

4.1.1 2025-26 FINANCIAL & PERFORMANCE STATEMENTS

Responsible Manager:	Deep Sethi, Chief Financial Officer
Responsible Director:	Simone Wickes, Director Corporate Services

RECOMMENDATION

That Council

1. Notes the draft City of Monash 2025/26 Annual Financial Statements, Performance Statement and Governance and Management checklist (the Statements) prepared in accordance with the *Local Government Act 2020*.
2. Notes the 28 September 2026 recommendation of Council's Audit & Risk Committee in relation to the Statements.
3. Adopts the Statements 'in principle' prior to them being provided to the Victorian Auditor-General's Office for audit sign off.
4. Nominates the Mayor and Deputy Mayor to certify the Statements in their final form and
5. Authorises the nominated Councillors and Officers to accept any further recommended changes to the Statements by the Victorian Auditor-General's Office.

INTRODUCTION

The 2025/26 Financial Statements, Performance Statement and Governance and Management checklist (the Statements) of the City of Monash have been prepared in accordance with the *Local Government Act 2020* (the Act) and the Local Government (Planning and Reporting) Regulations 2020 (the Regulations). The Financial Statements also comply with the Australian International Reporting Standards (AIFRS) framework. The Statements are included in Attachment 1-3 of this report.

COUNCIL PLAN STRATEGIC OBJECTIVES

A council with good governance, strong leadership and community involvement in decision making

A Council that provides governance and leadership for the benefit of our community through community engagement, advocacy, decision making and action.

BACKGROUND

A statutory approvals process for the Annual Accounts requires that the following process be undertaken:

- The Auditor-General must appoint an External Auditor to review the draft set of Financial and Performance Statements (the Statements) and to make a preliminary recommendation to Council's Audit & Risk Committee. The Council's appointed External Auditor is HLB Mann Judd;

- Council's Audit & Risk Committee must meet to consider the draft statements and the preliminary recommendation made by the External Auditor, and if satisfied with the Statements as drafted, make a recommendation that, the Statements be approved 'In Principle' by Council;
- The Council must nominate two Councillors to certify the Statements in their final form;
- The Council considers the Statements, approves them 'In Principle', and authorises that the Statements be submitted to HLB Mann Judd;
- The Statements are then submitted to Auditor-General office for review;
- Any issues arising from the draft Statements are resolved in the first instance with Council's Principal Accounting Officer (the Director Corporate Services), and if necessary, Council's Audit & Risk Committee, following which the Auditor-General will provide certification of the Statements;
- The Council's Principal Accounting Officer, the Chief Executive Officer and the two nominated Councillors are then required to certify the Statements; and
- Council's Annual Report, incorporating the certified Statements, is considered by Council at a subsequent Council meeting.

DISCUSSION

Council's Audit & Risk Committee met on Monday 28 September 2026 to consider the Statements, and resolved:

In performing its duties and responsibilities of oversight of the external audit function as set down in the Charter and required under statute, the Audit and Risk Committee:

1. informs Council that the Committee has received and considered:
 - a. the Annual Financial Report (comprising audited Financial Statements) and the audited Performance Statement for the financial year ending 30 June 2026 (Audited Statements');
 - b. the External Auditor's Closing Report and Final Management Letter relating to the audit process for the Audited Statements;
 - c. the Governance and Management Checklist completed by management that accompanies the final form of the Audited Statements in Council's 2025/26 Annual Report; and
 - d. the report by the Acting Coordinator Corporate Planning
2. assures Council that the Committee has raised and discussed with the External Auditor and management all matters it has identified as part of such consideration and is satisfied with clarifications and advice it has received from the External Auditor and management;
3. is satisfied from its enquiries that there are no incomplete or unresolved matters of a material nature pertaining to the audit that prevents the Committee from providing the following recommendations to Council;

4. based on the Committee's considerations and enquiries, recommends that Council pass a resolution:
 - a. giving its approval in principle to the Audited Statements;
 - b. authorising the Chief Executive Officer to submit the approved-in-principle Audited Statements to the Victorian Auditor-General's Office (VAGO) for reporting on the audit;
 - c. if any subsequent changes recommended or agreed by VAGO are to be made to the approved-in-principle Audited Statements, authorising Council's Principal Accounting Officer to make any changes that are of a non-material nature; and to make any changes that are of a material nature after first consulting with the Committee's Chairperson;
 - d. requiring that Council's Principal Accounting Officer prepare a summary of any changes made to the approved-in-principle Audited Statements to enable them to be presented in their final form and provide this summary to both Council and the Committee for their noting and
 - e. authorise the certification (signing) of the final form of the Audited Statements by the Mayor, another Councillor and the Chief Executive Officer

FINANCIAL IMPLICATIONS

There are no financial implications to this report.

POLICY IMPLICATIONS

There are no policy implications to this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

Following completion of the required processes, including review by Council's Principal Accounting Officer, External Auditor and the Audit & Risk Committee, it is recommended that Council:

- Notes the draft City of Monash 2025/26 Annual Financial Statements, Performance Statement and Governance and Management checklist (the Statements) prepared in Accordance with the Local Government Act 2020;
- Notes the 28 September 2026 recommendation of Council's Audit & Risk Committee in relation to the Statements;
- Adopts the Statements 'in principle' prior to them being provided to the Victorian Auditor General's Office for audit sign off;
- Nominates two Councillors to certify the Statements in their final form; and
- Authorises the nominated Councillors and Officers to accept any further recommended changes to the Statements by the Victorian Auditor-General's Office.

ATTACHMENT LIST

1. Monash City Council Financial Statement 2025-26 [**4.1.1.1** - 45 pages]
2. Monash Performance Statement 2025-26 FINAL [**4.1.1.2** - 20 pages]
3. 2025-26 Governance and Management Checklist [**4.1.1.3** - 4 pages]

MONASH CITY COUNCIL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

Registered Office and Principal Place of Business: 293 Springvale Road, Glen Waverley Vic 3150

Monash City Council
Annual Financial Report

for the Year Ended 30 June 2026

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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.

.....
Simone Wickes CA
Principal Accounting Officer
Dated: 13 October 2026

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

As at the date of signing, we are not aware of any circumstance that 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.

.....
Stuart James
Mayor

.....
Elisha Lee
Deputy Mayor

.....
Andi Diamond
Chief Executive Officer
Dated: 13 October 2026

MONASH CITY COUNCIL

Comprehensive Income Statement
For the Year Ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income/Revenue			
Rates & Charges	3.1	158,624	151,372
Statutory Fees & Fines	3.2	15,844	14,354
User Fees	3.3	34,907	31,436
Grants - Operating	3.4	25,083	26,617
Grants - Capital	3.4	11,408	16,775
Contributions - monetary	3.5	11,746	6,196
Contributions - non-monetary	3.5	4,560	3,210
Net (loss)/gain on disposal of Property, Infrastructure, Plant & Equipment	3.6	9,855	27,836
Other Income	3.7	7,580	4,380
Share of net gain/(loss) of joint operation accounted for by the equity method	6.3	(82)	1,155
Total Income/Revenue		279,525	283,331
Expenses			
Employee Costs	4.1(a)	104,719	100,154
Materials & Services	4.2	93,662	88,962
Depreciation	4.3	36,540	36,888
Amortisation - Intangible Assets	4.4	2,686	2,945
Depreciation - Right Of Use Assets	4.5	1,517	1,507
Finance Costs - Leases	4.6	154	140
Other Expenses	4.7	812	783
Total Expenses		240,090	231,379
Surplus/(deficit) for the year		39,435	51,952
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net Asset revaluation gain/(loss)	9.1 (a)	108,210	237,879
Total other comprehensive income		108,210	237,879
Total comprehensive result		147,645	289,831

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

MONASH CITY COUNCIL

Balance Sheet
As at 30 June 2026

	Note	2026 \$'000	2025 \$'000
ASSETS			
Current Assets			
Cash & Cash Equivalents	5.1(a)	23,008	44,075
Trade & Other Receivables	5.1(c)	16,665	14,896
Other Financial Assets	5.1(b)	75,069	69
Prepayments	5.2(a)	3,491	2,864
Non Current Assets Classified as held for sale	6.1	2,905	41,952
Other Assets	5.2 (a)	3,903	2,572
Total Current Assets		125,041	106,428
Non-Current Assets			
Property, Infrastructure, Plant & Equipment	6.2	4,187,217	4,052,662
Right Of Use Assets	5.7	3,825	5,137
Intangible Assets	5.2(b)	10,591	11,358
Other Assets		661	678
Investments in joint arrangement accounted for using the equity method	6.3	98	260
Total Non-Current Assets		4,202,392	4,070,095
TOTAL ASSETS		4,327,433	4,176,523
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5.3(a)	27,689	25,161
Trust Funds & Deposits	5.3(b)	20,824	21,039
Contract and other liabilities	5.3(c)	4,804	3,332
Provisions	5.4	22,017	21,193
Lease Liabilities	5.7	1,616	1,483
Total Current Liabilities		76,950	72,208
Non-Current Liabilities			
Provisions	5.4	2,383	2,332
Liabilities in joint arrangement accounted for using the equity method	6.3	2,317	2,397
Lease Liabilities	5.7	2,511	3,959
Total Non-Current Liabilities		7,211	8,688
TOTAL LIABILITIES		84,161	80,896
NET ASSETS		4,243,272	4,095,627
EQUITY			
Accumulated Surplus		1,167,050	1,158,028
Reserves	9.1	3,076,222	2,937,599
TOTAL EQUITY		4,243,272	4,095,627

The above balance sheet should be read in conjunction with the accompanying notes.

MONASH CITY COUNCIL

Statement of Changes in Equity
For the Year Ended 30 June 2026

2026	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the Financial Year		4,095,627	1,158,028	2,917,856	19,743
Surplus for the year		39,435	39,435	-	-
Reclassification of revaluation reserve to Accumulated surplus upon sale of asset	9.1	-	39,684	(39,684)	-
Net Asset revaluation gain/(loss)	9.1	108,210	-	108,210	-
Transfers from Other Reserves	9.1	-	26,498	-	(26,498)
Transfers to Other Reserves	9.1	-	(96,595)	-	96,595
Balance at End of the Financial Year		4,243,272	1,167,050	2,986,382	89,840

2025	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the Financial Year		3,804,829	1,077,895	2,702,199	24,735
Surplus for the year		51,952	51,952	-	-
Reclassification of revaluation reserve to Accumulated surplus upon sale of asset	9.1	-	23,189	(23,189)	-
Transfers and Write-off	9.1	967	-	967	-
Net Asset revaluation gain/(loss)	9.1	237,879	-	237,879	-
Transfers from Other Reserves	9.1	-	12,714	-	(12,714)
Transfers to Other Reserves	9.1	-	(7,722)	-	7,722
Balance at End of the Financial Year		4,095,627	1,158,028	2,917,856	19,743

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

MONASH CITY COUNCIL

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 & Charges		157,115	150,908
Statutory Fees & Fines		15,844	14,354
User Fees		34,224	34,009
Grants - Operating		25,150	28,779
Grants - Capital		13,243	17,732
Contributions-monetary		11,746	6,196
Interest Received		2,161	1,800
Trusts and Refundable Deposits Taken		231	3,280
Other Receipts		4,163	1,595
Net GST Refund		11,748	11,579
Employee Costs		(108,465)	(104,110)
Materials and Services		(104,091)	(104,810)
Trusts and Refundable Deposits Repaid		(447)	(431)
Other Payments		(966)	(923)
Net cash provided by operating activities	9.2	61,656	59,958
Cash flows from investing activities			
Payments on Investment		(75,000)	-
Payments for Acquisition of Property, Infrastructure, Plant and Equipment		(60,889)	(91,405)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		54,684	54,403
Net cash used by investing activities		(81,205)	(37,002)
Cash flows from financing activities			
Repayment of lease liabilities		(1,518)	(1,390)
Net cash used by financing activities		(1,518)	(1,390)
Net (decrease)/ increase in cash and cash equivalents		(21,067)	21,566
Cash and cash equivalents at the beginning of the financial year		44,075	22,509
Cash and cash equivalents at the end of the financial year	5.1 (a)	23,008	44,075

Financing arrangements 5.5

The above statement of cash flows should be read in conjunction with the accompanying notes.

