

Greater Geelong City Council

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2026

Annual Financial Report

for the year ended 30 June 2026

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Content Overview

These financial statements are General Purpose Financial Statements and cover the consolidated operations for Greater Geelong City Council.

All figures in these financial statements are presented in Australian Currency.

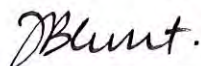
These financial statements were authorised for issue by the Council on 13 October 2026.
Council has the power to amend and reissue these financial statements.

Annual Financial Report

for the year ended 30 June 2026

Certification of the Financial Statements

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



Jennifer Blunt
Principal Accounting Officer
Dated: 13 October 2026
Geelong

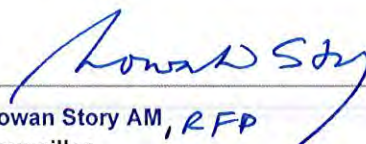
In our opinion, the accompanying financial statements present fairly the financial transactions of the Greater Geelong City Council for the year ended 30 June 2026 and the financial position of the Council as at that date.

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.

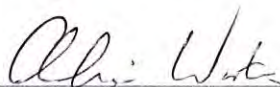
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Dr Srechko Kontelj OAM
Mayor
Dated: 13 October 2026
Geelong



Rowan Story AM, RFP
Councillor
Dated: 13 October 2026
Geelong



Alison Wastie
Chief Executive Officer
Dated: 13 October 2026
Geelong

Annual Financial Report

for the year ended 30 June 2026

Victorian Auditor-General's Office Report

Insert VAGO Report here

Annual Financial Report

for the year ended 30 June 2026

Victorian Auditor-General's Office Report (continued)

Insert VAGO Report here

Comprehensive Income Statement

for the year ended 30 June 2026

	Note	2026 \$ '000	Restated 2025 \$ '000
Income / Revenue			
Rates and charges	3.1	341,116	322,770
Statutory fees and fines	3.2	18,988	16,771
User fees	3.3	57,939	61,348
Grants - operating	3.4	90,121	89,741
Grants - capital	3.4	37,800	19,529
Contributions - monetary	3.5	24,750	32,987
Contributions - non-monetary	3.5	45,863	76,012
Share of net profits of associates and joint ventures	6.3	541	1,670
Other income	3.7	18,862	18,538
Total income / revenue		635,980	639,366
Expenses			
Employee costs	4.1	212,490	203,200
Materials and services	4.2	145,724	132,244
Depreciation and amortisation	4.3	105,316	118,547
Amortisation - Intangible assets		2,308	2,113
Depreciation - Right of use assets		1,377	1,525
Allowance for impairment losses		(1,423)	1,592
Borrowing costs	4.4	4,948	5,703
Finance Costs - Leases		146	185
Net loss on disposal of property, infrastructure, plant and equipment	3.6	36,179	17,362
Other expenses	4.5	38,161	39,561
Total expenses		545,226	522,032
Surplus/(deficit) for the year		90,754	117,334
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	9.1	(141,838)	172,465
Total items which will not be reclassified subsequently to the operating result		(141,838)	172,465
Total other comprehensive income		(141,838)	172,465
Total comprehensive result		(51,084)	289,799

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

Balance Sheet

as at 30 June 2026

	Note	2026 \$ '000	Restated 2025 \$ '000	Restated 1 July 2024 \$ '000
Assets				
Current assets				
Cash and cash equivalents	5.1	57,849	98,032	95,839
Trade and other receivables	5.1	51,484	43,590	22,830
Other financial assets	5.1	190,000	101,288	75,676
Inventories		1,133	1,168	1,253
Non-current assets classified as held for sale	6.1	9,181	369	9,479
Other assets	5.2	6,811	8,484	10,775
Total current assets		316,458	252,931	215,852
Non-current assets				
Trade and other receivables	5.1	1,935	2,264	14,782
Investments in associates, joint arrangements and subsidiaries	6.3	12,798	12,256	10,586
Property, infrastructure, plant and equipment	6.2	5,221,202	5,336,654	5,075,915
Intangible assets	5.2	12,318	14,020	12,010
Right-of-use assets		3,480	4,793	5,810
Total non-current assets		5,251,733	5,369,987	5,119,103
Total assets		5,568,191	5,622,918	5,334,955
Liabilities				
Current liabilities				
Trade and other payables	5.3	33,549	33,944	31,300
Trust funds and deposits	5.3	22,324	20,729	16,926
Contract and other liabilities	5.3	36,760	34,034	20,564
Provisions	5.5	43,003	41,642	41,366
Interest-bearing liabilities	5.4	57,555	7,422	21,110
Lease liabilities		1,415	1,368	1,334
Total current liabilities		194,606	139,139	132,600
Non-current liabilities				
Provisions	5.5	32,762	32,955	32,927
Interest-bearing liabilities	5.4	98,972	156,527	163,957
Lease liabilities		2,488	3,850	4,823
Total non-current liabilities		134,222	193,332	201,707
Total liabilities		328,828	332,471	334,307
Net assets		5,239,363	5,290,447	5,000,648
Equity				
Accumulated surplus		2,481,468	2,440,319	2,361,460
Reserves	9.1	2,757,895	2,850,128	2,639,188
Total Equity		5,239,363	5,290,447	5,000,648

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

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2026					
Balance at beginning of the financial year		5,290,447	2,440,319	2,738,843	111,285
Surplus/(deficit) for the year		90,754	90,754	—	—
Other comprehensive income					
Net asset revaluation gain/(loss)	9.1	(141,838)	—	(141,838)	—
Other comprehensive income		(141,838)	—	(141,838)	—
Total comprehensive income		(51,084)	90,754	(141,838)	—
Transfers to other reserves	9.1	—	(170,082)	—	170,082
Transfers from other reserves	9.1	—	120,477	—	(120,477)
Balance at end of the financial year		5,239,363	2,481,468	2,597,005	160,890
2025					
Balance at beginning of the financial year		5,002,967	2,363,779	2,566,358	72,830
Prior Year Adjustment – retrospective	11.1	(2,319)	(2,319)	20	(20)
Restated opening balance		5,000,648	2,361,460	2,566,378	72,810
Surplus/(deficit) for the year		117,334	117,334	—	—
Other comprehensive income					
Net asset revaluation gain/(loss)	9.1	172,465	—	172,465	—
Other comprehensive income		172,465	—	172,465	—
Total comprehensive income		289,799	117,334	172,465	—
Transfers to other reserves	9.1	—	(154,063)	—	154,063
Transfers from other reserves	9.1	—	115,588	—	(115,588)
Balance at end of the financial year		5,290,447	2,440,319	2,738,843	111,285

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	2026 Inflows/ (Outflows) \$ '000	2025 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		334,853	321,984
Statutory fees and fines		17,624	17,794
User fees		58,929	62,808
Grants - operating		89,646	87,048
Grants - capital		40,011	35,636
Contributions - monetary		24,750	32,987
Interest received		9,299	8,734
Trust funds and deposits taken		1,595	3,803
Other receipts		11,048	–
Net GST refund/payment		22,807	18,910
Employee costs		(208,054)	(203,532)
Materials and services		(207,754)	(191,216)
Short-term, low value and variable lease payments		(393)	(168)
Other payments		(1,449)	–
Net cash provided by/(used in) operating activities	9.2	192,912	194,788
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(142,330)	(139,354)
Proceeds from sale of property, infrastructure, plant and equipment		11,843	824
Payments for investments		(190,542)	(111,874)
Proceeds from sale of investments		101,829	86,262
Net cash provided by/(used in) investing activities		(219,200)	(164,142)
Cash flows from financing activities			
Finance costs		(4,948)	(5,703)
Repayment of borrowings		(7,422)	(21,118)
Interest paid - lease liability		(146)	(185)
Repayment of lease liabilities		(1,379)	(1,447)
Net cash flow provided by/(used in) financing activities		(13,895)	(28,453)
Net Increase (decrease) in cash and cash equivalents		(40,183)	2,193
Cash and cash equivalents at the beginning of the financial year		98,032	95,839
Cash and cash equivalents at the end of the financial year		57,849	98,032
Financing arrangements	5.6	196,055	223,412

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	2026 \$ '000	2025 \$ '000
Property			
Land		5,516	45,007
Total land		5,516	45,007
Buildings		53,503	18,561
Heritage buildings		190	—
Total buildings		53,693	18,561
Total property		59,209	63,568
Plant and equipment			
Plant, machinery and equipment		3,543	3,504
Fixtures, fittings and furniture		320	250
Computers and telecommunications		1,175	1,448
Total plant and equipment		5,038	5,202
Infrastructure			
Roads		32,918	28,985
Bridges		499	—
Footpaths and cycleways		10,466	8,240
Drainage		5,312	2,826
Recreational, leisure and community facilities		19,191	4,651
Waste management		2,005	2,268
Parks, open space and streetscapes		9,351	16,527
Other infrastructure		4,085	7,090
Total infrastructure		83,827	70,587
Total capital works expenditure	6.2	148,074	139,357
Represented by:			
New asset expenditure		54,510	71,684
Asset renewal expenditure		61,460	53,733
Asset expansion expenditure		—	—
Asset upgrade expenditure		32,104	13,940
Total capital works expenditure		148,074	139,357

The above statement of capital works should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Overview

Introduction

The Greater Geelong City Council was established by an Order of the Governor in Council on 18 May 1993 and is a body corporate.

