

COUNCILLOR BRIEFING RECORD

DATE: 25 November 2025

START TIME: 4.07 pm

ATTENDEES:

Councillors:

Cr Karen Stephens (Mayor), Cr Matt Jowett (Deputy Mayor), Cr Robyn McDonald, Cr Duane Angelino, Cr John Pepper, Cr Michael Noske, Cr Michael Carr.

Officers:

CEO (Helen Havercroft), Director Community Services (Brett Jackson), Director Infrastructure Services (Aaron Moyne), Director Corporate Services (David Hol).

Other attendees:

APOLOGIES:

Declaration of Conflict of Interest:	<ul style="list-style-type: none">Nil
Items Discussed:	<ul style="list-style-type: none">Items on the Council AgendaDelegationsAirport StrategyLease and Licence PolicyRoad sealing contractAudit and Risk Appointment
Councillor Items	<ul style="list-style-type: none">Hooked on updateCr Induction trainingHeywood PoolNelson greenwasteNelson footpathNelson community feedbackChristmas Tree lightsDrought relief grantsFinancial Audit status.

FINISH TIME: 5.01 pm

COUNCILLOR BRIEFING RECORD

DATE: 2 December 2025

START TIME: 4.15 pm

ATTENDEES:

Councillors:

Cr Karen Stephens (Mayor), Cr Matt Jowett (Deputy Mayor), Cr Robyn McDonald (via TEAMS), Cr Duane Angelino, Cr Michael Noske, Cr Michael Carr.

Officers:

CEO (Helen Havercroft), Director Community Services (Brett Jackson), Director Infrastructure Services (Aaron Moyne), Director Corporate Services (David Hol).

Other attendees:

Item 1 Environmental Sustainability Coordinator (Adam Smith)
Environment and Facilities Manager (Michael Doherty)

Item 2 Stuart Johns, Laura Jo Mellan & George Konstantopoulos – Dept Transport and Planning (via Teams)

APOLOGIES:

Cr John Pepper

Declaration of Conflict of Interest:	<ul style="list-style-type: none">Nil
Items Discussed:	<ul style="list-style-type: none">Environmental Sustainability PolicyCasterton School Bus NetworkCommunity Funding and Support PolicyVicHealth funding program – vapingInspectorate Letter
Councillor Items	<ul style="list-style-type: none">Heywood Pool works and regional pool mattersFinancial StatementsRates reportHurd St propertyCasterton enforcement matterGovernor visitChristmas celebration

FINISH TIME: 6.03 pm

COUNCILLOR BRIEFING RECORD

DATE: 8 December 2025

START TIME: 4.15 pm

ATTENDEES:

Councillors:

Cr Karen Stephens (Mayor), Cr Matt Jowett (Deputy Mayor), Cr Robyn McDonald, Cr Duane Angelino, Cr Michael Noske, Cr Michael Carr, Cr John Pepper.

Officers:

CEO (Helen Havercroft), Director Community Services (Brett Jackson), Director Corporate Services (David Hol), Director Infrastructure Services – Via TEAMS (Aaron Moyne).

Other attendees:

Item 1	Tourism and Events Officer (Josh Pearce) & Manager Planning & Development (Matt Berry)
Item 2	Strategic Project Manager (Linda Dean) & Manager Engineering & Projects (Chris Saunders)
Item 3	Local Laws Manager (Jodie Maybery)
Item 4	Governance Manager (Simone Scott)

APOLOGIES: Nil

Declaration of Conflict of Interest:	<ul style="list-style-type: none">Nil
Items Discussed:	<ul style="list-style-type: none">Tourism feedbackCapital project reportingDAMP feedbackProcurement PolicyBudget discussionItems on the Council Meeting agendaESVF updateForeshore project funding agreementWaste facility fire
Councillor Items	<ul style="list-style-type: none">Community funding policy consultationSouth-West Vic AllianceEnd of year dinnerTimber project launchCouncil meeting debate processGovernor VisitHospital Helipad

FINISH TIME: 7.25 pm

COUNCIL POLICY



TITLE:	COMMUNITY FUNDING AND SUPPORT POLICY
ID NUMBER:	CPO-CDEV-GE-001 DocSetID:733241
DEPARTMENT:	COMMUNITY SERVICES
UNIT:	ECONOMIC DEVELOPMENT
RESPONSIBLE OFFICER:	Director, Community Services

ADOPTED DATE AND BY WHOM:	To be confirmed
EXPIRY DATE:	December 2029
REVIEW DATE:	June 2029 <i>This policy will be reviewed annually or as required by any legislative or council changes.</i>

AVAILABILITY:	Organisation wide	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Public	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Internet	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
ADVISE AVAILABILITY:	Media Release Sou Wester (Responsible Officer to prepare article)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1. References

Glenelg Shire Community Grants Program Guidelines (DocSetID: 2908648)

Glenelg Shire Event Management Guidelines (DocSetID: 3095529)

Glenelg Junior Sports Trust Guidelines (DocSetID: 2235544)

Glenelg Shire Council logos and acknowledgments Guide (Community Grants Successful applicant logo style guide) [community-grants-successful-applicant-logo-style-guide.pdf \(glenelg.vic.gov.au\)](http://community-grants-successful-applicant-logo-style-guide.pdf (glenelg.vic.gov.au))

Glenelg Shire Council, Records Management Policy OPO-CORPS-RECM-001 (DocSetID: 1933907)

Glenelg Shire Council Recreational Reserves and Recreational Facilities Access Policy (DocSetID: 2782902)

Recreational Reserves and Recreational Facilities Pricing Policy (DocSetID: 2782903)

Active Your Way Glenelg Sport and Active Recreation Plan (DocSetID: 2560778)

Minor Community Grant Guidelines (DocSetID: 3197486)

Aboriginal Education Scholarship Guidelines (DocSetID: 2955056)

2. Introduction

The Glenelg Shire Council is a home to over 20,000 individuals and hundreds of community organisations, all striving to make the Shire a great place to live, work and play.

Council recognises that the local community plays a vital role in empowering people and organisations to have an active role in shaping and growing their community to build a better future and achieve their aspirations.

Funding community, cultural and recreational activities, events and services enables individuals and groups to work in partnership with Council in meeting community needs. Through this Policy, Council recognises community groups provide important and valued community and social benefits to the Shire.

3. Purpose

This policy provides a framework for Council to allocate funding across community in an effective, equitable and transparent manner to ensure:

- fairness, equity and transparency in providing grant funds;

- funds are used for purposes intended;
- appropriate processes and authorisation of grants are adhered to;
- eligibility criteria are met;
- provision and proof of outcomes of approved grants are received and documented; and
- opportunity for creation of mutually beneficial partnerships between Council, residents and community groups.

4. Scope

This Policy applies to all grant funding and community support activities as outlined in the Policy and is binding on Councillors, Officers, temporary/casual employees, contractors and consultants while engaged by Council. This document should be read in conjunction with the various Grant Funding Guidelines and Procedures available under each Funding and Support category.

5. Council Policy

Glenelg Shire Council support and enhance community wellbeing through the following Community Funding Programs and support streams:

- Section 5.1 Community Grants
- Section 5.2 Major/Iconic Event Funding
- Section 5.3 Aboriginal Education Scholarships
- Section 5.4 Minor Community Grants
- Section 5.5 Junior Sports Trust
- Section 5.6 January 26 Funding
- Section 5.7 In kind support
- Section 5.8 Venue Hire
- Section 5.9 State Government Sponsored Grant Programs

5.1 Community Grants Program

The objectives of the Community Grants Program are to:

- Strengthen communities and develop community capacity.
- Foster closer constructive cooperation between Council and communities.
- Build an accessible and inclusive community that embraces diversity. Glenelg Shire encourages applications that promote participation and reduce barriers for underrepresented community groups.
- Encourage initiatives that promote the wellbeing and liveability of the community.
- Support projects and activities that enhance the quality of life for older residents in the Shire.

- Assist grass roots community groups in the provision of programs and/or projects that provide a clear community benefit; are environmentally friendly, and are in the public interest and are sustainable.

5.1.1 Funding Conditions

Council will determine the total amount of funding for the Community Grants Program as part of the Budget considerations each financial year.

Community Funding and Support Policy Guidelines will be made available to provide detailed guidance for the eligibility, application, assessment and approval process. All organisations and groups are strongly encouraged to discuss their application with Council Officers prior to submission.

Funding will be considered only for programs and other activities that are not the primary or core service of State or Federal Government or large non-profit organisations.

Grants will be divided into the classifications of Recreation, Public Halls, Community Events, Arts, Culture and Heritage, Community Strengthening and Ageing Well with each application to be assessed against the prescribed criteria as set out in the Community Funding and Support Policy Guidelines.

The program will accept requests up to but not exceeding \$5,000 per application. Groups may apply for funding for multiple projects but the maximum amount granted to any one organisation will be \$5,000 per financial year.

An auspicing incorporated community group can apply for up to \$500 funding for non-incorporated grass roots community group in addition to the \$5,000 cap (ie total of \$5,500). The associated risks relating to the asset will be borne by the Council.

Where the application is greater than \$1,000, the applicant must demonstrate equal or greater contribution to the project.

The applicant matching contribution may consist of cash and/or in-kind services (labour and goods) which must not exceed 50% of the grant amount requested.

All ongoing maintenance costs associated with a project will be the sole responsibility of the community group. Council will take no responsibility for the ongoing maintenance, upgrade or costs associated with a community grant project.

No community group will be allocated more funding than the amount requested in the application. A successful application is not guaranteed funding to the level requested. Council may redistribute the funding allocation over the range of applications in any category.

Projects must be completed within 12 months of receiving funding with acquittal documentation to also be completed within specified timeframes. Under extenuating

circumstances extensions of time for a further 12 months may be requested to Council Grant Officer, communitygrants@glenelg.vic.gov.au.

5.1.2 Funding Eligibility

To be eligible for a Community Grant, intending applicants must:

- Be a non-profit organisation or “grass roots” volunteer based community group or organisation, including non-profit organisations operating from a Public Hall.
- Individuals and private profit-making organisations are not eligible.
- Committees of Management who do not receive State Government funding are eligible, noting community activities will be funded while asset maintenance and structural related works will not be funded.
- Be incorporated or auspiced by an incorporated organisation.
- Supply a current Public Liability Insurance Certificate if applying for the use of Council owned facilities or applying for a grant. Have a valid and current lease or licence agreement in place with Council where applicable.
- Demonstrate that the project will create a meaningful and lasting impact for the Glenelg Shire community, with clear evidence of local involvement and benefit.

5.1.3 What cannot be funded

The following will not be considered for funding:

- Organisations with outstanding grant acquittal or outstanding debts owed to Council.
- Programs/activities or assets which are a primary or core service or responsibility of State or Federal Government, or large non-profit organisations.
- Organisations that have a valid Venue Operator’s Licence from the Victorian Gambling and Casino Control Commission and receive income from gambling.
- Committees of Management who receive funding from the State Government. It is the responsibility of the committee of management to understand and declare the status of any State Government funding being received within their application.
- Schools, hospitals, cemeteries, places of worship cannot be funded.
- Incorporated School Parents and Friends Committees are not eligible.
- On-going general running or maintenance expense (e.g. postage, telephone, electricity, insurance).
- Applications by private profit-making organisations are not eligible.
- Projects that depend on recurrent funding from Council for continuation except for identified Major/Iconic Events under Section 5.3.
- Retrospective projects and events, or projects already in progress.
- Subsidised fees – eg, membership, enrolment, subscriptions, etc.

5.1.4 Assessment Criteria and Process

Eligible applications will be assessed and scored according to the following criteria and the project must fit within at least one of the funding categories.

Criteria	Score (0-20) Scoring guidelines: 0 Not addressed 5 Weak 10 Average 15 Strong 20 Outstanding
The project effectively meets identified community need and relates to the Community Grants Program objectives	
The project promotes growth and development and can demonstrate community involvement in the project planning and implementation	
The project is environmentally conscious	
The project is accurately costed, the group/organisation has the capacity to implement and report on the project in set timeframes and Council's contribution will be acknowledged	

A cross functional team of Council Officers will assess community grants applications in accordance with Council's Community Funding and Support Policy. Recommended applications will then be presented to Council for approval of funding allocation as per the assessment recommendations.

Council's decisions are final and will not be reviewed. No further correspondence will be entered into.

5.2 Major/Iconic Event Funding

Council, through this Policy, provide funding towards three 'Iconic' major tourism events in the Shire, led by community organisations:

- Portland Upwelling Festival;
- Heywood Wood Wine and Roses Festival;
- Australian Kelpie Muster; and
- Christmas and New Years Eve Celebrations.

Festivals and major events form part of the *Glenelg Shire Tourism Strategy* and are a significant driver of tourist visitations. Major events are defined as an event that involves:

- estimated participation or attendance of more than 2000 people;
- a road closure requiring additional approvals from a government authority;
- attracts major attendance from locals and visitors;
- can include ticketed, user pays events;
- large amount of infrastructure; and
- food and beverage trading.

Planning for Major/Iconic Events must be undertaken in accordance with the *Glenelg Shire Council Event Management Guidelines*.

Funding allocation for the 'Iconic' Events is reviewed annually via submissions to the annual budget process.

5.3 Aboriginal Education Scholarships

The Glenelg Shire Council Aboriginal Education Scholarship Program aims to encourage Glenelg Shire based Aboriginal and/or Torres Strait Islander residents to study beyond Year 12.

Two scholarships are available annually to the value of \$3,000 each.

Aboriginal Education Scholarship Program Guidelines will be made available to provide detailed guidance for the eligibility, application, assessment and approval process.

All applicants are strongly encouraged to discuss their application with Council Grant Officer, communitygrants@glenelg.vic.gov.au, prior to submission.

Applications will be reviewed by the Glenelg Aboriginal Partnership Group and recommendation will go to Council for endorsement.

Funds can be used to assist with:

- course fees;
- travel expenses;
- course requirements;
- compulsory clothing/footwear; and
- and tutoring.

5.4 Minor Community Grants

An amount of \$2,000 is available to accommodate extraordinary requests from community groups outside the Community Grant Program.

Minor Community Grants are available for one off requests from community organisations with the same Funding Eligibility requirements as the Community Grants Program.

A maximum of \$500 is available to eligible community groups per application per annum.

Applications in this category can be made at any time of the year and applicants are strongly encouraged to contact Council Grant Officer, communitygrants@glenelg.vic.gov.au, to discuss the potential application.

Funding through this program is provided throughout the financial year on an ongoing basis until all funds are expended.

5.5 Glenelg Junior Sports Trust

The Glenelg Junior Sport Trust provides financial support for individual athletes or teams who have been selected to represent at state, national or international level in their chosen sport aged up to 18 years of age inclusive.

The age of the applicant is to be the age of the individual/team participant at the time the activity/event is being held.

[Glenelg Junior Sports Trust Guidelines](#) provide detailed guidance for the eligibility, application, assessment and approval process. All applicants are strongly encouraged to discuss their application with Council Recreation Team, recreation@glenelg.vic.gov.au, prior to submission.

Council will consider applications for assistance to participate in Victorian, Interstate and International activities/events in accordance with Glenelg Junior Sports Trust Guidelines funding amounts.

The funding amount shall be no greater than fifty percent of the costs to be incurred by the applicant in attending the nominated activity/event.

Applications are open to the Glenelg Junior Sport Trust all year round until funds are fully expended.

5.6 January 26 Funding

Funding is available to assist community groups in the Shire to lead events on and around January 26 that focuses on community, diversity and inclusion. Responsibility for events on and around January 26 rests with community groups. The total funding

available for January 26 activities (or as indexed by Council), and the following amounts are available for each township:

- Merino/Digby \$400;
- Nelson \$400;
- Heywood \$1,000;
- Casterton \$1,000;
- Dartmoor \$400; and
- Portland \$2,000.

Annual application for funds is via a written submission to the Chief Executive Officer.

Where there is more than one application in the same township, the Council Officers will work with the community representatives to ensure collaboration for the delivery of one event.

