



For the year ending 30 June 2025

Financial Statements

Maitland City Council

**Financial statements
for the year ended 30 June 2025**

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Maitland City Council

**General purpose financial statements
for the year ended 30 June 2025 (Section 1)**

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Maitland City Council

General purpose financial statements for the year ended 30 June 2025

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

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

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

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

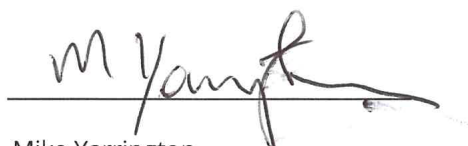
- * Present fairly the Council's operating result and financial position for the year, and
- * Accord with Council's accounting and other records

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

Signed in accordance with a resolution of Council made on 21/10/2025.



Philip Penfold
Mayor
21/10/2025



Mike Yarrington
Deputy Mayor
21/10/2025



Jeff Smith
General Manager
21/10/2025



Michael Burfitt
Responsible Accounting Officer
21/10/2025

Maitland City 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			
113,721	Rates and annual charges	B2-1	114,151	107,192
10,086	User charges and fees	B2-2	13,051	11,986
2,689	Other revenues		2,262	5,316
12,536	Grants and contributions provided for operating purposes	B2-3	11,156	18,022
42,191	Grants and contributions provided for capital purposes	B2-3	64,582	77,506
8,844	Interest and investment income		12,386	11,587
1,243	Other Income		1,429	1,301
191,310	Total income from continuing operations		219,016	232,910
	Expenses from continuing operations			
62,320	Employee benefits and on-costs	B3-1	64,466	61,626
49,080	Materials and Services	B3-2	57,227	73,035
2,527	Borrowing costs		3,710	2,521
10,045	Other expenses		11,477	10,385
-	Net loss from the disposal of assets		288	786
123,972	Total expenses from continuing operations excluding depreciation and amortisation		137,168	148,353
67,338	Operating result from continuing operations excluding depreciation and amortisation		81,849	84,557
31,952	Depreciation, amortisation and impairment of non-financial assets	B3-3	32,828	31,097
35,386	Operating result from continuing operations		49,021	53,461
35,386	Net operating result for the year attributable to Council		49,021	53,461
(6,805)	Net operating result for the year before grants and contributions provided for capital purposes		(15,562)	(24,046)

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

Maitland City 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		49,021	53,461
Other comprehensive income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	64,936	113,267
Total other comprehensive income for the year		64,936	113,267
Total comprehensive income for the year attributable to Council		113,957	166,728

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

Maitland City Council

Statement of Financial Position as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,448	26,093
Investments	C1-2	122,191	134,343
Receivables	C1-4	12,712	11,157
Contract assets and Contract cost assets		2,422	2,133
Inventories		619	648
Total current assets		152,392	174,373
Non-current assets			
Investments	C1-2	103,988	76,025
Infrastructure, property, plant and equipment (IPPE)	C1-5	2,150,214	2,040,012
Intangible assets		-	61
Right of use assets		1,124	996
Total non-current assets		2,255,326	2,117,094
Total assets		2,407,718	2,291,467
LIABILITIES			
Current liabilities			
Payables	C2-1	16,347	17,750
Contract liabilities	C2-2	17,672	14,022
Lease liabilities		519	440
Borrowings	C2-3	8,780	8,098
Employee benefit provisions	C2-4	15,345	14,484
Provisions	C2-5	1,012	2,147
Total current liabilities		59,675	56,941
Non-current liabilities			
Lease liabilities		668	585
Borrowings	C2-3	69,977	72,234
Employee benefit provisions	C2-4	412	322
Provisions	C2-5	34,339	34,750
Total non-current liabilities		105,396	107,891
Total liabilities		165,071	164,832
Net assets		2,242,647	2,126,636
EQUITY			
Accumulated surplus		1,222,778	1,173,758
Revaluations reserves	C3-1	1,019,869	952,878
Total equity		2,242,647	2,126,636

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

Maitland City Council

**Statement of Changes in Equity
for the year ended 30 June 2025**

	2025 \$'000			2024 \$'000		
	Accumulated surplus	IPPE revaluation reserve	Total Equity	Accumulated surplus	IPPE revaluation reserve Restated	Total Equity Restated
Opening balance at 1 July	1,173,757	952,878	2,126,636	1,120,297	839,611	1,959,908
Net operating result for the year	49,021	-	49,021	53,460	-	53,461
Other comprehensive income:						
Gain (loss) on revaluation of infrastructure, property, plant and equipment	-	66,990	66,990	-	113,268	113,267
Total comprehensive income	49,021	66,990	116,011	53,461	113,268	166,728
Closing balance 30 June	1,222,778	1,019,869	2,242,647	1,173,757	952,878	2,126,636

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Maitland City 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>				
113,721	Rates and annual charges		113,687	106,449
10,086	User charges and fees		13,980	12,929
8,844	Interest received		11,677	10,135
54,727	Grants and contributions		52,054	57,845
3,932	Other		2,360	9,281
<i>Payments:</i>				
(62,320)	Payments to employees		(63,528)	(61,951)
(49,678)	Payments for materials and services		(61,297)	(54,919)
(2,527)	Borrowing costs		(2,641)	(2,548)
(9,447)	Other		(11,570)	(10,388)
<u>67,338</u>	Net Cash flows from operating activities	F1-1	<u>54,722</u>	<u>66,835</u>
Cash flows from investing activities				
<i>Receipts:</i>				
(10,534)	Net (purchase)/redemption of investments		(15,163)	(7,513)
-	Proceeds from sale of IPPE		1,934	1,469
<i>Payments:</i>				
(64,652)	Payments for IPPE		(51,097)	(57,978)
<u>(75,186)</u>	Net Cash flows from investing activities		<u>(64,326)</u>	<u>(64,021)</u>
Cash flow from financing activities				
<i>Receipts:</i>				
6,300	Proceeds from borrowings		7,105	7,799
<i>Payments:</i>				
(11,377)	Repayment of borrowings		(8,680)	(9,242)
-	Principal component of lease payments		(466)	(466)
<u>(5,077)</u>	Net Cash flows from financing activities		<u>(2,041)</u>	<u>(1,909)</u>
<u>(12,925)</u>	Net change in cash and cash equivalents		<u>(11,645)</u>	<u>904</u>
<u>26,093</u>	Cash and cash equivalents at beginning of year		<u>26,093</u>	<u>25,189</u>
<u><u>13,168</u></u>	Cash and cash equivalents at end of year	C1-1	<u><u>14,448</u></u>	<u><u>26,093</u></u>

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

Maitland City Council

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Maitland City Council

Notes to the financial statements 30 June 2025

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 21 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. Maitland City 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 infrastructure, property, plant and equipment and investment property.

Significant accounting estimates and judgements

The preparation of the 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 Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Maitland City 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 C1-5 and D2-1
- (ii) Waste Site remediation provisions - refer Note C2-5
- (iii) Employee benefit provisions - refer Note C2-4

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 scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* - refer to Notes B2-3 .

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 unless it is required to be held in the Council's Trust Fund.

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

A1-1 Basis of preparation (continued)

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

New accounting standards and interpretations issued but not yet effective

i. Issued but not yet effective

AASB 18 Presentation and Disclosure in Financial Statement (AASB 18) has not been applied and is not yet effective. AASB 18 aims to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. AASB 18 will replace AASB 101 Presentation of Financial Statements.

The key presentation and disclosure requirements established by AASB 18 are:

- the presentation of newly defined subtotals in the statement of profit or loss;
- the disclosure of management-defined performance measures; and
- enhanced requirements for grouping information (i.e. aggregation and disaggregation).

For not-for-profit public sector entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. The impact of AASB 18 is yet to be determined by council.

There are other standards and amendments issued but not yet effective, the impacts of which are not anticipated to be material.

New accounting standards adopted during the year

ii. Effective for the first time in 2024-25

The accounting policies applied in 2024-25 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards.

The impact of these standards has not materially affected the financial statements of the council.

