Financial Report

For the year ended 30 June 2026

Banyule
City Council

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Certification of the Consolidated Financial Statements

In my opinion, the accompanying consolidated Financial Statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, Australian Accounting Standards and other mandatory professional reporting requirements.



GLORIA CONTE, CPA
Principal Accounting Officer

Dated: Tuesday, 20 October 2026
Greensborough

In our opinion the accompanying consolidated financial statements present fairly the financial transactions of Banyule City Council for the year ended 30 June 2026 and the consolidated financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on Monday, 28 September 2026 and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the consolidated financial statements in their final form.



MARY O'KANE
Councillor

Dated: Tuesday, 20 October 2026
Greensborough



MATT WOOD
Councillor

Dated: Tuesday, 20 October 2026
Greensborough



ALLISON BECKWITH
Chief Executive Officer

Dated: Tuesday, 20 October 2026
Greensborough

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Banyule City Council

Opinion	I have audited the consolidated financial report of Banyule City Council (the council) and its controlled entities (together the consolidated entity), which comprises the: • consolidated balance sheet as at 30 June 2026 • consolidated comprehensive income statement for the year then ended • consolidated statement of changes in equity for the year then ended • consolidated statement of cash flows for the year then ended • consolidated statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the consolidated financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2026 and the consolidated entity's financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's and the consolidation entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's and consolidated entity's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's and consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council and consolidated entity to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation • obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the council and the consolidated entity. I remain solely responsible for my audit opinion.

Auditor's responsibilities for the audit of the financial report (continued)	I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
22 October 2026

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
INCOME/REVENUE			
Rates and charges	3.1	130,454	121,557
Statutory fees and fines	3.2	11,113	10,470
User fees and charges	3.3	21,660	21,288
Grants - operating	3.4(a)	16,323	14,955
Grants - capital	3.4(b)	9,063	12,976
Interest income	3.5	4,389	4,192
Rental income	3.6	3,539	3,027
Contributions - monetary	3.7	6,292	6,562
Contributions – non monetary	3.7	979	2,394
Net gain on disposal of property, infrastructure, plant & equipment	3.8	210	1,066
Fair value adjustments for investments	5.1(b)(i) & 6.3(a)	111	475
Fair value adjustment for investment properties	6.4	2,792	-
Other income	3.9	2,190	3,270
Share of net profits of associates	6.3 (b)	250	151
Total Income/Revenue		**209,365**	**202,383**
EXPENSES			
Employee costs	4.1(a)	86,460	83,540
Materials, contracts and services	4.2	57,761	53,299
Utility charges	4.3	5,582	5,416
Depreciation	4.4	28,512	26,831
Amortisation – intangible assets	4.5	-	62
Depreciation – right of use assets	4.6	519	420
Donations expenditure	4.7	919	1,029
Finance costs - leases	4.8	60	38
Borrowing costs	4.9	1,406	1,500
Contributions expense	4.10	8,678	8,435
Impairment loss	6.2	21	562
Bad & Doubtful Debt - Allowance for impairment losses	4.11	408	673

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Other expenses	4.12	1,568	1,488
Total Expenses		**191,894**	**183,293**
Surplus/ (Deficit) for the year		**17,471**	**19,090**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increase/(decrease)	9.1(b)(i)	357,799	57,574
Total other comprehensive income			
Total Comprehensive Result		**375,270**	**76,664**

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

Balance Sheet

As at 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5.1 (a)	28,245	40,069
Other financial assets	5.1 (b)	69,580	63,293
Trade and other receivables	5.1 (c)	23,073	25,955
Inventories	5.2 (a)	42	51
Prepayments	5.2 (b)	2,438	1,887
Assets classified as held for sale	6.1	5,008	16,058
Total current assets		**128,386**	**147,313**
Non-Current Assets			
Trade and other receivables	5.1 (c)	139	211
Investments	6.3	4,107	3,801
Property, infrastructure, plant and equipment	6.2	2,380,180	1,997,053
Right of use assets	5.8	2,013	700
Investment property	6.4	20,852	13,628
Total non-current assets		**2,407,291**	**2,015,393**
Total Assets		**2,535,677**	**2,162,706**
LIABILITIES			
Current Liabilities			
Trade and other payables	5.3 (a)	16,760	18,954
Provisions	5.5	17,026	16,209
Trust funds and deposits	5.3 (b)	8,140	7,645
Contract and other liabilities	5.3 (c)	7,411	9,104
Interest bearing loans and borrowings	5.4	1,303	1,202
Lease liabilities	5.8	658	227
Total current liabilities		**51,298**	**53,341**
Non-Current Liabilities			
Provisions	5.5	1,349	1,235
Trust funds and deposits	5.3 (b)	620	594
Interest bearing loans and borrowings	5.4	15,255	16,558
Lease liabilities	5.8	1,336	429

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Total non-current liabilities		**18,560**	**18,816**
Total Liabilities		**69,858**	**72,157**
Net Assets		**2,465,819**	**2,090,549**
EQUITY			
Accumulated surplus		627,739	595,101
Reserves	9.1(a)	1,838,080	1,495,448
Total Equity		**2,465,819**	**2,090,549**

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2026

		Consolidated			
2026	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		2,090,549	595,101	1,446,973	48,475
Surplus for the year		17,471	17,471	-	-
Net asset revaluation movement		357,799	-	357,799	-
Transfers from asset revaluation reserve	9.1(b)(i)	-	8,300	(8,300)	-
Transfers to other reserves	9.1(b)(ii)	-	(23,095)	-	23,095
Transfers from other reserves	9.1(b)(ii)	-	29,962	-	(29,962)
Balance at end of the financial year		**2,465,819**	**627,739**	**1,796,472**	**41,608**

		Consolidated			
2025	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		2,013,885	582,975	1,407,781	23,129
Surplus for the year		19,090	19,090	-	-
Net asset revaluation movement		57,574	-	57,574	-
Transfers from asset revaluation reserve	**9.1(b)(i)**	-	18,382	(18,382)	-
Transfers to other reserves	**9.1(b)(ii)**	-	(44,774)	-	44,774
Transfers from other reserves	**9.1(b)(ii)**	-	19,428	-	(19,428)
Balance at end of the financial year		**2,090,549**	**595,101**	**1,446,973**	**48,475**

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

Statement of Cash Flows

for the year ended 30 June 2026

	Note	Consolidated 2026 Inflows/ (Outflows) $'000	Consolidated 2025 Inflows/ (Outflows) $'000
Cash Flows from Operating Activities			
Receipts:			
Rates and charges		130,712	121,438
Statutory fees and fines		10,191	9,212
User fees and charges		27,703	21,371
Grants - operating		15,980	16,899
Grants - capital		6,407	12,982
Contributions - monetary		6,193	6,734
Interest received		3,104	3,076
Rent		3,268	3,155
Trust funds and deposits received		3,224	2,982
Other receipts		2,180	3,270
Net GST (Refund)		250	636
Payments:			
Employee costs		(85,090)	(83,234)
Materials, contracts and services		(63,554)	(51,650)
Trust funds and deposits refunded		(2,703)	(2,974)
Other payments		(16,893)	(15,846)
Net cash provided by operating activities	9.2	**40,972**	**48,051**
Cash Flows from Investing Activities:			
Payments for property, infrastructure, plant and equipment		(56,234)	(49,396)
Proceeds from sale of property, plant and equipment		11,534	27,435
Payments for financial assets		(20,015)	(40,007)
Redemption of financial assets		15,055	25,000
Net cash used in investing activities		**(49,660)**	**(36,968)**

Cash Flows from Financing Activities:			
Finance costs - interest		(1,402)	(1,508)
Repayment of borrowings		(1,202)	(1,097)
Interest paid – lease liabilities		(60)	(38)
Repayment of lease liabilities		(472)	(396)
Net cash used in financing activities		**(3,136)**	**(3,039)**
Net (decrease)/increase in cash and cash equivalents		**(11,824)**	**8,044**
Cash and cash equivalents at the beginning of the financial year		40,069	32,025
Cash and cash equivalents at the end of the financial year	**5.1 (a)**	**28,245**	**40,069**
Financing arrangements	**5.6**		

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

Statement of Capital Works

For the year ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Infrastructure			
Roads, streets and bridges	6.2	12,735	17,818
Drainage	6.2	693	2,279
Parks and gardens	6.2	6,098	3,843
Playgrounds	6.2	2,157	883
Total infrastructure		**21,683**	**24,823**
Property			
Freehold land	6.2	-	1,116
Freehold buildings	6.2	25,240	20,545
Investment Property	6.4	4,432	65
Total property		**29,672**	**21,726**
Plant and equipment			
Motor vehicles	6.2	4,002	4,598
Plant and equipment	6.2	3,005	1,461
Furniture and fittings	6.2	76	77
Waste management	6.2	-	260
Total plant and equipment		**7,083**	**6,396**
Other assets			
Art collection	6.2	151	-
Total other assets		**151**	**-**
Total capital works expenditure		**58,589**	**52,945**
Represented by:			
New assets		1,826	5,993
Asset renewal		36,560	30,113
Asset upgrade		14,226	14,871
Asset expansion		5,977	1,968
Total capital works expenditure		**58,589**	**52,945**

Note: Work in progress is incorporated into the specific asset class based on the nature of the work.

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

Notes to the Financial Report for the year ended 30 June 2026

Note 1. Overview

Introduction

Banyule City Council ("Council") was established by an Order of the Governor in Council on 14 December 1994 and is a Body Corporate.

Council has two Service Centres located at:

- Greensborough – Level 3 1 Flintoff Street
- Ivanhoe (in Library & Cultural Hub) – 275 Upper Heidelberg Road

Council's website address is: www.banyule.vic.gov.au

1.1 Statement of compliance

These consolidated financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these Financial Statements. The general purpose Financial Report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020.*

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

1.2 Accounting policy information

(a) Basis of Accounting

These consolidated financial statements for the year ended 30 June 2026 comprise the results of operations for both Council and its wholly controlled subsidiary, namely the Banyule Cemeteries Trust for which Banyule's Councillors act as the board of trustees. Refer to Note 6.3(c) for further details of Council's subsidiary.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these Financial Statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the Financial Statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment including discounts for community service obligations (Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (Note 6.2)
- the determination of employee provisions (Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3.4)
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 *Concession Arrangements: Grantors* is applicable
- other areas requiring judgements.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

The figures presented in all the Financial Statements and the notes to the Financial Statements are expressed as thousands of dollars when indicated by "$'000". Otherwise, the figures are exact to the nearest one dollar. Minor discrepancies in tables between totals and the sum of components are due to rounding.

