



General Purpose Financial Statements

for the year ended 30 June 2025

Bayside Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

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

444/446 Princes Highway
Rockdale NSW 2216

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.bayside.nsw.gov.au.

Bayside Council

General Purpose Financial Statements

for the year ended 30 June 2025

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 22 October 2025.



Edward McDougall
Mayor
22 October 2025



Heidi Lee Douglas
Deputy Mayor
22 October 2025



Meredith Wallace
General Manager
22 October 2025



Richard Sheridan
Responsible Accounting Officer
22 October 2025

Bayside Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
	Income from continuing operations			
148,819	Rates and annual charges	B2-1	150,305	141,933
18,807	User charges and fees	B2-2	20,346	17,896
14,531	Other revenues	B2-3	21,455	16,224
11,002	Grants and contributions provided for operating purposes	B2-4	10,994	12,253
11,638	Grants and contributions provided for capital purposes	B2-4	30,044	24,411
21,234	Interest and investment income	B2-5	27,806	26,471
4,520	Other income	B2-6	5,174	5,947
–	Net share of interests in joint ventures and associates using the equity method	D2-1	13	26
230,551	Total income from continuing operations		266,137	245,161
	Expenses from continuing operations			
92,662	Employee benefits and on-costs	B3-1	89,104	83,822
80,429	Materials and services	B3-2	91,607	84,251
76	Borrowing costs	B3-3	70	121
4,950	Other expenses	B3-5	4,852	5,227
–	Net loss from the disposal of assets	B4-1	8,779	6,763
178,117	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		194,412	180,184
52,434	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		71,725	64,977
32,710	Depreciation, amortisation and impairment of non-financial assets	B3-4	36,239	30,619
19,724	Operating result from continuing operations		35,486	34,358
19,724	Net operating result for the year attributable to Council		35,486	34,358
8,085	Net operating result for the year before grants and contributions provided for capital purposes		5,442	9,947

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

Bayside Council

Statement of Comprehensive Income

for the year ended 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
Net operating result for the year – from Income Statement		35,486	34,358
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	57,893	77,208
Other comprehensive income for the year		57,893	77,208
Total comprehensive income for the year attributable to Council		93,379	111,566

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

Bayside Council

Statement of Financial Position

as at 30 June 2025

	Notes	2025 \$ '000	2024 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	13,844	21,429
Investments	C1-2	355,013	320,011
Receivables	C1-4	26,167	24,929
Inventories	C1-5	300	275
Other		2,001	1,540
Total current assets		397,325	368,184
Non-current assets			
Investments	C1-2	176,046	170,635
Infrastructure, property, plant and equipment (IPPE)	C1-6	1,936,833	1,876,816
Intangible assets	C1-7	110	498
Right of use assets	C2-1	24	78
Investments accounted for using the equity method	D2-1	377	364
Total non-current assets		2,113,390	2,048,391
Total assets		2,510,715	2,416,575
LIABILITIES			
Current liabilities			
Payables	C3-1	31,602	28,388
Contract liabilities	C3-2	1,823	–
Lease liabilities	C2-1	24	54
Borrowings	C3-3	121	3,577
Employee benefit provisions	C3-4	20,364	20,034
Provisions	C3-5	3,174	3,136
Total current liabilities		57,108	55,189
Non-current liabilities			
Lease liabilities	C2-1	–	24
Borrowings	C3-3	–	121
Employee benefit provisions	C3-4	1,602	1,219
Provisions	C3-5	1,200	2,596
Total non-current liabilities		2,802	3,960
Total liabilities		59,910	59,149
Net assets		2,450,805	2,357,426
EQUITY			
Accumulated surplus		2,036,666	2,001,180
IPPE revaluation surplus	C4-1	414,139	356,246
Council equity interest		2,450,805	2,357,426
Total equity		2,450,805	2,357,426

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

Bayside Council

Statement of Changes in Equity

for the year ended 30 June 2025

	2025			2024		
	Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation surplus \$ '000	Total equity \$ '000
Opening balance at 1 July	2,001,180	356,246	2,357,426	1,966,822	279,038	2,245,860
Net operating result for the year	35,486	–	35,486	34,358	–	34,358
Net operating result for the year	35,486	–	35,486	34,358	–	34,358
Other comprehensive income						
Gain /(loss) on revaluation of infrastructure, property, plant and equipment	–	57,893	57,893	–	77,208	77,208
Total comprehensive income	35,486	57,893	93,379	34,358	77,208	111,566
Closing balance at 30 June	2,036,666	414,139	2,450,805	2,001,180	356,246	2,357,426

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

Bayside Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025 \$ '000		Notes	Actual 2025 \$ '000	Actual 2024 \$ '000
Cash flows from operating activities				
<i>Receipts:</i>				
148,819	Rates and annual charges		149,722	142,353
18,807	User charges and fees		20,701	18,919
21,234	Interest received		26,607	22,157
22,640	Grants and contributions		35,071	34,160
–	Bonds, deposits and retentions received		1,394	841
19,050	Other		37,505	35,754
<i>Payments:</i>				
(92,662)	Payments to employees		(88,167)	(83,178)
(79,136)	Payments for materials and services		(102,969)	(98,322)
(76)	Borrowing costs		(70)	(121)
(4,950)	Other		(6,203)	(6,152)
53,726	Net cash flows from operating activities	G1-1	73,591	66,411
Cash flows from investing activities				
<i>Receipts:</i>				
22,000	Sale of investments		355,000	496,650
–	Proceeds from sale of IPPE		3,573	2,703
<i>Payments:</i>				
–	Acquisition of term deposits		(40,000)	(3,350)
–	Purchase of investments		(354,999)	(496,651)
(41,890)	Payments for IPPE		(41,119)	(68,292)
(19,890)	Net cash flows from investing activities		(77,545)	(68,940)
Cash flows from financing activities				
<i>Payments:</i>				
(3,400)	Repayment of borrowings		(3,577)	(3,600)
–	Principal component of lease payments		(54)	(55)
(3,400)	Net cash flows from financing activities		(3,631)	(3,655)
30,436	Net change in cash and cash equivalents		(7,585)	(6,184)
21,429	Cash and cash equivalents at beginning of year		21,429	27,613
51,865	Cash and cash equivalents at end of year	C1-1	13,844	21,429
430,000	plus: Investments on hand at end of year	C1-2	531,059	490,646
481,865	Total cash, cash equivalents and investments		544,903	512,075

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

Bayside Council

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Bayside 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 2025. 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 material accounting policy information related to 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 financial assets and liabilities and 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.
- ii. tip remediation provisions – refer Note C3-5
- iii. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund.

The Consolidated Fund has been included in the financial statements of the Council.

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

- General purpose operations

Volunteer services

Council utilises volunteers within the library network to deliver valuable programs to the community and to assist with regeneration projects as part of the BushCare program. Whilst the contributions of volunteers are a valued aspect of certain services provided to the community, the financial value of these contributions is not considered material, and furthermore, would not be otherwise purchased. Accordingly, volunteer services are not recognised in these financial statements.

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

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 2024.

Council's assessment of the impact of the new standards, and interpretations relevant to them, is set out below;

AASB 18 Presentation and Disclosure in Financial Statements

This standard replaces AASB 101 *Presentation of Financial Statements* and sets out the requirements for the structure of the financial statements, including the application of fundamental concepts such as materiality.

AASB 18 introduces additional subtotals into the Statement of Profit or Loss as well as restructuring the statement into operating, investing and financing elements.

Management performance measures are also required to be disclosed.

The presentation of Council's primary statements will be changed along with some additional disclosures, however there will be no effect on Council's reported position or performance.

The standard applies to annual reporting periods beginning on or after 1 January 2028, i.e., Councils' financial statements for the year ended 30 June 2029.

AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments [AASB 7 and AASB 9]

This Standard amends AASB 7 and AASB 9 in response to feedback from the 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and related requirements in AASB 7 and the subsequent 2023 Exposure Draft.

This Standard amends requirements related to:

- (a) settling financial liabilities using an electronic payment system; and
- (b) assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features.

This Standard also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Likely impact of this standard is:

- potentially earlier derecognition of liabilities settled by electronic means which meet the updated criteria in AASB 9.
- reclassification of financial assets with ESG features based on the revised guidance in relation to whether amortised costs can be used – not likely to be significant for Councils.
- additional disclosures for equity instruments classified as fair value through other comprehensive income – these instruments are rare for Councils.

The standard applies to annual reporting periods beginning on or after 1 January 2026, i.e. council financial statements for the year ended 30 June 2027.

AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11 [AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107]

This Standard amends:

- a. AASB 1 to improve consistency between paragraphs B5-B6 of AASB 1 and the requirements for hedge accounting in AASB 9 and improve the understandability of AASB 1;
- b. AASB 7 to
 - i. replace a cross-reference in paragraph B3 of AASB 7 to a deleted AASB 7 paragraph with a reference to AASB 13 Fair Value Measurement; and
 - ii. improve consistency in the language used in AASB 7 with the language used in AASB 13;
- c. AASB 9 to
 - i. clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished; and
 - ii. address an inconsistency between paragraph 5.1.3 of AASB 9 and the requirements of AASB 15 *Revenue from Contracts and Customers* in relation to the term 'transaction price';
- d. AASB 10 to amend paragraph B74 in relation to determining de facto agents of an entity; and

A1-1 Basis of preparation (continued)

- e. AASB 107 to replace the term 'cost method' with 'at cost' as the term is no longer defined in Australian Accounting Standards

There is unlikely to be any significant impact to Council on adoption of this standard

The standard applies to annual reporting periods beginning on or after 1 January 2026, i.e. council financial statements for the year ended 30 June 2027.

New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2025.

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

This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for the application by not-for-profit entities. The amendments in this standard do not have a material impact on the reported financial position and performance of Council.

- **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current;**
- **AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date.**

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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Functions or activities										
Bayside will be a Vibrant Place	46,119	45,929	76,943	69,381	(30,824)	(23,452)	12,999	18,274	1,029,341	999,590
Our People will be Connected in a Creative City	5,554	6,800	24,447	25,987	(18,893)	(19,187)	3,495	4,806	226,177	230,221
Bayside will be Green, Resilient and Sustainable	44,526	40,009	41,386	37,197	3,140	2,812	1,757	1,120	475,915	466,239
Bayside will be a Prosperous Community	169,938	152,423	87,875	78,238	82,063	74,185	22,787	12,464	771,356	720,525
Other	-	-	-	-	-	-	-	-	7,926	-
Total functions and activities	266,137	245,161	230,651	210,803	35,486	34,358	41,038	36,664	2,510,715	2,416,575

B1-2 Components of functions or activities

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

Bayside will be a Vibrant Place

Neighbours, visitors, and businesses are connected in dynamic urban environments. People are proud of living and working in bayside. Built forms focus are sympathetic to the natural landscape and make our area a great place to live.

Our People will be Connected in a Creative City

Knowledge sharing and collaboration ensure that we have the expertise and relationships to lead with integrity, adapt to change, connect vulnerable people to community, build resilience and effectively respond in times of adversity and stress. Our strong connections help our diverse community to feel equally valued.

