

Annual Financial Report

For the year ended 30 June 2025

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Financial Report

Certification of the Consolidated Financial Statements

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



Michelle Hansen CPA

Principal Accounting Officer

Date: 22 September 2025

Dandenong

In our opinion the accompanying consolidated financial statements present fairly the consolidated financial transactions of the Greater Dandenong City Council for the year ended 30 June 2025 and the consolidated financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances 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 consolidated financial statements in their final form.



Mayor Jim Memeti

Date: 22 September 2025

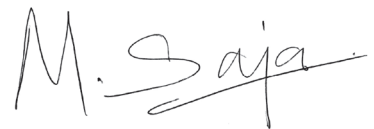
Dandenong



Councillor Rhonda Garad

Date: 22 September 2025

Dandenong



Sanjay Manivasagasivam

Acting Chief Executive Officer

Date: 22 September 2025

Dandenong



Independent Auditor’s Report

To the Councillors of Greater Dandenong City Council

Opinion	I have audited the consolidated financial report of Greater Dandenong City Council (the council) and its controlled entities (together the consolidated entity) which comprises the: • consolidated balance sheet as at 30 June 2025 • consolidated comprehensive income statement for the year then ended • consolidated statement of changes in equity for the year then ended • consolidated statement of cash flows for the year then ended • consolidated statement of capital works for the year then ended • notes to the consolidated financial statements, including material accounting policy information • certification of the consolidated financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2025 and the consolidated entity’s financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council’s and the consolidated entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's and consolidation entity's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's and consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council and consolidated entity to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. • obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the council and the consolidated entity. I remain solely responsible for my audit opinion
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Auditor's responsibilities for the audit of the financial report (continued)	I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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MELBOURNE
25 September 2025



Travis Derricott
as delegate for the Auditor-General of Victoria

Financial Statements

Comprehensive Income Statement

For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Income / Revenue			
Rates and charges	3.1	178,130	171,109
Statutory fees and fines	3.2	11,693	11,218
User fees	3.3	14,973	13,844
Grants – operating	3.4	48,785	26,058
Grants – capital	3.4	9,676	8,282
Contributions – monetary	3.5	7,149	3,305
Contributions – non-monetary	3.5	6,000	12,098
Net gain on disposal of property, infrastructure, plant and equipment	3.6	1,395	604
Fair value adjustments for investment property	6.4	175	115
Other income	3.7	27,563	25,971
Total income / revenue		305,539	272,604
Expenses			
Employee costs	4.1	106,375	102,319
Materials and services	4.2	101,528	102,858
Depreciation	4.3	47,645	35,881
Amortisation – intangible assets	4.4	20	44
Depreciation – right-of-use assets	4.5	661	715
Allowance for impairment losses	4.6	2,743	3,267
Borrowing costs	4.7	2,669	2,575
Finance costs – leases	4.8	28	41
Other expenses	4.9	12,957	12,617
Total expenses		274,626	260,317
Surplus for the year		30,913	12,287
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1(a)	372,755	125,688
Impairment loss of previous revaluation	9.1(a)	–	(729)
Total other comprehensive income		372,755	124,959
Total comprehensive result		403,668	137,246

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

Balance Sheet

As at 30 June 2025

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	36,758	25,170
Trade and other receivables	5.1(c)	32,584	30,802
Other financial assets	5.1(b)	179,708	172,820
Inventories	5.2(a)	67	69
Prepayments	5.2(b)	2,373	1,222
Other assets	5.2(c)	3,531	5,396
Total current assets		255,021	235,479
Non-current assets			
Trade and other receivables	5.1(c)	183	266
Property, infrastructure, plant and equipment	6.2	3,027,341	2,644,801
Investment property	6.4	6,865	6,690
Right-of-use assets	5.8	680	1,169
Intangible assets	5.2(c)	19	40
Total non-current assets		3,035,088	2,652,966
Total assets		3,290,109	2,888,445
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	27,545	27,816
Trust funds and deposits	5.3(b)	3,808	4,825
Contract and other liabilities	5.3(c)	54,103	56,677
Provisions	5.5	21,872	21,135
Other interest-bearing liabilities	5.4(b)	107	99
Interest-bearing liabilities	5.4(a)	4,379	3,834
Lease liabilities	5.8	494	594
Total current liabilities		112,308	114,980
Non-current liabilities			
Trust funds and deposits	5.3(b)	2,910	2,898
Provisions	5.5	2,062	1,560
Other interest-bearing liabilities	5.4(b)	193	285
Interest-bearing liabilities	5.4(a)	43,992	43,348
Lease liabilities	5.8	244	642
Total non-current liabilities		49,401	48,733
Total liabilities		161,709	163,713
Net assets		3,128,400	2,724,732
Equity			
Accumulated surplus		995,430	974,960
Reserves	9.1(c)	2,132,970	1,749,772
Total equity		3,128,400	2,724,732

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

Statement of Changes in Equity

For the year ended 30 June 2025

2025	Consolidated				
	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,724,732	974,960	1,655,211	94,561
Surplus for the year		30,913	30,913	–	–
Net asset revaluation gain	9.1(a)	372,755	–	372,755	–
Transfers to other reserves	9.1(b)	–	(22,487)	–	22,487
Transfers from other reserves	9.1(b)	–	12,044	–	(12,044)
Balance at end of the financial year		3,128,400	995,430	2,027,966	105,004

2024	Consolidated				
	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,587,486	969,354	1,530,252	87,880
Surplus for the year		12,287	12,287	–	–
Net asset revaluation gain	9.1(a)	125,688	–	125,688	–
Impairment (loss) reversal of previous revaluation	9.1(a)	(729)	–	(729)	–
Transfers to other reserves	9.1(b)	–	(17,475)	–	17,475
Transfers from other reserves	9.1(b)	–	10,794	–	(10,794)
Balance at end of the financial year		2,724,732	974,960	1,655,211	94,561

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

Statement of Cash Flows

For the year ended 30 June 2025

	Note	Consolidated 2025 Inflows/ (Outflows) \$'000	Consolidated 2024 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		176,944	169,741
Statutory fees and fines		8,494	8,550
User fees		15,668	14,065
Grants – operating		48,360	23,777
Grants – capital		12,244	8,240
Contributions – monetary		4,460	4,153
Interest received		9,785	7,919
Trust funds and deposits taken		37,862	33,731
Other receipts		21,043	19,324
Net GST refund		12,545	12,052
Employee costs		(105,188)	(101,634)
Materials and services		(120,050)	(104,078)
Short-term, low value and variable lease payment		(696)	(727)
Trust funds and deposits repaid		(38,853)	(34,359)
Other payments		(6,005)	(4,963)
Net cash provided by operating activities	9.2	76,613	55,791
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(57,595)	(53,271)
Proceeds from sale of property, infrastructure, plant and equipment		1,505	628
Payments for investments		(371,810)	(338,033)
Proceeds from sale of investments		365,143	290,054
Net cash used in investing activities		(62,757)	(100,622)
Cash flows from financing activities			
Finance costs		(2,655)	(2,591)
Proceeds from borrowings		5,120	1,000
Repayment of borrowings		(3,931)	(3,597)
Repayment of other interest-bearing liabilities		(102)	(81)
Interest paid - lease liability		(30)	(43)
Repayment of lease liabilities		(670)	(680)
Net cash used in financing activities		(2,268)	(5,992)
Net increase (decrease) in cash and cash equivalents		11,588	(50,823)
Cash and cash equivalents at the beginning of the financial year		25,170	75,993
Cash and cash equivalents at the end of the financial year	5.1(a)	36,758	25,170

Financing arrangements 5.6

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

Statement of Capital Works

For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Property			
Land		1,013	10
Total land		1,013	10
Buildings		27,576	15,412
Total buildings		27,576	15,412
Total property	2.1.2	28,589	15,422
Plant and equipment			
Plant, machinery and equipment		2,324	2,259
Fixtures, fittings and furniture		98	49
Computers and telecommunications		1,002	940
Library books		889	791
Total plant and equipment	2.1.2	4,313	4,039
Infrastructure			
Roads		17,820	13,299
Bridges		—	343
Footpaths and cycleways		1,109	700
Drainage		1,682	1,002
Recreational, leisure and community facilities		3,672	9,616
Parks, open space and streetscapes		3,447	5,684
Off street car parks		59	66
Total infrastructure	2.1.2	27,789	30,710
Total capital works expenditure	2.1.2	60,691	50,171
Represented by:			
New asset expenditure		28,899	13,582
Asset renewal expenditure		24,710	21,713
Asset upgrade expenditure		7,082	14,876
Total capital works expenditure		60,691	50,171

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

Notes to the Consolidated Financial Report

Note 1 Overview

The Greater Dandenong City Council was established in December 1994 with the amalgamation of the former City of Springvale and former City of Dandenong, and is a body corporate. The Council's main office is located at 225 Lonsdale Street, Dandenong, 3175.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

These consolidated financial statements for the year ended 30 June 2025 comprise the results of operations for both Council and its wholly owned subsidiaries, namely the Dandenong Market Pty Ltd and South East Leisure Pty Ltd. Refer to Note 6.3 for further details of Council's subsidiaries.

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, 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 and infrastructure (refer to note 6.2 and 8.4).
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2).
- the determination of employee provisions (refer to note 5.5(a)).
- the determination of landfill provisions (refer to note 5.5(b)).
- 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 5.8).
- 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. Disclosure has been made of any material changes to comparatives (refer to note 10). It is noted that there have been no material changes to comparatives.

Note 1 Overview (*continued*)

Goods and Services Tax (GST)

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

1.2 Impact of emergencies and natural disasters

During 2024-25 there were no notable emergencies or natural disasters that impacted Council's operations.

Note 2 Analysis of our results

2.1 Performance against budget

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of greater than 10 per cent and greater than \$1 million or 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 24 June 2024 (known as the Adopted Budget). The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any 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

	Consolidated Actual 2025 \$'000	Council Actual 2025 \$'000 (note 6.3)	Council Budget 2025 \$'000	Council Variance \$'000 Fav (Unfav)	Council Variance % Fav (Unfav)	Note 2.1.1 Ref
Income / Revenue						
Rates and charges	178,130	178,238	176,177	2,061	1.2%	
Statutory fees and fines	11,693	11,693	10,972	721	6.6%	
User fees	14,973	9,448	9,812	(364)	(3.7%)	
Grants – operating	48,785	48,759	35,216	13,543	38.5%	(a)
Grants – capital	9,676	9,676	8,625	1,051	12.2%	(b)
Contributions – monetary	7,149	7,149	7,676	(527)	(6.9%)	
Contributions – non-monetary	6,000	6,000	7,500	(1,500)	(20.0%)	(c)
Net gain on disposal of property, infrastructure, plant and equipment	1,395	1,395	833	562	67.5%	
Fair value adjustments for investment property	175	175	–	175	100.0%	
Other income	27,563	15,916	11,935	3,981	33.4%	(d)
Total income / revenue	305,539	288,449	268,746	19,703	7.3%	
Expenses						
Employee costs	106,375	96,659	99,649	2,990	3.0%	
Materials and services	101,528	95,234	88,357	(6,877)	(7.8%)	(e)
Depreciation	47,645	47,455	34,885	(12,570)	(36.0%)	(f)
Amortisation – intangible assets	20	–	–	–	0.0%	
Depreciation – right-of-use assets	661	661	598	(63)	(10.5%)	
Allowance for impairment losses	2,743	2,695	2,026	(669)	(33.0%)	
Borrowing costs	2,669	2,637	3,184	547	17.2%	
Finance costs – leases	28	28	55	27	49.1%	
Other expenses	12,957	12,292	5,180	(7,112)	(137.3%)	(g)
Total expenses	274,626	257,661	233,934	(23,727)	10.1%	
Surplus for the year	30,913	30,788	34,812	4,024	11.6%	