(b) Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Note 2. Analysis of our results

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of $1.5 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020.*

2.1.1 Income and Expenditure

		Consolidated			
	Ref	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %
INCOME					
Rates and charges		130,248	130,454	206	0.16
Statutory fees and fines		10,258	11,113	855	8.33
User fees and charges		22,613	21,660	(953)	(4.21)
Grants – operating	(a)	14,644	16,323	1,679	11.47
Grants – capital	(b)	14,804	9,063	(5,741)	(38.78)
Interest income	(c)	2,697	4,389	1,692	62.74
Rental income		3,346	3,539	193	5.77
Contributions income - monetary		6,155	6,292	137	2.23
Contributions income – non monetary		-	979	979	-
Net gain on disposal of property, infrastructure, plant and equipment	(d)	5,494	210	(5,284)	(96.18)
Fair value adjustment for investments		-	111	111	-
Fair value adjustment for investment properties	(e)	-	2,792	2,792	-
Share of net profits of associates		-	250	250	-
Other income		1,008	2,190	1,182	117.26
Total income		**211,267**	**209,365**	**(1,902)**	**(0.90)**
EXPENSES					
Employee costs		86,412	86,460	(48)	(0.06)
Materials, contracts and services	(f)	62,779	57,761	5,018	7.99
Utility charges		4,694	5,582	(888)	(18.92)
Depreciation	(g)	25,272	28,512	(3,240)	(12.82)

Depreciation – right of use assets	404	519	(115)	(28.47)
Donations expenditure	860	919	(59)	(6.86)
Finance costs - leases	44	60	(16)	(36.36)
Borrowing costs	1,406	1,406	-	0.00
Contributions expense	9,080	8,678	402	4.43
Impairment loss	-	21	(21)	-
Bad & Doubtful Debts - Allowance for impairment losses	614	408	206	33.55
Other expenses	1,624	1,568	56	3.45
Total expenses	**193,189**	**191,894**	**1,295**	**0.67**
Surplus for the year	**18,078**	**17,471**	**(607)**	**(3.36)**

Explanation of Material Variations – Income and Expenditure

Ref	Item	Explanation
(a)	Grants - operating	Operating grants had a positive variance of $1.68m. The early payment of 26/27 Grants Commission income compared to the early payment of 25/26 Grant Commission income represented a $1.16m increase in operating grants in the 2025/26 financial year.
(b)	Grants – capital	There were delays in some large grant funded projects including the Shelley Park Pavilion ($2.95m grant), and WaterMarc Electrification ($938k grant) which led to the associated grants having not been earned. They are now expected to be earned during 2026/27 as the projects continue. A budgeted grant for Bundoora Preschool Upgrade ($2m grant) was not approved by the State Government.
(c)	Interest income	Due to the delay in parts of Council's Capital Works Program, there was additional cash available for investment during the year, as well as an increase in interest rates during 2025/26 which led to an increase in interest income earned.
(d)	Net gain on disposal of property, infrastructure, plant and equipment	A number of properties were planned for sale but did not eventuate. These properties are still intended to be sold in the future.
(e)	F.V. adjustment for investment properties	Council does not budget for movements in valuation of our fixed assets including FV adjustments for investment properties. Any movement in fair value is therefore shown as a variance against a zero budget.
(f)	Materials, Contracts and Services	Expenditure on Materials, Contracts and services was $5.02m below budget. Approximately $2.3m of this relates to IT and Digital transformation initiative projects which were put on hold pending Council's full review of Council's enterprise systems. Of the operational savings the largest variances were; waste disposal costs were $0.99m below budget, insurances were $0.70m below budget and due to the cessation of the delivered meals program Banyule was 0.54m below budget.
(g)	Depreciation	Depreciation increased by $3.23m above budget. This increase above budget is predominantly ($2.90m) related to the previous year's increased valuation of roads, streets & bridges as a result of AASB 13 interpretation changes.

2.1.2 Capital Works

		Consolidated			
	Ref	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %
Infrastructure					
Roads, streets and bridges		12,789	12,735	54	0.42
Drainage	(a)	4,637	693	3,944	85.05
Parks and gardens	(b)	9,585	6,098	3,487	36.38
Playgrounds		1,385	2,157	(772)	(55.74)
Total infrastructure		**28,396**	**21,683**	**6,713**	**23.64**
Property					
Freehold buildings	(c)	34,280	25,240	9,040	26.37
Investment property	(d)	-	4,432	(4,432)	-
Total property		**34,280**	**29,672**	**4,608**	**13.44**
Plant and Equipment					
Motor vehicles	(e)	8,230	4,002	4,228	51.37
Plant and equipment		1,651	3,005	(1,354)	(82.01)
Furniture and fittings		235	76	159	67.66
Total plant and equipment		**10,116**	**7,083**	**3,033**	**29.98**
Other assets					
Art collection		274	151	123	44.89
Total other assets		**274**	**151**	**123**	**44.89**
Total capital works expenditure		**73,066**	**58,589**	**14,477**	**19.81**
Represented by:					
New assets		5,323	1,826	3,497	65.70
Asset renewal		40,313	36,560	3,753	9.31
Asset upgrade		18,596	14,226	4,370	23.50
Asset expansion		8,834	5,977	2,857	32.34
Total capital works expenditure		**73,066**	**58,589**	**14,477**	**19.81**

Explanation of Material Variations – Capital Works

Ref.	Item	Explanation
(a)	Drainage	• Depot Environmental Compliance Works Program, budget $3.15m has been delayed, however majority of spend in 2025/26 ($0.86m) was classified as Plant & Equipment & Buildings.
(b)	Parks and gardens	• Ivanhoe Park Sporting Precinct Plan was budgeted at $0.98m, actual spent was $0.22m. These works are continuing into 2026/27. • East West Powerline Easement Bike Path was planned for a multi-year with budget of $0.950m in 2025/26; works commenced at the end of financial year and continue into the new year. • Petrie Park Reserve Improvements which are grant funded were anticipated to be delivered, however will now be in 2026/27 ($0.60m).
(c)	Freehold buildings	• The Shelley Park Pavilion project of $3.45m was delayed, $3.00m of this has been re-budgeted in 2026/27. • WaterMarc integrated aquatic and office precinct electrification is still being designed, with implementation in 2026/27. $1.59m of budget (part grant funded) is being carried forward. • Bundoora Preschool extension was not approved for grant funding, project not proceeding ($2.00m). • The James Street Reserve Change Rooms project budgeted at $0.600m was delayed, majority of this has been re-budgeted in 2026/27.
(d)	**Investment property**	• Unbudgeted acquisition of Strategic Property in Heidelberg West for $4.43m.
(e)	**Motor vehicles**	• The purchases of additional trucks for the Glass Service were deferred to a future year while the rollout timeframe of the glass service is being determined, this saw a saving of $1.10m. • Operations Plant - Vehicles (Cars) and Trucks and Plant Purchases program was underspent due to delay in delivery of ordered fleet items which will arrive in 2026/27, actual was $4.002m compared to budget of $6.830m.

2.2 Analysis of council's results by directorate

Council delivers its functions and activities through the following Directorates:

Assets and City Services

The Assets and City Services Directorate is dedicated to the efficient management, maintenance, and enhancement of the Council's essential infrastructure, public spaces, and environmental assets. This directorate ensures that critical services and facilities are safe, sustainable, and responsive to community needs. The Assets and City Services Directorate plays a vital role in enhancing urban liveability, supporting environmental sustainability, and ensuring the ongoing functionality of Council's infrastructure and public spaces. Through proactive management and sustainable practices, the directorate supports a cleaner, greener, and more connected community.

City Development

The City Development Directorate plays a central role in shaping a sustainable, inclusive, and well-connected urban environment. It brings together key departments responsible for planning, development, and strategic growth to ensure Council remains vibrant, liveable, and future-ready. The directorate provides a holistic approach to city development, balancing growth, sustainability, and community well-being. They play a vital role in shaping Council's future, driving forward strategic initiatives, and ensuring a thriving, well-planned, and sustainable urban environment for all.

Community Wellbeing

The Community Wellbeing Directorate focuses on enhancing the overall wellbeing of individuals and communities through a comprehensive range of services and initiatives. It includes Family and Community Services, which supports vulnerable individuals and families with access to essential services and resources. The Advocacy, Communications, Engagement, and Performance function ensures effective communication, community involvement, and the alignment of projects with organisational goals. The Creative and Inclusive function fosters a vibrant, diverse community through arts, culture, labour markets and inclusive programs. The Healthy and Active Communities team promotes physical and mental health, encouraging residents to lead active, healthy lifestyles through sport and recreation and through the management of key community facilities Together, these areas work in synergy to create a resilient, thriving community where everyone has the opportunity to participate.

Corporate Services

Corporate Services provides efficient, effective and proactive support to the other directorates to aid them in delivering services to the public. Covering the areas of 'strategic finance and performance', 'business transformation and technology', 'people and culture', 'customer experience' and 'municipal emergency management'; Corporate Services provides oversight and support to the organisation to ensure all legislative requirements are met and Council strives to implement best practices in all facets of operations.

Executive Office

The Executive Office provides strategic leadership, governance, and operational support to ensure the effective administration and management of the Council. It plays a central role in upholding transparency, integrity, and accountability across all areas of Council operations. The executive office provides a foundation for effective leadership, good governance, and organisational integrity. By fostering a culture of accountability and ethical practice, the Executive Office supports Council's ability to deliver high-quality services and achieve strategic objectives for the community.

General Rates

General Rates is the revenue received from municipal charges, service rates and service charges levied on properties as per the Local Government Act.

Summary of income/revenue, expenses and assets by directorate

2026	Income $'000	Expenses $'000	Surplus/ (Deficit) $'000	Grants included in income $'000	Total assets $'000
Assets & City Services	12,467	59,258	(46,791)	2,709	**882,771**
City Development	38,132	25,162	12,970	4,073	**670,428**
Community Wellbeing	25,286	47,402	(22,116)	12,306	**854,182**
Corporate Services	4,667	57,069	(52,402)	6,298	**122,847**
Executive Office	174	2,567	(2,393)	-	**141**
General Rates	128,314	152	128,162	-	**-**
Council Total	**209,040**	**191,610**	**17,430**	**25,386**	**2,530,369**
Banyule Cemeteries Trust	386	345	41	-	**5,308**
Consolidated Elimination	(61)	(61)	-	-	-
Consolidated Total	**209,365**	**191,894**	**17,471**	**25,386**	**2,535,677**

2025	Income $'000	Expenses $'000	Surplus/ (Deficit) $'000	Grants included in income $'000	Total assets $'000
Assets & City Services	17,119	54,696	(37,577)	7,111	903,406
City Development	56,692	23,574	33,118	3,237	319,632
Community Wellbeing	25,640	46,814	(21,174)	12,428	700,056
Corporate Services	(16,567)	54,364	(70,931)	5,141	234,915
Executive Office	183	3,382	(3,199)	-	-
General Rates	118,873	118	118,755	-	-
Council Total	**201,940**	**182,948**	**18,992**	**27,917**	**2,158,009**
Banyule Cemeteries Trust	502	404	98	14	4,697
Consolidated Elimination	(59)	(59)	-	-	-
Consolidated Total	**202,383**	**183,293**	**19,090**	**27,931**	**2,162,706**

Note: *During 2024/25 a corporate restructure was undertaken which resulted in a number of business units and employees moving to different directorates.*

Note 3. Funding for the delivery of our services

3.1 Rates and Charges

For the basis of rates calculation, Council uses Capital Improved Value as the basis of valuation of all properties within the municipality. The Capital Improved Value of a property is the value of the land, dwellings and all its improvements.