The Council's main office is located at 137-149 Mercer Street, Geelong.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Statement of Comprehensive Income, 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 the 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 (AAS).

Accounting policy information

1.1 Basis of preparation

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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.

Significant accounting judgements and estimates

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the determination of landfill provisions (refer to 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 of employee provisions (refer to Note 5.5.)
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2.)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2.).
- 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.
- assets held for sale (Note 6.1)
- other areas requiring judgements.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Overview (continued)

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.

Taxation

The Council is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the 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.

1.2 Impacts of other external events

Council has considered ongoing external events that have contributed to volatility in international markets, disrupted global supply chains and increased inflationary pressure, including the risk that they may cause significant changes in the carrying values of assets and liabilities in the next financial year, and has concluded that there is no material impact on the 2025-26 financial report that requires additional disclosure.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2. Analysis of our results

Note 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 for variance explanations based on movement percentage of the greater than 10 percent or a variance movement of \$10 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 / Revenue and expenditure

	Budget 2026 \$ '000	Actual 2026 \$ '000	Variance \$ '000	Variance %	Ref
Income / Revenue					
Rates and charges	341,652	341,116	(536)	(0.16)%	
Statutory fees and fines	18,328	18,988	660	3.60%	
User fees	67,662	57,939	(9,723)	(14.37)%	1
Grants - operating	77,794	90,121	12,327	15.85%	2
Grants - capital	40,306	37,800	(2,506)	(6.22)%	
Contributions - monetary	41,515	24,750	(16,765)	(40.38)%	3
Contributions - non monetary	116,012	45,863	(70,149)	(60.47)%	4
Net gain on disposal of property, infrastructure, plant and equipment	11,018	—	(11,018)	(100.00)%	5
Share of net profits of associates and joint ventures	—	541	541	100%	
Other income	13,760	18,862	5,102	37.08%	6
Total income / revenue	728,047	635,980	(92,067)	(12.65)%	
Expenses					
Employee costs	210,553	212,490	(1,937)	(0.92)%	
Materials and services	171,382	145,724	25,658	14.97%	7
Depreciation	105,358	105,316	42	0.04%	
Amortisation - intangible assets	1,727	2,308	(581)	(33.64)%	8
Depreciation - right of use assets	2,042	1,377	665	32.57%	9
Allowance for impairment losses	—	(1,423)	1,423	(100)%	
Borrowing costs	5,124	4,948	176	3.43%	
Finance costs - leases	164	146	18	10.98%	10
Net loss on disposal of property, infrastructure, plant and equipment	—	36,179	(36,179)	(100)%	11
Other expenses	21,215	38,161	(16,946)	(79.88)%	12
Total expenses	517,565	545,226	(27,661)	(5.34)%	
Surplus/(deficit) for the year	210,482	90,754	(119,728)	(56.88)%	

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1.	User fees	Revenue was lower than budget mainly due to reduced development activity, resulting in lower planning and development fees (\$3.9m), reduced waste income as a result of the closure of the North Geelong Transfer Station (\$2.4 million) and lower parking fee income (\$1.6m). Rental income of \$3.4m was reclassified to Other Income for financial reporting purposes.
2.	Grants-operating	Operating grant income was higher than budget due to the early receipt of 80% of the 2026-27 Financial Assistance Grant.
3.	Contributions-monetary	Income was lower than budget due to the timing of developments and associated contributions, which can vary significantly from year to year.
4.	Contributions-non monetary	Assets received from developers, such as roads, drainage and other infrastructure, were below budget due to the timing of development projects and asset handovers.
5.	Net gain on disposal of property, infrastructure, plant and equipment	The budget assumed gains from the sale of strategic properties. Actual property sale proceeds were lower than anticipated, while losses associated with the renewal and replacement of infrastructure assets were recognised during the year. Actual gains on disposal of property, infrastructure, plant and equipment are offset against Losses. Refer to Item 11 below.
6.	Other income	Higher than budget primarily due to the reclassification of rental income from User Fees for financial reporting purposes.
7.	Materials and services	Reallocation of \$19.0m to Other expenses for financial reporting purposes. Additionally, expenditure lower than budget due to delays in several initiatives including the Digital Innovation Program (\$6.5m) and underspends in service delivery, including City Works (\$2.6m), as well as the later-than-expected progression of strategic planning activities (\$2.6m).
8.	Amortisation-intangible assets	Unfavourable variance to budget of \$0.58 million following an internal and external aerial survey of the landfill which identified less air space available in the remaining cells, reducing the remaining life of Drysdale landfill site.
9.	Depreciation - right of use assets	Favourable variance to budget due to unbudgeted costs for new leases recognised during the 2025/26 financial year for vending machine assets.
10.	Finance costs - leases	The \$18k favourable variance is due to an unbudgeted new lease entered into during the financial year.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

-
- | | |
|---|---|
| 11. Net loss on disposal of property, infrastructure, plant and equipment | <ul style="list-style-type: none">• Net loss on disposal of assets was higher than budget due to the unbudgeted derecognition of \$37.5 million on Other infrastructure assets which do not meet the asset recognition criteria of AASB 116- Property Plant and Equipment. |
| 12. Other expenses | <ul style="list-style-type: none">• Reallocation of \$19.0m from Materials and Services for financial reporting purposes. Offset by underspends including lower than budgeted Security Services \$1.0m and the write back of the landfill rehabilitation provision resulting in a \$1.3m favourable variance. |

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2026 \$ '000	Actual 2026 \$ '000	Variance \$ '000	Variance %	Ref
Property					
Land	23,494	5,516	(17,978)	(76.52)%	1
Total land	23,494	5,516	(17,978)	(76.52)%	
Buildings	64,782	53,503	(11,279)	(17.41)%	2
Heritage buildings	2,000	190	(1,810)	(90.50)%	3
Total buildings	66,782	53,693	(13,089)	(19.60)%	
Total property	90,276	59,209	(31,067)	(34.41)%	
Plant and equipment					
Plant, machinery and equipment	6,428	3,543	(2,885)	(44.88)%	4
Fixtures, fittings and furniture	352	320	(32)	(9.09)%	
Computers and telecommunications	1,942	1,175	(767)	(39.50)%	5
Total plant and equipment	8,722	5,038	(3,684)	(42.24)%	
Infrastructure					
Roads	29,568	32,918	3,350	11.33%	6
Bridges	610	499	(111)	(18.20)%	7
Footpaths and cycleways	12,874	10,466	(2,408)	(18.70)%	8
Drainage	6,449	5,312	(1,137)	(17.63)%	9
Recreational, leisure and community facilities	5,688	19,191	13,503	237.39%	10
Waste management	15,183	2,005	(13,178)	(86.79)%	11
Parks, open space and streetscapes	24,566	9,351	(15,215)	(61.94)%	12
Other infrastructure	10,406	4,085	(6,321)	(60.74)%	13
Total infrastructure	105,344	83,827	(21,517)	(20.43)%	
Total capital works expenditure	204,342	148,074	(56,268)	(27.54)%	
Represented by:					
New asset expenditure	94,363	54,510	(39,853)	(42.23)%	
Asset renewal expenditure	63,664	61,460	(2,204)	(3.46)%	
Asset expansion expenditure	—	—	—	100%	
Asset upgrade expenditure	46,315	32,104	(14,211)	(30.68)%	
Total capital works expenditure	204,342	148,074	(56,268)	(27.54)%	

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1.	Land	The \$18.0 million underspend is primarily attributable to the compulsory acquisition of land required to support the delivery of Developer Contribution Plan (DCP) funded projects within the City's growth areas being deferred to future periods.
2.	Buildings	The \$11.3 million underspend is largely driven by the reprofiling of expenditure into future financial years across several major projects. Key contributors include Stage 2 of the North Bellarine Aquatic Centre (\$3.7 million), the Landy Field Upgrade (\$2.0 million), and the Wurriki Nyal fit-out project (\$1.6 million).
3.	Heritage Buildings	The \$1.8 million underspend is primarily due to the rephasing of expenditure relating to the Osborne House Renewal project while a suitable development partner is secured.
4.	Plant, machinery and equipment	The \$2.9 million underspend is predominantly attributable to longer-than-anticipated lead times for the procurement and delivery of heavy fleet vehicles under the City's ongoing fleet replacement program. The delivery of these assets has been rephased into future years.
5.	Computers and telecomms	The \$0.8 million underspend in the Computers and Telecommunications reflects savings within the 2025/26 Core IT Asset Replacement Program.
6.	Roads	The \$3.4 million overspend is primarily attributable to higher-than-budgeted expenditure on externally funded programs, including Roads to Recovery (\$1.7 million) and Black Spot projects (\$0.5 million). The additional expenditure for these programs was offset by corresponding increases in external grant funding received during the year.
7.	Bridges	The \$0.1 million underspend is attributable to the Barwon River Shared Trail and Pedestrian Bridge detailed design project, with a portion of the works being deferred into future financial years.
8.	Footpaths and cycleways	The \$2.4 million underspend is primarily due to expenditure relating to the Ocean Grove Principal Pedestrian Network Scheme being rephased into future periods.
9.	Drainage	The \$1.1 million variance is primarily due to underspends across the City's core drainage renewal program, resulting in savings during FY2025-26.
10.	Recreational, leisure and community facilities	The \$13.5 million overspend in the Recreational, Leisure and Community Facilities asset category is primarily attributable to the reclassification of projects from the Parks, Open Space and Streetscape category. Partially offsetting this impact was the deferral of project expenditure into future periods for the Aldershot Reserve Upgrade (\$1.0 million) and Thomson Recreation Reserve Upgrade (\$0.8 million) projects.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