B. Financial Performance**B1. Functions or activities****B1-1 Functions or activities - income, expenses and assets**

Functions / Activities	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 results		Grants and Contributions		Carrying Amount of Assets	Carrying Amount of Assets
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Liveable Maitland	57,009	65,741	72,832	64,906	(15,823)	836	62,318	77,486	452,587	407,532
Sustainable Maitland	26,512	25,150	32,839	50,306	(6,327)	(25,157)	581	818	12,780	15,360
Vibrant Maitland	8,425	7,999	18,923	23,861	(10,498)	(15,863)	5,629	8,276	1,516,950	1,416,057
Achieving Together	127,070	134,021	45,402	40,375	81,668	93,645	7,210	8,949	425,400	452,518
Net operating result for the year	219,016	232,910	169,995	179,449	49,021	53,461	75,739	95,528	2,407,717	2,291,467

B1-2 Components of functions or activities

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

Liveable Maitland

Working together to foster strong connections, great places to live, and efficient mobility, enhancing how we connect with people and place.

Sustainable Maitland

Working together to commit to environmental stewardship and community resilience, centred around strong connections to nature and ensuring our communities thrive.

Vibrant Maitland

Working together to create opportunities for growth, work, and involvement.

Let's Lead Together

Working together to foster a culture built on trust, empowering an engaged workforce that embraces change.

Maitland City Council

Notes to the financial statements 30 June 2025

B2 Sources of income

B2-1 Rates and annual charges

	2025 \$'000	2024 \$'000
Ordinary rates		
Residential	69,637	65,156
Farmland	2,746	2,754
Mining	497	505
Business	17,001	16,041
Less: Pensioner rebates	(958)	(955)
Rates levied to ratepayers	88,923	83,502
Pensioner rate subsidies received	518	518
Total ordinary rates	89,441	84,019
Special rates		
Maitland CBD / Mall	530	504
Total special rates	530	504
Annual charges (pursuant to s.496, 496A, 496B, s.501 & s.611)		
Domestic waste management services	22,430	20,987
Stormwater management services charge	847	830
Waste management services (not domestic)	1,030	984
Less: Pensioner Rebate	(307)	(314)
Annual Charges levied	24,000	22,486
Pensioner annual charges subsidies received	180	182
Total annual charges	24,180	22,668
Total rates and annual charges	114,151	107,192

Council has used 1 July 2022 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 in their substance.

Maitland City Council

Notes to the financial statements 30 June 2025

B2-2 User charges and fees

	2025 \$'000	2024 \$'000
User charges		
Waste management services (not domestic)	2,816	2,473
Total user charges	2,816	2,473
Fees		
Private works - S67	468	346
TfNSW works (State roads not controlled by Council)	1,029	1,565
Building services - Other	333	315
Planning and building - Regulatory	3,286	2,810
Inspection fees	127	104
Section 10.7 certificates (EP&A Act)	386	348
Section 603 certificates	274	221
Registration fees	459	479
Swimming facilities	2,360	2,168
Cemeteries	176	147
Other	1,337	1,010
Total fees	10,235	9,513
Total user charges and fees	13,051	11,986
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	1,030	1,565
User charges and fees recognised at a point in time	12,021	10,421
Total user charges and fees	13,051	11,986

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 benefits of the goods/services being provided.

The performance obligation relates to the specific services which are provided to the customer 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 a deposit in advance. There is no material obligation Council in relation to refunds or returns.

Where up front fee is charged such as swimming pool admission, the fee is recognised at time of admission.

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

B2-3 Grants and contributions

	Operating		Capital	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
General purpose grants and non-developer contributions (untied)				
Financial Assistance Grant				
- Relating to current year	1,343	375	-	-
- Prepayment received in advance for subsequent year	4,578	7,408	-	-
Total amount recognised as Income	5,921	7,783	-	-
Special purpose grants and non-developer contributions (tied)				
Cash Contributions				
Transport for NSW contributions	497	487	3,612	185
Roads to recovery	-	-	403	873
Environmental programs	470	717	61	-
Recreation and culture	1,095	1,307	4,412	6,930
Storm/flood damage	1,653	3,517	-	-
Rural Fire Service	50	101	-	-
OHS Incentive Payment	129	192	-	-
Sporting groups	15	39	108	-
Staff - Motor vehicle lease payments	721	688	-	-
Other roads & bridges	255	2,905	6,257	7,802
Other	350	286	89	-
Total special purpose grants and non-developer contribution (tied)	5,235	10,239	14,941	15,790
Total grants and non-developer contributions	11,156	18,022	14,941	15,790
Comprising:				
- Commonwealth funding	5,921	7,783	1,454	4,826
- State funding	3,961	8,968	13,380	10,964
- Other funding	1,274	1,271	108	-
	11,156	18,022	14,941	15,790
Developer contributions (s7.4 and s7.11 - EP&A Act, s64 of the LGA):				
Cash contributions				
S 7.11 / S 7.12	-	-	21,335	22,776
Non-cash contributions				
Roadworks (other than by s.711)	-	-	22,389	24,376
Drainage (other than by s.711)	-	-	4,613	12,653
Land (other than by s.711)	-	-	838	1,026
Other	-	-	466	885
Total developer contributions	-	-	49,641	61,716
Total grants and contributions	11,156	18,022	64,582	77,506
Timing of revenue recognition				
Grant & contributions recognised over time	1,233	1,213	14,773	15,790
Grant & contributions recognised at a point in time	9,923	16,809	49,810	61,716
Total grants & contributions	11,156	18,022	64,582	77,506

B2-3 Grants and contributions (cont.)

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:

Note	Operating		Capital	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Unspent funds at 1 July	4,141	4,912	141,215	129,936
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	343	2,323	28,326	28,938
Add: Funds received and not recognised as revenue in the current year	3,058	-	4,643	8,381
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(2,435)	(3,094)	(12,824)	(19,971)
Less: Funds received in the prior year but revenue recognised and funds spent in the current year.	-	-	(3,978)	(6,069)
Unspent funds at 30 June	<u>5,107</u>	<u>4,141</u>	<u>157,383</u>	<u>141,215</u>

Material accounting policy information**Grants and contributions**

Where grant and contribution revenue arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is transferred. The performance obligations are varied according to the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on achievement of certain milestones for others. Each performance obligation may be satisfied 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 at a single time, where as over time recognition is where control is ongoing throughout the project. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grant received to enable 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 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 contributions revenues levied on developers under the provisions of sections 7.4, 7.11 & 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consent Order, such developer contributions are only recognised as income on receipt 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 the Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

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

Maitland City Council

Notes to the financial statements 30 June 2025

B3. Costs of providing services

B3-1 Employee benefits and on costs

	2025	2024
	\$'000	\$'000
Salaries and wages	50,926	47,544
Employee leave entitlements	10,415	9,169
Superannuation	6,583	5,930
Workers' compensation insurance	1,059	1,020
FBT	333	264
Other	113	170
	<u>69,429</u>	<u>64,097</u>
Less: Capitalised costs	(4,963)	(2,471)
Total employee costs expensed	<u>64,466</u>	<u>61,626</u>

Material accounting policy information

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

Labour and associated on costs are capitalised once the decision has been made to invest in infrastructure.

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

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

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

Maitland City Council

Notes to the financial statements 30 June 2025

B3-2 Materials and services

	2025	2024
	\$'000	\$'000
Raw materials and consumables	30,805	44,890
Cost of Sales	454	475
Insurance	2,330	2,341
Telephone	191	177
Street lighting	2,405	2,691
Electricity and heating	980	1,040
Election expenses	717	-
Contractor Costs	1,580	1,077
Contractor and consultancy costs		
- Recycling services	3,424	3,161
- Organics collection & processing	1,902	1,505
- Waste disposal costs	313	714
- Other contractor and consultancy costs	10,564	13,762
Legal fees	1,014	670
Other	548	532
Total materials and contracts	57,227	73,035

Maitland City Council

Notes to the financial statements 30 June 2025

B3-3 Depreciation and amortisation

	Note	2025 \$'000	2024 \$'000
Intangibles - Software		62	70
Plant and equipment	C1-5	2,634	2,194
Office equipment	C1-5	117	125
Furniture and fittings	C1-5	116	115
Infrastructure	C1-5	28,038	26,812
Other assets	C1-5	179	183
Tip asset	C1-5	1,087	1,087
Right of use assets		595	511
Total depreciation and amortisation costs		32,828	31,097

Material accounting policy information

Depreciation and amortisation are calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

B4. Performance against budget

B4-1 Material budget variations

Council's original budget was adopted by the Council on 11 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 the Council. While these general purpose financial statements include the original budget adopted by Council, the Local Government 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:

Revenues

1. User Charges & Fees

Actual amounts of User Charges & fees exceeded budget by \$2.9M (29%) and reflects increases in TfNSW maintenance fees \$458K, swimming pool income \$632K from increased attendances and waste Management fees \$597K from increased use of the waste site by customers.