Bayside will be Green, Resilient and Sustainable

Our natural assets and biodiversity are protected and enhanced through collaborative partnerships, to benefit a healthy environment now and in the future. The community is resilient, and confident in its ability to work together to thrive, adapt and recover from risks and climate events. Energy, resources, and waste are managed sustainably.

Bayside will be a Prosperous Community

Business innovation, technology, flourishing urban spaces and efficient transport attract diverse business, skilled employees and generate home-based business. Growth in services to the local community generate employment support, a thriving community, and livelihoods. Council is viable across its quadruple bottom line: social, environmental, economic, and civic leadership.

B2 Sources of income

B2-1 Rates and annual charges

	2025 \$ '000	2024 \$ '000
Ordinary rates		
Residential	68,499	66,076
Farmland	8	7
Business	25,577	23,760
Less: pensioner rebates	(1,264)	(1,309)
Rates levied to ratepayers	92,820	88,534
Pensioner rate subsidies received	709	780
Total ordinary rates	93,529	89,314
Special rates		
Parking	118	113
Main street	118	113
Infrastructure levy	13,730	13,091
Local area rates	584	559
Community safety levy	539	514
Total special rates	15,089	14,390
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	40,509	37,158
Stormwater management services	1,380	1,374
Section 611 charges	107	107
Less: pensioner rebates	(699)	(676)
Annual charges levied	41,297	37,963
Pensioner annual charges subsidies received:		
– Domestic waste management	390	266
Total annual charges	41,687	38,229
Total rates and annual charges	150,305	141,933

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

	2025 \$ '000	2024 \$ '000
User charges		
Waste management services (non-domestic)	1,671	1,509
Waste management services (non-rateable)	119	107
Other	2	2
Total user charges	1,792	1,618
Fees		
Development and planning consent fees	2,405	2,508
Health inspection and approvals fee	1,729	1,446
Section 10.7 certificates (EP&A Act)	605	616
Section 603 certificates	375	368
Town planning	249	46
Building consents and construction certificates	153	229
Building inspections	104	160
Fire Safety	337	358
Restoration charges	1,705	843
Long day care	2,274	2,239
Swimming centres	4,612	3,415
Advertising sign planning agreement	1,019	1,304
Leaseback fees – Council vehicles	546	505
Permits and inspection fees	269	240
Engineering inspections and other fees	310	282
Design review panel	304	236
Golf course	566	533
Park rents	373	322
Other	619	628
Total fees	18,554	16,278
Total user charges and fees	20,346	17,896
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	5,113	3,702
User charges and fees recognised at a point in time	15,233	14,194
Total user charges and fees	20,346	17,896

Material accounting policy information

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

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

Where an upfront fee is charged, the fee is recognised on a straight-line basis over the expected life of the service.

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

B2-3 Other revenues

	2025 \$ '000	2024 \$ '000
Ex gratia rates	5,280	5,035
Parking fines	8,534	8,309
Other fines	109	236
Project Cost Recovery (i)	2,656	–
Insurance claims recoveries	588	224
Legal fees recovery – rates and charges (extra charges)	619	50
Legal fees recovery – other	292	205
Sales – general	580	649
Rental income – halls and community facilities	403	485
Rental income – parks and sporting facilities	499	384
Rental income – other council properties	173	173
Energy Savings Rebates	247	32
Other	1,475	442
Total other revenue	21,455	16,224
Timing of revenue recognition for other revenue		
Other revenue recognised over time	1,075	1,004
Other revenue recognised at a point in time	20,380	15,220
Total other revenue	21,455	16,224

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.

(i) Council entered into a Funding Agreement with Transport for NSW on 29 May 2024 to undertake upgrades to the Coward Street shared path in accordance with the specifications outlined in the Funding Agreement. The project was completed in the 2024/25 financial year and the project costs were fully recovered from Transport for NSW.

B2-4 Grants and contributions

	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	729	119	–	–
Financial assistance – local roads component	239	51	–	–
Payment in advance - future year allocation				
Financial assistance – general component	2,454	3,965	–	–
Financial assistance – local roads component	806	1,299	–	–
Amount recognised as income during current year	4,228	5,434	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Library	575	567	–	–
Child care	3,413	3,391	–	–
Community care	128	63	–	–
Emergency Services	8	202	–	–
Environmental protection	543	1,629	243	1,036
Heritage and cultural	12	33	–	–
LIRS subsidy	–	–	–	1
Street lighting	641	628	–	–
Roads and traffic	404	44	319	632
Road safety	–	–	3	83
Parks	–	–	190	3,540
Other community infrastructure	–	–	217	2,954
Other specific grants	852	–	38	–
Transport (roads to recovery)	–	–	1,277	737
Previously contributions:				
Other contributions	145	64	–	115
Community events	45	198	–	–
Total special purpose grants and non-developer contributions – cash	6,766	6,819	2,287	9,098
Non-cash contributions				
Dedications	–	–	415	782
Other	–	–	5,938	1,510
Total other contributions – non-cash	–	–	6,353	2,292
Total special purpose grants and non-developer contributions (tied)	6,766	6,819	8,640	11,390
Total grants and non-developer contributions	10,994	12,253	8,640	11,390
Comprising:				
– Commonwealth funding	7,465	8,505	1,216	1,477
– State funding	3,384	3,683	1,071	7,621
– Other funding	145	65	6,353	2,292
	10,994	12,253	8,640	11,390

B2-4 Grants and contributions (continued)

Developer contributions

	Notes	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.4 – contributions using planning agreements	G4	–	–	3,718	2,983
S 7.11 – contributions towards amenities/services		–	–	12,653	8,626
S 7.12 – fixed development consent levies		–	–	2,232	1,412
Total developer contributions – cash		–	–	18,603	13,021
Non-cash contributions					
S 7.4 – contributions using planning agreements		–	–	2,801	–
Total developer contributions non-cash		–	–	2,801	–
Total developer contributions		–	–	21,404	13,021
Total grants and contributions		10,994	12,253	30,044	24,411
Timing of revenue recognition					
Grants and contributions recognised over time		639	1,065	1,184	3,000
Grants and contributions recognised at a point in time		10,355	11,188	28,860	21,411
Total grants and contributions		10,994	12,253	30,044	24,411

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:

	Operating 2025 \$ '000	Operating 2024 \$ '000	Capital 2025 \$ '000	Capital 2024 \$ '000
Unspent funds at 1 July	7,720	8,247	257,647	341,656
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,187	7,720	19,813	13,201
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(7,720)	(8,247)	(12,420)	(97,210)
Unspent funds at 30 June	4,187	7,720	265,040	257,647

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 an obligation to construct specific non-financial assets to identified specifications which will be controlled by Council. 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 (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods of 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 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 recognised as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

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

Developer contributions

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.

B2-4 Grants and contributions (continued)

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

	2025 \$ '000	2024 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	853	699
– Cash and investments	26,953	25,772
Total interest and investment income	27,806	26,471

Material accounting policy information

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

B2-6 Other income

	2025 \$ '000	2024 \$ '000
Reversal of impairment losses on receivables	–	121
Investments at fair value through profit and loss (FVTPL)	414	736
Rental income	4,760	5,090
Total other income	5,174	5,947

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2025 \$ '000	2024 \$ '000
Salaries and wages	67,056	63,099
Employee leave entitlements (ELE)	11,177	10,594
Superannuation – defined contribution plans	8,174	7,263
Superannuation – defined benefit plans	431	620
Workers' compensation insurance	3,000	2,665
Fringe benefit tax (FBT)	407	450
Training costs (other than salaries and wages)	502	516
Occupational health and safety	196	176
Other	176	202
Total employee costs	91,119	85,585
Less: capitalised costs	(2,015)	(1,763)
Total employee costs expensed	89,104	83,822

Material accounting policy information

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 E3-1 for more information.

B3-2 Materials and services

	Notes	2025 \$ '000	2024 \$ '000
Raw materials and consumables		3,880	8,066
Contractor costs		28,994	24,537
Agency Costs		6,342	5,328
Waste collection and disposal		25,699	17,859
Auditor remuneration	F2-1	331	352
Councillor and Mayoral fees and associated expenses	F1-2	762	660
Advertising		508	621
Bank charges		406	368
Electricity and heating		2,258	1,953
Insurance		2,918	2,698
Postage		498	389
Printing and stationery		1,021	778
Street lighting		2,032	2,262
Subscriptions and publications		489	374
Telephone and communications		739	548
Food and beverages		306	398
Fees and charges		984	1,492
Property expenses		681	733
Motor vehicle expenses		2,287	2,453
Legal expenses:			
- Planning and development		1,139	1,308
- Other		1,571	716
Variable lease expense relating to usage		1,569	5,524
Computer maintenance		2,553	2,941
Recycling contract		2,640	846
Other		1,000	1,047
Total materials and services		91,607	84,251

B3-3 Borrowing costs

	2025 \$ '000	2024 \$ '000
Interest on leases	2	5
Interest on loans	68	116
Total borrowing costs expensed	70	121

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

	Notes	2025 \$ '000	2024 \$ '000
Depreciation and amortisation			
Infrastructure, property, plant and equipment	C1-6	35,862	30,111
Right of use assets	C2-1	54	55
Intangible assets	C1-7	323	453
Total depreciation and amortisation costs		36,239	30,619
Total depreciation, amortisation and impairment of non-financial assets		36,239	30,619

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.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

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

	2025 \$ '000	2024 \$ '000
Impairment of receivables	20	–
Contributions/levies to other levels of government		
– Department of planning levy	335	324
– Emergency services levy (includes FRNSW, SES, and RFS levies)	3,434	3,726
– Other contributions/levies	1,019	1,045
Donations, contributions and assistance to other organisations (Section 356)	44	132
Total other expenses	4,852	5,227

B4 Gains or losses

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

	Notes	2025 \$ '000	2024 \$ '000
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		500	–
Less: carrying amount of property assets sold/written off		(1,483)	–
Gain (or loss) on disposal		(983)	–
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment	C1-6	3,073	2,703
Less: carrying amount of plant and equipment assets sold/written off		(1,811)	(1,459)
Gain (or loss) on disposal		1,262	1,244
Gain (or loss) on disposal of infrastructure			
Less: carrying amount of infrastructure assets sold/written off	C1-6	(8,993)	(8,007)
Gain (or loss) on disposal		(8,993)	(8,007)
Gain (or loss) on disposal of intangible assets			
Less: carrying amount of intangible assets sold/written off	C1-7	(65)	–
Gain (or loss) on disposal		(65)	–
Net gain (or loss) from disposal of assets		(8,779)	(6,763)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 26 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	148,819	150,305	1,486	1%	F
User charges and fees	18,807	20,346	1,539	8%	F
Other revenues	14,531	21,455	6,924	48%	F
Actual other revenues were above budget expectations, primarily due to Council receiving \$2.7m from Transport for NSW towards the Coward St Shared Path project. Council's parking fines income was \$2.4m above budget expectations and the Council also received \$0.5m in relation to insurance recovery.					
Operating grants and contributions	11,002	10,994	(8)	0%	U
Capital grants and contributions	11,638	30,044	18,406	158%	F
Actual capital grants and contributions were above budget expectations due to higher development contributions from increased construction within the LGA. Council also received voluntary planning agreement (VPA) funds and non-cash contributions during the year which were not budgeted for. Additional assets have been identified through Transport assets revaluation.					
Interest and investment revenue	21,234	27,806	6,572	31%	F
Interest and investment income is above budget expectations due to the Reserve Bank of Australia (RBA) reducing interest rates slower than anticipated and Council's decision to invest in longer term term deposits while interest rates remained favourable allowing for a return on investment above the market rate.					
Other income	4,520	5,174	654	14%	F
Actual other income was above budget expectation due to the movement in the face value and fair value of Civic Risk Mutual.					
Expenses					
Employee benefits and on-costs	92,662	89,104	3,558	4%	F
Materials and services	80,429	91,607	(11,178)	(14)%	U
Materials and services actual variance to budget has been driven by a number of factors. A new waste contract commenced in October 2024, contributing to higher than anticipated waste collection costs. Contractor costs were significantly higher than budget due to carry forward of projects from the prior year under Council's resolution, which were not incorporated into the original budget for current year. Other materials and services costs such as animal Impounding costs and agency costs were above expectations.					
Borrowing costs	76	70	6	8%	F
Depreciation, amortisation and impairment of non-financial assets	32,710	36,239	(3,529)	(11)%	U
Depreciation expenses were higher than anticipated as a result of accelerated depreciation for assets scheduled to be demolished over the next 12 months.					