2.1.1 Income / Revenue and expenditure (continued)

Explanation of material variations

Ref	Item	Explanation
(a)	Grants – operating	Operating grant income was \$13.54 million higher due to: – Early distribution of 50% of Council's 2025-26 Financial Assistance grant allocation via the Victorian Local Government Grants Commission (VLGGC) (\$7.24 million) combined with a better than anticipated 2024-25 allocation (\$859,000). – \$2.32 million of prior year Community Care grant income transferred from unearned income due to the cessation of the Regional Assessment Service program at 30 June 2024 and final grant acquittal outcomes. – Higher than anticipated Family Day Care grant income due to an expanded program, mostly offset by higher program expenditure (\$1.17 million). – Additional grant funding for the Child First program (\$763,000) and unbudgeted grant income (\$350,000) for the Housing Innovation Support program which were advised after the adoption of Council's budget.
(b)	Grants – capital	Capital grant income was \$1.05 million favourable to budget due to: – Grant funded projects carried over from the previous financial year (notably Keysborough Community Hub \$1.88 million, Black Spot Works Program projects \$1.26 million and Springvale Reserve \$553,000). Carry overs are not included in the adopted budget. – Funding advised after adoption of Council's budget (Roads to Recovery \$1.88 million, Black Spot Works Program \$685,000, Parkfield Reserve \$325,000 and Greaves Reserve Oval 4 Lighting \$250,000). These favourable variances were partly offset by a delay in the Dandenong Wellbeing Centre multi-year project which means that the grant funding received is not able to be recognised in the Income Statement yet (\$6.18 million).
(c)	Contributions – non-monetary	These contributions represent assets that are transferred to Council's ownership from developers upon completion of subdivisions. Refer to Note 6.2(a) for further details about contributed assets. In 2024-25, non-monetary contributions relate mainly to land titles (land reserves and land under roads), roads, drainage and footpath assets transferred to Council. The number of subdivisions that are completed vary from year to year and the timing of these asset transfers is outside of Council's control and difficult to predict.
(d)	Other income	Other income is \$3.98 million favourable to budget due to: – \$3.17 million higher interest return on investments, driven by the Reserve Bank of Australia maintaining interest rates at higher levels for longer than initially forecast in the budget. – \$378,000 higher than budgeted recovery income relating to prior year expenditure for a legal matter and a storm event, partly offset by lower partner council contributions (\$133,000) for works at Spring Valley Landfill driven by lower expenditure at the site. – Better than anticipated income from the Container Deposit Scheme (\$123,000) and casual parks hire (\$112,000).

2.1.1 Income / Revenue and expenditure (continued)

Explanation of material variations (continued)

Ref	Item	Explanation
(e)	Materials and services	The unfavourable variance to budget of \$6.88 million is attributable to: – \$6.34 million in capital expenditure that was not able to be capitalised to the asset register because it was not capital in nature, it did not meet the capitalisation threshold or it related to non-Council owned assets (\$3.35 million relating to current year capital expenditure and \$2.99 million relating to prior year capital expenditure in works in progress). – \$1.88 million in costs to demolish the Precinct Energy Plant (PEP) building due to structural deficiencies that mean it is not suitable for public use. – Higher legal costs (\$1.11 million) particularly in relation to a proposed Sandown Racecourse development and an ongoing legal matter. – Higher Family Day Care contract services expenditure as a result of an expanded program (\$1.17 million), offset by higher grant income. These unfavourable variances are partly offset by: – A \$1.45 million reduction in contract costs for Roads and Drains primarily due to the suspension of proactive inspection programs, which typically generate most of the works. This suspension was caused by a lack of asset condition data from the current works management system. Reactive maintenance has continued as normal. – Waste Management (\$1.41 million) lower expected waste collection and processing costs, driven by reduced waste volumes and lower than expected contract gate fee, particularly in recycling. – Lower software implementation costs of \$1.05 million due to a deferral of the replacement of Council's finance system whilst an Enterprise Resource Planning (ERP) business case is assessed.
(f)	Depreciation	The \$12.57 million unfavourable variance to the budget is due primarily to the componentisation of Council's building assets into 3 components in the 2023-24 financial year: substructure, ancillary services and, fixtures and fittings. The useful life on substructure remained consistent (100 years), however, the latter two components had a change in useful life from 100 years to 20 years, thus increasing the depreciation expense significantly.
(g)	Other expenses	The unfavourable variance of \$7.11 million to the budget is due to: – \$6.16 million in asset write offs which are not budgeted for as they are difficult to predict. The asset write offs mainly relate to the renewal and replacement of roads, buildings, bridges and off street car parks. – An increase in the provision for remediation of Spring Valley Landfill of \$356,000. – Donation of two mobile Closed Circuit Television (CCTV) trailers to Victoria Police (\$172,000). – Higher than budgeted Victorian Electoral Commission costs for the 2024 Council election (\$108,000).

2.1.2 Capital works

	Consolidated Actual 2025 \$'000	Council Actual 2025 \$'000 (note 6.3)	Council Budget 2025 \$'000	Council Variance \$'000 Fav (Unfav)	Council Variance % Fav (Unfav)	Note 2.1.2 Ref
Property						
Land	1,013	1,013	-	(1,013)	(100.00%)	(a)
Total land	1,013	1,013	-	(1,013)	(100.00%)	
Buildings	27,576	27,576	58,845	31,269	53.14%	(b)
Total buildings	27,576	27,576	58,845	31,269	53.14%	
Total property	28,589	28,589	58,845	30,256	51.42%	
Plant and equipment						
Plant, machinery and equipment	2,324	2,250	2,980	730	24.50%	
Fixtures, fittings and furniture	98	93	225	132	58.67%	
Computers and telecommunications	1,002	999	3,166	2,167	68.45%	(c)
Library books	889	889	1,100	211	19.18%	
Total plant and equipment	4,313	4,231	7,471	3,240	43.37%	
Infrastructure						
Roads	17,820	17,820	17,976	156	0.87%	
Footpaths and cycleways	1,109	1,109	1,057	(52)	(4.92%)	
Drainage	1,682	1,682	1,600	(82)	(5.13%)	
Recreational, leisure and community facilities	3,672	3,672	2,935	(737)	(25.11%)	
Parks, open space and streetscapes	3,447	3,447	3,540	93	2.63%	
Off street car parks	59	59	50	(9)	(18.00%)	
Total infrastructure	27,789	27,789	27,158	(631)	(2.32%)	
Total capital works expenditure	60,691	60,609	93,474	32,865	35.16%	
Represented by:						
New asset expenditure	28,899	28,817	56,646	27,829	49.13%	(d)
Asset renewal expenditure	24,710	24,710	27,301	2,591	9.49%	(e)
Asset upgrade expenditure	7,082	7,082	9,527	2,445	25.66%	(f)
Total capital works expenditure	60,691	60,609	93,474	32,865	35.16%	

2.1.2 Capital works (*continued*)

Explanation of material variations

Ref	Item	Explanation
(a)	Land	A \$1.01 million strategic property acquisition in Blissington Street, Springvale (funded by internal reserves) for the purpose of expanding open space for the community.
(b)	Buildings	Lower expenditure of \$31.27 million due mainly to the Dandenong Wellbeing Centre major project (\$30.45 million). This project is now progressing well with the construction contract awarded in April 2025 and active works underway to deliver this important community facility. Unspent funds will be carried over to the 2025-26 financial year to support project delivery.
(c)	Computers and telecommunications	The favourable variance of \$2.17 million to the budget is due primarily to a delay in progressing two projects that will be carried over to the 2025-26 year: – \$1.65 million CCTV infrastructure – \$458,000 parking meters.
(d)	New asset expenditure	The \$27.83 million favourable budget variance is mainly due to lower-than-expected spending on two major projects – the Dandenong Wellbeing Centre and the Keysborough Community Hub as at 30 June 2025 (\$31.20 million). Construction of the Dandenong Wellbeing Centre is underway, and the Keysborough Community Hub received practical completion in July 2025. Any remaining funds at 30 June 2025 will be carried forward into the 2025-26 financial year. This favourable result is partly offset by: – A \$1.01 million unbudgeted property purchase in Blissington Street, Springvale to expand open space. – \$1.81 million in Black Spot road safety projects carried over from the prior financial year (2023-24), which were not included in the adopted budget. – \$408,000 in expenditure for the Victoria Avenue Gross Pollutant Trap (GPT) project, which was partly carried over from 2023-24.
(e)	Asset renewal expenditure	Capital renewal expenditure was \$2.59 million lower than budget, primarily due to lower expenditure across several projects and programs, most of which will be carried over to the 2025-26 financial year: – \$2.35 million in the Road Resurfacing and Reconstruction program, with \$1.17 million reclassified to operating expenditure as it was not considered capital in nature. – \$1.65 million in CCTV infrastructure. – \$852,000 Fleet Renewal program. – \$600,000 Parking meters. These favourable variances were partly offset by the following unbudgeted capital items: – \$1.74 million transferred from operating expenditure following reassessment as capital in nature. – \$1.35 million in Roads to Recovery grant-funded works.
(f)	Asset upgrade expenditure	Asset upgrade expenditure was \$2.45 million below budget, primarily due to the Perry Road widening project which had a carry over from the prior year of \$1.76 million and benefited from contract costs coming in lower than originally estimated.

2.2 Analysis of Council results by program

2.2.1 Council delivers its functions and activities through the following programs.

Chief Executive Office (CEO)

The Chief Executive Office includes the CEO, Digital Technology and Strategic Growth and Advocacy functions.

The Chief Executive Office has overall responsibility for the operations of the organisation. Each member of the executive team reports to the CEO.

The Digital Technology unit is responsible for the provision of cost-effective information and telecommunication solutions to staff and councillors.

Strategic Growth and Advocacy is responsible for Council's organisational strategy and performance; asset management; and advocacy functions. The business units within this department include Asset Management, Community Advocacy, and Corporate Planning and Performance.

City Futures

City Futures is responsible for a large range of Council activities including parks and waste, roads and transport, major projects, sustainability, statutory planning, growth and investment, place making and revitalisation. It has a key focus on the development of our built and natural environments and ensuring that Council's activities match the community's future needs for facilities, housing, and sustainability.

The departments which make up City Futures are Business Development and Investment, Chief Engineer and Major Projects, Infrastructure Services, Statutory Planning, Strategic and Environmental Planning, and Transport and Civil Development.

Community Strengthening

Community Strengthening provides direct services to the community across a wide range of programs such as sport and recreation, libraries, youth and families, children's services, festivals and events, support for older people and community safety. This directorate manages Community Amenity, Creative and Engaged City; Community Care; Community Wellbeing; and Safe, Active and Connected Communities.

Corporate Development

Corporate Development covers a broad range of organisational functions including financial planning, communications, customer experience, governance, risk management and organisational development. The departments within this directorate include Financial Services; Governance, Legal and Risk; Communications and Customer Experience; and People and Change.

Non-attributable

The items that cannot be reliably attributable to a directorate. For example furniture, fixtures and fittings that cannot be identified by a location or work in progress that cannot be easily allocated to a directorate.

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
2025					
Chief Executive Office	456	12,075	(11,619)	386	1,398
City Futures	60,921	120,414	(59,493)	10,289	2,192,479
Community Strengthening	41,465	95,919	(54,454)	26,594	741,294
Corporate Development	185,607	26,265	159,342	21,166	350,045
Non-attributable*	—	2,988	(2,988)	—	26
Council Total	288,449	257,661	30,788	58,435	3,285,242
Dandenong Market Pty Ltd	7,447	7,377	70	—	2,792
South East Leisure Pty Ltd	13,913	13,858	55	26	2,250
Consolidated elimination	(4,270)	(4,270)	—	—	(175)
Consolidated Total	305,539	274,626	30,913	58,461	3,290,109

	Income / Revenue \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income / revenue \$'000	Total assets \$'000
2024					
Chief Executive Office	289	12,329	(12,040)	222	360
City Futures	58,868	119,109	(60,241)	9,370	1,805,030
Community Strengthening	40,924	79,447	(38,523)	24,135	748,158
Corporate Development	157,318	26,375	130,943	569	329,711
Non-attributable*	—	8,054	(8,054)	—	283
Total for Council	257,399	245,314	12,085	34,296	2,883,542
Dandenong Market Pty Ltd	6,886	6,736	150	—	2,685
South East Leisure Pty Ltd	12,646	12,594	52	44	3,297
Consolidation elimination	(4,327)	(4,327)	—	—	(1,079)
Consolidated Total	272,604	260,317	12,287	34,340	2,888,445

*Non-attributable represents income and expense items that are not specifically attributable to one of the directorates.