MONASH CITY COUNCIL

**Statement of Capital Works
For the Year Ended 30 June 2026**

	2026 \$'000	2025 \$'000
Property		
Land Improvements	21	315
Buildings & Building Improvements	15,917	58,270
Total property	15,938	58,585
Plant and equipment		
Plant, machinery and equipment	2,751	2,439
Fixtures, fittings and furniture	1,339	385
Computers and telecommunications	6,929	3,660
Library books	1,354	1,501
Total plant and equipment	12,374	7,985
Infrastructure		
Roads	13,209	8,648
Bridges	294	102
Footpaths and cycleways	9,172	6,671
Drainage	1,635	1,890
Recreational, leisure and community facilities	11,496	8,178
Waste management	66	-
Parks, open space and streetscapes	3,001	4,623
Off street car parks	345	110
Other infrastructure	240	683
Total infrastructure	39,459	30,905
Total capital works expenditure	67,771	97,475
Less transferred to operating as unable to capitalise from work in progress	(3,266)	(1,971)
Adjusted Balance of Capital Works Expenditure	64,505	95,504
Represented by:		
New asset expenditure	3,543	3,429
Asset renewal expenditure	38,426	41,622
Asset expansion expenditure	7,195	24,187
Asset upgrade expenditure	18,606	28,237
Total capital works expenditure	67,771	97,475
Less transferred to operating as unable to capitalise from work in progress	(3,266)	(1,971)
Adjusted Balance of Capital Works Expenditure	64,505	95,504

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 City of Monash was established by an Order of the Governor in Council on December 1994 and is a body corporate. The Council's main office is located at 293 Springvale Road, Glen Waverley, Victoria.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with 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.

Accounting policy information

1.1 Basis of Accounting

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

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

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

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

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

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

- 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 of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 6.3)
- 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).
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7).
- whether or not AASB 1059 *Service Concession Arrangements* : Grantors is applicable
- other areas requiring judgements

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

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.

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance Against Budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold lower of 10 percent or \$1,000,000 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.

The budget figures detailed below are those adopted by Council on 27th May 2025. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long-term. The budget did not reflect expected changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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	158,334	158,624	290	0.2%	
Statutory fees and fines	13,346	15,844	2,498	18.7%	1
User fees	34,125	34,907	782	2.3%	
Contributions - monetary	9,956	11,746	1,790	18.0%	2
Contributions - non monetary	-	4,560	4,560	100.0%	3
Grants - Operating (recurrent)	19,942	24,591	4,649	23.3%	4
Grants - Operating (non-recurrent)	199	492	293	147.2%	5
Grants - Capital (recurrent)	2,912	1,312	(1,600)	(54.9%)	6
Grants - Capital (non-recurrent)	7,424	10,096	2,672	36.0%	7
Other Revenue	2,352	7,580	5,228	222.3%	8
Profit from Sale of Assets	-	9,855	9,855	100.0%	9
Share of net loss of joint operation	-	(82)	(82)	100.0%	10
Total Income/Revenue	248,590	279,525	30,935		
Expenses					
Employee costs	102,467	104,719	(2,252)	(2.2%)	11
Materials and Services	93,245	93,662	(417)	(0.4%)	
Depreciation	37,000	36,540	460	1.2%	
Amortisation - intangible assets	3,300	2,686	614	18.6%	12
Depreciation - right of use assets	1,650	1,517	133	8.1%	
Finance Costs - leases	183	154	29	15.8%	
Other Expenses	884	812	72	8.1%	
Total Expenses	238,729	240,090	(1,361)		
Surplus/(deficit) for the year	9,861	39,435	29,574		

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 2 Performance Against Budget (Cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines were \$2.5M favourable to budget, primarily reflecting higher parking fee and court fine income. Increased activity across business centres resulted in more frequent parking patrols and enforcement activity during the year.
2	Contributions - monetary	Monetary contributions were \$1.8 million favourable to budget, primarily due to higher-than-anticipated Public Open Space and drainage contributions received during the year. The timing and volume of development activity are inherently difficult to forecast, as contributions are dependent on when developments progress and statutory obligations are triggered. As a result, actual contributions received exceeded budget assumptions, leading to the favourable variance.
3	Contributions - non monetary	Non-monetary contributions were \$4.6M favourable to budget, primarily due to a \$4.3M land contribution received from a State Government department in lieu of Public Open Space contributions, together with \$0.33M in art donations received by the Museum of Australian Photography.
4	Grants - Operating (recurrent)	Operating recurrent grants were \$4.6M favourable to budget. This was primarily due to the Commonwealth Government advancing 80% of the 2026–27 general-purpose grant allocation in June 2026, which resulted in an additional \$4.2M being received in 2025–26.
5	Grants - Operating (non-recurrent)	Operating non-recurrent grants are favourable to budget by \$0.29M. Additional one-off funding was received for Family and Children Services programs (\$0.16M) and the Cladding remediation program (\$0.09M) from State Government.
6	Grants - Capital (recurrent)	Recurrent capital grants were \$1.6M unfavourable to budget. This variance relates to the Local Roads funding component of the Financial Assistance Grant, which was classified as capital income in the budget but is required to be classified as recurrent operating income in the actual results.
7	Grants - Capital (non-recurrent)	Non-recurrent capital grants were \$2.7 million favourable to budget, primarily due to the receipt of an unbudgeted \$1.1 million Living Libraries grant for the Glen Waverley Precinct Project. The remaining favourable variance reflects additional grant income recognised during the year as project milestones were achieved across a number of capital projects.
8	Other Revenue	Other revenue was \$5.2 million favourable to budget. This was primarily due to income recognised from assets identified through the asset revaluation process (\$1.5 million), together with the Bowness donation of \$1.0 million received by the Museum of Australian Photography (MAPh). The Bowness donation was recognised as revenue within Other Revenue, with a corresponding unbudgeted expense recognised in Materials and Services to reflect the donation made to MAPh. In accordance with accounting requirements, the transaction was recorded on a gross basis rather than being netted off, resulting in both unbudgeted income and offsetting expenditure being recognised in the year.
9	Profit from Sale of Assets	Profit on the Sale of Assets totalled \$9.9 million during the year. This is generally not budgeted in the adopted annual budget, as the timing and sale value of assets can be uncertain. The profit was primarily driven by the sale of land assets, where the sale proceeds exceeded the carrying value of the assets recorded in Council's books.
10	Share of net loss of joint operation	Share of net loss from the joint operation was \$0.08 million in 2025/26, resulting in an unfavourable financial impact for the year.
11	Employee Costs	Employee costs exceeded budget by \$2.3M, primarily due to a \$1.1M increase in year-end provisions for annual leave, superannuation, long service leave and maternity leave. Budget was adopted prior to the finalisation of the new Enterprise Bargaining Agreement (EBA). Hence the revised salary escalations based on banding and payment of additional sign on bonuses (\$1M) for staff member were not factored in the adopted budget. This has further contributed to the adverse variance for employee costs.
12	Amortisation - intangible assets	Amortisation of intangible assets was \$0.61M favourable to budget, primarily due to lower-than-budgeted capitalisation of intangible assets and the full-year impact of extending asset useful lives from 10 to 15 years.

Notes to the Financial Statements
For the Year Ended 30 June 2026

Note 2 Performance Against Budget (Cont'd)

2.1.2 Capital Works

	Budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000	Variance %	Ref
Property					
Land improvements	150	21	129	0.0%	
Buildings & Building improvements	16,121	15,917	204	1.3%	
Total Property	16,271	15,938	333		
Plant and Equipment					
Plant, machinery and equipment	2,477	2,751	(274)	(11.1%)	1
Fixtures, fittings and furniture	515	1,339	(824)	(160.0%)	2
Computers and telecommunications	7,378	6,929	449	6.1%	
Library books	1,372	1,354	18	1.3%	
Total Plant and Equipment	11,742	12,374	(632)		
Infrastructure					
Roads	13,520	13,209	311	2.3%	
Bridges	388	294	94	24.1%	3
Footpaths and cycleways	11,020	9,172	1,848	16.8%	4
Drainage	2,630	1,635	995	37.8%	5
Recreational, leisure and community facilities	10,818	11,496	(678)	(6.3%)	
Waste management	84	66	18	21.2%	6
Parks, open space and streetscapes	3,565	3,001	564	15.8%	7
Off street car parks	780	345	435	55.8%	8
Other Infrastructure	1,056	240	816	77.3%	9
Total Infrastructure	43,861	39,459	4,402		
Total Capital Works Expenditure	71,874	67,771	4,103		
Less transferred to operating as unable to capitalise from work in progress	-	(3,266)	(3,266)		
Adjusted Balance of Capital Works Expenditure	71,874	64,505	7,369		
Represented by:					
New asset expenditure	3,757	3,543	214		
Asset renewal expenditure	40,753	38,426	2,327		
Asset expansion expenditure	7,631	7,195	436		
Asset upgrade expenditure	19,733	18,606	1,127		
Total Capital Works Expenditure	71,874	67,771	4,103		
Less transferred to operating as unable to capitalise from work in progress	-	(3,266)	(3,266)		
Adjusted Balance of Capital Works Expenditure	71,874	64,505	7,369		

Notes to the Financial Statements
For the Year Ended 30 June 2026

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Plant, machinery and equipment	The overspend primarily relates to the Monash Operations Centre Neighbourhood Battery project, which was approved after the budget was adopted. The project was substantially funded through an unbudgeted grant contribution from the Department of Energy, Environment and Climate Action (DEECA), resulting in both additional project expenditure and offsetting grant income during the year. Excluding this project, the underlying fleet and plant renewal programs were delivered within approved budget parameters. Accordingly, the unfavourable expenditure variance is largely attributable to the delivery of grant-funded works that were not included in the original budget.
2	Fixtures, fittings and furniture	The overall variance is primarily driven by projects that were approved or funded post-budget adoption. The Revitalisation of Mount Waverley and Wheelers Hill Libraries received funding through the Living Libraries Grant Program to deliver enhancements and improvements in customer experience, accessibility and community programming. Another new initiative funded by Council was MARC/CAHC/ORC Car Park CCTV Installation to improve safety and security for patrons and staff. The Civic Centre IBIS Building Office Accommodation costs were incurred in preparation for the development of the Glen Waverley Civic Precinct. These costs are part of the overall Precinct project cost.
3	Bridges	The Bridges program performed favourably against the adopted budget, mostly due to the Oakleigh Golf Course Bridge Reconstruction delivered below the adopted budget.
4	Footpaths and cycleways	The favourable variance reflects the delivery timing on major multi-year infrastructure projects. The core Footpath Renewal Program has been delivered according to budget. Unspent funds from the trail projects will be carried forward to support construction completion in 2026/27.
5	Drainage	The favourable variance is primarily attributable to project timing on major works. The overspend on Minor Drainage Improvements partially offsets these underspends. Unspent funds on multi-year construction projects will be carried forward to support completion in 2026/27.
6	Waste management	The favourable variance represents a deferred project, as a minor scope variation has resulted in the project being completed in 2026/27.
7	Parks, open space and streetscapes	The favourable overall variance is the result of mixed variances of overspends and underspent projects. Two major strategic projects, Kingsway Central Plaza and Oakleigh Station Precinct account for most of the underspend due to project timing and rephasing. This partially offset overspends across asset renewal programs responding to infrastructure needs. Core annual programs are tracking to budget.
8	Off street car parks	The favourable variance reflects a combination of project rephasing and construction timing. The works are committed on the Atkinson Street project and expenditure will increase as construction progresses in 2026/27.
9	Other Infrastructure	The favourable variance is mostly related to a project reclassification to another asset category. This is in addition to delivering a Local Area Traffic Management (LATM) project in the Hughesdale area under budget.