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Other expenses	4,950	4,852	98	2% F

Statement of cash flows

Cash flows from operating activities	53,726	73,591	19,865	37% F
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Council has received favourable cash flows from operating activities due to higher than budget grant and contributions revenue, interest received and user fees and charges. Payments to employees is lower than budget expectations due to vacancies across Council, which is offset by an increase in materials and services expenses payments.

Cash flows from investing activities	(19,890)	(77,545)	(57,655)	290% U
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Council budgeted for a net return from investments, however during the year Council reinvested some funds as they matured to ensure that Council receive a high return on its investments.

Cash flows from financing activities	(3,400)	(3,631)	(231)	7% U
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C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2025 \$ '000	2024 \$ '000
Cash on hand and at bank	694	10,036
Deposits at call	13,150	11,393
Total cash and cash equivalents	13,844	21,429

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	13,844	21,429
Balance as per the Statement of Cash Flows	13,844	21,429

C1-2 Financial investments

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Financial assets at fair value through the profit and loss				
Non-convertible debentures, Floating rate notes (with maturities > 3 months)	–	5	–	5
Listed equity securities	13	–	11	–
CivicRisk Mutual Ltd	–	6,041	–	5,630
Total	13	6,046	11	5,635
Debt securities at amortised cost				
Term deposits	355,000	170,000	320,000	165,000
Total	355,000	170,000	320,000	165,000
Total financial investments	355,013	176,046	320,011	170,635

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

C1-2 Financial investments (continued)

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.

Financial assets through profit or loss

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

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in an NCD, a listed equity security and CivicRisk Mutual Ltd.

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

	2025 \$ '000	2024 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	544,903	512,075
Less: Externally restricted cash, cash equivalents and investments	(425,077)	(397,945)
Cash, cash equivalents and investments not subject to external restrictions	119,826	114,130
External restrictions		
External restrictions included in cash, cash equivalents and investments above comprise:		
Advertising sign planning agreement	3,223	3,305
Community safety levy	1,345	1,094
Developer contributions	348,198	325,881
Domestic waste management	16,217	15,221
Infrastructure levy reserve	27,283	24,199
Local area funds	14,449	14,073
Mascot main street	1,482	1,410
Mascot parking rate	2,000	1,890
Roads reserve	126	414
Specific purpose unexpended grants	2,135	2,636
Stormwater management	8,619	7,822
Total external restrictions	425,077	397,945

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.

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

	2025 \$ '000	2024 \$ '000
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Affordable Housing reserve	2,150	1,310
Barton Park Loan Unexpended	10,921	10,429
Botany Aquatic Centre	656	656
Brighton Bath amenities building	1,809	1,809
Business improvements and efficiencies	2,809	2,864
Community and environmental projects	7,039	6,104
Council election	309	1,059
Deposits, retentions and bonds	5,000	3,600
Employees leave entitlement	6,771	6,771
Financial assistance grants in advance	3,261	5,263
General revenue funded carry-over works	695	576
Infrastructure Maintenance	22,148	11,830
Legal & Public Liability	4,969	4,868
Mascot oval	80	80
Office equipment and IT reserve	3,005	5,037
Planning proposals	515	355
Plant and equipment	3,519	4,140
Revenue received in advance	323	323
Smart Compliance	450	575
Strategic priorities	37,921	38,430
Synthetic fields	1,340	1,072
Work health & safety	265	292
Internal Borrowing against Strategic Priorities Reserve	(3,200)	–
Total internal allocations	112,755	107,443

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

In April 2025, Council purchased a block of properties for the purpose of Affordable Housing. The purchase cost was temporarily borrowed from Strategic Priorities reserve to Affordable Housing reserve for such purpose. No interest was required to be repaid as part of the temporary borrowing as both reserves were internally restricted and the internal reallocation was approved by Council on 28 May 2025 through the resolution on Quarterly Budget Review Statement - March 2025.

C1-4 Receivables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Rates and annual charges	10,237	–	9,543	–
Interest and extra charges	1,547	–	1,287	–
User charges and fees	3,228	–	2,507	–
Accrued interest on investments	9,744	–	8,785	–
Government grants and subsidies	627	–	1,991	–
Net GST receivable	1,488	–	1,501	–
Total	26,871	–	25,614	–
Less: provision for impairment				
Rates and annual charges	(164)	–	(155)	–
Interest and extra charges	(192)	–	(172)	–
User charges and fees	(348)	–	(358)	–
Total provision for impairment – receivables	(704)	–	(685)	–
Total net receivables	26,167	–	24,929	–

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 estimating ECL, 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.

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

When considering the ECL for rates and annual charges debtors, Council considers that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold

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.

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

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

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

C1-5 Inventories

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
(i) Inventories at cost				
Stores and materials	283	-	255	-
Trading stock	17	-	20	-
Total inventories at cost	300	-	275	-
Total inventories	300	-	275	-

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs.

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	Adjustments and transfers	Revaluation on increments / (decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	10,127	–	10,127	18,649	7,396	–	–	(20,072)	–	–	16,100	–	16,100
Plant and equipment	29,907	(13,819)	16,088	–	7,101	(1,811)	(4,271)	–	–	–	29,961	(12,854)	17,107
Office equipment	349	(347)	2	–	72	–	(2)	–	–	–	421	(349)	72
Furniture and fittings	759	(716)	43	–	150	–	(32)	–	–	–	909	(748)	161
Land:													
– Operational land	455,696	–	455,696	–	1,100	(1,483)	–	–	–	9,448	464,761	–	464,761
– Community land	181,679	–	181,679	–	6,120	–	–	–	–	10,185	197,984	–	197,984
– Land under roads (post 30/6/08)	5,973	–	5,973	–	–	–	–	–	–	335	6,308	–	6,308
Land improvements – non-depreciable	10,205	–	10,205	–	–	–	–	–	–	571	10,776	–	10,776
Infrastructure:													
– Car Parks	18,196	(6,182)	12,014	–	–	(547)	(407)	830	2,728	3,446	25,353	(7,289)	18,064
– Buildings	358,446	(128,846)	229,600	–	–	(1,198)	(8,345)	5,090	–	4,874	368,175	(138,154)	230,021
– Other structures	6,489	(1,344)	5,145	–	–	(45)	(2)	–	(5,098)	–	–	–	–
– Roads	606,965	(193,078)	413,887	–	137	(3,358)	(8,696)	5,656	144	11,011	640,180	(221,399)	418,781
– Bridges	18,306	(6,437)	11,869	–	–	(14)	(226)	403	14	281	19,144	(6,817)	12,327
– Footpaths	207,452	(95,501)	111,951	–	643	(1,020)	(2,646)	3,393	2,080	4,653	219,710	(100,656)	119,054
– Other road assets (including bulk earthworks)	50,446	(19,875)	30,571	–	193	(1,625)	(830)	572	107	5,184	50,652	(16,480)	34,172
– Bulk earthworks (non-depreciable)	76,698	–	76,698	–	–	(53)	–	–	48	1,070	77,763	–	77,763
– Stormwater drainage	234,150	(93,436)	140,714	–	193	(147)	(2,402)	158	533	3,247	240,359	(98,063)	142,296
– Swimming pools	11,490	(7,185)	4,305	–	–	–	(195)	–	–	91	11,614	(7,413)	4,201
– Other open space/recreational assets	192,903	(38,536)	154,367	–	2,051	(981)	(7,124)	3,970	280	3,285	201,956	(46,108)	155,848
– Other infrastructure	6,098	(1,313)	4,785	–	–	–	(246)	–	5,098	212	12,715	(2,866)	9,849
Other assets:													
– Library books	2,237	(1,140)	1,097	–	529	–	(438)	–	–	–	2,189	(1,001)	1,188
Total infrastructure, property, plant and equipment	2,484,571	(607,755)	1,876,816	18,649	25,685	(12,282)	(35,862)	–	5,934	57,893	2,597,030	(660,197)	1,936,833

(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)

	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation on increments / (decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	32,655	–	32,655	41,370	27,193	–	–	(90,822)	(269)	–	10,127	–	10,127
Plant and equipment	26,839	(13,582)	13,257	–	–	(1,459)	(3,669)	7,958	1	–	29,907	(13,819)	16,088
Office equipment	349	(336)	13	–	–	–	(11)	–	–	–	349	(347)	2
Furniture and fittings	760	(676)	84	–	–	–	(41)	–	–	–	759	(716)	43
Land:													
– Operational land	434,467	–	434,467	–	–	–	–	–	–	21,229	455,696	–	455,696
– Community land	185,288	–	185,288	–	1,458	–	–	–	–	(5,067)	181,679	–	181,679
– Land under roads (post 30/6/08)	6,139	–	6,139	–	–	–	–	–	–	(166)	5,973	–	5,973
Land improvements – non-depreciable	1,694	–	1,694	–	–	–	–	8,557	–	(46)	10,205	–	10,205
Infrastructure:													
– Buildings	332,370	(118,002)	214,368	–	–	(820)	(5,069)	9,656	(16)	11,481	358,446	(128,846)	229,600
– Car Parks	17,190	(5,602)	11,588	–	–	(3)	(269)	86	–	612	18,196	(6,182)	12,014
– Other structures	8,332	(2,916)	5,416	–	–	(281)	(185)	3,827	(3,702)	70	6,489	(1,344)	5,145
– Roads	570,318	(177,123)	393,195	–	178	(1,465)	(7,816)	9,029	(93)	20,859	606,965	(193,078)	413,887
– Bridges	16,907	(5,920)	10,987	–	–	(28)	(219)	552	–	577	18,306	(6,437)	11,869
– Footpaths	189,919	(88,696)	101,223	–	174	(296)	(2,226)	7,737	(38)	5,377	207,452	(95,501)	111,951
– Other road assets (including bulk earthworks)	44,556	(18,979)	25,577	–	359	(266)	(706)	5,963	(1,590)	1,234	50,446	(19,875)	30,571
– Bulk earthworks (non-depreciable)	72,792	–	72,792	–	–	–	–	–	–	3,906	76,698	–	76,698
– Stormwater drainage	210,918	(86,546)	124,372	–	55	(34)	(2,150)	11,770	119	6,582	234,150	(93,436)	140,714
– Swimming pools	10,774	(6,460)	4,314	–	–	–	(352)	120	–	223	11,490	(7,185)	4,305
– Other open space/recreational assets restated	163,027	(45,020)	118,007	–	69	(4,772)	(6,673)	22,851	14,677	10,208	192,903	(38,536)	154,367
– Other infrastructure	18,993	(7,007)	11,986	–	–	(42)	(263)	2,336	(9,361)	129	6,098	(1,313)	4,785
Other assets:													
– Library books	2,310	(1,131)	1,179	–	–	–	(462)	380	–	–	2,237	(1,140)	1,097
Total infrastructure, property, plant and equipment	2,346,597	(577,996)	1,768,601	41,370	29,486	(9,466)	(30,111)	–	(272)	77,208	2,484,571	(607,755)	1,876,816

