

Yarra Ranges Shire Council

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2025

*Yarra Ranges is a vibrant and dynamic municipality based
on strong local communities living in a place of great natural
beauty.*



Annual Financial Report

for the year ended 30 June 2025

Contents	Page
Certification of the Financial Statements	3
Victorian Auditor-General's Office Report	4
Financial Statements:	
Comprehensive Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Statement of Capital Works	10
Notes to the Financial Statements	
Note 1 Overview	11
Note 2 Analysis of our results	13
2.1 Performance against budget	13
2.2 Analysis of Council results by program	17
Note 3 Funding for the delivery of our services	19
3.1 Rates and charges	19
3.2 Statutory fees and fines	19
3.3 User fees	20
3.4 Funding from other levels of government	21
3.5 Contributions	24
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	25
3.7 Other income	25
Note 4 The cost of delivering services	26
4.1 Employee costs	26
4.2 Materials and services	27
4.3 Depreciation	28
4.4 Other expenses	28
Note 5 Investing in and financing our operations	29
5.1 Financial assets	29
5.2 Non-financial assets	32
5.3 Payables, trust funds and deposits and contract and other liabilities	33
5.4 Interest-bearing liabilities	35
5.5 Provisions	36
5.6 Financing arrangements	39
5.7 Commitments	40
5.8 Leases	41

Annual Financial Report

for the year ended 30 June 2025

Contents	Page
Note 6 Assets we manage	43
6.1 Non-current assets classified as "held for sale"	43
6.2 Property, infrastructure, plant and equipment	44
6.3 Investments in associates	52
Note 7 People and relationships	53
7.1 Council and key management remuneration	53
7.2 Related party disclosure	56
Note 8 Managing uncertainties	57
8.1 Contingent assets and liabilities	57
8.2 Change in accounting standards	57
8.3 Financial instruments	58
8.4 Fair value measurement	60
8.5 Events occurring after balance date	62
Note 9 Other matters	63
9.1 Reserves	63
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	65
9.3 Superannuation	66
Note 10 Changes in accounting policies	69
Note 11 Natural disasters	70

Content Overview

These financial statements are General Purpose Financial Statements and cover the consolidated operations for Yarra Ranges Shire Council

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

These financial statements were authorised for issue by the Council on 14 October 2025.
Council has the power to amend and reissue these financial statements.

Annual Financial Report

for the year ended 30 June 2025

Certification of the Financial Statements

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

Vincenzo Lombardi, CA

Director Corporate Services

Dated: 14/10/2025

Lilydale

In our opinion, the accompanying financial statements present fairly the financial transactions of Yarra Ranges Shire Council for the year ended 30 June 2025 and the financial position of the Council as at that date.

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

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

Jim Child

Mayor

Dated: 14/10/2025

Lilydale

Fiona McAllister

Councillor

Dated: 14/10/2025

Lilydale

Tammi Rose

Chief Executive Officer

Dated: 14/10/2025

Lilydale

Annual Financial Report
for the year ended 30 June 2025

Victorian Auditor-General's Office Report

Insert VAGO Report here

Annual Financial Report
for the year ended 30 June 2025

Victorian Auditor-General's Office Report (continued)

Insert VAGO Report here

Comprehensive Income Statement

for the year ended 30 June 2025

	Note	2025 \$ '000	2024 \$ '000
Income / Revenue			
Rates and charges	3.1	184,425	176,534
Statutory fees and fines	3.2	2,825	2,368
User fees	3.3	5,202	6,635
Grants - operating	3.4	44,048	23,001
Grants - capital	3.4	18,103	31,624
Contributions - monetary	3.5	2,171	3,683
Contributions - non monetary	3.5	4,659	2,409
Share of net profits of associates	6.3	255	311
Other income	3.7	4,073	6,526
Total income / revenue		265,761	253,091
Expenses			
Employee costs	4.1	82,591	79,399
Materials and services	4.2	115,263	108,056
Depreciation	4.3	36,443	35,192
Amortisation - intangible assets	5.2	1,357	887
Depreciation - right of use assets		2,382	2,447
Allowance for impairment losses		(17)	172
Borrowing costs		831	101
Finance Costs - leases		856	742
Net loss on disposal of property, infrastructure, plant and equipment	3.6	1,080	7,701
Other expenses	4.4	8,772	10,441
Total expenses		249,558	245,138
Surplus for the year		16,203	7,953
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	9.1	213,596	229,831
Total items which will not be reclassified subsequently to the operating result		213,596	229,831
Total other comprehensive income		213,596	229,831
Total comprehensive result		229,799	237,784

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

Balance Sheet

as at 30 June 2025

	Note	2025 \$ '000	2024 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	39,429	17,242
Trade and other receivables	5.1	50,338	43,657
Other financial assets	5.1	—	7,500
Prepayments	5.2	2,126	2,018
Non-current assets classified as "held for sale"	6.1	1,450	3,263
Contract assets	5.1(f)	5,735	12,599
Total current assets		99,078	86,279
Non-current assets			
Trade and other receivables	5.1	6,429	6,099
Investments in associates, joint arrangements and subsidiaries	6.3	3,179	2,924
Property, infrastructure, plant and equipment	6.2	1,850,328	1,611,462
Right-of-use assets	5.8	15,331	17,448
Intangible assets	5.2	7,643	5,625
Total non-current assets		1,882,910	1,643,558
Total assets		1,981,988	1,729,837
Liabilities			
Current liabilities			
Trade and other payables	5.3	25,431	22,995
Trust funds and deposits	5.3	4,891	8,589
Contract and other liabilities	5.3	19,490	31,779
Provisions	5.5	16,650	16,575
Interest-bearing liabilities	5.4	5,244	640
Lease liabilities	5.8	1,835	2,211
Total current liabilities		73,541	82,789
Non-current liabilities			
Provisions	5.5	9,903	8,832
Interest-bearing liabilities	5.4	32,267	—
Lease liabilities	5.8	13,896	15,634
Total non-current liabilities		56,066	24,466
Total liabilities		129,607	107,255
Net assets		1,852,381	1,622,582
Equity			
Accumulated surplus		656,451	645,628
Reserves	9.1	1,195,930	976,954
Total Equity		1,852,381	1,622,582

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

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2025					
Balance at beginning of the financial year		1,622,582	645,628	963,087	13,867
Surplus for the year		16,203	16,203	—	—
Other comprehensive income					
Net asset revaluation gain	6.2	213,596	—	213,596	—
Other comprehensive income		213,596	—	213,596	—
Total comprehensive income		229,799	16,203	213,596	—
Transfers to other reserves	9.1	—	(5,400)	—	5,400
Transfers from other reserves	9.1	—	20	—	(20)
Balance at end of the financial year		1,852,381	656,451	1,176,683	19,247
2024					
Balance at beginning of the financial year		1,384,798	638,541	733,256	13,001
Adjusted opening balance		1,384,798	638,541	733,256	13,001
Surplus for the year		7,953	7,953	—	—
Other comprehensive income					
Net asset revaluation gain	6.2	229,831	—	229,831	—
Other comprehensive income		229,831	—	229,831	—
Total comprehensive income		237,784	7,953	229,831	—
Transfers to other reserves	9.1	—	(867)	—	867
Transfers from other reserves	9.1	—	1	—	(1)
Balance at end of the financial year		1,622,582	645,628	963,087	13,867

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

		2025 Inflows/ (Outflows) \$ '000	2024 Inflows/ (Outflows) \$ '000
	Note		
Cash flows from operating activities			
Rates and charges		180,257	168,769
Statutory fees and fines		2,790	2,266
User fees		5,387	6,630
Grants - operating		46,267	16,679
Grants - capital		10,180	6,707
Contributions - monetary		2,171	3,681
Interest received		1,362	2,961
Trust funds and deposits taken		2,517	9,891
Trust funds and deposits repaid		(6,215)	(1,517)
Other receipts		1,209	9,870
Net GST refund		17,002	18,323
Employee costs		(81,821)	(79,565)
Materials and services		(126,041)	(143,889)
Other payments		(13,938)	(16,197)
Net cash provided by/(used in) operating activities	9.2	41,127	4,609
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(58,032)	(71,341)
Payments for intangibles		(3,375)	(710)
Proceeds from sale of property, infrastructure, plant and equipment		1,732	1,134
Payments for investments		–	(2,000)
Proceeds from sale of investments		7,500	–
Net cash provided by/(used in) investing activities		(52,175)	(72,917)
Cash flows from financing activities			
Finance costs		(401)	(101)
Proceeds from borrowings		39,360	–
Repayment of borrowings		(2,489)	(2,472)
Interest paid - lease liability		(856)	(742)
Repayment of lease liabilities		(2,379)	(2,285)
Net cash flow provided by/(used in) financing activities		33,235	(5,600)
Net increase in cash and cash equivalents		22,187	(73,908)
Cash and cash equivalents at the beginning of the financial year		17,242	91,150
Cash and cash equivalents at the end of the financial year		39,429	17,242
Financing arrangements	5.6	37,910	1,040