The valuation base used to calculate general rates for 2025/2026 was $60,850,774,000 excluding cultural & recreational properties and any supplementary valuations processed during the year ($59,722,043,000 for 2024/2025).

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Residential		98,393	93,662
Commercial		6,240	6,213
Industrial		3,038	2,842
Cultural and recreational		16	16
Total general rates		**107,687**	**102,733**
General rates		107,687	102,733
Service rates and charges		20,627	16,140
Supplementary rates & charges		724	1,219
Interest on rates		746	761
Total general rates and charges		**129,784**	**120,853**
Special rates and charges		663	697
Interest on special rates and charges		7	7
Total rates and charges		**130,454**	**121,557**

The date of the general revaluation of land for rating purposes within the municipal district was on 1 January 2025 and the valuation was first applied in the rating year commencing 1 July 2025.

Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed, and a supplementary rates notice issued.

Income from construction special rates and special charges is recognised at the commencement of each scheme. Income from shopping centre special rates and charges schemes is recognised on a yearly basis, for the length of each scheme, as the schemes run on a year-by-year basis.

3.2 Statutory fees and fines

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Building and Planning permits and fees		3,120	3,038
Food Act and Health registrations		676	632
Local laws infringements and fines		6,546	6,139
Asset protection permits		243	230
Other fees and fines		528	431
Total statutory fees and fines		**11,113**	**10,470**

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

3.3 User Fees and Charges

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Aquatic and Leisure Centre fees and charges		7,239	6,874
Building and Planning permits and fees		364	413
Cemetery fees		316	398
Childcare centre charges		980	946
Community buses, halls and events		386	376
Delivered meals charges		75	444
Engineering services' fees		502	361
Functions Centre charges		114	134
Home modifications & property maintenance		29	128
Immunisation fees		523	499
Local laws fees		2,841	2,430
Planned activity group fees and charges		130	135
Road, drain & footpath works		256	428
Sports ground rentals income		317	295
Transfer station tipping fees		7,173	7,066
Other fees and charges		415	361
Total user fees and charges		**21,660**	**21,288**

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
User fees and charges by timing of revenue recognition			
User fees and charges recognised over time		2,599	2,368
User fees and charges recognised at a point in time		19,061	18,920
Total user fees and charges		**21,660**	**21,288**

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

Grants were received in respect of the following:

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Summary of Grants			
Recurrent		17,396	17,190
Non-recurrent		7,990	10,741
Total grants		**25,386**	**27,931**
Summary of Grants			
State Government funded grants		12,871	13,942
Commonwealth Government funded grants		12,515	13,989
Total grants		**25,386**	**27,931**
Summary of Grants			
Operating grants		16,323	14,955
Capital grants		9,063	12,976
Total grants		**25,386**	**27,931**

(a) Operating Grants

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Recurrent – State Government			
Children's services		136	152
Aged care and support services		438	232
Immunisation		90	89
Indigenous support		130	144

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Maternal and child health centres		1,402	1,494
Pre-schools and childcare centres		1,690	1,700
School crossing supervisors		646	627
Supported playgroup		139	134
Roads		154	238
Youth services		87	86
Other grants		207	151
Total State Government		**5,119**	**5,047**
Recurrent – Commonwealth Government			
Child-care centres		1,926	2,162
Delivered meals		117	271
HACC assessment and care management		837	277
Social Support Group		2,050	951
Victorian Grants Commission – general purpose		4,612	5,061
Other grants		52	22
Total Commonwealth Government		**9,594**	**8,744**
Total recurrent operating grants		**14,713**	**13,791**
Non-Recurrent – State Government			
Children services, preschools and care centres		218	143
Jobs Victoria		-	120
Bell St Mall – Housing Support		52	198
North East Link – Tree Planting		1,220	594
Other grants		119	109
Total State Government		**1,609**	**1,164**
Non-Recurrent – Commonwealth Government			
Other grants		**-**	**-**
Total Commonwealth Government		**-**	**-**
Total non-recurrent operating grants		**1,609**	**1,164**
Total operating grants		**16,322**	**14,955**

(b) Capital Grants

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Recurrent – State Government			
Total State Government		**-**	**-**
Recurrent – Commonwealth Government			
Roads to recovery		996	1,525
Victoria Grants Commission – local roads		1,687	1,874
Total Commonwealth Government		**2,683**	**3,399**
Total recurrent capital grants		**2,683**	**3,399**
Non-Recurrent – State Government			
Libraries		622	812
Infrastructure		1,648	1,123
Pre-school and child day care centres		811	3,057
Sports grounds and pavilions		2,605	2,585
Other grants		457	154
Total State Government		**6,143**	**7,731**
Non-Recurrent – Commonwealth Government			
Infrastructure		238	1,842
Other grants		-	4
Total Commonwealth Government		**238**	**1,846**
Total non-recurrent capital grants		**6,381**	**9,577**
Total capital grants		**9,064**	**12,976**
Total grants		**25,386**	**27,931**

(c) Recognition of grant income

Before recognising funding from government grants as revenue, the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 *Income for Not-for-Profit Entities.*

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of unspent grants.

(d) Unspent Grants received on condition that they be spent in a specific manner

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Operating			
Balance at start of year		2,011	159
Received during the financial year and remained unspent at balance date		1,404	2,011
Received in prior years and spent during the financial year		(1,827)	(159)
Balance of unspent operating grants at year end	**5.3 (c)**	**1,588**	**2,011**
Capital			
Balance at start of year		6,355	5,695
Received during the financial year and remained unspent at balance date		1,638	4,250
Received in prior years and spent during the financial year		(3,022)	(3,590)
Balance of unspent capital grants at year end	**5.3 (c)**	**4,971**	**6,355**
Total unspent grants at year end		**6,559**	**8,366**

3.5 Interest Income

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Interest on investments		4,312	3,897
Interest from sporting clubs		2	2
Other interest		75	293
Total interest income		**4,389**	**4,192**

3.6 Rental income

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Residential/commercial rental		1,600	1,229
1 Flintoff Street / WaterMarc rentals		1,072	956
Recycling centre rental		867	842
Total rental income		**3,539**	**3,027**

Interest and rental income are recognised as they are earned.

3.7 Contributions income

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Monetary			
Developer contributions		1,256	1,350
Public Open Space – contributions		4,249	4,322
Contributions for capital works projects		312	509
Other contributions		475	381
Total monetary contributions		**6,292**	**6,562**
Non-Monetary			
Developer contributed assets		979	2,394
Total non-monetary contributions		**979**	**2,394**
Total contributions income		**7,271**	**8,956**

Monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

3.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Assets classified as held for sale			
Proceeds from sale of assets		11,050	26,911
Less: Written down value of assets sold	6.1	(11,050)	(28,622)
Total net (loss) on sale of assets classified as held for sale		**-**	**(1,711)**
Property, infrastructure, plant and equipment			
Proceeds from sale of assets		484	524
Compensation for land divested by the state government as part of the North-East Link Project		-	2,533

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Less: Written down value of assets disposed	6.2	(274)	(280)
Total net gain on sale/disposal of property, infrastructure, plant and equipment		**210**	**2,777**
Total net gain on disposal of assets held for sale and property, infrastructure, plant and equipment		**210**	**1,066**

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

3.9 Other Income

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Insurance claims		29	153
Container Deposit Scheme Income		288	474
Sale of surplus parcels of land (incl Right-of-ways)		-	66
Vehicle Contributions		254	278
Workcover reimbursements		533	751
Reimbursements of costs		911	1,441
Other revenue		175	107
Total other income		**2.190**	**3,270**

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 4. The cost of delivering services

4.1 (a) Employee costs

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Salaries and wages		67,099	64,277
Labour Hire Agency Staffing		1,989	2,372
Annual leave and loading		6,437	5,852
Long service leave		1,727	1,456
Superannuation		8,440	7,774
WorkCover		2,506	2,988
Other on costs		202	239
Less: Capitalised labour		(1,552)	(1,135)
Less: Capitalised oncosts		(388)	(283)
Total employee costs		**86,460**	**83,540**

4.1 (b) Superannuation

Council made contributions to the following funds:

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Defined benefit fund			
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		127	161
		127	**161**
Employer contributions payable at reporting date:			-
Accumulation funds			
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		8,313	7,613
		8,313	**7,613**
Employer contributions payable at reporting date			-

Vision Super acts as a clearing house for all employees with alternative super funds, so all superannuation is paid by Council to Vision Super.

Refer to Notes 8.1(d) and 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials, contracts and services

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Advertising		109	123
Auditor's remuneration	**4.13**	216	153
Bank and payment collection fees		514	334
Building and Planning charges and government fees		38	47
Childcare centre costs		100	106
Contractor costs			
• Aquatic and leisure costs		808	751
• Building maintenance costs		2,971	3,025
• Consultant costs		1,028	1,165
• Election related costs		(15)	835
• Information Technology services and licenses		4,378	3,699
• Initiative costs		4,557	2,978
• Legal expenses		779	863
• Parking and traffic enforcement		2,649	2,410
• Parks maintenance		4,422	2,797
• Waste collection costs		1,197	1,378
• Other contractor costs		8,012	7,020
General materials and supplies		2,999	3,761
Infringement collection lodgement fees		435	386
Insurances		2,595	2,652
Plant and motor vehicle operating		3,570	3,394
Postage costs		353	307
Printing, stationery and external communications		890	870
Program costs		1,972	1,873
Staff training and equipment		1,172	1,091
Sundry expenses		309	292
Waste disposal general		10,121	9,358
Other		1,582	1,631
Total materials, contract and services		**57,761**	**53,299**

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Utility charges

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Gas and electricity		3.425	**3,121**
Public street lighting		587	**611**
Telephone		290	**327**
Water		1,280	**1,357**
Total utility charges		**5,582**	**5,416**

4.4 Depreciation

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Infrastructure	**6.2(a)**	19,529	**17,971**
Property	**6.2(a)**	4,521	**4,302**
Investment Property	**6.4**	-	**89**
Plant and equipment	**6.2(a)**	4,462	**4,469**
Total depreciation		**28,512**	**26,831**

Refer to note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

4.5 Amortisation – intangible assets

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Software		-	**62**
Total amortisation – intangible assets		**-**	**62**

4.6 Depreciation – right of use assets

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Leasehold improvements	**6.2(a)**	22	**74**
Plant and equipment	**5.8**	393	**211**
Property and infrastructure	**5.8**	104	**135**
Total depreciation – right of use assets		**519**	**420**

4.7 Donations expenditure

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Banyule Support and Information		117	113
Community Services grants		221	219
Diamond Valley Community Support		117	113
Arts & Culture Grants		60	60
Environmental grants program		99	90
Community group operating grants		148	130
Other donations		157	304
Total donations expenditure		**919**	**1,029**

4.8 Finance cost - leases

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Interest – lease liabilities		60	38
Total finance cost - leases		**60**	**38**

4.9 Borrowing costs

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Interest on borrowings – total		1,406	1,500
Total borrowing costs		**1,406**	**1,500**

Borrowing costs are recognised as an expense in the period in which they are incurred.