(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 carrying amount, net of their residual values, over their estimated remaining useful lives as follows:

Asset Class	Years
Plant and equipment	5 to 10
Office equipment	5 to 10
Furniture & Fittings	5 to 10

Infrastructure	
Buildings	5 to 140
Other Structures	40 to 50
Roads	9 to 190
Car Parks	30 to 132
Bridges	40 to 100
Footpaths	20 to 142
Other Road Assets	10 to 150
Stormwater Drainage	7 to 140
Swimming Pools	15 to 80
Other Open Space/Recreational Assets	7 to 155
Other Infrastructure	40 to 100

Other Assets	
Library Books	5

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 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.

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

Crown reserves

Crown reserves under Council's care and control are recognised as assets of Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where the Crown reserves are under a lease arrangement, they are accounted for under AASB 16 Leases, refer to Note C2-1.

Improvements on Crown reserves are 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:

	2025 \$ '000	2024 \$ '000
Software		
Opening values at 1 July		
Gross book value	4,742	4,742
Accumulated amortisation	(4,244)	(3,791)
Net book value – opening balance	498	951
Movements for the year		
Amortisation charges	(323)	(453)
Gross book value written off	(2,488)	–
Accumulated amortisation charges written off	2,423	–
Closing values at 30 June		
Gross book value	2,254	4,742
Accumulated amortisation	(2,144)	(4,244)
Total software – net book value	110	498

Material accounting policy information

Amortisation is calculated on a straight-line basis over periods generally ranging from four to ten years.

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including machinery and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Office and IT equipment

Leases for office and IT equipment relate to items such as photocopiers. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right of use assets

	Office & IT Equipment \$ '000	Total \$ '000
2025		
Opening balance at 1 July	78	78
Depreciation charge	(54)	(54)
Balance at 30 June	24	24
2024		
Opening balance at 1 July	133	133
Depreciation charge	(55)	(55)
Balance at 30 June	78	78

(b) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per Statement of Financial Position \$ '000
2025					
Cash flows	24	–	–	24	24
2024					
Cash flows	54	24	–	78	78

(c) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

	2025 \$ '000	2024 \$ '000
Interest on lease liabilities	2	5
Variable lease payments based on usage not included in the measurement of lease liabilities	1,569	5,524
Depreciation of right of use assets	54	55
	1,625	5,584

C2-1 Council as a lessee (continued)

(d) Statement of Cash Flows

	2025 \$ '000	2024 \$ '000
Total cash outflow for leases	1,571	5,529
	1,571	5,529

(e) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market value for land which are used for parks and open space.

The leases are generally between 4 and 50 years and require payments of a maximum amount of \$1,000 per year. 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.

Material accounting policy information

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the statement of financial position as:

- property, plant and equipment - where the rental is incidental, or the asset is held to meet Councils service delivery objectives. (Refer note C1-6).

	2025	2024
	\$ '000	\$ '000

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below

(i) Assets held as property, plant and equipment

Lease income relating to variable lease payments not dependent on an index or rate	4,760	5,090
Total income relating to operating leases for Council assets	4,760	5,090

Amount of IPPE leased out by Council under operating leases

Buildings	53,885	52,725
Total amount of IPPE leased out by Council under operating leases	53,885	52,725

C3 Liabilities of Council

C3-1 Payables

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Goods and services	4,949	–	4,406	–
Accrued Salaries and wages	2,312	–	1,585	–
Accrued expenses	5,026	–	4,597	–
Prepaid rates	1,563	–	1,461	–
Security bonds, deposits and retentions	17,099	–	15,705	–
Builders service and plan first levy payable	78	–	64	–
Other	575	–	570	–
Payables	31,602	–	28,388	–
Total payables	31,602	–	28,388	–

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

	2025 \$ '000	2024 \$ '000
Payables – security bonds, deposits and retentions	15,516	14,278
Total payables	15,516	14,278

Material accounting policy information

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

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Funds to construct Council controlled assets (i)	692	–	–	–
Funds received prior to performance obligation being satisfied - AASB 15 (ii)	1,131	–	–	–
Total contract liabilities	1,823	–	–	–

Notes

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

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

Significant changes in contract liabilities

During the year, there was a significant change in contract liabilities compared to the prior year. The increase primarily relates to the receipt of \$1.8 million in grant funding in advance of the related performance obligations being satisfied. This comprised approximately \$0.7 million of grant funding for the construction of Council-controlled assets and \$1.1 million of other grant funding received in advance.

The \$0.7 million related to construction of Council-controlled assets under (i) was received under enforceable contracts requiring Council to construct specified assets which will remain under Council's control upon completion. Revenue from these contracts is recognised progressively as Council achieves specified construction milestones, with the contract liability balance

C3-2 Contract Liabilities (continued)

representing funding received that cannot yet be recognised as revenue. These milestones are expected to be completed in the 2025/26 financial year.

The remaining \$1.1 million under (ii) is expected to be recognised as revenue in the 2025/26 financial year, as the underlying performance obligations are fulfilled.

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

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Loans – secured ¹	121	–	3,577	121
Total borrowings	121	–	3,577	121

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

(a) Changes in liabilities arising from financing activities

	2024		Non-cash movements				2025
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	3,698	(3,577)	–	–	–	–	121
Lease liability (Note C2-1)	78	(54)	–	–	–	–	24
Total liabilities from financing activities	3,776	(3,631)	–	–	–	–	145

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	7,298	(3,600)	–	–	–	–	3,698
Lease liability (Note C2-1)	133	(55)	–	–	–	–	78
Total liabilities from financing activities	7,431	(3,655)	–	–	–	–	3,776

(b) Financing arrangements

	2025 \$ '000	2024 \$ '000
Total facilities		
Total financing facilities available to Council at the reporting date are:		
- Credit cards/purchase cards	85	80
Total financing arrangements	85	80
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
- Credit cards/purchase cards	8	17
Total drawn financing arrangements	8	17
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
- Credit cards/purchase cards	77	63
Total undrawn financing arrangements	77	63

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans

All loans secured over future cash flows from Councils general purpose revenues.
Leased liabilities are secured by the underlying leased assets.

C3-4 Employee benefit provisions

	2025 Current \$ '000	2025 Non-current \$ '000	2024 Current \$ '000	2024 Non-current \$ '000
Annual leave	7,773	–	7,553	–
Sick leave	722	–	780	–
Long service leave	11,545	1,602	11,396	1,219
Gratuities	324	–	305	–
Total employee benefit provisions	20,364	1,602	20,034	1,219

	2025 \$ '000	2024 \$ '000
Current employee benefit provisions not expected to be settled within the next 12 months	10,825	10,685
	10,825	10,685

Material accounting policy information

The liability for long-service 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.

C3-5 Provisions

	2025 Current \$ '000	2025 Non-Current \$ '000	2024 Current \$ '000	2024 Non-Current \$ '000
Self-insurance - public liability	–	21	–	10
Asset remediation	1,270	1,179	1,232	2,586
Land disposal tax	1,904	–	1,904	–
Total provisions	3,174	1,200	3,136	2,596

Movements in provisions

	Other provisions			
	Self insurance - public liability \$ '000	Asset remediation \$ '000	Land disposal tax \$ '000	Total \$ '000
2025				
At beginning of year	10	3,818	1,904	5,732
Additional provisions	11	–	–	11
Unused amounts reversed	–	(1,369)	–	(1,369)
Total provisions at end of year	21	2,449	1,904	4,374
2024				
At beginning of year	161	3,677	1,904	5,742
Additional provisions	–	141	–	141
Amounts used (payments)	(151)	–	–	(151)
Total provisions at end of year	10	3,818	1,904	5,732

C3-5 Provisions (continued)

Nature and purpose of provisions

Asset remediation

Council has, as a result of past operating activities, a number of former tip sites situated within its LGA, that may require future restoration and remediation works if the contamination at any point becomes significant.

The asset remediation provision represents the present value estimate of future costs Council may incur to rehabilitate and reinstate the former tip sites. The provision for remediation also includes an estimate of future monitoring costs estimates over a reasonable number of years.

Material accounting policy information

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

Asset remediation – tips and quarries

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

A provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

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 Council structure

D1 Results by fund

D1-1 Details of internal loans

In accordance with s410(3) of the *Local Government Act 1993*, the Minister for Local Government of NSW has approved an internal loan from Domestic Waste to General Fund for \$10.0M, with a term of 20 years for property acquisition.

Details of individual internal loans	Domestic Waste
Borrower (by purpose)	General Fund
Lender (by purpose)	Domestic Waste
Date of Minister's approval	19/01/2023
Date raised	19/01/2023
Term years	20
Dates of maturity	19/01/2043
Rate of interest (%) *	4%
Amount originally raised (\$'000)	10,000
Total repaid during year (principal and interest) (\$'000)	(727)
Interest charged during the year (\$'000)	379
Principal outstanding at end of year (\$'000)	9,318

(*) Interest rate is variable and reviewed annually on anniversary.

D2 Interests in other entities

D2-1 Interests in joint arrangements

	Type of joint arrangement	Principal Place of business	Percentage owned		2025	2024
			2025	2024	\$ '000	\$ '000
Bayside Garden Centre	Joint Venture	Kogarah, NSW	50.0%	50.0%	377	364
Total carrying amounts – material joint ventures					377	364

Bayside Garden Centre

The Bayside Garden Centre is a joint venture between Bayside Council and The Intellectual Disability Foundation of St George. This Venture was developed to enhance the lives of people with a disability by offering diverse and supported employment opportunities.