-
- | | | |
|-----|---|---|
| 11. | Waste management | <ul style="list-style-type: none">• The \$13.2 million underspend is largely attributable to delays in commencing several significant waste infrastructure projects. The major contributors include the Organics Processing Facility Upgrade (\$8.8 million), FOGO Processing Facility Upgrades (\$3.0 million), and improvements at the Geelong Resource Recovery Centre (\$1.1 million). Project expenditure associated with these projects has been deferred into future reporting periods |
| 12. | Parks, open space and streetscapes | <ul style="list-style-type: none">• The \$15.2 million underspend is primarily the result of project reclassifications to the Recreational, Leisure and Community Facilities asset category. Additional contributors to the variance include delays in the delivery of the Lara Golf Club Irrigation project (\$1.2 million), Sparrovale Dog Park (\$0.5 million), and Bloinks Reserve (\$0.6 million), resulting in expenditure being rephased into future years. |
| 13. | Other infrastructure | <ul style="list-style-type: none">• The \$6.3 million underspend is primarily attributable to the reclassification of internal costs to alternative asset classes, resulting in expenditure being recognised within other asset categories |

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.2 Analysis of Council results by Business Unit

2.2.1 Analysis of Council results by Business Unit

Council delivers its functions and activities through the following Business Units.

Chief Executive

Administration of the office of the Chief Executive provides effective oversight of the organisation.

Corporate Services

Corporate Services provide efficient, effective and proactive support services across council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes finance, legal, strategy and performance, customer service, digital information and technology, people culture and governance and risk.

City Infrastructure

City Infrastructure is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. The directorate includes major projects, asset management, civil infrastructure, waste services, and parks and natural assets.

City Life

City Life provides high quality community focused programs, service delivery and communication to residents. City life is comprised of community care, family services, community strengthening, swim, sport and leisure, and community safety and regulations.

Placemaking

Placemaking includes business and industry experience, planning and growth, city development, government relations, and advocacy and urban design.

2.2.2 Summary of income, expenses, assets and capital expenses by Business Unit

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2026					
Chief Executive	4,298	(2,539)	6,837	—	—
Corporate Services	322,985	184,876	138,109	39,568	526,507
City Infrastructure	165,037	187,355	(22,318)	32,390	3,727,718
City Life	104,071	137,119	(33,048)	50,774	1,124,639
Placemaking	39,589	38,415	1,174	5,189	189,327
Total functions and activities	635,980	545,226	90,754	127,921	5,568,191
2025					
Chief Executive	—	1,218	(1,218)	—	—
Corporate Services	287,537	105,894	181,643	43,297	529,385
City Infrastructure	212,012	210,843	1,169	16,851	3,772,383
City Life	95,578	163,920	(68,342)	47,695	1,130,787
Placemaking	44,239	40,157	4,082	1,426	190,362
Total functions and activities	639,366	522,032	117,334	109,269	5,622,917

Disclosure

Notes on 2.2.2

Chief Executive- 2025/26 expenditure is negative as it is net of proceeds from property sales.

Corporate Services- 2025/26 expenditure significantly increased due to a centralisation of a large allocation of the depreciation budget

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services

	2026 \$ '000	2025 \$ '000
3.1 Rates and charges		
General rates	265,634	253,525
Waste management charge	67,184	61,368
Special rates and charges	1,468	412
Supplementary rates and rate adjustments	3,421	4,573
Interest on rates and charges	2,084	1,617
Other rates and charges	1,325	1,275
Total rates and charges	341,116	322,770

Accounting policy

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 total market value of land plus buildings and other improvements.

The valuation base used to calculate general rates for 2025-26 was \$117.24 billion (2024-25 \$115.70 billion).

The date of the general revaluation of land for rating purposes within the municipal district was 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 supplementary rates notice issued.

3.2 Statutory fees and fines

Infringements and costs	6,114	4,940
Town planning fees	2,581	3,050
Permits	8,291	7,261
Other statutory fees and fines	2,002	1,520
Total statutory fees and fines	18,988	16,771

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.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)**3.3 User fees**

Leisure centre and recreation	27,985	27,150
Waste management services	11,838	13,450
Child care/children's programs	5,448	5,263
Parking	5,646	8,280
Aged and health services	2,044	2,070
Building services	3,872	4,196
Other fees / charges	1,106	939
Total user fees	57,939	61,348

User fees by timing of revenue recognition

User fees recognised at a point in time	57,939	61,348
Total goods and services supplied or rendered	57,939	61,348

Accounting policy

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.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	79,635	86,515
State funded grants	48,286	22,755
Total grants received	127,921	109,270
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	39,566	43,297
Aged care	5,261	9,444
Family day care	11,367	11,891
General home care	13,170	8,708
Other	397	202
Recurrent - State Government		
Aged care	244	662
School crossing supervisors	1,186	1,152
Maternal and child health	112	—
Community safety	107	—
Family services	15,133	11,728
Community development	258	198
Other	674	693
Total recurrent operating grants	87,475	87,975
Non-recurrent - Commonwealth Government		
Other	39	44
Non-recurrent - State Government		
Community health	181	177
Family and children	25	9
Other	2,401	1,536
Total non-recurrent operating grants	2,646	1,766
Total operating grants	90,121	89,741

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	4,904	1,928
Total recurrent capital grants	4,904	1,928
<i>Non-recurrent - Commonwealth Government</i>		
Other	—	39
Roads	—	1,226
Recreation	4,931	9,736
<i>Non-recurrent - State Government</i>		
Roads	2,080	4,541
Recreation	19,286	693
Other	6,599	1,366
Total non-recurrent capital grants	32,896	17,601
Total capital grants	37,800	19,529

(c) Recognition of grant income

Accounting policy

Before recognising funding from government grants as revenue, 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.

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

Operating

Balance at start of year	10,479	8,861
Received during the financial year and remained unspent at balance date	2,535	3,274
Received in prior years and spent during the financial year	(3,345)	(1,656)
Balance at year end	9,669	10,479

Capital

Balance at start of year	28,455	11,356
Received during the financial year and remained unspent at balance date	27,401	18,150
Received in prior years and spent during the financial year	(18,475)	(1,051)
Balance at year end	37,381	28,455

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026	2025
	\$ '000	Restated \$ '000
3.5 Contributions		
Monetary contributions		
Monetary	24,750	32,987
Total monetary contributions	24,750	32,987
Non-monetary contributions		
Non-monetary	45,863	76,012
Total non-monetary contributions	45,863	76,012
Total contributions	70,613	108,999

Contributions of non-monetary assets were received in relation to the following asset classes:

Land	1,257	17,509
Buildings	1,513	—
Roads	9,326	13,764
Other infrastructure	33,767	44,739
Total non-monetary contributions	45,863	76,012

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

	2026	2025
	\$ '000	\$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Land and buildings		
Proceeds of sale	11,231	449
Written down value of assets disposed	(8,603)	(3,034)
Total net gain/(loss) on disposal of land and buildings	2,628	(2,585)
Plant and equipment		
Proceeds of sale	612	375
Written down value of assets disposed	(1,909)	(3,996)
Total net gain/(loss) on disposal of plant and equipment	(1,297)	(3,621)
Infrastructure Assets		
Written down value of assets disposed	(37,510)	(11,156)
Total net gain/(loss) on disposal of Infrastructure Assets	(37,510)	(11,156)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(36,179)	(17,362)

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

Proceeds of sale for land and buildings increased significantly in 2025/26 to \$11.23 million (2024/25: \$0.45 million) due to Councils strategic property initiative, selling properties surplus to Councils needs, with the proceeds used to repay debt.

Infrastructure assets disposed in 2025/26 \$37.51 million, significantly increased (2024/25 \$11.16 million) due to the derecognition of assets in Councils asset register which do not meet accounting standard criteria.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
3.7 Other income		
Interest	9,299	8,734
Other rent	3,462	3,165
Other	6,101	6,639
Total other income	18,862	18,538

Interest is recognised as it is earned.