2. Other Revenue

Other revenue lower than budget by \$427K (16%) from the cancelled Bitter & Twisted event.

3. Grants and contributions provided for operating and capital purposes

Actual capital grants and contributions received exceeded budget by \$22.4M (53%). Non cash dedications were received for infrastructure (\$28M) are not budgeted as they are not reliably estimated. Capital grants received for roads & recreation infrastructure were down (\$14.7M) as deferred to 2026. Cash contributions from developers exceeded budget by \$7M due to development activity.

Actual operating grants and contributions received were lower than budget by \$1.4M (11%). Flood funding of \$1.4M was received not budgeted but was offset by lower Financial Assistance Grant of \$2.9M.

4. Interest

Actual interest received exceeded budget by \$3.5M (40%). Council's return on investment was above expectations due to the increase in rates achieved in the market and capital held over this period.

5. Other Income

Other income exceeded budget by \$0.2M from increases in facilities being leased.

Expenses

1. Materials & Services

Materials & Services exceeded budget by \$8M (16%). Unbudgeted items include prior year operating grants received spent in the current year \$3.4M including Walka grants \$1.1M, road repair program \$0.7M and, expenditure on non Council asset \$3.3M.

2. Borrowing Costs

Borrowing costs exceeded budget by \$1.2M (47%). Unbudgeted unwinding of the present value calculation on the rehabilitation provision impacting the result by \$1M.

3. Other Expenses

Other expenses exceeded budget by \$1.4M (14%) from increases in the State Government (EPA) waste disposal levy.

Statement of cash flows

1. Cash flows from operating activities

Total Net Cash flows from operating activities were unfavourable to budget by \$12.6M (18.7%). Increases in materials & services from grant expenditures and expenses on a non council asset contributed to the variance.

2. Cash flows from investing activities

Total Net Cash flows from investing activities were impacted by additional capital available for investments (\$4.6M) and lower than expected payments for infrastructure (\$13.5M).

3. Cash flows from financing activities

Total Net Cash flows from financing activities were favourable to budget by \$3.0M (60%). Lower payments on borrowings compared to budget contributed to the variance.

C. Financial Position

C1. Assets we manage

C1-1 Cash and cash equivalents

	Note	2025 \$'000	2024 \$'000
Cash at bank and on hand		10,448	18,093
Deposits at call		4,000	8,000
		<u>14,448</u>	<u>26,093</u>

C1-2 Financial investments

	2025		2024	
	Current	Non-current	Current	Non-current
	\$'000	\$'000	\$'000	\$'000
Debt securities at amortised cost.				
- Term Deposits	110,768	8,125	111,753	-
- FRNs	5,241	91,315	20,578	65,430
- Bonds	6,182	4,548	2,012	10,595
	122,191	103,988	134,343	76,025

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 expenses as incurred.

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised costs 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.

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 the profit and loss.

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

	2025 \$'000	2024 \$'000
Total cash, cash equivalents and investments	240,627	236,460
Less: Externally restricted cash, cash equivalents & investments	173,069	155,580
Cash, Cash equivalents & Investment not subject to external restrictions	67,558	80,880

	2025 \$'000	2024 \$'000
External restrictions		
General fund		
Developer contributions	142,683	127,198
Domestic waste management	10,596	10,225
Specific purpose unexpended grants	19,790	18,157
Total external restrictions	173,069	155,580

Cash, cash equivalents & 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.

Internal allocations		
Employee leave entitlements	3,939	3,741
Economic development	210	694
Plant	353	353
Waste disposal site construction	71	2,101
Technology	66	2,258
Carry over works	6,124	10,931
Capital Works	5,332	5,545
Environmental works	892	829
Workers compensation	1,038	1,038
Asset management	2,250	2,195
General purpose reserve	2,997	6,292
Waste disposal site rehabilitation	15,422	13,416
Transfer station construction	9,919	10,582
Financial Assistance Grant advance payment	4,578	7,408
Election cost reserve	83	662
Disaster Resilience & Recovery reserve	899	899
Unexpended loans	4,743	4,424
Total internal allocations	58,916	73,368

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

Maitland City Council

Notes to the financial statements 30 June 2025

C1-4 Receivables

	2025		2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Rates and annual charges	8,031	-	7,231	-
Interest and extra charges	953	-	893	-
User charges and fees	169	-	179	-
Government grants and subsidies	233	-	1,010	-
Contributions	674	-	195	-
Net GST Receivable	981	-	1,376	-
Property rentals	124	-	285	-
Other	1,665	-	106	-
Total	12,830	-	11,275	-
Less: Provision for impairment				
- Rates and annual charges	-	-	-	-
- Interest and extra charges	-	-	-	-
- User charges and fees	-	-	-	-
- Other	(118)	-	(118)	-
Net receivables	12,712	-	11,157	-

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 costs is recognised on a expected credit loss (ECL) basis. When determining whether the credit risk of a financial assets has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable information that is relevant and available without 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 rate and annual charges debtors, Council takes into account that unpaid rates represents a charge against the rateable property that will be recovered when the property is 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 cash flows expected to be received. This is applied using a probability weighted approach. The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, or when the receivables are over 2 years past due, which ever occurs first.

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

Maitland City Council

Notes to the financial statements 30 June 2025

C1-5 Infrastructure. property, plant and equipment

By aggregated asset class	At 1 July 2024			Movements during year						At 30 June 2025		
	Gross carrying amount	Accumulated Depreciation	Net carrying amount	Renewals ⁽¹⁾	New assets	Carrying value of disposals	Depreciation	Transfers	Revaluation increments/ (decrements)	Gross carrying amount	Accumulated Depreciation	Net carrying amount
	\$'000	\$'000	\$'000									
Capital WIP	32,482	-	32,482	11,164	9,681	-	-	(23,691)	-	29,639	-	29,639
Plant, equipment, furniture and fittings	31,663	18,622	13,041	-	6,256	(772)	(2,867)	-	-	29,892	14,234	15,659
Land	252,970	-	252,970	-	1,444	-	-	-	-	254,413	-	254,413
Infrastructure												
- Buildings & other structures	289,265	127,453	161,812	299	232	-	(4,167)	690	6,935	303,213	137,412	165,801
- Roads, bridges & footpaths	1,369,946	267,821	1,102,125	14,708	22,549	(740)	(18,248)	6,631	33,368	1,448,536	288,143	1,160,393
- Bulk earthworks	-	-	-	3,052	-	-	-	15,308	-	18,361	-	18,361
- Storm water drainage	436,534	78,399	358,135	1,091	4,613	-	(3,309)	607	18,874	465,729	85,718	380,011
- Open space / recreational assets	119,505	29,148	90,357	-	3,010	(535)	(1,999)	453	5,748	126,825	29,791	97,035
- Other infrastructure (waste depot)	6,670	2,987	3,683	715	-	-	(315)	-	-	7,385	3,301	4,083
Other assets	16,837	1,215	15,622	-	669	-	(179)	-	10	17,162	1,040	16,122
Tip asset	19,296	9,511	9,785	-	-	-	(1,087)	-	-	19,296	10,598	8,698
Totals	2,575,167	535,155	2,040,011	31,029	48,454	(2,046)	(32,171)	-	64,936	2,720,452	570,237	2,150,214

1. Renewals are defined as replacements of existing assets as opposed to the acquisition of new assets.

Maitland City Council

Notes to the financial statements 30 June 2025

C1-5 Infrastructure. Property, plant and equipment (Cont)

By aggregated asset class	At 1 July 2023			Movements during year						At 30 June 2024		
	Gross carrying amount \$'000	Accumulated Depreciation \$'000	Net carrying amount \$'000	Renewals (1) \$'000	New assets \$'000	Carrying value of disposals \$'000	Depreciation \$'000	Transfers \$'000	Revaluation increments/ (decrements) \$'000	Gross carrying amount \$'000	Accumulated Depreciation \$'000	Net carrying amount \$'000
Capital WIP	26,874	-	26,874	18,455	4,947	-	-	(17,794)	-	32,482	-	32,482
Plant, equipment, furniture & fittings	28,498	19,649	8,849	-	6,871	(245)	(2,434)	-	-	31,663	18,622	13,041
Land	249,979	-	249,979	-	2,991	-	-	-	-	252,970	-	252,970
Infrastructure:												
- Buildings & other structures	279,065	123,991	155,074	3,124	622	-	(4,270)	1,772	5,490	289,265	127,453	161,812
- Roads, bridges & footpaths	1,255,146	259,395	995,751	11,183	24,376	(765)	(17,041)	11,341	77,280	1,369,946	267,821	1,102,125
- Storm water drainage	400,060	71,754	328,306	2,967	12,648	-	(3,118)	496	16,836	436,534	78,399	358,135
- Open space / recreational assets	105,843	35,365	70,478	-	5,707	(1,113)	(2,094)	4,185	13,194	119,505	29,148	90,357
- Other infrastructure (waste depots)	6,121	2,699	3,422	549	-	-	(287)	-	-	6,670	2,987	3,683
Other assets	15,458	1,203	14,255	-	1,082	-	(183)	-	468	16,837	1,215	15,622
Tip asset	18,161	8,424	9,737	-	-	-	(1,087)	-	1,135	19,296	9,511	9,785
Totals	2,385,205	522,480	1,862,725	36,278	59,244	(2,123)	(30,514)	-	114,403	2,575,168	535,155	2,040,012

C1-5 Infrastructure. Property, plant and equipment (Cont.)