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	2025 \$ '000	2024 \$ '000
Property			
Land		112	1,158
Total land		112	1,158
Buildings		6,473	4,130
Building improvements		6,947	14,208
Total buildings		13,420	18,338
Total property		13,532	19,496
Plant and equipment			
Plant, machinery and equipment		2,105	4,062
Fixtures, fittings and furniture		18	9
Computers and telecommunications		3,664	1,585
Total plant and equipment		5,787	5,656
Infrastructure			
Roads		20,465	22,666
Bridges		752	1,752
Footpaths and cycleways		1,420	2,429
Drainage		2,531	1,594
Recreational, leisure and community facilities		4,107	8,226
Parks, open space and streetscapes		12,332	9,603
Off street car parks		385	512
Other infrastructure		93	61
Total infrastructure		42,085	46,843
Total capital works expenditure	6.2	61,404	71,995
Represented by:			
New asset expenditure		16,024	19,199
Asset renewal expenditure		25,853	24,321
Asset expansion expenditure		676	6,919
Asset upgrade expenditure		18,851	21,556
Total capital works expenditure		61,404	71,995

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

Notes to the Financial Statements

for the year ended 30 June 2025

Note 1. Overview

Introduction

Yarra Ranges Shire Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate.

The Council's main office is located at 15 Anderson Street, Lilydale VIC 3140.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements

Notes to the Financial Statements

for the year ended 30 June 2025

Note 1. Overview (continued)

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

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, three eligible natural disaster events impacted Council's operations. Council incurred \$8.3m in natural disaster event response costs, these costs are partially offset by \$4.1m of advanced grant funding received for 2024-25 events.

In addition, \$2.1m of grant income was received relating to prior year events which was recognised in 2023-24.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of ten percent and \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2025 \$ '000	Actual 2025 \$ '000	Variance \$ '000	Variance %	Ref
Income / Revenue					
Rates and charges	182,151	184,425	2,274	1.25%	1
Statutory fees and fines	3,761	2,825	(936)	(24.89)%	2
User fees	6,394	5,202	(1,192)	(18.64)%	3
Grants - operating	29,250	44,048	14,798	50.59%	4
Grants - capital	21,129	18,103	(3,026)	(14.32)%	5
Contributions - monetary	3,113	2,171	(942)	(30.26)%	6
Contributions - non monetary	3,000	4,659	1,659	55.30%	7
Share of net profits of associates and joint ventures	—	255	255	100%	
Other income	4,117	4,073	(44)	(1.07)%	
Total income / revenue	252,915	265,761	12,846	5.08%	
Expenses					
Employee costs	80,230	82,591	(2,361)	(2.94)%	8
Materials and services	104,814	115,263	(10,449)	(9.97)%	9
Depreciation	36,675	36,443	232	0.63%	
Amortisation - intangible assets	335	1,357	(1,022)	(305.07)%	10
Depreciation - right of use assets	2,577	2,382	195	7.57%	
Allowance for impairment losses	64	(17)	81	126.56%	
Borrowing costs	672	831	(159)	(23.66)%	
Finance costs - leases	874	856	18	2.06%	
Net loss on disposal of property, infrastructure, plant and equipment	—	1,080	(1,080)	(100)%	11
Other expenses	8,905	8,772	133	1.49%	12
Total expenses	235,146	249,558	(14,412)	(6.13)%	
Surplus/(deficit) for the year	17,769	16,203	(1,566)	(8.81)%	

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	Rates General is in line with Budget. Waste charges \$0.8m higher than budget due to increased waste bin volumes. Interest on rates \$1.2m above budget due to the level of rates arrears increasing during the year.
2.	Statutory and strategic planning fees were \$0.5m below budget due to reduced volume of planning applications. Statutory fines were \$0.4m less than budget due to food premise fines (\$0.3m) and building activity (\$0.1m).
3.	User Fees was below budget due to \$1.3m prepaid adjustment of 25/26 portion of annual animal registrations and food premises registrations. This was partially offset by increases in health program fees \$0.2m and \$0.2m of new income from the Container Deposit Scheme.
4.	Revenue from Operating Grants was higher than budget due to the receipt of \$9.4m in June 2025 being 50% of the FY25/26 Federal Government financial assistance grant. Grant funding to offset the cost of storm events of \$4.7m was unbudgeted. This was offset by a reversal of \$2.4m of estimated grant income in relation to prior year storm events. Preparing Australian Communities operating grant income was \$1.3m higher than budget which is offset by the capital grant portion being lower than budget.
5.	Preparing Australian Communities capital grant income was \$1.2m lower than budget which is offset by the operating portion being higher than budget. Other capital grants differences to budget due to timing of project delivery (including Yarra Valley Trail Northern Loop \$1.7m less than budget and Morrison Recreation Reserve District Playspace \$1.3m less than budget).
6.	Monetary public open space contributions were \$0.9m less than budget due to reduced development activity.
7.	Assets gifted to council were \$1.7m more than budget, which offsets the reduction in monetary contributions and reflect the fluctuation in building and development activity.
8.	Employee leave provision expenses were \$2.1m higher than budget due to increased leave entitlements due to timing of employees taking leave. The EBA salary increase of 2.75% was higher than the estimate of 2.25% included in the budget. The increase also impacted leave and wage oncosts in addition to the one off cost of living allowance.
9.	Natural disaster rain and wind events occurred in July, August and October 2024 and Montrose fire in March 2025 with a total costs of \$8.0m incurred (partially offset by operating grant funding). Reactive and other Tree works \$3.5m were higher than budget with climate and local weather events contributing to higher activity. Other increases were due to Temporary Staff \$1.9m, Consultants \$1.3m and Software \$0.8m offset by savings in Building Maintenance \$1.8m, Waste Management \$1.5m and Leasing costs \$1.1m.
10.	Depreciation and amortisation were collectively \$0.6m higher than budget due to capitalisations and timing of new assets additions.
11.	Write off of \$1.4m of roads and other infrastructure assets disposed of due to replacement by new assets. This was partially offset by gains on sale of property and other assets of \$0.3m.
12.	Other expenses includes council contributions and grants \$7.7m, operating lease rentals \$0.4m, Councillors' allowances and expenses \$0.5m, and auditors remuneration \$0.2m.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2025 \$ '000	Actual 2025 \$ '000	Variance \$ '000	Variance %	Ref
Property					
Land	—	112	112	100%	1
Total land	—	112	112	100%	
Buildings	7,413	6,473	(940)	(12.68)%	2
Building improvements	6,501	6,947	446	6.86%	
Total buildings	13,914	13,420	(494)	(3.55)%	
Total property	13,914	13,532	(382)	(2.75)%	
Plant and equipment					
Plant, machinery and equipment	2,282	2,105	(177)	(7.76)%	3
Fixtures, fittings and furniture	19	18	(1)	(5.26)%	
Computers and telecommunications	2,488	3,664	1,176	47.27%	4
Total plant and equipment	4,789	5,787	998	20.84%	
Infrastructure					
Roads	18,934	20,465	1,531	8.09%	5
Bridges	466	752	286	61.37%	6
Footpaths and cycleways	1,982	1,420	(562)	(28.36)%	7
Drainage	3,738	2,531	(1,207)	(32.29)%	8
Recreational, leisure and community facilities	5,194	4,107	(1,087)	(20.93)%	9
Parks, open space and streetscapes	13,413	12,332	(1,081)	(8.06)%	10
Off street car parks	380	385	5	1.32%	
Other infrastructure	5,509	93	(5,416)	(98.31)%	11
Total infrastructure	49,616	42,085	(7,531)	(15.18)%	
Total capital works expenditure	68,319	61,404	(6,915)	(10.12)%	
Represented by:					
New asset expenditure	20,970	16,024	(4,946)	(23.59)%	
Asset renewal expenditure	27,873	25,853	(2,020)	(7.25)%	
Asset expansion expenditure	569	676	107	18.80%	
Asset upgrade expenditure	18,907	18,851	(56)	(0.30)%	
Total capital works expenditure	68,319	61,404	(6,915)	(10.12)%	

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
--------------	-------------