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.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 4. The cost of delivering services

	2026	2025
	\$ '000	\$ '000

4.1 Employee costs

(a) Employee costs

Wages and salaries	178,949	170,427
WorkCover	5,786	6,505
Casual staff / supplementary labour	3,339	3,587
Superannuation	20,792	19,155
Fringe benefits tax	242	417
Other employee costs	3,382	3,109
Total employee costs	212,490	203,200

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	565	571
	565	571

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	10,026	10,246
Employer contributions - other funds	11,109	8,928
Total superannuation costs	21,700	19,745

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Maintenance Materials and Services	23,788	18,417
Contract payments	68,411	59,738
Building maintenance	6,568	8,751
General maintenance	5,553	2,180
Utilities	10,571	9,608
Office administration	4,336	5,879
Information technology	8,452	6,406
Insurance	4,560	4,751
Levies	453	337
Consultants	7,338	9,878
Plant / equipment / vehicle costs	5,688	6,302
Other materials and services	6	(3)
Total materials and services	145,724	132,244

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

Notes to the Financial Statements

for the year ended 30 June 2026

Note 4. The cost of delivering services (continued)

	2026	2025
	\$ '000	Restated \$ '000
4.3 Depreciation and amortisation		
Property		
Heritage buildings	1,572	1,447
Buildings - specialised	12,893	12,888
Buildings - non specialised	(149)	262
Leasehold improvements	28	21
Total depreciation - property	14,344	14,618
Plant and equipment		
Plant machinery and equipment	2,927	4,175
Fixtures fittings and furniture	788	1,414
Computers and telecomms	596	2,256
Total depreciation - plant and equipment	4,311	7,845
Infrastructure		
Roads	3,916	6,374
Footways and cycleways	16,405	16,072
Drainage	12,103	11,450
Recreational, leisure and community	22,737	29,462
Road Seal and Road Pavement	24,310	22,981
Kerb and Channel	4,175	4,132
Other infrastructure	3,015	5,613
Total depreciation - infrastructure	86,661	96,084
Total depreciation	105,316	118,547

Refer to note 5.2(b) and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

	2026	2025
	\$ '000	\$ '000
4.4 Borrowing costs		
Interest - Borrowings	4,948	5,703
Total borrowing costs	4,948	5,703

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 4. The cost of delivering services (continued)

	2026	2025
	\$ '000	\$ '000
4.5 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	178	223
Auditors' remuneration - Internal Audit	173	222
Councillors' allowances	594	534
Contributions	15,649	14,432
Marketing, promotion and advertising	1,131	917
Events and functions	876	908
Operating lease rentals	402	173
Memberships and subscriptions	912	901
Licences, fees and permits	1,709	1,730
Geelong Regional Library Corporation contribution	14,725	16,769
Grants	1,696	1,944
Other	116	808
Total other expenses	38,161	39,561

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations

	2026 \$ '000	2025 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	28	30
Cash at bank	57,821	83,002
Term deposits	—	15,000
Total cash and cash equivalents	57,849	98,032
(b) Other financial assets		
Current		
Term deposits	190,000	101,288
Total current other financial assets	190,000	101,288
Total cash and cash equivalents and other financial assets	247,849	199,320
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.		
Other financial assets are valued at fair 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.		
Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.		
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	31,010	24,747
Provision for doubtful debts - rates	(10)	(11)
Infringement debtors	13,942	12,988
Allowance for expected credit loss - infringements	(10,844)	(11,254)
Net GST receivable	3,078	2,593
<i>Non-statutory receivables</i>		
Other debtors including landfill, leasing and permits	18,814	20,676
Allowance for expected credit loss - other debtors	(4,506)	(6,149)
Total current trade and other receivables	51,484	43,590
Non-Current		
<i>Statutory receivables</i>		
Special rate scheme	1,935	2,264
Total non-current trade and other receivables	1,935	2,264
Total trade and other receivables	53,419	45,854

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

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.

Receivables are due for settlement in 30 days and are recognised at the amounts due. The collectability of debts is assessed on an ongoing basis with an allowance being made for impairment. All known bad debts are written off during the year. If an amount is recovered in a subsequent period, it is recognised as revenue.

	2026	2025
	\$ '000	\$ '000

(d) Ageing of receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	(254)	979
Past due by up to 30 days	663	641
Past due between 31 and 180 days	99	875
Past due between 181 and 365 days	557	670
Past due by more than 1 year	3,128	2,263
Total trade and other receivables	4,193	5,428

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$14.62 million (2025: \$15.25 million) were impaired. The amount of the provision raised against these debtors was \$4.51 million (2025: \$6.15 million). They individually have been impaired as a result of their doubtful collection.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	6,167	6,707
Past due by up to 30 days	3,891	2,113
Past due between 31 and 180 days	495	873
Past due between 181 and 365 days	307	419
Past due by more than 1 year	3,762	5,135
Total trade and other receivables	14,622	15,247

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026	2025
	\$ '000	\$ '000

5.2 Non-financial assets

(a) Other assets

Current

Prepayments	3,160	3,294
Accrued income	3,651	5,190
Total current other assets	6,811	8,484

(b) Intangible assets

Software	8,041	9,381
Landfill air space	4,277	4,639
Total intangible assets	12,318	14,020

	Software \$ '000	Landfill Air Space \$ '000	Total \$ '000
Gross Carrying Amount			
Balance at 1 July 2025	13,054	5,412	18,466
Additions from internal developments	—	(167)	(167)
Balance at 30 June 2026	13,054	5,245	18,299
Accumulated amortisation and impairment			
Balance at 1 July 2025	3,673	—	3,673
Amortisation expense	1,340	968	2,308
Balance at 30 June 2026	5,013	968	5,981
Net book value at 30 June 2025	9,381	5,412	14,793
Net book value at 30 June 2026	8,041	4,277	12,318

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026	2025
	\$ '000	\$ '000

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

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	17,064	18,198
Prepaid Income (includes rates and leisure services)	—	1,384
Accrued expenses	16,485	14,362
Total current trade and other payables	33,549	33,944

(b) Trust funds and deposits

Current

Refundable deposits	14,507	15,753
Emergency Services and Volunteers Fund	7,817	4,976
Total current trust funds and deposits	22,324	20,729

(c) Contract and other liabilities

Contract liabilities

Current

Grants received in advance:

Grants received in advance - operating	5,693	6,168
Grants received in advance - capital	29,674	27,463
Total grants received in advance	35,367	33,631

User fees received in advance:

Other	1,393	403
Total user fees received in advance	1,393	403

Total current contract liabilities

36,760 34,034

Total current contract and other liabilities

36,760 34,034

Trust funds and deposits

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.

User fees received in advance

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of contract works and services. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.4.

Grants received in advance

Grant funding is received from State and Federal Government to support the construction of key community infrastructure. Grant consideration is recognised as income following specific guidance under AASB 1058 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. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

Purpose and nature of items

Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund on behalf of the State Government. Council remits amounts received 28 days after the quarterly instalments are due. Amounts disclosed here will be remitted to the State Government in line with that process.

Retention Amounts - 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.

	2026 \$ '000	2025 \$ '000
5.4 Interest-bearing liabilities		
Current		
Borrowings - secured	57,555	7,422
Total current interest-bearing liabilities	57,555	7,422
Non-current		
Borrowings - secured	98,972	156,527
Total non-current interest-bearing liabilities	98,972	156,527
Total	156,527	163,949

Borrowings are secured by general rates.

a) The maturity profile for Council's borrowings is:

Not later than one year	57,555	7,422
Later than one year and not later than five years	73,472	86,549
Later than five years	25,500	69,978
Total	156,527	163,949

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 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. 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. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

Council implemented a strategic property initiative to repay debt by identifying properties surplus to our needs. This has resulted in a significant increase in proceeds of sale from land. Refer to Note 3.6.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Other \$ '000	Total \$ '000
5.5 Provisions				
2026				
Balance at the beginning of the financial year	35,850	30,314	8,434	74,598
Additional provisions	25,189	918	68,228	94,335
Amounts used	(20,753)	(1,261)	(71,152)	(93,166)
Balance at the end of the financial year	40,286	29,971	5,510	75,767
Provisions				
Provisions - current	37,052	442	5,510	43,004
Provisions - non-current	3,234	29,529	—	32,763
Total Provisions	40,286	29,971	5,510	75,767
2025				
Balance at the beginning of the financial year	36,181	30,487	7,625	74,293
Additional provisions	26,285	4,123	92,742	123,150
Amounts used	(26,617)	(4,296)	(91,933)	(122,846)
Balance at the end of the financial year	35,849	30,314	8,434	74,597
Provisions				
Provisions - current	33,146	130	8,366	41,642
Provisions - non-current	2,703	30,184	68	32,955
Total Provisions	35,849	30,314	8,434	74,597

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	12,788	11,711
Long service leave	2,455	2,464
Other	183	170
	<u>15,426</u>	<u>14,345</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	318	342
Long service leave	21,307	18,459
	<u>21,625</u>	<u>18,801</u>
Total current employee provisions	<u>37,051</u>	<u>33,146</u>
Non-Current		
Long service leave	3,112	2,703
Other	122	–
Total Non-Current Employee Provisions	<u>3,234</u>	<u>2,703</u>
Aggregate Carrying Amount of Employee Provisions:		
Current	37,051	33,146
Non-current	3,234	2,703
Total Aggregate Carrying Amount of Employee Provisions	<u>40,285</u>	<u>35,849</u>

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

Annual 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 (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	3.00%	3.00%
- discount rate	4.35%-4.79%	3.20%-4.27%

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
(b) Landfill restoration		
Current		
Current	442	130
Total current	442	130
Non-current		
Non-current	29,528	30,184
Total non-current	29,528	30,184
Total	29,970	30,314

Landfill

Council is obligated to restore the landfill sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

The Landfill provision relates to two landfill sites, Drysdale and Corio. The provision costs incurred relate to the gradual filling and closure of the landfill site and will be allocated over the estimated remaining useful life and capacity of the landfill.