Note 3 Funding for the delivery of our services

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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3.1 Rates and charges

Council uses the 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 on it, and is determined by independent valuers and certified by the Valuer General Victoria. The valuation base used to calculate general rates for 2024-25 was \$67.11 billion (\$64.44 billion in 2023-24).

Residential	61,081	59,675
Commercial	13,066	12,818
Industrial	70,812	67,494
Farm	522	501
Cultural and recreational	506	519
Waste management charge - residential	27,115	26,185
Supplementary rates and rates adjustment	1,878	999
Maintenance levy	1,796	1,735
Interest on rates and charges	1,354	1,183
Total rates and charges	178,130	171,109

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2024 and the valuation was first applied in the rating year commencing 1 July 2024.

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

3.2 Statutory fees and fines

Infringements and costs	6,628	6,376
Court recoveries	2,418	2,308
Building and town planning fees	1,817	1,948
Subdivision	154	63
Land information certificates	144	128
Election fines	182	67
Permits	350	328
Total statutory fees and fines	11,693	11,218

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.

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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3.3 User fees

Aged and health services	1,237	1,149
Leisure centre and recreation	5,524	4,744
Child care/children's programs	1,697	1,791
Parking	3,542	3,278
Registration and other permits	1,881	1,850
Asset protection fees	445	458
Other fees and charges	647	574
Total user fees	14,973	13,844

User fees by timing of revenue recognition

User fees recognised over time	390	278
User fees recognised at point in time	14,583	13,566
Total user fees	14,973	13,844

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	41,996	17,824
State funded grants	16,456	16,507
Other grant sources	9	9
Total grants received	58,461	34,340

a) Operating grants

Recurrent - Commonwealth Government

Financial Assistance Grants (via Victoria Local Government Grants Commission)*	21,166	568
Family Day Care	7,091	7,201
General Home Care**	7,495	5,792
Family, Youth and Children Services	—	366
Libraries	246	252
Immunisation	13	15
	36,011	14,194

*Financial Assistance Grants received via the Victorian Local Government Grants Commission can vary year to year due to timing differences in distributions. In 2024-25, approximately 150% of the annual allocation is reflected – comprising 100% of the 2024-25 funding and an early distribution of 50% of the 2025-26 allocation received in June 2025. By contrast, 100% of the 2023-24 allocation was received early in 2022-23. The 2023-24 amount shown represents the adjustment between the preliminary and confirmed funding allocations.

**The increase in General Home Care grants is due primarily to \$1.8 million of prior year grant income transferred from unearned income due to the cessation of the Regional Assessment Service program at 30 June 2024 and final grant acquittal outcomes.

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
3.4 Funding from other levels of government (continued)		
a) Operating grants (continued)		
Recurrent – State Government		
Aged Care	2,794	1,005
Maternal and Child Health	2,774	2,618
Family, Youth and Children Services	3,161	2,960
Libraries	1,137	1,137
School Crossing Supervisors	556	540
General Home Care	426	421
Education and Employment	160	480
Community Health	184	260
Open Space and Environment	–	212
Immunisation	78	86
Emergency Management	40	–
Volunteer Services	8	8
	11,318	9,727
Total recurrent operating grants	47,329	23,921
Non-recurrent – Commonwealth Government		
Immunisation	–	100
Family, Youth and Children Services	10	50
Arts and Culture	61	–
General Home Care	10	–
Community Development	–	22
Libraries	1	1
	82	173
Non-recurrent – State Government		
Community Development	594	501
Immunisation	–	301
Waste Management	29	68
Family, Youth and Children Services	286	394
Maternal and Child Health	–	166
Community Safety	219	200
Open Space and Environment	211	219
COVID Safety and Support	–	60
South East Leisure Pty Ltd	26	44
Other	–	2
	1,365	1,955
Non-recurrent – Other		
Arts and Culture	9	9
	9	9
Total non-recurrent operating grants	1,456	2,137
Total operating grants	48,785	26,058

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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3.4 Funding from other levels of government (*continued*)

b) Capital grants

Recurrent – Commonwealth Government

Roads to Recovery	1,881	969
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Non-recurrent – Commonwealth Government

Local Roads Community Infrastructure Program	1,109	1,044
Black Spot Program	1,949	1,404
Buildings	924	–
Parks, Open Space and Streetscapes	40	40
	4,022	2,488

Non-recurrent – State Government

Buildings and Leaseholds	2,597	2,462
Parks, Open Space and Streetscapes	657	1,873
Noble Park Revitalisation Program	26	490
Recreational, Leisure and Community Facilities	275	–
Footpaths and Cycleways	118	–
Plant, Machinery and Equipment	50	–
	3,723	4,825

Non-recurrent – Other

Recreational, Leisure and Community Facilities	50	–
	50	–

Total non-recurrent capital grants	7,795	7,313
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Total capital grants	9,676	8,282
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(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 of 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 the accounting framework under which grants are recognised.

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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3.4 Funding from other levels of government (*continued*)

(c) Recognition of grant income (*continued*)

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	21,166	568
Specific purpose grants to acquire non-financial assets	9,676	8,282
Other specific purpose grants	13,905	15,163

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	13,714	10,327
	58,461	34,340

d) Unspent grants for income recognised under AASB 1058

The unspent grant income disclosed below relates to contracts that do not have sufficiently specific performance obligations. The income for these contracts is recognised when Council obtains control of the contribution, which is normally upon receipt. For details of grant funding recognised under AASB 15 and relating to unsatisfied performance obligations and transfers to construct a recognisable non-financial to be controlled by Council, please refer to Note 5.3(c).

Operating

Balance at start of the year	5,912	20,866
Received during the financial year and remained unspent at balance date	11,543	5,471
Received in prior years and spent during the financial year	(4,772)	(20,425)
Balance at year end*	12,683	5,912

Unspent grants are determined and disclosed on a cash basis.

*The large balance of unspent operating grants in the 2025 year relates to the early distribution by the Victorian Local Government Grants Commission of 50% of the Financial Assistance Grants allocation for the following financial year (2025: \$7.24 million and 2024: \$0).

3.5 Contributions

Monetary

Community contributions (for capital works)	9	16
Other contributions	248	91
Total non-developer contributions	257	107

Open space contributions (for future capital works)**	3,996	2,288
Development infrastructure levies (for capital works completed)	2,896	910
Total developer contributions	6,892	3,198
Total monetary contributions	7,149	3,305

Non-monetary	6,000	12,098
Total contributions	13,149	15,403

**Public open space contributions received during the financial year are transferred to the Open Space Planning, Development and Improvements Reserve. Refer note 9.1(b).

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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3.5 Contributions (continued)

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

Land	3,796	1,640
Infrastructure	2,204	10,458
Total non-monetary contributions	6,000	12,098

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 on disposal of property, infrastructure, plant and equipment

Proceeds of sale	1,505	628
Less carrying amount of assets sold	(110)	(24)
Total net gain on disposal of property, infrastructure, plant and equipment	1,395	604

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 on investments	9,975	9,593
Interest – other	62	–
Dandenong Market Pty Ltd – revenue from operations	6,807	6,028
Investment property rental	1,566	1,607
Other rent	4,164	3,915
Recoveries	1,773	1,965
South East Leisure Pty Ltd	1,750	1,542
Dandenong Market Pty Ltd – other income	434	449
Other	1,032	872
Total other income	27,563	25,971

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.

Note 4 The cost of delivering services

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
4.1 a) Employee costs		
Wages and salaries	82,602	80,172
WorkCover	2,685	2,349
Casual staff	1,423	1,091
Superannuation	9,723	8,885
Long service leave oncost	2,333	1,844
Fringe benefits tax	342	392
Other	7,267	7,586
Total employee costs	106,375	102,319

b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contribution to Local Authorities Superannuation Fund
(Vision Super)

	312	312
	312	312

Employer contributions payable at reporting date.

41 34

Accumulation funds

Employer contribution to Local Authorities Superannuation Fund
(Vision Super)

	3,798	3,771
Employer contribution – other funds	5,438	4,772

9,236 8,543

Employer contributions payable at reporting date.

335 313

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

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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4.2 Materials and services

Waste management	20,734	20,643
Parks maintenance	11,314	8,840
Other contract payments	10,102	11,430
Consultants and professional services	7,404	7,424
Cleaning services	7,311	7,103
Educator services	7,093	7,187
General maintenance	6,698	5,888
Office administration	6,282	6,534
Utilities	6,076	5,218
Information technology	5,934	5,472
Building maintenance	3,435	3,546
Works in progress (unable to be capitalised)	2,987	8,054
Insurance	2,360	1,832
Security services	2,254	2,187
Library resources	578	587
Meals for delivery	425	354
Cash collection services	269	205
Property valuation services	147	120
Springvalley landfill rehabilitation and monitoring costs	125	234
Total materials and services	101,528	102,858

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

4.3 Depreciation

Property	15,799	8,559
Plant and equipment	4,176	4,202
Infrastructure	27,670	23,120
Total depreciation	47,645	35,881

Refer to 6.2 for a more detailed breakdown of depreciation charges.

4.4 Amortisation – intangible assets

Software	20	44
Total amortisation – intangible assets	20	44

4.5 Depreciation – right-of-use assets

Property	428	430
Vehicles	20	46
IT and office equipment	213	239
Total depreciation – right-of-use assets	661	715

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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4.6 Allowance for impairment losses

Parking fine debtors	1,925	2,268
Other debtors	771	995
Dandenong Market Pty Ltd	44	3
South East Leisure Pty Ltd	3	1
Total allowance for impairment losses	2,743	3,267

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	3,208	2,260
New allowances recognised during the year	2,743	3,267
Amounts already allowed for and written off as uncollectible	(1,907)	(2,319)
Balance at end of year	4,044	3,208

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.

4.7 Borrowing costs

Interest – borrowings	2,637	2,537
Interest – other interest-bearing liabilities	32	38
Total borrowing costs	2,669	2,575

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

4.8 Finance costs – leases

Interest – lease liabilities	28	41
Total finance costs – leases	28	41

4.9 Other expenses

Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	110	123
Auditors' remuneration – Internal Audit	130	171
Auditors' remuneration – Other	3	–
Councillors' allowances	538	514
Council elections	859	129
Operating lease / rentals	725	768
Assets written-off	6,163	6,754
Landfill provision	356	90
Impairment loss	–	56
South East Leisure Pty Ltd	198	192
Dandenong Market Pty Ltd	512	287
Other expenses	831	878
Community grants and contributions	2,532	2,655
Total other expenses	12,957	12,617

Note 5 Investing in and financing our operations

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	16	14
Cash at bank	29,243	25,156
Term deposits	7,499	–
Total cash and cash equivalents	36,758	25,170

(b) Other financial assets

Current

Term deposits	179,708	172,820
Total current other financial assets	179,708	172,820
Total other financial assets	179,708	172,820
Total cash and cash equivalents and other financial assets	216,466	197,990

Cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

– Trust funds and deposits (note 5.3(b))	6,718	7,723
Total restricted funds	6,718	7,723
Total unrestricted cash and cash equivalents	209,748	190,267

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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Council further restricts its cash and cash equivalents by the following intended allocations:

Intended allocations*

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

Employee provisions (note 5.5 (a))	22,474	21,591
Development Contribution Plans (DCP) unearned income (note 5.3 (c))	41,415	44,104
Other contract liabilities (note 5.3 (c))	12,688	12,573
Statutory and other reserves (note 9.1(b))	105,004	94,561
Cash held to fund carried forward operational projects (net)**	14,686	6,770
Cash held to fund carried forward capital works (net)**	22,056	18,455
Total funds subject to intended allocations	218,323	198,054
Council's unrestricted cash and cash equivalents	(8,575)	(7,787)

*Users of the financial report should refer to note 9.1(b) for details of funds held in reserve and note 5.7 for details of existing Council commitments.