- | | |
|-----|--|
| 1. | Land purchases - 58 Donovans Rd, Healesville (Public Open Space Fund \$0.1m) and small set up costs on water account on four land sales. |
| 2. | Carry forward of \$1.1m to 2025-26 FY due to delays with Monbulk Aquatic Electrification, Public Toilet Renewal - Sassafras & Capital Building Minor Works projects. |
| 3. | Delays in expenditure within Council's fleet renewal program due to delayed industry wide procurement timelines for specialised fleet. This fleet has been placed on order and this is expected to be fully delivered in 2025-26. |
| 4. | YRConnect completion delayed, and additional works still required in 2025-26. |
| 5. | Delays - Edward Rd/Paynes Rd Roundabout, Chirnside Pk (Blackspot and R2R) and Tainton Street and Railway Parade, Wandin North (RFCI) (both carried forward to 2025-26), eight additional reseal priority projects completed utilising savings from other projects. |
| 6. | Additional of \$280k from 2023-24 savings on McMahon's Creek Pedestrian Bridge plus \$6,000 from Asset Renewal Program and Roads program. |
| 7. | General delays across the whole program of Footpath new and upgrades. Glenfern Road, Upwey, Stephens Road, Healesville & York Road footpaths carried forward to 2025-26. |
| 8. | General delays in projects including Britton Road, Station Street and North Ave. Cobden Crescent has been brought forward from FY26 to FY25 to replace Britton Road. |
| 9. | Due to delays in expenditure for Morrison Reserve Mountain Bike track (carried forward to 2025-26) and funding for Chirnside Urban Park already expended. |
| 10. | Delays in Yarra Valley Trail and Warburton Mountain Bike Destination with funding to be carried forward into FY26. |
| 11. | YTD Variance due to a change in treatment with the capitalisation of salaries to reflect the actual allocation to individual projects within the Capital Works program. |

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its services and carries out its activities through the following directorates and programs:

Corporate Services and Office of the CEO

Corporate Services provides customer focused services and communications and a broad range of support, integral for our internal operations.

- Strategy & Transformation (Transformation, Advocacy)
- Customer, Communications & Engagement (Customer Experience, Community Engagement, Communications)
- Financial Services (Finance, Property Rating Services, Strategic Procurement)
- People & Culture (People & Culture Operations, Organisational Development, Fleet Operations, Health Safety & Wellbeing)
- Information Services (Information Technology, Enterprise Systems, Information Management, Digital & Data)
- Organisational Performance & Integrity (Corporate Performance & Reporting, Governance, Risk & Compliance, Organisational Strategy, Governance & Integrity)

The Office of the CEO includes the CEO and Strategy & Transformation (Transformation, Advocacy).

Built, Environment and Infrastructure

Our Built Environment & Infrastructure team look after a range of areas from building to maintaining community infrastructure.

- Infrastructure Operations (Infrastructure Maintenance, Stormwater, Traffic & Transport, Stormwater Strategy)
- Recreation, Parks & Facilities (Recreation & Sport, Parks, Trees & Trails, Property & Facilities Management)
- Asset Planning & Investment (Strategic Asset Management, Capital Investment Planning, Project Management)
- Design & Delivery (Infrastructure Delivery, Major Projects, Roads for the Community)

Communities

Our Communities team delivers a range of dedicated services to our community members from birth to the elderly along with community engagement and planning.

- Community Support (Age Friendly Communities, Family, Children & Youth Services, Partnerships & Community Wellbeing)
- Economy, Tourism & Culture (Creative Communities, Business Investment & Support, Business & Tourism Destination)
- Community Wellbeing (Safer Communities, Emergency Management, Indigenous Development and Community Health & Wellbeing)
- Social Infrastructure Planning

Planning and Sustainable Futures

Our Planning & Sustainable Futures team are responsible for the sustainable design and development of Yarra Ranges.

- Planning and Building (Planning Services, Development Compliance & Prosecutions, Building Surveyor)
- Design and Place (Strategic Planning, Urban Design, Landscape Architecture)
- Strategic Projects (Urban Development)
- Resilient Environment (Climate, Nature, Resource Recovery)

Organisational Finance

The Organisational Finance area comprises items of revenue and expenditure that are attributable to Council as a whole, rather than individual groups. The major components are income from rates and charges, general purpose grants, financing costs, depreciation and amortisation.

Natural Disaster and Recovery

The Natural Disaster and Recovery Directorate was a temporary structure that was created to support the Yarra Ranges community in their immediate needs associated with the COVID 19 pandemic and the impacts of the June 2021 storms. The original intention was the Directorate would be temporary however due to further storm events occurring subsequently, the directorate was extended.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 2.2 Analysis of Council results by program (continued)

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2025					
Corporate Services and Office of the CEO	3,135	39,586	(36,451)	400	144,846
Built, Environment and Infrastructure	22,091	61,985	(39,894)	18,102	1,703,019
Communities	11,150	35,681	(24,531)	8,388	130,862
Planning and Sustainable Futures	5,075	52,463	(47,388)	1,621	7,017
Organisational Finance	217,922	47,160	170,762	27,227	—
Natural Disaster	6,388	12,683	(6,295)	6,413	—
Unattributed	—	—	—	—	(3,756)
Total functions and activities	265,761	249,558	16,203	62,151	1,981,988
2024					
Corporate Services and Office of the CEO	3,509	36,429	(32,920)	285	136,715
Built, Environment and Infrastructure	38,141	61,622	(23,481)	31,623	1,484,183
Communities	12,298	36,968	(24,670)	9,570	108,003
Planning and Sustainable Futures	7,096	53,284	(46,188)	3,416	4,655
Organisational Finance	183,405	44,096	139,309	761	—
Natural Disaster	9,776	13,490	(3,714)	8,970	786
Unattributed	—	—	—	—	(4,505)
Total functions and activities	254,225	245,889	8,336	54,625	1,729,837

Notes to the Financial Statements

for the year ended 30 June 2025

Note 3. Funding for the delivery of our services

	2025 \$ '000	2024 \$ '000
--	-----------------	-----------------

3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the total market value of the site value (land's market value) and the total value of the building and other improvements.

The valuation base used to calculate general rates for 2024/25 was \$58.2 billion (2023/24: \$55.97 billion).

General rates	146,075	141,993
Special rates and charges	1,734	3,837
Waste management charge	34,149	29,595
Supplementary rates and rate adjustments	1,237	(88)
Interest on rates	1,230	1,197
Total rates and charges	184,425	176,534

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	1,161	796
Town planning fees	1,224	1,391
Court recoveries	393	131
Other	47	50
Total statutory fees and fines	2,825	2,368

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

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
3.3 User fees		
Registration and other permits	1,782	2,088
Child care/children's programs	1,096	845
Animal control	609	1,546
Aged and health services	2	465
Leisure centre and recreation	828	794
Other fees and charges	344	356
Building services	541	541
Total user fees	5,202	6,635
User fees by timing of revenue recognition		
User fees recognised at a point in time	5,202	6,635
Total user fees	5,202	6,635

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

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	42,880	20,187
State funded grants	19,271	34,438
Total grants received	62,151	54,625
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial assistance grants	27,227	761
Aged care	386	274
Family and children	2,336	2,201
Recurrent - State Government		
Aged care	—	839
Maternal and child health	2,288	2,477
School crossing supervisors	784	769
Family and children	1,158	1,128
Community safety	266	412
Environmental planning	677	1,084
Community health	91	267
Recreation	84	84
Total recurrent operating grants	35,297	10,296
Non-recurrent - Commonwealth Government		
Environmental planning	—	15
Family and children	2	36
Non-recurrent - State Government		
Environmental planning	992	1,702
Community safety	13	88
Family and children	748	903
Natural disaster events	5,504	8,975
Community health	1,054	145
Recreation	57	554
Other	381	287
Total non-recurrent operating grants	8,751	12,705
Total operating grants	44,048	23,001

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	3,132	2,188
Total recurrent capital grants	3,132	2,188
Non-recurrent - Commonwealth Government		
Buildings	1,424	2,144
Recreation, leisure and community	12	960
Off street carparks	–	113
Roads	7,205	8,305
Parks, open space and streetscape	1,156	3,190
Non-recurrent - State Government		
Buildings	898	7,670
Roads	–	30
Recreation, leisure and community	1,622	3,562
Parks, open space and streetscape	2,371	1,820
Bridges	225	1,490
Footpaths and cycleways	2	55
Other	56	97
Total non-recurrent capital grants	14,971	29,436
Total capital grants	18,103	31,624

(c) Recognition of grant income

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

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

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

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

Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	28,848	4,176
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants to acquire non-financial assets	18,103	31,624
Other specific purpose grants	15,200	18,825
Total specific purpose grants	33,303	50,449

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
(d) Unspent grants received on condition that they be spent in a specific manner:		
<i>Operating</i>		
Balance at start of year	6,750	5,915
Received during the financial year and remained unspent at balance date	2,093	8,920
Received in prior years and spent during the financial year	(4,791)	(8,085)
Balance at year end	4,052	6,750
<i>Capital</i>		
Balance at start of year	25,029	53,875
Received during the financial year and remained unspent at balance date	3,876	2,945
Received in prior years and spend during the financial year	(13,466)	(31,791)
Balance at year end	15,439	25,029

Unspent grants are determined and disclosed on a cash basis.

