more than 10 months before adoption, it is based on staffing levels and cost information available at that time. Variations arise when actual costs differ from these early assumptions. In this case, the material difference reflects an underestimation of workers compensation insurance by \$635k, offset by a higher-than-expected recovery of employee costs from capital projects of around \$1.5m. In local government, these recoveries occur when staff time is allocated to deliver capital projects, with a portion of wages charged directly to those projects. This recovery is recorded as a negative expense in employee costs, reducing the overall wages and salaries reported in the operating budget.

Materials and services	22,635	24,085	(1,450)	(6)% U
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Borrowing costs	518	504	14	3% F
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Borrowing costs relate to interest repayments on loans drawn down either in 2024/2025 or in prior years. The actual costs were lower than budgeted because the original budget assumed an earlier drawdown of new borrowings, which would have resulted in higher interest expenses across the year. In practice, Council deferred the drawdown to a later date than anticipated, reducing the period over which interest was incurred and delivering a favourable variance against budget.

Depreciation, amortisation and impairment of non-financial assets	10,506	10,906	(400)	(4)% U
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Other expenses	1,479	1,346	133	9% F
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Net losses from disposal of assets	(450)	2,939	(3,389)	753% U
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Council adopts a conservative approach to budgeting by not anticipating substantial gains or losses from asset disposals, instead recognising them through quarterly budget reviews once realised. This avoids overstating revenue or understating expenses in the adopted budget. Variations arise as Council renews and upgrades infrastructure, requiring the written-down value of replaced assets to be removed from the asset register before capitalising the new assets. Predicting these net gains or losses is inherently difficult in local government, as values can only be confirmed once projects are completed and capitalised, and the scale and timing of disposals are often influenced by factors outside of budget preparation.

Statement of cash flows

Cash flows from operating activities	16,169	27,514	11,345	70% F
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The material increase in cash received from operating activities is primarily due to higher-than-anticipated capital grants and contributions received during the year. Although Council makes every effort to budget for developer contributions and grants, the timing and value of this income are largely beyond its control, making it inherently difficult to forecast. In 2024/2025, several major developments progressed to the stage of receiving Occupation Certificates (OC), which triggered the payment of significant developer contributions. These funds play a critical role in supporting essential community infrastructure such as roads, parks, and utilities.

Cash flows from investing activities	(24,923)	(41,501)	(16,578)	67% U
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Council budgets its investments on the basis that all term deposits maturing during the year will be reinvested. During the year, however, Council increased its investment holdings to take advantage of higher interest rates offered by financial institutions. This was made possible by higher-than-expected cash balances, largely due to delays in capital projects which reduced cash outflows. As a result, additional short-term investments were placed to maximise returns on surplus funds.

Cash flows from financing activities	8,452	7,190	(1,262)	(15)% U
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Cash flows from financing activities are lower than budget because council deferred borrowing funds until later in the year reducing interest repayments and only partially taking up their allocated loan borrowing programme for the financial year.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash assets		
Cash on hand and at bank	4,070	8,126
Deposits at call	7,677	10,418
Total cash and cash equivalents	11,747	18,544

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	11,747	18,544
Balance as per the Statement of Cash Flows	11,747	18,544

Material accounting policy information

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less 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 within borrowings in current liabilities on the Statement of Financial Position.

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Debt securities at amortised cost				
Term deposits	63,500	4,000	28,000	16,000
Total	63,500	4,000	28,000	16,000
Total financial investments	63,500	4,000	28,000	16,000
Total cash assets, cash equivalents and investments	75,247	4,000	46,544	16,000

Material accounting policy information

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

C1-2 Financial investments (continued)

Amortised cost

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

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

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

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	79,247	62,544
Less: Externally restricted cash, cash equivalents and investments	(58,852)	(38,383)
Cash, cash equivalents and investments not subject to external restrictions	20,395	24,161

External restrictions

External restrictions – included in liabilities

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended loans – general	6,094	–
Specific purpose unexpended grants - general fund	9,714	5,402
External restrictions – included in liabilities	15,808	5,402

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – general	38,527	28,418
Stormwater management	1,083	589
Domestic waste management	1,982	3,286
Specific purpose unexpended grants - general fund	764	–
Planning agreements	688	688
External restrictions – other	43,044	32,981
Total external restrictions	58,852	38,383

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

\$ '000	2025	2024
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(b) Internal allocations

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

Plant and vehicle replacement	375	2,230
Employees leave entitlement	1,100	1,200
Carry over works	2,077	3,426
Deposits, retentions and bonds	12,347	12,347
Adshel (bus shelters)	270	270
Council elections	48	350
Future major expenditure	2,082	2,082
Hudson Park Golf Driving Range	195	195
Risk and Legal	700	400
Technology	103	140
Contributions towards works	20	20
Financial Assistance Grant - paid in advance	892	1,437
Business Improvement and Innovation	20	–
Planning Proposals	127	–
Total internal allocations	20,356	24,097

Internal allocations

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

C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates and annual charges	2,672	–	2,229	–
Interest and extra charges	276	–	206	–
User charges and fees	576	–	322	–
Accrued revenues:				
– Interest on investments	755	–	1,141	–
– Other income accruals	468	–	525	–
Net GST receivable	508	–	847	–
Other debtors	29	–	2	–
Total	5,284	–	5,272	–
Less: provision for impairment				
User charges and fees	(25)	–	(79)	–
Total provision for impairment – receivables	(25)	–	(79)	–
Total net receivables	5,259	–	5,193	–

\$ '000	2025	2024
Movement in provision for impairment of receivables		
Balance at the beginning of the year	79	133
– amounts already provided for and written off this year	(54)	(54)
Balance at the end of the year	25	79

Material accounting policy information

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

Impairment

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

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

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

C1-4 Receivables (continued)