Material accounting policy information

Initial recognition of infrastructure, property, plant & 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.

When infrastructure, property, plant and equipment are 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

Office furniture & equipment	5 - 10 years	Flood control structures	100 - 200 years
Vehicles	5 - 6 years	Roads - Surface	15 - 100 years
Plant and equipment	5 - 15 years	Roads - Structure	50 - 200 years
Buildings	30 - 150 years	Footpaths	40 - 150 years
Parks & Community improvements	5 - 125 years	Kerb and gutter	120 - 200 years
Drains & Culverts	140-200 years	Road furniture	20 - 50 years
Bulk earthworks	Infinite	Bridge Components	25 - 140 years

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

Revaluation Model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five 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 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 revaluation reserves directly in equity 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.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the 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.

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

Maitland City Council

Notes to the financial statements 30 June 2025

C2. Liabilities of Council

C2-1 Payables

	2025		2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Payables				
Goods and services	10,189	-	12,072	-
Accrued wages and salaries	1,698	-	1,594	-
Accrued expenses - Other	688	-	648	-
Prepaid rates	3,772	-	3,436	-
Total payables	16,347	-	17,750	-
Current payables not expected to be settled within the next 12 months	-	N/A	-	N/A

Maitland City Council

Notes to the financial statements 30 June 2025

C2-2 Contract liabilities

	2025		2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Funds to construct Council controlled assets	17,672	-	14,022	-
Total contract liabilities	17,672	-	14,022	-

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.

Revenue recognised that was included in the contract liability balance at the beginning of the period

	2025 \$'000	2024 \$'000
Funds to construct Council controlled asset	4,120	6,069
	4,120	6,069

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.

C2-3 Borrowings

	2025		2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Loans - Secured	8,208	68,314	7,596	70,991
Equipment Loans	572	1,663	502	1,243
Total borrowings	8,780	69,977	8,098	72,234

(a) Changes in liabilities arising from financing activities

	2024 \$'000s	Cash flows \$'000s	Non-cash movements \$'000s		2025 \$'000s
			Acquisition	Other	
Loans - Secured	78,587	(2,065)	-	-	76,522
Equipment Loans	1,745	490	-	-	2,235
Total liabilities from financing activities	80,332	(1,575)	-	-	78,757

	2023 \$'000s	Cash flows \$'000s	Non-cash movements \$'000s		2024 \$'000s
			Acquisition	Other	
Loans - Secured	81,321	(2,733)	-	-	78,588
Equipment Loans	454	1,290	-	-	1,744
Total liabilities from financing activities	81,775	(1,443)	-	-	80,332

C2-3 Borrowings (Cont.)

(b) Financing Arrangements	2025	2024
	\$'000	\$'000
Total facilities		
Total facilities available to council at the reporting date is:		
Asset finance facility	2,000	2,000
Corporate credit cards	250	140
	<u>2,250</u>	<u>2,140</u>
Drawn facilities		
Financing facilities drawn down at the reporting date is:		
Asset finance facility	-	-
Corporate credit cards	68	59
	<u>68</u>	<u>59</u>
Undrawn facilities		
Undrawn financing facilities available to council at the reporting date is:		
Asset finance facility	2,000	2,000
Corporate credit cards	182	81
	<u>2,182</u>	<u>2,081</u>

Breaches and defaults

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

Security over loans

Loans are secured over the revenue of Council.

Covenants

Loans from Treasury Corporation outstanding \$28.2M (\$33.2M 2024), contain or include covenants which have been met for this year and prior year.

Maitland City Council

Notes to the financial statements 30 June 2025

C2-4 Employee benefit provisions

	2025		2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Annual leave	5,640	-	5,155	-
Sick leave	302	-	400	-
Long service leave	8,738	412	8,292	322
RDO / Time in Lieu	665	-	637	-
Total provisions	15,345	412	14,484	322
Current provisions not expected to be settled within the next 12 months	10,973	N/A	10,721	N/A

Material accounting policy information

Other long-term employee benefit obligations

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

C2-5 Provisions

	2025		2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Waste Site remediation	1,012	34,339	2,147	34,750
Total provisions	1,012	34,339	2,147	34,750

Movements in provisions

	Asset remediation \$'000	Other Provision \$'000	Total \$'000
At beginning of year	36,897	-	36,897
Changes to provision:			
Revised life & costs to remediate	(3,248)	-	(3,248)
Revised discount rate	674	-	674
Amounts used	-	-	-
Unwinding of discount	1,028	-	1,028
Total	35,351	-	35,351

Nature and purpose provisions**Asset remediation**

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip as a result of past operations.

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 borrowing costs.

Asset remediation - Waste Sites

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 costs are estimated on the basis of a closure plan. 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.

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 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.

C3. Reserves

C3-1 Nature and purpose of reserves

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of Infrastructure, property, plant & equipment.

D. Risks and accounting uncertainties

D1-1 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 section manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with the Local Government Act and Ministerial Investment Order 625. 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 Section under policies approved by the Councillors.

The fair value of receivables, loans, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

- * Market rate 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

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 movement was determined based on historical movements and economic conditions in place at the reporting date.

	2025 \$'000	2024 \$'000
Impact of a 1% (2024: 2%) movement in price of Bonds (investments):		
- Equity / Income statement	107	252
Impact of a 1% (2024: 2%) movement in interest rates:		
- Equity / Income statement	2,227	1,579

D1-1 Risks relating to financial instruments held (Cont.)**(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 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. Benchmarks are set and monitored for acceptable collection performance.

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 subject 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.

	Not yet due	Overdue debts		Total
		< 5 year	> 5 years	
	\$'000	\$'000	\$'000	\$'000
2025	-	7,963	68	8,031
2024	-	8,055	69	8,124

Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges 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, receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows.

		Not yet due	Overdue debts				Total
			< 30 days	30 - 60 days	60 - 90 days	> 90 days	
2025	Gross carrying amount (\$'000)	3,232	1,205	31	65	266	4,799
	Expected loss rate (%)	0.45%	2.90%	5.26%	12.28%	21.50%	2.42%
	ECL provision (\$'000)	15	35	2	8	57	116
2024	Gross carrying amount (\$'000)	3,320	557	14	30	123	4,044
	Expected loss rate (%)	1.84%	3.72%	7.43%	17.71%	24.41%	2.92%
	ECL provision (\$'000)	61	21	1	5	30	118

D1-1 Risks relating to financial instruments held (Cont.)

(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 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 structure.