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
3.5 Contributions		
Monetary contributions		
Contributions monetary - resort and recreation fees	1,637	2,703
Contributions monetary - operating	151	197
Contributions monetary - capital	383	783
Total monetary contributions	2,171	3,683
Non-monetary contributions		
Drains	3,337	775
Roads	274	309
Footpaths	88	188
Buildings	274	276
Kerb and channel	–	159
Artwork	–	692
Off street car parks	686	10
Total non-monetary contributions	4,659	2,409
Total contributions	6,830	6,092

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

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Property, infrastructure, plant and equipment		
Proceeds of sale	1,732	1,134
Written down value of assets disposed	(2,812)	(8,835)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,080)	(7,701)

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	1,362	3,062
Rent	1,070	1,115
Cost recovery and reimbursements	1,641	2,349
Total other income	4,073	6,526

Interest is recognised as it is earned.

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

Notes to the Financial Statements

for the year ended 30 June 2025

Note 4. The cost of delivering services

	2025 \$ '000	2024 \$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries	71,172	68,708
Superannuation	8,640	8,028
Other employee costs	1,620	1,739
WorkCover	1,033	616
Fringe benefits tax	126	308
Total employee costs	82,591	79,399
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	163	204
	163	204
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,249	3,273
Employer contributions - other funds	5,228	4,551
Total accumulation funds	8,477	7,824
Total superannuation costs	8,640	8,028

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

Notes to the Financial Statements

for the year ended 30 June 2025

Note 4. The cost of delivering services (continued)

	2025 \$ '000	2024 \$ '000
4.2 Materials and services		
Major contracts payments*	50,360	46,648
Other contract payments	17,232	15,665
Storms Recovery	9,530	9,704
Office administration	8,066	7,449
Consultants	6,233	6,541
Utilities	2,995	3,275
Building maintenance	6,575	6,242
Information technology	6,273	5,661
Community seminars and programs	2,674	2,692
General maintenance	4,204	2,793
Other materials and services	1,121	1,386
Total materials and services	115,263	108,056
*Major contract payments		
Garbage collection and disposal	7,578	8,866
Contracted services for programmed maintenance	7,469	7,111
General recycling service	4,784	4,867
Green waste collection and disposal	11,668	10,022
Hard waste service	5,640	4,933
Trees reactive maintenance	6,987	4,696
Aquatic facility management	1,001	1,152
Insurance	2,829	2,408
Building Maintenance – minor works	2,404	2,593
Total major contract payments	50,360	46,648

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

Notes to the Financial Statements

for the year ended 30 June 2025

Note 4. The cost of delivering services (continued)

	2025 \$ '000	2024 \$ '000
4.3 Depreciation		
Property	10,591	9,585
Plant and equipment	2,629	2,753
Infrastructure	23,223	22,854
Total depreciation	36,443	35,192

Refer to note 5.2(b), 5.8 and note 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Other expenses

Council contributions and grants	7,681	9,579
Operating lease rentals	423	235
Councillors' allowances	469	466
Councillors other expenses and reimbursements	35	48
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	71	66
Auditors' remuneration - internal audit	93	47
Total other expenses	8,772	10,441

Notes to the Financial Statements

for the year ended 30 June 2025

Note 5. Investing in and financing our operations

	Note	2025 \$ '000	2024 \$ '000
5.1 Financial assets			
(a) Cash and cash equivalents			
Current			
Cash on hand		4	4
Cash at bank		39,425	17,238
Total current cash and cash equivalents		39,429	17,242
(b) Other financial assets			
Current			
Term deposits		–	7,500
Total current other financial assets		–	7,500
Total cash and cash equivalents and other financial assets		39,429	24,742

External restrictions

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

Trust funds and deposits	5.3	3,198	8,374
Reserves		14,187	11,665
Total restricted funds		17,385	20,039

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents has increased due to the Financial Assistance grant received in advance and the drawdown of budgeted borrowings as per the Statement of Cashflows.

Other financial assets include bank term deposits with original maturity of over 90 days.

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

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
(c) Trade & Other Receivables		
Current		
<u>Statutory receivables</u>		
Rates debtors	39,288	34,532
Special rate and charges	904	876
Net GST receivables	1,860	2,082
Infringement debtors	1,658	1,619
Allowance for expected credit loss - infringements	(92)	(88)
Allowance for expected credit loss - rates debtors	(113)	(113)
<u>Non-statutory receivables</u>		
Other debtors	6,869	4,814
Allowance for expected credit loss - other debtors	(36)	(65)
Total current trade and other receivables	50,338	43,657
Non-Current		
<u>Statutory receivables</u>		
Special rates and charges	6,429	6,099
Total non-current trade and other receivables	6,429	6,099
Total trade and other receivables	56,767	49,756

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

(d) Ageing of other debtors

The ageing of Council's other debtors was:

Current (not yet due)	3,689	1,283
Past due by up to 30 days	38	131
Past due between 31 and 180 days	179	253
Past due between 181 and 365 days	177	673
Past due by more than 1 year	2,785	2,474
Total trade and other receivables	6,868	4,814

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$36,000 (2024: \$66,000) were impaired. The amount of the allowance raised against these debtors was \$36,000 (2024: \$66,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due between 31 and 180 days	12	10
Past due between 181 and 365 days	16	4
Past due by more than 1 year	8	52
Total impairment of trade and other receivables	36	66

Notes to the Financial Statements
for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
(f) Contract assets		
Current		
Contract Assets	5,735	12,599
Total Contract Assets	5,735	12,599

Contract assets are recognised when Council has transferred goods or services to the customer but where Council is yet to establish an unconditional right to consideration.

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
--	-----------------	-----------------

5.2 Non-financial assets

(a) Other assets

Prepayments	2,126	2,018
Total current Prepayments	2,126	2,018

(b) Intangible assets

Software	6,039	5,028
Work in progress (WIP) - intangibles	1,604	597
Total intangible assets	7,643	5,625

	Software \$ '000	Work in Progress - Intangibles \$ '000	Total \$ '000
--	---------------------	---	------------------

Movement in gross carrying amount

Gross Carrying Amount

Balance at 1 July 2024	10,854	597	11,451
Additions from internal developments	—	3,663	3,663
Disposal	—	—	—
Transfer from WIP	2,368	(2,368)	—
WIP Reclassification	—	(288)	(288)
Balance at 30 June 2025	13,222	1,604	14,826

Accumulated amortisation and impairment

Balance at 1 July 2024	5,826	—	5,826
Amortisation expense	1,357	—	1,357
Amortisation on disposal	—	—	—
Balance at 30 June 2025	7,183	—	7,183

Net book value at 30 June 2024

	5,028	597	5,625
--	-------	-----	-------

Net book value at 30 June 2025

	6,039	1,604	7,643
--	-------	-------	-------

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

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	17,017	15,668
Accrued expenses	4,317	4,740
Prepaid income	3,668	2,587
Loan interest accrued	429	—
Total current trade and other payables	25,431	22,995

Trade creditors and other current liabilities are amounts due to external parties for the purchase of goods and services and are recognised as liabilities when the goods and services are received. Trade creditors are generally paid 30 days from date of invoice.

(b) Trust funds and deposits

Current		
Refundable deposits	3,198	8,374
Fire services property levy	1,563	161
Retention amounts	55	54
Environmental upgrade agreement payables	75	—
Total current trust funds and deposits	4,891	8,589

Trust funds and deposits

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

Purpose and nature of items

Fire services property levy - Council is the collection agent for the 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.

Retention amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance:		
Grants received in advance - operating	4,052	6,750
Grants received in advance - capital	15,438	25,029
Total contract liabilities	19,490	31,779
Total contract and other liabilities	19,490	31,779

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of council services such as aged care, family and children, maternal health and natural disasters. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities

Grant consideration was received from State and Federal Governments to support the construction of approximately 50 projects. 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 projects. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Notes to the Financial Statements

for the year ended 30 June 2025

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

5.4 Interest-bearing liabilities

Current

Borrowings - secured	5,244	640
Total current interest-bearing liabilities	5,244	640

Non-current

Borrowings - secured	32,267	—
Total non-current interest-bearing liabilities	32,267	—

Total	37,511	640
--------------	---------------	------------

Loans and borrowings are secured over the general rates of Yarra Ranges Shire Council.

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

Not later than one year	5,244	643
Later than one year and not later than five years	21,188	—
Later than five years	11,079	—
	37,511	643

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.