5.6.1 Funding Requirements

- Community led events should be hosted on any day between 15 January and 4 February.
- Community led events must be in the Glenelg Shire Council.
- Funding is for one event per township.
- Only incorporated, community-based not-for-profit groups operating in the Glenelg Shire Council will receive funding.
- Community groups can use funds to their discretion for activities such as venue costs, staging/equipment costs, marketing/promotional costs, catering costs, performer/artist fees.
- Community led events must be committed to ensuring events promote equity, diversity, accessibility and inclusion for all.

5.7 In kind support

In-kind support is a donation to community groups of Council services and/or resources where no cash is exchanged to support a community service, project, event or activity.

Council undertakes a variety of in-kind activities across the Shire to support the community progress outcomes.

When applying for any of Council's funding programs, the value of Council's in-kind contribution must be factored into the total amount requested from Council not exceeding the grant maximum.

In-kind requests should be made as part of the funding application process.

5.8 Venue Hire

Community, sporting, recreation and not for profit groups and organisations may be eligible to hire Council facilities at a reduced rate. Eligibility and further information on fees and charges are available on Council's website <https://www.glenelg.vic.gov.au/Home>.

Requirements vary for meeting room hire within Council venues.

5.9 State Government Sponsored Grant Programs

Council may offer additional funding programs to the community subject to the receipt of State Government funding streams.

6. Conflict of Interest Provisions

To ensure an accountable and transparent assessment process is maintained, Councillors and Council Officers are required to declare any potential conflict of interest. This may include but is not limited to personal connections with any applicant or membership of an applicant organisation. Anyone having a conflict of interest should not debate, be involved with any discussions, or vote on any matter relating to the specific applicant.

7. Responsibilities

The following matters are referred to Council for a decision:

- Section 5.1 – Community Funding Program;
- Section 5.2 – Major/Iconic Event Funding;
- Section 5.3 – Aboriginal Education Scholarships.

The Chief Executive Officer, Director Community Services and Director Infrastructure have delegated authority to approve all expenditure within Council's approved budget for:

- Section 5.4 - Minor Community Grants;
- Section 5.5 - Junior Sports Trust;
- Section 5.6 - January 26 Funding;
- Section 5.7 - In kind support.

Reduced rates for Council venue hire in Section 5.8 are listed in Council's schedule of fees and charges.

8. Grievance Procedure

Council's decisions are final and will not be reviewed. No further correspondence will be entered into.

9. Acquittal and Reporting

At the conclusion of the project/activity, all successful grant applicants will be required to submit their acquittal and supporting documentation within three (3) months of project completion. Failure to submit an acquittal in a timely manner, may result in future grant funding applications being rejected.

An acquittal is a report submitted by the applicant that accurately details the funding activity outcomes.

10. Gender Impact Assessment

This Community Funding and Support Policy has been developed in line with the Gender Impact Assessment, mandatory planning and assessment tool under Victoria's Gender Equality Act 2020. This ensures that the policy actively considers the different needs, experiences, and barriers faced by people of all genders. By embedding gender equality principles into the design and delivery of grants, the policy supports more inclusive, equitable outcomes and strengthens opportunities for diverse community participation.

11. Records Management

All Council records created and managed as a result of implementing this policy will be managed in accordance with the Council's Records Management Policy.

The Records Management Policy assigns responsibilities for records management to employees, supervisors, volunteers and other specific positions.

No Council records are to be destroyed without consideration of the requirements of the Act(s) that govern the functions relevant to this policy. Prior to destruction, advice must be sought from the Information and Data Unit, with consideration to the requirements of the appropriate Retention and Disposal Authority (RDA).



GLENELG SHIRE COUNCIL DOMESTIC ANIMAL MANAGEMENT PLAN

Traditional Owners

Glenelg Shire Council respectfully acknowledges the Gunditjmara, Jardwadjali and Boandik Peoples as the Traditional Owners and Custodians of the lands and waters across our Shire. We pay our respects to the Elders past and present, and recognise their deep and continuing connection to Country, community, and culture.

We acknowledge that animals have always held an important place in Aboriginal culture – from working alongside people in daily life to holding spiritual and cultural significance. In managing dogs, cats, and other animals today, we honour this long history of care, balance, and respect between people, animals, and the environment.

We also acknowledge and celebrate the ongoing contributions of Aboriginal and Torres Strait Islander peoples to the prosperity, wellbeing, and cultural identity of Glenelg Shire.



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INTRODUCTION AND CONTEXT

Purpose of the Domestic Animal Management Plan - DAMP

The Domestic Animal Management Plan (The DAMP) aligns with Council's strategic objectives including safe and inclusive public spaces, community wellbeing and environmental sustainability. It recognizes the shared responsibility between Council, pet owners and the broader community.

Under Section 68A of the *Domestic Animals Act 1994* (the Act), every council in Victoria is required to produce a Domestic Animal Management Plan which will be renewed every four years.

The purpose of The DAMP is to provide a structured, strategic approach to the management of domestic animals—primarily cats and dogs—within the Glenelg Shire by addressing the following:

Development and Review

- Councils must develop The DAMP every four years in consultation with the Secretary.
- The DAMP must be reviewed annually and updated as needed.

Plan Requirements

- Evaluate the effectiveness of current animal control services.
- Include training programs for authorised officers.
- Outline strategies to:
 - Promote responsible pet ownership.
 - Ensure compliance with relevant laws.
 - Reduce dog attacks.
 - Address overpopulation and high euthanasia rates.
 - Increase pet registration and identification.
 - Reduce nuisance caused by pets.
 - Identify and manage dangerous, menacing, and restricted breed dogs.
- Review existing local laws and orders and recommend changes if needed.
- Periodically review all strategies, programs, and services in the plan.



Reporting Obligations

- Provide The DAMP and any amendments to the Secretary (DEECA).
- Report on the plan's implementation in the Council's annual report.

It outlines Council's efforts in animal management, detailing both ongoing and new initiatives aimed at improving compliance and education. It also highlights opportunities for collaboration between Council and the community to address challenges related to cats and dogs.

State government legislation requires Council to address issues related only to cats and dogs. However, Council acknowledges that many residents keep a variety of other animals as companions, including small mammals, reptiles, horses, and traditionally livestock species such as ducks and chickens.



Our Purpose

To build a community where people and pets thrive together—through responsible pet ownership, and collaborative, sustainable practices that protect animal welfare and enhance community wellbeing.

Our Vision

Glenelg Shire Council is committed to delivering a service that aligns with industry best practices in pet care and management. By working closely with the community, the Council aims to achieve the best possible outcomes for pets, the environment, and the broader community.

Associated Legislation

How the DAMP aligns with other Strategic Plans

The DAMP is developed in accordance with the relevant legislative and regulatory frameworks that govern the management of domestic animals. These laws provide the legal basis for animal registration, identification, welfare, enforcement, and education strategies.

1. Primary Legislation

- Domestic Animals Act 1994
 - Governs the registration, control, breeding, desexing, microchipping, and welfare of domestic cats and dogs.
 - Empowers local councils or governing bodies to develop and enforce Domestic Animal Management Plans.

2. Supporting Legislation and Regulations

- Prevention of Cruelty to Animals Act 1986 – Sets minimum standards for the treatment and care of animals.
- Local Government Act 1989/2020 – Grants councils the authority to implement and enforce local laws related to animal control.
- Public Health and Wellbeing Act 2008 – Relates to disease prevention and health risks from stray or unmanaged animals.



- Planning and Environment Act 1987- May influence where animal facilities (e.g., shelters, dog parks) can be located.

3. Local Laws and By-laws

Glenelg Shire Council General Local Law 2018 Part 3 Animals - Relates to the keeping, control, and management of animals within the municipality, including provisions for registration, number of animals permitted, standards of care, and measures to protect community amenity and safety.

4. Enforcement Powers

Under the above legislation, council local laws officers are delegated and have the powers to:

- Issue fines or infringements
- Seize animals when necessary
- Investigate complaints and incidents
- Conduct routine inspections and patrols

5. Council Strategies, Policies and Guidelines

This DAMP aligns with internal council strategies or plans, including:

- Council and Wellbeing Plan 2025-2029
- Gender Equality Plan 2021 - 2025
- Glenelg Shire Open Space Strategy 2019 – 2040
- Local Laws Suite of policies and procedures
- Emergency Management Plans (particularly for pets during disasters)



Demographic and Profile of Glenelg Shire Council

Glenelg Shire Council is in southwestern Victoria, approximately 360 kilometres from Melbourne. In 2024, the estimated resident population was 20,379, however projection estimate by 2036 could reach 21,646.

The Shire encompasses a total area of 6,212 square kilometres and includes a diverse range of localities such as Portland, Heywood, Casterton, Nelson and Dartmoor.

The community is served by 10,172 dwellings, with an average household size of 2.21 people. The median age of residents is 47 years, with 16.2% of the population aged 0 to 14 years and 22.2% aged 65 years and over.

The area is rich in Aboriginal heritage, with the Gunditjmara, Jardwadjali, and Boandik peoples recognised as the Traditional Owners of the land.

Domestic Animal Registration 2025 in the Glenelg Shire



Based on the above demographics we applied a national average pet ownership rate for the number of dogs and cats per household.

Pet Type	Estimated Average per Household	Estimated Total Across 10,172 Dwellings
Dogs	1.3	~13,224
Cats	1.6	~16,275

The data indicates that a significant number of animals within our Shire remain unregistered. This insight informs Council's strategies to improve compliance, protect community safety, State led education programs and strengthen animal management services.

Process of preparing the Plan

The development of The DAMP 2026–2029 was supported through its integration with the community consultation process for the Council and Wellbeing Plan. This approach included:

- A broad and inclusive community engagement program
- A review of local, regional, and state policies and planning frameworks
- Consideration of Council's legislative obligations
- Analysis of demographic, health, and economic trends

How we engaged and who was involved



What we learnt



The investigations the Glenelg Shire Council undertook in preparing the plan are summarised in below table.

Area of interest	Investigation
Legislation, regulations, codes of practice	Council's animal management services are governed by the <i>Domestic Animals Act 1994</i> , which forms the foundation of our approach. The development of this plan provides an opportunity to review these services and identify ways to improve outcomes.
Local laws and orders	The Council's local laws and the animal-related orders are outlined in this plan. This plan includes provisions for their review.
Animal management data	Council's pet registration and customer request data were analysed to identify trends, issues, and potential priorities, which are referenced throughout this plan.
Existing services	Preparing this plan provides an opportunity to reflect on Council's current animal management services and consider potential improvements. References to the existing services are included throughout the plan.
Glenelg Shire Council profile	Understanding the community profile ensures the plan reflects the unique attributes of the municipality, as outlined.
Community and stakeholder feedback	Community and stakeholder input was central to developing this plan, with extensive feedback incorporated where appropriate. The engagement process and feedback are detailed below.

The planning context

Glenelg Shire Council reviewed relevant plans and strategies, along with their implications for this plan.

Research and best practice

Glenelg Shire Council reviewed the latest research and best practice in animal management.

Funding

This Plan has been prepared on the basis that actions will be funded within existing budgets, however any infrastructure actions will be subject to securing external funding.

Partnerships

In preparing the plan, Council explored opportunities to partner with others to improve outcomes and make better use of resources. Current and potential partners include but not limited to the State Government, neighbouring councils, animal welfare organisations, veterinarians, domestic animal businesses, obedience clubs, and animal trainers.



Our Team

The Animal Management & Welfare (including rangers) primarily focuses on:

- Enforcing state legislation and Council policies related to cats and dogs
- Responding to escaped pets, with a priority on reuniting them with their owners
- Transferring unclaimed animals to rescue and rehoming organisations
- Maintaining the cat and dog registration database and collecting registration fees
- Conducting inspections of Domestic Animal Businesses and animals requiring special registration
- Investigating complaints and incidents, and managing associated legal proceedings
- Responding to animal welfare concerns and referring cases to the appropriate authorities
- Participating in community events and promotional activities
- Support the delivery in State-led educational programs
- Managing partnerships with the community, including collaborations with rehoming groups
- Promoting pet-related opportunities and community networks
- Overseeing the management of designated dog off-lead areas



THE PLAN

This action plan outlines 12 key focus areas, highlighting what we're working towards, the actions we'll take, and how we plan to get there.

While we've identified target timeframes for each action, priorities may shift over time in response to changing community needs, evolving demands on Animal Management services, other Council commitments, new partnership opportunities, or the availability of external funding.

Council's Role in implementing the Domestic Animal Management Plan

To make the most of Council resources and deliver the best outcomes for the community, Council may take on different roles when implementing the recommendations in this Action Plan. These roles include:

- Providing infrastructure
- Managing services
- Offering advice and information
- Engaging in partnerships
- Advocating on behalf of the community
- Driving innovation

The Action Plan clearly identifies the primary role Council will take for each recommendation, ensuring a flexible and effective approach to meeting community needs.

Monitoring and Reviewing the Plan

In line with the requirements of the *Domestic Animals Act 1994 (Vic)*, Council is committed to keeping the Domestic Animal Management Plan (DAMP) responsive and effective. To ensure the Plan remains relevant and achievable within available resources:

- Council will conduct an annual review of the DAMP to assess progress, adjust priorities, and confirm that actions continue to align with community needs.
- A comprehensive review of the Plan will be undertaken in the fourth year, as required by the Act, to guide the development of the next four-year strategy.



OWNERSHIP & REGISTRATION

FOCUS: Responsible Pet Ownership

What we're working towards: A community that understands and practices responsible pet ownership.

Key things we will do:

- Promote responsible ownership of dogs and cats.
- Encourage compliance with laws and regulations.
- Deliver educational programs relating to pet care, registration, and control.

How we'll get there

Activity	When	Evaluation – How we will achieve
Share simple tips and real pet stories through social media and the Council website.	Annual	Increase in the number of social media posts or other media content.
Place easy-to-read posters and flyers in vet clinics, pet shops, libraries, and community spaces.	2026	Communication material created and displayed in locations.
Run free pet care talks at schools and community events.	2028	Number of sessions implemented



FOCUS: Animal Registration and Identification

What we're working towards: All pet owners register their pets to ensure compliance and community safety.

Key things we will do:

- Improving registration systems and public awareness.
- Using microchip data to identify unregistered pets.
- Conduct home / property inspections

How we'll get there

Activity	When	Evaluation – How we will achieve
Use microchip registry data to identify and follow up with pet owners whose animals are not registered in the Shire.	2026 - 2028	Increase in the number of pets registered in Glenelg Shire.
Review the process and systems used to deliver the annual pet registration renewal process and implement improvements.	2027	Number of pet registration renewals paid on time Reduced number of enquiries from pet owners requiring assistance with their renewal.
		Time taken to complete annual registration renewal process.
Partner with vets and shelters to promote registration, desexing, and adoption.	2026	Vet Agreement
Run focused campaigns and registration drives in areas where pet registrations are low.	Annually	Number of new registrations received.



COMMUNITY, WELFARE & SAFETY

FOCUS - Diversity, Inclusion and Vulnerable Populations

What we're working towards: Pets in vulnerable households are safe and supported.

Key things we will do:

- Recognising the presence of pets in homelessness / family and domestic violence

How we'll get there

Activity	When	Evaluation – How we will achieve
Identify the needs and available services for pet owners experiencing homelessness or family violence.	2027	Review undertaken.
Provide officers with training to respond appropriately to cases involving vulnerability.	2026	Process developed. All officers trained to deal with and manage matters relating to family and domestic violence.
Create and share an information pack to support pet owners facing homelessness or family violence.	2026	Information pack produced, given to support agencies and disseminated to pet owners experiencing homelessness.



FOCUS: Managing Pet-related Issues

What we're working towards: A community with fewer nuisance pets, responsible pet containment, and improved supporting infrastructure.

Key things we will do:

- Address barking, roaming, and trespassing animals.
- Promote cat curfews and containment rules.
- Enhancing infrastructure such as pathways, signage and waste bins.

How we'll get there

Activity	When	Evaluation – How we will achieve
Review and update information on preventing excessive barking and managing barking dog complaints.	2026	Review the barking dog guidelines and improvements implemented where applicable.
Explore new technology to help manage barking dog issues more effectively	2027	Investigate appropriate technology options to improve evidence and make it easier for customer.
Deliver an education program to support responsible pet ownership in high-density living areas.	2027 - 2028	Program developed and implemented.
Review dog on / off-leash areas, rules for dogs in public places, and update where needed.	2028	Review completed and presented to Council. Update Schedule 29.
Develop guidelines and update infrastructure for dog-friendly spaces, including signage in parks.	2027	New guidelines approved and being embedded into practice for new infrastructure.
Review the management of dog waste facilities in public areas.	2027	Review completed.
Investigate and implement programs to manage unowned and semi-owned cats in the community.	2026-2028	Investigation completed and program implemented.