4.10 Contributions expense

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Darebin Creek management		157	**153**
Neighbourhood Houses		292	**271**
Traders Associations contributions		1,227	**1,407**
Yarra Plenty Regional Library		6,599	**6,047**
YMCA contributions		101	**192**
Other contributions		302	**365**
Total contributions expense		**8,678**	**8,435**

4.11 Allowance for impairment losses

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Animal fines debtors		29	(2)
Local law fines debtors		22	25
Parking fines debtors		384	575
Other debtors		(27)	75
Total allowance for impairment losses		**408**	**673**

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward-looking information in determining the level of impairment.

(i) Movement in allowance for impairment losses in respect of debtors

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Balance at beginning of the year		136	157
New allowances recognised during the year		-	75
Amounts already provided for but recovered during the year		(28)	-
Amounts already allowed for and written off as uncollectible		(35)	(96)
Balance at end of the year	5.1 (c)(ii)	**73**	**136**

(ii) Movement in allowance for impairment losses – Parking & Other By-Laws Debtors

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Balance at beginning of the year		4,868	4,271
New allowances recognised during the year		436	597
Balance at end of the year		**5,304**	**4,868**

4.12 Other expenses

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Councillor allowances		516	463
Emergency Services and Volunteers Fund on Council properties		269	203
General Rate Waivers		213	166
Vaccine Purchases (Commercial)		-	160
Records Storage		-	42
Short-term and low value leases	**5.8**	54	39
Other		516	415
Total other expenses		**1,568**	**1,488**

Note: For 2025/26, Vaccine purchases and Records storage costs have been re-allocated from 'Other expenses' to 'Materials, contracts and services'.

4.13 Auditors' remuneration

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals		77	67
Auditors' remuneration - Internal Audit		137	83
Fees for minor audits – other external auditors		2	3
Total auditors' remuneration	**4.2**	**216**	**153**

Note 5. Investing in and financing our operations

5.1 Financial assets

(a) Cash and cash equivalents

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash on hand		4	5
Cash at bank		28,241	30,064
Term Deposits – short term		-	10,000
Total cash and cash equivalents		**28,245**	**40,069**

Cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(b) Other financial assets

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Term deposits – long term		41,480	36,520
Managed Funds – Victorian Funds Management Corporation	5.1(b)(i)	28,100	26,773
Total other financial assets		**69,580**	**63,293**
Total cash and cash equivalents and other financial assets		**97,825**	**103,362**

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense. Term deposits with original maturity dates of 3 to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current. Managed funds are measured at fair value. Unrealised and realised gains and losses from revaluations of financial assets at fair value are recognised in the Statement of Comprehensive Income, under fair value adjustments.

(i) Managed funds - VFMC

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Opening Balance		26,773	**15,416**
Additions		-	**10,000**
Interest Earned / Units distributed		1,272	**946**
Fair Value adjustment		55	**411**
Closing balance		**28,100**	**26,773**

(c) Trade and other receivables

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
CURRENT			
Statutory receivables			
Rates debtors		12,354	11,308
Special rates and charges debtors		148	109
Other property-based debts		107	104
Parking infringement debtors		7,143	6,200
Allowance for expected credit loss – parking infringements		(4,723)	(4,339)
Other by-laws debtors		915	842
Allowance for expected credit loss – other by-laws		(581)	(529)
Net GST receivable		1,010	1,252
Non-statutory receivables			
Club contribution debtors	(i)	7	4
Other debtors	(i)	6,766	11,140
Allowance for expected credit loss – other debtors		(73)	(136)
Total current		**23,073**	**25,955**
NON-CURRENT			
Statutory receivables			
Rates debtors		98	90
Non-statutory receivables			
Club contribution debtors	(i)	41	48
Other debtors	(i)	-	73
Total non-current		**139**	**211**
Total trade and other receivables		**23,212**	**26,166**

(i) These items are considered non-statutory receivables and therefore treated as financial instruments and are included in the 'Ageing of Receivables' table 5.1(c)(i).

Note: Non-current trade and other receivables includes debtors who are on long term interest-accruing payment plans and/or bonds and deposits which are not expected to be returned in the next 12 months.

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(i) Ageing of Receivables

At balance date other debtors representing financial assets were past due, but not impaired.

The ageing of Council's Trade and Other Receivables (excluding statutory receivables) was:

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current – not yet due		6,170	**9,928**
Past due – by up to 30 days		295	**717**
Past due – between 31 and 60 days		8	**26**
Past due – between 61 and 90 days		22	**17**
Past due – more than 91 days		319	**577**
Total trade and other receivables		**6,814**	**11,265**

(ii) Ageing of individually impaired receivables

2026	Debtor gross carrying amount $'000	Expected Loss %	Lifetime expected credit losses $'000
Current – not yet due	6,170	0.196%	12
Past due – by up to 30 days	295	0.590%	2
Past due – between 31 and 60 days	8	0.718%	0
Past due – between 61 and 90 days	22	7.005%	2
Past due – more than 91 days	319	17.635%	57
Total	**6,814**		**73**

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward-looking information in determining the level of impairment.

5.2 Non-financial assets

(a) Inventories

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Inventories held for distribution at cost		42	**51**
Total inventories		**42**	**51**

Inventories held for distribution are measured at cost, adjusted when applicable, for any loss of service potential.

(b) Other assets

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Prepayments		2,438	1,887
Total other assets		**2,438**	**1,887**

5.3 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables – current

Non-statutory payables

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Trade creditors		10,391	14,350
Accrued expenses		6,369	4,604
Total trade and other payables		**16,760**	**18,954**

(b) Trust funds and deposits

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Summary			
Current		8,140	7,645
Non-current		620	594
Total trust funds and deposits		**8,760**	**8,239**
Summary			
Trust funds		1,385	1,248
Deposits held		7,375	6,991
Total trust funds and deposits		**8,760**	**8,239**
Current trust funds			
Funds relating to planning permit conditions		640	551
Other trust funds		125	103
Total current trust funds		**765**	**654**
Current refundable deposits held			
Road opening permits / Asset Protection		7,059	6,654
Sub-divisions		24	24
Sundry		181	181
Tender contracts		75	86

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Other deposits		36	46
Total current refundable deposits held		**7,375**	**6,991**
Total current trust funds and deposits held		**8,140**	**7,645**
Non-current trust funds			
Funds relating to Planning Permit conditions		620	594
Total non-current trust funds		**620**	**594**
Total trust funds and deposits		**8,760**	**8,238**

Purpose and nature of items

Trust Funds – Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Refundable Deposits – Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities. Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

(c) Contract and other liabilities - Current

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Grant received in advance – operating	**3.4 (d)**	1,588	2,011
Grant received in advance – capital	**3.4 (d)**	4,971	6,355
Prepaid revenue		852	648
Other contributions		-	90
Total contract and other liabilities		**7,411**	**9,104**

Contract liabilities – Contract liabilities reflect consideration received in advance from customers in respect of services for which Council is yet to meet its obligations (e.g. Aquatic/Gym Memberships). Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities – Grant consideration is recognised as income following specific guidance under AASB 1058 where it meets the appropriate criteria such as the funding agreement containing 'sufficiently specific' performance obligations put upon Council. This criterion predominantly relates to Council's Capital grants which are recognised as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the funded project. As such, Council has deferred recognition of a part of the grant consideration received as a liability for outstanding obligations.

5.4 Interest bearing liabilities

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current			
Borrowings – secured	(a)	1,303	1,202
Total Current		**1,303**	**1,202**
Non-Current			
Borrowings – secured	(a)	15,255	16,558
Total Non-Current		**15,255**	**16,558**
Total Interest-bearing loans and borrowings		**16,558**	**17,760**

(a)The interest-bearing loans are secured by a deed of charge over Council rates.

The maturity profile of Council's borrowings is:

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Not later than one year		1,303	1,202
Later than one year, but not later than five years		6,391	5,899
Later than five years		8,864	10,659
Total Interest-bearing loans and borrowings		**16,558**	**17,760**

Borrowings are initially measured at fair value, being the cost of the interest-bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest-bearing liabilities. The Council determines the classification of its interest-bearing liabilities based on contractual repayment terms at every balance date.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period.

5.5 Provisions

2026	Annual Leave $'000	Long Service Leave $'000	Purchased Leave $'000	Total $'000
Balance at beginning of the financial year	5,904	11,517	23	17,444
Additional provisions	6,055	1,739	81	7,875
Amounts used	(5,396)	(1,672)	(59)	(7,127)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(2)	185	-	183
Balance at the end of the financial year	**6,561**	**11,769**	**45**	**18,375**

2025	Annual Leave $'000	Long Service Leave $'000	Purchased Leave $'000	Total $'000
Balance at beginning of the financial year	5,738	11,347	29	17,114
Additional provisions	5,857	1,778	76	7,711
Amounts used	(5,686)	(1,627)	(82)	(7,395)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(5)	19	-	14
Balance at the end of the financial year	**5,904**	**11,517**	**23**	**17,444**

Employee provisions:

Current

Current provisions expected to be wholly settled within 12 months:

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Annual Leave		6,043	5,392
Long Service Leave		2,186	1,771
Purchased Leave		45	23
Total Current provisions expected to be wholly settled within 12 months		**8,274**	**7,186**

Current provisions expected to be wholly settled after 12 months:

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Annual Leave		518	512
Long Service Leave		8,234	8,511
Total Current provisions expected to be wholly settled after 12 months		**8,752**	**9,023**
Total Current Employee provisions		**17,026**	**16,209**
Non-Current			
Long Service Leave		1,349	1,235
Total Non-Current Employee provisions		**1,349**	**1,235**
Total Employee provisions		**18,375**	**17,444**
Employee Provisions Summary			
Current		17,026	16,209
Non-current		1,349	1,235
Total aggregate carrying amount of employee provisions		**18,375**	**17,444**

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date:

Annual leave and purchased leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- Nominal value if the Council expects to wholly settle the liability within 12 months
- Present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave is recognised in the provision for employee benefits.