Notes to the Financial Statements

for the year ended 30 June 2025

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

	Employee provisions \$ '000	Landfill restoration \$ '000	Special rates and charges \$ '000	Other \$ '000	Total \$ '000
5.5 Provisions					
2025					
Balance at the beginning of the financial year	16,623	7,652	1,132	—	25,407
Additional/(reduction) provisions	4,800	2,555	310	—	7,665
Amounts used	(3,911)	(2,395)	(269)	—	(6,575)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	20	36	—	—	56
Balance at the end of the financial year	17,532	7,848	1,173	—	26,553
Provisions					
Provisions - current	15,657	844	149	—	16,650
Provisions - non-current	1,875	7,004	1,024	—	9,903
Total Provisions	17,532	7,848	1,173	—	26,553
2024					
Balance at the beginning of the financial year	16,646	8,766	648	2	26,062
Additional/(reduction) provisions	3,328	(868)	662	—	3,122
Amounts used	(3,234)	(1,359)	(178)	(2)	(4,773)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(117)	1,113	—	—	996
Balance at the end of the financial year	16,623	7,652	1,132	—	25,407
Provisions					
Provisions - current	14,937	1,480	158	—	16,575
Provisions - non-current	1,686	6,172	974	—	8,832
Total Provisions	16,623	7,652	1,132	—	25,407

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	5,612	5,338
Long service leave	966	883
Other entitlements	30	131
	6,608	6,352
Current provisions expected to be wholly settled after 12 months		
Annual leave	354	637
Long service leave	8,695	7,948
	9,049	8,585
Total current employee provisions	15,657	14,937
Non-Current		
Long service leave	1,875	1,686
Total Non-Current Employee Provisions	1,875	1,686
Aggregate Carrying Amount of Employee Provisions:		
Current	15,657	14,937
Non-current	1,875	1,686
Total Aggregate Carrying Amount of Employee Provisions	17,532	16,623

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

Weighted average increase in employee costs	3.00%	2.75%
Weighted average discount rates	4.20%	4.35%

(b) Landfill restoration

Coldstream landfill has been closed to the receipt of refuse since May 2004, and Healesville landfill has been closed since 1998.

Council has continued the process of rehabilitation, monitoring and maintenance as required by the Post Closure Pollution Abatement Notice (PC PAN) issued by the EPA. An Environmental audit of progress towards the targets set in the PC Pan's is currently being undertaken by EPA accredited auditors, and any further recommendations from this review will be undertaken as part of the ongoing rehabilitation required under the EPA Act 2017.

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
--	-----------------	-----------------

The costs are expected to be in the order of \$7.85m, however this will be dependent on any further recommendations from the audit and requirements from the EPA, including the ongoing management and treatment of the landfill gas and leachate at the sites.

In addition to the above two landfill sites, Council continues to monitor the closed landfill sites at Lysterfield, Wesburn and Mt Evelyn. The ongoing monitoring charges for these have been factored into the calculation of the provision for landfill restoration.

Current

Current	844	1,480
Total current	844	1,480

Non-current

Non-current	7,004	6,172
Total non-current	7,004	6,172

Total

7,848	7,652
--------------	--------------

Council is obligated to restore landfill sites at Coldstream and Healesville to a particular standard under the Environment Protection Act (2017). The provision for landfill remediation has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the work required, forecast timing of the work and related costs.

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

Key assumptions:

Weighted average increase in costs	2.10%	4.45%
Weighted average discount rates	4.20%	4.35%

(c) Other provisions**Current**

Special rates and charges	149	158
	149	158

Non-Current

Special rates and charges	1,024	974
	1,024	974

Total

1,173	1,132
--------------	--------------

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2025 \$ '000	2024 \$ '000
--	-----------------	-----------------

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2025.

Credit card facilities	400	400
Interest bearing borrowings	37,510	640
Total Facilities	37,910	1,040
Used facilities	37,547	699
Used facilities	37,547	699
Unused facilities	363	341

Credit Card facilities are held with the Westpac Banking Corporation with security mortgage over rates revenue.

Council's interest-bearing liabilities are held with the Treasury Corporation of Victoria (TCV), under the Victorian Local Government Lending Framework. These borrowings are secured by Yarra Ranges Shire Council's general rates revenue, confirmed through a CEO certificate in accordance with the requirements of the Local Government Act 2020 and the Treasury Corporation of Victoria loan agreement.

Notes to the Financial Statements

for the year ended 30 June 2025

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

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2025					
Operating					
Buildings maintenance	14,375	7,361	857	1,271	23,864
Waste management	40,842	37,271	69,472	63,843	211,428
Other	11,830	2,720	3,145	73	17,768
Consultancies	3,736	503	382	—	4,621
Open space management	6,933	3,328	1,652	—	11,913
Total	77,716	51,183	75,508	65,187	269,594
Capital					
Buildings	3,356	—	—	—	3,356
Roads	8,451	6,630	1,211	—	16,292
Other	12,710	2,800	2,084	354	17,948
Total	24,517	9,430	3,295	354	37,596
Total Commitments	102,233	60,613	78,803	65,541	307,190
2024					
Operating					
Buildings maintenance	6,154	6,128	3,081	—	15,363
Waste management	42,010	27,923	76,916	84,674	231,523
Other	10,676	2,475	875	13	14,039
Consultancies	6,941	2,883	682	—	10,506
Open space management	14,163	9,638	816	—	24,617
Total	79,944	49,047	82,370	84,687	296,048
Capital					
Buildings	7,657	1,075	—	—	8,732
Roads	10,643	4,390	4,889	—	19,922
Other	10,925	3,189	3,521	327	17,962
Total	29,225	8,654	8,410	327	46,616
Total Commitments	109,169	57,701	90,780	85,014	342,664

Notes to the Financial Statements

for the year ended 30 June 2025

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

5.8 Leases

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2025

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

(a) Right-of-Use Assets

	Property \$ '000	Vehicles \$ '000	Other \$ '000	Total \$ '000
2025				
Balance at 1 July 2024	649	16,749	50	17,448
Additions	—	—	—	—
Depreciation charge	(129)	(2,203)	(50)	(2,382)
Other	73	192	—	265
Balance at 30 June 2025	593	14,738	—	15,331
2024				
Balance at 1 July 2023	730	1,034	129	1,893
Additions	35	17,926	—	17,961
Depreciation charge	(156)	(2,211)	(79)	(2,446)
Other	40	—	—	40
Balance at 30 June 2024	649	16,749	50	17,448

	2025 \$ '000	2024 \$ '000
--	-----------------	-----------------

(b) Lease Liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	2,590	3,065
One to five years	9,081	9,369
More than five years	8,024	10,223
Total undiscounted lease liabilities as at 30 June:	19,695	22,657

Lease liabilities included in the Balance Sheet at 30 June:

Current	1,835	2,211
Non-current	13,896	15,634
Total lease liabilities	15,731	17,845

Short-term and low value leases

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

Expenses relating to:

Short-term leases	108	14
Total	108	14

Variable lease payments (not included in measurement of lease liabilities)

Variable lease payments	315	221
Total	315	221

Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Assets we manage

	2025 \$ '000	2024 \$ '000
6.1 Non-current assets classified as "held for sale"		
Current		
Land	1,450	3,263
Total non current assets classified as held for sale	1,450	3,263

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Council has the following non-current assets classified as held for sale as at 30 June 2025 \$1,450,000 (2024: \$3,263,015).

The property held for sale (as per the criteria below) are:

- 1. 16 Ellis Court, Mooroolbark
- 2. 9a Wannan Court, Kilsyth

The Council has engaged an agent to sell the listed lands and intends to complete the sale within the next financial year. These lands are classified as 'assets held for sale' in accordance with AASB 5, as the sale is expected to be completed within 12 months and the assets are available for immediate sale.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2024 \$ '000	Additions \$ '000	Revaluation \$ '000	Contributions \$ '000	Disposal \$ '000	Depreciation \$ '000	Write-off \$ '000	Transfers \$ '000	Reclassified \$ '000	Carrying amount 30 June 2025 \$ '000
Property	864,696	–	173,619	274	(2)	(10,591)	–	38,295	573	1,066,864
Plant and equipment	19,005	–	1,214	–	(168)	(2,629)	–	3,421	–	20,843
Infrastructure	611,233	–	38,763	4,386	(1,382)	(23,223)	–	40,899	–	670,676
Work in progress	116,529	57,745	–	–	–	–	–	(82,615)	286	91,945
Total	1,611,463	57,745	213,596	4,660	(1,552)	(36,443)	–	–	859	1,850,328

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Transfers \$ '000	Write-off \$ '000	WIP Reclassifications \$ '000	Closing WIP \$ '000
Property	36,385	6,257	(38,295)	–	8,565	12,912
Plant and equipment	1,744	2,646	(3,421)	–	(526)	443
Infrastructure	78,400	48,842	(40,899)	–	(7,753)	78,590
Total	116,529	57,745	(82,615)	–	286	91,945