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

<i>\$ '000</i>	<i>2025 Current</i>	<i>2025 Non-current</i>	<i>2024 Current</i>	<i>2024 Non-current</i>
(i) Inventories at cost				
Stores and materials	48	–	73	–
Total inventories at cost	48	–	73	–
Total inventories	48	–	73	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period								At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	WIP expensed	Transfers to intangible assets	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	4,295	–	4,295	5,253	32	–	–	(3,334)	(50)	(138)	–	6,059	–	6,059
Plant and equipment	10,819	(7,140)	3,679	2,313	–	(185)	(1,162)	–	–	–	–	11,589	(6,945)	4,644
Office equipment	5,350	(3,292)	2,058	–	62	–	(479)	–	–	–	–	5,412	(3,771)	1,641
Land:														
– Operational land	77,592	–	77,592	–	–	–	–	–	–	–	12,288	89,879	–	89,879
– Community land	49,503	–	49,503	–	787	–	–	138	–	–	4,034	54,462	–	54,462
Land improvements – non-depreciable	841	–	841	–	–	–	–	–	–	–	26	867	–	867
Infrastructure:														
– Buildings and other structures	90,791	(23,740)	67,051	8	–	(2)	(1,677)	–	–	–	1,994	93,564	(26,189)	67,375
– Roads	192,076	(85,188)	106,888	907	13	(1,077)	(2,837)	3,196	–	–	2,805	198,238	(88,341)	109,897
– Bridges	11,106	(3,190)	7,916	–	410	–	(93)	–	–	–	205	11,808	(3,369)	8,439
– Footpaths	45,684	(16,936)	28,748	4,157	142	(399)	(666)	–	–	–	755	50,355	(17,618)	32,737
– Other road assets	25,251	(6,114)	19,137	106	482	(252)	(496)	–	–	–	483	26,151	(6,691)	19,460
– Bulk earthworks (non-depreciable)	38,830	–	38,830	–	–	–	–	–	–	–	1,017	39,847	–	39,847
– Stormwater drainage	129,696	(71,104)	58,592	74	576	(10)	(887)	–	–	–	1,512	133,723	(73,864)	59,859
– Car parks	7,654	(1,716)	5,938	1	–	(1)	(79)	–	–	–	153	7,854	(1,841)	6,013
– Other open space / recreational assets	43,694	(10,659)	33,035	2,054	1,061	(1,503)	(1,973)	–	–	–	923	46,438	(12,841)	33,597
Other assets:														
– Library books	2,362	(2,054)	308	–	96	–	(105)	–	–	–	–	2,458	(2,159)	299
Total infrastructure, property, plant and equipment	735,544	(231,133)	504,411	14,873	3,661	(3,429)	(10,454)	–	(50)	(138)	26,195	778,704	(243,629)	535,075

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

C1-6 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers (WIP to Exp)	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	9,563	–	9,563	3,372	–	–	–	(8,107)	(531)	–	4,295	–	4,295
Plant and equipment	10,184	(6,846)	3,338	1,674	–	(165)	(1,168)	–	–	–	10,819	(7,140)	3,679
Office equipment	6,697	(4,458)	2,239	–	354	–	(534)	–	–	–	5,350	(3,292)	2,058
Land:													
– Operational land	77,592	–	77,592	–	–	–	–	–	–	–	77,592	–	77,592
– Community land	49,503	–	49,503	–	–	–	–	–	–	–	49,503	–	49,503
Land improvements – non-depreciable	–	–	–	–	42	–	–	799	–	–	841	–	841
Infrastructure:													
– Buildings and other structures	76,418	(22,346)	54,072	680	5,600	(429)	(1,227)	1,911	–	6,445	90,791	(23,740)	67,051
– Roads	196,494	(83,160)	113,334	3,797	110	(700)	(2,619)	–	–	12,102	192,076	(85,188)	106,888
– Bridges	9,458	(3,483)	5,975	268	122	(15)	(91)	1,943	–	(287)	11,106	(3,190)	7,916
– Footpaths	41,263	(16,433)	24,830	3,455	–	(858)	(534)	–	–	1,856	45,684	(16,936)	28,748
– Other road assets (including bulk earthworks)	–	–	–	–	–	–	–	–	–	–	25,251	(6,114)	19,137
– Bulk earthworks (non-depreciable)	36,841	–	36,841	–	–	–	–	–	–	1,989	38,830	–	38,830
– Stormwater drainage	93,143	(37,503)	55,640	–	37	–	(931)	–	–	3,847	129,696	(71,104)	58,592
– Car parks	7,203	(1,621)	5,582	188	–	(63)	(73)	–	–	304	7,654	(1,716)	5,938
– Other open space / recreational assets	60,911	(18,026)	42,885	14	218	(21)	(2,153)	3,454	–	(11,363)	43,694	(10,659)	33,035
Other assets:													
– Library books	2,272	(1,936)	336	90	–	–	(118)	–	–	–	2,362	(2,054)	308
Total infrastructure, property, plant and equipment	677,542	(195,812)	481,730	13,538	6,483	(2,251)	(9,448)	–	(531)	14,893	735,544	(231,133)	504,411

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

C1-6 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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

Useful lives of IPPE

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of IPPE	Useful Lives
Plant and equipment (inc. office equipment)	5 - 20 years
Buildings and other structures	20 - 150 years
Roads, bridges and footpaths	20 - 155 years
Stormwater drainage	100 - 150 years
Car parks	35 - 100 years and infinite base
Other open space / recreational assets	10 - 100 years
Library books	5 years

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five (5) years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

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

Land under roads

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

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

Crown reserves

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

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

C1-7 Intangible assets

Intangible assets are as follows:

\$ '000	2025	2024
Software		
Opening values at 1 July		
Gross book value	3,609	3,609
Accumulated amortisation	(2,262)	(1,739)
Net book value – opening balance	1,347	1,870
Movements for the year		
Other movements	139	–
Amortisation charges	(452)	(523)
Closing values at 30 June		
Gross book value	3,748	3,609
Accumulated amortisation	(2,714)	(2,262)
Total software – net book value	1,034	1,347
Total intangible assets – net book value	1,034	1,347

Material accounting policy information

IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

C2 Leasing activities

C2-1 Council as a lessee

Leases at significantly below market value – concessionary / peppercorn leases

Council has one lease at significantly below market value for use within Council's Library.

The leases of these types are generally for terms between 2 and 10 years and require payments of nominal amounts not exceeding \$1,000 per annum.