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Analysis of Council results by program

Chief Executive

This division provides corporate management necessary to ensure the effective, efficient and innovative implementation of programs and communication of Council's achievement in policies and programs to external and internal audiences. It includes Communications, Customer Experience and People and Safety.

Corporate Services

This division provides organisation-wide support for the delivery of services and projects that benefit Monash's diverse community. It is responsible for strategic planning, continuous improvement, business assurance, performance monitoring and reporting, as well as Council's procurement, tendering, annual planning and budgeting processes. The division also administers rates and charges, supplier payments, digital capability and operational efficiency, corporate governance, and legal services.

Community Services

This division provides a wide range of customer focused services which are relevant, of high quality, responsive to community needs and are accessible to all residents of Monash. It includes Active Monash, Aged and Community Support, Children, Youth and Family Services, Arts and Libraries, Community Strengthening and Economic Development.

City Development

This division aims to further develop the Council's environment through effective strategic city, environmental and social planning, building control and municipal regulation. It includes City Planning, Community Amenity, Engineering, Property and City Design and Strategic Planning.

City Services

This division's role is to efficiently provide and maintain City infrastructure and facilities to meet operating performance standards set by other divisions. It includes Capital Works, Facilities and Infrastructure Maintenance, Horticultural Services, Strategic Asset Management, Sustainable Monash.

Notes to the Financial Statements**For the Year Ended 30 June 2026****Note 2.2 Analysis of Council results by program****2.2.2 Summary of income/revenue, expenses, assets and capital expenses by program**

	Income/Revenue \$'000	Expenses \$'000	Surplus/(Deficit) \$'000	Grants included in income/revenue \$'000	Total assets \$'000
2026					
Chief Executive	1,421	11,985	(10,564)	-	-
Corporate Services	193,201	76,489	116,712	7,325	4,327,433
Community Services	33,772	54,114	(20,342)	14,595	-
City Development	25,386	29,110	(3,724)	1,512	-
City Services	25,745	68,392	(42,647)	13,059	-
	279,525	240,090	39,435	36,491	4,327,433

	Income/Revenue \$'000	Expenses \$'000	Surplus/(Deficit) \$'000	Grants included in income/revenue \$'000	Total assets \$'000
2025					
Chief Executive	1,218	10,390	(9,172)	-	-
Corporate Services	146,848	69,740	77,108	7,850	4,176,523
Community Services	31,916	51,693	(19,777)	14,925	-
City Development	21,179	26,014	(4,835)	1,087	-
City Services	82,170	73,542	8,628	19,530	-
	283,331	231,379	51,952	43,392	4,176,523

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and Charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all improvements. The valuation base used to calculate general rates for 2025/26 was \$104.497 billion (2024/25 \$106.276 billion). The 2025/26 rate in the dollar for residential was \$0.00144863 (2024/25 \$0.00136678) and for other properties \$0.00149537 (2024/25 \$0.00142607).

	2026 \$'000	2025 \$'000
General Rates	151,202	145,924
Pension Rebate	(1,138)	(1,021)
Cultural & Recreational	209	209
Supplementary rates & rate adjustments	2,034	1,272
Recycling & Waste Levy	5,645	4,437
Interest on rates and charges	672	551
Total Rates and Charges	158,624	151,372

The date of the latest general revaluation of land for rating purposes within the municipality is 1 January 2025 and the valuation was first applied in the rating year commencing 1 July 2025. Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory Fees and Fines

Infringements	7,788	7,779
Court Recoveries	2,158	1,857
Town Planning Fees	4,593	3,501
Land Information Certificates	220	210
Permits	1,085	1,007
Total Statutory Fees and Fines	15,844	14,354

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

3.3 User Fees

Aged, Health and Children's Services	2,918	2,770
Recreation Fees	12,911	13,104
Waste Transfer Station	2,998	3,259
Building Services Fees	2,764	2,491
Library Fees and Fines	65	65
Bin Charges	5,060	3,240
Lease Charges	633	663
Hire and Rental Charges	1,558	1,355
Other Fees and Charges	6,000	4,489
Total User Fees	34,907	31,436

User fees by timing of revenue recognition

User fees recognised over time	70	131
User fees recognised at a point in time	34,837	31,305
Total User Fees	34,907	31,436

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

	2026 \$'000	2025 \$'000
3.4 Funding from other levels of government		
Summary of grants		
Grants were received in respect of the following:		
Commonwealth funded grants	20,983	21,688
State funded grants	15,508	21,704
Total grants received	36,491	43,392
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	9,546	10,421
Family and Children	1,528	1,534
General Home Care	8,619	8,201
Recurrent - State Government		
Family and Children	715	709
Maternal & child health	1,825	2,076
Libraries	1,325	1,320
Youth Services	50	101
School crossing supervisors	775	752
Other	208	126
Total recurrent operating grants	24,591	25,240
Non - Recurrent - State Government		
Community	13	371
Family and Children	162	196
Youth services	129	237
Other	188	573
Total non-recurrent operating grants	492	1,377
Total operating grants	25,083	26,617
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,290	1,048
Recurrent - State Government		
Libraries	22	22
Total recurrent capital grants	1,312	1,070
Non - Recurrent - Commonwealth Government		
Local Roads and Community Infrastructure (LRCI)	-	484
Non - Recurrent - State Government		
Buildings & Building improvements	4,110	10,246
Footpaths & Cycleway	1,402	324
Recreational & Leisure and community facilities	2,971	3,609
Roads	1,069	931
Other	544	111
Total non recurrent capital grants	10,096	15,705
Total capital grants	11,408	16,775
Total Grants	36,491	43,392

(c) Recognition of grant income

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

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

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

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met.

Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established.

Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of unspent grants.

(d) Unspent grants received on condition that they be spent in a specific manner	2026 \$'000	2025 \$'000
Operating		
Balance at start of year	413	914
Received during the financial year and remained unspent at balance date	462	413
Received in prior years and spent during the financial year	(413)	(914)
Balance at year end	462	413
Capital		
Balance at start of year	926	2,720
Received during the financial year and remained unspent at balance date	462	926
Received in prior years and spent during the financial year	(926)	(2,720)
Balance at year end	462	926

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Statements For the Year Ended 30 June 2026

	2026 \$'000	2025 \$'000
3.5 Contributions		
Monetary	11,746	6,196
Non-monetary	4,560	3,210
Total Contributions	16,306	9,406

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

Land	4,230	-
Building	-	3,090
Other	330	120
Total Non-Monetary Contributions	4,560	3,210

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

3.6 Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant and Equipment

Land & Buildings		
Proceeds from Sale of Assets	53,803	53,129
Impairment Loss	-	(308)
Written Down Value of Assets Disposed	(44,059)	(25,759)
Gain on Disposal of Land & Buildings	9,744	27,062
Plant & Equipment		
Proceeds from Sale of Assets	881	1,274
Written Down Value of Assets Disposed	(117)	(500)
Gain on Disposal of Plant & Equipment	764	774
Infrastructure		
Written Down Value of Assets Disposed	(653)	-
Loss on Disposal of Infrastructure and Plant & Equipment	(653)	-
Total		
Proceeds from Sale of Assets	54,684	54,403
Impairment Loss	-	(308)
Written Down Value of Assets Disposed	(44,829)	(26,259)
Total Net Gain on Disposal of Property, Infrastructure, Plant and Equipment	9,855	27,836

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

3.7 Other Income

Interest	3,336	1,839
Other Income	4,244	2,541
Total Other Income	7,580	4,380

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

		2026	2025
		\$'000	\$'000
Note 4 4.1 (a)	THE COST OF DELIVERING SERVICES		
	Employee Costs		
	Salaries & Wages	84,479	79,801
	Work cover	1,886	1,826
	Casual staff	8,777	9,027
	Superannuation	10,944	9,946
	Fringe Benefits Tax	375	329
	Long Service Leave	2,581	3,178
	Other Employee Related costs	814	1,059
		109,856	105,166
	Less: Amounts capitalised (non-current assets constructed by Council)	(5,137)	(5,012)
	Total Employee Costs	104,719	100,154
(b) Superannuation			
Council made contributions to the following funds:			
Defined benefit fund			
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	241	299
		241	299
Accumulation funds			
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,037	3,916
	Employer contributions - Australian Super	1,366	1,282
	Employer contributions - Hesta Super	728	690
	Employer contributions - Hostplus	789	703
	Employer contributions - Rest Super	644	560
	Employer contributions - Aware Super Future Saver	440	465
	Employer contributions - UniSuper	250	210
	Employer contributions - Australian Retirement Trust Super Savings	240	225
	Employer contributions - CareSuper	201	180
	Employer contributions - Other	1,750	1,204
		10,445	9,435
	Employer contributions at payable date	258	212
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			
	Waste Management Services	25,589	24,953
	Building Maintenance	8,381	8,517
	General Maintenance	12,544	14,755
	Local Law Services	6,845	6,857
	Fleet Management	1,090	960
	Legal costs	3,961	1,882
	General Administration Costs	10,422	9,613
	Consultants	1,654	2,180
	Utilities	5,058	5,073
	Insurance	4,007	3,174
	Information Technology	9,037	7,851
	Bad and doubtful debts	6	(19)
	Other	5,069	3,166
	Total Materials and Services	93,662	88,962
Expenses are recognised as they are incurred and reported in the financial year to which they relate.			
4.3 Depreciation			
	Buildings	8,328	8,433
	Plant and Equipment	4,075	5,454
	Infrastructure	24,137	23,001
	Total Depreciation	36,540	36,888
4.4 Amortisation - Intangible assets			
	Software	2,686	2,945
	Total Amortisation - Intangible assets	2,686	2,945
4.5 Depreciation - Right of use assets			
	Property	443	443
	Gym Equipment	219	209
	Waste Contract- Vehicles	736	736
	Printers	119	119
	Total Depreciation - Right of use assets	1,517	1,507
4.6 Finance Costs - Leases			
	Interest - Lease Liabilities	154	140
	Total Finance Costs	154	140
4.7 Other Expenses			
	Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	79	75
	Auditor's Remuneration - Internal Audit	135	162
	Councillor Allowances	598	546
	Total Other Expenses	812	783

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 4 THE COST OF DELIVERING SERVICES (Cont'd)

	2026 \$'000	2025 \$'000
4.8 Allowance for impairment losses		
Parking fine debtors	1,677	1,754
Sundry debtors	(1)	(21)
Total allowance for impairment losses	1,676	1,733
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	15,840	14,107
New allowances recognised during the year	1,999	2,010
Amounts already allowed for and written off as uncollectible	(70)	(44)
Amounts allowed for but recovered during the year	(253)	(233)
Balance at the end of year	17,516	15,840

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

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS

5.1 Financial Assets		
(a) Cash and Cash Equivalents		
Cash at bank	3,992	4,059
Cash on hand	16	16
Short term deposits (with a maturity date of 90 Days or less)	19,000	40,000
Total cash and cash equivalents	23,008	44,075
(b) Other Financial Assets		
Term deposits - Current	75,000	-
Other	69	69
Total other financial assets	75,069	69
Total cash and cash equivalents and other financial assets	98,077	44,144

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 and Other Receivables Current

Statutory Receivables		
Rates Receivable	10,645	9,136
Parking Infringements	20,041	18,245
Allowance for expected credit loss -infringements	(17,459)	(15,784)
Net GST Receivable	1,713	1,705
	14,940	13,302
Non-Statutory Receivables		
Sundry debtors	1,782	1,650
Allowance for expected credit loss - Sundry Debtors	(57)	(56)
	1,725	1,594
Total trade and other receivables	16,665	14,896

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

(d) Ageing of Receivables

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

Current (not yet overdue)	994	1,522
Past due by up to 30 days	55	29
Past due between 31 and 180 days	733	99
Total trade & other receivables	1,782	1,650

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$1.8M (2025: \$1.7M) were impaired. The amount of the allowance raised against these debtors was \$0.06M (2025: \$0.06M). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due by up to 30 days	1,356	1,152
Past due between 31 and 180 days	1,109	1,056
Past due between 181 and 365 days	1,492	1,198
Past due by more than 1 year	13,559	12,434
	17,516	15,840

Notes to the Financial Statements
For the Year Ended 30 June 2026

	2026 \$'000	2025 \$'000
5.2 Non-Financial Assets		
(a) Other Assets		
Accrued Income	3,697	2,386
Prepayments	3,491	2,864
Other	206	186
Total Other Assets	7,394	5,436

(b) Intangible Assets

	Software \$'000
Gross carrying amount	
Balance at 1 July 2025	26,790
Additions	401
Reclassification *	612
	27,803
Work in Progress	906
Balance at 30 June 2026	28,709
Accumulated amortisation	
Balance at 1 July 2025	(15,432)
Amortisation expense	(2,686)
Balance at 30 June 2026	(18,118)
Net book value at 30 June 2025	11,358
Net book value at 30 June 2026	10,591

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.