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- Wage inflation rate 4.15% (as per Department of Treasury & Finance)
- Discount rate of 4.74% (as per Department of Treasury & Finance)

5.6 Financing arrangements

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Facilities			
Business card facilities		200	200
Overdraft facilities		700	700
Interest bearing loans	5.4	16,558	17,760
Total facilities		**17,458**	**18,660**
Unused Facilities			
Business card facilities		127	142
Overdraft facilities		700	700
Total Unused Facilities		**827**	**842**
Used Facilities			
Business card facilities		73	58
Interest bearing loans	5.4	16,558	17,760
Total Used Facilities		**16,631**	**17,818**
Total facilities		**17,458**	**18,660**

5.7 Commitments

Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

2026	Consolidated				
	Not later than 1 year $'000	Later than 1 year and not later than 2 years $'000	Later than 2 years and not later than 5 years $'000	Later than 5 years $'000	Total $'000
Operating					
Asset maintenance	552	-	-	-	552
Communications	235	-	-	-	235
Consulting Services	703	-	-	-	703
IT services & licences	2,221	984	-	-	3,205
Tree planting & maintenance	569	-	-	-	569
Training & recruitment	67	-	-	-	67
Waste management	3,721	-	-	-	3,721
Other	459	-	-	-	459

Total operating commitments	**8,527**	**984**	**-**	**-**	**9,511**
Capital					
Buildings	4,772	-	-	-	4,772
Parks, sportsgrounds & playgrounds	614	-	-	-	614
Plant & equipment	10,187	-	-	-	10,187
Roads & footpaths	4,099	-	-	-	4,099
Total capital commitments	**19,672**	**-**	**-**	**-**	**19,672**

2025	**Consolidated**				
	Not later than 1 year $'000	**Later than 1 year and not later than 2 years $'000**	**Later than 2 years and not later than 5 years $'000**	**Later than 5 years $'000**	**Total $'000**
Operating					
Asset maintenance	993	-	-	-	993
Communications	462	-	-	-	462
Consulting Services	473	-	-	-	473
IT services & licences	2,760	1,123	2,098	-	5,981
Tree planting & maintenance	316	-	-	-	316
Training & recruitment	234	-	-	-	234
Waste management	1,960	-	-	-	1,960
Other	469	-	-	-	469
Total operating commitments	**7,667**	**1,123**	**2,098**	**-**	**10,888**
Capital					
Buildings	10,761	-	-	-	10,761
Parks, sportsgrounds & playgrounds	845	-	-	-	845
Plant & equipment	1,706	-	-	-	1,706
Roads & footpaths	5,305	-	-	-	5,305
Total capital commitments	**18,617**	**-**	**-**	**-**	**18,617**

(b) Operating lease receivables

At the reporting date, Council has entered into commercial property leases on some of its properties. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 25 years. Some leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rental income under non-cancellable operating leases is as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Not later than one year	3,040	3,232
Later than one year and not later than five years	7,161	7,519
Later than five years	3,208	4,630
Total operating lease receivables	**13,409**	**15,381**

The income for the period is shown in the Comprehensive Income Statement, under revenue as rental income.

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments

- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right of use assets

	Plant and equipment $'000	Property and infrastructure $'000	Total $'000
Balance at 1 July 2025	333	367	700
Additional Leases	1,810	-	1,810
Depreciation charge	(393)	(104)	(497)
Balance at 30 June 2026	**1,750**	**263**	**2,013**

Lease liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	728	250
One to five years	1,406	453
Total undiscounted lease liabilities as at 30 June	**2,134**	**703**
Lease liabilities included in the Balance Sheet at 30 June		
Current	658	227
Non-current	1,336	429
Total lease liabilities	**1,994**	**656**

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Expenses relating to:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Short term leases	54	37
Leases of low value assets	-	2
Total short term & low value leases	**54**	**39**
Variable lease payments (not included in measurement of liabilities)	-	**-**

Non-cancellable lease commitments – Short term and low value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Within one year	0	0
Later than one year but not later than five years	1	1
Total lease commitments	**1**	**1**

Note 6. Assets we manage

6.1 Assets classified as held for sale

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current - To be sold within 12 months			
Opening balance on Council's valuation		16,058	11,448
Transfer from property, infrastructure, plant and equipment		-	16,058
Less: Written down value of assets sold		(11,050)	(11,448)
Assets held for sale (Current)		**5,008**	**16,058**
Non-Current - To be sold later than 12 months			
Opening balance on Council's valuation		-	17,174
Less: Written down value of assets sold		-	(17,174)
Assets held for sale (Non-Current)		**-**	**-**
Total assets classified as held for sale		**5,008**	**16,058**

Assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs to sell and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable.

Assets classified as held for sale

2026	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000
Asset held for sale-land (non-specialised)	(b)	-	5,008	-
Total		**-**	**5,008**	**-**

2025	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000
Asset held for sale-land (non-specialised)	(b)	-	16,058	-
Total		**-**	**16,058**	**-**

(b) Classified in accordance with fair value hierarchy – see Note 8.4.

6.2 Property, Infrastructure, Plant and Equipment

Summary of Property, Infrastructure, Plant and Equipment 2026

2026	Consolidated

	Infrastructure $'000	Plant & equip $'000	Property $'000	Art $'000	W.I.P $'000	Total $'000
Carrying value 30 June 2025	**579,724**	**16,817**	**1,379,397**	**1,657**	**19,458**	**1,997,053**
Additions	19,270	6,431	22,129	49	6,278	**54,157**
Transfer between class	3,986	-	13,230	-	(17,216)	**-**
Revaluation	270,702	-	87,097	-	-	**357,799**
Depreciation	(19,529)	(4,462)	(4,543)	-	-	**(28,534)**
Impairment	-	-	-	-	(21)	**(21)**
Disposal	(26)	(132)	(116)	-	-	**(274)**
Carrying value 30 June 2026	**854,127**	**18,654**	**1,497,194**	**1,706**	**8,499**	**2,380,180**

Summary of Work in Progress (WIP)

2026	Consolidated					
	Opening WIP $'000	Transfer between Classes $'000	Additions $'000	Transfers $'000	Written off $'000	Closing WIP $'000
Roads	**4,039**	-	319	(3,672)	-	**686**
Drainage	**456**	-	204	-	-	**660**
Parks and gardens	**1,272**	-	1,569	(767)	-	**2,074**
Playgrounds	**119**	-	321	(101)	(2)	**337**
Freehold buildings	**13,572**	-	3,111	(12,676)	(19)	**3,988**
Plant and equipment	**-**	-	596	-	-	**596**
Furniture and fittings	**-**	-	56	-	-	**56**
Arts	-	-	102	-	-	**102**
Total work in progress	**19,458**	**-**	**6,278**	**(17,216)**	**(21)**	**8,499**

(a) Reconciliation

Reconciliations of the carrying amounts of each class of property, infrastructure, plant and equipment at the beginning and end of the current financial year are set out below:

Infrastructure

	Consolidated				
	Roads, streets and bridges $'000	**Drainage $'000**	**Parks and gardens $'000**	**Playgrounds $'000**	**TOTAL Infrastructure $'000**
At fair value 1 July 2025	**654,612**	**311,501**	**103,024**	**14,569**	1,083,706
Accumulated depreciation at 1 July 2025	**(273,417)**	**(178,778)**	**(43,532)**	**(8,255)**	(503,982)
Carrying value at 1 July 2025	**381,195**	**132,723**	**59,492**	**6,314**	**579,724**
Movements in Fair Value					
Acquisition of assets at fair value	12,416	489	4,529	1,836	19,270
Transfers	3,305	-	343	(69)	3,579
Disposals	-	-	-	(211)	(211)
Revaluation	223,376	333,702	-	-	557,078
Total	**239,097**	**334,191**	**4,872**	**1,556**	**579,716**
Movements in accumulated depreciation					
Depreciation	(12,258)	(3,118)	(3,440)	(713)	(19,529)
Transfers	50	-	238	119	407
Accumulated depreciation of disposals	-	-	-	185	185
Revaluation movement	(92,652)	(193,724)	-	-	(286,376)
Total	**(104,860)**	**(196,842)**	**(3,202)**	**(409)**	**(305,313)**
At fair value 30 June 2026	893,709	645,692	107,896	16,125	1,663,422
Accumulated depreciation at 30 June 2026	(378,277)	(375,620)	(46,734)	(8,664)	(809,295)
Carrying value at 30 June 2026	**515,432**	**270,072**	**61,162**	**7,461**	**854,127**

Plant and Equipment

	Consolidated				
	Motor vehicles $'000	**Plant and equipment $'000**	**Furniture and fittings $'000**	**Waste Management $'000**	**TOTAL Plant and Equipment $'000**
At cost 1 July 2025	**22,748**	**29,730**	**7,233**	**2,928**	62,639
Accumulated depreciation at 1 July 2025	**(14,447)**	**(24,232)**	**(6,464)**	**(679)**	(45,822)
Carrying value at 1 July 2025	**8,301**	**5,498**	**769**	**2,249**	**16,817**
Movements in Fair Value					
Acquisition of assets at fair value	4,002	2,409	20	-	6,431
Transfers	-	-	-	-	-
Disposals	(1,468)	(509)	-	-	(1,977)
Total	**2,534**	**1,900**	**20**	**-**	**4,454**
Movements in accumulated depreciation					
Depreciation	(2,437)	(1,625)	(175)	(225)	(4,462)
Accumulated Depreciation of Disposals	1,337	508	-	-	1,845
Total	**(1,100)**	**(1,117)**	**(175)**	**(225)**	**(2,617)**
At cost 30 June 2026	25,282	31,630	7,253	2,928	67,093
Accumulated depreciation at 30 June 2026	(15,547)	(25,349)	(6,639)	(904)	(48,439)
Carrying value at 30 June 2026	**9,735**	**6,281**	**614**	**2,024**	**18,654**

Note: Plant and equipment are carried at historical cost.

Property and Other Assets

	Consolidated						
	Note	Freehold land $'000	Freehold buildings $'000	Leasehold Improvements $'000	TOTAL PROPERTY $'000	Art collection $'000	TOTAL OTHER $'000
At fair value 1 July 2025		**1,129,669**	**352,785**	**739**	**1,483,193**	**1,657**	**1,657**
Accumulated depreciation at 1 July 2025		**-**	**(103,185)**	**(611)**	**(103,796)**	**-**	**-**
Carrying value at 1 July 2025		**1,129,669**	**249,600**	**128**	**1,379,397**	**1,657**	**1,657**
Movements in Fair Value							
Acquisition of assets at fair value		-	22,129	-	22,129	49	49
Transfers		-	13,637	-	13,637	-	-
Disposals		-	(16)	(181)	(197)	-	-
Revaluation movement		(50,028)	193,263	-	143,235	-	-
Total		**(50,028)**	**229,013**	**(181)**	**178,804**	**49**	**49**
Movements in Accumulated Depreciation							
Depreciation		-	(4,521)	(22)	(4,543)	-	-
Accumulated depreciation of transfers		-	(407)	-	(407)	-	-
Accumulated depreciation of disposals		-	6	75	81	-	-
Revaluation movement			(56,138)	-	(56,138)	-	-
Total		**-**	**(61,060)**	**53**	**(61,007)**	**-**	**-**
At fair value 30 June 2026		1,079,641	581,798	558	1,661,997	1,706	1,706
Accumulated depreciation at 30 June 2026		-	(164,245)	(558)	(164,803)	-	-
Carrying value at 30 June 2026		**1,079,641**	**417,553**	**-**	**1,497,194**	**1,706**	**1,706**

Work in progress

	Consolidated				
	Property $'000	**Plant & Equipment $'000**	**Infrastructure $'000**	**Arts $'000**	**TOTAL WIP $'000**
At fair value 1 July 2025	**13,572**	**-**	**5,886**	**-**	**19,458**
Carrying value at 1 July 2025	**13,572**	**-**	**5,886**	**-**	**19,458**
Movements in Fair Value					
Acquisition of assets at fair value	3,111	652	2,413	102	6,278
Transfer between Classes	-	-	-	-	-
Transfers	(12,676)	-	(4,540)	-	(17,216)
Written off	(19)	-	(2)	-	(21)
Total	**(9,584)**	**652**	**(2,129)**	**102**	**(10,959)**
At fair value 30 June 2026	3,988	652	3,757	102	8,499
Carrying value at 30 June 2026	**3,988**	**652**	**3,757**	**102**	**8,499**

Acquisition

Initial measurement

Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided at the date of acquisition plus any incidental costs attributable to the acquisition.

Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer to Note 8.4 for more information on how Council measures fair value.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's Policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Parks and gardens assets, playgrounds, motor vehicles, plant and equipment, furniture and fittings, art collection assets, waste management assets and intangible assets have been brought to account in the Balance Sheet at cost in the year of acquisition or construction and are valued at cost.

Asset recognition thresholds and depreciation periods

Asset Category	Depreciation Rate %	Useful life years	Threshold Limit $
Property, infrastructure, plant and equipment			
Roads, streets and bridges			
• Roads – seals	4	25	All
• Roads – sub-structure	1	100	All
• Bridges	0.50 – 1.00	200-100	10,000
• Medians, retaining walls and local area traffic management	1.00 – 1.18	100 - 85	10,000
• Footpaths	1.67	60	All
• Kerb and channel	1.42	70	All
Drainage	1	100	5,000
Parks and gardens	4 – 20	25 – 5	1,000
Playgrounds	5.55	18	1,000
Freehold buildings	1.25	80	5,000
Freehold land	-	-	All
Motor vehicles	15	6.60	All
Plant and equipment	4.00 – 33.33	25 – 3	1,000
Furniture and fittings	5 – 10	20 - 10	5,000
Works of art	-	-	All
Leasehold improvements			
Leasehold improvements - building	10	10	5,000
Intangibles			
IT software	10	10	50,000

Land under roads

Council does not recognise land under roads that it controlled prior to 30 June 2008. Land under roads acquired after 30 June 2008, if material, will be brought to account at fair value in line with Accounting Standard 1051.

Depreciation and Amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually. Depreciation for roads and drainage assets are depreciated from the financial year following acquisition or construction.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Land is not a depreciable asset. Council's art collection assets are not considered depreciable.

Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and Maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold Improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or, the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 10-year period.

Work in Progress

Any work in progress at the end of a financial year is identified and recorded as a non-current asset in the Balance Sheet. Upon completion of each project, the value of work in progress will be transferred to the appropriate non-current depreciable asset class within infrastructure, property plant and equipment of the Balance Sheet and will be subject to appropriate depreciation charges thereafter.

(b) Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer (Jake Musgrave, AAPI - Certified Practising Valuer 113610 of Australia Pacific Valuers Pty Ltd). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation has been reduced by 10% Community Service Obligation to reflect this limitation. This adjustment is an unobservable input and reliant on judgement of management. The adjustment has no impact on the comprehensive income statement. Where land use is not restricted, highest and best use is assumed to be current use, except where the land is held for sale, or highly likely to be used for an alternative purpose within 12 months of the reporting date.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive Income Statement.

Any significant movements in the unobservable inputs for land and land under roads (if any) will have a significant impact on the fair value of these assets.

Details of Council's land and buildings (excluding leasehold improvements) and information about the fair value hierarchy as at 30 June 2026 are as follows:

2026	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of last Valuation	Type of Valuation
Freehold land	-	173,146	-	30/06/2026	Full
Specialised land	-	-	920,656	30/06/2026	Full
Freehold buildings	-	735	423,509	30/06/2026	Full
Total	**-**	**173,881**	**1,344,165**		

Please note that details on the three levels of valuations can be found in note 8.4

(c) Valuation of infrastructure

Valuation of Council's bridges, road median and drainage assets were undertaken in 2025/26 by Council's Engineer Mr Mohammad Rashid, Chartered Professional Engineer under the Institution of Engineers Australia and Registered Professional Engineer by Business Licensing Authority, Victoria.

Valuation of Council's road assets (excluding medians) were restated to Council's valuation of current replacement cost in 2025/26. The valuation of these assets was carried out by National Transport Research Organisation (NTRO).

The valuation is at fair value based on current replacement cost, less accumulated depreciation in accordance with the basis of valuation.

For drainage, roads, streets and bridges assets, the valuation represents an estimate of written down current replacement costs determined by reference to engineering construction plans and Melbourne Water base maps after taking into account construction costs written down for the current condition of the assets and the impact of any economic or technical obsolescence. Refer to note 8.4 for further information relating to Fair value measurement.

The next full revaluation is due to be reflected in the Financial Statements for year ending 30 June 2028.

The date and type of the current valuations are detailed in the following table.

Details of Council's infrastructure (excluding parks & playgrounds) and information about the fair value hierarchy as at 30 June 2026 are as follows:

2026	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of last Valuation	Type of Valuation
Roads, streets and bridges	-	-	515,432	**30/06/2026**	**Full**
Drainage	-	-	270,072	**30/06/2026**	**Full**
Total	-	-	**785,504**		

Please note that details on the three levels of valuations can be found in note 8.4

(d) Description of significant unobservable inputs into level 3 valuations

Specialised Land and land under roads

Specialised land is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land value between 0% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between $3.19 and $7,567 per square metre.

Specialised Buildings

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs for buildings are calculated on a square metre basis and ranges from $400 to $24,000 per square metre. The useful lives of buildings are 80 years. Current replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure Assets

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 25 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of Specialised Land

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Parks and Reserves		789,911	856,637
Council buildings zoned for public use		91,580	101,545
Car Parks		33,925	32,589
Cemeteries		5,240	4,304
Total specialised land		**920,656**	**995,075**

6.3 Investments

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Investments – unlisted shares held at fair value accounted for through profit and loss	**6.3(a)**	421	365
Investments in associates	**6.3(b)**	3,686	3,436
Total investments		**4,107**	**3,801**

(a) Investments – unlisted shares

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Opening value of shares in Procurement Australia		365	301
Fair value adjustment		56	64
Closing value of shares in Procurement Australia		**421**	**365**

Investments – unlisted shares are measured at fair value. Movements in fair value are recognised through the profit and loss statement. Council does not exert any control over the operations, and the investment is of a unique nature with no active market/no ability to redeem the investment.

Procurement Australia is an incorporated buying group for large scale and shared service contracts.

(b) Investments in associates

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Share of Yarra Plenty Regional Library Corporation		3,686	3,436
Total investments in associates		**3,686**	**3,436**
Council's share of accumulated surplus			
Council's share of accumulated surplus at start of year		3,436	3,285
Reported change from prior year's equity		-	(2)
Reportable (deficit)/ surplus for year		250	153
Council's share of accumulated surplus at end of year		**3,686**	**3,436**
Movement in carrying value of specific investment:			
Carrying value of investment at start of year		3,436	3,285
Share of total change in equity for year		250	151
Carrying value of investment at end of year		**3,686**	**3,436**
Council's share of expenditure commitments:			
Lease commitments		380	381
Operating commitments		645	710
Council's share of expenditure commitments		**1,025**	**1,091**

Council's share of contingent liabilities and contingent assets:

The Yarra Plenty Regional Library has no known contingent liabilities as at 30 June 2026 nor as at 30 June 2025.

Significant restrictions:

Yarra Plenty Regional Library does not pay any dividends to Council. No loans or monetary advances were made between Council and the Library.

Associates are all entities over which Council has significant influence, but not control or joint control. Investments in associates are accounted for using the equity method of accounting. The investment was initially recorded at cost and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Comprehensive Income Statement.

Council has an equity interest share in the following associate:

- 40.59% (40.62% in 2025) in the Yarra Plenty Regional Library.

Council's share is based on the total of contributions paid by Council, since the inception of the library, as a percentage of the total contributions paid by the three Councils. The contributions made each year are based on the patronage across the various Library locations throughout the three Councils.

The valuation is made as at 30 June each year. The 2026 valuation is based on draft Financial Statements (2025 was based on draft Financial Statements and the prior year's equity has been adjusted to match the finalised financial statements).

The Yarra Plenty Regional Library is an independent legal entity with an Executive Management Team, which is responsible for the day-to-day operations of the organisation. Banyule is one of three Councils with a stake in the library and each of the three Councils has put forward two members which make up the six-person Regional Library Board.

(c) Investments in subsidiary

Banyule Cemeteries Trust

The Banyule Cemeteries Trust is a class B cemetery trust for which Banyule's nine councillors are automatically appointed as the trust members. The cemeteries trust operates under the Cemeteries and Crematoria Act 2003 on behalf of the Department of Health. Council has the decision-making power as to how best to manage the cemetery and has rights to the returns and exposure to the expenditures associated with the cemetery operations.

The following Comprehensive Income Statement and Balance Sheet has been provided to show the individual financial position of the Cemeteries Trust for the 2025-26 financial year. These financial statements should be read in conjunction with the accompanying notes in the financial report.

Summarised statement of comprehensive income

	2026 $'000	2025 $'000
INCOME/REVENUE		
User fees and charges	316	398
Grants - operating	-	14
Interest income	70	87
Other income	-	3
Total Income/Revenue	**386**	**502**
EXPENSES		
Employee costs	108	130
Materials, contracts and services	234	272
Utility charges	3	2
Total Expenses	**345**	**404**
Surplus/ (Deficit) for the year	**41**	**98**

Summarised balance sheet

	2026 $'000	2025 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	179	101
Other financial assets	1,480	1,520
Trade and other receivables	105	53
Total current assets	**1,764**	**1,674**
Total non-current assets	**-**	**-**

	2026 $'000	2025 $'000
Total Assets	**1,764**	**1,674**
LIABILITIES		
Current Liabilities		
Trade and other payables	240	170
Provisions	39	61
Total current liabilities	**279**	**231**
Total non-current liabilities	**-**	**-**
Total Liabilities	**279**	**231**
NET ASSETS	**1,485**	**1,443**
EQUITY		
Accumulated surplus	1,485	1,443
Total Equity	**1,485**	**1,443**

Note: Cemetery income and expenditure is processed through Council's bank accounts. Each transaction impacts on the balance of Accounts Payable for what the cemetery owes to Council. On a periodic basis transfers are made from the Cemeteries bank account into Council's bank account to pay off the balance.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2026, and their income and expenses for that part of the reporting period in which control existed.

A subsidiary is an entity over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Banyule Cemeteries Trust is the only entity consolidated into Council's financials.