The use of the right-of-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

None of the leases in place are individually material from a Statement of Financial Position or Performance perspective.

C2-2 Council as a lessor

\$ '000	2025	2024
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Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

< 1 year	1,026	1,030
1–2 years	969	680
2–3 years	1,062	552
3–4 years	635	482
4–5 years	830	435
> 5 years	2,883	2,828
Total undiscounted lease payments to be received ^a	7,405	6,007

(a) These leases relate to council owned properties that are leased to external parties and community groups.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Payables				
Goods and services – operating expenditure	1,682	–	1,623	–
Accrued expenses:				
– Salaries and wages	903	–	513	–
– Other expenditure accruals	3,161	–	478	–
Security bonds, deposits and retentions	15,169	–	13,719	–
Prepaid rates	423	–	361	–
Other	115	–	152	–
Total payables	21,453	–	16,846	–
Total payables	21,453	–	16,846	–

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

\$ '000	2025	2024
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	13,033	13,719
Total payables	13,033	13,719

Material accounting policy information

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables.

Payables

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

C3-2 Contract Liabilities

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:				
Unexpended grants (received prior to performance obligation being satisfied) ¹	9,714	–	5,403	–
Total grants received in advance	9,714	–	5,403	–
User fees and charges received in advance:				
Other ²	365	–	313	–
Total user fees and charges received in advance	365	–	313	–
Total contract liabilities	10,079	–	5,716	–

(1) Council receives funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months. The contract liability relates to grants received prior to the revenue recognition criteria being satisfied since the performance obligations are ongoing.

(2) This includes fees received in advance for development applications that were not determined as at balance date.

Material accounting policy information

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	1,201	12,989	548	6,452
Total borrowings	1,201	12,989	548	6,452

(1) Loans are secured against Council's general rates revenue. The loan agreements contain financial covenants which Council must report on annually. These covenants include the Debt Service Cover Ratio, Interest Cover Ratio, and Unrestricted Cash Expense Ratio. Further information regarding liability interest rate risk exposures, fair value disclosures, and security arrangements is provided in Note D1-1(b).

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

The following borrowings, even though classified as current, are not expected to be settled in the next 12 months.

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	7,000	7,190	–	–	–	–	14,190
Total liabilities from financing activities	7,000	7,190	–	–	–	–	14,190

(b) Financing arrangements

\$ '000	2025	2024
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C3-3 Borrowings (continued)

\$ '000	2025	2024
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Credit cards/purchase cards	70	70
Total financing arrangements	70	70
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Credit cards/purchase cards	51	61
Total undrawn financing arrangements	51	61

C3-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	1,472	–	1,523	–
Sick leave	19	–	15	–
Long service leave	2,802	419	2,241	560
Employee Leave Entitlements on-costs	762	68	417	51
Total employee benefit provisions	5,055	487	4,196	611

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

\$ '000	2025	2024
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,802	2,204
	2,802	2,204

Material accounting policy information

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

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

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C4 Reserves

C4-1 Nature and purpose of reserves

Revaluation reserve

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

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk.

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

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

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

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

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

(a) Credit risk

Council's major receivables comprise rates, annual charges, and user charges and fees.

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

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

There are no significant concentrations of credit risk to Council due to the nature of Council operations.

The level of outstanding receivables is reported to Council periodically and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

D1-1 Risks relating to financial instruments held (continued)

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2025				
Gross carrying amount	930	1,742	–	2,672
2024				
Gross carrying amount	623	1,606	–	2,229

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	0 - 30 days	Overdue debts			Total
			31 - 60 days	61 - 90 days	> 91 days	
2025						
Gross carrying amount	2,274	97	(5)	19	227	2,612
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	87.50%	7.60%
ECL provision	–	–	–	–	199	199
2024						
Gross carrying amount	2,947	14	2	3	77	3,043
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	87.50%	2.21%
ECL provision	–	–	–	–	67	67

D1-1 Risks relating to financial instruments held (continued)

(b) Liquidity risk

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2025							
Payables (excluding prepaid rates)	0.00%	–	21,030	–	–	21,030	21,030
Borrowings	5.23%	–	1,201	7,025	5,964	14,190	14,190
Total financial liabilities		–	22,231	7,025	5,964	35,220	35,220
2024							
Payables (excluding prepaid rates)	0.00%	–	16,485	–	–	16,485	16,485
Borrowings	5.24%	–	548	2,499	3,953	7,000	7,000
Total financial liabilities		–	17,033	2,499	3,953	23,485	23,485

D2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2025	2024	2025	2024	2025	2024
Recurring fair value measurements							
Infrastructure, property, plant and equipment	C1-6						
Plant & equipment		–	–	4,644	3,679	4,644	3,679
Office equipment		–	–	1,641	2,058	1,641	2,058
Operational land		89,879	77,592	–	–	89,879	77,592
Community land		–	–	54,462	49,503	54,462	49,503
Land improvements (non-depreciable)		–	–	867	841	867	841
Buildings		5,637	5,600	61,738	61,451	67,375	67,051
Roads		–	–	129,357	126,025	129,357	126,025
Bridges		–	–	8,439	7,916	8,439	7,916
Footpaths		–	–	32,737	28,748	32,737	28,748
Bulk earthworks (non-depreciable)		–	–	39,847	38,830	39,847	38,830
Stormwater drainage		–	–	59,859	58,592	59,859	58,592
Car parks		–	–	6,013	5,938	6,013	5,938
Other open space / recreational assets		–	–	33,597	33,035	33,597	33,035
Library books		–	–	299	308	299	308
Total infrastructure, property, plant and equipment		95,516	83,192	433,500	416,924	529,016	500,116

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment and Office Equipment

The purchase cost of Plant & Equipment and Office Equipment are taken as their fair value. There has been no change to the valuation techniques during the reporting period.

Operational Land

A comprehensive valuation of Council's operational land was undertaken at 30 June 2025 by an external valuer.

D2-1 Fair value measurement (continued)

Operational land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price.

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

Community Land

Council's community land was valued based on the Land Value (LV) provided by Valuer-General valuation.

Where the Valuer-General did not provide LV an average unit rate based on the LV for similar community land was used, having regard to the highest and best use for the land.