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 and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

2025 \$'000	Weighted Average Interest rate %	Due within 1 Year \$'000	Due between 1 and 5 years \$'000	Due after 5 years \$'000	Total Contractual cash flows \$'000	Carrying values \$'000
Payables	0.00%	16,347	-	-	16,347	16,347
Borrowings	3.40%	11,383	40,262	44,689	96,334	78,757
		27,730	40,262	44,689	112,681	95,104

2024 \$'000	Weighted Average Interest rate %	Due within 1 Year \$'000	Due between 1 and 5 years \$'000	Due after 5 years \$'000	Total Contractual Cash flows \$'000	Carrying Values \$'000
Payables	0.00%	17,750	-	-	17,750	17,750
Borrowings	3.19%	11,061	40,527	46,685	98,273	80332
		28,811	40,527	46,685	116,023	98,082

Maitland City Council

Notes to the financial statements 30 June 2025

D2-1 Fair value measurement

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

- * Infrastructure, property, plant and equipment

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 council 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 the Council:

	Note	Level 2 (\$'000's) Significant observable inputs \$'000		Level 3 (\$'000s) Significant unobservable inputs \$'000		Total (\$'000s)	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Recurring fair value measurements							
Infrastructure, property, plant and equipment	C1-5						
Plant, equipment, furniture and fittings		-	-	15,659	13,041	15,659	13,041
Land		118,833	118,227	135,580	134,743	254,413	252,970
Buildings and other structures		-	-	165,801	161,812	165,801	161,812
Roads, bridges and footpaths		-	-	1,160,393	1,102,125	1,160,393	1,102,125
Bulk Earthworks		-	-	18,361	-	18,361	-
Storm water drainage		-	-	380,011	358,135	380,011	358,135
Open space / recreational assets		-	-	97,035	90,357	97,035	90,357
Other infrastructure assets (waste depot)		-	-	4,083	3,683	4,083	3,683
Other assets		-	-	16,122	15,622	16,122	15,622
Tip asset		-	-	8,698	9,785	8,698	9,785
Total infrastructure, property, plant & equipment		118,833	118,227	2,001,743	1,889,303	2,120,576	2,007,530

D2-1 Fair value measurement**Level 3 Measurements**

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 asset class fair values with no changes to valuation techniques during the period.

Class	Valuation techniques	Unobservable inputs
Plant, equipment, furniture, fittings and office equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Operational land	Market approach	Price per square metre
Land Under Roads	Market-based direct comparison	Extent and impact of use, market cost of land per square metre, restrictions. The market value of land varies significantly depending on the location of land and current market conditions.
Community / Crown Land	Market approach. Land values obtained from the NSW Valuer-General	Land value, land area, level of restriction
Buildings	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value. Unit rates per m2
Roads, bridges, footpaths, stormwater drainage	Cost approach	Asset condition, remaining lives using componentisation Unit rates per m2 or m3
Swimming pools	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Other open space / recreational assets	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value.
Other infrastructure assets (waste depot)	Cost approach	Current replacement cost of modern equivalent asset using componentisation, asset condition, remaining lives, residual value.
Art works	Market approach	Market approach if information readily available. The level of appreciation of the asset, current replacement/ replication cost of equivalent asset, asset condition
Tip asset	Cost approach	Environmental legislation, timing of expected cash outflows, asset condition

Reconciliation of Movements

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

	2025	2024
	\$'000	\$'000
Balance at 1 July	1,889,302	1,719,589
Total gains or losses for the period		
Recognised in profit or loss - Realised (Refer Note B4-1)	(288)	(786)
Recognised in other comprehensive income - Revaluation	64,936	114,402
Other movements		
Purchases	81,723	87,948
Sales	(1,758)	(1,336)
Depreciation	(32,171)	(30,514)
Balance at 30 June	2,001,744	1,889,303

Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

D3-1 Contingencies

Contingent liabilities

(a) Defined benefit plan

Council is party to an Industry Defined Benefit Plan under Active Super - Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a "multi-employer fund" for the purposes of AASB119 Employee Benefits. for the following reasons:

- assets are not segregated within the sub-group for each sponsoring employer;
- contribution rates are 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 are determined according to the same formulae and without regard to the sponsoring employer; and
- the same actuarial assumptions are currently used for each employee.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees 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 standard employer contributions and additional lump sum contributions to the fund.

the standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working lifetime of a typical new entrant is calculated. The standard employer contribution rates are:

Division B	1.9 times for non -180 point members & Nil for 180 point members
Division C	2.5% salaries
Division D	1.64 times member contributions

The additional lump sum contribution for each pooled employer is a share of the total additional contributions of 20.0M for 1 January 2022 to 31 December 2024. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025. The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2025.

Description of Council's liability and obligations

The last valuation of the Scheme was performed by the Actuary, Mr Richard Boyfield, FIAA on 30 June 2022.

The expected contributions to the Fund by Council for the 2025/26 financial year is \$66,336.

It is estimated that there are \$15,336 past service contributions remaining.

The estimated employer reserves financial position for the pooled employees as at 30 June 2025 is:

Employer reserves only	\$M	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.5%
Vested benefits	2,130.4	103.2%

Council's share of that deficiency cannot be accurately calculated as the scheme is a mutual arrangement. For this reason no liability for the deficiency is recognised in the accounts. Council has a possible obligation that may arise should the scheme require immediate payment to correct the deficiency

An investment return of 6.0%, salary inflation of 3.5% and CPI increases of 2.5% are the key long term assumptions for the calculated present value of accrued benefits.

(b) Bank guarantees / loan guarantees

Council is guarantor of a bank loan obtained by the Maitland Hockey Association. The loan, in the amount of \$350,000 was redrawn in 2018/19.

E. People and relationships

E1. Related party disclosures

E1-1 Key management personnel (KMP)

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

	2025 \$'000	2024 \$'000
Compensation		
Short-term benefits	2,461	2,530
Post-employment benefits	177	2,259
Total	2,638	4,789

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.

Nature of the transaction	Transactions during the year (\$'000s)	Outstanding balances, including commitments (\$'000s)	Terms and conditions	Impairment provision on outstanding balances (\$'000s)	Impairment expense (\$'000s)
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2025

Payments made for recycling services ¹	3,362	-	30 days	-	-
Payments made for services received ²	151	-	30 days	-	-

Maitland City Council

Notes to the financial statements 30 June 2025

E1-1 Key management personnel (KMP) (Cont.)

Other transactions with KMP and their related parties (continued)

Nature of the transaction	Transactions during the year (\$'000s)	Outstanding balances, including commitments		Terms and conditions
		(\$'000s)		

2024

Payments made for recycling services ¹	3,076	-	30 days
Payments made for services received ²	148	-	30 days

¹ Relates to payments to Hunter Resource Recovery, a company in which Council has an interest, to provide recycling services. The contract was awarded through a competitive tender process based on market rates for these services. Amounts are payable on a monthly basis for the term of the contract.

² Council uses Arrow Collaborative Services Limited, a company in which Council has an interest, for a variety of services, including legal services, records storage, training and Environment Management.

Maitland City Council

Notes to the financial statements 30 June 2025

E1-2 Councillor and mayoral fees and associated expenses

The aggregate amount of Councillor and mayoral fees and associated expenses included in the Income statement is:

	2025	2024
	\$'000	\$'000
Mayoral fee	109	104
Councillor fees	467	465
Councillors' (including mayor) expenses	53	13
Total	629	582

E2 Other relationships

E2-1 Audit fees

	2025	2024
	\$'000	\$'000
Auditors of the Council - NSW Auditor-General:		
Audit of financial statements	120	115
Total fee paid or payable to the Auditor-General	120	115

F. Other matters

F1-1 Statement of cash flows information

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

	2025 \$'000	2024 \$'000
Operating result	49,021	53,461
Add / (less) non-cash items		
(Gain) / loss on disposal of assets	288	786
Depreciation and amortisation	32,828	31,097
Non -cash contributions and dedications	(28,306)	(38,939)
Impairment of receivables	27	70
Changes in assets and liabilities		
Movement in operating assets and liabilities		
(Increase) / decrease of receivables	(1,555)	552
(Increase) / decrease of Inventories	29	(6)
(Increase) / decrease of contract asset	(287)	(504)
Increase / (decrease) in trade payables	(1,403)	3,830
Increase / (decrease) in contract liabilities	3,651	2,317
Increase / (decrease) in employee benefit provision	951	(442)
Increase / (decrease) in other provisions	(522)	14,614
Net Cash Flows from operating activities	54,722	66,835

(b) Non-cash financing and investing activities

Asset contributions		
- Roads Bridges and footpaths	22,389	24,376
- Drainage	4,613	12,653
- Land	838	1,026
- Other	466	885
	28,306	38,940

F2-1 Capital commitments

	Actual 2025 \$'000	Actual 2024 \$'000
(a) Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
- Plant and equipment	736	2,427
- Roads, bridges & footpaths	18,999	18,832
- Drainage assets	1,094	64
- Recreational assets	978	2,949
- Buildings	3,917	110
- Other	3,951	4,256
Total	<u>29,675</u>	<u>28,638</u>

The Council has committed to completing various road, bridge and footpath works and replacing various items of major plant.

F3-1 Events occurring after reporting date

No matters have arisen subsequent to balance date that would require these financial statements to be amended.