**Cash amounts held to fund carried forward projects are exclusive of associated reserve funding.

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets including 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 debtors	17,346	15,960
Infringement debtors	11,906	10,884
Allowance for expected credit loss – infringements	(1,906)	(1,522)
Other statutory debtors	245	291
Allowance for expected credit loss – other debtors	(116)	(88)
Net GST receivable	2,635	1,854

Non statutory receivables

Other debtors	4,496	5,021
Allowance for expected credit loss – other debtors	(2,022)	(1,598)
Total current trade and other receivables	32,584	30,802

Non-current

Non statutory receivables

Narre Warren landfill – financial contribution	180	192
South East Metropolitan Advanced Waste Processing Pty Ltd	3	–
Other debtors – refundable deposit	–	74
Total non-current trade and other receivables	183	266
Total trade and other receivables	32,767	31,068

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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(c) Trade and other receivables (continued)

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

i) Ageing of receivables

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

Current (not yet due)	604	986
Past due by up to 30 days	525	297
Past due between 31 and 180 days	404	982
Past due between 181 and 365 days	224	122
Past due by more than 1 year	900	1,302
Total trade and other receivables	2,657	3,689

ii) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$2.02 million (2024: \$1.59 million) were impaired. The amount of the allowance raised against these debtors was \$2.02 million (2024: \$1.59 million). 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.

Ageing of all impaired trade and other receivables (excluding statutory receivables)

Current (not yet due)	30	56
Past due by up to 30 days	2	16
Past due between 31 and 180 days	5	31
Past due between 181 and 365 days	50	83
Past due by more than 1 year	1,935	1,412
Total trade and other receivables	2,022	1,598

5.2 Non-financial assets

a) Inventories

Inventories held for distribution	67	69
Total inventories	67	69

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

b) Prepayments

Prepayments	2,373	1,222
Total prepayments	2,373	1,222

c) Other assets

Accrued income	3,189	4,729
Other	342	667
Total other assets	3,531	5,396

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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5.2 Non-financial assets (continued)

(c) Intangible assets

Software	19	40
Total intangible assets	19	40

Software

Gross carrying amount

Balance at 1 July 2024	3,050	3,050
Balance at 30 June 2025	3,050	3,050

Accumulated amortisation and impairment

Balance at 1 July 2024	(3,010)	(2,966)
Amortisation expenses	(21)	(44)
Balance at 30 June 2025	(3,031)	(3,010)

Net book value at 30 June 2024	40	84
Net book value at 30 June 2025	19	40

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life (3 years for Computer Software). 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.

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

(a) Trade and other payables

Current

Non-statutory payables

Trade payables	17,470	17,454
Accrued expenses	9,939	10,124
Statutory payables		
Net GST payable	136	238

Total current trade and other payables	27,545	27,816
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(b) Trust funds and deposits

Current

Fire services property levy	30	877
Road deposits	290	429
Landscape deposits	996	1,044
Open space contributions	162	212
Other refundable deposits	2,330	2,263
Total current trust funds and deposits	3,808	4,825

Non-current

Other refundable deposits	2,910	2,898
Total non-current trust funds and deposits	2,910	2,898

Total trust funds and deposits	6,718	7,723
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	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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5.3 Payables, trust funds and deposits and contract and other liabilities (*continued*)

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.

Purpose and nature of items

Fire Services Property Levy – Council is the collection agent for fire services levy 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.

Road and landscape deposits – are taken by Council as a form of surety during the maintenance period of a development or held due to outstanding works identified after the maintenance period which have not been addressed by the contracted builder or developer.

Refundable deposits – Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

(c) Contract and other liabilities

Contract liabilities

Current

Grants received in advance – operating grants*	7,171	8,162
Grants received in advance – capital grants*	3,012	2,177
Unearned income / revenue – Development Contribution Plans (DCP)*	41,415	44,104
Other	2,505	2,234
Total contract liabilities	54,103	56,677

*Movement reconciliations for 2025 provided on the following pages.

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of operating grants with sufficiently specific performance obligations. For example, Home and Community Care grant funding to perform a set number of service hours or meals for clients. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

5.3 (c) Contract and other liabilities (*continued*)

Consolidated 2025					
<i>Revenue from contracts (AASB 15)</i>	Opening balance \$'000	Income received during current year \$'000	Income refunded \$'000	Income recognised due to satisfied obligations \$'000	Closing balance of unsatisfied obligations \$'000
Operating grants					
Home and Community Care*	7,310	9,356	(82)	(10,259)	6,325
Family, Youth and Children	835	3,415	—	(3,404)	846
Parks and Open Space	8	—	—	(8)	—
Other	9	34	—	(43)	—
	8,162	12,805	(82)	(13,714)	7,171

Performance obligations under the above operating grants are based on the contract agreement and generally relate to the number of service hours or meals provided.

*The most significant item above relates to grants received by Council's Community Care department from the Commonwealth Government for the Commonwealth Home Support Program (CHSP) and the Victorian Government for the Home and Community Care (HACC) Program for Younger People (PYP). The \$6.33 million relates to unsatisfied performance obligations from 2022-23, 2023-24 and 2024-25. These funds were received under an agreement that was initially to end in 2019 but due to delays in implementing the new Aged Care Reform Agenda Council has been receiving one- or two-year contract extensions in recent years. The current CHSP contract extension now finishes 30 June 2027. The combining of Home Care Packages (HCP) and CHSP into the new In Home Support Program is currently due to commence 1 July 2027.

Other liabilities

Council receives grant consideration from a variety of funding bodies to support the construction of nominated property and infrastructure assets. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the asset. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

The table on the following page outlines the various capital grants Council has recognised as income under AASB 1058 based on the stage of completion of the asset.

5.3 (c) Contract and other liabilities (*continued*)

The closing balance of transfers received to construct a recognisable non-financial asset to be controlled by Council represents a liability (unearned income) arising from the transfer at balance date.

Consolidated 2025					
Transfers to construct a recognisable non-financial asset to be controlled by Council (AASB 1058)	Opening balance \$'000	Income received and/or accrued \$'000	Income refunded \$'000	Income recognised due to satisfied obligations \$'000	Closing balance of unsatisfied obligations \$'000
Capital grants					
Alex Wilkie Reserve	55	110	–	(27)	138
Black Spot Program	–	2,368	–	(1,949)	418
Dandenong Library Parents, Multi Faith and Quiet Study Spaces Project	–	319	–	–	319
Dandenong Wellbeing Centre	–	2,000	–	(924)	1,076
Greaves Reserve Public Recreation Infrastructure Stage 2	–	225	–	–	225
Intangibles (AI Chatbot)	–	100	–	–	100
Keysborough Community Hub	384	1,500	–	(1,884)	–
Local Roads Community Infrastructure Program	15	1,094	–	(1,109)	–
Lyndale Secondary College Pavilion	22	8	–	(30)	–
Noble Park Revitalisation Program	131	–	–	(26)	104
Open Space and Streetscapes (Ian, Hemmings and Frank Streets)	142	–	–	(142)	–
Other	91	48	(14)	(89)	36
Parkfield Reserve Tennis Court	248	78	–	(325)	1
Railway Parade Streetscape	100	–	–	(92)	8
Redevelopment of former Precinct Energy Plant (PEP) building	454	–	–	(160)	294
Roads to Recovery	–	1,941	–	(1,881)	60
Safe System Pedestrian Infrastructure	175	–	–	(89)	86
Sportsground Lighting (George Andrews, WJ Turner, Lois Twohig, Rowley Allan and Greaves reserves)	360	183	–	(396)	147
Springvale Reserve (various)	–	553	–	(553)	–
	2,177	10,527	(14)	(9,676)	3,012

Council's obligations under the above transfers are to construct a Property, Infrastructure, Plant and Equipment asset and this obligation is considered to be satisfied as the capital project expenditure to construct the asset is progressively incurred.

5.3 (c) Unearned income / revenue (*continued*)

Consolidated 2025					
Transfers to construct a recognisable non-financial asset to be controlled by Council (AASB 1058)	Opening balance \$'000	Income deferred during current year \$'000	Income recognised due to satisfied obligations \$'000	Developer reimbursements \$'000	Closing balance of unsatisfied obligations \$'000
<i>Development Contribution Plans (DCP)</i>					
Keysborough Residential DCP	28,846	–	–	–	28,846
Dandenong Industrial DCP (Keysborough & Lyndhurst)	15,258	206	(2,895)	–	12,569
	44,104	206	(2,895)	–	41,415

The satisfaction of DCP obligations depends on development activity and the construction of assets by developers. Income / revenue is recognised on practical completion of the asset.

5.4 Interest-bearing liabilities

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
(a) Interest-bearing loans and borrowings		
<i>Current</i>		
Other borrowings – secured	4,379	3,834
	4,379	3,834
<i>Non-current</i>		
Other borrowings – secured	43,992	43,348
	43,992	43,348
Total interest-bearing liabilities	48,371	47,182

Borrowings are secured over the general rates of Council.

(b) Other Interest-bearing loans and borrowings		
<i>Current</i>	107	99
Other borrowings – secured	107	99
<i>Non-current</i>	193	285
Borrowings – secured	193	285
Total other interest-bearing loans and borrowings	300	384

Other interest-bearing loans and borrowings relates to a finance lease entered into by South East Leisure Pty Ltd to lease and subsequently purchase gym equipment. Council is a guarantor to this finance lease.

(c) Maturity profile

The maturity profile for Council's borrowings is:

Not later than one year	4,486	3,933
Later than one year and not later than five years	18,159	12,592
Later than five years	26,026	31,041
	48,671	47,566

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

5.5 Provisions

	Consolidated		
	Employee \$'000	Landfill restoration \$'000	Total \$'000
2025			
Balance at beginning of the financial year	21,591	1,104	22,695
Additional provisions	9,540	470	10,010
Amounts used	(8,933)	(130)	(9,063)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	276	16	292
Balance at the end of the financial year	22,474	1,460	23,934
<i>Provisions – current</i>	<i>21,771</i>	<i>101</i>	<i>21,872</i>
<i>Provisions – non-current</i>	<i>703</i>	<i>1,359</i>	<i>2,062</i>
	<i>22,474</i>	<i>1,460</i>	<i>23,934</i>
2024			
Balance at beginning of the financial year	21,584	1,014	22,598
Additional provisions	9,142	443	9,585
Amounts used	(9,110)	(234)	(9,344)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(25)	(119)	(144)
Balance at the end of the financial year	21,591	1,104	22,695
<i>Provisions – current</i>	<i>20,906</i>	<i>229</i>	<i>21,135</i>
<i>Provisions – non-current</i>	<i>685</i>	<i>875</i>	<i>1,560</i>
	<i>21,591</i>	<i>1,104</i>	<i>22,695</i>

5.5 Provisions (continued)

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
(a) Employee provisions		
<i>Current provisions expected to be wholly settled within 12 months</i>		
Annual leave	8,459	8,017
Long service leave	1,041	1,005
Other	735	620
	10,235	9,642
<i>Current provisions expected to be wholly settled after 12 months</i>		
Annual leave	454	477
Long service leave	11,082	10,787
	11,536	11,264
Total current employee provisions	21,771	20,906
<i>Non-current</i>		
Long service leave	703	685
Total non-current employee provisions	703	685
<i>Aggregate carrying amount of employee provisions:</i>		
Current	21,771	20,906
Non-current	703	685
Total aggregate carrying amount of employee provisions	22,474	21,591

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.

5.5 Provisions (continued)

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Key assumptions:		
– discount rate	3.67%	4.05%
– index rate	3.50%	3.50%
(b) Landfill restoration	\$'000	\$'000
Current	101	229
Non-current	1,359	875
Total provision for landfill restoration	1,460	1,104

The former Springvalley landfill has been closed to the receipt of refuse since December 1998. The former landfill is located between Clarke Road and Springvale Road and the premises was used as a landfill for disposal of waste from 1993 to 1999 under a licence issued by the Environmental Protection Authority (EPA). The landfill is owned by the Greater Dandenong City Council and is used as recreational open space. Under the terms of a licence agreement with the Environment Protection Authority (EPA) and Pollution Abatement notices, Council is required to monitor, progressively rehabilitate and conduct rectification works.

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

The Greater Dandenong City Council shares the commitment for rehabilitation and aftercare management of the landfill with other stakeholder Council's. Council's interest or share of the costs is 19.88%. In the financial report for 30 June 2025, Council has an amount of \$1.46 million (30 June 2024 \$1.10 million) as a provision for the restoration of the Springvalley Road landfill site which includes aftercare costs to meet EPA obligations.