Details

	Principal activity	Measurement method
Bayside Garden Centre	Wholesale & retail Nursery	Equity method

D2-1 Interests in joint arrangements (continued)

Summarised financial information for joint ventures

	Bayside Garden Centre	
	2025	2024
	\$ '000	\$ '000
Statement of financial position		
Current assets		
Cash and cash equivalents	582	605
Other current assets	165	199
Non-current assets	111	122
Current liabilities		
Other current liabilities	40	131
Non-current liabilities	87	90
Net assets	731	705
Statement of comprehensive income		
Income	1,013	833
Other expenses	(972)	(768)
Depreciation and amortisation	(15)	(21)
Profit/(loss) from continuing operations	26	44
Profit/(loss) for the period	26	44
Total comprehensive income	26	44
Share of income – Council (%)	50.0%	50.0%
Profit/(loss) – Council (\$)	13	22
Total comprehensive income – Council (\$)	13	22
Reconciliation of the carrying amount		
Opening net assets (1 July)	705	654
Profit/(loss) for the period	26	44
Other adjustments to equity	–	7
Closing net assets	731	705
Council's share of net assets (%)	51.6%	51.6%
Council's share of net assets (\$)	377	364

Material accounting policy information

The council has determined that it has only one joint venture.

Joint ventures:

Interests in joint ventures are accounted for using the equity method where the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of Council for the purposes of the consolidated financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s625 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 and performance of the portfolio as required by local government regulations.

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

Financial risk management is carried out by the finance team under policies approved by the Councillors.

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

The risks associated with the financial instruments held are:

- **Market risk** - interest rate risk – the risk that movements in interest rates could affect returns.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

(a) Market risk – interest rate and price risk

	2025	2024
	\$ '000	\$ '000

The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates:

– Equity / Income Statement	5,250	4,850
-----------------------------	-------	-------

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

(b) Credit risk

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

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

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

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly, and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) 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.

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.

	overdue rates and annual charges			Total \$ '000
	Not yet overdue \$ '000	< 5 years \$ '000	≥ 5 years \$ '000	
2025				
Gross carrying amount	85	8,911	1,241	10,237
2024				
Gross carrying amount	61	8,425	1,057	9,543

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.

	Not yet overdue \$ '000	Overdue debts				Total \$ '000
		0 - 30 days \$ '000	31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
2025						
Gross carrying amount	14,610	1,093	326	82	523	16,634
Expected loss rate (%)	0.04%	6.77%	0.48%	15.92%	48.47%	2.09%
ECL provision	6	74	2	13	253	348
2024						
Gross carrying amount	15,157	201	366	58	289	16,071
Expected loss rate (%)	0.55%	36.82%	1.09%	3.45%	67.47%	2.23%
ECL provision	83	74	4	2	195	358

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

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2025							
Payables	0.00%	17,099	14,503	–	–	31,602	31,602
Borrowings	3.70%	–	121	–	–	121	121
2024							
Payables	0.00%	15,705	12,683	–	–	28,388	28,388
Borrowings	3.14%	–	3,577	121	–	3,698	3,698

Loan agreement breaches

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

E2-1 Fair value measurement

The Council measures the following assets and liabilities classes at fair value on a recurring basis:

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

Fair value hierarchy

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: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

E2-1 Fair value measurement (continued)

	Notes	Fair value measurement hierarchy								
		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total		
		2025	2024	2025	2024	2025	2024	2025	2024	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Recurring fair value measurements										
Financial assets										
Financial investments	C1-2									
At fair value through profit or loss – designated at fair value on initial recognition		13	11	5	5	6,041	5,630	6,059	5,646	
Total financial assets		13	11	5	5	6,041	5,630	6,059	5,646	
Infrastructure, property, plant and equipment										
Operational land	C1-6	-	-	299,356	294,740	165,404	160,956	464,760	455,696	
Community land		-	-	-	-	197,984	181,679	197,984	181,679	
Land under roads		-	-	-	-	6,308	5,973	6,308	5,973	
Land improvements		-	-	-	-	10,776	10,205	10,776	10,205	
Buildings		-	-	-	-	225,810	229,600	225,810	229,600	
Other structures		-	-	-	-	-	5,145	-	5,145	
Roads		-	-	-	-	418,781	413,887	418,781	413,887	
Car Parks		-	-	-	-	18,064	12,014	18,064	12,014	
Bridges		-	-	-	-	12,046	11,869	12,046	11,869	
Footpaths		-	-	-	-	119,054	111,951	119,054	111,951	
Other road assets		-	-	-	-	34,172	30,571	34,172	30,571	
Bulk Earthworks		-	-	-	-	77,763	76,698	77,763	76,698	
Stormwater Drainage		-	-	-	-	142,296	140,714	142,296	140,714	
Swimming Pools		-	-	-	-	4,110	4,305	4,110	4,305	
Openspace / recreation assets		-	-	-	-	152,718	154,367	152,718	154,367	
Other infrastructure assets		-	-	-	-	9,637	4,785	9,637	4,785	
Total infrastructure, property, plant and equipment		-	-	299,356	294,740	1,594,923	1,554,719	1,894,279	1,849,459	

E2-1 Fair value measurement (continued)

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. 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:

Level 1 measurements

Financial assets

The Council's financial assets relate to its investment in a listed entity on the ASX. Valuation is based on the quoted price at closing on the 30 June.

Level 2 measurements

Financial Assets

The Council's financial assets relate to its investment in an unlisted private entity. Valuation is based on historical cost of shareholding.

Infrastructure, property, plant and equipment (IPPE)

Operational Land

The Council engages external, independent, and qualified valuers to determine the fair value of the Council's Operational Land. A fair value assessment was performed on Operational Land by Australis Asset Advisory Group as at 30 June 2025 using indexation methodology.

For property assets within the Land class that were previously assessed by way of the direct comparison approach, property market movements were calculated through analysis of price movements in the local property market during the Indexation period.

Operational land assets are categorised as Level 2 and level 3 as determined by the valuation report provided by Australis Asset Advisory Group.

Level 3 measurements

Financial Assets

The Council is a member of CivicRisk Mutual Ltd and the financial assets represent the fair value of the Council's interest in the Mutual.

The valuation is performed by Finity Consulting Pty Limited as at 30 June 2025 using an income approach based on expected future investments, payment profile and discounting.

Land Under Roads

Land Under Roads identified as roads constructed post 30/6/2008 has been valued based on Municipal Average Land Rate discounted by 90%. Council has elected to only recognise land under roads for new roads constructed after 30/6/2008.

The Council uses Local Government Area rateable land values provided by the NSW Valuer-General to determine the fair value of the Council's Land Under Roads (LUR) assets.

The urban Average Rateable Value per hectare within each Local Government Area (LGA) is adjusted by an "open spaces ratio" to approximate fair value (unimproved and pre-subdivision land).

The urban Average Rateable Value by LGA is derived from data provided by the Valuer-General. Measurement of land area in situ under roads.

This assets class is categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable.

A fair value assessment was performed on Land Under Roads as at 30 June 2025.

E2-1 Fair value measurement (continued)

Community Land

The Council engages the Valuer General of New South Wales to determine the fair value of the Council's Community Land.

The fair value for Community Land has been determined using an Unimproved Capital Value, derived from the Valuer General's valuation performed for rating purposes, and applying to the total area. Given the nature of Community land, comparable sales data is generally not available. As the Valuer General's valuation considers land in all zoning, average unit derived from Valuer General's valuation is considered the most practicable approach to valuing Community Land.

This assets class is categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

A fair value assessment was performed on Community land as at 30 June 2025.

Roads, Other Road Assets & Footpaths

Road assets are assets with the primary function of enabling transportation of vehicles. The asset register system adopted has a hierarchical structure in which all Roads are identified by name and number. Each road is then subdivided into a number of segments based on length, geometry and change of structure or traffic. Some roads may have only one segment. Measurement is derived from spatial modelling of the assets in Council's GIS (geographical information system). The components located within the road segment are as follows.

- Road Surface (surface)
- Road pavement structure (pavement)
- Road bulk earthworks (bulk earthworks)
- Kerb and gutter

Other Road Assets are assets supporting the primary road function, which includes:

- Bus shelters
- Centre Medians
- Crash Barriers
- Pedestrian Refuges
- Retaining Walls-Roads
- Roundabouts
- Speed Humps and Thresholds
- Street Furniture
- Street Lighting
- Traffic Calming Devices
- Traffic Islands
- Traffic Management Devices

Other Road Assets may be lineal features, area features or point features. Measurement is derived from spatial modelling of the assets in Council's GIS (geographical information system).

Footpaths include pathways that are used by pedestrians and cyclists, as pedestrian only paths, cyclist only paths or shared paths. Footpaths are categorised by material. Footpaths are not componentised. Measurement is derived from spatial modelling of the assets in Council's GIS (Geographical information system).

A comprehensive revaluation of Roads, Other Road Assets and Footpaths was conducted by iinSights Pty Ltd as at 1 July 2024 using unit rates and cost approach method. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life and depreciated value.

These asset classes are categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable.

E2-1 Fair value measurement (continued)

Bridges

Bridges include road bridges, foot bridges and also large road culverts. A road culvert is determined to be a bridge if the culvert supports a road and the length of the culvert is 6 metres or greater, measured along the centre line of the carriageway.

The fair value assessment of Bridges was conducted by Modelve Pty Ltd as at 30 June 2025 using an appropriate cumulative index and cost approach method. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, depreciated value and cost indexation.

These asset classes are categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable.

Stormwater Drainage

The stormwater drainage network comprises the following types of assets:

- Stormwater pipes
- Stormwater channels – earth lined
- Stormwater channels – concrete lined
- Stormwater pits
- Gross pollutant traps (GPTs), and stormwater quality improvement devices (SQIDs)
- Flood management devices

Measurement is derived from spatial modelling of the assets in Council's GIS (geographical information system).

A fair value assessment was performed on Stormwater Drainage as at 30 June 2025 using an appropriate cumulative index and cost approach methodology. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, depreciated value and cost indexation.

This assets class is categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable.

Buildings

Council engaged Modelve Pty Ltd to conduct a fair value assessment of buildings as at 30 June 2025 using an appropriate cumulative index and cost approach method.

Gross Value of each building, which is obtained by applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life, cost indexation and building components are some of the inputs used in fair value determination. The key unobservable input being the rate square metre has been benchmarked to construction costs of similar properties across the industry.

This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Open Space/Recreation Assets

Open space and recreational infrastructure assets are those that enables recreational, leisure and sporting opportunities at parks, reserves or sportsgrounds. This is a broad category and includes most infrastructure located in parks, reserves, sportsgrounds and sports facilities such as barbeques, barbeque shelters, bins, lighting, irrigation, electrical equipment, park furniture, park fixtures, retaining walls, landscape edging, bollards, fencing, signs, public art, playground equipment, fitness facilities, sports tracks, fields and courts.

A fair value assessment of Open Space/Recreation assets was conducted by Modelve Pty Ltd as at 30 June 2025 using an indexation methodology utilising a cost approach. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, remaining useful life, asset condition and depreciated value.

All assets were valued using level 3 valuation inputs using the cost approach. While the unit rates are based on quantitative attributes such as square metres which can be supported from market evidence, some of the other above-mentioned inputs used in the valuation of these assets required significant professional judgment where unobservable.

E2-1 Fair value measurement (continued)

Other Structures

Other Structures are those large and significant structures and shelters greater than 30m² but not those already included within the Buildings Class. Following a review, Council transferred Other Structures to Other Infrastructure Assets. The valuation methodology remains consistent with prior years, using level 3 valuation inputs using the cost approach.