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land non specialised \$ '000	Land improve- ments \$ '000	Total land and land improve- ments \$ '000	Heritage buildings \$ '000	Buildings specialised \$ '000	Buildings non specialised \$ '000	Leasehold improve- ments \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property											
At fair value 1 July 2024	395,036	219,107	9,713	623,856	5,500	238,666	852	1,819	246,837	36,385	907,078
Accumulated depreciation at 1 July 2024	—	—	(5,119)	(5,119)	—	(32)	—	(849)	(881)	—	(6,000)
	395,036	219,107	4,594	618,737	5,500	238,634	852	970	245,956	36,385	901,078
Movements in fair value											
Additions	—	—	—	—	—	—	—	—	—	6,257	6,257
Contributions	—	—	—	—	—	274	—	—	274	—	274
Revaluation	25,904	33,216	30,874	89,994	93	71,531	979	—	72,603	—	162,597
Disposal	—	—	—	—	—	(2)	—	—	(2)	—	(2)
Transfers	—	497	7,349	7,846	—	30,449	—	—	30,449	(38,295)	—
Transfers-Accumulated depreciation	—	—	(5,815)	(5,815)	—	—	—	—	—	—	(5,815)
Reversal of Impairment losses recognized in Revaluations	—	—	1,281	1,281	—	—	—	—	—	—	1,281
Reclassified revaluation gain of non-current assets held for sale	—	(409)	—	(409)	—	—	—	—	—	—	(409)
Reclassified from non-current assets held for sale	—	983	—	983	—	—	—	—	—	—	983
WIP reclassification	—	—	—	—	—	—	—	—	—	8,565	8,565
	25,904	34,287	33,689	93,880	93	102,252	979	—	103,324	(23,473)	173,731
Movements in accumulated depreciation											
Depreciation and amortisation	—	—	(822)	(822)	(149)	(9,433)	(126)	(61)	(9,769)	—	(10,591)
Accumulated depreciation on Transfers	—	—	5,815	5,815	—	—	—	—	—	—	5,815
Accumulated depreciation on revaluation	—	—	—	—	149	9,466	126	—	9,741	—	9,741
	—	—	4,993	4,993	—	33	—	(61)	(28)	—	4,965
At fair value 30 June 2025	420,940	253,394	43,401	717,735	5,593	340,919	1,831	1,819	350,162	12,912	1,080,809
Accumulated depreciation at 30 June 2025	—	—	(125)	(125)	—	—	—	(910)	(910)	—	(1,035)
Carrying amount	420,940	253,394	43,276	717,610	5,593	340,919	1,831	909	349,252	12,912	1,079,774

The total carrying value of the property is \$1,079,774,000 consisting of \$717,610,000 for land, \$349,252,000 for buildings and \$12,912,000 for work in progress as outlined in the table below.

	Total land \$ '000	Total buildings \$ '000	Total land and buildings \$ '000	Work In Progress \$ '000	Total Property \$ '000
Carrying amount	717,610	349,252	1,066,862	12,912	1,079,774

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Artwork \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment							
At fair value 1 July 2024	21,320	5,302	5,316	5,024	36,962	1,746	38,708
Accumulated depreciation at 1 July 2024	(10,778)	(3,042)	(4,137)	—	(17,957)	—	(17,957)
	10,542	2,260	1,179	5,024	19,005	1,746	20,751
Movements in fair value							
Additions	—	—	—	—	—	2,646	2,646
Contributions	—	—	—	—	—	—	—
Revaluation	—	—	—	1,214	1,214	—	1,214
Disposal	(878)	—	—	—	(878)	—	(878)
Write-off	—	—	—	—	—	—	—
Transfers	2,420	465	288	248	3,421	(3,421)	—
WIP Reclassification	—	—	—	—	—	(527)	(527)
	1,542	465	288	1,462	3,757	(1,302)	2,455
Movements in accumulated depreciation							
Depreciation and amortisation	(1,715)	(429)	(485)	—	(2,629)	—	(2,629)
Accumulated depreciation of disposals	710	—	—	—	710	—	710
	(1,005)	(429)	(485)	—	(1,919)	—	(1,919)
At fair value 30 June 2025	22,862	5,766	5,604	6,486	40,718	444	41,162
Accumulated depreciation at 30 June 2025	(11,783)	(3,470)	(4,622)	—	(19,875)	—	(19,875)
Carrying amount	11,079	2,296	982	6,486	20,843	444	21,287

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recrea- tional, leisure and community \$ '000	Parks open spaces and streets- capes \$ '000	Off street car parks \$ '000	Other infra- structure \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure											
At fair value 1 July 2024	261,219	68,512	54,908	213,158	95,993	15,421	27,101	3,506	739,818	78,400	818,218
Accumulated depreciation at 1 July 2024	(11,225)	(37,249)	(2,672)	(24)	(57,060)	(11,556)	(8,799)	–	(128,585)	–	(128,585)
	249,994	31,263	52,236	213,134	38,933	3,865	18,302	3,506	611,233	78,400	689,633
Movements in fair value											
Additions	–	–	–	–	–	–	–	–	–	48,842	48,842
Contributions	274	–	88	3,337	–	–	416	271	4,386	–	4,386
Revaluation	–	–	–	–	10,377	14,634	–	–	25,011	–	25,011
Reversal of Impairment losses recognised in Asset Revaluations	–	–	–	–	10,311	3,441	–	–	13,752	–	13,752
Disposal	(1,165)	(24)	(260)	(89)	(1,149)	(11)	(88)	(1)	(2,787)	–	(2,787)
Transfers	15,478	3,860	6,132	6,134	5,635	–	468	3,192	40,899	(40,899)	–
Reconciliation adjustments	–	–	–	–	(37,751)	(12,301)	–	–	(50,052)	–	(50,052)
Write-off	–	–	–	–	–	–	–	–	–	–	–
WIP Reclassification	–	–	–	–	–	–	–	–	–	(7,753)	(7,753)
	14,587	3,836	5,960	9,382	(12,577)	5,763	796	3,462	31,209	190	31,399
Movements in accumulated depreciation											
Depreciation and amortisation	(10,729)	(831)	(2,616)	(4,016)	(3,364)	(858)	(508)	(301)	(23,223)	–	(23,223)
Accumulated depreciation of disposals	125	18	85	2	1,141	–	35	–	1,406	–	1,406
Reconciliation adjustments	–	–	–	–	37,751	12,301	–	–	50,052	–	50,052
	(10,604)	(813)	(2,531)	(4,014)	35,528	11,443	(473)	(301)	28,235	–	28,235
At fair value 30 June 2025	275,806	72,348	60,868	222,540	83,416	21,184	27,897	6,968	771,027	78,590	849,617
Accumulated depreciation at 30 June 2025	(21,829)	(38,062)	(5,203)	(4,038)	(21,532)	(113)	(9,272)	(301)	(100,350)	–	(100,350)
Carrying amount	253,977	34,286	55,665	218,502	61,884	21,071	18,625	6,667	670,677	78,590	749,267

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

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 have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Major depreciation periods and threshold limits are listed below and are consistent with the prior year unless otherwise stated.

	Useful lives	Asset Threshold Limit (\$)
Asset recognition thresholds and depreciation periods		
Land and land improvements		
land	-	5,000
land improvements	10-50	1,000
Buildings		
buildings	50	5,000
building and leasehold improvements	5-30	5,000
Plant and Equipment		
Light plant and equipment	6-10	1,500
Heavy plant and equipment	12	1,500
Motor vehicles	6-8	1,500
Fixtures, fittings and furniture	5-10	1,000
Computers and telecommunication	3-5	1,000
Infrastructure		
Road sub base	100-125	5,000
Road base	100-135	5,000
Road surface	12-60	5,000
Road treatments	12-30	5,000
Road kerb and channel	50	1,000
Road inventory	30	1,000
Footpaths and cycleways	25-50	1,000
Drainage	80-100	1,000
Bridges	30-120	5,000
Recreational, leisure and community facilities	5-50	1,000
Parks, open space and streetscape	10-50	500
Off street car parks	15-120	1,000
Other infrastructure	25-50	1,000
Intangible assets		
Software	5	10,000
Other		
Art work	Indefinite	5,000

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

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

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

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

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

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 30 year period.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer from Herron Todd White Pty Ltd, William Robbins, Certified Practising Valuer/Associate Director API Membership No. 101237. 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.

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

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

The date and type of the current valuation is detailed in the following table. A full revaluation of these assets was conducted in 2024/25 with movements booked to the Asset Revaluation Reserve.