* The reclassification balance reflects the capitalisation of eligible software and digital system costs that were initially recorded in other categories during project delivery. Upon completion, these costs were transferred to Intangible Assets to align with their final asset classification.

5.3 Payables, trust funds and deposits and contract and other liabilities	2026	2025
	\$'000	\$'000
(a) Trade and Other Payables		
Current		
<i>Non-statutory Payables</i>		
Operating Payables	11,824	11,920
Capital Payables	11,598	9,490
Employee Costs	2,607	2,091
Parking Infringements	1,660	1,660
Total Current Trade and Other Payables	27,689	25,161
(b) Trust Funds and Deposits		
Current		
Refundable Deposits	19,638	19,917
Retention Amounts	260	192
Emergency Services and Volunteers Fund	895	837
Other Refundable Deposits	31	93
Total Current Trust Funds and Deposits	20,824	21,039
(c) Contract and other liabilities		
Current		
Grants received in advance - operating	462	413
Grants received in advance - capital	26	453
Rates Paid in Advance	1,597	1,666
Other	440	100
Total contract liabilities	2,525	2,632
Other liabilities		
Current		
Deferred capital grants	2,279	700
Total other liabilities	2,279	700
Total contract and other liabilities	4,804	3,332

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.

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of the below. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.4(c).

Purpose and nature of items

Emergency Services and Volunteers Fund - Council is the collection agent for Emergency Services and Volunteers Fund on behalf of the State Government. Council remits amounts received on a quarterly basis. 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.

Notes to the Financial Statements For the Year Ended 30 June 2026

5.4 Provisions

2026	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
Balance at beginning of the financial year	(8,274)	(15,251)	(23,525)
Additional provisions	(6,987)	(2,728)	(9,715)
Amounts used	6,892	2,371	9,263
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(326)	(97)	(423)
Balance at the end of the financial year	(8,695)	(15,705)	(24,400)

2025	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
Balance at beginning of the financial year	(8,079)	(13,507)	(21,586)
Additional provisions	(6,810)	(2,913)	(9,723)
Amounts used	6,909	1,981	8,890
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(294)	(812)	(1,106)
Balance at the end of the financial year	(8,274)	(15,251)	(23,525)

Notes to the Financial Statements
For the Year Ended 30 June 2026

5.4 Provisions (Cont'd)

	2026	2025
	\$'000	\$'000
(a) Employee Provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	6,294	5,865
Long service leave	2,268	2,109
	8,562	7,974
Current provisions expected to be wholly settled after 12 months		
Annual leave	2,401	2,409
Long service leave	11,054	10,810
	13,455	13,219
Total Current Employee Provisions	22,017	21,193
Non-Current		
Long service leave	2,383	2,332
Total non-current employee provisions	2,383	2,332
Aggregate carrying amount of employee provisions:		
Current	22,017	21,193
Non-Current	2,383	2,332
Total aggregate carrying amount of employee provisions	24,400	23,525

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:	2026	2025
Increase in costs	3.00%	3.00%
Weighted average discount rates	4.74%	4.20%
Settlement period range	2-5 Years	2-5 Years

5.5 Financing Arrangements

	2026	2025
	\$'000	\$'000
The Council has the following funding arrangements as at 30 June 2026		
Credit card facilities	100	100
Transaction Negotiation Authority (TNA)	21,500	21,500
Total facilities	21,600	21,600
Unused facilities Credit Cards	87	17
Unused facilities Transaction Negotiation Authority (TNA)	21,500	21,500
Total facilities	21,587	21,517

Notes to the Financial Statements For the Year Ended 30 June 2026

5.6 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	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2026					
Operating					
Cleaning Services	2,616	2,799	-	-	5,415
Domestic Waste Collection	29,480	6,460	21,385	-	57,325
Other Operating Services	8,253	5,154	2,308	-	15,715
Printing & IT Infrastructure	9,471	3,417	3,151	5	16,043
Recycling	1,660	1,743	1,831	-	5,234
Repairs & Maintenance	1,809	552	-	-	2,361
Supply Meals/Foodstuffs	-	-	-	-	-
Traffic & Parking Management	4,123	4,288	-	-	8,411
Utilities & Fuel	1,523	1,523	4,568	-	7,614
Total Operating	58,935	25,937	33,242	5	118,119
Capital					
Buildings	1,748	-	-	-	1,748
Infrastructure	1,394	-	-	-	1,394
Roads	1,862	-	-	-	1,862
Total Capital	5,004	-	-	-	5,004

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Operating					
Cleaning Services	3,495	37	37	-	3,569
Domestic Waste Collection	28,187	29,380	20,366	7,479	85,412
Other Operating Services	9,279	1,604	2,250	-	13,134
Printing & IT Infrastructure	6,896	1,989	2,860	-	11,745
Recycling	1,631	1,660	3,574	-	6,866
Repairs & Maintenance	2,142	1,179	264	-	3,585
Supply Meals/Foodstuffs	801	-	-	-	801
Traffic & Parking Management	3,895	3,959	4,024	-	11,878
Utilities & Fuel	1,523	1,523	4,568	1,523	9,136
Total Operating	57,849	41,332	37,943	9,001	146,125
Capital					
Buildings	4,928	1,558	-	-	6,485
Infrastructure	2,347	-	-	-	2,347
Roads	5,434	-	-	-	5,434
Total Capital	12,708	1,558	-	-	14,266

Notes to the Financial Statements For the Year Ended 30 June 2026

5.7 Leases

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

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

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

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

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

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

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

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

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

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

Under AASB 16 *Leases*, Council as a not-for-profit entity has elected not to measure right-of-use asset at initial recognition at fair value in respect of leases that have significantly below-market terms.

Notes to the Financial Statements For the Year Ended 30 June 2026

5.7 Leases (Cont'd)

Right-of-Use Assets	Property	Waste Contract - Vehicles	Gym Equipment	Printers	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2025	1,035	2,760	915	427	5,137
Additions	-	-	205	-	205
Depreciation charge	(443)	(736)	(219)	(119)	(1,517)
Balance at 30 June 2026	592	2,024	901	308	3,825

Lease Liabilities	2026	2025
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,690	1,594
One to five years	2,591	4,133
Total undiscounted lease liabilities as at 30 June:	4,281	5,727

Lease liabilities included in the Balance Sheet at 30 June:

Current	1,616	1,483
Non-current	2,511	3,959
Total lease liabilities	4,127	5,442

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 6 ASSETS WE MANAGE

6.1 Non Current Assets Classified As Held For Sale

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.

	2026 \$'000	2025 \$'000
Balance at 1 July 2025	41,952	30,315
Additions*	1,682	36,687
Disposal	(40,729)	(25,050)
Total Non Current Assets Classified As Held For Sale	2,905	41,952

*The \$1.68 million addition to land held for sale resulted from a correction to the area of a parcel of land classified as held for resale in 2024-25.

6.2 Property, Infrastructure, Plant and Equipment

Summary of Property, Infrastructure, Plant and Equipment

Category	Carrying amount 30 June 2025	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers In/out	Adjustments & Write-off	Carrying amount 30 June 2026
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	2,569,197	-	4,230	107,912	-	-	-	(1,682)	2,679,657
Buildings	407,898	-	-	17,802	(8,328)	(3,329)	31,238	(2,887)	442,394
Plant and Equipment	17,896	-	-	-	(4,075)	(118)	5,923	-	19,626
Art Works	9,799	-	333	-	-	-	34	-	10,166
Infrastructure	1,013,197	-	-	(17,504)	(24,137)	(653)	41,099	2,887	1,014,889
Work in progress	34,675	67,370	-	-	-	-	(78,294)	(3,267)	20,484
Total	4,052,662	67,370	4,563	108,210	(36,540)	(4,100)	-	(4,949)	4,187,216

Summary of Work in Progress

Category	Opening WIP 30 June 2025	Additions	Transfer to Operating	Transfers Out	Closing WIP 30 June 2026
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	23,048	15,938	(8)	(31,238)	7,740
Plant and Equipment	1,913	11,973	(138)	(5,957)	7,791
Infrastructure	9,714	39,459	(3,121)	(41,099)	4,953
Total	34,675	67,370	(3,267)	(78,294)	20,484

**Notes to the Financial Statements
For the Year Ended 30 June 2026**

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

Property	Land - specialised	Land - non specialised	Land under roads	Total land	Buildings - specialised	Work in progress	Total property
(a)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2025	1,943,369	623,176	2,652	2,569,197	692,321	23,048	3,284,566
Accumulated depreciation at 1 July 2025	-	-	-	-	(284,423)	-	(284,423)
	1,943,369	623,176	2,652	2,569,197	407,898	23,048	3,000,143
Movements in fair value							
Acquisition of assets at fair value	-	-	-	-	-	15,938	15,938
Revaluation increment	81,126	25,392	1,394	107,912	59,718	-	167,630
Fair value of assets disposed	-	-	-	-	(18,187)	-	(18,187)
Transfers to Properties for resale	(1,682)	-	-	(1,682)	-	-	(1,682)
Transfers to Operating *	-	-	-	-	-	(8)	(8)
Asset Reclassifications	-	-	-	-	(7,561)	-	(7,561)
Asset Contributions	4,230	-	-	4,230	-	-	4,230
Transfer to/(from) WIP	-	-	-	-	31,238	(31,238)	-
	83,674	25,392	1,394	110,460	65,208	(15,308)	160,360
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	-	(8,328)	-	(8,328)
Revaluation movement	-	-	-	-	(41,916)	-	(41,916)
Asset Reclassifications	-	-	-	-	4,674	-	4,674
Accumulated depreciation of disposals	-	-	-	-	14,858	-	14,858
	-	-	-	-	(30,712)	-	(30,712)
At fair value 30 June 2026	2,027,043	648,568	4,046	2,679,657	757,529	7,740	3,444,926
Accumulated depreciation at 30 June 2026	-	-	-	-	(315,135)	-	(315,135)
Carrying amount	2,027,043	648,568	4,046	2,679,657	442,394	7,740	3,129,791

* This amount has been recognised as an operating expense, consistent with the nature of the underlying transaction and its accounting treatment in the financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2026

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

	Plant machinery and equipment	Fixtures fittings and furniture	Computer Equipment	Library books	Work in progress	Total plant and equipment
(b) Plant and Equipment (At Cost)						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost 1 July 2025	35,650	11,990	7,483	4,693	1,913	61,729
Accumulated depreciation at 1 July 2025	(23,667)	(10,440)	(6,522)	(1,291)	-	(41,920)
	11,983	1,550	961	3,402	1,913	19,809
Movements in carrying value						
Acquisition of assets at Cost	-	-	-	-	11,939	11,939
Assets disposed at Cost	(1,152)	-	-	-	-	(1,152)
Transfers to operating *	-	-	-	-	(138)	(138)
Transfer to/(from) WIP	2,519	477	1,573	1,354	(5,923)	-
	1,367	477	1,573	1,354	5,878	10,649
Movements in accumulated depreciation						
Depreciation and amortisation	(2,166)	(442)	(585)	(882)	-	(4,075)
Accumulated depreciation of disposals	1,034	-	-	-	-	1,034
	(1,132)	(442)	(585)	(882)	-	(3,041)
At cost 30 June 2026	37,017	12,467	9,056	6,047	7,791	72,378
Accumulated depreciation at 30 June 2026	(24,799)	(10,882)	(7,107)	(2,173)	-	(44,961)
Carrying amount	12,218	1,585	1,949	3,874	7,791	27,417