Key assumptions:		
– discount rate	3.89%	4.26%
– index rate	3.00%	3.00%
– settlement period	15 years	15 years

5.6 Financing arrangements

Bank overdraft	2,500	2,500
Credit card facilities	200	200
Interest-bearing liabilities – secured	48,371	47,182
Other interest-bearing liabilities – secured	300	384
Total facilities	51,371	50,266
Used facilities	48,675	47,611
Unused facilities	2,696	2,655

5.7 Commitments

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

(a) Commitments for expenditure

	Consolidated				
	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2025					
Operating					
Animal pound services	438	—	—	—	438
Building maintenance services	2,180	55	51	—	2,286
Building Demolition	1,852	—	—	—	1,852
Cleaning services	3,019	584	—	—	3,603
Dandenong Market Pty Ltd commitments	2,765	2,849	419	—	6,033
Festivals and events	259	—	—	—	259
Garbage collection (incl. garden waste)	9,291	9,041	4,076	—	22,408
Hard waste and dumped rubbish	2,311	—	—	—	2,311
Meals for delivery	306	—	—	—	306
Open space management	33	204	—	—	237
Other contracts	1,120	456	1,368	—	2,944
Parking management	90	—	—	—	90
Recycling	1,069	—	—	—	1,069
Renewable electricity	489	489	977	—	1,955
South East Leisure Pty Ltd commitments	1,324	223	9	—	1,556
Works (Roads and drains) services	627	14	—	—	641
Total operating	27,173	13,915	6,900	—	47,988
Capital					
Buildings*	68,640	35,209	—	—	103,849
Drainage	626	626	156	—	1,408
Parks, open space and streetscapes	5,671	1,580	4	—	7,255
Roads	102	—	—	—	102
Total capital commitments	75,039	37,415	160	—	112,614
Total commitments 2025	102,212	51,330	7,060	—	160,602

*Capital contract commitments for building projects have increased significantly in 2024-25 following Council's appointment of ADCO Constructions Pty Ltd to deliver the landmark Dandenong Wellbeing Centre project.

5.7 Commitments (continued)

(a) Commitments for expenditure (continued)

	Consolidated				
	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2024					
Operating					
Animal pound services	151	107	–	–	258
Building maintenance services	2,893	212	307	–	3,412
Cleaning services	1,109	1,084	1,945	–	4,138
Dandenong Market Pty Ltd commitments	2,569	2,145	2,160	362	7,236
Garbage collection (incl. garden waste)*	8,055	5,826	12,300	142	26,323
Hard waste and dumped rubbish	562	500	850	–	1,912
Meals for delivery	230	–	–	–	230
Open space management	128	–	–	–	128
Other contracts	1,318	345	1,001	–	2,664
Parking management	55	–	–	–	55
Recycling*	450	450	1,935	–	2,835
Renewable electricity	489	489	1,466	–	2,444
South East Leisure Pty Ltd commitments	1,042	1,082	30	–	2,154
Works (roads and drains) services	441	119	–	–	560
Total operating commitments	19,492	12,359	21,994	504	54,349
Capital					
Buildings	13,245	5	4	–	13,254
Drainage	953	–	–	–	953
Parks, open space and streetscapes	1,267	1,525	5,803	–	8,595
Roads	317	–	–	–	317
Total capital commitments	15,782	1,530	5,807	–	23,119
Total commitments 2024	35,274	13,889	27,801	504	77,468

Note* – Comparative figures from the prior year have been updated ensuring consistent treatment across both financial years

(b) Operating lease receivables

The Council has entered into commercial property leases on selected properties. These properties are held under operating leases and have remaining non-cancellable lease terms of between 1 and 50 years. All leases include a CPI based revision of the rental charge annually.

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

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Not later than one year	1,181	1,034
Later than one year and not later than five years	2,089	1,827
Later than five years	102	200
	3,372	3,061

5.8 Leases

At inception of a contract, Council assesses 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;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 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 assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

5.8 Leases (continued)

	Consolidated			
	Property \$'000	Vehicles \$'000	IT and Office Equip. \$'000	Total \$'000
Right-of-use assets				
Balance at 1 July 2024	803	23	343	1,169
Additions/lease modifications	110	-	62	172
Depreciation charge	(428)	(20)	(213)	(661)
Balance at 30 June 2025	485	3	192	680

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Lease liabilities		
Maturity analysis – contractual undiscounted cash flows:		
Less than one year	508	622
One to five years	247	658
Total undiscounted lease liabilities as at 30 June	755	1,280
Lease liabilities included in the Balance Sheet at 30 June:		
Current	494	594
Non-current	244	642
Total lease liabilities	738	1,236

Short-term and low value leases

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

Expenses relating to:

Leases of low value assets	725	768
Total	725	768

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

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

Within one year	697	389
Later than one year but not later than five years	755	373
Total lease commitments	1,452	762

Note 6 Assets we manage

Note content:

6.1 Non-current assets classified as held for sale

6.2 Property, infrastructure, plant and equipment

- (a) Summary of Property, Infrastructure, Plant and Equipment
- (b) Summary of Work in Progress (WIP)
- (c) Property
- (d) Plant and Equipment
- (e) Infrastructure
- (f) Recognition
- (g) Depreciation
- (h) Valuation
- (i) Reconciliation of Specialised Land

8.4 *Fair value measurement

**This note includes additional details about the fair value hierarchy and impairment of assets.*

6.1 Non-current assets classified as held for sale

Non-current assets classified as held for sale 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 and related liabilities 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 is expected to be completed within 12 months from the date of classification.

There are no non-current assets classified as held for sale at 30 June 2025.

6.2 Property, infrastructure, plant and equipment

(a) SUMMARY OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (net carrying amount)

	Carrying amount 30 June 2024	Acquisitions	Contributions	Revaluation	Depreciation	Impairment (loss) / reversal	Disposals	Write Offs	Transfers	Carrying amount 30 June 2025
<i>(Related FS note)</i>		<i>Stmnt Cap Works</i>	<i>(Note 3.5)</i>	<i>(Note 9.1(a))</i>	<i>(Note 4.3)</i>	<i>(Note 4.9 and 9.1(a))</i>	<i>(Note 3.6)</i>	<i>(Note 4.2 & 4.9)</i>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,404,199	1,008	3,796	–	–	–	(52)	–	10	1,408,961
Buildings	330,919	1,340	–	–	(15,799)	–	–	(1,268)	4,315	319,507
Plant and equipment	12,207	3,551	–	–	(4,176)	–	(31)	(54)	1,064	12,561
Infrastructure	851,388	5,438	2,204	372,755	(27,670)	–	(27)	(4,840)	12,905	1,212,153
Work in progress (WIP)	46,086	49,354	–	–	–	–	–	(2,987)	(18,294)	74,159
Total carrying amount	2,644,799	60,691	6,000	372,755	(47,645)	–	(110)	(9,149)	–	3,027,341

(b) SUMMARY OF WORK IN PROGRESS

	*Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Property	25,076	26,366	(4,325)	(906)	46,211
Plant and equipment	799	802	(1,064)	(61)	476
Infrastructure	20,211	22,186	(12,905)	(2,020)	27,472
Total	46,086	49,354	(18,294)	(2,987)	74,159

*The opening WIP balance at 1 July 2024 has been reclassified across property, infrastructure, and plant and equipment to reflect the correct categorisation. While the overall WIP opening balance remains unchanged, the allocation between asset classes has been updated from the 2023-24 Financial Statements.

6.2 Property, infrastructure, plant and equipment (continued)

(c) PROPERTY

Consolidated

	*Land – specialised \$'000	*Land under roads – specialised \$'000	Land – non-specialised \$'000	Total land \$'000	Buildings – specialised \$'000	Leasehold improvements \$'000	Total buildings \$'000	Work in progress \$'000	TOTAL PROPERTY \$'000
At cost 1 July 2024	–	–	–	–	–	3,740	3,740	25,076	28,816
At fair value 1 July 2024	1,119,498	92,381	192,320	1,404,199	569,412	–	569,412	–	1,973,611
Accumulated depreciation at 1 July 2024	–	–	–	–	(240,204)	(2,029)	(242,233)	–	(242,233)
	1,119,498	92,381	192,320	1,404,199	329,208	1,711	330,919	25,076	1,760,194

Movements in fair value/cost

Additions	–	–	1,008	1,008	1,128	212	1,340	26,366	28,714
Contributed assets	2,740	1,056	–	3,796	–	–	–	–	3,796
Fair value/cost of assets disposed	–	(52)	–	(52)	–	–	–	–	(52)
Fair value/cost of assets written off	–	–	–	–	(2,315)	–	(2,315)	(906)	(3,221)
Transfers in (out)	–	–	10	10	4,240	75	4,315	(4,325)	–
	2,740	1,004	1,018	4,762	3,053	287	3,340	21,135	29,237

Movements in accumulated depreciation

Depreciation	–	–	–	–	(15,665)	(134)	(15,799)	–	(15,799)
Accumulated depreciation of write offs	–	–	–	–	1,047	–	1,047	–	1,047
	–	–	–	–	(14,618)	(134)	(14,752)	–	(14,752)

At cost 30 June 2025	–	–	–	–	–	4,027	4,027	46,211	50,238
At fair value 30 June 2025	1,122,238	93,385	193,338	1,408,961	572,465	–	572,465	–	1,981,426
Accumulated depreciation at 30 June 2025	–	–	–	–	(254,822)	(2,163)	(256,985)	–	(256,985)
Carrying amount	1,122,238	93,385	193,338	1,408,961	317,643	1,864	319,507	46,211	1,774,679

*Refer to note 6.2(i) for a reconciliation of specialised land at fair value.

6.2 Property, infrastructure, plant and equipment (continued)

(d) PLANT AND EQUIPMENT

Consolidated

	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecomm's \$'000	Library books \$'000	Work in progress \$'000	TOTAL PLANT AND EQUIPMENT \$'000
At fair value 1 July 2024	17,724	9,302	8,730	11,754	799	48,309
Accumulated depreciation at 1 July 2024	(10,851)	(8,098)	(6,922)	(9,432)	–	(35,303)
	6,873	1,204	1,808	2,322	799	13,006
Movements in cost						
Additions	2,286	90	294	881	802	4,353
Cost of assets disposed	(1,488)	–	–	–	–	(1,488)
Cost of assets written off	(202)	(66)	–	–	(61)	(329)
Transfers in (out)	54	66	937	7	(1,064)	–
	650	90	1,231	888	(323)	2,536
Movements in accumulated depreciation						
Depreciation	(2,128)	(384)	(927)	(737)	–	(4,176)
Accumulated depreciation of disposals	1,457	–	–	–	–	1,457
Accumulated depreciation of write offs	164	50	–	–	–	214
	(507)	(334)	(927)	(737)	–	(2,505)
At fair value 30 June 2025	18,374	9,392	9,961	12,642	476	50,845
Accumulated depreciation at 30 June 2025	(11,358)	(8,432)	(7,849)	(10,169)	–	(37,808)
Carrying amount	7,016	960	2,112	2,473	476	13,037

6.2 Property, infrastructure, plant and equipment (continued)

(e) INFRASTRUCTURE

Consolidated

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community facilities \$'000	Parks, open space and streetscapes \$'000	Off street car parks \$'000	Work in progress \$'000	TOTAL INFRA- STRUCTURE \$'000	GRAND TOTAL PROPERTY, PLANT & EQUIP, INFRAST. \$'000
At cost 1 July 2024	–	–	–	–	–	–	–	20,211	20,211	97,336
At fair value 1 July 2024	567,315	84,251	108,318	561,158	66,453	56,804	19,154	–	1,463,453	3,437,064
Accumulated depreciation at 1 July 2024	(280,672)	(28,802)	(43,474)	(210,812)	(23,744)	(17,716)	(6,845)	–	(612,065)	(889,601)
	286,643	55,449	64,844	350,346	42,709	39,088	12,309	20,211	871,599	2,644,799

Movements in fair

value/cost										
Additions	2,727	–	383	603	452	1,263	10	22,186	27,624	60,691
Contributed assets	1,703	–	177	593	–	–	–	–	2,473	6,269
Revaluation increments	340,919	–	84,894	257,099	–	–	7,718	–	690,630	690,630
Fair value/cost of assets disposed	(57)	–	(14)	–	–	–	–	–	(71)	(1,611)
Fair value/cost of assets written off	(4,771)	(1,423)	(882)	(468)	(523)	(755)	(958)	(2,020)	(11,800)	(15,350)
Transfers in (out)	2,975	–	502	2,295	3,966	2,931	236	(12,905)	–	–
	343,496	(1,423)	85,060	260,122	3,895	3,439	7,006	7,261	708,856	740,629

Movements in accumulated

depreciation										
Depreciation	(9,622)	(1,065)	(2,507)	(5,819)	(4,310)	(3,984)	(363)	–	(27,670)	(47,645)
Accumulated depreciation of contributed assets	(213)	–	(18)	(38)	–	–	–	–	(269)	(269)
Accumulated depreciation of disposals	40	–	4	–	–	–	–	–	44	1,501
Accumulated depreciation of write offs	3,111	408	387	203	319	203	309	–	4,940	6,201
Revaluation (increments) decrements	(177,364)	–	(37,194)	(100,333)	–	–	(2,984)	–	(317,875)	(317,875)
Transfers in (out)	(26)	–	41	9	(11)	–	(13)	–	–	–
	(184,074)	(657)	(39,287)	(105,978)	(4,002)	(3,781)	(3,051)	–	(340,830)	(358,087)

At cost 30 June 2025	–	–	–	–	–	–	–	27,472	27,472	128,555
At fair value 30 June 2025	910,811	82,828	193,378	821,280	70,348	60,243	26,160	–	2,165,048	4,146,474
Accumulated depreciation at 30 June 2025	(464,746)	(29,459)	(82,761)	(316,790)	(27,746)	(21,497)	(9,896)	–	(952,895)	(1,247,688)
Carrying amount	446,065	53,369	110,617	504,490	42,602	38,746	16,264	27,472	1,239,625	3,027,341

6.2 Property, infrastructure, plant and equipment (continued)

(f) Recognition

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration 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 also to Note 8.4 for further disclosure regarding fair value measurement.