Key assumptions:

- inflation rate	4.15%	4.25%
- discount rate	4.740%	4.203%
- estimated cost to rehabilitate (undiscounted)	24,929	25,468

(c) Other provisions

Current		
Other provisions	5,510	8,366
	5,510	8,366
Non-Current		
Other provisions	—	68
	—	68
Total	5,510	8,434

Key assumptions:

Other provisions

Council has an obligation to make payment on announcement of community grant. Council raises the provision when grants are announced and grants are delivered in a future period on completing the requirement of the community grant condition.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
5.6 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2026.		
Borrowings	190,505	217,862
Bank overdraft	5,000	5,000
Credit card facilities	550	550
Total Facilities	196,055	223,412
Used facilities	156,591	164,044
Used facilities	156,591	164,044
Unused facilities	39,464	59,368

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

5.7 Commitments

The 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

	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
2026					
Operating					
IT	2,842	2,106	2,181	—	7,129
Recycling and waste management	44,420	22,668	7,713	—	74,801
Facilities maintenance	1,963	125	—	—	2,088
Open space and parks management	5,435	4,618	4,639	—	14,692
Cleaning contracts for council buildings	4,682	224	—	—	4,906
Roads	—	—	—	—	—
Environmental services	4,558	971	423	—	5,952
Energy and utilities	4,738	4,466	9,984	—	19,188
Other	4,852	776	—	—	5,628
Total	73,490	35,954	24,940	—	134,384
Capital					
Buildings	41,544	11	—	—	41,555
Drainage	1,933	—	—	—	1,933
Other	6,186	211	39	—	6,436
Total	49,663	222	39	—	49,924
2025					
Operating					
IT	3,260	1,864	3,898	—	9,022
Recycling and waste management	39,173	30,977	8,134	—	78,284
Facilities maintenance	1,148	977	550	—	2,675
Open space and parks management	810	602	439	—	1,851
Cleaning contracts for council buildings	4,303	198	203	—	4,704
Roads	980	—	—	—	980
Environmental services	3,921	1,950	—	—	5,871
Other	8,511	4,936	11,046	1,815	26,308
Total	62,106	41,504	24,270	1,815	129,695
Capital					
Buildings	13,039	1,818	—	—	14,857
Drainage	663	—	—	—	663
Other	3,128	—	—	—	3,128
Total	16,830	1,818	—	—	18,648

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026	2025
	\$ '000	\$ '000

(b) Operating lease receivables*Operating lease receivables*

The Council has entered into commercial property leases, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 80 years. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	2,496	2,714
Later than one year and not later than five years	4,571	5,827
Later than five years	3,359	3,013
Total	10,426	11,554

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage

	2026	2025
	\$ '000	\$ '000
6.1 Non-current assets classified as held for sale		
Current		
Cost of acquisition- land	9,181	369
Total non current assets classified as held for sale	9,181	369

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and 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 and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Greater Geelong City Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Restated Carrying amount 30 June 2025 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Disposal \$ '000	Depreciation \$ '000	Adjustments \$ '000	Transfers \$ '000	Carrying amount 30 June 2026 \$ '000
Property	2,052,454	—	2,770	(50,946)	(4,226)	(14,344)	(13,193)	43,750	2,016,265
Plant and equipment	31,952	—	—	—	(1,186)	(4,311)	139	4,468	31,062
Infrastructure	3,163,772	—	43,093	(90,894)	(38,233)	(86,661)	(1,563)	82,794	3,072,308
Work in progress	88,476	148,073	—	—	—	—	(3,969)	(131,013)	101,567
Total	5,336,654	148,073	45,863	(141,840)	(43,645)	(105,316)	(18,586)	(1)	5,221,202

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	24,876	59,374	(656)	(43,750)	39,844
Plant and equipment	1,486	5,348	(72)	(4,468)	2,294
Infrastructure	62,114	83,351	(3,241)	(82,795)	59,429
Total	88,476	148,073	(3,969)	(131,013)	101,567

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land non specialised \$ '000	Land under roads \$ '000	Total land and land improvements \$ '000	Heritage buildings \$ '000	Buildings specialised \$ '000	Buildings non specialised \$ '000	Leasehold improvements \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property											
At fair value 1 July 2025											
*Restated	1,075,494	49,360	58,044	1,182,898	119,803	960,832	12,282	539	1,093,456	24,876	2,301,230
Accumulated depreciation at 1 July 2025 *Restated	-	-	-	-	(43,273)	(178,520)	(1,616)	(491)	(223,900)	-	(223,900)
	1,075,494	49,360	58,044	1,182,898	76,530	782,312	10,666	48	869,556	24,876	2,077,330
Movements in fair value											
Additions	-	-	-	-	-	-	-	-	-	59,374	59,374
Contributions	1,257	-	-	1,257	-	1,513	-	-	1,513	-	2,770
Revaluation	(38,439)	(3,084)	1,067	(40,456)	-	(2,598)	(8,174)	-	(10,772)	-	(51,228)
Disposal	(1,184)	-	-	(1,184)	-	(5,205)	-	-	(5,205)	-	(6,389)
Adjustments and write-offs	(13,188)	-	-	(13,188)	220	(254)	-	29	(5)	(656)	(13,849)
Transfers (capitalised additions)	7,200	3,595	189	10,984	1,432	31,040	163	131	32,766	(43,750)	-
Prior period error	-	-	-	-	-	-	-	-	-	-	-
	(44,354)	511	1,256	(42,587)	1,652	24,496	(8,011)	160	18,297	14,968	(9,322)
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	-	-	(1,572)	(12,893)	149	(28)	(14,344)	-	(14,344)
Accumulated depreciation of disposals	-	-	-	-	-	2,163	-	-	2,163	-	2,163
Prior period error	-	-	-	-	-	-	-	-	-	-	-
Revaluation movement	-	-	-	-	-	280	-	-	280	-	280
	-	-	-	-	(1,572)	(10,450)	149	(28)	(11,901)	-	(11,901)
At fair value 30 June 2026	1,031,140	49,871	59,300	1,140,311	121,455	985,328	4,272	699	1,111,754	39,844	2,291,909
Accumulated depreciation at 30 June 2026	-	-	-	-	(44,845)	(188,970)	(1,468)	(519)	(235,802)	-	(235,802)
Carrying amount	1,031,140	49,871	59,300	1,140,311	76,610	796,358	2,804	180	875,952	39,844	2,056,107

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Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment						
At cost 1 July 2025	43,613	20,847	40,995	105,455	1,486	106,941
Accumulated depreciation at 1 July 2025	(18,644)	(16,235)	(38,624)	(73,503)	—	(73,503)
	24,969	4,612	2,371	31,952	1,486	33,438
Movements in carrying value						
Additions	—	—	—	—	5,348	5,348
Disposal	(2,270)	(13,747)	(36,377)	(52,394)	—	(52,394)
Adjustments and write-offs	—	140	—	140	(72)	68
Transfers (Capitalised WIP)	3,043	326	1,099	4,468	(4,468)	—
Prior period adjustments	—	—	—	—	—	—
	773	(13,281)	(35,278)	(47,786)	808	(46,978)
Movements in accumulated depreciation						
Depreciation and amortisation	(2,927)	(788)	(596)	(4,311)	—	(4,311)
Accumulated depreciation of disposals	1,539	13,292	36,377	51,208	—	51,208
Adjustments and write-offs	—	—	—	—	—	—
Prior period adjustments	—	—	—	—	—	—
	(1,388)	12,504	35,781	46,897	—	46,897
At cost 30 June 2026	44,386	7,566	5,717	57,669	2,294	59,963
Accumulated depreciation at 30 June 2026	(20,032)	(3,731)	(2,843)	(26,606)	—	(26,606)
Carrying amount	24,354	3,835	2,874	31,063	2,294	33,357