Land Under Roads

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

Buildings

Council's buildings were valued utilising the current replacement cost approach by an external valuer at 30 June 2024.

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

As such, these assets have been valued using Level 2 and 3 inputs. There has been no change to the valuation techniques during the reporting period. However a further followup assessment of the asset class was performed at 30 June 2025.

Roads, Bridges, Footpaths

A full external revaluation of Council's transport assets (including roads, bridges, footpaths) were undertaken by an external valuers as at 30 June 2023. An independent firm was engaged to undertake condition assessments prior to the valuation date.

Roads include carriageway, roadside shoulders, kerbs and gutters, and roadside assets such as bus shelters, round-a-bouts, signs and street furniture. The cost approach using level 3 inputs was used to value this asset class. As no market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

There has been no change to the valuation methodology during the reporting period, however a further followup assessment of the asset class was performed at 30 June 2025.

Stormwater Drainage

Assets within this class comprise pits, pipes, open channels, headwalls and other water quality devices. The "cost approach" estimates the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres or certain diameter pipes and prices per pit or similar could be supported from extensive professional judgement and market evidence.

A revaluation was undertaken as at 30 June 2024 by an external valuer, however a further followup assessment of the asset class was performed at 30 June 2025.

Car Parks

Car parks include surface area and pavement, kerbs and gutters, layback and landscaping. The cost approach using level 3 inputs was used to value this asset class. An external revaluation was undertaken as at 30 June 2023, however a further followup assessment of the asset class was performed at 30 June 2025.

Other Open Space and Recreational Assets

Assets within this class have been valued by an external valuer at fair value comprising of regional sporting and recreational facilities and playgrounds, park furniture, amenities and fittings (picnic tables, shelters, seats, bollards, fences, BBQ's, etc).

Extensive professional judgement has been required to determine the final fair value of assets. Valuation of Council's other open space and recreational assets was undertaken as at 30 June 2024 by an external valuer, however a further followup assessment of the asset class was performed at 30 June 2025.

Library Books

Library Books are valued at cost. The carrying amounts of these assets are assumed to approximate fair value due to the nature of the items. There has been no change to the valuation process during the reporting period.

Fair value measurements using significant unobservable inputs (level 3)

D2-1 Fair value measurement (continued)

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

\$ '000	2025	2024
Opening balance	416,924	394,575
Total gains or (losses) for the period - Revaluation surplus / (decrement)	13,876	15,722
Other movements		
Additions (Purchases) (GBV)	13,249	11,017
Disposals (WDV)	(3,429)	(2,251)
Depreciation and impairment	(10,454)	(9,447)
Other movement - Transfers from WIP	3,334	7,308
Closing balance	433,500	416,924

Highest and best use

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

Community land is being utilised in a manner that differs from its highest and best use due to standing legal restrictions on the permissible usage of the land based on the Local Government Act 1993.

D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such we do not believe that there is sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

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

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

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

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

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

** For 180 Point Members, Employers are required to contribute 9.5% of salaries from 1 July 2025 to these members' accumulation accounts, in line with current level of Superannuation Guarantee contributions which are paid in addition to members' defined benefits.*

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025.

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

(b) a description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan:

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

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

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

D3-1 Contingencies (continued)

(i) wind-up of the plan

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

(ii) the entity's withdrawal from the plan

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

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

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

We confirm the plan is a defined benefit plan.

(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.

See earlier section on "AASB119 accounting observations".

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

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2024 was \$124,827.21. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2024.

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

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

Defined Benefit Reserves Only*	\$ Millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.0%
Vested Benefits	2,130.4	103.2%

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

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

Investment Return	6.0% per annum
Salary Inflation	3.5% per annum
Increase in CPI	2.5% per annum thereafter

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2025.

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

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

(ii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

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

D3-1 Contingencies (continued)

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30 June 2008.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	1,373	1,157
Post-employment benefits	106	109
Other long-term benefits	29	36
Total	1,508	1,302

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed. There are no other transactions between the Council and the KMP's and their related parties.

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	48	53
Councillors' fees	159	164
Other Councillors' expenses (including Mayor)	81	38
Total	288	255

E2 Other relationships

E2-1 Audit fees

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

Auditors of the Council - NSW Auditor-General:

(i) Audit services

Audit of financial statements

	150	140
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Remuneration for audit services	150	140
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Total Auditor-General remuneration	150	140
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Non NSW Auditor-General audit firms:

(i) Audit and other assurance services

Internal audit

	263	175
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Remuneration for audit and other assurance services	263	175
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Total remuneration of non NSW Auditor-General audit firms	263	175
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Total audit fees	413	315
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F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	4,038	15,418
Add / (less) non-cash items:		
Depreciation and amortisation	10,906	9,971
(Gain) / loss on disposal of assets	2,939	1,674
Non-cash capital grants and contributions	–	(5,600)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(12)	(1,907)
Increase / (decrease) in provision for impairment of receivables	(54)	(54)
(Increase) / decrease of inventories	25	(8)
(Increase) / decrease of other current assets	(33)	(188)
Increase / (decrease) in payables	4,607	419
Increase / (decrease) in contract liabilities	4,363	(3,016)
Increase / (decrease) in employee benefit provision	735	564
Net cash flows from operating activities	27,514	17,273

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2025	2024
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Road infrastructure	3,750	3,798
Buildings	157	219
Plant and equipment	3,316	813
Other community infrastructure	807	203
Other	390	63
Total commitments	8,420	5,096
These expenditures are payable as follows:		
Within the next year	8,420	5,096
Total payable	8,420	5,096

Details of capital commitments

Capital commitments represent the committed but unspent component of capital projects that are currently in progress.