F4. Statement of developer contributions as at 30 June 2025**F4-1 Summary of developer contributions**

Purpose	Balance At 1 July 2024 (\$'000)	Contributions Received			Interest & investment income earned (\$'000)	Amount Expensed (\$'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	1,149	261	-	-	65	-	1,475	-
Roads	469	33	-	510	27	-	529	-
Traffic facilities	52,839	12,396	-	-	2,863	10,069	58,029	-
Parking	1	-	-	-	-	-	1	-
Open space	35,330	4,287	-	-	1,959	1,527	40,049	-
Community facilities	34,696	2,924	-	-	1,923	407	39,136	-
Other	1,633	493	-	510	90	404	1,812	-
S7.11 under plans	126,117	20,394	-	-	6,927	12,407	141,031	-
S7.12 levies	1,082	941	-	-	64	435	1,652	-
Total Contributions	127,199	21,335	-	-	6,991	12,842	142,683	-

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

F4-2 Developer contributions by plan**Contribution plan no. 1 - 2006 City Wide Plan**

Purpose	Balance At 1 July 2024 (\$'000)	Contributions Received			Interest & investment income earned (\$'000)	Amount Expensed (\$'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	-	-	-	-	-	-	-	-
Roads	469	32	-	-	9	-	510	-
Traffic facilities	5,790	1,434	-	-	357	490	7,091	-
Parking	1	-	-	-	-	-	1	-
Open space	5,829	146	-	-	303	928	5,350	-
Community facilities	12,774	84	-	-	689	36	13,511	-
Other	119	115	-	510	8	72	340	-
Total	24,982	1,811	-	510	1,366	1,526	26,123	-

Maitland City Council

Notes to the financial statements 30 June 2025

F4-2 Developer contributions by plan (Cont.)

Contribution plan no. 2 - 2006 Thornton North Plan

Purpose	Balance At 1 July 2024 (\$'000)	Contributions Received			Interest & investment income earned (\$'000)	Amount Expensed (\$'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	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-
Traffic facilities	23,453	4,662	-	-	1,239	4,410	24,944	-
Parking	-	-	-	-	-	-	-	-
Open space	15,971	1,379	-	-	888	-	18,238	-
Community facilities	7,883	461	-	-	424	371	8,397	-
Other	461	118	-	-	20	291	308	-
Total	47,768	6,620	-	-	2,571	5,072	51,887	-

Contribution plan no. 3 - 2014 Lochinvar Plan

Purpose	Balance At 1 July 2024 (\$'000)	Contributions Received			Interest & investment income earned (\$'000)	Amount Expensed (\$'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	1,149	261	-	-	65	-	1,475	-
Roads	-	-	-	-	-	-	-	-
Traffic facilities	5,416	1,372	-	-	309	66	7,031	-
Parking	-	-	-	-	-	-	-	-
Open space	5,541	1,475	-	-	320	-	7,336	-
Community facilities	2,874	639	-	-	164	-	3,677	-
Other	602	146	-	-	34	-	782	-
Total	15,582	3,893	-	-	892	66	20,301	-

Maitland City Council

Notes to the financial statements 30 June 2025

F4-2 Developer contributions by plan (Cont.)

Contribution plan no. 4 - 2016 City Wide Plan

Purpose	Balance At 1 July 2024 (\$'000)	Contributions Received			Interest & investment income earned (\$'000)	Amount Expensed (\$'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	-	-	-	-	-	-	-	-
Roads	-	1	-	510	18	-	529	-
Traffic facilities	15,218	3,744	-	-	826	3,516	16,272	-
Parking	-	-	-	-	-	-	-	-
Open space	2,894	743	-	-	164	599	3,202	-
Community facilities	9,777	1,487	-	-	564	-	11,828	-
Other	161	28	-	-	9	41	157	-
Total	28,050	6,003	-	510	1,581	4,156	31,988	-

Contribution plan no. 5 - 2015 Farley Plan

Purpose	Balance At 1 July 2024 (\$'000)	Contributions Received			Interest & investment income earned (\$'000)	Amount Expensed (\$'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	-	-	-	-	-	-	-	-
Traffic facilities	2,962	1,184	-	-	132	1,587	2,691	-
Open space	5,095	544	-	-	284	-	5,923	-
Community facilities	1,388	253	-	-	82	-	1,723	-
Other	290	86	-	-	19	-	395	-
Total	9,735	2,067	-	-	517	1,587	10,732	-

End of Audited Financial Statement



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Maitland City Council

To the Councillors of Maitland City Council

Opinion

I have audited the accompanying financial statements of Maitland City 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 B4-1 '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.



Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2025
SYDNEY



Cr Philip Penfold
Mayor
Maitland City Council
PO Box 220
MAITLAND NSW 2320

Contact: Cassie Malone
Phone no: 02 9275 7388
Our ref: R008-1981756498-5585

28 October 2025

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of the Maitland City 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	114.2	107.2	6.5
Grants and contributions provided for operating purposes revenue	11.2	18.0	(38.1)
Grants and contributions provided for capital purposes revenue	64.6	77.5	(16.7)
Operating result from continuing operations	49.0	53.5	(8.3)
Net Operating result for the year before grants and contributions provided for capital purposes	(15.6)	(24.0)	35.3

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 \$4.5 million lower than the 2023–24 result.

In 2024–25:

- Council's grants and contributions revenue (\$75.8 million) decreased by \$19.7 million. Refer to 'Grants and contributions revenue' below for details.
- Council revenue excluding grants and contributions (\$143.3 million) increased by \$5.9 million. Refer to 'Council revenue excluding grants and contributions' below for details.
- depreciation, amortisation and impairment of non-financial assets expense (\$32.8 million) increased by \$1.7 million (5.6 per cent) mainly from an increase in depreciation charges for buildings and infrastructure



assets such as roads, bridges and stormwater drainage

- employee benefits and on-costs (\$64.5 million) increased by \$2.9 million (4.6 per cent) mainly due to the award increase of 3.5 per cent
- materials and services (\$57.2 million) decreased by \$15.8 million (21.6 per cent) due to the provision for Anambah Waste Site which was initially recognised in 2023-24.

The net operating result for the year before grants and contributions provided for capital purposes was \$15.6 million. Refer to 'Grants and contributions revenue' below for details.

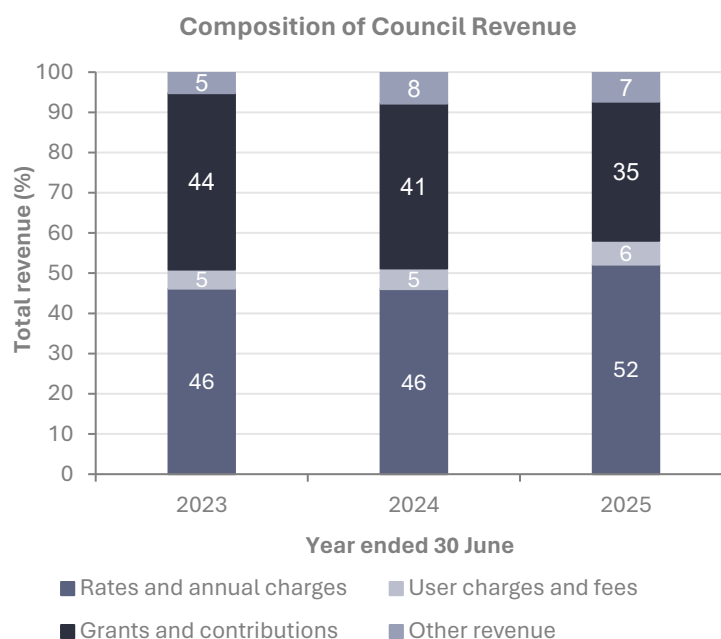
Income

Council revenue

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

Council revenue (\$219.0 million) decreased by \$13.9 million (6.0 per cent) in 2024-25 due to:

- rates and annual charges revenue (\$114.2 million) which increased by \$7.0 million (6.5 per cent) primarily due to rate peg increase of 5.0 per cent
- other revenue (\$2.3 million) which decreased by \$3.1 million (57.4 per cent) due to the one-off insurance claim recovery of \$3.0 million recorded in 2023-24
- grants and contributions revenue (\$75.8 million) which decreased by \$19.7 million (20.6 per cent) – see additional details below.