Plant and equipment are carried at historical cost.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Road Seal and Road Pavement \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recrea- tional, leisure and community \$ '000	Kerb and Channel \$ '000	Roads other \$ '000	Other infra- structure \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure										
At fair value 1 July 2025	1,246,299	753,813	1,243,179	543,492	315,712	270,735	129,943	4,503,173	62,114	4,565,287
Accumulated depreciation at 1 July 2025	(417,872)	(231,972)	(244,058)	(192,790)	(55,771)	(106,277)	(90,661)	(1,339,401)	—	(1,339,401)
	828,427	521,841	999,121	350,702	259,941	164,458	39,282	3,163,772	62,114	3,225,886
Movements in fair value										
Additions	—	—	—	—	—	—	—	—	83,351	83,351
Contributions	9,326	10,859	14,850	4,635	2,641	782	—	43,093	—	43,093
Revaluation	(20,681)	(1)	22,635	(1,674)	62,960	(4,453)	891	59,677	—	59,677
Disposal	(18,145)	(6,833)	(2,281)	(5,850)	(1,074)	(2,899)	(95,532)	(132,614)	—	(132,614)
Adjustments and write-offs	(8,941)	2,100	2,882	473	297	2,487	(860)	(1,562)	(3,241)	(4,803)
Transfers (Capitalised WIP)	29,663	12,431	2,772	17,907	6,848	10,397	2,776	82,794	(82,795)	(1)
Prior period error	—	—	—	—	—	—	—	—	—	—
	(8,778)	18,556	40,858	15,491	71,672	6,314	(92,725)	51,388	(2,685)	48,703
Movements in accumulated depreciation										
Depreciation and amortisation	(24,310)	(16,405)	(12,103)	(22,737)	(4,175)	(3,916)	(3,015)	(86,661)	—	(86,661)
Accumulated depreciation of disposals	13,646	4,315	636	2,023	310	1,322	72,129	94,381	—	94,381
Revaluation movement	(78,488)	—	(4,912)	—	(71,521)	5,728	(1,378)	(150,571)	—	(150,571)
Prior period error	—	—	—	—	—	—	—	—	—	—
Write-offs and adjustments	—	—	—	—	—	—	—	—	—	—
	(89,152)	(12,090)	(16,379)	(20,714)	(75,386)	3,134	67,736	(142,851)	—	(142,851)
At fair value 30 June 2026	1,237,521	772,369	1,284,036	558,983	387,385	277,048	37,219	4,554,561	59,429	4,613,990
Accumulated depreciation at 30 June 2026	(507,024)	(244,062)	(260,436)	(213,504)	(131,158)	(103,142)	(22,926)	(1,482,252)	—	(1,482,252)
Carrying amount	730,497	528,307	1,023,600	345,479	256,227	173,906	14,293	3,072,309	59,429	3,131,738

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Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

Accounting policy

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.

Depreciation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potentially 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.

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.

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

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.

	Depreciation Period years	Threshold Limit \$ '000
Asset recognition thresholds and depreciation periods		
Land		1,000
Buildings	10-150 years	1,000
Plant and Equipment	3-10 years	1,000
Road seal and road pavement	40-250 years	—
Footpaths and cycleways	50-60 years	1,000
Drainage	40-100 years	1,000
Recreational, leisure and community facilities	70-80 years	1,000
Kerbs and channel	60 years	1,000
Other roads	10-80 years	1,000
Other infrastructure	7-100 years	1,000
Right of use assets	As per lease term	1,000
Software	10 years	1,000
Landfill airspace	7 years	1,000

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Valuation of land and buildings

The valuation of land and land under roads buildings were undertaken by qualified independent valuers. Opteon Solutions. Buildings (Specialised, Heritage and Non-Specialised) were valued by APV Valuers & Asset Management, (Jake Musgrave Valuer 113610, and Ellis Tam Valuer 52592). 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 is reduced to reflect this limitation. This adjustment is an unobservable input in valuation. The adjustment has no impact on the comprehensive income statement.

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 will have a significant impact on the fair value of these assets.

The date and type of the current valuation is detailed in the following table.

Land valuation is on a 3 year rolling schedule with 33% of land assets inspected in 2025-26 with market data assumptions and highest and best use assumptions applied to the entire asset base based on inspection data collected during the 3 year cycle. A full revaluation of the building assets was completed in 2023-24 and a desktop valuation of the building assets was completed for 2025-26 year. Building indexes have been developed making reference to various construction guides, data from Australian Bureau of Statistics and APV internal research. Index movement has been provided for the various building types such as residential, commercial and industrial. Buildings will be comprehensively revalued in 2026-27.

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

	Level 1	Level 2	Level 3	Date of full valuation	Type of valuation at 30 June 2026
Non-specialised land	–	49,871	–	Jun/26	Full revaluation
Specialised land	–	–	1,031,140	Jun/26	Full revaluation
Land under roads	–	–	59,300	Jun/26	Full revaluation
Heritage buildings	–	–	76,610	Jun/24	Index
Specialised buildings	–	–	796,358	Jun/24	Index
Non-specialised buildings	–	2,804	–	Jun/24	Index
Leasehold improvements	–	–	180	Jun/25	Cost
Total	–	52,675	1,963,588		

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

Valuation of Infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by APV Valuers and Asset Management (Josef Wang, Valuer).

The date and type of the current valuation is detailed in the following table. A comprehensive valuation was completed for Road Seals, Pavements, Kerb and Channel and Appurtenances based on updated condition and inspection data, market research, contract rates and rates from Rawlinsons Australian Construction Handbook. An index based revaluation was conducted in the current year for Footpaths and Cycleways, Drainage, Recreation, Leisure and Community and Other Infrastructure, with revaluation adjustments processed for Drainage and Recreation assets. This valuation was based on Rawlinson's index (Australian Construction Handbook), Australian Bureau of Statistics (ABS) index and market research by the valuers. In 2024/25 Council engaged APV Valuers and Asset Management to complete comprehensive revaluations of Recreation, Leisure and Community assets and Drainage assets. This was based on updated condition and inspection data, market research, contract rates and rates from Rawlinsons Australian Construction Handbook. Desktop valuations were completed in 2024/25 for Footpaths and Cycleways, Kerb and Channel, Road pavement and Seals, Appurtenances and Other Infrastructure.

The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of full valuation	Type of Valuation at 30 June 2026
Road (pavement and seal)	—	—	730,497	Jun/26	Full
Footpaths and cycleways	—	—	528,307	Jun/19	Index
Drainage	—	—	1,023,600	Jun/26	Index
Recreational, leisure & community facilities	—	—	345,479	Jun/25	Full
Kerb and channel	—	—	256,227	Jun/26	Full
Roads other	—	—	173,906	Jun/26	Index
Other Infrastructure	—	—	14,293	Jun/26	Index
Total	—	—	3,072,309		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads 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 values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$4,400 per square metre.

Specialised buildings are valued using a current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$100 to \$22,470 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 137 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 buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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 7 years to 999 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.

	2026	2025
	\$ '000	\$ '000

Reconciliation of specialised land

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	2026 \$ '000	2025 \$ '000
Land under roads	59,300	58,044
Parks and reserves	773,355	1,075,505
Other	257,785	—
Total specialised land	1,090,440	1,133,549

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	2026	2025
	\$ '000	\$ '000

6.3 Investments in associates, joint arrangements and subsidiaries

Investments in associates

Investments in associates and joint arrangements accounted for by the equity method are:

Geelong Regional Library Corporation	12,798	12,256
Total investments in associates and joint arrangements	12,798	12,256

Geelong Regional Library Corporation

Background

Principal activity is to provide Library Services to member municipalities. Council holds 88.2% (2024-25 88.2%) of equity in the corporation. Council has four board members on the Board of eight. Council has the ability to influence rather than control its operations. Geelong Regional Library Corporation is Incorporated in Australia.

Fair value of Council's investment in Geelong Regional Library Corporation

12,798	12,256
--------	--------

Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus(deficit) at start of year	8,920	7,251
Council's share of reported surplus(deficit) for year	541	1,669

Council's share of accumulated surplus(deficit) at end of year

9,461	8,920
-------	-------

Movement in carrying value of specific investment

Carrying value of investment at start of year	12,257	10,587
Share of surplus(deficit) for year	541	1,669

Carrying value of investment at end of year

12,798	12,256
--------	--------

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, after initially being recognised at cost. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Greater Geelong City Council

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors

Councillor and Mayor Stretch Kontelj
Councillor Eddy Kontelj, Deputy Mayor from 28 October 2025
Councillor Ron Nelson, Deputy Mayor to 28 October 2025
Councillor Trent Sullivan
Councillor Anthony Aitken
Councillor Melissa Caldwell
Councillor Elise Wilkinson
Councillor Emma Sinclair
Councillor Andrew Katos
Councillor Rowan Story
Councillor Chris Burson

Chief Executive Officer Ali Wastie
Executive Director Corporate Services Troy Edwards
Executive Director City Life Anthony Basford
Executive Director City Infrastructure
James Stirton (acting) to 30 November 2025 and from 16 March 2026
Amanda Locke (acting) from 1 December 2025 to 13 March 2026
Executive Director Growth and Place
Tenille Bradley to 30 November 2025
James Stirton (acting) from 1 December 2025 to 13 March 2026
Jacquie Randles (acting) from 16 March 2026
Chief Financial Officer Jennifer Blunt

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships (continued)

	2026 No.	2025 No.
Total Number of Councillors	11	16
Total of Chief Executive Officer and other Key Management Personnel	8	5
Total Number of Key Management Personnel	19	21

(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 employee 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.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

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.