F3-1 Events occurring after the reporting date

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

F4 Statement of developer contributions

F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Parking	434	–	–	–	15	–	–	449	–
Community facilities	570	972	–	–	55	–	–	1,597	–
Roads and traffic facilities	1,020	382	–	–	35	(416)	–	1,021	–
Major open space	6,569	4,682	–	–	395	(16)	–	11,630	–
Local open space	7,978	2,365	–	–	361	(86)	–	10,618	–
Administration	358	100	–	–	14	(47)	–	425	–
S7.11 contributions – under a plan	16,929	8,501	–	–	875	(565)	–	25,740	–
S7.12 levies – under a plan	10,563	1,771	–	–	402	(908)	–	11,828	–
Total S7.11 and S7.12 revenue under plans	27,492	10,272	–	–	1,277	(1,473)	–	37,568	–
S7.11 not under plans	926	–	–	–	33	–	–	959	–
Total contributions	28,418	10,272	–	–	1,310	(1,473)	–	38,527	–

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

F4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
S7.11 contributions – under a plan									
CONTRIBUTION PLAN 2010 – DIRECT									
Community facilities	570	972	–	–	55	–	–	1,597	–
Administration	358	100	–	–	14	(47)	–	425	–
Roads and traffic facilities	1,020	382	–	–	35	(416)	–	1,021	–
Major open space	6,569	4,682	–	–	395	(16)	–	11,630	–
Local open space	7,978	2,365	–	–	361	(86)	–	10,618	–
Total	16,495	8,501	–	–	860	(565)	–	25,291	–
CONTRIBUTION PLAN 1993									
Parking	434	–	–	–	15	–	–	449	–
Total	434	–	–	–	15	–	–	449	–

S7.12 Levies – under a plan

INDIRECT DEVELOPMENT CONTRIBUTIONS PLAN – 2010									
General levy	10,563	1,771	–	–	402	(908)	–	11,828	–
Total	10,563	1,771	–	–	402	(908)	–	11,828	–

F4-3 Contributions not under plans

CONTRIBUTIONS – NOT UNDER A PLAN									
Parking	926	–	–	–	33	–	–	959	–
Total	926	–	–	–	33	–	–	959	–

F4-4 S7.4 planning agreements

Voluntary Planning Agreements									
Other	688	–	–	–	–	–	–	688	–
Total	688	–	–	–	–	–	–	688	–

End of the audited financial statements

G1 Statement of performance measures

G1-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2025	Indicator 2025	Indicators 20242023		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	(7,540)	(12.69)%	(11.57)%	(16.23)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	59,397				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	56,234	76.09%	65.14%	72.40%	> 60.00%
Total continuing operating revenue ¹	73,908				
3. Unrestricted current ratio					
Current assets less all external restrictions	26,313	2.15x	5.02x	4.32x	> 1.50x
Current liabilities less specific purpose liabilities	12,239				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	3,870	3.32x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,164				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	2,948	6.61%	6.28%	4.86%	< 5.00%
Rates and annual charges collectable	44,570				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	79,247	19.40	17.30	12.77	> 3.00
Monthly payments from cash flow of operating and financing activities	4,086	months	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Strathfield Municipal Council

To the Councillors of Strathfield Municipal Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements, Special Schedules (the Schedules) and G1 Statement of performance measures.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations'
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- on G1 Statement of performance measures
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'K Taylor', written in a cursive style.

Karen Taylor
Delegate of the Auditor-General for New South Wales

29 October 2025
SYDNEY



Cr Benjamin Cai
Mayor
Strathfield Municipal Council
PO Box 120
STRATHFIELD NSW 2135

Contact: Karen Taylor
Phone no: 9275 7311
Our ref: [R008-1981756498-6446](#)

29 October 2025

Dear Mayor

Report on the Conduct of the Audit
for the year ended 30 June 2025
Strathfield Municipal Council

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

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

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

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

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

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

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

INCOME STATEMENT

Financial performance

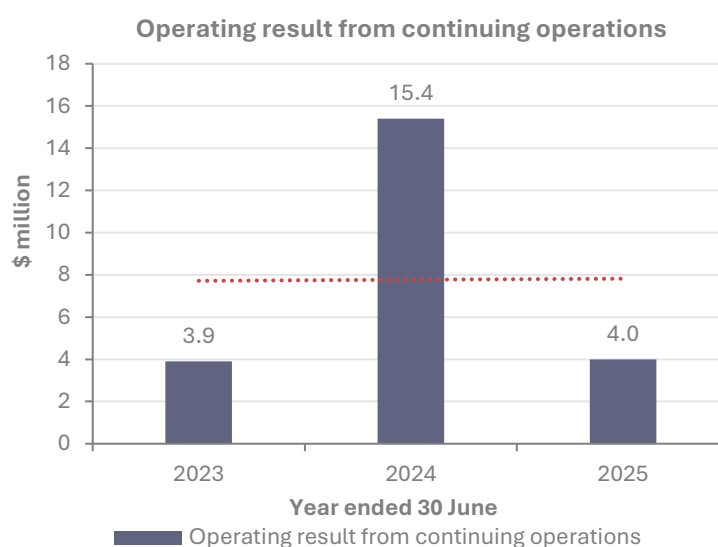
	2025	2024	Variance
	\$m	\$m	%
Rates and annual charges revenue	41.9	36.9	13.6
Grants and contributions provided for operating purposes revenue	3.2	2.9	10.3
Grants and contributions provided for capital purposes revenue	14.5	22.9	36.7
Operating result from continuing operations	4.0	15.4	74.0
Net operating result for the year before grants and contributions provided for capital purposes	(10.5)	(7.5)	40.0

Operating result from continuing operations

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

Council's operating result from continuing operations for the year was \$11.4 million lower than the 2023–24 result. This was mainly due to:

- the \$8.4 million decrease in grants and contributions provided for capital purposes being offset by increases in all other revenue sources
- the \$10.4 million increase in expenses, with employee benefits and on-costs and materials and services equally contributing to \$8.6 million of this increase
- depreciation, amortisation and impairment expense (\$10.9 million) increased by \$935k due to growth in infrastructure, property, plant and equipment
- net loss on disposal of assets (\$2.9 million), which included replacement of nets and other assets at the Hudson Park Driving Range.