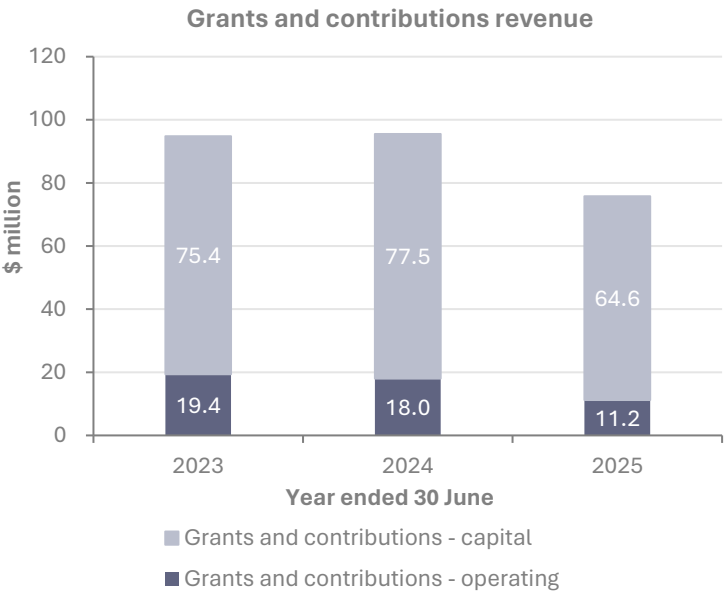


Grants and contributions revenue

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

Grants and contributions revenue (\$75.8 million) decreased by \$19.7 million (20.6 per cent) in 2024–25 due to:

- receiving 50 per cent of the financial assistance grants for 2025-26 in advance (85 per cent for 2024-25)
- non-cash contributions (dedicated assets) received from developers (\$28.3 million) decreased by \$10.6 million (27.3 per cent) primarily relating to drainage assets
- projects deferred to 2025-26 also impacted grants and contributions provided for capital purposes.



CASH FLOWS

Statement of cash flows

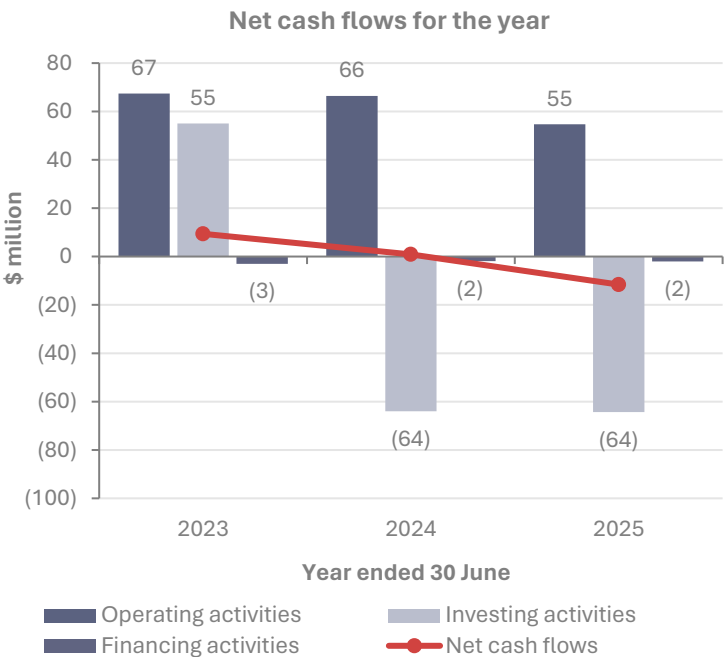
The Statement of Cash Flows details the Council’s inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating 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 \$11.6 million (positive \$0.9 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities decreased by \$11.7 million, mainly from increase in payments for materials and services and payments to employees
- used in investing and financing activities were consistent with 2023-24.



FINANCIAL POSITION

Cash, cash equivalents and investments

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

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

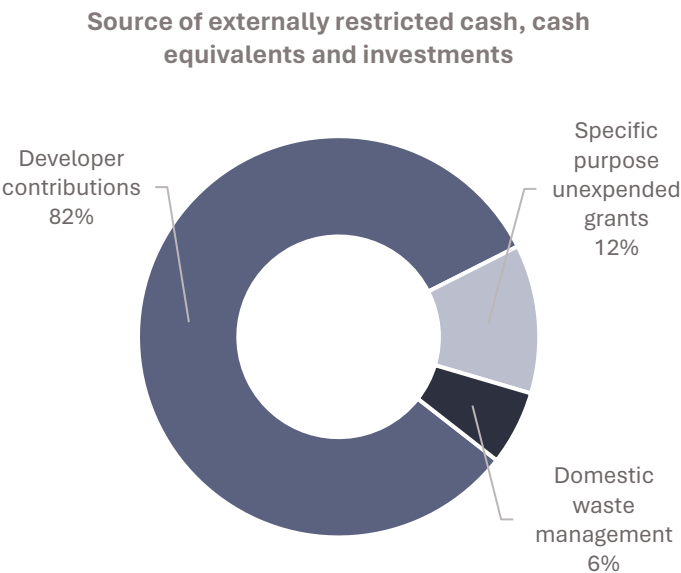
Cash, cash equivalents, and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	240.6	236.5		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.
Restricted and allocated cash, cash equivalents and investments:				Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	173.1	155.6	71.9	
• Internal allocations	58.9	73.4	24.5	

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 \$142.7 million which increased by \$15.5 million
- domestic waste management of \$10.6 million which increased by \$0.4 million
- specific purpose unexpended grants of \$19.8 million which increased by \$1.6 million.



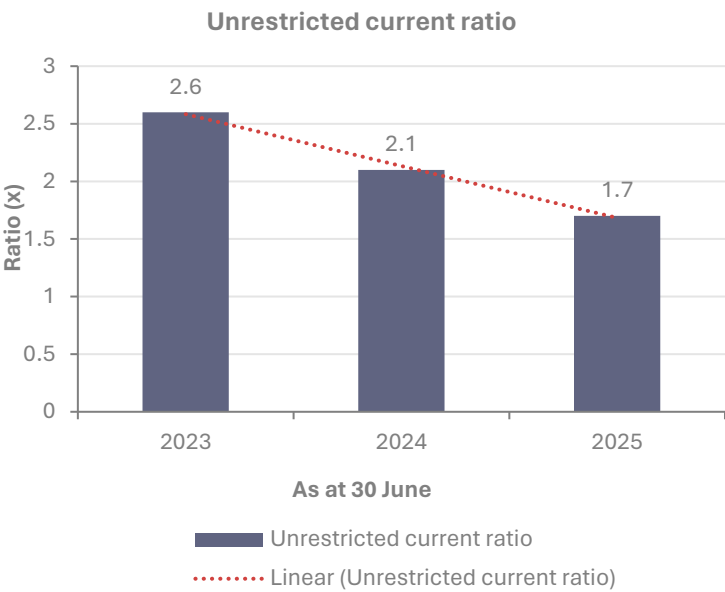
Council liquidity

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 3.1x for regional councils.

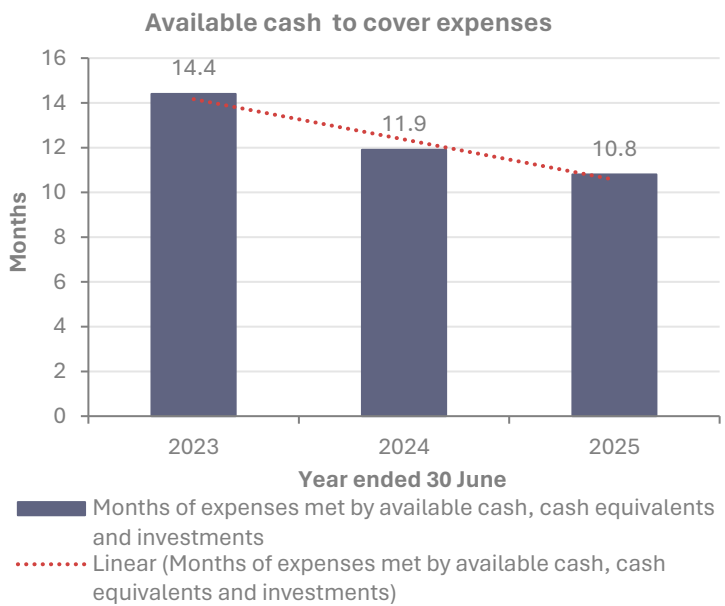
The Council’s unrestricted current ratio for 2024-25 was impacted by lower current assets excluding external restrictions.



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 7 months for regional councils.