Research options for mandatory desexing of cats.	2028	Present a report to Council about mandatory desexing of cats.
Run campaigns to improve awareness and compliance with cat containment laws.	2027	Information and material published on the website and communicated through social media and other mechanisms.

FOCUS: Dangerous and Restricted Breeds

What we're working towards: Owners of declared dangerous and/or restricted breeds are compliant, ensure public safety, and responsibly manage their dogs

Declared dogs are managed safely and in compliance with legislation.

Key things we will do:

- Monitoring and managing declared dogs.
- Enforcement of mandatory compliance for owning a declared dog.

How we'll get there

Activity	When	Evaluation – How we will achieve
Review and strengthen the system for identifying and auditing declared dogs within the municipality.	Annual	Review undertaken and improvements implemented Any declared dogs identified are registered in accordance with requirements of the Act.
Work with neighbouring councils to share information about declared dogs near municipal boundaries.	2028	Engagement with neighbouring councils.



FOCUS: Dog Attacks and Public Safety

What we're working towards: Dog owners act responsibly and support community safety. Reduced dog attacks and improved public safety.

Key things we will do:

- Reducing dog attacks through education, patrols, and enforcement.
- Supporting victims and managing aggressive dogs.

How we'll get there

Activity	When	Evaluation – How we will achieve
Enhance patrols in Portland's public spaces to ensure dogs are under proper control.	2026 - 2028	Program reviewed and evaluation implemented Number of hours patrolled Number of non-compliances observed.
Analyse dog attack data to understand causes and take steps to prevent future incidents.	2027	Review and report on data concerning dog attacks.
Promote dog safety education programs, including those run by Animal Welfare Victoria.	Ongoing	Programs promoted and delivered to community groups.
Create easy-to-understand information packs for both owners of attacking dogs and victims of incidents.	2027	Information pack produced and distributed to stakeholders and used where required.
Review and improve the information provided to customers reporting dog attacks to support better service and data collection.	2026 - 2027	Review completed (2026). Implemented improvements (2027).

FOCUS: Overpopulation and Euthanasia Reduction

What we're working towards: A community to practice responsible pet ownership, manage unowned cats, and reduce overpopulation.

Reduce stray/unowned animals and lower euthanasia rates.

Key things we will do:

- Promoting desexing and responsible pet acquisition.
- Managing semi-owned and unowned cat colonies.
- Strengthen rehoming and rescue partnerships to reduce euthanasia rates

How we'll get there

Activity	When	Evaluation – How we will achieve
Return stray or lost registered animals directly to their owners whenever possible.	Ongoing	Increase in the number of animals returned to their owner without having to go to the pound.
Partner with local vets to transfer unclaimed animals to the Animal Welfare Centre for rehoming.	Ongoing	Number of animals referred and / or collected from local veterinary clinics (stray / lost).
Provide education that highlights the lifelong commitment of pet ownership to reduce preventable surrenders.	2027 - 2028	Review numbers to hopefully see a downward trend in number of animals surrendered.
Update education materials on the impacts of cat overpopulation and promote adoption from approved shelters.	2026	Review completed and information updated.
Collaborate with shelters, pounds, and rescue groups to encourage adoption and make it more accessible to the community.	2027	Programs implemented.

ACCOUNTABILITY & REPORTING

FOCUS: Domestic Animal Businesses

What we're working towards: All domestic animal businesses operate responsibly and are compliant.

Key things we will do:

- Ensuring compliance with registration and codes of practice.
- Conducting audits and responding to complaints.
- Promoting registered businesses.

How we'll get there

Activity	When	Evaluation – How we will achieve
Use established guidelines to identify and follow up on unregistered domestic animal businesses.	Annual	Compare number of registered domestic animal businesses before and after the search.
Publish and regularly update a list of compliant animal businesses on the Council website.	Annual	List maintained and updated where required.
Register all newly identified domestic animal businesses and ensure compliance with codes of practice	As required	New domestic animal businesses are registered, or action is taken for failing to register a business.
Investigate and respond to community reports of non-compliance.	Ongoing	All reports are promptly investigated.
Carry out regular audits of registered animal businesses.	Annual	Audits undertaken as required.
Review and improve application and renewal processes to make them simpler and easier to use.	2027	Review undertaken.

FOCUS: A Skilled and Resourced Team

What we're working towards: A capable and adequately resourced team delivering effective animal management services.

Key things we will do:

- Ensure the team is suitably resourced and skilled.
- Review resourcing levels.

How we'll get there

Activity	When	Evaluation – How we will achieve
Provide regular training to staff to strengthen skills and improve service to the community.	Annually	Completion of annual goals and performance appraisals All staff undergo required training in accordance with the Local Laws Training Plan.
Support officers to attend industry training and seminars to keep their knowledge up to date.	Ongoing	Completion of State Government provided training Attendance at industry-related events
Regularly review staffing and resources to ensure the team can deliver services effectively.	2026 - 2028	Team capacity consistently meets service delivery needs.



FOCUS - Legal Requirements

What we're working towards: Animal management aligned with legislation and best practice.

Key things we will do:

- Align local laws practises with state legislation and community needs.

How we'll get there:

Activity	When	Evaluation – How we will achieve
Keep staff abreast of legislative changes.	Ongoing	Staff attendance at state conference. Memberships and subscriptions to peak bodies / organisations



FOCUS: Emergency Management

What we're working towards: A Prepared and Resilient Community.

A community prepared for emergencies involving animals.

Key things we will do:

- Review Emergency Management Plans including animals
- Providing resources and communication to support our community to be prepared in the case of an emergency.
- Collaborating with other councils and agencies.

How we'll get there:

Activity	When	Evaluation – How we will achieve
Gather and share clear information to help the community plan and care for pets during emergencies.	2026	Information collated and made available as appropriate.
Support animals in emergency situations.	Ongoing	Gaps identified, reviewed, and appropriate actions implemented.
Review and keep Emergency Management Plans up to date to include animal needs.	Annual	Review to be undertaken



FOCUS: Annual Review and Reporting

What we're working towards: A transparent, accountable, and continually improving approach to domestic animal management.

Key things we will do:

- Commitment to annual evaluation and updates.
- Transparent reporting to the community and government.
- Continuous improvement based on performance and feedback.

How we'll get there:

Activity	When	Evaluation – How we will achieve
Set an annual timeline and program to review and evaluate the plan.	2025	The annual timeline and program for reviewing and where necessary updating the plan is appropriate and will ensure reporting requirements are met.
Promote and publish the plan to the community.	2025	Plan designed and produced Plan promoted via various platforms.
Review all programs and activities each year to assess their relevance, performance, and outcomes.	Annual	The annual reviews are completed and are effective.
Record and address any activities not completed or not meeting expectations.	Annual	The annual reviews are completed and are effective.
Complete a formal evaluation, update the plan as needed, and submit for Council approval.	Annual	Evaluation completed.
Report on implementation in the Council's annual report and provide amended plans to the Secretary where required.	Annual	Evaluation published in the Council's annual report. Amended plan submitted where required.



COUNCIL POLICY

TITLE:	PROCUREMENT POLICY
ID NUMBER:	CPO-CORPS-CP-001 (DocSetID 2290676)
DEPARTMENT:	CORPORATE
UNIT:	CONTRACTS AND PROCUREMENT
RESPONSIBLE OFFICER:	Director Corporate Services

ADOPTED DATE AND BY WHOM:	16 December 2025 – by Council
EXPIRY DATE:	December 2029
REVIEW DATE:	At least once during each 4-year term of the Council

AVAILABILITY:	Staff - Organisation wide
ADVISE AVAILABILITY	Sou Wester (Responsible Officer to prepare article)

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1. References

- *Local Government Act 2020 (Vic)*
- *Gender Equality Act 2020 (Vic)*
- *Protected Disclosures Act 2012 (Vic)*
- *Victorian Industry Participation Policy Act 2003 (Vic)*
- *Charter of Human Rights and Responsibilities Act 2006 (Vic)*
- *Privacy and Data Protection Act 2014 (Vic)*
- *Occupational Health and Safety Act 2004 (Vic)*
- *Competition and Consumer Act 2010*
- Local Government (General) Regulations 2015 (Vic)
- Department of Treasury and Finance, Competitive Neutrality Policy 2012
- Victorian Local Government Best Practice Procurement Guidelines 2024
- Local Jobs First Policy (LJFP) Guidelines
- Australian Standards Code of Tendering AS 4120-1994
- Instruments of Delegation by the CEO to Officers authorised to procure goods, services and supplies on behalf of Council
- Glenelg Shire Council, Records Management Policy OPO-CORPS-RECM-001
- Glenelg Shire Council, Discipline Procedure OPR-CEO-OD-014
- Glenelg Shire Council, Staff and Councillor Code of Conduct OPO-CEO-HR-003
- Glenelg Shire Council, Councillor Code of Conduct CPO-CEO-CS-008
- Glenelg Shire Council, Environmental Sustainability Policy CPO-ASSETS--EV-001
- Glenelg Shire Council, Gifts, Benefits and Hospitality Policy and Procedure CPO-CEO-CS-007
- Glenelg Shire Council, Current Credit Card Policy OPO-CORPS-FI-007
- Glenelg Shire Council, Petty Cash Policy CPO-CORPD-FI-004
- Glenelg Shire Council, OHS Contractor Management Procedure OPR-CORPS-RM-012
- Public Interest Disclosure Procedure (DocSetID: 2580165)

2. Purpose

The purpose of this Policy is to guide Council's procurement activities in a manner that promotes open and fair competition, ensures Value for Money, and upholds the principles of transparency, probity, and accountability. It supports ethical, efficient, and effective procurement practices that deliver value to the community and align with Council's strategic objectives.

Council is required under section 108 and 109 of the *Local Government Act 2020 (the Act)* to prepare, adopt and comply with its Procurement Policy. In accordance with *the Act*, the Procurement Policy sets out the key principles and process applied to the purchases of Goods, Services and Works by Council.

3. Council Policy and Applicability

This Policy applies to all procurement activities undertaken by Council and is binding upon Councillors, Council Officers, Contractors, Consultants and or third parties acting on behalf of Council to comply with the principles and framework set out in this policy.

In accordance with *the Act*, this Policy seeks to ensure open and fair competition and Value for Money whilst upholding the principles of transparency, probity and accountability.

Key terms used throughout this policy are defined in the Definitions section within this policy.

3.1 Treatment of GST

All monetary values stated in this policy exclude GST, unless specifically stated otherwise.

3.2 Procurement during the Caretaker Period

In accordance with section 69 of *the Act*, Council must not make major procurement decisions during the caretaker period that could influence the outcome of an election or bind an incoming Council.

All procurement activities during the caretaker period must:

- Be assessed for political or commercial risk;
- Be clearly and appropriately documented; and
- Comply with all relevant probity principles and legislative requirements.

Further guidance will be provided by Council through caretaker period protocols and/or be referenced within Council's procurement policy or guidelines.

4. Guiding Principles

Council's procurement processes shall be based on the following principles, irrespective of the value and complexity of that procurement.

4.1 Probity, Accountability and Transparency

Council is committed to upholding the highest standards of probity, accountability and transparency in all procurement activities, in line with *the Act*, and the Victorian Best Practice Procurement Guidelines (2024).

All Councillors, Council officers and authorised agents involved in procurement activities must act ethically, impartially and in the public interest. They are individually accountable for their decisions and the outcomes of procurement processes undertaken on behalf of Council.

All procurement activities must be conducted in a manner that:

- Complies with *the Act*, this Procurement Policy, associated procurement manual or guidelines, relevant legislation and applicable standards.
- Demonstrates integrity, fairness, and transparency.
- Is defensible under internal and external scrutiny.
- Manages conflicts of interest and maintains public trust.
- Prevents and mitigates risks such as fraud, corruption or collusion.

Where procurement activities are carried out by authorised agents on Council's behalf (e.g. external parties, consultants, contractors), they must comply with the same legal, ethical and procedural obligations as Council officers.

To support probity and accountability, Council will:

- Apply consistent and transparent processes that ensure fair and equitable treatment of all suppliers.
- Ensure procurement criteria and conditions are not changed after public release unless formally approved in line with policy or procedure.
- Require all participants involved in procurement activities to act in good faith, declare and manage conflicts of interest, and adhere to relevant codes of conduct and ethical standards.
- Prohibit the acceptance of any gifts, benefits or hospitality from current or prospective suppliers in accordance with Council's Gifts, Benefit's and Hospitality policy.

4.1.1 Disclosure of Information

Commercial in Confidence information received by Council must not be disclosed and is to be stored in a secure location. Councillors and Council staff must take all reasonable measures to maintain confidentiality of:

- Information submitted by suppliers in tenders, quotations or during tender negotiations; and
- Information that is marked confidential, or reasonably understood to be confidential due to its nature; and
- Any details related to current or proposed contracts, particularly where disclosure could compromise Council's position or breach probity.

Discussion with potential suppliers during tender evaluations should not go beyond the extent necessary to resolve doubts on what is being offered by that supplier.

At no stage should any discussion be entered into which could improperly influence the procurement process or negotiation of a contract prior to the contract approval process being finalised, other than authorised pre- contract negotiations.

4.2 Strategic Procurement

Council adopts a strategic approach to procurement to maximise value and efficiency.

Each procurement activity will be planned with consideration of the following principles:

- Opportunities for aggregated purchasing across Council or with other entities through approved purchasing schemes.
- Collaborative or joint procurement arrangements.
- Utilisation of existing internal and external supplier panels or contracts; and
- Alternative contracting models that best support the delivery of outcomes;
- Be undertaken to promote economic activity within the shire where possible.

Guidance materials and procurement planning templates are available to support council officers in applying these principles effectively throughout the procurement process.

4.3 Value for Money

Council is committed to achieving Value for Money in all procurement decisions. This means selecting the option that offers the best overall outcome - not just the lowest price, but based on a balanced assessment of cost, quality, risk, sustainability and social impact over the entire lifecycle of the goods, services or works

Council's approach to Value for Money includes integration of Quadruple Bottom Line (QBL) principles which means ensuring that economic, environmental, social, and ethical considerations are embedded into procurement planning and decisions wherever practical and proportionate.

In applying the Value for Money principle, Council will:

- *Consider Whole-of-Life Costs:* including planning, acquisition, operation, maintenance, and disposal.
- *Optimise Quality and Performance:* ensuring goods, services, and works are fit for purpose, durable, and supported by service warranties where appropriate.
- *Deliver Broader Community Benefits:* encouraging procurement outcomes that generate positive social, economic, and environmental impacts, including through support of local, social, Indigenous, and inclusive suppliers.
- *Champion Sustainable and Ethical Procurement:* engaging suppliers who demonstrate compliance with fair, ethical, and socially responsible labour practices, and who meet legislative and regulatory obligations, including workplace safety.
- *Minimise Environmental Impact:* selecting products and services that

- reduce resource consumption, emissions, waste, and environmental degradation.
- *Support Innovation*: encouraging new solutions, technologies, or delivery models that improve outcomes or efficiencies.
- *Promote Fair Competition and Efficiency*: ensuring open, transparent procurement processes that support innovation and reduce duplication.
- *Enable Collaboration and Aggregation*: leveraging shared services, panel arrangements, and approved purchasing schemes where appropriate.

Further details regarding sustainable and social procurement are within Appendix B.

4.3.1 Quadruple Bottom Line (QBL) Principles

Council will, wherever appropriate, incorporate the following Quadruple Bottom Line considerations into its procurement planning and decision making:

a. Economic

Support local suppliers (as defined in this policy's definition), small to medium enterprises (SMEs), and regional businesses

- Create local jobs and stimulate economic development within the Council area and neighbouring Councils.
- Consider long-term value and cost-effectiveness, not just upfront price.

b. Environmental

- Reduce waste, greenhouse gas emissions, and resource use.
- Prioritise recycled, energy-efficient, or sustainably made goods and services.
- Support the circular economy and climate resilience through environmentally responsible purchasing.

c. Social

- Promote diversity, equity, and inclusion across supply chains.
- Support Indigenous-owned businesses, disability enterprises, and certified social benefit suppliers.
- Provide employment and training opportunities for disadvantaged or marginalised groups.

d. Ethical Governance

- Work with suppliers who follow ethical practices including fair labour and safe workplaces, and compliance with modern slavery laws.
- Maintain transparency, integrity, and compliance in all procurement activities.