Other Infrastructure Assets

Other Infrastructure assets include jetties, boat ramps, sea walls, viewing decks, boardwalks and retaining wall within Parks and Reserves.

The valuation of Other Infrastructure assets was conducted by Modelve Pty Ltd as at 30 June 2025 using an indexation methodology and cost approach method. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, remaining useful life, depreciated value and cost indexation.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

Swimming Pools

Assets within this class are comprised of swimming pools and associated structures.

A fair value assessment was performed on swimming pools using indexation methodology and cost approach method was conducted by Modelve Pty Ltd as at 30 June 2025. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components, asset condition and residual value.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

Fair value measurements using significant unobservable inputs (level 3)

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

	Total	
	2025	2024
	\$ '000	\$ '000
Opening balance	1,560,350	1,445,208
Total gains or losses for the period		
Recognised in profit & loss - released	411	734
Recognised in other comprehensive income – revaluation surplus	51,792	63,568
Other movements		
Transfers from/(to) another asset class	(5,098)	–
Transfer to / from another asset	–	–
Purchases (GBV)	41,541	84,779
Disposals (WDV)	(9,200)	(8,011)
Depreciation and impairment	(30,907)	(25,928)
Closing balance	1,608,889	1,560,350

Highest and best use

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

E3-1 Contingencies

LIABILITIES NOT RECOGNISED

(i) Defined benefit plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme (Active Super) (the Fund) which is a defined benefit plan that has been deemed to be a 'multi-employer plan' 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; and
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

Description of the funding arrangements

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% from 1 July 2025 of salaries to these members' accumulation accounts in line with current level of SG 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 from 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 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.

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

As stated above, each sponsoring employer 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 Council.

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

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

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:

E3-1 Contingencies (continued)

Investment return	6.0% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5% per annum

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.

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) CivicRisk Mutual

Council is a member of CivicRisk Mutual, a former joint venture now treated as an equity investment. The organisation has undergone a number of transformations including merging with CivicRisk West (formerly West Pool) and CivicRisk Metro (formerly Metro Pool) in 2020.

CivicRisk Mutual offers a comprehensive suite of services tailored to local government councils. CivicRisk Mutual "pools" the Industrial Special Risk, Public Liability, professional indemnity, commercial motor property damage, Councillors', Director's and Officers'/Statutory Liability and Fidelity Guarantee/Crime/Cyber risks of its 27 member Councils. It also undertakes various other activities, including running risk management forums and the bulk purchase of certain other insurances.

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.

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.

Other liabilities

(i) Remediation

The Council as part of past Council operations may have remediation liabilities. While some provision has been made in the accounts for this, there is the potential for further exposure to losses not already provided for.

(ii) 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.

(iii) 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.

E3-1 Contingencies (continued)

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.

(iv) Property sale tax liability

As a result of past transactions, the Council may have potential notional tax liabilities from previous years. While some of these liabilities have been accounted for in the financial statements, there is still a risk that additional, unaccounted-for losses could arise.

ASSETS NOT RECOGNISED

(i) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by Revenue NSW.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

	2025 \$ '000	2024 \$ '000
Compensation:		
Short-term benefits	2,753	2,361
Post-employment benefits	240	199
Other long-term benefits	42	45
Total	3,035	2,605

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.

F1-2 Councillor and Mayoral fees and associated expenses

	2025 \$ '000	2024 \$ '000
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	92	95
Councillors' fees	483	489
Other Councillors' expenses (including Mayor)	187	76
Total	762	660

F2 Other relationships

F2-1 Audit fees

	2025 \$ '000	2024 \$ '000
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Audit and other assurance services: Auditors of Council - NSW Auditor-General:

Audit and review of financial statements	250	259
Total fees paid or payable to the Auditor-General	250	259

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

	2025 \$ '000	2024 \$ '000
Net operating result	35,486	34,358
Add / (less) non-cash items:		
Depreciation, amortisation and impairment	36,239	30,619
(Gain) / loss on disposal of assets	8,779	6,763
Non-cash contributions and dedications	(9,154)	(2,292)
Decrements/(reversal of previous revaluation decrements) from revaluations – Investments classified as 'at fair value' or 'held for trading'	(414)	(736)
Profit on equity accounted investment	(13)	(26)
Changes in assets and liabilities: Movements in operating assets and liabilities		
(Increase) / decrease of receivables	(1,257)	(3,828)
Increase / (decrease) in provision for impairment of receivables	19	(138)
(Increase) / decrease of inventories	(25)	35
(Increase) / decrease of other assets	(461)	(155)
Increase / (decrease) in payables	543	341
Increase / (decrease) in other accrued expenses payable	1,156	188
Increase / (decrease) in other liabilities	1,515	216
Increase / (decrease) in contract liabilities	1,823	–
Increase / (decrease) in employee benefit provisions	713	1,076
Increase / (decrease) in other provisions	(1,358)	(10)
Net cash flows from operating activities	73,591	66,411

(b) Non-cash investing and financing activities

Other dedications	3,216	18,971
Total non-cash investing and financing activities	3,216	18,971

Refer to Note C2 for information on acquisition of assets under leases.

G2-1 Commitments

Capital commitments (exclusive of GST)

	2025 \$ '000	2024 \$ '000
Capital expenditure committed for at the reporting date, but not recognised in the financial statements are payable as follows:		
Property, plant and equipment		
Buildings	2,723	3,543
Plant and equipment	3,208	2,969
Road infrastructure	295	2,797
Infrastructure Works	2,148	1,864
Other	1,850	625
Total	10,224	11,798

Details of capital commitments

Capital commitments are based upon the completion of Council's capital works program which has commenced and includes works associated with capital projects such as Mascot Oval, Botany Aquatic Centre and Playspace Renewal at Booralee Park.

G3-1 Events occurring after the reporting date

Council has not identified any material or significant 'non-adjusting events' that should be disclosed.

G4 Statement of developer contributions

G4-1 Summary of developer contributions

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
Drainage	12,492	230	–	–	587	(5)	–	13,304	–
Roads	11,178	1,513	–	–	588	(124)	–	13,155	–
Traffic facilities	43,313	879	–	–	1,887	(1,313)	–	44,766	–
Parking	1,280	181	–	–	139	–	–	1,600	–
Open space	82,485	6,321	–	–	4,930	(4,710)	–	89,026	20,000
Community facilities	57,137	3,257	–	–	2,942	(1,664)	–	61,672	–
Other	54,515	272	–	–	2,044	(366)	–	56,465	–
S7.11 contributions – under a plan	262,400	12,653	–	–	13,117	(8,182)	–	279,988	20,000
S7.12 levies – under a plan	15,860	2,232	–	–	702	(953)	–	17,841	(20,000)
Total S7.11 and S7.12 revenue under plans	278,260	14,885	–	–	13,819	(9,135)	–	297,829	–
S7.11 not under plans	15	–	–	–	–	–	–	15	–
S7.4 planning agreements	47,606	3,718	2,801	–	2,136	(3,106)	–	50,354	–
Total contributions	325,881	18,603	2,801	–	15,955	(12,241)	–	348,198	–

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.

G4-2 Developer contributions by plan

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
S7.11 contributions – under a plan									
CONTRIBUTION PLAN - S94 CITY WIDE PLAN (former Botany)									
Drainage	6,813	-	-	-	295	-	-	7,108	-
Traffic facilities	41,706	-	-	-	1,810	-	-	43,516	-
Open space	36,105	-	-	-	1,566	-	-	37,671	-
Community facilities	12,989	-	-	-	563	-	-	13,552	-
Other	12,586	-	-	-	540	(144)	-	12,982	-
Total	110,199	-	-	-	4,774	(144)	-	114,829	-
CONTRIBUTION PLAN - MASCOT PRECINCT (former Botany)									
Other	38,241	-	-	-	1,276	-	-	39,517	-
Total	38,241	-	-	-	1,276	-	-	39,517	-
CONTRIBUTION PLAN S94 PLAN 2016-2031 (former Botany)									
Traffic facilities	1,607	879	-	-	77	(1,313)	-	1,250	-
Open space	37,776	3,726	-	-	2,721	(269)	-	43,954	-
Community facilities	3,318	516	-	-	178	(1,135)	-	2,877	-
Other	(73)	44	-	-	(2)	-	-	(31)	-
Total	42,628	5,165	-	-	2,974	(2,717)	-	48,050	-
Rockdale Contributions Plan 2016 - Urban Renewal Area (Former Rockdale City Council)									
Drainage	4,928	-	-	-	198	(5)	-	5,121	-
Roads	11,178	-	-	-	444	(124)	-	11,498	-
Community facilities	34,473	-	-	-	1,385	-	-	35,858	-
Other	563	-	-	-	17	(150)	-	430	-
Total	51,142	-	-	-	2,044	(279)	-	52,907	-

G4-2 Developer contributions by plan (continued)

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
Rockdale S94 Contributions Plan 2004 (Former Rockdale City Council)									
Drainage	751	230	–	–	94	–	–	1,075	–
Roads	–	1,513	–	–	144	–	–	1,657	–
Parking	1,280	181	–	–	139	–	–	1,600	–
Open space	8,604	2,595	–	–	643	(4,441)	–	7,401	20,000
Community facilities	6,357	2,741	–	–	816	(529)	–	9,385	–
Other	1,018	228	–	–	112	(72)	–	1,286	–
Total	18,010	7,488	–	–	1,948	(5,042)	–	22,404	20,000
Ramsgate Commercial Centre Development Contributions Plan 2006 (Former Rockdale City Council)									
Other	2,180	–	–	–	101	–	–	2,281	–
Total	2,180	–	–	–	101	–	–	2,281	–
 S7.12 Levies – under a plan									
S7.12 Levies									
S7.12 Levies	15,860	2,232	–	–	702	(953)	–	17,841	(20,000)
Total	15,860	2,232	–	–	702	(953)	–	17,841	(20,000)

G4-3 Contributions not under plans

	Opening balance at 1 July 2024 \$ '000	Contributions received during the year			Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2025 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash Land \$ '000	Non-cash Other \$ '000					
(Former Rockdale City Council)									
Inter-allotment Drainage	15	-	-	-	-	-	-	15	-
Total	15	-	-	-	-	-	-	15	-

G4-4 S7.4 planning agreements

S7.4 planning agreements									
Other	47,606	3,718	-	2,801	2,136	(3,106)	-	50,354	-
Total	47,606	3,718	-	2,801	2,136	(3,106)	-	50,354	-

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Bayside Council

To the Councillors of Bayside Council

Opinion

I have audited the accompanying financial statements of Bayside 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 Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Chris Harper', with a long horizontal stroke extending to the right.