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	Level 2	Level 3	Date of valuation	Type of Valuation
Land	—	253,394	—	Jun/25	External Herron Todd White
Specialised land	—	—	420,939	Jun/25	External Herron Todd White
Heritage buildings	—	—	5,593	Jun-25	External Herron Todd White
Buildings	—	—	1,831	Jun-25	External Herron Todd White
Specialised buildings	—	—	340,919	Jun-25	External Herron Todd White
Land improvements	—	—	43,276	Jul/25	Internal SAM Team
Leasehold improvements	—	—	911	N/A	
Total	—	253,394	813,469		

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

Valuation of Infrastructure

Council's Recreational, leisure & community and Parks, open space & streetscapes assets were valued at June 2025. Council's Drainage and Other Infrastructure assets were valued at June 2024. Council's Roads assets and Footpaths and Cycleways were valued at June 2023. Council's offstreet carparks and bridges assets were valued at 30 June 2022. A valuation of Council's remaining infrastructure assets was conducted by Mr Declan Jamieson, B.Eng (Civil) and B.Com (Accounting), EO Strategic Asset Management, Yarra Ranges Council. Council's engineering team set out below at fair value approach considering, replacement costs, modern equivalence, condition and age. This process of internal valuation is managed by the Strategic Asset Management Team (SAM).

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

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	—	—	253,977	Jun-23	Internal Strategic Asset Management Team
Footpaths and cycleways	—	—	55,664	Jun-23	Internal Strategic Asset Management Team
Drainage	—	—	218,502	Jun-24	Internal Strategic Asset Management Team
Bridges	—	—	34,286	Jun-22	Internal Strategic Asset Management Team
Recreational, leisure and community	—	—	61,884	Jun-25	Internal Strategic Asset Management Team
Parks, open space & streetscapes	—	—	21,071	Jun-25	Internal Strategic Asset Management Team
Off street car parks	—	—	18,625	Jun-22	Internal Strategic Asset Management Team
Other Infrastructure	—	—	6,667	Jun-24	Internal Strategic Asset Management Team
Total	—	—	670,676		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5 percent and 95 percent. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$747 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 cost is calculated on a square metre basis and ranges from \$285 to \$7,926 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 50 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 depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 135 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Notes to the Financial Statements
for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	2025 \$ '000	2024 \$ '000
Reconciliation of specialised land		
Land under roads	157,961	153,403
Parks and reserves	262,978	241,633
Total specialised land	420,939	395,036

Valuation of Art Work

Council's Art Work assets, have been valued as at 30 June 2025. The valuation was conducted by Simon Storey valuers.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 6. Assets we manage (continued)

	2025 \$ '000	2024 \$ '000
--	-----------------	-----------------

6.3 Investments in associates

Investments in associates accounted for by the equity method are:

Your Library Ltd	3,179	2,924
Total investments in associates	3,179	2,924

Associates and joint arrangements - in profit

Your Library Ltd	255	311
Total surplus for year in associates	255	311

Your Library Ltd

In July 2023, Eastern Regional Libraries (ERL) transitioned to a beneficial enterprise, Your Library Ltd (YLL), in line with the Local Government Act 2020. Yarra Ranges Council recognises its interest in the net assets of the YLL as an investment in accordance with AASB 128 'Investments in Associates'. In 2025 Council's interest was 38.72% of net assets (2024 38.72%). This is based on the audited statements of the YLL. The equity holders in Your Library Ltd are Maroondah City Council 24.89%, Knox City Council 36.39% and Yarra Ranges Council 38.72%.

The motion to wind up ERL by 30 June 2023, in accordance with section 330(4) of the Local Government Act 2020 (LGA), was adopted by Council on 13 June 2023. A beneficial enterprise, Your Library Ltd (a public company limited by guarantee) has been established in accordance with section 110 of the LGA to deliver library services from 1 July 2023 on behalf of the Maroondah, Knox and Yarra Ranges Councils. Council share in equity will remain the same under Your Library Ltd.

Fair value of Council's investment in Your Library Ltd	3,179	2,924
---	--------------	--------------

Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus/(deficit) at start of year	2,924	2,613
Reported surplus/(deficit) for year	255	311

Council's share of accumulated surplus/(deficit) at end of year	3,179	2,924
--	--------------	--------------

Movement in carrying value of specific investment

Carrying value of investment at start of year	2,924	2,613
Share of surplus/(deficit) for year	255	311

Carrying value of investment at end of year	3,179	2,924
--	--------------	--------------

Council's Share of Expenditure Commitments

Lease commitments	162	218
Council's Share of Expenditure Commitments	162	218

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses.

Notes to the Financial Statements
for the year ended 30 June 2025

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity
Council is the parent entity

Associates
Interests in associates are detailed in Note 6.3.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors

Jim Child (Councillor 01 July 2024 to 26 October 2024, Mayor 19 November 2024 to current)
Richard Higgins (Deputy Mayor 19 November 2024 to current)
Timothy John Heenan
Fiona McAllister
Len Cox
Mitch Mazzarella (Councillor 09 November 2024 to current)
Gareth Ward (Councillor 09 November 2024 to current)
Peter McIlwain (Councillor 09 November 2024 to current)
Jeff Marriott (Councillor 09 November 2024 to current)
Johanna Skelton (Councillor 01 July 2024 to 26 October 2024)
Andrew Fullagar (Councillor 01 July 2024 to 26 October 2024)
David Eastham (Deputy Mayor 01 July 2024 to 26 October 2024)
Sophie Todorov (Mayor 01 July 2024 to 26 October 2024)

Chief Executive Officer and other key management personnel

Chief Executive Officer - Tamara Rose
Director Planning and Sustainable Futures - Kathleen McClusky
Director Communities - Leanne Hurst
Director Built Environment and Infrastructure - Hjalmar Philipp
Director Corporate Services - Andrew Hilson (1 July 2024 to 18 October 2024)
Director Corporate Services - Kim O'Connor (21 October 2024 to 24 January 2025)
Director Corporate Services - Vincenzo Lombardi (27 January 2025 to current)
Executive Strategic Advisor - Ameer Cooper

	2025 No.	2024 No.
Total Number of Councillors	13	9
Total of Chief Executive Officer and other Key Management Personnel	8	5
Total Number of Key Management Personnel	21	14

Notes to the Financial Statements

for the year ended 30 June 2025

Note 7. People and relationships (continued)

(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.

	2025 \$ '000	2024 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,156	1,789
Other long-term employee benefits	126	(10)
Post-employment benefits	176	123
Total	2,458	1,902

	2025 No.	2024 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$10,000 - \$19,999	2	—
\$20,000 - \$29,999	5	—
\$30,000 - \$39,999	3	7
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	1	—
\$60,000 - \$69,999	1	—
\$80,000 - \$89,999	1	—
\$90,000 - \$99,999	1	—
\$140,000 - \$149,999	—	1
\$200,000 - \$209,999	1	—
\$210,000 - \$219,999	1	—
\$240,000 - \$249,999	—	1
\$270,000 - \$279,999	—	1
\$280,000 - \$289,999	—	1
\$300,000 - \$309,999	—	1
\$310,000 - \$319,999	1	1
\$320,000 - \$329,999	2	—
\$440,000 - \$449,999	1	—
	21	14

Notes to the Financial Statements

for the year ended 30 June 2025

Note 7. People and relationships (continued)

(d) Remuneration of other senior staff

Preamble

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.

	2025 \$ '000	2024 \$ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	2,915	3,109
Other long-term employee benefits	88	120
Post-employment benefits	336	320
Total	3,339	3,549

	2025 No.	2024 No.
The number of other senior staff are shown below in their relevant income bands:		
Income Range:		
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	2	1
\$200,000 - \$209,999	1	7
\$210,000 - \$219,999	7	3
\$220,000 - \$229,999	2	2
\$230,000 - \$239,999	–	1
\$240,000 - \$249,999	1	1
	16	17

	2025 \$ '000	2024 \$ '000
Total remuneration for the reporting year for other senior staff included above, amounted to:	3,339	3,549

Notes to the Financial Statements
for the year ended 30 June 2025

Note 7. People and relationships (continued)

	2025	2024
	\$ '000	\$ '000

7.2 Related party disclosure

(a) Transactions with related parties

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

Contributions to Your Library Ltd	4,362	4,245
-----------------------------------	-------	-------

Council directly provides a number of additional resources free of charge to Your Library Limited in relation to library branches in the Yarra Ranges municipality. The annual operating cost to Council for providing these facilities is as follows:

Yarra Junction, Mt Evelyn, Belgrave, Mooroolbark and Montrose Library branches:	839	813
---	-----	-----

(b) Outstanding balances with related parties

There were no outstanding balances with related parties.

(c) Loans to/from related parties

No loan transactions were entered by Council with related parties.

(d) Commitments to/from related parties

There were no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party other than those related to the employment contracts of Key Management Personnel.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Subdivisions

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.