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

In accordance with Council's policy, the threshold limits detailed in note 6.2(g) have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Land under roads

Council recognises all land under roads acquired after 30 June 2008 at fair value. Council does not recognise land under roads that it controlled prior to that period in its financial report.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 5 to 30 year period.

(g) Depreciation

All asset classes except land, land under roads and art works, having limited useful lives 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 are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

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

Straight line depreciation is charged based on the residual useful life as determined each year.

Asset recognition thresholds and depreciation periods

Depreciation periods used are listed below and are consistent with the prior year unless marked with an *.

Council has also set a threshold limit for all classes of assets, which means that all assets with a value equal or greater than this threshold are recognised in these financial statements.

6.2 Property, infrastructure, plant and equipment (*continued*)

(g) Depreciation (*continued*)

	Depreciation period (years)	Threshold limit \$'000
<i>Property</i>		
Land		
Land	N/A	—
Land under roads	N/A	—
Buildings		
Building components:		
Superstructure	100	10
Ancillary services	20	5
Fitout and fittings	20	5
Leasehold improvements	Lease term	5
<i>Plant and equipment</i>		
Plant and equipment		
Heavy plant and equipment	7	3
Buses, quads and trailers	10	3
Light plant and equipment, passenger and light commercial vehicles	5	3
Fixtures, fittings and furniture		
Fixtures, fittings, furniture and equipment	6	3
Musical instruments	20	3
Art works	N/A	3
Computers and telecommunications		
Hand held devices / mobile phones	5	3
Hardware and equipment	5	3
Library resources	5	—
<i>Infrastructure</i>		
Roads		
Seal	12-20	20
Substructure	100	20
Kerb and channel	15-80	5
Local Area Traffic Management (LATM) devices	5-30	2
On-street car parks	20-100	5
Bridges	20-100	5
Footpaths and cycleways	10-50	5
Drainage		
Pipes	100	5
Pits	100	2
Gross pollutant traps	50	5
<i>Recreational, leisure and community facilities</i>		
Recreational equipment and facilities, minor outdoor electronic screens, signs and scoreboards. Sportsgrounds, grass (turf), courts, hardstand, other ground surfaces. Minor structures (sporting, shade structures and retaining walls), irrigation, sportsfield drainage, controllers, sensors, water tanks/pumps.	10-20	3
Major outdoor LED screens	5	3
Playgrounds	15	3
Outdoor pools	50	3

6.2 Property, infrastructure, plant and equipment (*continued*)

(g) Depreciation (*continued*)

	Depreciation period (years)	Threshold limit \$'000
<i>Infrastructure(continued)</i>		
Parks, open space and streetscapes		
Open space furniture, fencing, bollards and gates.	10-50	3
Flood prevention – retarding/detention basins	20	3
Surface drainage – unformed open drains, water quality devices – wetlands, rain gardens and bioretention swales.	10	3
Surface drainage – formed open drains. Public art.	50	3
Signs, parking meters, ticket machines and equipment.	10-20	3
Lighting, landscaping, passive grass/surface and gardens.	10-20	3
Off street car parks	20-100	5

(h) Valuation

Valuation of land and buildings

The last formal valuation of land and buildings at 1 January 2024 was undertaken by qualified independent valuers, Patel Dore Valuers Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation 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.

The next valuation of land and buildings is scheduled for 1 January 2026.

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 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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1 \$'000s	Non-specialised Level 2 \$'000s	Specialised Level 3 \$'000s	Date of last valuation	Type of valuation
Land	–	193,338	1,122,238	1-Jan-24	Full
Land under roads	–	–	93,385	1-Jan-24	Full
Buildings*	–	–	317,643	1-Jan-24	Full
Total written down value	–	193,338	1,533,266		

**Buildings at fair value excludes leasehold improvements which are valued at cost.*

Additional details about the fair value hierarchy (Levels 1-3) can be found in Note 8.4.

6.2 Property, infrastructure, plant and equipment (*continued*)

(h) Valuation (*continued*)

Valuation of Infrastructure

Valuation of infrastructure assets at fair value has been determined in accordance with a Council valuation or using an appropriate index.

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

The date and type of the current valuation is detailed in the following table. The indexed revaluations that were conducted in the prior year used CPI index as the basis of the valuation.

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1 \$'000s	Non-specialised Level 2 \$'000s	Specialised Level 3 \$'000s	Date of last valuation	Type of valuation
Roads	–	–	446,065	31-May-25	Full
Bridges	–	–	53,369	30-Jun-24	Index
Footpaths and cycleways	–	–	110,617	31-May-25	Full
Drainage	–	–	504,490	31-May-25	Full
Recreational, leisure and community facilities	–	–	42,602	31-May-24	Index
Parks, open space and streetscapes	–	–	38,746	31-May-24	Index
Off street car parks	–	–	16,264	31-May-25	Full
Total written down value	–	–	1,212,153		

During 2024-25, Council adopted ARC360, an online asset valuation platform developed by Insight Valuations, to enhance the accuracy and transparency of infrastructure asset replacement rates. The transition from spreadsheet-based models to ARC360 enabled more granular assessments incorporating asset-specific features, location, and updated construction inputs, which along with input cost increases, resulted in significant revaluation increases across Roads, Footpaths and Cycleways, Off-street Car Parks and Drainage. These increases also reflect the application of AASB 13 amendments, including site preparation and disruption costs, which contributed \$40.4 million to the overall revaluation increment. Valuations were undertaken by Ashay Prabhu, MIE(Aust), CPEng, NPER (Membership 1102199), a qualified valuer with over 25 years' experience in infrastructure asset valuation.

As part of this process, Council also incorporated recent amendments to AASB 13, which require the inclusion of overheads related to site preparation and disruption. These overheads are estimated to account for approximately 10-11% of the total infrastructure asset revaluation increase of \$372.8 million in 2024-25. The remaining infrastructure asset classes are scheduled for a similar review in the 2025-26 financial year.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads are valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restrictions of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 98%. Where there is an assessed advantage (such as location, frontage, access and zoning), land values have been increased by 3% to 55%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently, land values range between \$2 and \$7,250 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and range from \$340 to \$66,000 per square metre. The remaining useful lives of specialised buildings are determined on the basis of the current condition of buildings and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 100 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.

Note – 'Work in progress' is valued at cost.

(i) Reconciliation of specialised land at fair value*

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Parks and reserves	648,055	648,055
Floodway	7,615	7,615
Public use	23,160	23,160
Industrial	121,769	112,746
Other	415,024	420,303
Total specialised land	1,215,623	1,211,879

6.3 Investments in associates, joint arrangements and subsidiaries

a) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2025, and their income and expenses for that part of the reporting period in which control existed. Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

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

Entities consolidated into Council are Dandenong Market Pty Ltd and South East Leisure Pty Ltd.

Reconciliation of Council, it's subsidiaries and consolidated accounts

Dandenong Market Pty Ltd

Dandenong Market Pty Ltd (DMPL) is a wholly owned subsidiary company of the Greater Dandenong City Council, established in 2012. DMPL is managed in accordance with the terms set out in a Management Service Agreement which was updated and approved by Council on the 25 August 2021. This Agreement took effect from 1 July 2021 and continues until 30 June 2026. The Management Service Agreement

runs concurrently with the Lease Agreement (50 years) and provides for annual agreement extensions at Council's discretion.

In recent years, the broader economic environment has presented ongoing challenges, with rising interest rates and cost-of-living pressures contributing to a decline in business confidence. These conditions have placed sustained pressure on DMPL's revenue streams, while operational costs have continued to rise.

Despite these headwinds, DMPL delivered a stronger than forecast financial return in 2024-25, reflecting prudent management and resilience in a difficult market. Looking ahead, a return is also budgeted for 2025-26, and DMPL remains focused on adapting to economic conditions while continuing to deliver value to Council and the community.

South East Leisure Pty Ltd

South East Leisure Pty Ltd (SEL) is another wholly owned subsidiary company of the Greater Dandenong City Council, established in 2021 and commenced operations from 1 July 2022. SEL manages and operates four leisure centres on the terms set out in a Management Services Agreement dated September 2021 from 1 July 2022 through to 30 June 2032:

- Dandenong Oasis
- Noble Park Aquatic Centre (NPAC)
- Springers Leisure Centre
- Dandenong Stadium.

Council also granted a lease to SEL in respect of each of the four major leisure facilities which runs concurrently with the Management Services Agreement for the next 10 years.

a) Principles of consolidation (*continued*)

The following Comprehensive Income Statement, Balance Sheet and Statement of Cash Flows has been provided to show the individual financial positions of the Council, The Dandenong Market Pty Ltd, South East Leisure Pty Ltd and consolidated accounts for the 2024-25 financial year. These financial statements should be read in conjunction with the accompanying notes in the financial report.

Comprehensive Income Statement

For the year ended 30 June 2025

Consolidated

	Council 2025 \$'000	DMPL 2025 \$'000	SEL 2025 \$'000	Consolidation Adjustment 2025 \$'000	Consolidated Accounts 2025 \$'000
Income / revenue					
Rates and charges	178,238	–	–	(108)	178,130
Statutory fees and fines	11,693	–	–	–	11,693
User fees	9,448	–	5,528	(3)	14,973
Grants – operating	48,759	–	26	–	48,785
Grants – capital	9,676	–	–	–	9,676
Contributions – monetary	7,149	–	–	–	7,149
Contributions – non-monetary	6,000	–	–	–	6,000
Net gain on disposal of property, infrastructure, plant and equipment	1,395	–	–	–	1,395
Fair value adjustments for investment property	175	–	–	–	175
Other income	15,916	7,447	8,359	(4,159)	27,563
Total income / revenue	288,449	7,447	13,913	(4,270)	305,539
Expenses					
Employee costs	96,659	1,770	7,946	–	106,375
Materials and services	95,234	4,609	5,468	(3,783)	101,528
Depreciation	47,455	20	170	–	47,645
Amortisation – intangible assets	–	–	20	–	20
Depreciation – right-of-use assets	661	–	–	–	661
Allowance for impairment losses	2,695	47	1	–	2,743
Borrowing costs	2,637	–	32	–	2,669
Finance costs – leases	28	–	–	–	28
Other expenses	12,292	931	221	(487)	12,957
Total expenses	257,661	7,377	13,858	(4,270)	274,626
Surplus for the year	30,788	70	55	–	30,913
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation gain	372,755	–	–	–	372,755
Total comprehensive result	403,543	70	55	–	403,668

a) Principles of consolidation (*continued*)