6.4 Investment property

Investment Property	**Consolidated 2026 $'000**	**Consolidated 2025 $'000**
Balance at beginning of financial year	13,628	13,652
Additions	4,432	65
Depreciation - Building	-	(89)
Fair Value Adjustments	2,792	-
Balance at end of Financial Year	**20,852**	**13,628**

Investment property is held to generate long-term rental yields or capital gains. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment property is carried at fair

value, determined annually by a valuer. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise.

Valuation of investment property

Valuation of investment property was carried out in 2025/26 by Jake Musgrave, AAPI of Australia Pacific Valuers Pty Ltd, who is experienced in the location and categories of the properties being valued. The valuations are at fair value based on the current market value for the property.

The valuation method for Council's commercial properties held to generate rental yields was changed from market approach to income approach for 2025/26, to represent that the value of these properties is dependent upon the cash flows generated from those buildings.

Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement, when invoiced, on a straight-line basis over the lease term.

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent Entity

Banyule City Council is the parent entity.

Subsidiaries and Associates

By virtue of the fact that Banyule Councillors also form the Board of Trustees of the Banyule Cemeteries Trust, this entity is considered to be a controlled entity under AASB 10: Consolidated Financial Statements. The cemetery financial results are detailed in note 6.3 (c).

Interest in associates are detailed in note 6.3 (b) and include the Yarra Plenty Regional Library, over which Banyule City Council has joint control along with City of Whittlesea and Nillumbik Shire Council.

(b) Key management personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Banyule City Council. The Councillors, Chief Executive Officer and Executive Directors are deemed KMP:

Key Management Personnel	Consolidated 2026 No.	Consolidated 2025 No.
Councillors		
Cr. Elizabeth Nealy (Mayor to 18/11/2025)	1	1
Cr. Peter Castaldo (Deputy Mayor to 18/11/2025)	1	1
Cr. Alicia Curry	1	1
Cr. Alida McKern	1	1
Cr. Alison Champion (Mayor from 19/11/2025)	1	1
Cr. Mark Di Pasquale	1	1

Key Management Personnel	Consolidated 2026 No.	Consolidated 2025 No.
Cr. Mary O'Kane	1	1
Cr. Matt Wood	1	1
Cr. Rick Garotti (Deputy Mayor from 19/11/2025)	1	1
Cr. Peter Dimarelos (Councillor to 25/10/2024)	-	1
Cr. Tom Melican (Councillor to 25/10/2024)	-	1
Cr. Fiona Mitsinikos (Councillor to 25/10/2024)	-	1
Total Number of Councillors	**9**	**12**
Officers		
Chief Executive Officer	1	1
Director Assets & City Services	1	1
Director City Development	1	1
Director Community Wellbeing	1	1
Director Corporate Services	1	1
Total of Chief Executive Officer and Directors	**5**	**5**
Total Key Management Personnel	**14**	**17**

Note: Council elections took place on 26/10/2024 and resulted in three new Councillors being elected. Newly elected Councillors took their oath/affirmation on 11/11/2024 and the election of Mayor and Deputy Mayor took place on 19/11/2024.

(c) Remuneration of key management personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

- Short-term benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Long-term benefits include long service leave accrued during the year.
- Post employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Termination benefits include termination of employment payments, such as severance packages.

Total Remuneration of Key management Personnel	Consolidated 2026 $'000	Consolidated 2025 $'000
Short-term benefits	2,221	1,980
Long-term benefits	40	36
Post-employment benefits	151	150
Total	**2,412**	**2,166**

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

Remuneration of Key management Personnel	Consolidated 2026 No.	Consolidated 2025 No.
$0 - $9,999	-	1
$10,000 - $19,999	-	1
$20,000 - $29,999	-	3
$30,000 - $39,999	-	3
$40,000 - $49,999	5	2
$50,000 - $59,999	1	1
$60,000 - $65,000	1	-
$80,000 - $85,000	1	-
$90,000 - $99,999	-	1
$100,000 - $110,000	1	-
$290,000 - $299,999	-	2
$320,000 - $329,999	-	1
$330,000 - $339,999	1	-
$340,000 - $349,999	2	1
$380,000 - $389,999	1	-
$480,000 - $489,999	1	1
Total	**14**	**17**

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds $170,000 and who report directly to a member of the KMP.

Total remuneration of Other senior staff was as follows	Consolidated 2026 $'000	Consolidated 2025 $'000
Short-term benefits	2,711	2,912
Long-term benefits	66	67
Post-employment benefits	321	327
Total	**3,098**	**3,306**

The numbers of Senior Officers are shown below in their relevant income bands:

Remuneration of Other senior staff	Consolidated 2026 No.	Consolidated 2025 No.
Income range:		
$170,000 - $179,999	-	1
$180,000 - $189,999	-	3
$190,000 - $199,999	2	1
$200,000 - $209,999	2	3
$210,000 - $219,999	3	4
$220,000 - $229,999	1	3
$230,000 - $239,999	5	1
$240,000 - $249,999	1	-
Total	**14**	**16**

Note: During 2025/26 two manager positions were combined into one.
During 2024/25 a senior officer was on long term parental leave and as a result, the officer that back-filled the vacancy also met the senior officer threshold.

7.2 Related party disclosures

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties:

Payments made to/ (received from) Yarra Plenty Regional Library

	Consolidated 2026 $'000	Consolidated 2025 $'000
Operational contributions	7,201	6,651
Grant funding	-	2
Cleaning costs	143	130
Maintenance of building & equipment	3	5
Protection of artworks from National Gallery	70	-
Other miscellaneous expenditure	1	-
Fuel & vehicle repairs	-	(5)
Reimbursement for lease & associated costs	(29)	(67)
LSL Transfer	(24)	-
Reimbursement of utilities & other outgoings	(144)	(115)

Note: The amounts in the above table include GST (where applicable). Council provides YPRL with rent-free use of the library buildings in Watsonia, and Ivanhoe. The lease relates to a shop space used as a book collection point in Rosanna while the construction of a new Rosanna Library is underway.

Banyule Cemeteries Trust (BCT)

The Banyule Cemeteries Trust is an entity managed by Council with Banyule's nine Councillors acting as the board of trustees. Cemetery results have been consolidated into Banyule's finances under AASB 10: Consolidated Financial Statement.

Cemeteries Trust

	Consolidated 2026 $'000	Consolidated 2025 $'000
Received from Banyule Cemeteries Trust		
Overheads charged	61	59
Total Received from BCT	**61**	**59**
Paid to Banyule Cemeteries Trust		
Total paid to BCT	**-**	**-**

The Cemetery Trust is charged overheads for the use of Council's Corporate Services (finance, information technology, human resources, office space etc.)
The charge is calculated using the same method that allocates overheads across Council.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

The Banyule Cemeteries Trust day-to-day finances are managed via Council's bank accounts. Intermittently, transfers are made from the Cemetery to Council for the net costs incurred when the cemeteries term deposit investments mature.

Owed by Cemetery Trust to Council

Dates	$'000
2025/2026	240
2024/2025	170

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party is: $Nil (2025: $Nil).

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows: $Nil (2025: $Nil).

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

(a) Divested land

The state government divested land from Council at 15 Flintoff Street, Greensborough for the construction of a public transport hub as part of the Car Parks for Commuters Project. The property is no longer under Council's control and the compensation for the loss of land is awaiting a formal VCAT hearing. During 2024/25 Council received an initial compensation offer and payment, and any potential additional income coming from the VCAT process will be recognised in future years when negotiations are completed.

(b) Building defects

Due to the large quantity of Capital Works carried out across Council, there may arise instances where building works are identified as being defective or not satisfactorily completed. In these instances, there is an expectation that the original contractor will promptly return to rectify all identified issues. Where this is not done, Council may take action to seek damages, so that the building rectifications can be undertaken by another contractor.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

The following are potential contingencies to be considered by Council.

(c) Guarantees for loans to other entities

The Banyule City Council has undertaken to act as guarantor for:

Loan Guarantor

Entity category	Consolidated 2026 $'000	Consolidated 2025 $'000
Bank loans for local organisations	34	38
Bank loans for operators of Council facilities	120	328
Total guarantees	**154**	**366**

Council is currently acting as guarantor for two loans; one for a Sporting Club for significant capital improvements to a sporting facility on Council land and the other for major improvements at a leased Council owned facility. Council was guarantor for one community organisation lease for equipment located within a Council facility which recently completed. At balance date, the total outstanding balance on these guarantees was $153,803.79 ($365,689.28 in 2025). At balance date we have received independent confirmation that the Clubs are continuing to meet (or exceed) repayments in accordance with the requirements of their individual agreements.

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the Balance Sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that, that right will be exercised.

(d) Superannuation

Banyule City Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time, it is not known if additional contributions will be required, their timing or potential amount.

(e) Contingent liabilities mitigated by insurances

As a Council with statutory regulatory responsibilities and ownership of numerous land holdings, the Council is regularly met with claims for damages allegedly arising from actions of Council or its Officers, and also claims allegedly arising from incidents which occur on land belonging to Council. Council carries professional indemnity and public/products liability insurance against these claims. There are no claims of which Council is aware which would fall outside the terms of Council's policies.

(f) Liability mutual insurance

Council was a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

8.2 Australian Accounting Standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.

The Australian Accounting Standards Board (AASB) has issued *AASB 18 Presentation and Disclosure in Financial Statements*. When applicable AASB 18 supersedes *AASB 101 Presentation of Financial Statements*. AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

8.3 Financial instruments

(a) Objectives and policies

Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the Financial Statements. Risk management is carried out by senior management under policies approved by Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

(c) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Council does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020.* Council manages interest rate risk by adopting an investment policy that ensures:

- Diversification of investment product;
- Monitoring of return on investments; and
- Benchmarking of returns and comparison with budget.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting year.

Interest rate movements have not been sufficiently significant during the year to have an impact on Council's year end result.

(d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in

Council's Balance Sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk Council:

- Will not perform any significant works before payment has been made;
- may require collateral where appropriate; and
- will only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property. Impairment of financial assets are determined using an expected loss model (simplified approach) based on historical data, according to the age of outstanding debts.

Council may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when a guarantee is provided for another party. Details of Council's contingent liabilities are disclosed in Note 8.1.

The maximum exposure to credit risk on recognised financial assets at the reporting date is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the Balance Sheet and notes to the Financial Statements. Council does not hold any collateral.

(e) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements, Council:

- will not have sufficient funds to settle a transaction when required;
- will be forced to sell a financial asset at below value; or
- may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the Balance Sheet and the amounts related to financial guarantees disclosed in Note 8.1 and is deemed insignificant based on prior periods data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting year.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed in Note 5.4. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of -1.00% and +1.00% in market interest rates (AUD) from year end weighted average interest rates of 4.85%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

(a) Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 *Fair Value Measurement* aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets every 2 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class

Asset class	Revaluation frequency
Roads, streets and bridges	2 years
Drainage	2 years
Freehold buildings	2 years
Freehold land	2 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increase and decrease within the year are offset.