* This amount has been recognised as an operating expense, consistent with the nature of the underlying transaction and its accounting treatment in the financial statement

Art Works (At Fair Value)	Art Works	Total Art Works
	\$'000	\$'000
At fair value 1 July 2025	9,799	9,799
	9,799	9,799
Movements in fair value		
Contributions	333	333
Acquisition at fair value	34	34
	367	367
At fair value 30 June 2026	10,166	10,166
Carrying amount	10,166	10,166

Notes to the Financial Statements
For the Year Ended 30 June 2026

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

(c) Infrastructure	Roads \$'000	Bridges \$'000	Footpaths & Cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Traffic management \$'000	Parks open spaces and streetscapes \$'000	Bicycle paths \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work in progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2025	817,570	6,689	294,442	657,819	84,787	14,021	61,792	12,501	17,024	9,342	9,714	1,985,701
Accumulated depreciation at 1 July 2025	(349,556)	(2,620)	(196,199)	(322,047)	(25,265)	(6,794)	(36,137)	(5,340)	(10,304)	(8,528)	-	(962,790)
	468,014	4,069	98,243	335,772	59,522	7,227	25,655	7,161	6,720	814	9,714	1,022,911
Movements in fair value												
Acquisition of assets	-	-	-	-	-	-	-	-	-	-	39,459	39,459
Revaluation	-	-	-	(34,708)	-	-	-	-	-	-	-	(34,708)
Reclassification of assets	-	-	-	-	7,046	-	-	-	515	-	-	7,561
Fair value of assets disposed	(1,021)	-	(311)	-	-	-	-	-	-	-	-	(1,332)
Transfers to operating *	-	-	-	-	-	-	-	-	-	-	(3,121)	(3,121)
Transfer to/(from) WIP	12,632	346	9,419	2,570	10,538	3,195	647	-	1,752	-	(41,099)	-
	11,611	346	9,108	(32,138)	17,584	3,195	647	-	2,267	-	(4,761)	7,859
Movements in accumulated depreciation												
Depreciation and amortisation	(7,452)	(77)	(4,225)	(4,363)	(4,324)	(626)	(2,028)	(380)	(501)	(161)	-	(24,137)
Accumulated depreciation of disposals	466	-	213	-	-	-	-	-	-	-	-	679
Reclassification of assets	-	-	-	-	(4,574)	-	-	-	(100)	-	-	(4,674)
Revaluation movement	-	-	-	17,204	-	-	-	-	-	-	-	17,204
	(6,986)	(77)	(4,012)	12,841	(8,898)	(626)	(2,028)	(380)	(601)	(161)	-	(10,928)
At fair value 30 June 2026	829,181	7,035	303,550	625,681	102,371	17,216	62,439	12,501	19,291	9,342	4,953	1,993,560
Accumulated depreciation at 30 June 2026	(356,542)	(2,697)	(200,211)	(309,206)	(34,163)	(7,420)	(38,165)	(5,720)	(10,905)	(8,689)	-	(973,718)
Carrying amount	472,639	4,338	103,339	316,475	68,208	9,796	24,274	6,781	8,386	653	4,953	1,019,842

* This amount has been recognised as an operating expense, consistent with the nature of the underlying transaction and its accounting treatment in the financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2026

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

(d) 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, costs include all materials used in construction, direct labour, and an appropriate share of directly attributable variable and fixed overheads.

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

Asset recognition threshold and description periods	Depreciation	Threshold
	Period	Limit \$
<i>Land and Buildings</i>		
-Land	Indefinite	1
-Land under roads	Indefinite	1
-Buildings	25 - 250 Years	1
<i>Plant Machinery & Equipment</i>	2 - 20 Years	1,000
<i>Furniture, Fittings and Office Equipments</i>	2 - 10 Years	1,000
<i>Art work</i>	Indefinite	1
<i>Plant and Equipment</i>		
-Computer equipment	3 - 7 Years	1
-Library books	2 - 7 Years	1
<i>Infrastructure</i>		
-Roads	25 - 150 Years	1,000
- Footpaths and cycleways	10-80 Years	1,000
-Bridges	50 - 100 Years	1,000
-Drainage	100 -125 Years	1,000
-Recreational leisure & community	10 - 100 Years	1,000
-Parks, open spaces & streetscape	10 - 100 Years	1,000
-Bicycle paths	30 Years	1,000
-Off street car parks	25 - 40 Years	1,000
-Traffic Management	20 - 25 Years	1,000
-Other infrastructure	10 - 50 Years	1,000
Intangible assets	3 - 15 Years	1,000
Right of Use Assets	2 - 10 Years	10,000

(e) Land under roads

Council recognises land under roads post 1 July 2008 at fair value.

(f) 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 assets are expensed.

(g) Depreciation and amortisation of Property, Infrastructure, Plant and Equipment, Infrastructure

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

Where assets have separate identifiable components that are subject to regular replacement,

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 to prior year unless otherwise stated. The Drainage for which the useful life threshold was revised from 100 to 125 years following the conditional valuation process.

**Notes to the Financial Statements
For the Year Ended 30 June 2026**

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

(h) Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Sarah Morrissy (CPV, AAPI Membership No : 62894) of Westlink Consulting.

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 the valuation. The adjustment has no impact on the comprehensive income statement. Where land use is not restricted, highest and best use is assumed to be current use, except where the land is held for sale, or highly likely to be used for an alternative purpose within 12 months of the reporting date.

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

Any significant movements in the unobservable inputs for land and land under roads 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. A full revaluation of these assets was conducted in 2025-26 and the next full revaluation will be conducted in 2028-29. The most recent previous full revaluation of these classes of land and building assets were undertaken by a qualified independent valuer Sarah Morrissy (CPV, AAPI Membership No :62894) of Westlink Consulting, in June 2026.

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

Council	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Non-Specialised Land	-	648,568	-	30-Jun-26	Full
Specialised Land	-	-	2,031,089	30-Jun-26	Full
Specialised buildings	-	-	442,394	30-Jun-26	Full
Total	-	648,568	2,473,483		

Reconciliation of specialised land

	2026 \$'000	2025 \$'000
Council		
Land under roads	4,046	2,652
Parks and reserves and other	2,027,043	1,943,369
Total specialised land	2,031,089	1,946,021

Notes to the Financial Statements
For the Year Ended 30 June 2026

(i) Valuation of Infrastructure

Valuation of Infrastructure assets (Roads, Bridges, Footpaths and Cycleways and Drainage) is in accordance with a valuation undertaken by the Strategic Asset Management Coordinator, Sanjog Baral - Bachelor of Engineering (Civil).

The date and basis of the current valuation are set out in the following table. An index-based revaluation was undertaken in 2024/25, with reference to contracts awarded in 2025 and the Victorian Road and Bridge Construction Price Index. A full revaluation of these assets is scheduled for 2026/27. Drainage assets were last subject to a full valuation in 2025/26, together with a condition assessment.

Our valuer completed a full drainage revaluation in June 2026, using data from a sample of drainage inspections carried out throughout the municipality. The next full drainage revaluation will be undertaken in 2030.

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

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

Council	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Roads	-	-	472,639	30-Jun-25	Index
Bridges	-	-	4,338	30-Jun-25	Index
Footpaths & Cycleways	-	-	103,339	30-Jun-25	Index
Drainage	-	-	316,475	30-Jun-26	Full
Total	-	-	896,791		

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 10% 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 \$47 and \$6,886 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$775 to \$5,978 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 years to 250 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 (Roads, Bridges, Footpaths and Cycleways and Drainage) are valued based on the depreciated 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 10 years to 150 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.

Notes to the Financial Statements For the Year Ended 30 June 2026

6.3 Investments in Joint Arrangements

Regional Landfill Clayton South Unincorporated Joint Arrangement

Under an agreement dated 23 September 1986, the former City of Oakleigh (now vested in the Monash City Council) was contracted to purchase a 16.8% interest in the landfill site situated at 654 – 718 Clayton Road, Clayton South from the former City of Camberwell at a cost of \$0.84M.

Whilst the site was closed in December 2015, City of Camberwell continues to manage the site to ensure compliance with relevant environmental standards. Under Clause 2.2 of the purchase agreement Council receives 16.8% of any net operating surplus and pays 16.8% of any net operating deficit of the operations of the Clayton South Landfill Joint Arrangement. Council's share of net operating loss for the year ended 30 June 2026 was \$ 0.082M (2025 profit of \$1.16M), which has been recognised as a loss in the Comprehensive Income Statement.

The value of the joint investment in the Clayton South Landfill has been revalued at year end to reflect Council's share of net assets recorded in the unaudited accounts of the Joint operation at 30 June 2026 and is included in the Balance Sheet as follows:

REGIONAL LANDFILL CLAYTON SOUTH JOINT OPERATION		
Balance Sheet		
As at 30 June 2026		
	2026 \$'000	2025 \$'000
Current Assets	705	1,702
Current Liabilities	(1,221)	(1,255)
Net Current Assets	(516)	447
Non-Current Liabilities	(12,692)	(13,166)
Net Liability	(13,208)	(12,719)
Contribution-Re Land	1,659	1,659
Retained earnings	(14,867)	(14,378)
Deficit	(13,208)	(12,719)
Share of Monash City Council (16.8%)		
Movements		
Share in Joint Operation Equity as at 1 July	(2,137)	(3,292)
Share of net (loss)/ profit of joint operation	(82)	1,155
Share in Joint Operation Equity as at 30 June 2026	(2,219)	(2,137)

Represented in Council's Balance Sheet - Equity

Non - Current Assets - Investment in Joint arrangement accounted for using the equity method	98	260
Non-Current Liability - Investment in Joint arrangement accounted for using the equity method	(2,317)	(2,397)
Net Liability	(2,219)	(2,137)

Provision for Environmental Rehabilitation

At the reporting date the Joint Venture recognised a provision for rehabilitation works which is measured at the present value of the Joint Venturers' best estimate of the costs associated with remediation of the site. Remediation is expected to be completed by 2050. The landfill in its current state, is not yet "settled".

The calculation of the provision is based on a review of the annual and planned equipment replacement and aftercare costs of the site. These costs have been inflated at 3.48% per year. The long-term liability has also been discounted to its present value using the Group 100 discount rate forecasts, which are derived from Australian corporate bond yields. The prior period provision balance was inflated using a rate of 2.85%, due to instability of prior period CPI figures. Inflationary factors are considered relatively stable in the current period and as such a reduced rate has been applied. As a result of the updated inflation and discount rates, the provision balance has decreased by \$163,902.

The provision is assessed at the end of each reporting period in order to ensure it accurately reflects the cost of closing and restoring the site.

A review has been undertaken during the 2020-21 financial year and as at August 2022 by James Mackenzie of Mackenzie Environmental Pty Ltd on estimates of future costs to operate the closed landfill site in accordance with the Environment Protection Act 2017 (the Act). The increase in provision relates to the expected post closure maintenance period costs. The provision is based on the best information available to management at year-end. This indicates aftercare costs of approximately \$1.1 million annually.

The major works remaining before the landfill settles is the gas infrastructure.

Events Occurring After Balance Date

The five member councils — City of Monash, City of Boroondara, City of Stonnington, City of Whitehorse and City of Glen Eira — entered into a contract for the sale of the Clayton South Regional Landfill site to the Suburban Rail Loop Authority for consideration of \$1. Settlement is scheduled for 21 October 2026 and remains subject to specified conditions precedent, including the provision of a pre-settlement environmental condition report and satisfaction of related contractual requirements.

Under the sale arrangement executed on 23 June 2026, responsibility for the closed landfill site, including ongoing rehabilitation, aftercare and environmental management obligations, is expected to transfer to the purchaser upon settlement. However, the agreement contains indemnity, release, and liability cap provisions that may give rise to continuing obligations for the Joint Venture in specified circumstances. At 30 June 2026, the Joint Venture is unable to reliably estimate any additional liability which may arise under these provisions.