4.4 Risk Management

Procurement activities must be properly planned and executed to protect Council from risks including but not limited to; personal injury, property damage, financial loss, reputational harm, legal exposure, and disruption to the delivery of goods, services, or works.

To minimise procurement-related risks and uphold best practice, Council implements the following risk mitigation strategies:

- **Procurement Planning:** allowing sufficient time for procurement preparation, market engagement, and internal approvals to reduce the risk of rushed or non-compliant processes.
- **Standardised Contract Documentation:** using Council approved templates that include legally reviewed terms and conditions to ensure consistency and reduce contractual ambiguity.
- **Securities:** requiring appropriate security deposits such as bank guarantees to protect against supplier non-performance or contract default
- **Due diligence Checks:** undertaking financial and reference checks on new and existing suppliers, with periodic reviews as needed to ensure ongoing capability and compliance.
- **Subject Matter Expert Input:** referring complex or technical specifications to qualified internal or external subject matter experts to ensure clarity, feasibility, and risk mitigation.
- **Contract Execution before Commencement:** ensuring that all contracts are fully executed and documented before any goods are delivered, services commenced, or payments issued.
- **Standards and Compliance:** incorporating relevant Australian Standards, legislative requirements, and industry best practices into specifications and contract terms.
- **Ongoing Contract Management:** requiring contract managers to actively monitor contractor performance, deliverables, and compliance throughout the contract term, with issues documented and addressed promptly.

Ensuring staff have adequate training and understanding of the procurement policy and processes.

These practices are consistent with the Local Government Best Practice Procurement Guidelines 2024, which emphasises proactive risk planning, transparency, and strong governance as essential to achieving Value for Money and ensuring public confidence in procurement outcomes.

5. Council Policy

5.1 Procurement Structure, Processes, Procedures and Systems

Council maintains a procurement function responsible for:

- Maintaining the Procurement Policy and associated guidelines, processes and procedures.
- Maintaining appropriate purchasing, procurement, and contract management systems and tools.
- Providing procurement-related advice and support to the organisation as required.
- Building organisational procurement and contract management capability (including delivery of training and provision of guidance materials).
- Promoting awareness and monitoring of compliance with this Policy.
- Ensuring Legislation is followed, reporting breaches and corrective actions in a timely manner.
- Collaborating with other councils and organisations to identify best practice in and achieving better value from procurement.

Council will maintain internal procurement control documents detailing the processes, procedures and systems related to procurement including maintaining details of tendered contracts.

5.2 Procurement Methods

The standard methods for procurement activities are:

- Purchase Order (preferred method).
- Purchase Card.
- Request for Quotation (RFQ) process, followed by a Contract and or Purchase Order.
- Request for Tender (RFT) process, followed by a Contract and or Purchase Order.
- Approved Purchasing Schemes or Panel Contracts.

All procurement activities must:

- Be supported by identified and available funding.
- Be authorised in accordance with Council's approved financial delegations and thresholds.
- Involve more than one person with appropriate documentation and approvals to ensure transparency and accountability.

5.2.1 Expressions of Interest (EOI)

Expressions of Interest may be used where:

- Multiple suppliers are likely.
- Full tendering is burdensome, or procurement is complex.
- Vendor interest or capability is uncertain.
- Council seeks preliminary advice from the market.

5.2.2 Alternative Approaches Following an Unsuccessful Tender

If a public tender process concludes with no submissions received, Council may consider alternative procurement approaches, including:

- Reissuing the tender in its original form.
- Revising the scope or requirements and reissuing the tender.
- Inviting a limited number of suitable suppliers to submit proposals (Select Sourcing).
- Entering direct negotiations with a supplier (Sole Sourcing).

Any alternative procurement approach must be:

- Supported by documented market analysis and a clear rationale for the selected approach.
- Demonstrated to achieve Value for Money, fairness, and probity, in line with *the Act*, this Policy, and best practice procurement principles.

5.3 Collaborative Procurement

In accordance with Section 108 (c) of *the Act*, Council will actively seek opportunities to collaborate with other councils and public bodies in the procurement of goods, services or works, where such collaboration can deliver economies of scale, improved value for money, or other strategic benefits. Council officers must give due consideration to collaborative procurement opportunities as part of the planning phase for all procurement activities.

Where a procurement recommendation is brought before the Council, the accompanying report must include:

- An outline of any potential collaborative procurement opportunities identified, including the public bodies or councils involved; and
- A statement explaining why Council did, or did not, pursue the identified opportunities for collaboration in relation to that procurement process.

5.4 Tender Evaluation

Council is committed to ensuring a fair, consistent, and transparent approach to the evaluation of tenders. To uphold these principles:

- Late tenders will not be accepted under any circumstances to ensure procedural fairness and integrity.
- Tender evaluation criteria and weightings will be documented and approved prior to issuing any tender to ensure transparency and consistency in assessment.
- An Evaluation Panel comprising appropriately qualified and briefed members will be established for each tender process. The panel will assess submissions objectively against the pre-determined criteria.
- Where beneficial, external representatives with relevant expertise may be included on the Evaluation Panel or engaged as advisors to enhance capability and ensure appropriate oversight.
- All panel members must complete a Conflict-of-Interest declaration before commencing any evaluation activities. Identified conflicts must be managed in accordance with Council's policies and procedures.
- The evaluation process will be conducted in a manner that is robust, unbiased, and able to withstand internal and external scrutiny.
- A Probit Advisor should be engaged, and a Probit Plan developed for complex, high-value or high-risk procurements, particularly those exceeding \$5 million.

5.4.1 Contract Negotiations and Best and Final Offer (BAFO) Process

To ensure the best value outcome for Council, contract negotiations may be conducted with one or more shortlisted tenderers, provided such negotiations remain consistent with the original scope, intent and probity principles of the tender process.

Council may also implement a shortlisting process as part of the evaluation. Where appropriate, shortlisted tenderers may be invited to submit a Best and Final Offer (BAFO) to allow Council to clarify, refine, or enhance proposals prior to final contract award.

Any negotiation or BAFO process will be conducted in a fair, transparent, and equitable manner, in line with *the Act*, relevant procurement best practice guidelines and Council's procurement policy.

5.5 Panel Arrangements

When accessing established panel arrangements quotations should be sought consistent with the guidelines set out in Clause 7.3 to ensure that any procurement through panels demonstrates value for money and competitive process.

An exception is that an Approved Supplier may be appointed directly for works up to \$15,000 where a schedule of rates has been provided under the terms of

the panel. For procurements greater than \$15,000 the quotation requirement outlined in 7.3 should be followed.

Note: If an existing panel or unit rate contract is in place for goods, (such as a specific price per unit), Council Officers can access these contracts without the need to undertake a full Request for Quote process where value for money can be provided

6. Procurement Monitoring, Reporting and Non-Compliance

Council is committed to transparency, accountability, and continuous improvement in all procurement activities.

The Procurement Team is responsible for monitoring procurement performance and compliance with this policy. This includes oversight of:

- Procurement activities and trends
- Use of Procurement exemptions
- Alignment with procurement thresholds and financial delegations
- Documentation and record keeping practices

Non-compliance Management:

- Minor or administrative non-compliance will be addressed by relevant Council staff in leadership positions, with a focus on education and corrective action.
- Serious or repeated breaches, or matters involving probity, integrity, or public interest concerns, will be escalated to the Audit and Risk Committee, Executive Leadership Team, through an Attestation Report and reported to Council where required.

Any breach of this Policy may be considered a breach of organisational policy and could result in disciplinary action including potential termination. Breaches will be assessed in accordance with relevant internal policies and frameworks, including those governing:

- Staff and Councillor conduct
- Fraud and corruption prevention
- Ethical and accountable behaviour

All staff are responsible for compliance with this policy.

7 Effective Legislative and Policy compliance and Control

7.1 Financial delegations

Section 47 of *the Act* defines the process for Council to delegate its powers, duties and functions to a member of its staff. Council has by an appropriate Instrument of Delegation, delegated powers and responsibilities to the Chief Executive Officer.

In turn the Chief Executive Officer has by an appropriate Instrument of Delegation, delegated powers and responsibilities to Officers as appropriate to perform their role.

Council maintains a documented system of procurement delegations, which controls employee authorisation limits in line with the below authorisation limit table. Officers must be aware of their role and financial responsibilities and must ensure that all purchases they make are within their delegated authority.

7.2 Delegation Limits

Delegation limits for requisition and purchase order approvals are set by the CEO under the CEO's power of delegation. Procurement delegation limits for the CEO are set by Council.

Officers responsible for procurement are prohibited from splitting invoices for the purpose of avoiding established procurement delegations.

Any Council employee may requisition works, goods or services. However, only employees with delegated authority, as listed below, can authorise the associated requisition or purchase order:

Position Title	Delegated Limited (GST exclusive)	Procurement Activities / Additional Guidance & Conditions
CEO (or delegate)	up to \$500,000	<ul style="list-style-type: none">• Purchase Orders• Procurement Exemptions• Contracts• Contract Variations: (Maximum limit under delegation *cumulative*) All expenditure including contract variations must be within the approved budget, otherwise escalate
Directors (or delegate)	up to \$200,000	<ul style="list-style-type: none">• Purchase Orders• Procurement Exemptions• Contracts• Contract Variations: (Maximum limit under delegation – *cumulative*) All expenditure including contract variations must be within the approved budget, otherwise escalate
Senior Executive Officer/Managers	up to \$100,000	<ul style="list-style-type: none">• Purchase Orders
Coordinators	up to \$50,000	<ul style="list-style-type: none">• Purchase Orders
Team Leaders	up to \$20,000	<ul style="list-style-type: none">• Purchase Orders
Business Support Officers	up to \$10,000	<ul style="list-style-type: none">• Purchase Orders

If an officer holds a credit card with an approved credit limit higher than the authorised officer's limit, then this takes precedent.

7.3 Procurement Thresholds

A public tender process must be used for all procurements valued at \$200,000 (exc GST) and above.

For procurements valued under \$200,000 (exc GST), the following thresholds below apply:

Value Excl GST	Minimum Procurement Requirement	Additional Guidance
Up to \$2,000	Best price available 1 Verbal or Written Quote	Quote to be saved in Sharepoint
\$2,001 - \$10,000	1 Written Quote	Quote to be saved in Sharepoint
\$10,001 to \$50,000	2 Written Quotes	Quotes to be saved in Sharepoint
\$50,001 to \$200,000	3 Written Quotes	
\$200,001 +	Public Tender	Evaluation report to CEO (contracts up to \$500,000) Council Report (above \$500,001)

Employees must not generate multiple purchase orders for the one supplier to circumvent the above procurement limit processes.

7.4 Exemptions from Procurement Thresholds

An exemption to the Procurement Thresholds and procedures may be requested under the following circumstances:

- In matters of emergency including public health, security, or safety or because of an unforeseen event or occurrence;
- Installations where a change in supplier would necessitate the procurement of Goods and Services that do not meet the requirements for interoperability or interchangeability;
- An absence of competition for technical reasons;
- The Goods, Services or Works are required as part of a grant, funding agreement, lease or similar arrangement specifically stating how the Goods, Service or Works are to be provided or undertaken; and
- Where the procurement is on Council's exemption list (refer to Appendix D).

An exemption cannot be sought by the CEO if the value of the procurement is over \$200,000. In this case, an exemption can be sought from Council.

Exemptions regarding application of the mandatory weightings as stated in Appendix B can only be approved by the CEO. A 'Procurement Policy Exemption Form' must be completed.

7.5 Aggregate Spend

There is no specific length of time applicable to a contract for the purpose of applying thresholds, where significant amounts are spent in aggregate either on one supplier or for one service over time.

The test(s) to be applied in determining the financial value of a contract are;

The value of a contract is the aggregate value of the contract over the term of the contract.

- If the term of the contract is not clear, a default term of 2 years is to be used for cumulative expenditure.
- Where the aggregate value of similar suppliers across Council exceeds the relevant threshold over a 2 year period.
- Where the aggregate value of the same supplier exceeds the relevant threshold over a 2 year period.
- Reviews of the aggregate spend of all Council suppliers will be conducted quarterly and where aggregate expenditure with suppliers not under contract exceeds the above threshold, formal tenders will be called for the supply of the relevant categories of goods services or works.

7.6 Public Interest Disclosure Procedures

The position of Director Corporate Services is the appointed Public Interest Disclosure Coordinator (PID). If improper conduct is suspected, Council's PID Coordinator can be contacted as follows:

Public Interest Disclosure Coordinator
Mr David Hol
Director Corporate Services
Phone: (03) 5522 2222
Email: pid@glenelg.vic.gov.au
(dedicated public interest disclosure email address)
or dhol@glenelg.vic.gov.au

8. Gender Impact Assessment

In accordance with the *Gender Equality Act 2020* (Vic), Council is committed to ensuring a gender lens is applied to all new policies, programs and services that directly and significantly impact the public and ensure that a gender impact assessment (GIA) is conducted as needed. Records of GIA conducted must be saved in the records management system with the relevant procurement in accordance with the GIA Policy.

9 Records Management

All Council records created and managed as a result of implementing this policy will be managed in accordance with the Council's Records Management Policy.

The Records Management Policy assigns responsibilities for records management to employees, supervisors, volunteers and other specific positions.

No Council records are to be destroyed without consideration of the requirements of the *Act(s)* that govern the functions relevant to this policy. Prior to destruction, advice must be sought from the Records Management Unit, with consideration to the requirements of the appropriate Retention and Disposal Authority (RDA).