Balance Sheet

As at 30 June 2025

Consolidated

	Council 2025 \$'000	DMPL 2025 \$'000	SEL 2025 \$'000	Consolidation Adjustment 2025 \$'000	Consolidated Accounts 2025 \$'000
Assets					
Current assets					
Cash and cash equivalents	32,822	2,556	1,380	–	36,758
Trade and other receivables	32,253	161	260	(90)	32,584
Other financial assets	179,708	–	–	–	179,708
Inventories	–	–	67	–	67
Prepayments	2,287	25	61	–	2,373
Other assets	3,608	8	–	(85)	3,531
Total current assets	250,678	2,750	1,768	(175)	255,021
Non-current assets					
Trade and other receivables	183	–	–	–	183
Property, infrastructure, plant and equipment	3,026,836	42	463	–	3,027,341
Investment property	6,865	–	–	–	6,865
Right-of-use assets	680	–	–	–	680
Intangible assets	–	–	19	–	19
Total non-current assets	3,034,564	42	482	–	3,035,088
Total assets	3,285,242	2,792	2,250	(175)	3,290,109
Liabilities					
Current liabilities					
Trade and other payables	25,669	1,005	1,046	(175)	27,545
Trust funds and deposits	3,201	607	–	–	3,808
Contract and other liabilities	54,054	5	44	–	54,103
Provisions	21,504	89	279	–	21,872
Other interest-bearing liabilities	–	–	107	–	107
Interest-bearing liabilities	4,379	–	–	–	4,379
Lease liabilities	494	–	–	–	494
Total current liabilities	109,301	1,706	1,476	(175)	112,308
Non-current liabilities					
Trust funds and deposits	2,910	–	–	–	2,910
Provisions	1,957	9	96	–	2,062
Other interest-bearing liabilities	–	–	193	–	193
Interest-bearing liabilities	43,992	–	–	–	43,992
Lease liabilities	244	–	–	–	244
Total non-current liabilities	49,103	9	289	–	49,401
Total liabilities	158,404	1,715	1,765	(175)	161,709
Net assets	3,126,838	1,077	485	–	3,128,400
Equity					
Accumulated surplus	993,868	1,077	485	–	995,430
Reserves	2,132,970	–	–	–	2,132,970
Total equity	3,126,838	1,077	485	–	3,128,400

Statement of Cash Flows

For the year ended 30 June 2025

Consolidated

	Council 2025 \$'000	DMPL 2025 \$'000	SEL 2025 \$'000	Consolidation Adjustment 2025 \$'000	Consolidated Accounts 2025 \$'000
Cash flows from operating activities					
Rates and charges	177,052	—	—	(108)	176,944
Statutory fees and fines	8,494	—	—	—	8,494
User fees	10,143	—	5,528	(3)	15,668
Grants – operating	48,334	—	73	(47)	48,360
Grants – capital	12,244	—	—	—	12,244
Contributions – monetary	4,460	—	—	—	4,460
Interest received	9,675	49	62	(1)	9,785
Trust funds and deposits taken	37,862	—	—	—	37,862
Other receipts	6,538	8,244	9,788	(3,527)	21,043
Net GST refund / (payment)	13,478	(216)	(1,903)	1,186	12,545
Employee costs	(95,826)	(1,773)	(6,490)	(1,099)	(105,188)
Materials and services	(111,492)	(6,156)	(6,662)	4,260	(120,050)
Short-term, low value and variable lease payments	(694)	(2)	—	—	(696)
Trust funds and deposits repaid	(38,853)	—	—	—	(38,853)
Other payments	(5,361)	—	—	(644)	(6,005)
Net cash provided by operating activities	76,054	146	396	17	76,613
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(57,513)	(32)	(33)	(17)	(57,595)
Proceeds from sale of property, infrastructure, plant and equipment	1,505	—	—	—	1,505
Payments for investments	(371,810)	—	—	—	(371,810)
Proceeds from sale of investments	365,143	—	—	—	365,143
Net cash used in investing activities	(62,675)	(32)	(33)	(17)	(62,757)
Cash flows from financing activities					
Finance costs	(2,623)	—	(32)	—	(2,655)
Proceeds from borrowings	5,120	—	—	—	5,120
Repayment of borrowings	(3,931)	—	—	—	(3,931)
Repayment of other interest-bearing liabilities	—	—	(102)	—	(102)
Interest paid – lease liability	(30)	—	—	—	(30)
Repayment of lease liabilities	(670)	—	—	—	(670)
Net cash used in financing activities	(2,134)	—	(134)	—	(2,268)
Net increase in cash and cash equivalents	11,245	114	229	—	11,588
Cash and cash equivalents at the beginning of the financial year	21,577	2,442	1,151	—	25,170
Cash and cash equivalents at the end of the financial year	32,822	2,556	1,380	—	36,758

6.3 Investments in associates, joint arrangements and subsidiaries

(b) Committees

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

6.4 Investment property

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Balance at beginning of financial year	6,690	6,575
Fair value adjustments	175	115
Balance at end of financial year	6,865	6,690

Valuation of investment property

Investment property, comprising retail complexes, are held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise. Investment property are not subject to depreciation. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term.

Valuation of investment property has been determined in accordance with an independent valuation by Patel Dore Valuers who have recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

City of Greater Dandenong

Subsidiaries

Dandenong Market Pty Ltd – detailed in note 6.3

South East Leisure Pty Ltd – 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 City of Greater Dandenong. The Councillors, Chief Executive Officer, Executive Directors and Executive Managers are deemed KMP.

Details of KMP at any time during the year are:

Councillors	Consolidated 2025 No.	Consolidated 2024 No.
From 1 July 2024 to current		
Councillor Jim Memeti	Mayor, 18 November 2024 – current	
Councillor Sophie Tan	Deputy Mayor, 18 November 2024 – current	
Councillor Lana Formoso	Mayor, 10 October 2023 – 26 October 2024	
Councillor Sean O'Reilly		
Councillor Loi Truong		
Councillor Bob Milkovic		
Councillor Rhonda Garad		
Councillor Phillip Danh		
From 11 November 2024 to current		
Councillor Isabella Do		
Councillor Melinda Yim		
Councillor Alice Phuong Le		
From 1 July 2024 to 26 October 2024		
Councillor Tim Dark		
Councillor Angela Long		
Councillor Richard Lim	Deputy Mayor, 10 November 2023 – 26 October 2024	
Total number of Councillors	14	12

(b) Key Management Personnel (continued)

	Consolidated 2025 No.	Consolidated 2024 No.
Other key management personnel		
Peta Gillies – Executive Director Community Strengthening		
Sanjay Manivasagasivam – Executive Director City Futures		
Marjan Hajjari – Executive Manager Strategic Growth and Advocacy		
Yuri Guzman – Chief Information Officer		
Michelle Hansen – Chief Financial Officer (Executive member from 10 March 2025)		
Andrew Foley – Executive Director Corporate Development (1 July 2024 – 7 March 2025)		
Total number of other key management personnel	6	9
Chief Executive Officer		
Jacqui Weatherill	1	1
Total key management personnel	21	22
Dandenong Market Board Members		
Board Members	5	6
Executives	5	3
Total number of Dandenong Market Board Members	10	9
South East Leisure Board Members		
Board Members	6	5
General Managers	4	4
Chief Executive Officer	1	1
Total number of South East Leisure Board Members	11	10

(c) Remuneration of Key Management Personnel

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

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

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

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

7.1 Council and key management remuneration (continued)

(c) Remuneration of Key Management Personnel (continued)

	Consolidated 2025 No.	Consolidated 2024 No.
Total remuneration of key management personnel was as follows:		
Short-term benefits	4,404	3,779
Long-term benefits	40	50
Post employment benefit	410	353
Termination benefits	141	620
	4,995	4,802

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

	No.	No.
\$1 – \$9,999	–	1
\$10,000 – \$19,999	5	3
\$20,000 – \$29,999	8	6
\$30,000 – \$39,999	5	7
\$40,000 – \$49,999	4	5
\$50,000 – \$59,999	1	1
\$60,000 – \$69,999	1	–
\$70,000 – \$79,999	–	1
\$80,000 – \$89,999	1	–
\$90,000 – \$99,999	–	1
\$100,000 – \$109,999	2	1
\$110,000 – \$119,999	2	–
\$120,000 – \$129,999	–	1
\$130,000 – \$139,999	–	1
\$160,000 – \$169,999	–	3
\$180,000 – \$189,999	–	2
\$190,000 – \$199,999	–	1
\$200,000 – \$209,999	3	1
\$210,000 – \$219,999	1	–
\$220,000 – \$229,999	1	–
\$230,000 – \$239,999	–	1
\$240,000 – \$249,999	–	1
\$250,000 – \$259,999	1	–
\$260,000 – \$269,999	1	–
\$270,000 – \$279,999	1	–
\$280,000 – \$289,999	1	–
\$320,000 – \$329,999	–	1
\$340,000 – \$349,999	2	–
\$410,000 – \$419,999	–	1
\$420,000 – \$429,999	1	1
\$430,000 – \$439,999	–	–
\$440,000 – \$449,999	1	–
\$600,000 – \$609,999	–	1
Total	42	41

(d) Remuneration of other senior staff

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

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

	Consolidated 2025 No.	Consolidated 2024 No
Income range:		
\$170,000 – \$179,999	2	–
\$180,000 – \$189,999	1	–
\$190,000 – \$199,999	5	3
\$200,000 – \$209,999	3	2
\$210,000 – \$219,999	1	4
\$220,000 – \$229,999	2	1
\$230,000 – \$239,999	1	2
\$240,000 – \$249,999	2	1
\$250,000 – \$259,999	1	1
\$290,000 – \$299,999	1	–
	19	14
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to:	4,051	3,061

7.2 Related party disclosure

(a) Transactions with related parties

(i) During 2024-25 Council entered into the following transactions with related parties Dandenong Market Pty Ltd (DMPL) and South East Leisure Pty Ltd (SEL).

	Consolidated 2025 Excl GST \$'000	Consolidated 2024 Excl GST \$'000
Dandenong Market Pty Ltd		
Received from DMPL		
Rent received	406	264
Other charges	108	103
Total received	514	367
Paid to DMPL		
Contributions for festival/events	80	82
Payment for gift vouchers	7	2
Payment for other items	120	315
Total paid	207	399

Councillor Memeti has a financial interest in a stall at Dandenong Market. The financial arrangements are at arms length based on commercial terms. A number of related parties have minority shareholdings in public companies, which have dealings with the Council from time to time.

(a) Transactions with related parties (continued)

	Consolidated 2025 Excl GST \$'000	Consolidated 2024 Excl GST \$'000
South East Leisure Pty Ltd		
Received from SEL		
Other reimbursements	4	4
Total received	4	4
Paid to SEL		
Management fee	3,505	3,406
Payment for other items	40	135
Total paid	3,545	3,541

(b) Outstanding balances with related parties

The following transaction was outstanding at 30 June

Other reimbursements	2	20
	2	20

(c) Loans to/from related parties

On the 26 September 2022, Council resolved to serve as a guarantor for the finance lease facility in favour of South East Leisure Pty Ltd. The amount outstanding at 30 June 2025 is \$362,918.

(d) Commitments to/from related parties

Dandenong Market Pty Ltd

Under the Management Services Agreement with Dandenong Market Pty Ltd (DMPL) an extension has been exercised up to 30 June 2026.

A commitment for rent of the Market premises is as follows	372	322
	372	322

South East Leisure Pty Ltd

Under the Management Services Agreement Council appoints South East Leisure Pty Ltd to provide management services to Council, Council is required to pay a Management Fee under the terms and conditions of the Management Services Agreement which ends 30 June 2032.

A commitment to pay a Management Fee to South East Leisure Pty Ltd	3,637	3,505
	3,637	3,505

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 by way of a note 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.

The following are potential contingent assets to be considered by Council.

Developer contributions

Greater Dandenong acquires infrastructure assets, such as local roads, footpaths, kerb and channel and drains etc, from developers, as subdivisional contributions. The amount and value of assets acquired depends on the size of the development and the level of growth within the municipality. Developers construct infrastructure assets which are vested with Council when Council issues a Statement of Compliance. These assets are brought to account as revenue (Contributions – Non-Monetary) and capitalised. At reporting date, developers had commenced construction of assets that will eventually be transferred to the Council subject to Council issuing a Statement of Compliance. Council cannot reliably measure the value of the assets involved prior to completion and the timing of recognition.

(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.

The following are potential contingent liabilities to be considered by Council.