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
Monash City Council

Subsidiaries and Associates

Interests in Regional Landfill Clayton South Joint Operation is 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 Monash City Council. The Councillors, Chief Executive Officer and Executive Directors are deemed KMP.

Details of KMP at any time during the year are:

	2026	2025
	No	No
Key Management Personnel - Councillors		
From 1 July 2025 to 30 June 2026		
Councillor Paul Klisaris (Mayor July 25 - 11 Nov 25)	1	1
Councillor Stuart James (Mayor 11 Nov 25 - Jun 26)	1	1
Councillor Shane McCluskey *	1	1
Councillor Josh Fergeus *	1	1
Councillor Brian Little (Deputy Mayor July 25 - 11 Nov 25)	1	1
Councillor Geoff Lake *	1	1
Councillor Theo Zographos (1 July to 26 Oct 2024)	-	1
Councillor Rebecca Paterson *	1	1
Councillor Anjalee De Silva *	1	1
Councillor Elisha Lee (Deputy Mayor 11 Nov 25 - Jun 26)	1	1
Councillor Cameron Little	1	1
Councillor Nicky Luo *	1	1
Councillor Tina Samardzija (1 July - 26 October 2024)	-	1
Total Number of Councillors	11	13
* These Councillors held this position until 26th October 2024 and re-elected on 12th November 2024.		
Key Management Personnel - Officers		
Andi Diamond (Chief Executive Officer)	1	1
Simone Wickes(Director Corporate Services)	1	1
Russell Hopkins (Director Community Services) (left 4th July 25) *	1	1
Tanya Scicluna (Director Community Services)	1	1
Peter Panagakos (Director City Development)	1	1
Jarrod Doake (Director City Services)	1	1
Joanne Robertson (Executive Manager, Communications) (left 2nd July 25)*	1	1
Imogen Kelly (Exec Manager Communications, Customer Experience, Facilities, Media & Communications)	1	1
Tracy Shoshan (Executive Manager - People and Safety) (left 14th February 2025)	-	1
Victoria Blackman (Executive Manager People and Safety)	1	1
Total of Chief Executive Officer and other Key Management Personnel	9	10
Total Number of Key Management Personnel	20	23

*During the 2025/26 financial year, two KMP officers ceased employment with Council shortly after the commencement of the financial year.

(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, fringe benefit tax, 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	2025
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,786	2,628
Post-employment benefits	269	265
Other long-term employee benefits	197	10
Total	3,252	2,903

Notes to the Financial Statements
For the Year Ended 30 June 2026

(c) Remuneration of Key Management Personnel (Cont'd)

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

	2026	2025
	No.	No.
\$9,000 - \$9,999	-	2
\$20,000 - \$29,999	-	4
\$30,000 - \$39,999	1	6
\$40,000 - \$49,999	7	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	1	2
\$70,000 - \$79,999	1	-
\$100,000 - \$109,999	1	1
\$140,000 - \$149,999	1	-
\$160,000 - \$169,999	-	1
\$210,000 - \$219,999	-	-
\$230,000 - \$239,999	-	1
\$270,000 - \$279,999	1	-
\$280,000 - \$289,999	1	-
\$310,000 - \$319,999	-	1
\$320,000 - \$329,999	-	1
\$330,000 - \$339,999	1	2
\$340,000 - \$349,999	2	-
\$360,000 - \$369,999	1	-
\$530,000 - \$539,999	1	1
Total	20	23

(d) Remuneration of other senior staff

Other senior staff are Council officers, excluding Key Management Personnel (KMP), whose total remuneration exceeds \$170,000 and who report directly to a member of KMP. Total remuneration comprises salaries, superannuation, annual leave, long service leave (including payouts), and fringe benefits tax (FBT).

	2026	2025
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	4,444	3,849
Other long-term employee benefits	141	87
Post-employment benefits	502	416
Total	5,087	4,352

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

	2026	2025
	No.	No.
Income Range:		
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	-	2
\$200,000 - \$209,999	3	4
\$210,000 - \$219,999	2	2
\$220,000 - \$229,999	3	3
\$230,000 - \$239,999	6	3
\$240,000 - \$249,999	4	4
\$250,000 - \$259,999	2	-
\$270,000 - \$279,999	1	-
Total	22	20

	\$'000	\$'000
Total remuneration for the reporting year for other senior staff included above, amounted to:	5,087	4,352

7.2 Related Party Disclosure

(a) Transactions with related parties

During the period Council entered into no reportable transactions with related parties.

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows: NIL

(d) Commitments to/from related parties

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

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.

Suburban Rail Loop Authority - Land Acquisitions

Council is entitled to proceeds arising from land transactions involving the Suburban Rail Loop Authority (SRLA). As at the reporting date, entitlement to, and the timing and amount of, any proceeds remain subject to the satisfaction of conditions by all parties. Accordingly, no asset has been recognised in the financial statements. The financial effect, if any, cannot be reliably measured at this time.

(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.

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

In addition to providing for ongoing rehabilitation and remediation Council's own former landfill site which sites outside the City of Monash boundary that may incur liabilities. The former tip site located at Spring Valley Reserve in the City of Greater Dandenong. This site was managed by the former City of Springvale under the overall management of a Regional Group. At balance sheet date Council is unable to accurately assess whether it is liable, validity of the claims or the financial implications of such works and as such, at this time, in each case is unable to accurately measure and recognise as a provision.

Legal Matters

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

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

8.1 Contingent Assets and Liabilities (Cont'd)

(c) Guarantees for Loans to Other Entities

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

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

	2026 Outstanding Loan Liability	Waverley Hockey Club Liability	Council Guarantee Limit	Year Loan Commenced	Year Loan End
Community Organisation					
Waverley Hockey Club	\$ 219,502	\$ 50,000	\$ 200,000	2023/24	2038/39
	\$ 219,502	\$ 50,000	\$ 200,000		

8.2 Change in Accounting Standards

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) and payables (excluding statutory payables). 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 the Council's 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 does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

- diversification of investment product,
- monitoring of return on investment,
- 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

8.3 Financial Instruments (Cont'd)

(c) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the Council 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 have a policy for establishing credit limits for the entities dealt with;
- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in its 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 provide 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 the 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:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed 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.

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 (base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +0.00% and -0.50% in market interest rates (AUD) from year-end rates of 4.35%.

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

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.

(h) Revaluation

Subsequent to the initial recognition of property and infrastructure assets (except for recreational leisure and community, park, open spaces and streetscape, bicycle paths, traffic management, off street car parks and other infrastructure), are measured at fair value, being the amount for which the assets could be exchanged subsequent to initial recognition. At reporting date each year, Council reviews the carrying value of the individual classes of assets to ensure that each asset materially approximates their fair value. Where the carrying value materially differs from the fair value, the class of assets is revalued.

Fair value valuations are determined in accordance with a valuation hierarchy, changes to which can only occur if an external change in the restrictions or limitations on the 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 valuation of land, buildings and infrastructure (Roads, Bridges, Footpaths and Cycleways and Drainage) assets on a cycle of 2 years, except for art work which is 4 years. The valuations are performed either by appropriately experienced Council officers or independent experts engaged by Council.

<i>Asset class</i>	<i>Revaluation frequency</i>
Land	2 years
Buildings	2 years
Art Work	4 years
Roads	2 years
Bridges	2 years
Footpaths and cycleways	2 years
Drainage	2 years

Where assets are revalued, the revaluation increments arising from the valuations 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 previously 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 have been included in the asset revaluation reserve for that class of asset in which case the decrement is debited 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.

Assessment of the impairment of assets has been undertaken as part of Monash internal work plan and the total amount of impairment write-downs in 2025/26 is nil and 2024/25 (\$0.48M).

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**9.1 Reserves**

	Balance at beginning of reporting period	Share of increase / (decrease) on revaluation	Amounts transferred to accumulated surplus	Transfers /Write-off	Balance at end of reporting period
(a) Asset Revaluation Reserves 2026	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land	2,255,771	107,912	(38,093)		2,325,590
Buildings	156,139	17,802	(1,310)		172,631
Infrastructure					
Roads and Footpaths	255,764	-	(281)	-	255,483
Drainage	238,148	(17,504)	-	-	220,644
Other Infrastructure	8,851		-		8,851
Other					
Plant & Equipment	11	-	-	-	11
Library Books	250	-	-	-	250
Art Collection	2,922	-	-	-	2,922
Total Asset Revaluation Reserves	2,917,856	108,210	(39,684)	-	2,986,382

	Balance at beginning of reporting period	Share of increase / (decrease) on revaluation	Amounts transferred to accumulated surplus	Transfers /Write-off	Balance at end of reporting period
2025	\$'000	\$'000	\$'000		\$'000
Property					
Land	2,273,774	5,186	(23,189)	-	2,255,771
Buildings	112,646	43,182	-	311	156,139
Infrastructure					
Roads and Footpaths	138,794	116,970	-	-	255,764
Drainage	164,606	73,542	-	-	238,148
Other Infrastructure	9,196	(1,001)	-	656	8,851
Other					
Plant & Equipment	11	-	-	-	11
Library Books	250	-	-	-	250
Art Collection	2,922	-	-	-	2,922
Total Asset Revaluation Reserves	2,702,199	237,879	(23,189)	967	2,917,856

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 (Cont'd)

	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) Statutory Reserve				
2026				
Drainage Reserve	4,723	941	(922)	4,742
Parking Reserve	2,941	-	(2,941)	0
Public Open Space Reserve	2,875	7,801	(9,178)	1,498
Total Statutory Reserves	10,539	8,742	(13,041)	6,240
2025				
Drainage Reserve	4,048	791	(116)	4,723
Parking Reserve	4,333	909	(2,301)	2,941
Public Open Space Reserve	7,150	6,022	(10,297)	2,875
Total Statutory Reserves	15,531	7,722	(12,714)	10,539

Drainage Reserve

New property developments are required to make a contribution towards Council's strategic drainage system where the development may impact on the drainage system. These funds are maintained by catchment area and when any strategic drainage projects are undertaken funds in that catchment area's account are utilised to fund these works.

Parking Reserve

The Parking Reserve had a nil balance at 30 June 2026. The relevant Council car parking schemes have been completed, and all associated developer contributions have been applied to the approved projects. Council therefore resolved that the reserve was no longer required.

Public Open Space Reserve (POS)

The Monash Planning Scheme requires that a person who proposes to subdivide land must make a contribution to the Council for public open space (being a percentage of the land intended to be used for residential, industrial or commercial purposes, or a percentage of the site value of such land, or a combination of both). If no amount is specified, a contribution for public open space may still be required under *section 18 of the Subdivision Act 1988*. These funds are then used to either upgrade recreational facilities in existing open space areas or provide additional open space in the municipality.

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(c) Discretionary Reserves				
2026				
Development Reserve	3,704	-	-	3,704
Superannuation Reserve	5,500	-	(5,500)	-
Glen Waverley Civic Precinct Reserve	-	85,880	(7,958)	77,922
Land Acquisition Reserve	-	1,974	-	1,974
Total Discretionary Reserves	9,204	87,854	(13,458)	83,600
2025				
Development Reserve	3,704	-	-	3,704
Superannuation Reserve	5,500	-	-	5,500
Total Discretionary Reserves	9,204	-	-	9,204

Development Reserve

The Development Reserve is a discretionary reserve used to set aside funds for future capital works and upgrades in accordance with Council priorities.

Superannuation Reserve

The Superannuation Reserve had a nil balance at 30 June 2026. Council resolved that a separate reserve was no longer required because no further funding call was anticipated in relation to its defined benefit superannuation obligations.

Glen Waverley Civic Precinct Reserve

Council established the Glen Waverley Civic Precinct Reserve to set aside proceeds from the central car park sale and funds associated with the SRLA land acquisition. Expenditure for the Glen Waverley Civic project is funded by transfers (drawdowns) from this reserve in accordance with the relevant Council resolution at the end of each financial year, with all movements recorded through the reserve to ensure transparent tracking of project funding.