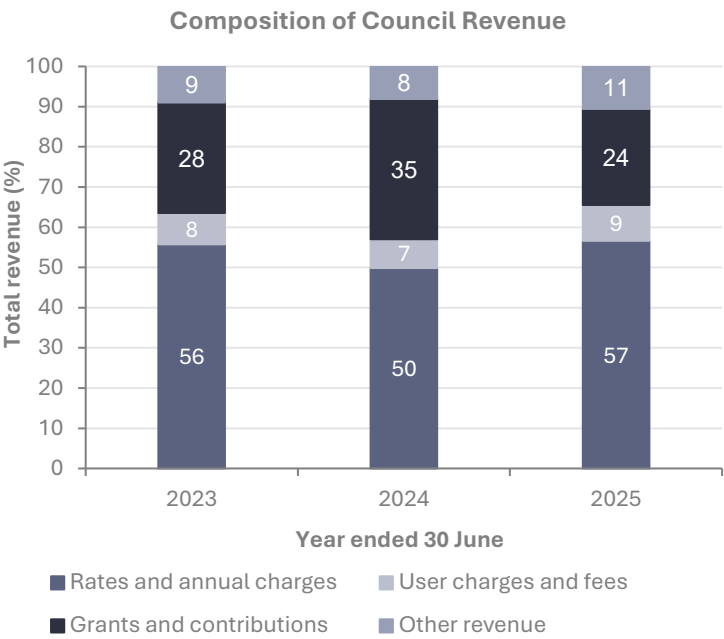
The net operating result for the year before grants and contributions provided for capital purposes was a loss of \$10.5 million. Refer to ‘Grants and contributions revenue’ below for details.

Income

Council revenue

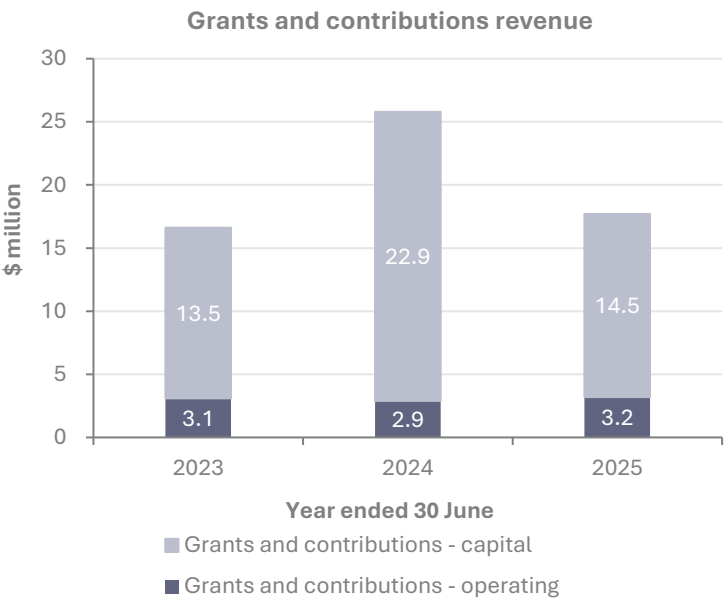
This graph shows the composition of Council’s revenue recognised for the current and prior two financial years. Council revenue (\$73.9 million) remained steady in 2024–25 due to:

- rates and annual charges revenue (\$41.9 million) which increased by \$5.0 million (13.6 per cent) due to special rate variation
- grants and contributions revenue (\$17.7 million) decreased by \$8.1 million (31.5 per cent) offsetting the increases in income – see additional details below.
- all other revenue sources contributing to an increase of \$3.1 million (4.2 per cent)



Grants and contributions revenue

This graph shows the amount of grants and contributions revenue recognised for the current and prior two financial years. Grants and contributions revenue (\$17.7 million) decreased by \$8.1 million (31.5 per cent) in 2024–25 due to a \$6.5 million decrease in developer contributions (dedicated affordable housing units) and a \$1.6 million decrease in grants and non-developer contributions. These contributions will fluctuate year on year.



CASH FLOWS

Statement of cash flows

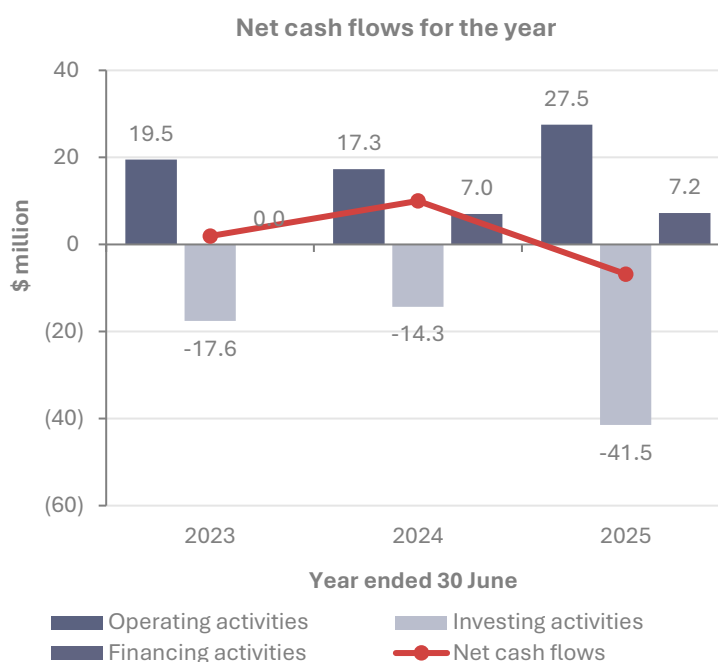
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating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

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

The net cash flows for the year were negative \$6.8 million (positive \$10.0 million in 2023–24).

In 2024–25 the net cashflows:

- from operating activities increased by \$10.2 million, due to a \$16.0 million increase in receipts offset by a \$5.8 million increase in payments. Receipts from rates and annual charges increased by \$5.3 million and grants and contributions increased by \$4.7 million. Payments to employees increased by \$4.3 million.
- used in investing activities increased by \$27.2 million, mainly due to payments to acquire new term deposits
- from financing activities reflects proceeds from borrowings.