10 Victorian State Legislation Copyright Acknowledgement

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11 Appendix A - Definitions

Term	Definition
<i>the Act</i>	Local Government Act 2020 (Vic).
Best Practice	As defined in the Local Government Best Practice Procurement Guidelines or any other document specified by Council.
Collaborative Procurement Arrangement	a contract established by Council, government or a nominated agent, such as Procurement Australasia, Municipal Association of Victoria (MAV) or a local government entity, for the benefit of numerous state, federal and/or local government entities and others that achieves best value by leveraging combined economies of scale.
Commercial in Confidence	Information that, if released, may prejudice the business dealings or commercial interests of the Council or another party (e.g. prices, discounts, rebates, profits, methodologies, and process information etc.)
Conflict of Interest	Any general or material conflict as defined in sections 127–128 of <i>the Act</i> , where personal, professional or financial interests may, or may appear to, influence impartial decision-making.
Contract Management	The process that ensures all parties to a contract fully meet their respective obligations as efficiently and effectively as possible, to deliver the contract objectives and provide Value for Money.
Contract Variation	A Contract Variation refers to any modification made to the original terms and conditions of an executed contract. Variations may be financial or non-financial in nature and must be managed transparently, appropriately documented and assessed to ensure they do not undermine the principles of value for money, probity, equity, or open and fair competition.
Contract Variation - Financial	A variation that alters the contract's monetary value. This includes: <ul style="list-style-type: none"> • Increases or decreases in contract cost, • Whether within or exceeding approved contingencies, Subject to approval in line with Council's financial delegation limits and governance requirements
Contract Variation - Non-Financial	A variation that does not result in a financial adjustment but alters other contractual parameters, such as: <ul style="list-style-type: none"> • Project timelines or milestones, • Scope, specifications or design details, • Working hours or access arrangements, • Location or quantity changes or Any other aspect of the contract provided it doesn't impact cost
Council	Glenelg Shire Council
Council Officer	Any Council employee, contractor or consultant authorised to act on behalf of the Council, including Councillors in their official capacity.
Emergency	A sudden or unexpected occurrence requiring immediate action eg: <ul style="list-style-type: none"> • The occurrence of a natural disaster such as flooding, bushfire or

	<ul style="list-style-type: none"> • epidemic which may require the immediate procurement of goods, services or works to provide relief; • The occurrence of an unplanned event such as damage of council property including road infrastructure or IT incidents which may require the immediate procurement of goods, services or works to ensure business continuity and/or community safety; • The unforeseen cessation of trading of a core service provider due to bankruptcy and a need to appoint a replacement service provider on the grounds of public safety;
Local Supplier	<p>is defined as a commercial business that meets at least one of the following criteria:</p> <ul style="list-style-type: none"> • Maintains an operational premises that is physically located within the municipal boundaries of Council; or • Delivers, sources or undertakes the majority of their goods, services or works within the Council area; or <p>is located within a municipality that borders Council where geographic proximity clearly contributes to local, economic, social or community outcomes.</p>
Material Breach	Any breach of this policy that may also represent a breach of legislation such as procurement thresholds, fraud or corruption, and occupational health and safety.
Panel Contract	<p>A panel contract (or standing offer arrangement) is a procurement method where a council selects multiple suppliers through a tender process for works, goods and services on a regular basis over a specified time. They allow Council staff to purchase from these panel suppliers without a public procurement process for each individual purchase.</p> <p>Panel contracts cannot be used to purchase works, goods or services that fall outside the scope of the original arrangement. Any other service outside of the original scope would need to be procured via a different procurement process.</p>
Probity	<p>Probity is the evidence of ethical behaviour, and can be defined as complete and confirmed integrity, uprightness, and honesty in a particular process.</p> <p>Probity is a defensible process which can withstand internal and external scrutiny, which achieves both accountability and transparency, providing respondents with fair and equitable treatment.</p>
Procurement	Refers to the end-to-end process of acquiring external goods, services, and works. It encompasses the entire lifecycle, from initial planning and concept development through to contract completion, asset disposal, or the conclusion of a service. Procurement also includes the organisational structures, governance, and compliance frameworks that support and guide procurement activities within the council operations.
Total Contract Sum	<p>The potential total value of the contract including:</p> <ul style="list-style-type: none"> • costs for the full term of the contract, including any options

	<p>for either party to extend the contract</p> <ul style="list-style-type: none">• applicable goods and services tax (GST)• anticipated contingency allowances or variations <p>all other known, anticipated and reasonably foreseeable costs.</p>
--	---

12. Appendix B – Social and Environmental Procurement

12.1 Social Procurement

Council supports procurement that not only delivers appropriate value for money but also generates positive social outcomes. This includes fostering and maintaining a strong community by exploring ways to generate local employment and further strengthening the local economy.

Council is committed to supporting the local business community and encouraging its involvement in purchasing processes. Buying locally is preferred where local suppliers are competitive and achieve value for money.

Council requires all procurement evaluation criteria to include the following:

Evaluation Criteria	Weighting
Economic Contribution to the Shire	15%

12.2 Environmental Procurement

The way in which Council procures materials and services has an impact on its environmental, economic, and social obligation through:

- Ensuring suppliers minimise the environmental impact of their operations and maintain environmentally responsible policies and practices including reducing their greenhouse gas emissions.
- Selecting products/services that have minimal effect on the depletion of natural resources and biodiversity and promote a circular economy.
- Improving our ability to adapt to climate change.
- Reducing water consumption and improving water management.
- Improving equity of access to opportunities.
- Supporting and fostering social and service innovation and emerging sectors.

Council is also committed to minimising Council's environmental footprint by purchasing goods and services with fewer impacts on the environment.

Council requires all procurement evaluation criteria to include the following:

Evaluation Criteria	Weighting
The level of commitment demonstrated to maximise environmental sustainability	15%

13. Appendix C Information Technology equipment and software procurement requirements.

The IT department is responsible for the procurement of all Council software and IT equipment. All purchases that incorporate technology must be approved by the Executive Leadership Team.

These technologies include applications hosted both inside and outside Council's network, software that is licensed or on subscription, available on websites or over the internet, apps that hold Council data, online booking systems, community consultation platforms, tracking, reporting and monitoring systems, smart sensors, business directories, open data platforms, livestreaming and digital permit systems.

Engaging early at the procurement or project initiation stage will reduce delays, ensure the solution is viable and provide better outcomes. Minimum requirements to be met include:

- Compatibility and integration with existing systems.
- Compliance with privacy, data protection and cyber security standards.
- Avoidance of functional duplication.
- Network capability.
- Alignment with Council's strategic direction.

The following forms must be completed prior to approval of any technology acquisition and require Director approval to progress.

[The Software Acquisition Request Form](#) outlines the business needs, initial and ongoing costs, implementation and integration requirements, budget alignment, and the type of data to be entered and stored.

[The Hardware Request Acquisition Form](#) outlines the intended purpose, compatibility with existing systems, security requirements, initial cost, expected lifespan, whether it is a new or replacement asset and budget alignment.

Please contact IT for assistance with completing the forms.

Renewal or upgrade of existing IT equipment purchased outside the life cycle costs will need to be budgeted for by the unit.

Where a project requires software acquisition, budget for implementation and licensing costs for the first year must be within the project scope and budget. The software will then be included in the IT application budget for the ongoing lifecycle costs.

Renewal or upgrades of applications is the responsibility of Application Owners. They are responsible for assessing the performance and functionality of software prior to renewal or upgrade, ensuring it continues to meet business needs, provides value for money, is vendor-supported, remains up-to- date and is compatible and compliant with Council's systems.

Australian Privacy Principles and Council Policies require all personal, sensitive and confidential data be stored and retained in Australia. Any request where data is stored outside Australia may be rejected.

Council monitors its IT networks. Any unapproved software and hardware detected will be investigated, and breaches may result in immediate removal.

14. Appendix D – Exemptions

The following procurements are either exempt from market engagement and/or the requirement for a Purchase Order. With the Chief Executive's approval, exemptions can be added or removed from this list at any time.

Category	Description	Exempt from market engagement	Exempt from purchase order
Utilities	Where there is only a single provider such as: Water Services	Yes	Yes
Utilities	Where there are multiple providers such as: Power Gas Telecommunications	No	Yes
Insurance premiums and claims	WorkCover and other insurances	Yes	Yes
Prescribed contracts	Legal services	Yes	No
Payroll expenses	Superannuation, PAYG and long service entitlements	Yes	Yes
GST	Goods and Services Tax payable.	Yes	Yes
Postage	Australia Post	Yes	Yes
Vehicle registrations	VicRoads vehicle registrations	Yes	Yes
Councillor expenses	Allowances and Reimbursements	Yes	Yes
Refundable trust funds	Includes Security Bonds, Contract Retentions and other funds held in trust	Yes	Yes
Collaborative procurement providers	Municipal Association of Victoria, Procurement Australia, State Government prequalified supplier list	Yes	No
Levies, fees or fines due by Council to	EPA Victoria Levy	Yes	Yes

Category	Description	Exempt from market engagement	Exempt from purchase order
another level of Government.	State Revenue Office – Land Tax	Yes	Yes
	State Revenue Office - Emergency Services and Volunteers Fund (ESVF)	Yes	Yes
	Department of Transport – Valuations (supplementary & objection)	Yes	No
	Dept of of Jobs, Precincts & Regions – Sec 69 cat, dog & DAB registrations	Yes	No
	Wannon Water – fire plug maintenance Department of Transport – Traffic Signal Maintenance, Main Rds Street lighting Council contribution (60/40 split) Powercor – provide maintenance for public lighting and power connections and upgrades to facilities, Victorian Electoral Commission - Council Elections	Yes	No
Council Contribution	Council contributions – approved as part of the budget	Yes	No
Novated Contracts	Where the initial contract was entered into in compliance with <i>the Act</i> and due diligence has been undertaken in respect to the new party.	Yes	No
Other	Acquisition of Land and Buildings.	Yes	Yes
	Medical expenses (including workcover)	Yes	No
	Venue hire	Yes	Yes
	Memberships and subscriptions. - approved as part of the budget	Yes	No
	External audit fees – Victorian Auditor- General's Office	Yes	No

Category	Description	Exempt from market engagement	Exempt from purchase order
	Annual community grants	Yes	Yes
	Professional workshop and conference registration fees and associated costs	Yes	No
	Loans and investments	Yes	Yes
	Advertising for: General Public notices Recruitment	Yes	No
	Accommodation associated with provision of employment.	Yes	No
	Salary Packaging	Yes	Yes
	Leases for equipment	Yes	Yes
	Supermarket Purchasing cards	Yes	Yes
	Where the acquisition is of a cultural or artistic nature i.e. a live show or art piece, and the purchase is within the adopted budget	Yes	Yes

Glenelg Shire Council

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2025

Glenelg Shire Council
Financial Report
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Financial Report
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Certification of the Financial Statements

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

Rebecca Campbell CPA
Principal Accounting Officer

Dated : *<Date>*
Portland

In our opinion, the accompanying financial statements present fairly the financial transactions of the Glenelg 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 that would render any particulars in the financial statements to be misleading or inaccurate.

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

<Councilor 1 Name>
Councillor
Dated : *<Date>*
Portland

<Councilor 2 Name>
Councillor
Dated : *<Date>*
Portland

Helen Havercroft
Chief Executive Officer
Dated : *<Date>*
Portland

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**Comprehensive Income Statement
For the Year Ended 30 June 2025**

	Note	2025 \$'000	2024 \$'000
Income			
Rates and Charges	3.1	33,431	32,594
Statutory Fees and Fines	3.2	687	661
User Fees	3.3	2,724	2,701
Grants - Operating	3.4	22,264	6,009
Grants - Capital	3.4	12,590	7,273
Contributions - Monetary	3.5	60	89
Contributions - Non Monetary	3.5	494	72
Other Income	3.7	2,205	2,211
Total Income		74,456	51,611
Expenses			
Employee Costs	4.1	25,965	25,991
Materials and Services	4.2	20,020	18,734
Depreciation	4.3	15,622	10,324
Depreciation - Right of Use Assets	4.4	254	221
Allowance for Impairment Losses	4.5	14	16
Borrowing Costs	4.6	10	11
Finance Costs - Leases	4.7	23	15
Net Loss on disposal of Property, Infrastructure, Plant and Equipment	3.6	423	738
Change in Landfill Provision	5.5	(704)	(5,057)
ERP Project	4.8	721	-
Other Expenses	4.9	3,088	2,517
Total Expenses		65,436	53,508
Surplus/(deficit) for the year		9,020	(1,897)
Other Comprehensive Income			
Items that will not be reclassified to surplus or deficit in future periods			
Net Asset Revaluation Gain/(Loss)	9.1	6,320	94,966
Total Other Comprehensive Income		6,320	94,966
Total Comprehensive Result		15,340	93,070

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	13,933	6,503
Trade and Other Receivables	5.1	3,677	3,966
Inventories	5.2	628	325
Prepayments	5.2	454	571
Other Assets	5.2	191	94
Total Current Assets		18,883	11,459
Non-Current Assets			
Trade and Other Receivables	5.1	-	7
Property, Infrastructure, Plant and Equipment	6.1	574,685	569,762
Right-of-Use Assets	5.8	321	530
Total Non-Current Assets		575,006	570,300
Total Assets		593,889	581,759
Liabilities			
Current Liabilities			
Trade and Other Payables	5.3	4,124	4,985
Trust funds and Deposits	5.3	1,423	1,463
Contract and Other Liabilities	5.3	4,762	10,010
Interest-Bearing Liabilities	5.4	-	282
Provisions	5.5	5,584	5,419
Lease Liabilities	5.8	197	240
Total Current Liabilities		16,090	22,399
Non-Current Liabilities			
Interest-Bearing Liabilities	5.4	4,000	-
Provisions	5.5	5,202	5,931
Lease Liabilities	5.8	132	303
Total Non-Current Liabilities		9,333	6,234
Total Liabilities		25,423	28,633
Net Assets		568,466	553,126
Equity			
Accumulated surplus		134,796	126,000
Reserves	9.1	433,670	427,126
Total Equity		568,466	553,126

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

Statement of Changes in Equity For the Year Ended 30 June 2025

2025	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		553,126	126,000	426,669	457
Surplus/(deficit) for the year		9,020	9,020	-	-
Net asset revaluation gain/(loss)	9.1	6,320	-	6,320	-
Transfers to other reserves	9.1	-	(224)	-	224
Balance at End of the Financial Year		568,466	134,796	432,989	681

2024		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		460,054	127,895	331,702	457
Surplus/(deficit) for the year		(1,895)	(1,895)	-	-
Net asset revaluation gain/(loss)	6.1	94,966	-	94,966	-
Balance at End of the Financial Year		553,126	126,000	426,669	457

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	\$'000	\$'000
Cash Flows from Operating Activities		
Rates and charges	33,336	32,728
Statutory fees and fines	687	661
User fees	3,232	2,452
Grants - operating	21,815	5,359
Grants - capital	7,768	10,258
Contributions - monetary	60	89
Interest received	398	381
Other receipts	1,746	1,724
Net GST refund/payment	90	69
Employee costs	(25,188)	(25,935)
Materials and services	(20,301)	(20,086)
Short-term, low value and variable lease payments	(60)	(97)
Net Trust funds and deposits paid	(250)	(311)
ERP Project	(721)	-
Other payments	(2,333)	(2,435)
Net Cash provided by Operating Activities	20,280	4,859
Cash Flows from Investing Activities		
Payments for property, infrastructure, plant and equipment	(16,536)	(11,557)
Payments for Landfill rehabilitation works	-	(107)
Proceeds from sale of property, infrastructure, plant and equipment	256	557
Net Cash used in Investing Activities	(16,280)	(11,107)
Cash Flows from Financing Activities		
Finance costs	(10)	(11)
Proceeds from borrowings	4,000	-
Repayment of borrowings	(282)	(272)
Interest paid - Lease Liability	(23)	(15)
Repayment of Lease Liabilities	(255)	(232)
Net Cash used in Financing Activities	3,430	(530)
Net increase (decrease) in Cash and Cash Equivalents	7,430	(6,777)
Cash and Cash Equivalents at the beginning of the Financial Year	6,503	13,280
Cash and Cash Equivalents at the end of the Financial Year	13,933	6,503

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			
Buildings		333	436
Total Buildings		<u>333</u>	<u>436</u>
Total Property		<u>333</u>	<u>436</u>
Plant and Equipment			
Cultural Collection		26	-
Plant, Machinery and Equipment		1,405	1,666
Library Books		84	85
Total Plant and Equipment		<u>1,515</u>	<u>1,751</u>
Infrastructure			
Roads		7,314	5,335
Roads - LRCI		1,306	-
Bridges		-	647
Footpaths and Street Furniture		123	75
Drainage		2,369	108
Recreational, Leisure and Community Facilities		207	159
Waste Management		3	9
Parks, Open Space and Streetscapes		961	5,284
Aerodromes		72	71
Off Street Car Parks		-	49
Other Infrastructure		943	5
Total Infrastructure		<u>13,298</u>	<u>11,742</u>
Total Capital Works Expenditure		<u>15,146</u>	<u>13,930</u>
Represented by:			
New Asset Expenditure		1,415	7,947
Asset Renewal Expenditure		11,004	5,852
Asset Upgrade Expenditure		2,727	131
Total Capital Works Expenditure		<u>15,146</u>	<u>13,930</u>

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

Notes to the Financial Report For the Year Ended 30 June 2025

NOTE 1: OVERVIEW

Introduction

The Glenelg Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 71 Cliff St, Portland.

Statement of Compliance

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

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

Accounting Policy Information

1.1 Basis of Accounting

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

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

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

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

The financial statements have been prepared on a going concern basis. Council's overall financial performance and position have improved in 2024/25. The improved result was due in part to 100% receipt of the 2024/25 Financial Assistance Grants (FAG) (0% in 2023/24), and 50% advanced receipt of the 2025/26 FAG in June 2025. The improved cash position at 30 June 2025 is also a result of Council's decision to access loan funds (\$4M) for the ongoing delivery of its Capital Works Program with some projects being carried forward into 2025/26.

The timing of these receipts has impacted forecast results for the next financial year. Council will receive the remaining 50% of the FAG during 2025/26 which will affect the net operating result. Council expects to access further loan funding (\$3M) in 2025/26 to complete existing capital works projects during the year, with an expected cash position of \$2.8M at June 2026. Forecasted results show a gradual strengthening of Council's financial position.