	2026 \$ '000	2025 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	3,082	2,235
Other long-term employee benefits	49	26
Post-employment benefits	220	158
Total	3,351	2,419

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships (continued)

	2026 No.	2025 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$10,000 - \$19,999	—	5
\$20,000 - \$29,999	—	4
\$30,000 - \$39,999	—	3
\$40,000 - \$49,999	8	1
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	—	1
\$140,000 - \$149,999	1	—
\$200,000 - \$209,999	1	—
\$260,000 - \$269,999	1	—
\$280,000 - \$289,999	1	—
\$290,000 - \$299,999	1	—
\$320,000 - \$329,999	—	1
\$330,000 - \$339,999	—	1
\$340,000 - \$349,999	—	1
\$350,000 - \$359,999	—	1
\$360,000 - \$369,999	1	—
\$370,000 - \$379,999	1	—
\$400,000 - \$409,999	1	—
\$530,000 - \$539,999	—	1
\$560,000 - \$569,000	1	—
Total	19	21

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships (continued)

(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.

	2026 \$ '000	2025 \$ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	5,029	4,941
Other long-term employee benefits	102	46
Post-employment benefits	548	553
Termination benefits	—	386
Total	5,679	5,926
	2026 No.	2025 No.

The number of other senior staff are shown below in their relevant income bands:

Income Range:		
\$170,000 - \$179,999	—	1
\$190,000 - \$199,999	3	2
\$200,000 - \$209,999	1	6
\$210,000 - \$219,999	—	2
\$220,000 - \$229,999	3	3
\$230,000 - \$239,999	1	—
\$240,000 - \$249,999	2	2
\$250,000 - \$259,999	4	1
\$260,000 - \$269,999	2	3
\$270,000 - \$279,999	—	3
\$280,000 - \$289,999	1	—
\$290,000 - \$299,999	3	2
\$300,000 - \$309,999	1	—
\$320,000 - \$329,999	1	—
Total	22	25

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships (continued)

	2026	2025
	\$ '000	\$ '000

7.2 Related party disclosure**(a) Transactions with related parties**

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

Income from		
Sale of goods and services	168	184
Total income	168	184

Expenses to		
Professional services expense	—	—
Materials and services expense	156	46
Plant and equipment	1,102	518
Contribution Geelong Regional Library Corporation	14,725	16,769
Total expenses	15,983	17,333

(b) Outstanding balances with related parties

Income from		
Sale of materials and services	—	725

2025/26 - procured plant and equipment hire from an entity identified as a related party of a KMP (director).

Notes to the Financial Statements

for the year ended 30 June 2026

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.

(a) 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.

At reporting date, developers had commenced construction of assets that will eventually be transferred to Council issuing a Statement of Compliance.

Developer contributions expected in 2026/27 as disclosed in Councils adopted budget are \$46.54 million.

(b) 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.

As at 30 June 2026 there were nil quantifiable contingent liabilities (2025: nil).

Land Acquisition

As part of planning for new subdivision, Council is required to acquire land for constructing infrastructure assets. The Planning Scheme incorporates public acquisition overlays on land required for public infrastructure. The land acquisition program is approved as part of the Council annual budget and managed in accordance with subdivision planning, execution, and engagement with landowners. At reporting date, Council is in the process of acquiring land for construction of assets for new subdivisions.

Superannuation

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 below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

Council operates two landfill sites, one operating (Drysdale) and one closed (Corio). Council acknowledges a future obligation for rehabilitation, after care and future contamination liability for its two landfill sites (including Corio landfill which is closed) in accordance with the requirements set out by the Environment Protection Authority. Council is required to provide financial assurance to EPA, this assurance includes the bank guarantee to a value of \$3.7m for the remedial component of both landfills. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Liability Mutual Insurance

Council is 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.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six-year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payment is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. Any adjustments, which are expected to occur at the 3-year and 6-year periods during the liability period will affect participating members. The assessment from WorkSafe Victoria at the 3-year period was a deficiency of \$5.776 million payable to WorkSafe Victoria. This was due to evidence of higher-than-expected payments and higher claim lodgements during the first three years of the runoff period.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)**(c) Guarantees for loans to other entities**

There is no underlying loan that is guaranteed by the Council.

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 the right will be exercised.

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**

The 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 the 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.

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. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council 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 investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the 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 period.

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

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)**(c) 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 the 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 has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets 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.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or 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
- sets 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 on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), 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 period.

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 at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) 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 + 0.5 % and - 1 % in market interest rates (AUD) from year-end rates of 4.88%.

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.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

8.4 Fair value measurement

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 re-assessing 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.

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. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). 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 on a regular basis ranging from 1 to 4 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	Revaluation frequency
Land	rolling cycle of 1 - 3 years
Buildings	4 years
Roads	4 years
Bridges	4 years
Footpaths and cycleways	4 years
Drainage	4 years
Recreational, leisure and community facilities	4 years
Waste management	4 years
Parks, open space and streetscapes	4 years
Other infrastructure	4 years

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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 of disposal 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.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2026			
Property			
Land and buildings	1,232,567	(50,946)	1,181,621
	1,232,567	(50,946)	1,181,621
Infrastructure			
Roads	460,608	(97,893)	362,715
Footpaths and cycleways	474,226	(8,561)	465,665
Drainage	446,920	17,723	464,643
Recreation and open space	121,591	(1,674)	119,917
Other infrastructure	2,931	(487)	2,444
	1,506,276	(90,892)	1,415,384
Total asset revaluation reserves	2,738,843	(141,838)	2,597,005
2025			
Property			
Land and buildings	1,208,438	24,129	1,232,567
	1,208,438	24,129	1,232,567
Infrastructure			
Roads	442,135	18,473	460,608
Footpaths and cycleways	458,375	15,851	474,226
Drainage	409,255	37,665	446,920
Recreation and open space	47,261	74,330	121,591
Other infrastructure	914	2,017	2,931
	1,357,940	148,336	1,506,276
Total asset revaluation reserves	2,566,378	172,465	2,738,843

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

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2026				
Public open space reserve- other	—	2,541	—	2,541
Public open space reserve	10,042	1,092	—	11,134
DCP Reserve - Jetty Road stage 2	—	—	(3,816)	(3,816)
DCP Reserve - Jetty Road stage 1	(4,985)	4,310	—	(675)
DCP Reserve - Armstrong Creek East Precinct	30,319	3,553	(2,537)	31,335
DCP Reserve - Armstrong Creek West Precinct	20,118	2,612	(66)	22,664
DCP Reserve - Armstrong Creek HBP	10,631	6,921	(8,994)	8,558
DCP Reserve - Armstrong Creek Town Centre	(22,413)	22	(34)	(22,425)
DCP Reserve - Armstrong Creek South Precinct	5,637	—	—	5,637
DCP Reserve - Ocean Grove Growth Area	4,854	1,506	(495)	5,865
DCP Reserve - Lara West	19,118	2,486	—	21,604
DCP Reserve - Central Road Drysdale	(1,277)	—	—	(1,277)
Armstrong Creek public open space	(15,019)	3,828	(326)	(11,517)
S173 Agreements Reserve	6,683	174	—	6,857
Waste Reserve	10,854	81,880	(72,707)	20,027
Deferred Income Reserve	14,842	25,444	(14,842)	25,444
Capital Commitment Reserve	21,881	16,768	(13,835)	24,814
Property Sales Reserve	—	10,947	(2,827)	8,120
General Reserve	—	6,000	—	6,000
Total Other reserves	111,285	170,084	(120,479)	160,890
2025				
Public open space reserve	—	10,042	—	10,042
DCP Reserve - Jetty Road stage 1	(4,977)	—	(8)	(4,985)
DCP Reserve - Armstrong Creek East Precinct	25,419	4,993	(93)	30,319
DCP Reserve - Armstrong Creek West Precinct	14,559	7,678	(2,119)	20,118
DCP Reserve - Armstrong Creek HBP	10,694	4,341	(4,404)	10,631
DCP Reserve - Armstrong Creek Town Centre	(23,863)	1,481	(31)	(22,413)
DCP Reserve - Armstrong Creek South Precinct	5,637	—	—	5,637
DCP Reserve - Ocean Grove Growth Area	4,854	—	—	4,854
DCP Reserve - Lara West	16,231	2,887	—	19,118
DCP Reserve - Central Road Drysdale	(1,276)	1	(2)	(1,277)
Armstrong Creek public open space	19,479	7,571	(42,069)	(15,019)
S173 - St Leonard's Growth Area 1	1,177	—	—	1,177
S173 - St Leonard's Growth Area 2	1,112	1,022	—	2,134
S173 Reserve - Trethowan Ave SIFA	1,308	—	—	1,308
S173 Agreements Reserve	2,456	215	(607)	2,064
Waste Reserve	—	77,109	(66,255)	10,854
Deferred Income Reserve	—	14,842	—	14,842
Capital Commitment Reserve	—	21,881	—	21,881
Total Other reserves	72,810	154,063	(115,588)	111,285

Notes

Development Contributions Reserve

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

The Development Contributions Reserve is funded through contributions collected from developers under approved Development Contributions Plans. These funds are used to deliver infrastructure required to support growth, including roads, drainage, community facilities, public open space and other infrastructure identified within the relevant contribution plans. Drawdowns from the reserve occur as approved development contribution projects are delivered.