(c) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets' carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 Impairment of Assets does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Note 9. Other matters

9.1 Reserves

(a) Summary of reserve types

	Balance as at 30/06/2026 $'000	Balance as at 30/06/2025 $'000
Asset Revaluation Reserve	1,796,472	1,446,973
Asset Replacement Reserves	41,608	48,475
Total Reserves	**1,838,080**	**1,495,448**

(b) Reserve movements

The following transfers to and from Council's reserves occurred during the reporting period:

(i) Asset Revaluation Reserve

2026	Balance at 01/07/2025 $'000	Increase/ (Decrease) $'000	Transfer to Acc. Surplus $'000	Transfer between classes $'000	Balance as at 30/06/2026 $'000
Infrastructure					
Roads and streets	279,192	133,526	-	-	412,718
Bridges, medians and local area traffic management	5,604	(2,801)	-	-	2,803
Drainage	113,589	139,978	-	-	253,567
Parks and gardens	247	-	-	-	247
Total	**398,632**	**270,703**	**-**	**-**	**669,335**
Property					
Freehold land	992,778	(50,028)	-	-	942,750
Freehold buildings	42,172	137,124	-	-	179,296
Total	**1,034,950**	**87,096**	**-**	**-**	**1,122,046**
Other Assets					
Heritage and Art Collection	283	-	-	-	283
Total	**283**	**-**	**-**	**-**	**283**
Assets classified as held for resale					
Freehold land	13,108	-	(8,300)	-	4,808
Total	**13,108**	**-**	**(8,300)**	**-**	**4,808**
Total Asset revaluation reserve	**1,446,973**	**357,799**	**(8,300)**	-	**1,796,472**

2025	Balance at 01/07/2024 $'000	Increase/ (Decrease) $'000	Transfer to Acc. Surplus $'000	Transfer between classes $'000	Balance as at 30/06/2025 $'000
Infrastructure					
Roads and streets	226,822	52,370	-	-	279,192
Bridges, medians and local area traffic management	5,584	20	-	-	5,604
Drainage	103,719	9,870	-	-	113,589
Parks and gardens	247	-	-	-	247
Total	**336,372**	**62,260**	**-**	**-**	**398,632**
Property					

2025	Balance at 01/07/2024 $'000	Increase/ (Decrease) $'000	Transfer to Acc. Surplus $'000	Transfer between classes $'000	Balance as at 30/06/2025 $'000
Freehold land	1,028,678	(4,410)	-	(31,490)	992,778
Freehold buildings	42,448	(276)	-	-	42,172
Total	**1,071,126**	**(4,686)**	**-**	**(31,490)**	**1,034,950**
Other Assets					
Heritage and Art Collection	283	-	-	-	283
Total	**283**	**-**	**-**	**-**	**283**
Assets classified as held for resale					
Freehold land	**-**	-	(18,382)	31,490	13,108
Total	**-**	**-**	**(18,382)**	**31,490**	**13,108**
Total Asset revaluation reserve	**1,407,781**	**57,574**	**(18,382)**	-	**1,446,973**

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

(ii) Asset Replacement Reserves

2026	Balance as at 01/07/25 $'000	Transfers between $'000	Transfers to $'000	Transfers from $'000	Balance as at 30/06/26 $'000
Statutory reserves					
Public Open Space	5,324	-	4,249	(5,296)	4,277
Off-Street Car Parking	176	-	-	-	176
Total statutory reserves	**5,500**	**-**	**4,249**	**(5,296)**	**4,453**
Discretionary Reserves					
General	2,307	-	-	(781)	1,526
Plant and Equipment	14,582	-	2,350	(4,826)	12,106
Strategic Properties	8,564	-	11,125	(15,311)	4,378
Asset Renewal	5,964	-	3,042	(2,156)	6,850
Car Parking Meters	7,086	-	1,159	(132)	8,113
BPi Investment	115	-	-	-	115
IT Equipment	4,357	-	1,170	(1,460)	4,067
Total discretionary reserves	**42,975**	**-**	**18,846**	**(24,666)**	**37,155**
Total replacement reserves	**48,475**	**-**	**23,095**	**(29,962)**	**41,608**

2025	Balance as at 01/07/24 $'000	Transfers between $'000	Transfers to $'000	Transfers from $'000	Balance as at 30/06/25 $'000
Statutory reserves					
Public Open Space	7,403	-	4,322	(6,401)	5,324
Off-Street Car Parking	213	-	-	(37)	176
Total statutory reserves	**7,616**	**-**	**4,322**	**(6,438)**	**5,500**
Discretionary Reserves					
General	2,307	-	-	-	2,307
Plant and Equipment	16,841	-	2,209	(4,468)	14,582
Strategic Properties	(19,139)	-	32,711	(5,008)	8,564
Asset Renewal	5,187	-	2,976	(2,199)	5,964
Car Parking Meters	6,227	-	1,019	(160)	7,086
BPi Investment	121	--	-	(6)	115
IT Equipment	3,969	-	1,537	(1,149)	4,357
Total discretionary reserves	**15,513**	**-**	**40,452**	**(12,990)**	**42,975**
Total replacement reserves	**23,129**	**-**	**44,774**	**(19,428)**	**48,475**

The above tables generally indicate usage of funds for budgeted capital works and recovery of capital from previous expenditures and investment projects in the ordinary course of business. These amounts are determined in accordance with the approved budget and subsequent Council reports.

- The Public Open Space Reserve is a statutory reserve where developers contribute income to the reserve by law. The funds are spent on 'public open spaces', for example playgrounds.
- The Off-Street Car Parking Reserve is no longer operational due to a change in legislation. Developers did contribute income to the reserve. Funds were used to provide additional car parking spaces in the area where the funds were generated from.
- The General Reserve is maintained to have money set aside for future projects.
- The Plant and Equipment Reserve is used to fund the purchase of vehicles (all types) and some items of plant and equipment.
- The Strategic Properties Reserve is maintained to fund the purchasing, development and selling of properties with a view to add income to Council.
- The Asset Renewal Reserve is used to fund the renewal of assets in the future.
- The Car Parking Meters Reserve receives the net income from parking meters. The Reserve will be used to purchase new parking meters and fund the maintenance of existing parking meters.
- The BPi Investment Reserve receives a portion of the BPi department's profit each year. The Reserve is used to fund equipment and software to enhance their competitiveness with external businesses.
- The Information Technology (IT) Equipment Reserve accumulates funds to be used for the purchase and maintenance of computer systems.

9.2 Reconciliation of surplus to cash flows from operating activities

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Surplus for the year		17,471	19,090
Non-cash adjustments:			
Profit on disposal of infrastructure, property, plant and equipment	**3.8**	(210)	(1,066)
Depreciation and amortisation	**4.4, 4.5 & 4.6**	29,031	27,313
Impairment loss	**6.1**	21	562
Borrowing costs - interest	**4.9**	1,406	1,500
Finance costs - leases	**4.8**	60	38
Net movement in investments and share of associates	**5.1(b)(i), 6.3**	(1,633)	(1,572)
Non-monetary contributions	**3.7**	(979)	(2,394)
Fair value adjustment of investment property	**6.4**	(2,792)	**-**
Change in assets and liabilities, excluding investing activities			
Decrease/(increase) in trade and other receivables		2,955	(1,383)
Decrease/(increase) in inventories		9	(6)
(Increase) in prepayments		(551)	(161)
Increase/(decrease) in trade and other payables		(3,575)	3,138
Increase/(decrease) in contract and other liabilities		(1,693)	2,654
Increase in employee provisions		931	330
Increase in trust funds and deposits		521	8
Net cash provided by operating activities		**40,972**	**48,051**

9.3 Superannuation

Banyule City Council makes the majority of its employer superannuation contributions in respect to its employees to the Local Authorities Superannuation Fund – Vision Super (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation Fund

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2026, this was 12.0% as required under Superannuation Guarantee (SG) legislation (2025: 11.5%)).

Defined Benefit Plan

Banyule City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. The Defined Benefit Scheme was closed to new members on 31 December 1993.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Banyule City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of *AASB 119 Employee Benefits*.

Funding arrangements

Banyule City Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee, on the advice of the Fund Actuary.

As at 30 June 2025, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2025 (of which the Council is a contributing employer) was 110.5%.

The financial assumptions used to calculate the VBI were:

Net investment returns	5.70% pa
Salary information	3.50% pa
Price inflation (CPI)	2.60% pa

As at 30 June 2026, a triennial actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2026.

Vision Super has advised that the VBI at 30 June 2026 was 116.9%. Banyule was notified of the 30 June 2026 VBI during August 2026 (2025: August 2025). The financial assumptions used to calculate the VBI were:

Net investment returns	6.2% pa
Salary inflation	3.5% pa
Price inflation (CPI)	3.0% pa to 30 June 2029 and 2.6% pa thereafter

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2025 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years

Employer Contributions

Regular Contributions

On the basis of the results of the 2025 interim actuarial investigation conducted by the Fund Actuary, the Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2026, this rate was 12.0% of members' salaries (11.5% in 2024/25). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, the Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Banyule City Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries; it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the Defined Benefit obligations of that employer will be transferred to that employer's successor.

The 2025 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which the Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2025 and 30 June 2024 while a full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which the Council is a contributing employer:

	2025 (Interim)	2024 (Interim)	2023 (Triennial)
A VBI Surplus	$200.10 million	$108.40 million	$85.70 million
A total service liability surplus	$229.40 million	$141.40 million	$123.60 million
A discounted accrued benefits surplus	$242.80 million	$156.70 million	$141.90 million

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2025.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2025.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2025.

The 2026 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2026 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2026. The last interim actuarial investigation conducted prior to 30 June 2026 was at

30 June 2025. The VBI of the Defined Benefit Category at that date was 110.5% The financial assumptions used to calculate the 30 June 2025 VBI were:

Net investment returns	5.7% pa
Salary inflation	3.5% pa
Price inflation (CPI)	2.6% pa

Banyule was notified of the 30 June 2025 VBI during August 2025.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2025 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2023 interim actuarial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation were:

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50% pa	2.50% pa for two years, and 2.75% pa thereafter
Price inflation (CPI)	2.8% pa	2.0% pa

Superannuation contributions

Contributions by the Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2026 are detailed below:

Scheme	Type of scheme	Rate	Consolidated 2026 $'000	Consolidated 2025 $'000
Vision Super	**Defined Benefits**	12.0% (2025: 11.5%)	$178	$249
Vision Super	**Accumulation**	12.0% (2025: 11.5%)	$4,034	$3,996
Other Funds	**Accumulation**	12.0% (2025: 11.5%)	$5,412	$4,747

Note: The above numbers include salary sacrificed superannuation that has been paid by the Council on behalf of the employees.

In addition to the above contributions, the Council has paid unfunded liability payments to Vision Super totalling $Nil. (2024/25 $Nil).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2026.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2027 is $136,985.

Note 10. Change in accounting policy

There have been no changes to accounting policies in the 2025-26 financial year.