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.b)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.b)
- 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)

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

Goods and Services Tax (GST)

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

Notes to the Financial Report

For the Year Ended 30 June 2025

NOTE 2: ANALYSIS OF OUR RESULTS

2.1 Performance against Budget

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

	Budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000	Variance %	Ref
Income					
Rates and Charges	33,379	33,431	52	0%	
Statutory Fees and Fines	937	687	(250)	-27%	
User Fees	2,782	2,724	(58)	-2%	
Grants - Operating	16,104	22,264	6,160	38%	1
Grants - Capital	3,060	12,590	9,530	311%	2
Contributions - Monetary	38	60	22	58%	
Contributions - Non Monetary	40	494	454	100%	
Net Gain on disposal of Property, Infrastructure, Plant and Equip	1	-	(1)	-100%	
Other Income	828	2,205	1,377	166%	3
Total Income / Revenue	57,169	74,456	17,287	30%	
Expenses					
Employee costs	27,055	25,965	(1,090)	-4%	
Materials and services	19,203	20,020	817	4%	
Depreciation	11,020	15,622	4,602	42%	4
Depreciation - right of use assets	223	254	31	14%	
Allowance for impairment losses	-	14	14	100%	
Borrowing costs	354	10	(344)	-97%	
Finance costs - leases	17	23	6	37%	
Net Loss on disposal of Property, Infrastructure, Plant and Equip	-	423	423	100%	
Other Expenses - Landfill Provision adjustment	-	(704)	(704)	100%	5
Other Expenses - ERP Project	-	721	721	100%	6
Other Expenses	1,421	3,088	1,667	117%	7
Total Expenses	59,293	65,436	6,143	10%	
Surplus/(deficit) for the year		(2,124)	9,020	11,144	

Notes to the Financial Report

For the Year Ended 30 June 2025

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - Operating	Operating Grants were \$6.1M higher than the 2024/25 Adopted Budget due to receiving an early payment of \$5.8M for the 2025/26 Commonwealth Financial Assistance Grants. Financial Assistance Grants are recognised in the Financial Year that they are received.
2	Grants - Capital	Capital Grants are \$9.5M higher than the 2024/25 Adopted Budget due to recognition of Capital Grant income from carried forward projects completed in 2024/25. The following amounts were recognised as Capital Grant income for 2024/25: \$3.3M for LRCI projects; \$2.7M for Local Freight Roads projects; \$2.4M for the Portland North Employment Precinct projects; and \$440k for the Ceremonial Dance Space project.
3	Other Income	Other Income was \$1.3M higher than Adopted Budget due to the following: Interest received - \$248k higher as a result of higher cash balances and interest rates; Insurance income - \$636k higher due to Insurance proceeds being received for Bridge Damages and claims related to storm damage; \$158k of new income for the Trawler Wharf fuel facility completed during 2024/25.
4	Depreciation	Depreciation is higher than budget due to the Asset revaluation uplift that occurred in 2023/24. This asset valuation uplift has the effect of increasing depreciation for future years. The budget for 2024/25 was prepared prior to the uplift occurring.
5	Other Expenses - Landfill Provision adjustment	The adjustment to the Landfill Provision was not budgeted in 2024/25. The adjustment amount recognised for 2024/25 is the change recognised in the provision due to a reduction in the number of years required for the Provision due to time elapsed since the Landfill was closed.
6	Other Expenses - ERP Project	Costs for Council's ERP project (new Software system) were budgeted for \$778k in Council's 2024/25 Capital Works program. The Actual costs of the project have been costed to the Income Statement and have amounted to \$721k for 2024/25. This is a variance of \$57k.
7	Other Expenses	Assets written-off/impaired totalled \$0.6M. These assets were predominantly roads renewed during the year and were unbudgeted in 2024/25. Allocations for plant, machinery, gravel and limestone usage were budgeted to offset Other Expenses. Management have reclassified the actual usage allocations to Materials and Services in 2024/25, creating a variance of \$1M.

Notes to the Financial Report

For the Year Ended 30 June 2025

2.1.2 Capital Works

	Budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000	Variance %	
Property					
Buildings	375	333	(42)	-11%	
Total Buildings	375	333	(42)	-11%	
Total Property	375	333	(42)	-11%	
Plant and Equipment					
Cultural Collection Renewal Program	10	26	16	157%	
Plant, Machinery and Equipment	1,685	1,405	(280)	-17%	
Fixtures, Fittings and Furniture	10	-	(10)	-100%	
Library Books	95	84	(11)	-12%	
Other Plant and Equipment	778	-	(778)	-100%	
Total Plant and Equipment	2,578	1,515	(1,063)	-41%	1
Infrastructure					
Roads	3,810	7,314	3,504	92%	
Roads - LRCI	-	1,306	1,306	100%	
Bridges	100	-	(100)	-100%	
Footpaths and Cycleways	150	123	(27)	-18%	
Drainage	100	2,369	2,269	2269%	
Recreational, Leisure and Community Facilities	200	207	7	4%	
Waste Management	20	3	(17)	-87%	
Parks, Open Space and Streetscapes	110	961	851	773%	
Aerodromes	50	72	22	44%	
Off Street Car Parks	50	-	(50)	-100%	
Other Infrastructure	350	943	593	170%	
Total Infrastructure	4,940	13,298	8,358	169%	6
Total Capital Works Expenditure	7,893	15,146	7,253	92%	
Represented by:					
New Asset Expenditure	1,328	1,415	87	7%	
Asset Renewal Expenditure	6,315	11,004	4,689	74%	
Asset Upgrade Expenditure	250	2,727	2,477	100%	
Total Capital Works Expenditure	7,893	15,146	7,253	92%	

Notes to the Financial Report For the Year Ended 30 June 2025

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Other Plant and Equipment	The Adopted Budget for Other Plant and Equipment was for Council's ERP project (new Software system). Other Plant and Equipment was budgeted for \$778k in Council's 2024/25 Capital Works program. The Actual costs of the project have been costed to the Income Statement and have amounted to \$721k for 2024/25. This is a variance of \$57k.
2	Roads	The actual spend for Roads for 2024/25 was \$3.5M higher than Adopted Budget. \$2.8M of this variance was due to expenditure on the Local Freight Roads project (fully funded by Grants). \$700k of the variance was due to closing out the 2019-2024 Roads to Recovery Project.
3	Roads - LRCI	\$1.3M was spent on a roads project in 2024/25. This project was fully funded by a Local Roads and Infrastructure (LRCI) grant.
4	Drainage	\$2.4M has been spent on the Portland North Employment Precinct improving drainage. This amount was fully funded by a grant and unbudgeted for 2024/25.
5	Parks, Open Space and Streetscapes	Actual spend for Parks, Open Space and Streetscapes was \$850k above Adopted Budget. Approx \$850k of this additional expenditure was a result of projects fully funded by grants such as Ceremonial Dance Space and Connecting pathways project in Casterton.
6	Other Infrastructure	Actual spend for Other Infrastructure was \$600k above Adopted Budget. This is primarily due to projects completed in 2024/25 that have been fully funded by a Local Roads and Infrastructure (LRCI) grant.

Notes to the Financial Report For the Year Ended 30 June 2025

2.2 Analysis of Council results by Program

Council delivers its functions and activities through the following programs.

2.2.1 Summary of Council Programs

Chief Executive Department

The CEO provides high level strategic advice to the Mayor and Councillors and oversees the administrative function of Council ensuring good governance and sustainable financial practices. Assisted by the Executive Team, the CEO is responsible for the day to day operations of the organisation, ensuring the health and safety of staff and implementing the policies and decisions of Council. With a focus on good governance and financial sustainability, the CEO works with the Council and its staff to bring about positive change and growth for the benefit of the Glenelg Shire community. Teams within the CEO's department are Communications & Media, People & Culture and Council Support.

Corporate Services

The Corporate Services Director is accountable for the leadership and management of a multi-disciplinary team providing efficient operation in accordance with the values, objectives and goals of the organisation. This team includes Corporate Governance, Finance and Rates, Emergency Management, OHS, Local Laws, Building Services and Environmental Health.

Glenelg Futures

Glenelg Futures comprises Digital Glenelg, Information Technology, and Information and Data Management. The Chief Information Officer leads initiatives that improve business processes, increases productivity, and enhances customer experiences whilst overseeing the management of information and communication technology IT infrastructure, cybersecurity, and data privacy.

Community Services

Community Services delivers a range of services for the community and provides support to projects which promote community capacity building and enhance community wellbeing. The key service units include Community Wellbeing, Sport & Recreation, Children's Services, Library and Information Services, Planning, Economic Development and Tourism, Community Grants, Visitor Information Centres, Strategic Reporting and Arts and Culture.

Infrastructure Services

The Infrastructure Services Department comprises Projects & Engineering, Environment & Facilities, Roads & Infrastructure Maintenance, Local Port Operations and Airport Operations service areas. The Director of Infrastructure Services also supports the Executive Team in undertaking policy development, financial management, community engagement, providing customer service and overall business management to ensure that Council objectives can be achieved.

Notes to the Financial Report

For the Year Ended 30 June 2025

2.2.2 Summary of Income, Expenses, Assets and Capital expenses by Program

	Income	Expenses	Surplus/ (Deficit)	Grants included in Income	Total Assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Chief Executive Department	29	2,338	(2,309)	-	28,964
Corporate Services	42,916	8,365	34,551	10,195	112,797
Glenelg Futures	-	4,352	(4,352)	-	30,377
Community Services	6,039	11,541	(5,502)	4,969	196,393
Infrastructure Services	25,472	38,840	(13,368)	19,690	225,358
Other	-	-	-	-	-
	74,456	65,436	9,020	34,854	593,889

	Income	Expenses	Surplus/ (Deficit)	Grants included in Income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Chief Executive Department	47	2,556	(2,509)	28	31,940
Corporate Services	32,491	8,501	23,990	498	112,031
Glenelg Futures	-	3,717	(3,717)	-	29,971
Community Services	6,429	12,565	(6,136)	5,312	193,723
Infrastructure Services	12,645	26,150	(13,505)	7,445	214,093
Other	-	18	(18)	-	-
	51,611	53,508	(1,897)	13,282	581,759

Notes to the Financial Report
For the Year Ended 30 June 2025

NOTE 3: FUNDING FOR THE DELIVERY OF OUR SERVICES

	2025	2024
	\$'000	\$'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 its imputed market value.

The valuation base used to calculate general rates for 2024/25 was \$8.774 billion (2023/24 \$8.700 billion).

General Rates - Residential	13,894	13,221
General Rates - Commercial/Industrial Land	1,766	1,751
General Rates - Primary Production Land	10,200	10,057
User Fees and Charges - Kerbside Collection	2,811	2,610
Special Rates and Charges - Industrial Agreement	4,723	4,928
Service Rates and Charges - Cultural and Recreational Land	29	28
Supplementary rates and rate adjustments	8	-
Total Rates and Charges	33,431	32,594

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

Animal Registrations	221	188
Building Fees	59	52
Local Laws licences, registrations and fees	24	56
Town Planning fees	383	365
Total Statutory Fees and Fines	687	661

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

3.3 User Fees

Aerodromes	35	33
Aged and Disability Services	-	79
Building Fees	241	-
Children's Services	390	445
Caravan Parks	187	247
Council owned Local Port	312	175
Leases and Licences income	125	105
Saleyards	12	11
Waste Management Services	1,264	1,112
Other fees and charges	158	494
Total User Fees	2,724	2,701

User Fees by timing of revenue recognition

User fees recognised at a point in time	2,724	2,701
Total User Fees	2,724	2,701

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 Report
For the Year Ended 30 June 2025

3.4 Funding from other levels of Government

	2025	2024
	\$'000	\$'000
Grants were received in respect of the following:		
Summary of Grants		
Commonwealth funded grants	24,812	6,589
State funded grants	10,042	6,693
Total Grants received	34,854	13,282
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	16,704	474
Aged & Disability Services	-	280
Recurrent - State Government		
Children's Services	1,342	884
Aged and Disability Services	-	55
Community Wellbeing	85	77
Library Services	210	210
Maternal and Child Health	209	578
Youth Services	73	-
Emergency Response (MECC)	120	120
Portland Bay Local Port	186	186
Environmental Health	10	12
Total Recurrent Operating Grants	18,939	2,874
Non-recurrent - Commonwealth Government		
Children's Services	1,424	1,405
Planning	115	28
Aged and Disability Services*	-	(45)
Arts and Culture	15	9
Financial Assistance Grants	35	-
Sport and Recreation	3	-
Non-recurrent - State Government		
Arts and Culture	194	139
Children's Services	1,240	1,173
Community Wellbeing	37	52
Economy and Investment	-	250
Emergency Response (MECC)	30	31
Environmental Health	37	10
Environmental Planning	77	77
Flood Funding *	(100)	(400)
Infrastructure	30	-
Library Services	6	90
Local Port Better Boating	87	84
Maternal and Child Health	19	-
People & Culture	-	28
Planning*	(9)	74
School Crossing Supervisors	78	76
Youth Services	6	52
Total Non-Recurrent Operating Grants	3,325	3,135
Total Operating Grants	22,264	6,009

* Note - Refunds are due to unexpended grant funding recognised in a prior year being returned to Grantor in subsequent years. 2024/25 relates to Flood and Planning funding.

Notes to the Financial Report
For the Year Ended 30 June 2025

3.4 Funding from other levels of Government (continued)

	2025 \$'000	2024 \$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to Recovery	3,213	4,172
Total Recurrent Capital Grants	<u>3,213</u>	<u>4,172</u>
<i>Non-Recurrent - Commonwealth Government</i>		
Infrastructure	3,303	266
<i>Non-Recurrent - State Government</i>		
Roads	2,697	2,045
Infrastructure	2,909	474
Recreational & Community Facilities	101	318
Portland Bay Local Port	367	-
Total Non-Recurrent Capital Grants	<u>9,377</u>	<u>3,102</u>
Total Capital Grants	<u><u>12,590</u></u>	<u><u>7,273</u></u>

(c) Recognition of Grant Income

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

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

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

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

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

General purpose	17,299	610
Specific purpose grants to acquire non-financial assets	12,590	7,273
Other specific purpose grants	3,191	3,155
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	1,774	2,244
	<u><u>34,854</u></u>	<u><u>13,282</u></u>

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

Operating

Balance at start of year	890	1,292
Received during the financial year and remained unspent at balance date	120	401
Received in prior years and spent during the financial year	(568)	(803)
Balance at year end	<u>442</u>	<u>890</u>

Capital

Balance at start of year	9,012	6,027
Received during the financial year and remained unspent at balance date	313	4,793
Received in prior years and spent during the financial year	(5,135)	(1,808)
Balance at year end	<u>4,190</u>	<u>9,012</u>

Unspent grants are determined and disclosed on a cash basis.