Negative DCP reserve balances arise where Council has forward funded infrastructure and land acquisitions ahead of receiving the related developer contributions. These balances reflect a timing difference between expenditure and revenue collection and are expected to be replenished through future developer contribution receipts as development occurs within the relevant precincts.

Waste Reserve

The Waste Reserve is funded from the portion of the waste charge collected from residents that is set aside for future waste infrastructure after meeting the costs of delivering waste collection and waste management services. The reserve ensures funding is available for future investment in waste infrastructure. Drawdowns from the reserve occur as approved waste infrastructure projects are delivered.

Capital Commitment Reserve

The Capital Commitment Reserve is used to set aside funding for approved capital works that are not completed within the financial year. The reserve ensures funding remains available to deliver projects that have been committed by Council but will be completed in future years. Drawdowns from the reserve occur as these capital projects are delivered.

Deferred Income Reserve

The Deferred Income Reserve is used to hold funding that has been received or recognised as revenue but relates to future financial years. The reserve ensures funds are available to support the activities, programs or services for which the funding was originally intended. Drawdowns from the reserve occur in the financial year to which the funding relates.

Public Open Space Reserve

The Public Open Space Reserve is funded through contributions received from developers where public open space is not provided as part of a development. The reserve is used to acquire, develop and improve public open space in accordance with the requirements of the Planning and Environment Act 1987. Drawdowns from the reserve occur as approved public open space projects are delivered.

Property Sales Reserve

The Property Sales Reserve is funded from the proceeds of surplus property sales. The reserve is used to support the repayment of Council borrowings, reducing debt levels and improving the City's long-term financial sustainability. Drawdowns from the reserve occur as funds are applied to debt reduction in accordance with Council's borrowing strategy.

General Reserve

The General Reserve is maintained to provide financial flexibility and support the City's long-term financial sustainability. The reserve provides a source of funding for Council priorities, emerging risks and opportunities, and future investment requirements, including asset renewal. Drawdowns from the reserve occur where funding is approved by Council through the budget process.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

	2026 \$ '000	2025 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	90,754	117,334
Non-cash adjustments:		
Depreciation/amortisation	109,001	122,185
Landfill rehabilitation	(949)	(4,655)
Profit/(loss) on disposal of property, infrastructure, plant and equipment	36,179	17,362
Contributions - Non-monetary assets	(45,863)	(76,012)
Net share of net profits of associates and joint ventures	(541)	(1,669)
Amounts disclosed in financing activities	5,094	5,888
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(7,565)	(8,242)
(Increase)/decrease in inventories	35	85
(Increase)/decrease in prepayments	1,673	2,291
(Decrease)/increase in contract liabilities	2,726	13,470
Increase/(decrease) in trade and other payables	(395)	2,644
Increase/(decrease) in provisions	1,168	304
Increase / (decrease) in other liabilities	1,595	3,803
Net cash provided by/(used in) operating activities	192,912	194,788

9.3 Superannuation

Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (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

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% as required under Superannuation Guarantee (SG) legislation (2025: 11.5%).

Defined Benefit

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.

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 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

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 2026 (of which Council is a contributing employer) was 116.9%. The financial assumptions used to calculate the VBI were:

Net investment returns 6.2% pa
Salary information 3.5% pa

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

Price inflation (CPI) 3.0% 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. 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**(a) Regular contributions**

On the basis of the results of the 2025 interim actuarial investigation conducted by the Fund Actuary, 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% 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, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) 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 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.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

The 2025 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which 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 Council is a contributing employer:

	2025 (Interim) \$m	2024 (Interim) \$m	2023 (Triennial) \$m
- A VBI Surplus	200.1	108.4	85.7
- A total service liability surplus	229.4	141.4	123.6
- A discounted accrued benefits surplus	242.8	156.7	141.9

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 interim 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 116.9 as at 30 June 2026. The financial assumptions used for the purposes of this investigation are:

	2026 Triennial Investigation	2025 Interim Investigation
Net Market Value of Assets	6.2% pa	5.7% pa
Salary information	3.5% pa	3.5% pa
Price inflation (CPI)	3.0% pa to 30 June 2029 and 2.6% pa thereafter	2.6% pa

Council was notified of the 30 June 2026 VBI during August 2026.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2026 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.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2025 are detailed below:

Scheme	Type of scheme	Rate	2026 \$ '000	2025 \$ '000
Vision Super	Defined benefits	12.0% (2025:11.5%)	1,130	571
Vision Super	Accumulation	12.0% (2025:11.5%)	10,026	10,246
Other funds	Accumulation	12.0% (2025:11.5%)	11,109	8,928

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

Council has not paid unfunded liability payments to Vision Super during the 2025-26 year, (2025-26 \$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 \$559,000.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 10. Changes in accounting policies

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

Note 11. Prior period errors

11.1 Correction of error/s relating to a previous reporting period – retrospective

The Council has identified prior period errors. We have restated the comparative year 2024-25 and adjusted the opening balance of 1 July 2024 year. The adjustments and their impacts are explained below and shown in the tables.

Found Footpath Assets not previously recognised

Following inspection of assets located in Council parks and reserves, 781 footpaths valued at \$14.71 million were identified as found assets that had not been included in Council's asset register and had not been recognised in the financial statements in prior years. This had the impact of understating Contributions-non-monetary income in 2024/25 \$0.21 million and \$14.51 million in prior periods.

Timing of recognition of Non-Monetary Developer Contributed Assets

Developers build essential infrastructure for new housing estates and then transfer ownership to Council, who are responsible for maintaining the assets and delivering critical services to the community. There is typically a delay between the date of transfer of ownership to Council and conducting valuations to recognise the asset values. During the 2025-26 financial year, \$17.5 million of assets were deemed to be transferred to the City in prior periods and the error had the effect of understating non-monetary contributions income in 2024/25 \$9.31 million and previous periods \$8.22 million and the Property, Infrastructure, Plant and Equipment asset balance for the 2024-25 financial statements.

Depreciation adjustments across multiple years

Recreation assets were comprehensively revalued at 30 June 2025. Upon recognising the revaluation in the asset register, depreciation was calculated for multiple financial years. To correctly recognise current year depreciation expense the prior year impact of \$25.0 million was adjusted, reflecting the understatement of depreciation expense and accumulated depreciation in prior years. 2024/25 \$10.74 million, 2023/24 \$14.35 million in prior periods.

Work in progress balances that were fully recognised as asset additions during the 2025-26 financial year included works completed prior to 30 June 2025. Upon recognition of these assets in our asset register depreciation was calculated back to the recorded acquisition date, resulting in multiple years of depreciation being expensed in 2025-26. To correct this and reflect the understatement of depreciation expense and accumulated depreciation of property, infrastructure, plant and equipment in 2024-25, an adjustment of \$5.5 million was recognised as a prior year error 2024/25 \$0.36 million and prior periods \$5.04 million.

Property, infrastructure, plant and equipment adjustments

Work in progress balances were previously accrued to asset additions in the 2023/24 financial year. Subsequent completion and capitalisation of project expenditure and revaluation of asset classes has identified amounts that are duplicated in the asset register and the general ledger, not Council owned works and not costs directly attributable to the costs of the asset under the accounting standard recognition criteria. The impact resulted in overstating property, infrastructure, plant and equipment in 2023/24 by \$5.65 million

Notes to the Financial Statements

for the year ended 30 June 2026

Note 11. Prior period errors (continued)

	June 2025 as previously presented	Prior period adjustments	June 2025 restated
	\$ '000	\$ '000	\$ '000
Property, infrastructure, plant and equipment	5,340,552	(3,898)	5,336,655
Total Assets	5,626,816	(3,898)	5,622,918
Net assets	5,294,345	(3,898)	5,290,447
Accumulated surplus	2,444,217	(3,898)	2,440,318
Total equity	5,294,345	(3,898)	5,290,447

	1 July 2024 as previously presented	Prior period adjustments	1 July 2024 restated
	\$ '000	\$ '000	\$ '000
Property, infrastructure, plant and equipment	5,078,234	2,319	5,075,915
Total Assets	5,337,274	2,319	5,334,955
Net assets	5,002,967	2,319	5,000,648
Accumulated surplus	2,363,779	(2,319)	2,361,460
Total equity	5,002,967	(2,319)	5,000,648

Impact of change on the comprehensive income statement

Contributions - non-monetary	66,496	9,516	76,012
Total income / revenue	629,851	9,516	639,366
Depreciation	107,453	11,094	118,547
Total expense	510,938	11,094	522,031
Surplus (deficit) for the year	118,913	(1,578)	117,335
Total comprehensive result	291,378	(1,578)	289,800

There is no impact on the Statement of Cash Flows or Statement of Capital Works.
There is no impact on the total operating, investing or financing cash flow