FINANCIAL POSITION

Cash, cash equivalents and investments

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

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

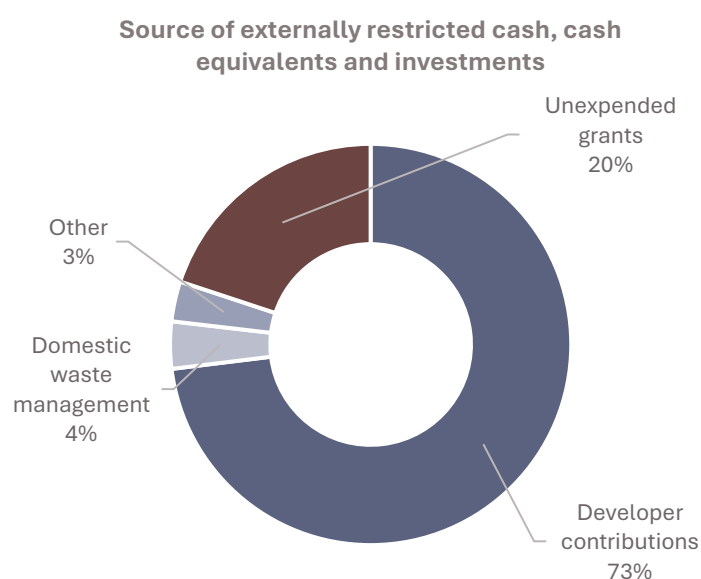
Cash, cash equivalents, and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	79.2	62.5		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.
Restricted and allocated cash, cash equivalents and investments:				Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	58.9	38.4	74.4	
• Internal allocations	20.3	24.1	25.6	

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

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

- developer contributions of \$38.5 million, a \$10.4 million increase
- unexpended grants of \$10.5 million, a \$5.1 million increase
- domestic waste management and other making up the remaining \$10.6 million, including unexpended loans of \$6.1 million.

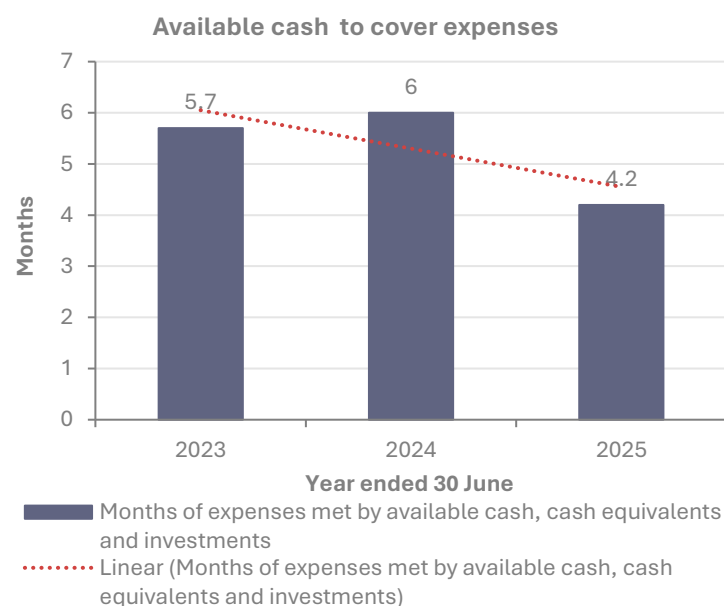


Council liquidity

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

At 30 June 2025, Council can fund 4.2 months of general expenses.

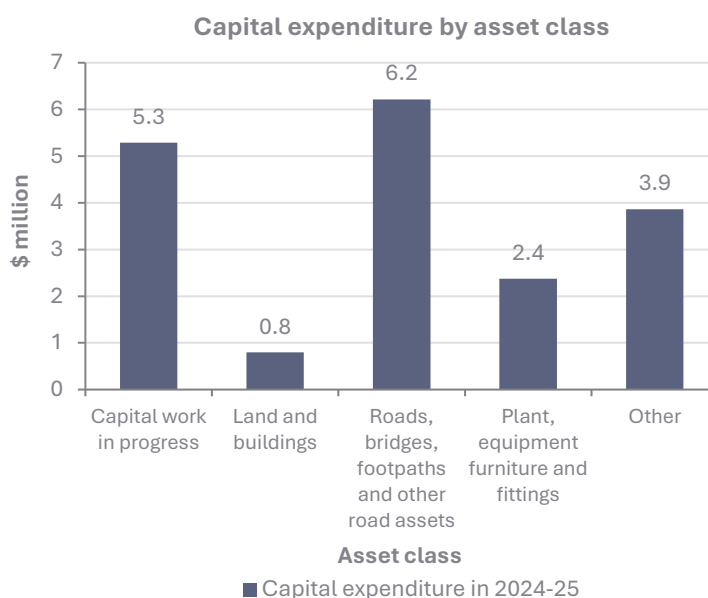
Further details on cash, cash equivalents and investments including the sources of external restrictions are included in the section above.



Infrastructure, property, plant and equipment

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

Council renewed \$14.9 million of infrastructure, property, plant and equipment during the 2024–25 financial year. This was mainly spent on roads, footpaths and other infrastructure. A further \$3.7 million was spent mainly on new assets, mainly open space/recreational assets, stormwater other road assets and bridges.



Debt

The table below provides an overview of the Council's loans and committed borrowing facilities. Committed borrowing facilities are an element of liquidity management and include bank overdrafts, and credit cards.

Debt	2025	2024	Commentary
	\$m	\$m	
Loans	14.2	7.0	Loans taken out to fund Hudson Park Driving Range remediation and the upfront funds required for the infrastructure asset renewal program.
Credit card facility	-	-	\$70,000 with \$19,000 used.
Amount used	-	-	

Karen Taylor
Delegate of the Auditor -General

Strathfield Municipal Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025



Strathfield Municipal Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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Statement of Financial Position of the Hudson Park Driving Range	5
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Background

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

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

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

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

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

Strathfield Municipal Council

Special Purpose Financial Statements for the year ended 30 June 2025

Statement by Councillors and Management

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

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

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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 28 October 2025.