**Notes to the Financial Report
For the Year Ended 30 June 2025**

	2025 \$'000	2024 \$'000
3.5 Contributions		
Monetary Contributions	60	89
Non-Monetary - Other	11	8
Non-Monetary - Free Waste	94	64
Non-Monetary - Asset Recognitions	389	-
Total Contributions	554	161

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

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

Proceeds of sale	256	557
Written down value of assets disposed	(679)	(1,294)
Total Net Gain/(Loss) on disposal of Property, Infrastructure, Plant and Equipment	(423)	(738)

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	398	378
Reimbursements	963	696
Sales and Commission	530	402
Other Miscellaneous	314	736
Total Other Income	2,205	2,211

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 Report
For the Year Ended 30 June 2025**

NOTE 4: THE COST OF DELIVERING SERVICES	2025 \$'000	2024 \$'000
4.1 (a) Employee costs		
Wages and salaries	20,584	20,470
WorkCover	567	548
Superannuation	2,526	2,331
Fringe benefits tax	201	172
Other employee costs	2,336	2,648
Salary expenses capitalised	(248)	(177)
Total Employee Costs	25,965	25,991

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	70	75
	70	75
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions - Local Authorities Superannuation Fund (Vision Super)	1,211	1,169
Employer contributions - Ausuper	260	203
Employer contributions - Hostplus	156	135
Employer contributions - CBUS	132	125
Employer contributions - Rest	86	62
Employer contributions - other funds	611	562
Employer contributions payable at reporting date	2,456	2,256
	192	-

At 30 June 2025, \$192k of Employee Super Contributions were owing at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and Services

Consulting, Contract & Materials	14,496	13,166
Utilities	1,630	1,484
Emergency Works	390	-
Other Material Expenditure	771	2,221
Office Administration	177	183
Information, Data and IT services	1,462	815
Insurance	936	865
ERP Project related costs	158	-
Total Materials and Services	20,020	18,734

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

**Notes to the Financial Report
For the Year Ended 30 June 2025**

	2025 \$'000	2024 \$'000
4.3 Depreciation		
Property	2,541	2,406
Plant and Equipment	1,003	874
Infrastructure	12,078	7,044
Total Depreciation	15,622	10,324

Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Depreciation - Right of Use Assets

Plant and Equipment	254	221
Total Depreciation - Right of Use Assets	254	221

4.5 Allowance for Impairment Losses

Other Debtors	4	16
Expected Credit Loss	10	-
Total Allowance for Impairment Losses	14	16

Movement in Allowance for Impairment losses in respect of debtors

Balance at the beginning of the year	-	6
New allowances recognised during the year	10	-
Amounts allowed in a prior year but no longer assessed as an impairment	-	(6)
Balance at End of Year	10	-

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

4.6 Borrowing Costs

Bank Interest	10	11
Total Borrowing Costs	10	11

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

4.7 Finance Costs - Leases

Interest - Lease Liabilities	23	15
Total Finance Costs - Leases	23	15

**Notes to the Financial Report
 For the Year Ended 30 June 2025**

	2025 \$'000	2024 \$'000
4.8 ERP Project		
Wages and salaries	111	-
Interest - Lease Liabilities	609	-
Total ERP Project	721	-
4.9 Other Expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals (Fees for 2023/24 and 2024/25 included in 2024/25. Fees for 2022/23 are included in 2023/24).	134	47
Councillors' allowances	311	292
Seminars and training course fees	221	288
Memberships	317	353
Communication expenses	290	331
Advertising	149	118
Travel and accomodation	77	133
Statutory expenses	328	356
Bank Fees	53	51
Other Expenses	134	65
Contributions and Donations	445	483
Assets written-off / impaired	629	-
Total Other Expenses	3,088	2,517

Notes to the Financial Report
For the Year Ended 30 June 2025

NOTE 5: INVESTING IN AND FINANCING OUR OPERATIONS

	2025	2024
	\$'000	\$'000

5.1 Financial Assets**(a) Cash and Cash equivalents**

Cash on Hand	8	8
Cash at Bank	13,925	6,495
Total Cash and Cash equivalents	13,933	6,503

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

(b) Trade and Other Receivables**Current****Statutory Receivables**

Rates Debtors	1,949	1,803
Net GST receivable	429	519
Non Statutory Receivables		
Other Debtors	1,309	1,641
Other Assets - Trade and Other Receivables	-	4
Allowance for expected credit loss - other debtors	(10)	-
Total current trade and other receivables	3,677	3,966

Non-Current**Statutory Receivables**

Special rate scheme	-	7
Total Non-Current Trade and Other Receivables	-	7
Total Trade and Other Receivables	3,677	3,973

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.

(c) Ageing of Receivables

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

Current (not yet due)	704	1,169
Past due by up to 30 days	157	9
Past due between 31 and 180 days	213	320
Past due between 181 and 365 days	83	8
Past due by more than 1 year	152	136
Total Trade and Other Receivables	1,309	1,641

(d) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,309,000 (2024: \$1,641,000) were impaired. The amount of the allowance raised against these debtors was \$10k (2024: \$0). 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:

Current (not yet due)	-	-
Past due by up to 30 days	3	-
Past due between 31 and 180 days	4	-
Past due between 181 and 365 days	1	-
Past due by more than 1 year	3	-
Total Trade and Other Receivables	10	-

Notes to the Financial Report

For the Year Ended 30 June 2025

5.2 Non-Financial Assets	2025	2024
	\$'000	\$'000

(a) Inventories

Inventories held for distribution	628	325
Total Inventories	628	325

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

(b) Other Assets

Prepayments	453	571
Other Assets	191	94
Total Other Assets	644	665

5.3 Payables, Trust Funds and Deposits and Contract and Other Liabilities**(a) Trade and Other Payables****Current****Non-Statutory Payables**

Trade Payables	2,203	2,896
Accrued Expenses	1,329	1,520
Statutory Payables		
Rates Prepayments	592	569
Net GST Payable	-	-
Total Trade and Other Payables	4,124	4,985

(b) Trust Funds and Deposits**Current**

Refundable Deposits	657	837
Fire Services Levy	301	258
Retention amounts	465	368
Total Trust Funds and Deposits	1,423	1,463

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:

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

Fire Services Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

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 Report
For the Year Ended 30 June 2025

5.3 Payables, Trust Funds and Deposits and Contract and Other Liabilities (continued)	2025	2024
	\$'000	\$'000
(c) Contract and Other Liabilities		
Grants Received in Advance		
Current		
Grants Received in Advance - Operating	442	890
Grants Received in Advance - Capital	4,190	9,012
Other - Income in Advance	130	108
Total Grants Received in Advance	4,762	10,010
Total Contract and Other Liabilities	4,762	10,010

Grants Received in Advance

Grant consideration was received from funding bodies to support the construction of Operational and Capital projects. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed or project completed. Income is recognised to the extent of costs incurred-to-date. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations. Refer to Note 3.4c.

Other - Income in Advance

Contract and Other Liabilities includes consideration received in advance from customers. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer.

5.4 Interest-Bearing Liabilities**Current**

Other Borrowings - Secured	-	282
Total Current Interest-Bearing Liabilities	-	282

Non-Current

Treasury Corporation of Victoria borrowings - secured	4,000	-
Total Non-Current Interest-Bearing Liabilities	4,000	-
	4,000	282

Borrowings are secured by a charge over Council's Rate Revenue.

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

Not later than one year	-	282
Later than one year and not later than five years	-	-
Later than five years	4,000	-
	4,000	282

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.

Notes to the Financial Report
For the Year Ended 30 June 2025

5.5 Provisions

	Employee \$ '000	Landfill Rehabilitation \$ '000	Other \$ '000	Total \$ '000
2025				
Balance at beginning of the Financial Year	5,839	5,282	229	11,350
Additional provisions	2,593	-	-	2,593
Amounts used	(2,220)	(78)	-	(2,298)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(118)	(705)	(37)	(860)
Balance at the End of the Financial Year	6,094	4,499	193	10,786
<i>Provisions - current</i>	5,314	255	15	5,584
<i>Provisions - non-current</i>	780	4,244	178	5,202
2024				
Balance at beginning of the Financial Year	5,602	10,446	452	16,500
Additional provisions	2,897	-	-	2,897
Amounts used	(2,654)	(107)	-	(2,761)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(6)	(5,057)	(223)	(5,286)
Balance at the End of the Financial Year	5,839	5,282	229	11,350
<i>Provisions - current</i>	4,941	249	229	5,419
<i>Provisions - non-current</i>	898	5,033	-	5,931
(a) Employee Provisions				
	2025	2024		
	\$'000	\$'000		
Current provisions expected to be wholly settled within 12 months				
Annual Leave	1,893	1,685		
Long Service Leave	451	435		
	2,344	2,120		
Current provisions expected to be wholly settled after 12 months				
Annual Leave	518	658		
Employee Gratuity Scheme	-	1		
Long Service Leave	2,452	2,162		
	2,970	2,821		
Total Current Employee Provisions			5,314	4,941
Non-Current				
Long Service Leave	780	898		
Total Non-Current Employee Provisions			780	898
Aggregate carrying amount of Employee Provisions:				
Current	5,314	4,941		
Non-Current	780	898		
Total aggregate carrying amount of Employee Provisions			6,094	5,839

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

Notes to the Financial Report
For the Year Ended 30 June 2025

	2025	2024
	\$'000	\$'000

5.5 Provisions (continued)***Annual leave***

A liability for Annual Leave is recognised in the Provision for Employee Benefits as a Current Liability because Council does not have an unconditional right to defer settlement of the liability. Liabilities for Annual Leave are measured at nominal value as employees have a present entitlement to the Annual Leave benefit.

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 Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at Nominal Value. 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:

- discount rate	4.25%	4.35%
- index rate	4.20%	4.45%

(b) Landfill Rehabilitation Provision

Current	255	249
Non-Current	4,244	5,033
Total Landfill Rehabilitation Provision	4,499	5,282

Council is obligated to rehabilitate the Portland Landfill site to a particular standard, and continue to monitor and provide aftercare for up to 30 years after the closure date. At 30 June 2025, Council has 22 years left of the 30 year aftercare period. The costs associated with post closure monitoring and after care are to be included in the calculation of the rehabilitation provision. These costs are for the duration of EPA requirements. Any potential future revenue streams generated from the closure cannot be factored into the calculation.

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

Key assumptions:

- discount rate	4.20%	4.35%
- index rate	2.33%	3.62%

(c) Gravel Pit Restoration provision

Current	15	229
Non-current	178	-
Total Gravel Pit Restoration provision	193	229

Key assumptions:

- discount rate	4.20%	4.35%
- index rate	4.25%	4.45%

5.6 Financing arrangements 2025 2024
\$'000 \$'000

The Council has the following funding arrangements in place as at 30 June 2024.

Loan Facilities - NAB	-	5,882
Loan Facilities - TCV	7,625	7,835
Credit Card Facilities	300	300
Lease Facilities	1,000	1,000
Total Facilities	8,925	15,017
 Used Facilities	 4,387	 884
Unused Facilities	4,538	14,133

Notes to the Financial Report
For the Year Ended 30 June 2025

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

2025	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total \$'000
	\$'000	\$'000	\$'000	\$'000	
Operating					
Aquatic Facilities	867	174	-	-	1,041
Cleaning/Other Contracts	11	4	-	-	15
Consultancies	376	161	-	-	537
IT	939	340	493	226	1,997
Leases	269	135	-	-	404
Maintenance Contracts	3,123	296	72	-	3,491
Maternal Child Health	633	633	1,107	-	2,374
Plant & Equipment	918	918	76	-	1,912
Pound Services	283	292	-	-	575
Quarry Product	7	-	-	-	7
Security Services	28	28	6	-	62
Waste Management	2,565	2,532	7,459	1,345	13,901
Total	10,019	5,513	9,213	1,571	26,316
Capital					
Foreshore Multipurpose	4,362	-	-	4,362	8,724
Local Roads and Infrastructure Phase 4	1,480	-	-	1,480	2,960
R2R Projects	3,638	4,320	9,094	17,052	34,104
Roads	110	110	-	220	440
Total	9,590	4,430	9,094	23,114	46,228

Notes to the Financial Report
For the Year Ended 30 June 2025

5.7 Commitments (continued)

2024					Total \$'000	
	Later than 1 year and not later than 2 years		Later than 2 years and not later than 5 years			
	Not later than 1 year \$'000	\$'000	\$'000	\$'000		
Operating						
Aquatic Facilities	765	255	-	-	1,021	
Cleaning/Other Contracts	10	10	3	-	23	
Consultancies	120	6	-	-	126	
IT	332	8	-	-	341	
Landfill	220	220	147	-	587	
Leases	37	-	-	-	37	
Maintenance Contracts	2,265	32	32	-	2,329	
Maternal Child Health	621	621	1,086	-	2,328	
Other	308	308	103	-	718	
Plant & Equipment	2,521	2,521	2,521	-	7,564	
Pound Services	184	-	-	-	184	
Quarry Product	200	200	-	-	400	
Security Services	5	-	-	-	5	
Street Sweeping	130	-	-	-	130	
Waste Management	759	759	2,278	876	4,672	
Total	8,478	4,941	6,170	876	20,464	
Capital						
Casterton Pathways	105	-	-	-	105	
Light Fleet	262	265	794	-	1,320	
Local Freight Roads	2,985	-	-	-	2,985	
Local Port Fuel Facility	417	-	-	-	417	
LRCI Phase 3	1,020	-	-	-	1,020	
LRCI Phase 4 various	3,651	-	-	-	3,651	
Portland Forshore Lighting & Cermonial Space	289	-	-	-	289	
Portland North Employment Precinct	2,605	-	-	-	2,605	
Roads	320	27	-	-	346	
Upgrade Buildings	1,369	-	-	-	1,369	
Total	13,023	291	794	-	14,107	

**Notes to the Financial Report
For the Year Ended 30 June 2025**

5.8 Leases

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

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

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

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

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

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

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

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

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

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

	2025	2024
	\$'000	\$'000
Right-of-Use Assets		
Balance at beginning of the Financial Year	530	394
Additions	45	357
Depreciation charge	(254)	(221)
Balance at the End of the Financial Year	321	530

Lease Liabilities

Maturity analysis - contractual undiscounted cash flows		
Less than one year	211	262
One to five years	135	319
More than five years	-	-
Total Undiscounted Lease Liabilities as at 30 June:	346	581

Lease Liabilities included in the Balance Sheet at 30 June:

Current	197	240
Non-Current	132	303
Total Lease Liabilities	329	543

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	56	82
Leases of low value assets	4	9
Total	60	91

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

Variable lease payments	-	7
Total	-	7

**Notes to the Financial Report
For the Year Ended 30 June 2025**

NOTE 6: ASSETS WE MANAGE

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of Property, Infrastructure, Plant and Equipment

	Carrying amount 30 June 2024 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2025 \$'000
Property	93,153	365	-	2,500	(2,541)	-	-	-	93,477
Plant and Equipment	11,152	1,279	30	-	(1,003)	(318)	204	-	11,345
Infrastructure	462,968	12,495	359	3,820	(12,078)	(361)	(834)	-	466,369
Work in Progress	2,489	2,822	-	-	-	-	(2)	(1,815)	3,494
Total	569,762	16,961	389	6,320	(15,622)	(679)	(632)	(1,815)	574,685

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	523	179	(2)	-	700
Plant and Equipment	-	-	-	-	-
Infrastructure	1,967	2,643	-	(1,815)	2,795
Total	2,489	2,822	(2)	(1,815)	3,494

Notes to the Financial Report
For the Year Ended 30 June 2025

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	21,135	14,099	35,234	13,676	107,174	14,877	135,728	170,962
At Fair Value 1 July 2024								
Accumulated Depreciation at 1 July 2024	-	-	-	(9,174)	(60,575)	(8,061)	(77,809)	(77,809)
	21,135	14,099	35,234	4,502	46,599	6,817	57,919	93,153
Movements in Fair Value								
Additions	-	-	-	121	242	2	365	365
Revaluation	4,093	2,414	6,506	(453)	(2,059)	(1,494)	(4,006)	2,500
	4,093	2,414	6,506	(332)	(1,817)	(1,492)	(3,641)	2,865
Movements in Accumulated Depreciation								
Depreciation and Amortisation	-	-	-	(285)	(2,077)	(178)	(2,541)	(2,541)
	-	-	-	(285)	(2,077)	(178)	(2,541)	(2,541)
At Fair Value 30 June 2025	25,228	16,513	41,740	13,345	105,358	13,385	132,086	173,826
Accumulated Depreciation at 30 June 2025	-	-	-	(9,459)	(62,653)	(8,238)	(80,350)	(80,350)
Carrying amount	25,228	16,513	41,740	3,885	42,705	5,147	51,736	93,477

Notes to the Financial Report
For the Year Ended 30 June 2025

(b) Plant and Equipment

	Heritage plant and equipment \$'000	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Library books \$'000	Total plant and equipment \$'000
At Fair Value 1 July 2024	3,228	17,771	2,208	1,981	25,188
Accumulated Depreciation at 1 July 2024	-	(10,337)	(2,034)	(1,664)	(14,035)
	3,228	7,434	174	317	11,153
Movements in Fair Value					
Additions	26	1,126	44	84	1,279
Contributions	-	30	-	-	30
Disposal	-	(954)	-	-	(954)
	26	202	44	84	355
Movements in Accumulated Depreciation					
Depreciation and Amortisation	-	(812)	(81)	(111)	(1,003)
Accumulated Depreciation of Disposals	-	636	-	-	636
Accumulated Depreciation of Write Offs	-	-	159	46	204
	-	(176)	78	(65)	(163)
At Fair Value 30 June 2025	3,254	17,973	2,252	2,065	25,543
Accumulated Depreciation at 30 June 2025	-	(10,513)	(1,956)	(1,730)	(14,198)
Carrying amount	3,254	7,460	296	335	11,345