There are a number of subdivisions and other staged developments underway (Kinley Estate, Gateway Lilydale and 638-640 Maroondah Hwy Coldstream) as at 30 June 2025 and 3 level crossing programs including the Cavehill Road pedestrian underpass, from which Council will receive certain assets. The maintenance of these assets will become Council's responsibility once control has passed to Council.

(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 contingencies to be considered by council.

Defined benefits superannuation fund

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Insurance

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, Council regularly receives claims and demands allegedly arising from incidents which occur on land belonging to Council. There are 15 outstanding claims as at 30 June 2025 against Council in this regard currently lodged with our liability insurer. Council carries \$600 million of public liability insurance and had a deductible of \$100,000 in 2024-25. The accumulated deductible liabilities are \$850,000 as the maximum liability of outstanding (unpaid) deductibles for all current claims. The primary insurer is MAV Insurance. There are no claims of which Council is aware which would fall outside the terms of Council's policy.

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.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

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 Treasury Corporation of Victoria (TCV) borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*.

Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

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

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowances for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1 % and - 2 % in market interest rates (AUD) from year-end rates of 3.85% as published by the Reserve Bank of Australia.

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

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

8.4 Fair value measurement

Fair Value Hierarchy

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

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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 not resulted in any material impacts to Council's financial statements.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. 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 2 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 3 years
Buildings	1 to 3 years
Roads	2 to 5 years
Bridges	2 to 5 years
Footpaths and cycleways	2 to 5 years
Drainage	2 to 5 years
Recreational, leisure and community facilities	5 to 8 years
Waste management	n/a
Parks, open space and streetscapes	5 to 8 years
Aerodromes	n/a
Other infrastructure	5 to 8 years

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

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

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 8. Managing uncertainties (continued)

8.5 Events occurring after balance date

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

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2025			
Property			
Land	509,405	59,120	568,525
Land improvements	435	32,155	32,590
Buildings	112,982	82,344	195,326
	622,822	173,619	796,441
Other - P&E	2,387	1,214	3,601
	2,387	1,214	3,601
Infrastructure			
Roads	139,077	—	139,077
Bridges	23,108	—	23,108
Footpaths and cycleways	16,323	—	16,323
Drainage	135,208	—	135,208
Recreational, leisure and community facilities	8,298	20,688	28,986
Parks, open space and streetscapes	1,028	18,075	19,103
Offstreet car parks	12,051	—	12,051
Other infrastructure	2,785	—	2,785
	337,878	38,763	376,641
Total asset revaluation reserves	963,087	213,596	1,176,683
2024			
Property			
Land	307,320	202,085	509,405
Land improvements	1,716	(1,281)	435
Buildings	90,044	22,938	112,982
	399,080	223,742	622,822
Other - P&E	1,951	436	2,387
	1,951	436	2,387
Infrastructure			
Roads	139,077	—	139,077
Bridges	23,108	—	23,108
Footpaths and cycleways	16,323	—	16,323
Drainage	116,603	18,605	135,208
Recreational, leisure and community facilities	18,609	(10,311)	8,298
Parks, open space and streetscapes	4,469	(3,441)	1,028
Offstreet car parks	12,051	—	12,051
Other infrastructure	1,985	800	2,785
	332,225	5,653	337,878
Total asset revaluation reserves	733,256	229,831	963,087

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters (continued)

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

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2025				
Public open space / development of recreational land	11,665	2,522	—	14,187
Reserve - Emergency and Disaster Response	1,100	—	—	1,100
Reserve - Digital Transformation	300	—	—	300
Reserve - Waste	198	2,878	—	3,076
Reserve - Biodiversity Offset Program	604	(20)	—	584
Total Other reserves	13,867	5,380	—	19,247
2024				
Public open space / development of recreational land	10,894	771	—	11,665
Reserve - Emergency and Disaster Response	1,100	—	—	1,100
Reserve - Digital Transformation	300	—	—	300
Reserve - Waste	102	96	—	198
Reserve - Biodiversity Offset Program	605	(1)	—	604
Total restricted reserves	13,001	866	—	13,867
Total Other reserves	13,001	866	—	13,867

The Public Open Space Reserve was established to control contributions received from developers that will, upon completion of developments, be utilised to develop recreation and other facilities for residents in the respective development areas.

The Disaster Response Reserve was established following natural disaster and storm events that occurred in the current and prior years. This reserve sets aside funding to support and fund future recovery related activities.

The Digital Transformation Reserve was created to assist in covering the budgeted shortfall for the YRConnect and other digital transformation projects.

The Waste Reserve has been established to ensure the ongoing and sustainable operation of the Council's waste service. The Biodiversity Offset Program Reserve has been established to compensate for losses as a result of the removal of native vegetation. The program has been established to manage and protect native vegetation to counteract native vegetation removal.

	2025 \$ '000	2024 \$ '000
Summary of reserves		
Asset Revaluation Reserve	1,176,683	963,087
Other Reserves	19,247	13,867
Total Reserves	1,195,930	976,954

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters (continued)

	2025 \$ '000	2024 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	16,203	7,953
Non-cash adjustments:		
Depreciation	40,182	38,526
(Profit)/loss on disposal of property, infrastructure, plant and equipment	1,080	7,701
Contributions - Non-monetary assets	(4,659)	(2,409)
Share of net profits of associates and joint ventures	(255)	(311)
Finance cost	1,257	843
Other	(21)	–
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(7,011)	(858)
(Increase)/decrease in prepayments	(108)	(601)
(Increase)/decrease in accrued income	6,864	(4,612)
Increase/(decrease) in trade and other payables	2,436	(7,978)
Increase/(decrease) in contract and other liabilities	(12,289)	(28,011)
Increase/(decrease) in provisions	1,146	(655)
Increase/(decrease) in trust funds	(3,698)	(4,979)
Net cash provided by/(used in) operating activities	41,127	4,609

Notes to the Financial Statements

for the year ended 30 June 2025

Note 9. Other matters (continued)

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 the Comprehensive Operating 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 5.6% pa
Salary information 3.5% pa
Price inflation (CPI) 2.7% 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 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% 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.

Notes to the Financial Statements
for the year ended 30 June 2025

Note 9. Other matters (continued)

(b) Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

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 (Interim) \$m	2023 (Triennial) \$m
- A VBI Surplus	108.4	85.7
- 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 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.6% pa

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

Notes to the Financial Statements
for the year ended 30 June 2025

Note 9. Other matters (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 were:

	2020	2023
	Triennial investigation	Triennial investigation
Net investment return	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.50% pa
Price inflation	2.0% pa	2.8% 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	2025 \$ '000	2024 \$ '000
Vision Super	Defined benefit	11.5% (2024:11.0%)	163	204
Vision Super	Accumulation	11.5% (2024:11.0%)	3,249	3,273
Other funds	Accumulation	11.5% (2024:11.0%)	5,228	4,551

Council has not paid any unfunded liability payments to Vision Super in 2024/25 year.

There were no 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 \$170,000.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 10. Changes in accounting policies

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

Notes to the Financial Statements

for the year ended 30 June 2025

Note 11. Natural disasters

Since 2021-2022 Yarra Ranges has been affected by storms and floods which have resulted in an increase in expenditure, particularly contractors and materials and services.

	2025 \$ '000	2024 \$ '000
Expenditure incurred is as follows:		
Contractors	7,903	8,641
Employee costs	317	1,399
General materials and services	64	849
Total natural disaster events	8,284	10,889
Non recurrent State Grant Funding received for natural disaster events	2,245	6,847

Yarra Ranges community experienced three Severe Weather Events in close succession this financial year: 15th -16th July 2024, 25th August 2024 and 18th October 2024. Costs incurred in the 2025 Financial Year have been recognised in the 2025 Financial Statements. Claims and applications have been made for funding from various sources, primarily Disaster Recovery Funding Arrangements (DRFA) through Emergency Management Victoria for costs incurred and recorded in 2025 Financial Statements. DRFA funding is assessed and paid based on compliant claims. The revenue from these claims was estimated and recorded in the 2025 Financial Statements. Revenue has been recorded in 2024-25 for the amounts received during the year, as well as an estimate for works completed to date.

Other funding sources have included:

- Council Support Fund (CSF) co-funded by the Commonwealth and Victorian Governments and administered through Local Government Victoria (LGV) which has allowed us to create the staff structure required to support storm recovery as well as provide additional support to the community and put in place preventative measures for future events.
- Preparing Australian Communities (PAC) funded by the Commonwealth Government through the Department of Industry, Science, Energy and Resources. This grant has improved the long-term resilience of Australian communities to natural hazards and delivered disaster risk reduction projects to reduce the impact of future natural hazards on Australian communities. During 2024-25, Council received \$0.9m PAC funding.