Chris Harper
Delegate of the Auditor-General for New South Wales

24 October 2025
SYDNEY



Councillor Edward McDougall
Mayor
Bayside Council
PO BOX 21
ROCKDALE NSW 2216

Contact: Chris Harper
Phone no: 02 9275 7374
Our ref: R008-1981756498-6073

24 October 2025

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of Bayside 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	150.3	141.9	↑ 5.9
Grants and contributions provided for operating purposes revenue	11.0	12.3	↓ 10.6
Grants and contributions provided for capital purposes revenue	30.0	24.4	↑ 23.0
Operating result from continuing operations	35.5	34.4	↑ 3.2
Net operating result for the year before grants and contributions provided for capital purposes	5.4	9.9	↓ 45.5

Operating result from continuing operations

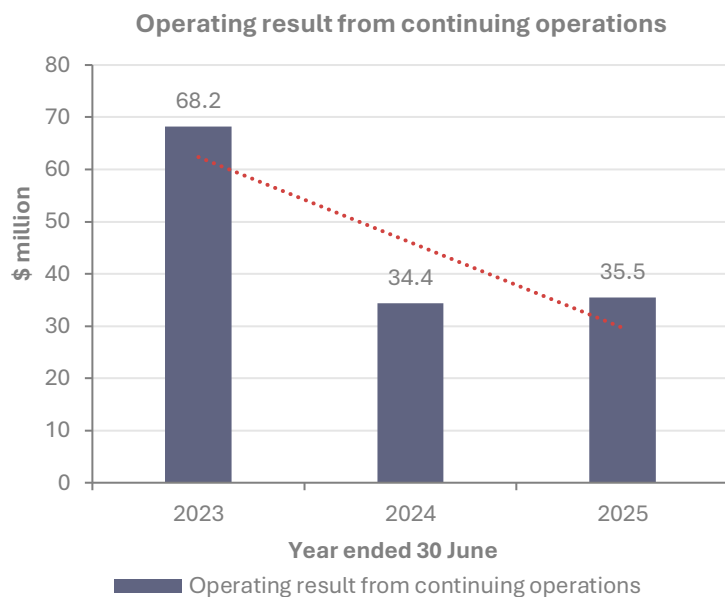
This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was \$1.1 million higher than the 2023–24 result.

In 2024–25:

- rates and annual charges revenue (\$150.3 million) increased by \$8.4 million (5.9 per cent)
- grants and contributions provided for capital purposes revenue (\$30.0 million) increased by \$5.6 million (23.0 per cent)
- depreciation, amortisation and impairment of non-financial assets expense (\$36.2 million) increased by \$5.6 million (18.4 per cent)
- materials and services expense (\$91.6 million) increased by \$7.4 million (8.7 per cent).

The net operating result for the year before grants and contributions provided for capital purposes was \$5.4 million. Refer to 'Grants and contributions revenue' below for details.



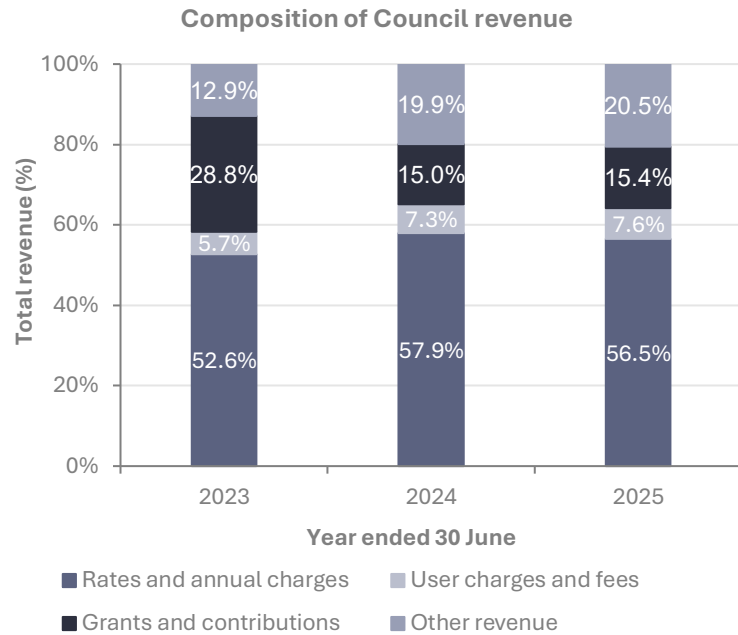
Income

Council revenue

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

Council revenue (\$266.1 million) increased by \$20.9 million (8.5 per cent) in 2024–25 due to:

- rates and annual charges revenue (\$150.3 million) which increased by \$8.4 million (5.9 per cent) due to the rate peg increase of 4.8 per cent
- user charges and fees revenue (\$20.3 million) which increased by \$2.5 million (13.4 per cent) due to restoration charges and swimming centres
- grants and contributions revenue (\$41.0 million) which increased by \$4.3 million (11.9 per cent) – see additional details below.

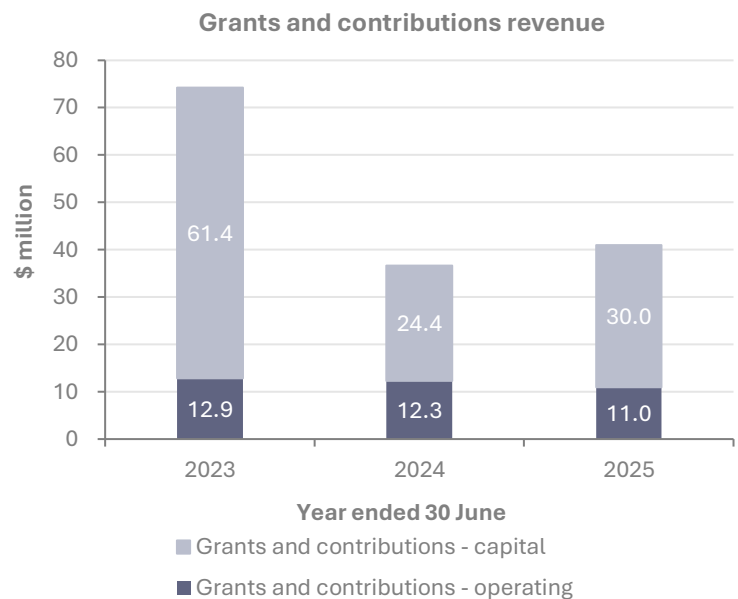


Grants and contributions revenue

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

Grants and contributions revenue (\$41.0 million) increased by \$4.3 million (11.9 per cent) in 2024–25 due to:

- increase of \$8.3 million of developer contributions recognised during the year
- decrease of \$6.8 million of grants recognised for parks, environmental protection and other community infrastructure
- receiving 50 per cent of the financial assistance grants for 2025–26 in advance (85 per cent for 2024–25).



CASH FLOWS

Statement of cash flows

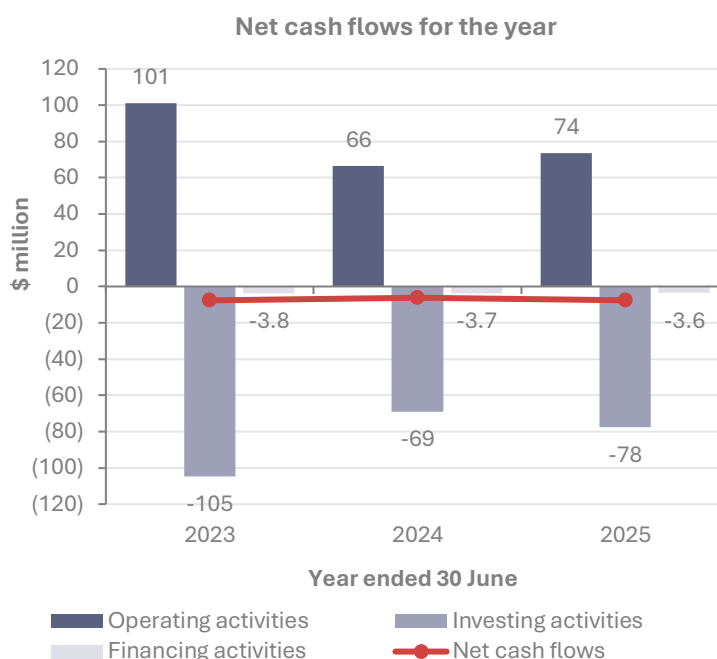
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating 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 \$7.6 million (negative \$6.2 million in 2023–24).

In 2024–25 the net cashflows:

- from operating activities increased by \$7.2 million, mainly due to an increase in interest and grants and contributions received
- used in investing activities increased by \$8.6 million, mainly due to a decrease in investments sold offset by an increase in acquisition of term deposits
- used in financing activities remained relatively stable.



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		Commentary
	\$m	%	\$m	%	
Total cash, cash equivalents and investments	544.9		512.1		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below. Internal allocations are determined by council policies or decisions and may be subject to change.
Restricted and allocated cash, cash equivalents and investments:					
• External restrictions	425.1	78.0	397.9	77.7	
• Internal allocations	112.8	20.7	107.4	21.0	The increase in internal allocations was mainly due to funds set aside for infrastructure maintenance.

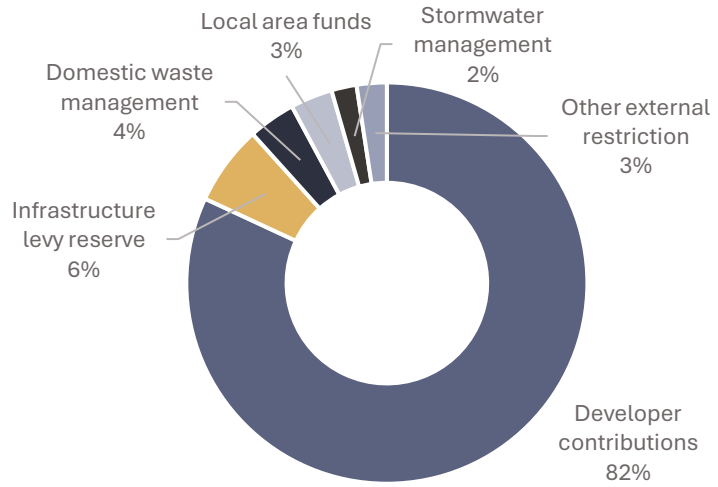
This graph shows the sources of externally restricted cash, cash equivalents and investments.

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

- developer contributions of \$348.2 million, which increased by \$22.3 million, mainly due to contributions towards amenities/services and interest income
- infrastructure levy reserve of \$27.3 million, which increased by \$3.1 million, mainly due to levies and interest income.

Other externally restricted cash, cash equivalents and investments comprise of domestic waste management, local area funds and stormwater management.

Source of externally restricted cash, cash equivalents and investments



Council liquidity

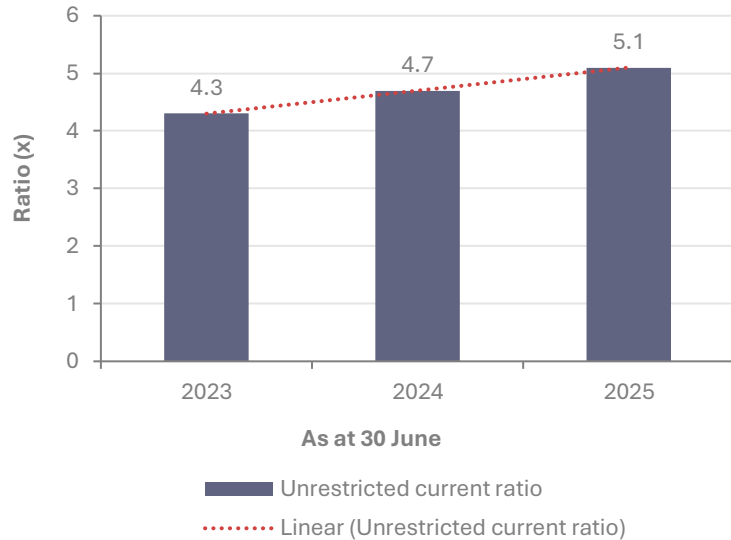
This graph shows the Council’s unrestricted current ratio for the current and prior two financial years.