Land Acquisition Reserve

The Land Acquisition Reserve was established in accordance with a Council resolution to provide a dedicated funding source for future strategic land acquisitions. The reserve enables Council to separately identify and transparently account for funds set aside to acquire land that supports adopted strategies and future infrastructure, open space, community facilities and service-delivery priorities.

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 9 Other Matters (Cont'd)**9.2 Reconciliation of Cash Flows from Operating Activities to Surplus**

	2026	2025
	\$'000	\$'000
Surplus for the year	39,435	51,952
<i>Non-cash adjustments:</i>		
Depreciation	36,540	36,888
Amortisation-Intangible Assets	2,686	2,945
Amortisation- Right Of Use Assets	1,517	1,507
Net (gain)/loss on disposal of Property, Infrastructure, Plant and Equipment	(9,855)	(27,836)
Non-monetary contributions	(4,560)	(3,210)
Capitalised Salaries (Note 4.1)	(5,136)	(5,012)
Share of (gain)/ loss from Clayton Joint Venture	82	(1,155)
 <i>Change in operating assets and liabilities</i>		
(Increase)/Decrease in trade and other receivables	(1,612)	7,114
(Increase)/Decrease in Prepayments	(627)	(1,963)
(Increase)/Decrease in Other Assets	(1,329)	(189)
Increase/(Decrease) in Trust Funds and Deposits	(216)	2,849
Increase/(Decrease) in Contracts and other liabilities	1,328	(1,852)
Increase/(Decrease) in trade and other payables	2,528	(4,019)
Increase/(Decrease) in Current Provisions	824	1,538
Increase/(Decrease) in Non Current Provisions	51	401
Net cash provided by operating activities	61,656	59,958

Notes to the Financial Statements For the Year Ended 30 June 2026

Note 9 Other Matters (cont'd)

9.3 Superannuation

Council makes the majority 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 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 2025 (of which Council is a contributing employer) was 110.5%. The financial assumptions used to calculate the VBI were:

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

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 (cont'd) 9.3 Superannuation

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 investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2025 (Interim)	2024 (Interim)	2023 (Triennial)
	\$m	\$m	\$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.

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

The 2026 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2026. It is anticipated that this actuarial investigation will be completed by October 2026.

The VBI of the Defined Benefit category was 116.9% as at 30 June 2026. The financial assumptions for the purposes of this investigation are:

	2026 Triennial investigation	2025 Interim investigation
Net investment return	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.

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 Benefit	12.00% (2025:11.5%)	241	299
Vision Super	Accumulation	12.00% (2025:11.5%)	4,037	3,916
Australian Super	Accumulation	12.00% (2025:11.5%)	1,366	1,282
Hesta Super	Accumulation	12.00% (2025:11.5%)	728	690
Hostplus	Accumulation	12.00% (2025:11.5%)	789	703
Rest Super	Accumulation	12.00% (2025:11.5%)	644	560
Aware Super Future Saver	Accumulation	12.00% (2025:11.5%)	440	465
UniSuper	Accumulation	12.00% (2025:11.5%)	250	210
Australian Retirement Trust Super Savings	Accumulation	12.00% (2025:11.5%)	240	225
CareSuper	Accumulation	12.00% (2025:11.5%)	201	180
Other Funds	Accumulation	12.00% (2025:11.5%)	1,750	1,204

In addition to the above contributions, Council has had no unfunded liability payments to Vision Super during the 2025/26 year (2024/25 \$nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2026.

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

Note 10 Change in Accounting Policy

There have been no changes to accounting policies in the 2026 and 2025 financial year.

MONASH CITY COUNCIL
PERFORMANCE STATEMENT

For the year ended 30 June 2026

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Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

SIMONE WICKES (CA)
Principal Accounting Officer
Dated: 13 October 2026

In our opinion, the accompanying performance statement of *Monash City Council* for the year ended 30 June 2026 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.

STUART JAMES
Mayor
Dated: 13 October 2026

ELISHA LEE
Deputy Mayor
Dated: 13 October 2026

DR. ANDI DIAMOND
Chief Executive Officer
Dated: 13 October 2026

Victorian Auditor – General’s Office Audit Report

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Section 1. Description of municipality

The City of Monash is a culturally diverse community in Melbourne's south eastern suburbs, between 13 and 24 kilometres south-east of Melbourne's Central Business District.

Our City covers 81.5 square kilometres and includes the suburbs of Ashwood, Clayton, Glen Waverley, Hughesdale, Huntingdale, Mount Waverley, Mulgrave, Notting Hill, Oakleigh, Oakleigh East, and Wheelers Hill. Parts of Chadstone, Burwood and Oakleigh South are also included in Monash.

Monash is one of Melbourne's most populous municipalities, with an estimated residential population of 211,833 people living in more than 76,461 dwellings. Over the past year, the population in Monash has increased by 1.55%. We are regarded as a cosmopolitan city with a multicultural population. Monash has 52% of residents speaking a language other than English at home and 50% of our residents were born overseas, having come from more than 100 different countries.

In keeping with the State Government's cap on rate increases, rate revenue was increased by 3.0% and there was expected supplementary rate growth similar to the previous year (\$1.065M). By controlling costs over many years, rates have been kept low. In the 2024/25 year, the average rate per property in Monash was \$1,697, compared with the state-wide average of \$1,957 and similar council average of \$1,936. In 2025/26, the average rate per property in Monash was \$1,748.92.

Section 2. Service performance indicators

For the year ended 30 June 2026

Service/Indicator/measure	Results					Material Variations and Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	
Aquatic facilities Utilisation AF6 Utilisation of aquatic facilities <i>(Number of visits to aquatic facilities/Population)</i>	5.15	7.06	7.44	N/A	7.59	Overall visitation to aquatic facilities remained strong throughout FY2025/26, with total attendance reaching 1.605 million visits, finishing 2.7% above the previous financial year. Growth was supported by continued community participation across all centres and strong utilisation of aquatic and recreation offerings. Monash Aquatic and Recreation Centre continued to lead visitation performance, closing the year 3.0% ahead of 2024/25. Oakleigh Recreation Centre also recorded positive growth, finishing 3.4% above the previous year. While Clayton Aquatics and health Centre finished slightly below, attendance remained broadly in line with last year, reflecting stable patron engagement despite facility disruptions and capital works throughout the year. Overall, attendance trends demonstrate sustained demand for aquatic services, continued member engagement, and strong utilisation of facilities across the network.
Animal management Health and safety AM7 Animal management prosecutions <i>(Number of successful animal management prosecutions/Total number of animal management prosecutions) x 100</i>	100%	100%	95%	N/A	100%	This outcome reflects strong consistency in the delivery of service standards and community confidence in Council's ability to effectively support its community.
Food safety						

Service/Indicator/measure	Results					Material Variations and Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	
Health and safety FS4 Critical and major non-compliance outcome notifications <i>(Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up/ Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises) x 100</i>	100%	100%	100%	N/A	100%	This result represents the 2025 calendar year, as per the Performance Reporting requirements. All non-conformances have been followed up and consistent to previous years.
Governance Satisfaction G2 Satisfaction with community consultation and engagement <i>(community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</i>	72.0	71.0	74.0	72.0	65.0	Due to a change in survey provider it is difficult to compare this year's result with historical results. For comparison Council's result for this same period using the same methodology, scaling and sample sizes as previous years is 74 (no change). The survey provider was changed in 2025/26 to comply with a new requirement introduced in the Local Government Victoria Practice Note No.22 – Conduct of the Local Government Community Satisfaction Survey (October 2025) that the community satisfaction survey provider must hold accreditation under the International Standard for Market, Opinion and Social Research (AS ISO 20252) prior to fieldwork. Council's appointed survey provider has since obtained the necessary accreditation and it is expected that future years will be comparable to historical results.
Libraries Participation LB7 Library membership <i>[percentage of the population that are registered library members]</i>	N/A	36.33%	36.59%	N/A	41.28%	Library membership as a percentage of population reached 41%, exceeding the target of 38%. This result reflects the continued focus on growing and sustaining active library membership through targeted engagement and promotion of library services over recent years. The growth in Monash's estimated population has also contributed to the improved result. While membership levels remain strong, the closure of Glen Waverley Library for redevelopment is expected to impact membership growth and participation in the short term.

Service/Indicator/measure	Results					Material Variations and Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	
Maternal and child health						
Participation MC4 Participation in the MCH service <i>(Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x 100</i>	76.41%	74.50%	76.72%	N/A	75.74%	2025/26 showed a slight decrease in participation rates in the Maternal and Child Health service. This can be attributed to an overall decrease in birth numbers compared to the previous year. Monash has also experienced staffing shortages. This has resulted in less appointment availability for the community. Strategic use of funding for temporary contracts was utilised and service delivery, aimed at supporting continuity of care between clients and practitioners has been a focus in the past 6 months.
Participation MC5 Participation in the MCH service by Aboriginal children <i>(Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x 100</i>	88.98%	75.47%	81.65%	N/A	70.10%	As the overall birth rate in Monash has declined, participation by Aboriginal children has also decreased, reflecting fewer Aboriginal children being born in the municipality.
Roads						
Condition R2 Sealed local roads below the intervention level <i>(percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)</i>	98.1%	99.3%	99.47%	98.0%	99.47%	Programming of road resurfacing has increasingly been better planned at Monash. Council's continuous commitment to invest in the renewal of its road network has kept the number of roads classified as "very poor condition" to a low number.
Statutory Planning Service Standard SP2 Planning applications decided within the relevant required time <i>(percentage of planning application decisions made within the relevant required time)</i>	86.8%	86.10%	80.20%	83.0%	86.95%	Council's on-time decision performance remains strong and consistent, demonstrating an ongoing commitment to efficient and high-quality decision-making. Council continues to engage constructively with applicants and objectors to achieve positive planning outcomes, while ongoing process improvements help drive efficiency and support continuous service enhancement. As with SP1, we are also starting to see the effect in the time it takes to make decisions, with the State Government changes in the planning space with deemed to comply provisions and reduced third party involvement (objections and appeals). These however are affecting workloads and the time to process applications (at the various stages) that will need ongoing monitoring.
Waste Collection						

Service/Indicator/measure	Results					Material Variations and Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	
Waste diversion WCS Kerbside collection waste diverted from landfill <i>(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x 100</i>	68.32%	71.37%	70.45%	72.0%	70.03%	There continues to be a strong level of diversion from landfill, despite the increase in participation in the Container Deposit Scheme, removing 10% of volume from our recycling stream.

Section 3. Financial performance indicators

For the year ended 30 June 2026

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	
Efficiency Expenditure level E2 Total expenses per property assessment. <i>(Total expenses / Number of property assessments)</i>	\$2,519.84	\$2,624.95	\$2,682.38	\$2,772	\$2,760.70	\$2,877.84	\$2,942.31	\$3,002.19	\$3,077.15	Council's expenses per property assessment decreased slightly compared to the 2026 target. This result remains within the expected range and maintaining Council's operations and service delivery levels to the community.
Revenue level E4 Average rate per property assessment <i>(General rates and Municipal charges / Number of property assessments)</i>	\$1,610.24	\$1,654.09	\$1,697.03	\$1,768	\$1,748.92	\$1,602.52	\$1,636.85	\$1,671.64	\$1,706.89	The average rate per property assessment increased compared to the prior year, remaining within the expected range. This reflects Council's annual rate adjustment in line with the Minister's rate cap, to fund essential services and infrastructure maintenance while remaining affordable for ratepayers.
Liquidity Working capital L1 Current assets compared to current liabilities <i>(Current assets / Current liabilities) x 100</i>	137.56%	106.22%	147.39%	223.30%	162.50%	218.83%	120.24%	102.27%	106.35%	Council's liquidity position improved compared to the prior year, with current assets providing strong coverage of current liabilities. This result is within the expected range and demonstrates Council's strengthened financial position through prudent cash management and completion of capital projects.