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 in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists

Development Contribution Plans (DCP)

Council has three sites that are subject to formal development contribution plans, two are in Keysborough and one in Lyndhurst. All three sites are covered by a DCP.

A DCP provides the framework for the provision and funding of infrastructure to facilitate the set development area and the purpose of a DCP is to provide a “fair distribution of costs for works and services, including roads, traffic management and community facilities to all the proper servicing in the area”.

New development in each of the areas is required to meet its share of the total cost of delivering the required infrastructure works – as measured by its projected share of usage – through development contributions collected under the DCP's. The balance of works not covered by development contributions has been agreed to be funded by Council. The total value of these works is estimated to be around \$10 million.

Landfills

The Greater Dandenong City Council may be liable for the consequences of disposing refuse at a number of legacy landfill sites. A legacy site refers to a landfill that has been decommissioned and is no longer receiving waste. At balance date Council is unable to assess whether there are any financial implications.

Legal actions

Council is presently involved in a number of confidential legal matters, which are being conducted through Council's solicitors. The estimated potential financial effect of these matters may be up to \$2.15 million (\$1.0 million as at 30 June 2024).

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. Since 30 June 2021, Council has paid \$1.39 million in adjustment

payments (2024-25: \$29,327 and 2023-24: \$32,260). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members. The 30 June 2024 marks the three-year anniversary of the schemes cessation. In August 2025, Council received an invoice for an additional adjustment payment of \$447,000 which will be paid in 2025-26.

8.1 (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 right will be exercised. Details of guarantees that Council has provided, that are not recognised in the Balance Sheet are disclosed below.

Entities	Amount outstanding 30 June 2025 \$'000	Amount outstanding 30 June 2024 \$'000	Date commenced
Keysborough Bowls Club Inc.	23	31	18 May 2015
Total Guarantees for loans to other entities	23	31	

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies 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 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures 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. Interest rate risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. We do 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*. We manage interest rate risk by adopting an investment policy that ensures:

- diversification of investment product
- monitoring of return on investment and
- benchmarking of returns and comparison with budget.

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in the Balance Sheet. Particularly significant area of credit risk exists in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with
- we may require collateral where appropriate and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our 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. Rates debtors are secured by a charge over the rateable property. Council has assessed that 16% of parking infringement debts owing to Council are unlikely to be collected and has raised a provision for doubtful debts over those debts based on an assessment of collectability. The collection of long overdue parking infringement debts is managed by Fines Victoria.

Refer note 5.1 for financial assets which are determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when Council provides a guarantee for another party. Details of Council's 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 our operational liquidity requirements we will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at note 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +1% and - 1% in market interest rates (AUD) from year-end rates of 4.57%.

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

8.4 Fair value measurement

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.

Council has considered the amendments to *AASB 13 Fair Value Measurement* that apply for the 2024-25 financial year as a result of *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

The AASB 13 amendments apply prospectively, comparative figures have not been restated.

The AASB 13 amendments have impacted Council's financial statements as follows: The current replacement cost of Council assets, such as infrastructure assets, has increased by \$40.4 million due to the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets.

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

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, works in progress and leasehold improvements are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. For assets valued at cost, the carrying amount is considered to approximate fair value given short useful lives. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	1 to 2 years
Buildings	1 to 2 years
Roads	2 to 5 years
Bridges	2 to 5 years
Footpaths and cycleways	2 to 5 years
Drainage	2 to 5 years
Off street car parks	2 to 5 years

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

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 asset's carrying value. Any excess of the asset's 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.

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 asset's carrying value. Any excess of the asset's 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.

8.5 Events occurring after balance date

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

8.6 Adjustments directly to equity

There were no adjustments to opening equity balances in the 2024-25 financial year.

Note 9 Other matters

9.1 Reserves

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Reversal of previous revaluations for assets disposed \$'000	Impairment loss (credited against previous increments)/ reversal \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves					
2025					
Property					
Land	1,025,776	–	–	–	1,025,776
Buildings	75,851	–	–	–	75,851
	1,101,627	–	–	–	1,101,627
Infrastructure					
Roads	216,246	163,555	–	–	379,801
Bridges	31,829	–	–	–	31,829
Footpaths and cycleways	22,752	47,700	–	–	70,452
Drainage	270,429	156,766	–	–	427,195
Off street car parks	3,329	4,734	–	–	8,063
Parks, open space and streetscapes	4,516	–	–	–	4,516
Recreational, leisure and community facilities	4,483	–	–	–	4,483
	553,584	372,755	–	–	926,339
Total asset revaluation reserves	1,655,211	372,755	–	–	2,027,966
2024					
Property					
Land	963,143	62,633	–	–	1,025,776
Buildings	74,677	1,903	–	(729)	75,851
	1,037,820	64,536	–	(729)	1,101,627
Infrastructure					
Roads	216,246	–	–	–	216,246
Bridges	26,141	5,688	–	–	31,829
Footpaths and cycleways	22,752	–	–	–	22,752
Drainage	223,964	46,465	–	–	270,429
Off street car parks	3,329	–	–	–	3,329
Parks, open space and streetscapes	–	4,516	–	–	4,516
Recreational, leisure and community facilities	–	4,483	–	–	4,483
	492,432	61,152	–	–	553,584
Total asset revaluation reserves	1,530,252	125,688	–	(729)	1,655,211

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 6.2(h).

9.1 Reserves (continued)

	Balance at beginning of reporting period \$'000	Transfer to accumulated surplus \$'000	Transfer from accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2025				
Insurance reserve	469	–	246	715
Re-vegetation reserves	200	(30)	–	170
Open space – planning, development and improvements	3,756	(1,026)	3,997	6,727
Open space – acquisitions	6,000	(1,026)	1,026	6,000
Keysborough South maintenance levy	3,008	(1,122)	1,796	3,682
Major projects reserve	49,308	(8,501)	8,457	49,264
General reserve	4,155	(34)	2,315	6,436
Council funded development contributions reserve	16,314	(31)	1,145	17,428
Spring Valley landfill rehabilitation	4,063	(25)	1,417	5,455
Springvale Activity Precinct – parking and development	235	–	–	235
Dandenong Activity Precinct – parking and development	3,013	(1)	1,000	4,012
Future maintenance reserve	4,040	(248)	–	3,792
Digital technology reserve	–	–	1,088	1,088
Total other reserves	94,561	(12,044)	22,487	105,004
2024				
Insurance reserve	469	–	–	469
Re-vegetation reserves	229	(29)	–	200
Open space – planning, development and improvements	2,309	(841)	2,288	3,756
Open space – acquisitions	6,000	(10)	10	6,000
Keysborough South maintenance levy	2,581	(1,308)	1,735	3,008
Major projects reserve	42,566	(2,172)	8,914	49,308
General reserve	2,662	(245)	1,738	4,155
Council funded development contributions reserve	19,546	(4,421)	1,189	16,314
Spring Valley landfill rehabilitation	3,148	(36)	951	4,063
Springvale Activity Precinct – parking and development	235	–	–	235
Dandenong Activity Precinct – parking and development	3,074	(711)	650	3,013
Future maintenance reserve	4,341	(301)	–	4,040
Grants in Advance	720	(720)	–	–
Total other reserves	87,880	(10,794)	17,475	94,561

(b) Other reserves (continued)

Nature and purpose of other reserves:

Insurance reserve

The insurance reserve has been created to meet large and unexpected policy excesses on multiple insurance claims.

Re-vegetation reserves

The purpose of this reserve fund is to meet native re-vegetation requirements on Council's reserves.

Open space – planning, development and improvements

Funds set aside in this reserve will be utilised exclusively for allocation towards enhancing the City's open space via planning, development and improvements.

Open space – acquisitions

Funds set aside in this reserve will be utilised exclusively for open space land acquisitions.

Keysborough South maintenance levy

This reserve has been established to ensure full accountability of the levies received for the Keysborough and Somerfield Estates reflecting costs of maintaining an additional 15% open space beyond that of traditional estates.

Major projects reserve

The major projects reserve holds proceeds from the sale of Council's property assets or surplus Council funds and will be utilised for investing in other properties or funding future major projects.

General reserve

This reserve relates to financial impacts of future aged care sector reforms and fixed term contracts in community service programs.

Council funded development contributions reserve

The reserve for Council funded development contribution plans holds funds in respect of Council's contribution to the two major developments in Dandenong South (C87) and Keysborough (C36).

Spring Valley landfill rehabilitation reserve

The purpose of this reserve is to rehabilitate the Spring Valley landfill site at Clarke Road, Springvale South.

Springvale Activity Precinct – parking and development reserve

The purpose of the reserve is to fund development in the Springvale Activity Centre.

Dandenong Activity Precinct – parking and development reserve

The purpose of the reserve is to fund development in the Dandenong Activity Centre.

Future maintenance reserve

This reserve holds contribution funds for future works to address level crossing removal authority defects.

Digital Technology reserve

This reserve is dedicated to advancing Council's digital capabilities. This reserve supports initiatives that drive innovation, improve operational efficiency, enhance customer and employee experiences, and ensure long-term technological resilience.

	Note	Consolidated 2025 \$'000	Consolidated 2024 \$'000
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(c) Total reserves summary

Asset revaluation reserve	9.1(a)	2,027,966	1,655,211
Other reserves	9.1(b)	105,004	94,561
Total reserves		2,132,970	1,749,772

9.2 Reconciliation of cash flows from operating activities to surplus

	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Surplus for the year	30,913	12,287
Non-cash adjustments:		
Depreciation	47,645	35,881
Amortisation intangible assets	20	44
Depreciation right of use assets	661	715
Impairment loss	–	56
Investments in other entities	10	–
Gain on disposal of property, infrastructure, plant and equipment	(1,395)	(604)
Fair value adjustments for investment property	(175)	(115)
Contributions of non-monetary assets	(6,000)	(12,098)
Works in progress (unable to be capitalised)	2,987	8,054
Assets written-off	6,163	6,754
Borrowing costs	2,669	2,575
Finance cost – leases	28	41
Other interest bearing liabilities net present value adjustment	18	–
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(2,529)	366
(Increase)/decrease in prepayments	1,313	(137)
Increase/(decrease) in trust funds and deposits taken/repaid	(1,005)	(862)
Increase/(decrease) in trade and other payables	(3,377)	4,947
Increase/(decrease) in contract and other liabilities	(2,574)	(2,203)
Increase in provisions	1,239	97
(Increase)/decrease in inventories	2	(7)
Net cash provided by operating activities	76,613	55,791

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 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024:11.0%)).

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.

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 2024, 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 2024 (of which Council is a contributing employer) was 105.4%. The financial assumptions used to calculate the VBI were:

– Net investment returns	5.60% pa
– Salary information	3.50% pa
– Price inflation (CPI)	2.70% pa

As at 30 June 2025, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2025.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were:

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

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2024 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 2024 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 2025, this rate was 11.5% of members' salaries (11.0% in 2023-24). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

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

(b) Funding calls

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

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

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

9.3 Superannuation (*continued*)

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

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

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

The 2024 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 2024 while a full investigation was conducted as at 30 June 2023.

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

	2024 (Triennial) \$ million	2023 (Interim) \$ million
– A VBI surplus	108.4	84.7
– A total service liability surplus	141.4	123.6
– A discounted accrued benefits surplus	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 2024.

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 2024.

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 2024.

The 2025 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were:

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

It is anticipated that this actuarial investigation will be completed by 31 October 2025.

9.3 Superannuation (*continued*)

The 2023 triennial investigation

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

	2023 Triennial investigation	2020 Triennial investigation
– Net investment return	5.7% pa	5.6% pa
– Salary inflation	3.5% pa	2.5% pa for the first two years and 2.75% pa thereafter
– Price inflation	2.8% pa	2.0% pa

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	Consolidated 2025 \$'000	Consolidated 2024 \$'000
Vision Super	Defined benefits	11.5% (2024: 11.0%)	312	312
Vision Super	Accumulation	11.5% (2024: 11.0%)	3,798	3,771
Other funds	Accumulation	11.5% (2024: 11.0%)	5,438	4,772

In addition to the above contributions, Council has paid \$0 unfunded liability payments to Vision Super in 2024-25 (2023-24: \$0).

There were \$376,000 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2025.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2026 is \$322,000.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2024-25 year.

There are no pending accounting standards that are likely to have a material impact on Council.