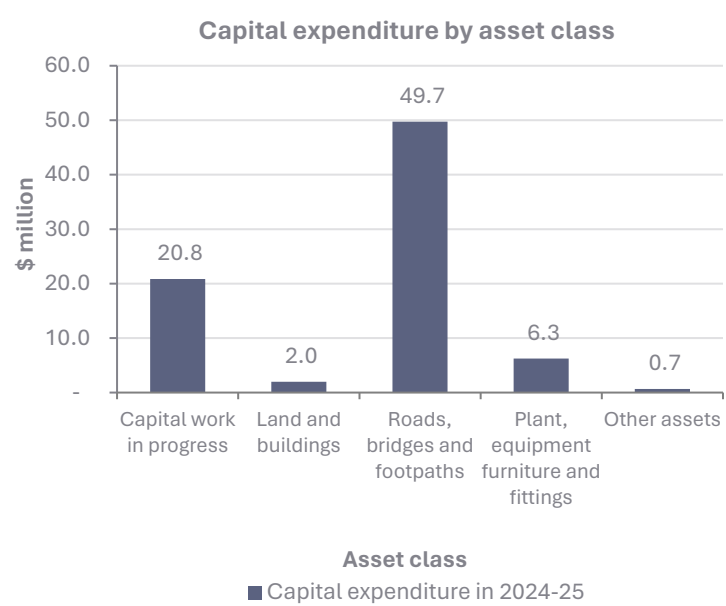
Infrastructure, property, plant and equipment

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

Council renewed \$31.0 million mostly on infrastructure assets during the 2024-25 financial year.

A further \$20.2 million was spent on new assets including road assets and plant, equipment and furniture and fittings.

The Council also recognised \$28.3 million of new assets received as dedicated assets from non-cash developer contributions (2023-24: \$38.9 million).



Debt

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

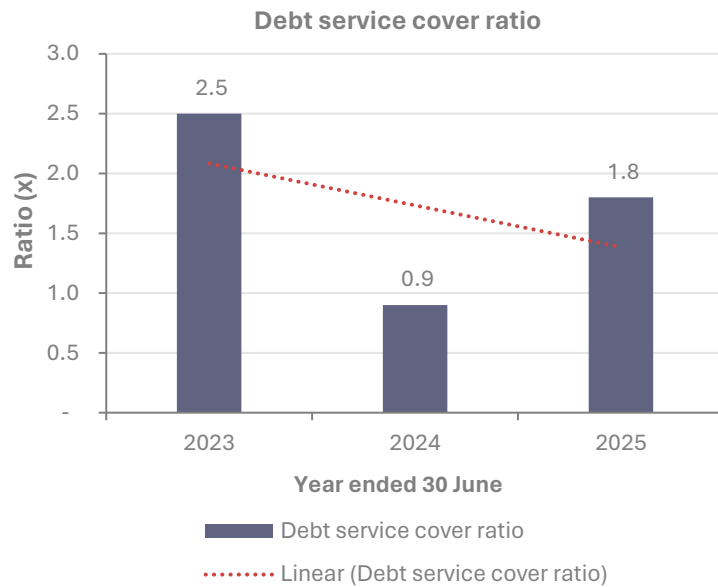
Debt	2025	2024	Commentary
	\$m	\$m	
Secured bank loans	76.5	78.6	The decrease in secured bank loans represents principal repayments made throughout the year in line with the loan repayment schedule.
Hire purchase agreements	2.2	1.7	The increase in hire purchase agreements relates to equipment for waste collection and disposal which have been partially offset by principal repayments made throughout the year in line with the hire purchase schedule.

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 Council's debt service cover ratio for 2024-25 was impacted by the improvement in the operating result before grants and contributions provided for capital purposes.



Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Maitland City Council

Special Schedules
for the year ended 30 June 2025

Contents

Special Schedules

Page

Special Schedule 1	Permissible income calculation	B2
Special Schedule 2	Report on infrastructure assets (not audited)	B3

Maitland City Council

Special Schedule 1

Permissible Income for General Rates

	2025-26 \$'000	2024-25 \$'000
Notional General Income Calculation⁽¹⁾		
Last year notional income yield	90,779	84,566
Plus / minus adjustments ⁽²⁾	1,113	1,890
Notional general income	91,892	86,456
Permissible income calculation		
Special variation percentage ⁽³⁾	0.00%	0.00%
OR Rate peg percentage	5.80%	5.00%
OR Crown land adjustment incl. rate peg percentage	-	-
Less expiring special variation amount	-	-
Plus special variation amount	-	-
OR Plus rate peg amount	5,330	4,323
OR Plus crown land adjustment and rate peg amount	-	-
Sub total	97,222	90,779
Plus or minus last year's carry forward total	-	1
Less valuation objections claimed in the previous year	-	(1)
Sub total	-	-
Total permissible income	97,222	90,779
Less notional general income yield	97,218	90,779
Catch-up or (excess) result	4	-
Plus income lost due to valuation objections claimed ⁽⁴⁾	-	-
Less unused catch-up ⁽⁵⁾	-	-
Carry forward to next year ⁽⁶⁾	4	-

Notes

1. The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
2. Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the *Valuation of Land Act 1916 (NSW)*.
3. The 'special variation percentage' is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
4. Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
5. Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
6. Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from councils' Special Schedule 2 in the Financial Data Return (FDR) to administer this process. Please check data is transferred accurately to the Special Schedule 2 of the Financial

Maitland City Council

Special Schedule No. 2: Report on infrastructure assets as at 30 June 2025

Asset class	Asset category	Estimated cost to bring to a satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2024-25 Required maintenance	2024-25 actual maintenance^	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a % of Gross Replacement Cost				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	1	2	3	4	5
Buildings *		90,554	53,865	2,457	3,492	165,801	303,213	18.4%	15.8%	26.7%	12.6%	26.6%
Other structures *		-	-	-	-	-	-	-	-	-	-	-
Roads *	Sealed Roads	40,730	14,842	4,784	9,885	757,640	926,393	58.2%	33.4%	5.8%	2.2%	0.4%
	Unsealed Roads	410	383	15	484	871	1,288	60.0%	31.3%	5.9%	2.6%	0.2%
	Other Roads Assets	43,831	16,585	1,459	730	197,127	261,265	44.6%	20.3%	26.0%	5.6%	3.5%
	Bridges	5,644	16	662	57	55,056	64,256	62.6%	28.6%	8.8%	0.0%	0.0%
	Footpaths	20,774	2,246	1,069	1,250	149,698	195,333	49.1%	32.4%	17.1%	1.2%	0.2%
	Sub total	111,389	34,072	7,989	12,406	1,160,393	1,448,536					
Stormwater drainage *		20,803	8,430	3,309	1,798	380,011	465,729	67.8%	24.8%	5.2%	1.0%	1.2%
Open space / recreational assets *												
	Other open space / recreational assets	19,957	10,339	2,427	6,206	97,035	126,825	55.0%	20.0%	15.0%	9.0%	1.0%
	Sub total	19,957	10,339	2,427	6,206	97,035	126,825					
Total classes	Total - all assets	242,703	106,707	16,182	23,902	1,803,240	2,344,304					

Infrastructure Asset Condition Assessment

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

* Reconciles with Note C1-5

^ Required maintenance is the amount identified in Council's asset management plans.

Maitland City Council

Special Schedule No. 2 (continued)

Report on infrastructure assets

30 June 2025

Infrastructure asset performance indicators *

	Amounts \$'000	Current year indicators	2024	Benchmark
1. Building & infrastructure renewals ratio				
Asset renewals (renewals only for Infrastructure Assets)	\$ 31,029	110.7%	135.3%	>100%
Depreciation, amortisation and impairment	\$ 28,038			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory condition	\$ 242,703	13.5%	13.0%	<2%
Net carrying amount of infrastructure assets	\$ 1,803,240			
3. Asset maintenance ratio				
Actual asset maintenance	\$ 23,902	147.7%	164.1%	>100%
Required asset maintenance	\$ 16,182			
4. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed level of service set by Council	\$ 106,707	4.6%	5.9%	
Gross replacement cost	\$ 2,344,304			

* All indicators are calculated using the asset classes identified in the table in Special Schedule 2



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Maitland City Council

To the Councillors of Maitland City Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Maitland City 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 'Cassie Malone', with a stylized, cursive script.

Cassie Malone
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2025
SYDNEY



263 High Street, Maitland NSW 2320
info@maitland.nsw.gov.au
maitland.nsw.gov.au

maitland
CITY COUNCIL