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2023	2024	2025	2026	2026	2027	2028	2029	2030	
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Unrestricted cash L2 Unrestricted cash compared to current liabilities <i>(Unrestricted cash / Current liabilities) x 100</i>	48.29%	-15.23%	8.61%	5.41%	-11.41%	159.65%	88.31%	66.30%	71.12%	Unrestricted cash compared to current liabilities decreased from the prior year. This reflects Council's investment strategy of holding \$75M in term deposits exceeding 90 days to achieve higher returns while maintaining sufficient liquidity to meet operational requirements. If these term deposits were included, the ratio would be 85.95% and will continue in a positive trend and remain in a strong cash position.
Obligations Loans and borrowings O2 Loans and borrowings compared to rates <i>(Interest bearing loans and borrowings / Rate revenue) x 100</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.88%	Council continues to operate free from borrowings. This result is well within the expected range and demonstrates Council's commitment to maintaining a strong balance sheet without reliance on debt financing.
Loans and borrowings O3 Loans and borrowings repayments compared to rates <i>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x 100</i>	0.00%	0.00%	0.00%	31.58%	0.00%	28.91%	28.04%	0.00%	1.61%	Council made provision in the budgets for a credit facility for future cash flow management. Council did not draw down on any facility throughout the year and is the reason for the nil result. The assumption is that Council will pay down the loan facility in the same year it's drawn down.
Indebtedness										

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2023	2024	2025	2026	2026	2027	2028	2029	2030	
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
O4 Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) x 100	5.71%	4.88%	3.77%	3.62%	3.18%	2.77%	2.25%	5.58%	14.39%	Non-current liabilities compared to own source revenue decreased from the prior year. This result is within the expected range and represents a strong improvement in Council's long-term financial position, reflecting reduced long-term liabilities relative to increased own source revenue.
Asset renewal and upgrade O5 Asset renewal and upgrade compared to depreciation (Asset renewal and upgrade expenses/Asset depreciation) x 100	201.10%	207.30%	189.38%	163.5%	156.08%	172.90%	156.93%	117.52%	169.42%	Asset renewal and upgrade expenditure compared to depreciation decreased slightly from the prior year. The result exceeds 100%, indicating Council continues to invest in asset renewal at a rate greater than depreciation, ensuring long-term sustainability of infrastructure assets.
Operating position Adjusted underlying result OP1 Adjusted underlying surplus (or deficit) (Adjusted underlying surplus {deficit} / Adjusted underlying revenue) x 100	-0.49%	-3.37%	12.49%	-0.49%	5.15%	-2.43%	-2.06%	-1.65%	-1.64%	Council's adjusted underlying result declined from the prior year, which was significantly influenced by one-off grant funding and asset sales. While Council continues to report an underlying surplus, the current year result remains affected by non-recurring items, including the early receipt of grant funding and gains on asset sales. Maintaining and improving the underlying operating result remains a key focus for Council. To support long-term financial sustainability, Council has implemented a Service Review Framework to identify

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2023	2024	2025	2026	2026	2027	2028	2029	2030	
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
										efficiencies, improve value for money, and strengthen future financial performance.
Stability										
Rates concentration										
S1 Rates compared to adjusted underlying revenue (Rate revenue / Adjusted underlying revenue) x 100	66.06%	67.42%	57.25%	66.60%	62.67%	70.77%	70.34%	70.92%	71.04%	Rates compared to adjusted underlying revenue increased compared to the prior year, remaining within the expected range. The prior year result was lower due to one-off grant funding and other non-rate revenue items. Council continues to maintain a balanced and sustainable revenue base.
Rates effort										
S2 Rates compared to property values (Rate revenue / Capital improved value of rateable properties in the municipality) x 100	0.14%	0.15%	0.14%	0.18%	0.15%	0.16%	0.16%	0.16%	0.16%	Rates compared to property values remained stable and is within the expected range. This reflects the annual rate adjustment in line with property value movements across the municipality.

Section 4. Sustainable capacity indicators

For the year ended 30 June 2026

Indicator/measure	Results				Material Variations and Comments
	2023	2024	2025	2026	
	Actual	Actual	Actual	Actual	
Population					
C1 Expenses per head of population (Total expenses / Municipal population)	\$1,092.72	\$1,099.59	\$1,105.66	\$1,133.39	Council's expenses per head of municipal population increased slightly compared to the prior year. This result is within the expected range and reflects Council's continued investment in services and infrastructure to support the growing community while managing inflationary cost pressures.

Indicator/measure	Results				Material Variations and Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Actual	
C2 Infrastructure per head of Population (Value of infrastructure / Municipal Population)	\$5,695.92	\$5,909.23	\$7,088.83	\$7,116.72	Infrastructure per head of municipal population increased slightly compared to the prior year. This result is within the expected range and demonstrates Council's ongoing commitment to maintaining and expanding infrastructure assets to serve the community's needs.
C3 Population density per length of road (Municipal population / Kilometres of local roads)	253.52	265.05	276.81	279.83	The increment is due to an increase in population used to calculate this KPI.
Own-source revenue					
C4 Own-source revenue per head of population [Own-source revenue / Municipal population]	\$921.50	\$950.95	\$1,101.62	\$1,070.31	Own-source revenue per head of municipal population decreased slightly compared to the prior year, remaining within the expected range. The prior year included one-off revenue items which inflated that result. Council continues to generate sustainable own-source revenue to fund services for the community.
Recurrent grants					
C5 Recurrent grants per head of population (Recurrent grants / Municipal population)	\$117.69	\$80.99	\$125.08	\$122.28	Recurrent grants per head of municipal population decreased slightly compared to the prior year. This result remains within the expected range and reflects variations in the timing of grant receipts. Council continues to actively pursue grant funding opportunities.
Disadvantage					
C6 Relative socio-economic disadvantage (Index of Relative Socio-economic Disadvantage by decile)	9	9	9	9	Based on the Victorian Socio-Economic Indexes for Areas (SEIFA), a score of 9 indicates that the City of Monash has relatively low levels of socio-economic disadvantage compared with other local government areas across Victoria.
Workforce turnover					
C7 Resignations and terminations compared to average staff (Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x 100	15.67%	17.09%	13.75%	15.57%	Council experienced 130 terminations of permanent employees within the 2025/26 financial year. This was an increase of 16 terminations against the previous financial year. Of the 130 terminations, 116 were voluntary, including 15 retirements, which is an increase of seven when compared to the previous year. Of the 14 non-voluntary terminations, this is made up of

Indicator/measure	Results				Material Variations and Comments
	2023	2024	2025	2026	
	Actual	Actual	Actual	Actual	
					six dismissals and eight redundancies. Of the eight redundancies, five were from the School Crossing Supervisor transition to external provider.

Section 5. Notes to the accounts

For the year ended 30 June 2026

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2026-27 to 2029-30 by the council's financial plan. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges

Key term	Definition
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

3. Other matters

Overview of 2025/26

Council operations were budgeted to reach full operating capacity, incorporating the cost pressures associated with maintaining existing services and delivering new service initiatives.

Inflationary pressures and market conditions continued to impact Council's cost base, particularly for services subject to contractual indexation and industry-specific price increases, including insurance premiums, waste management, maintenance, and building-related contracts. A continued recovery in user-funded revenue streams was anticipated in 2025/26 as Council further progressed its transition toward a user-pays service delivery model, supported by a contemporary review of fees and charges.

Despite these financial challenges, Council continued to improve service levels and deliver high-quality outcomes for the community through innovation, service optimisation, and ongoing improvements in operational efficiency.

Government funding from both State and Federal sources remained an important contributor to Council's operations and capital program. During the year, Council received 80% of its 2026/27 Financial Assistance Grant allocation in advance, resulting in grant revenue exceeding budget expectations for 2025/26. Grant funding also enabled the delivery, upgrade, and expansion of key community infrastructure, helping provide residents with enhanced facilities, improved public spaces, and access to modern community assets.

In developing the 2025/26 Capital Works Program, Council undertook extensive planning and assessment to ensure the program remained sustainable and aligned with the funding capacity outlined in the Long-Term Financial Plan. Over the past year, Council achieved capital works delivery exceeding 94% of budget while maintaining minimal carry-forward commitments.

Governance and management checklist – 30 June 2026

The Governance and Management Checklist shows the frameworks Council has for policies, community engagement, planning, monitoring, reporting and decision making.

This checklist is produced in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020. Some items in the checklist concern compliance with legislation, while others relate to matters regarded as good practice. Council has complied with all legislative requirements in the checklist. The results of our assessment against the checklist are set out below.

Governance and Management Items		Assessment
GC1	Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	COMPLIES Date of adoption: 30 June 2026.
GC2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	COMPLIES Date of commencement: 1 March 2022.
GC3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	COMPLIES Date of adoption: 28 October 2025. Requirement date of adoption under the Act: 31 October 2025 (every 4 years).
GC4	Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	COMPLIES Date of adoption: 23 June 2025. Requirement date of adoption under the Act: 30 June 2025.
GC5	Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	COMPLIES Date of adoption: 23 June 2025. Requirement date of adoption under the Act: 30 June 2025 (every 4 years).
GC6	Annual budget (plan setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	COMPLIES Date of adoption: 26 May 2026. Requirement date of adoption under the Act: 30 June annually.

Governance and Management Items		Assessment
GC7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to council's operations)	COMPLIES Date of commencement of current policy: 30 July 2024.
GC8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	COMPLIES Date of operation of current policy: 17 November 2025.
GC9	Municipal emergency management plan (participation in meetings of the Municipal Emergency Management Planning Committee.)	COMPLIES Dates of MEMPC meetings attended 17 July 2025; 13 November 2025; 12 February 2026.
GC10	Procurement policy (policy outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	COMPLIES Date of adoption: 28 October 2025.
GC11	Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	COMPLIES Date of commencement of current plan: 7 October 2025.
GC12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	COMPLIES Date of commencement of current plan: 18 July 2025.
GC13	Complaint policy (policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	COMPLIES Date of commencement of the policy: 13 December 2022.
GC14	Workforce Plan (plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation)	COMPLIES Date of commencement of the policy: October 2025.
GC15	Payment of rates and charges hardship policy	COMPLIES

Governance and Management Items	Assessment
(Policy outlining Council's approach to assisting ratepayers experiencing financial hardship or difficulty paying <u>their rates</u>)	Date of commencement of the policy: 26 July 2022.
GC16 Risk management framework (framework outlining Council's approach to managing risks to the council's operations)	COMPLIES Date of commencement of current framework: 23 July 2024
GC17 Audit and Risk Committee (advisory committee of Council under sections 53 and 54 of the Act)	COMPLIES Date of establishment: 8 November 1995.
GC18 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	COMPLIES Date of engagement of current provider: 1 July 2024.
GC19 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	COMPLIES Date of operation of current framework: 31 October 2019.
GC20 Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first 6 months of the financial year)	COMPLIES Date of reports for this reporting period: 29 October 2025, 17 February 2026, 29 April 2026 and 12 August 2026.
GC21 Quarterly budget reports (quarterly statements to the Council under section 97(1) of the Act, comparing actual and budgeted results and an explanation of any material variations)	COMPLIES Date of statements presented for this reporting period: 28 October 2025, 27 January 2026, 28 April 2026 and 30 September 2025 (annual financials 2024/25).
GC22 Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	COMPLIES Date of reports for this reporting period: 10 November 2025, 20 January 2026, 26 March 2026 and 12 May 2026.

Governance and Management Items	Assessment
GC23 Performance reports (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	COMPLIES Date of reports for this reporting period: 10 February 2026 and 28 October 2025 (annual report).
GC24 Annual report (annual report under sections 98, 99 and 100 of the Act containing a report of operations and audited financial and performance statements)	COMPLIES Date of Council endorsement: 28 October 2025.
GC25 Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	COMPLIES Date of last review and adopted: 26 October 2024.
GC26 Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	COMPLIES Date of review under section 11(7): 31 October 2025. Date of review under section 47(1): 6 November 2025.
GC27 Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	COMPLIES Date current governance rules adopted: 30 July 2024.

I certify that this information presents fairly the status of Council's governance and management arrangements.

Andi Diamond
Chief Executive Officer
Dated: 13 October 2026

Cr Stuart James
Mayor
Dated: 13 October 2026