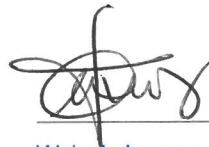
Benjamin Cai
Mayor
28 October 2025



Sandy Reddy
Deputy Mayor
28 October 2025



Michael Mamo
General Manager
28 October 2025



Waisale Iowane
Responsible Accounting Officer
28 October 2025

Strathfield Municipal Council

Income Statement of the Hudson Park Driving Range

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User fees and charges	1,899	1,977
Other income	–	7
Total income from continuing operations	1,899	1,984
Expenses from continuing operations		
Employee benefits and on-costs	846	599
Materials and services	351	185
Borrowing costs	3	–
Depreciation, amortisation and impairment	136	231
Net loss from the disposal of assets	1,130	–
Total expenses from continuing operations	2,466	1,015
Surplus (deficit) from continuing operations before capital amounts	(567)	969
Surplus (deficit) from continuing operations after capital amounts	(567)	969
Surplus (deficit) from all operations before tax	(567)	969
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(242)
Surplus (deficit) after tax	(567)	727
Plus opening accumulated surplus	6,232	5,542
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	242
Add:		
Less:		
– Surplus dividend paid	(320)	(279)
Closing accumulated surplus	5,345	6,232
Return on capital %	(7.4)%	15.3%
Subsidy from Council	887	–
Calculation of dividend payable:		
Surplus (deficit) after tax	(567)	727
Surplus for dividend calculation purposes	–	727
Potential dividend calculated from surplus	–	364

Strathfield Municipal Council

Statement of Financial Position of the Hudson Park Driving Range

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Investments	195	—
Inventories	1	7
Total current assets	196	7
Non-current assets		
Infrastructure, property, plant and equipment	7,691	6,333
Total non-current assets	7,691	6,333
Total assets	7,887	6,340
LIABILITIES		
Current liabilities		
Payables	3	—
Borrowings	159	—
Total current liabilities	162	—
Non-current liabilities		
Borrowings	1,841	—
Employee benefit provisions	49	49
Total non-current liabilities	1,890	49
Total liabilities	2,052	49
Net assets	5,835	6,291
EQUITY		
Accumulated surplus	5,345	6,232
IPPE revaluation reserves	490	59
Total equity	5,835	6,291

Note – Material accounting policy information

These special purpose financial statements for the year ended 30 June 2023 and 30 June 2024 were authorised for issue by Council on 22 October 2024. Council has the power to amend and reissue these special purpose financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the special purpose financial statements.

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Hudson Park Golf Driving Range

A business activity involves the supply of goods and services for a fee or charge for the purposes of making a profit.

Category 2

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

Nil

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 25%

Note – Material accounting policy information (continued)

Income tax

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

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

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

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

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

(ii) Return on investments (rate of return)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

(iii) Dividends

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Strathfield Municipal Council

To the Councillors of Strathfield Municipal Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'K Taylor', written in a cursive style.

Karen Taylor
Delegate of the Auditor-General for New South Wales

29 October 2025
SYDNEY

Strathfield Municipal Council

SPECIAL SCHEDULES
for the year ended 30 June 2025



Strathfield Municipal Council

Special Schedules

for the year ended 30 June 2025

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Strathfield Municipal Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional general income yield	a	27,003	31,331
Plus or minus adjustments ²	b	405	26
Notional general income	c = a + b	27,408	31,357
Permissible income calculation			
Percentage increase	d	14.11%	17.50%
Plus percentage increase amount ³	f = d x (c + e)	3,867	5,487
Sub-total	g = (c + e + f)	31,275	36,844
Plus (or minus) last year's carry forward total	h	2	(41)
Less valuation objections claimed in the previous year	i	(32)	(45)
Sub-total	j = (h + i)	(30)	(86)
Total permissible income	k = g + j	31,245	36,758
Less notional general income yield	l	31,331	36,830
Catch-up or (excess) result	m = k - l	(86)	(72)
Plus income lost due to valuation objections claimed ⁴	n	45	41
Carry forward to next year ⁶	p = m + n + o	(41)	(31)

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Strathfield Municipal Council

To the Councillors of Strathfield Municipal Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'K Taylor', written in a cursive style.

Karen Taylor
Delegate of the Auditor-General for New South Wales

29 October 2025
SYDNEY

Strathfield Municipal Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings and other structures	2,587	5,057	1,871	1,887	67,375	93,564	62.5%	20.2%	10.6%	5.2%	1.4%
	Sub-total	2,587	5,057	1,871	1,887	67,375	93,564	62.5%	20.2%	10.6%	5.2%	1.5%
Roads & Car Parks	Roads, bridges, footpaths, kerb & gutter, bulk earthworks (non-depreciable).	4,922	10,007	5,731	4,654	210,380	326,399	38.9%	32.6%	24.6%	3.7%	0.3%
	Car parks	259	517	157	—	6,013	7,854	68.9%	7.4%	15.5%	7.2%	1.0%
	Sub-total	5,181	10,524	5,888	4,654	216,393	334,253	39.6%	32.0%	24.4%	3.8%	0.2%
Stormwater drainage	Stormwater drainage (Pits, Pipes, & Conduits)	21,895	44,384	2,674	186	59,859	133,723	22.6%	8.6%	26.7%	33.5%	8.5%
	Sub-total	21,895	44,384	2,674	186	59,859	133,723	22.6%	8.6%	26.7%	33.5%	8.6%
Open Space & Recreational Assets	Other open space / recreational assets	485	968	929	5,345	33,597	46,438	67.4%	12.0%	18.0%	2.5%	0.1%
	Swimming pools	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	485	968	929	5,345	33,597	46,438	67.4%	12.0%	18.0%	2.5%	0.1%
	Total – all assets	30,148	60,933	11,362	12,072	377,224	607,978	41.5%	23.5%	22.3%	10.4%	2.3%

(a) Required maintenance is an estimated percentage of gross replacement cost.

Infrastructure asset condition assessment 'key'

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

Strathfield Municipal Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024 2023		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	7,307	83.91%	110.15%	48.75%	> 100.00%
Depreciation, amortisation and impairment	8,708				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	30,148	7.99%	10.29%	6.69%	< 2.00%
Net carrying amount of infrastructure assets	377,270				
Asset maintenance ratio					
Actual asset maintenance	12,072	106.25%	106.79%	69.31%	> 100.00%
Required asset maintenance	11,362				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	60,933	10.02%	16.61%	12.37%	
Gross replacement cost	607,978				

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

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