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

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

The Council’s unrestricted current ratio has increased as the balance of cash and cash equivalents, and investments has increased.

Unrestricted current ratio



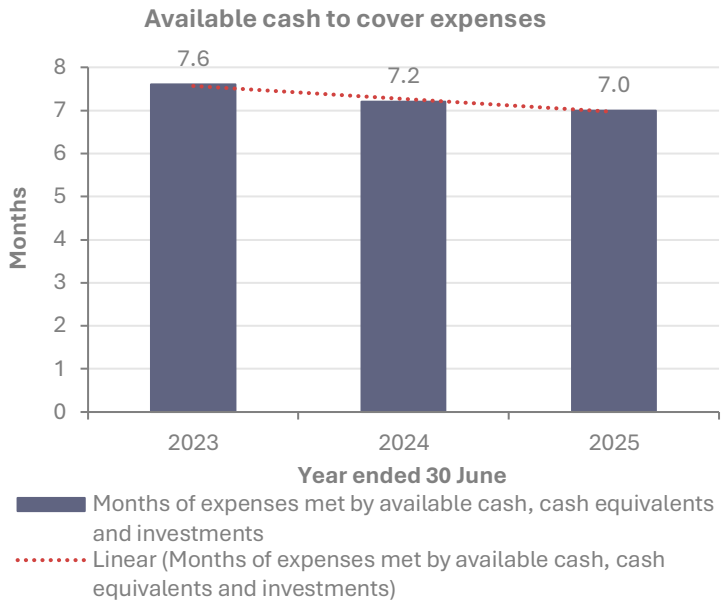
* Unrestricted current assets = current assets – (externally restricted cash, cash equivalents and investments less non-current investments)

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

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

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

The Council’s available cash to cover expenses has remained relatively steady over the past three years.

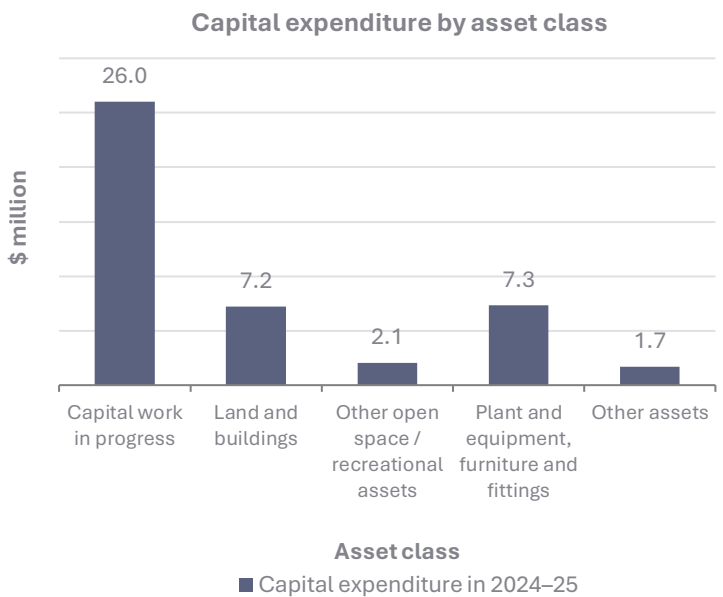


Infrastructure, property, plant and equipment

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

Council renewed \$18.6 million of infrastructure, property, plant and equipment (IPPE) during the 2024–25 financial year. This was mainly spent on capital work in progress. A further \$25.7 million was spent on new assets.

The IPPE additions for 2024–25 are lower than 2023–24, as the Barton Park capital project was largely completed in 2023–24.



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.

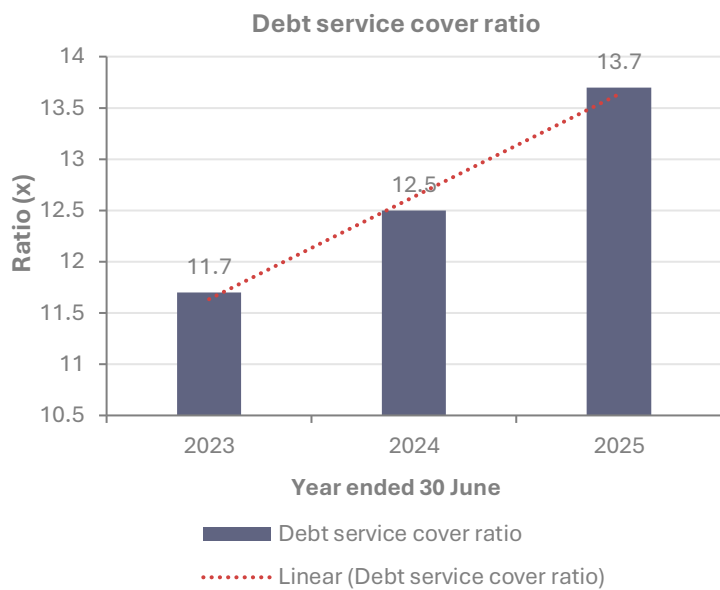
Debt	2025	2024	Commentary
	\$'000	\$'000	
Loans	121	3,698	The Council continued to repay existing loans and has not taken out new borrowings during the year.
Total credit card facility	85	80	
Amount drawn down	8	17	

Debt service cover

This graph shows the Council’s debt service cover ratio for the current and prior two financial years.

The debt service cover ratio measures the operating cash to service debt including interest, principal and lease payments.

The increase in the ratio is due to a decrease in borrowing costs and an increase in the net operating result.



Chris Harper
Director, Financial Audit

Delegate of the Auditor-General

Bayside Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

Serving Our Community



Bayside Council

Special Schedules

for the year ended 30 June 2025

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Bayside Council

Permissible income for general rates (Merger Councils)

	Notes	2024/25 Former Rockdale City Council \$ '000	2024/25 Former Botany City Council \$ '000	2024/25 Bayside Council \$ '000	2025/26 Former Rockdale City Council \$ '000	2025/26 Former Botany City Council \$ '000	2025/26 Bayside Council \$ '000
Notional general income calculation ¹							
Last year notional general income yield	a	64,354	39,408	103,762	65,548	43,854	109,402
Plus or minus adjustments ²	b	242	408	650	30	143	173
Notional general income	c = a + b	64,596	39,816	104,412	65,578	43,997	109,575
Permissible income calculation							
Percentage increase ³	d	4.80%	4.80%		6.10%	6.10%	
Plus percentage increase amount	f = d x (c + e)	3,101	1,911	5,012	4,000	2,684	6,684
Sub-total	g = (c + e + f)	67,697	41,727	109,424	69,578	46,681	116,259
Plus (or minus) last year's carry forward total	h	3,593	(3,545)	48	5,741	(5,671)	70
Sub-total	j = (h + i)	3,593	(3,545)	48	5,741	(5,671)	70
Total permissible income	k = g + j	71,290	38,182	109,472	75,319	41,010	116,329
Less notional general income yield	l	65,548	43,854	109,402	69,175	47,083	116,258
Catch-up or (excess) result	m = k - l	5,741	(5,671)	70	6,144	(6,073)	71
Carry forward to next year ⁶	p = m + n + o	5,741	(5,671)	70	6,144	(6,073)	71

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.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (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 *Local Government Act 1993*. 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

Bayside Council

To the Councillors of Bayside Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Bayside 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 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.

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 'CHarper', with a long horizontal stroke extending to the right.

Chris Harper
Delegate of the Auditor-General for New South Wales

24 October 2025
SYDNEY

Bayside Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost		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				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Buildings	9,551	9,551	10,462	10,557	230,021	368,175	10.1%	22.8%	58.3%	7.2%	1.6%
	Sub-total	9,551	9,551	10,462	10,557	230,021	368,175	10.1%	22.8%	58.3%	7.2%	1.6%
Other structures	Other structures	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
Roads	Sealed roads	9,146	9,146	7,293	7,408	418,781	640,180	19.1%	43.2%	32.7%	4.4%	0.6%
	Bridges	26	26	–	–	12,327	19,146	48.8%	48.3%	2.5%	0.3%	0.1%
	Footpaths	1,667	1,667	1,718	1,950	119,054	219,710	17.1%	43.7%	36.4%	2.6%	0.2%
	Other road assets (incl bulk earthworks)	1,623	1,623	2,300	–	129,999	128,414	19.6%	41.2%	34.4%	4.6%	0.2%
	Sub-total	12,462	12,462	11,311	9,358	680,161	1,007,450	19.3%	43.2%	33.1%	4.0%	0.4%
Stormwater drainage	Stormwater drainage	1,341	1,341	798	974	142,296	240,359	11.9%	31.1%	55.5%	0.9%	0.6%
	Sub-total	1,341	1,341	798	974	142,296	240,359	11.9%	31.1%	55.5%	0.9%	0.6%
Open space / recreational assets	Swimming pools	2,975	2,975	1,172	648	4,201	11,614	21.7%	27.0%	0.0%	0.0%	51.3%
	Other	1,624	1,624	7,623	6,115	155,848	201,955	44.0%	37.9%	15.2%	2.7%	0.2%
	Sub-total	4,599	4,599	8,795	6,763	160,049	213,569	42.8%	37.3%	14.4%	2.6%	2.9%
Other infrastructure assets	Other	211	211	–	–	9,849	12,716	53.0%	25.5%	17.8%	0.7%	3.0%
	Sub-total	211	211	–	–	9,849	12,716	53.0%	25.5%	17.8%	0.7%	3.0%
Total – all assets		28,164	28,164	31,366	27,652	1,222,376	1,842,269	19.4%	36.7%	38.8%	4.0%	1.1%

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

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Bayside Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

	Amounts 2025 \$ '000	Indicator 2025	Indicators		Benchmark
			2024	2023	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	13,817	44.40%	135.74%	90.56%	> 100.00%
Depreciation, amortisation and impairment	31,120				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	28,164	2.31%	1.57%	2.44%	< 2.00%
Net carrying amount of infrastructure assets	1,220,412				
Asset maintenance ratio					
Actual asset maintenance	27,652	88.16%	100.06%	94.99%	> 100.00%
Required asset maintenance	31,366				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	28,164	1.53%	1.05%	1.64%	
Gross replacement cost	1,842,269				

(*) 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.



Online

Email: council@bayside.nsw.gov.au

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Phone

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Visit our Customer Service Centres

Monday to Friday 8:30 am – 4:30 pm

Rockdale Library, 444-446 Princes Highway, Rockdale

Westfield Eastgardens, 152 Bunnerong Road, Eastgardens

Post

Bayside Council

PO Box 21

Rockdale NSW 2216



Telephone Interpreter Services - 131 450

Τηλεφωνικές Υπηρεσίες Διερμηνέων بخدمة الترجمة الهاتفية 電話傳譯服務處 Служба за преведување по телефон