Notes to the Financial Report
For the Year Ended 30 June 2025

(c) Infrastructure

	Recreational, leisure and community facilities									Total Infrastructure \$'000
	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Waste Management \$'000	Parks open space and streetscapes \$'000	Aerodromes \$'000	Off street car parks \$'000		
At Fair Value 1 July 2024	377,555	58,890	44,190	94,153	67,094	4,927	817	21,111	3,126	671,863
Accumulated Depreciation at 1 July 2024	(91,834)	(23,925)	(20,508)	(40,241)	(23,528)	(1,342)	(306)	(6,323)	(888)	(208,895)
	285,721	34,965	23,682	53,912	43,566	3,585	511	14,788	2,238	462,968
Movements in fair value										
Additions	8,418	14	1,131	607	2,191	43	-	78	13	12,495
Contributions	47	168	56	63	-	25	-	-	-	359
Revaluation	(32,230)	2,115	(5,197)	17,687	(6,617)	(546)	(201)	(3,893)	(1,112)	(29,994)
Disposal	(187)	(39)	(61)	(16)	(698)	-	(44)	-	(15)	(1,060)
Write-off	(2,269)	-	-	-	-	-	-	-	(5)	(2,274)
	(26,220)	2,258	(4,071)	18,340	(5,124)	(478)	(245)	(3,815)	(1,119)	(20,473)
Movements in Accumulated Depreciation										
Depreciation and Amortisation	(5,528)	(886)	(1,333)	(1,487)	(2,137)	(152)	(39)	(410)	(106)	(12,078)
Accumulated Depreciation of Revaluation	42,747	(57)	480	(12,059)	227	(13)	(80)	2,470	98	33,813
Accumulated Depreciation of Disposals	57	22	45	9	536	-	21	-	8	699
Accumulated Depreciation of Write Offs	1,435	-	-	-	-	-	-	-	4	1,440
	38,711	(921)	(808)	(13,537)	(1,373)	(165)	(97)	2,060	5	23,874
At Fair Value 30 June 2025	351,335	61,148	40,119	112,493	61,970	4,449	572	17,296	2,007	651,390
Accumulated Depreciation at 30 June 2025	(53,123)	(24,846)	(21,316)	(53,778)	(24,901)	(1,507)	(403)	(4,263)	(883)	(185,021)
Carrying amount	298,212	36,302	18,802	58,715	37,069	2,942	169	13,033	1,124	466,369

Notes to the Financial Report For the Year Ended 30 June 2025

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.

Asset recognition thresholds and depreciation periods	Depreciation Period	Depreciation Period	Threshold Limit \$000
	2023/24	2024/25	
Land & land improvements			
Land	-	-	1
Buildings			
Buildings	50-100 years	50-100 years	1
Plant and Equipment			
Heritage Plant and Equipment	100 years	100 years	1
Plant, Machinery and Equipment	3-20 years	3-20 years	1
Others	5-20 years	5-20 years	1
Infrastructure			
Roads	25-100 years	5-150 years	10
Bridges	70-100 years	150-250 years	10
Footpaths & Street Furniture	15-60 years	10-200 years	1
Drainage	50-100 years	20-160 years	10
Recreational, Leisure and Community	30-100 years	4-200 years	1
Waste Management	5-40 years	10-100 years	10
Parks, Open Spaces and Streetscapes	10-100 years	20-40 years	10
Aerodromes	10-100 years	10-120 years	10
Off Street Car Parks	10-100 years	20-100 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated. Annual review of useful lives was performed in conjunction with revaluation of assets outlined in Note 8.4. Council has revised the depreciation periods for Infrastructure assets based upon valuation inputs obtained from an external valuer. These rates have been adopted at 30 June 2025.

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.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer (Preston Rowe Paterson - Gareth Kent AAPI CPV#63378). 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.

Notes to the Financial Report
For the Year Ended 30 June 2025

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 - Non Specialised	-	16,513	-	Mar-25	Independent
Specialised Land	-	-	25,228	Mar-25	Independent
Heritage Buildings	-	-	3,885	Mar-25	Independent
Buildings	-	5,148	42,705	Mar-25	Independent
Total	-	21,661	71,818		

Valuation of infrastructure

Valuation of infrastructure assets have been finalised by Council with an external valuation undertaken by APV Valuers & Asset Management, Quantity Surveyor. The date and type of the current valuation is detailed in the following table.

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

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	298,213	Jun-25	External
Bridges	-	-	36,303	Jun-25	External
Footpaths and Cycleways	-	-	18,803	Jun-25	External
Drainage	-	-	58,715	Jun-25	External
Recreational, Leisure and Community Facilities	-	-	37,068	Jun-25	External
Waste Management	-	-	2,942	Jun-25	External
Parks, Open Space and Streetscapes	-	-	169	Jun-25	External
Aerodromes	-	-	13,033	Jun-25	External
Other Infrastructure	-	-	1,124	Jun-25	External
Total	-	-	466,369		

	2025	2024
	\$'000	\$'000
Reconciliation of Specialised Land		
Land under roads	57	63
Parks and reserves	25,171	21,072
Total Specialised Land	25,228	21,135

Notes to the Financial Report For the Year Ended 30 June 2025

Note 7: PEOPLE AND RELATIONSHIPS

7.1 Council and Key Management Remuneration

(a) Related Parties

Parent entity

Glenelg Shire Council is the parent entity.

Related entity

Local Port of Portland Bay is a Related entity.

Subsidiaries and Associates

Glenelg Shire Council has no subsidiaries and associates.

(b) Key Management Personnel

Key Management Personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Glenelg Shire Council. The Councillors, Chief Executive Officer and Executive Team are deemed KMP.

Glenelg Shire Council election period ("caretaker period") commenced on 17 September 2024 and concluded on 26 October 2024. Newly elected Councillors were sworn in on 11 November 2024, followed by the Mayor and Deputy Mayor on 20 November 2024.

Details of KMP at any time during the year are:

		2025 No.	2024 No.
Councillors	Councillor Karen Stephens (01/07/23 to 26/10/24, 11/11/24 - 30/06/25)	1	1
	Councillor Robyn McDonald (01/07/23 to 26/10/24, 11/11/24 - 30/06/25)	1	1
	Councillor Michael Carr (01/07/23 to 26/10/24, 11/11/24 - 30/06/25)	1	1
	Councillor John Pepper (11/11/24 to 30/06/25)	1	-
	Councillor Mike Noske (11/11/24 to 30/06/25)	1	-
	Councillor Matt Jowett (11/11/24 to 30/06/25)	1	-
	Councillor Duane Angelino (11/11/24 to 30/06/25)	1	-
	Councillor Scott Martin (01/07/23 to 26/10/24)	1	1
	Councillor Gilbert Wilson (01/07/23 to 26/10/24)	1	1
	Councillor Alistair McDonald (5/12/23 to 26/10/24)	1	1
	Councillor John Northcott (29/08/2023 to 26/10/2024)	1	1
	Councillor Chrissy Hawker (1/7/23 to 20/10/23)	-	1
	Councillor Jayden Smith (1/7/23 to 18/10/23)	-	1
Executive	Chief Executive Officer (29/7/2024 - 30/6/2025)	1	-
	Chief Executive Officer (1/7/2023 - 28/7/2024)	1	1
	Director - Corporate Services (2023/24 & 2024/25)	1	1
	Director - Community Services (28/5/2025 - 30/6/2025)	1	-
	Director - Community Services (1/7/2023 - 9/4/2025)	1	1
	Director - Infrastructure Services (21/10/2024 - 30/6/2025)	1	-
	Director - Infrastructure Services (1/7/2023 - 1/9/2024)	1	1
	Chief Information Officer (No longer Executive position)	-	1
	Chief Finance Officer (No longer Executive position)	-	1
	Executive Manager of People & Culture (No longer Executive position)	-	1
Total Number of Councillors		11	9
Total of Chief Executive Officer and other Key Management Personnel		7	7
Total Number of Key Management Personnel		<u>18</u>	<u>16</u>

Notes to the Financial Report

For the Year Ended 30 June 2025

(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	1,128	1,573
Other Long-Term Employee Benefits	17	9
Post-Employment Benefits	145	224
Termination Benefits	82	82
Total	1,372	1,887

Note - due to individual contracts in place, 2 x KMP are not required to salary sacrifice a contribution towards their motor vehicle benefit. The Mayor is also not required to contribute towards their motor vehicle benefit.

The numbers of key management personnel whose total remuneration (including superannuation, motor vehicle benefits and leave accruals where applicable) from Council and any related entities, fall within the following bands:

	No.	No.
\$0 - \$9,999	4	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	6	3
\$30,000 - \$39,999	1	2
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	1
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	1	-
\$150,000 - \$159,999	-	1
\$170,000 - \$179,999	1	1
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	-	2
\$240,000 - \$249,999	2	-
\$290,000 - \$299,999	1	-
\$360,000 - \$369,999	-	1
	18	16

(d) Remuneration of other Senior Staff

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

	2025 \$'000	2024 \$'000
Total Remuneration of other Senior Staff was as follows:		
Short-Term Employee Benefits	517	327
Other Long-Term Employee Benefits	21	7
Post-Employment Benefits	56	34
Termination Benefits	-	-
Total	594	368

The number of other senior staff are shown below in their relevant remuneration (including superannuation, motor vehicle benefits and leave accruals where applicable) bands:

Income Range:	No.	No.
\$180,000 - \$189,999	1	2
\$190,000 - \$199,999	1	-
\$210,000 - \$219,999	1	-
	3	2

**Notes to the Financial Report
For the Year Ended 30 June 2025**

	2025 \$'000	2024 \$'000
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7.2 Related Party disclosures

(a) Transactions with related parties

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

Transactions between Council and KMP -

There were no transactions between Council and KMP's other than the remuneration disclosed in note 7.1 & 7.2 and reimbursement of expenses.

Transactions between Council and close Family Members of KMP -

There were no transactions between Council and KMP's other than the remuneration disclosed in note 7.1 & 7.2 and reimbursement of expenses.

Transactions between Council and Entities controlled or jointly controlled by KMP or Close Family Members -

Expenses paid by Council:

- Councillor Scott Martin - SL & DA Martin controlled by Cr Martin & close Family Member	5	21
- Councillor Michael Carr - G R Carr Pty Ltd controlled by a close Family Member		
Capital Contract Payments	640	2,068
Non Contract Payments	48	-

All dealings are in the normal course of business and are on normal commercial terms and conditions.

(b) Outstanding balances with related parties

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

Expenses payable by Council:

- Councillor Scott Martin - SL & DA Martin controlled by Cr Martin & close Family Member	-	1
- Councillor Michael Carr - G R Carr Pty Ltd controlled by a close Family Member	21	222

(c) Loans to/from related parties

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

There were no loans in existence at balance date to/from related parties

(d) Commitments to/from related parties

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

- Councillor Michael Carr - G R Carr Pty Ltd controlled by close Family Member	-	264
Contract 2023-24-37 Portland North Pathway Project		

**Notes to the Financial Report
For the Year Ended 30 June 2025**

7.3 Local Port of Portland Bay

	2025	2024
	\$'000	\$'000
Assets		
Current Assets		
Cash and Cash Equivalents	60	-
Trade and Other Receivables	131	100
Inventory	25	-
Total Current Assets	216	100
Non-Current Assets		
Property, Infrastructure, Plant and Equipment	1,366	943
Total Non-Current Assets	1,366	943
Total Assets	1,582	1,043
Liabilities		
Current Liabilities		
Trade and Other Payables	3	2
Total Current Liabilities	3	2
Net Assets	1,579	1,041
Represented by:		
Accumulated Surplus	1,579	1,041
Equity	1,579	1,041

The Operation of the Local Port of Portland Bay (Trawler Wharf) is an agreement between the Glenelg Shire Council and the Department of Transport and Planning (DTP). Any assets are returnable on cessation of the agreement. The current agreement commenced 1 February 2024 and is due to expire at 30 September 2028.

**Notes to the Financial Report
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

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

At balance date, Council is not aware of any contingent assets.

(b) Contingent Liabilities

Contingent liabilities are:

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

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill Rehabilitation and Monitoring

Council has finalised the 3rd and final stage of its Rehabilitation of the Portland Landfill site. Council is required under the Environmental Protection act to monitor and maintain the cap for up to 30 years after the closure date. At 30 June 2025, Council has 22 years remaining of the 30 year aftercare period. A Contingent liability has been included in Council's Financial Statements for the estimated value of monitoring and maintaining the cap for the remaining aftercare period. This liability is contingent as there is currently no present obligation to outlay this large sum of monies.

Quarries

Council manages quarries to source materials to maintain and construct Road Infrastructure. A Contingent liability has been included in Council's Financial Statements as Council will have to carry out site rehabilitation works in the future to return the sites to their natural state. As we have no certainty on the timing of undertaking these works and the cost of these works we have classified the amount as a contingent liability.

Liability Mutual Insurance

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

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

(c) Guarantees for loans to other entities

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

Council has 5 x security deposit guarantees totalling \$96,500 for the Ministry for Energy & Resources in association with the operation of the quarry sites.

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

Notes to the Financial Report **For the Year Ended 30 June 2025**

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.

Council continues to work through the requirements of the amendments to AASB13 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. Council has assessed the impact of the modifications including the requirement to factor in relevant disruption costs into its valuations and has increased valuation amounts as a result.

8.3 Financial instruments

(a) Objectives and policies

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

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

- diversification of investment product;
- monitoring of return on investment; 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 have 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 have a policy for establishing credit limits for the entities council deal with;
- Council may require collateral where appropriate; and
- Council only invest 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 provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

Notes to the Financial Report For the Year Ended 30 June 2025

(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 the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + .5% and - .5% in market interest rates (AUD) from year-end rates of 4.35%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

The AASB 13 amendments have impacted Council's financial statements as follows:

- The current replacement cost of Council's Infrastructure assets, specifically Drainage assets have increased by \$18M million due to the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets;
- The further componentisation of Infrastructure assets has influenced Council's assessment of the useful lives of its assets as described in Note 6.1.

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.

Notes to the Financial Report For the Year Ended 30 June 2025

8.4 Fair value measurement (continued)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. For Plant and Equipment, carrying amount is considered to be approximate fair value given its short useful life. 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 6 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	1-2 years
Buildings	1-2 years
Roads	3 years
Bridges	3 years
Footpaths and cycleways	3 years
Drainage	4 years
Recreational, leisure and community facilities	3 years
Waste management	3 years
Parks, open space and streetscapes	3 to 6 years
Aerodromes	3 years
Other infrastructure	6 years

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

Impairment of assets

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.

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 Report
For the Year Ended 30 June 2025

Note 9 OTHER MATTERS

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Share of increase (decrease) on revaluation by an associate \$'000	Balance at end of reporting period \$'000			
9.1 Reserves							
(a) Asset revaluation reserves							
2025							
Property							
Land and land improvements	32,405	6,506	-	38,911			
Buildings	53,804	(4,006)	-	49,798			
	86,209	2,500	-	88,709			
Infrastructure							
Roads	214,226	10,517	-	224,743			
Bridges	15,674	2,059	-	17,733			
Footpaths and cycleways	10,437	(4,717)	-	5,720			
Drainage	63,698	5,628	-	69,326			
Recreational, leisure and community facilities	22,733	(6,390)	-	16,343			
Waste Management	1,617	(559)	-	1,058			
Parks, open space and streetscapes	6,398	(281)	-	6,117			
Aerodromes	5,340	(1,423)	-	3,917			
Off street carparks	336	(1,014)	-	(678)			
	340,459	3,820	-	344,279			
Total Asset Revaluation Reserves	426,668	6,320	-	432,988			
2024							
Property							
Land and land improvements	32,405		-	32,405			
Buildings	53,804		-	53,804			
	86,209	-	-	86,209			
Infrastructure							
Roads	166,132	48,094	-	214,226			
Bridges	6,217	9,457	-	15,674			
Footpaths and cycleways	4,555	5,882	-	10,437			
Drainage	49,567	14,131	-	63,698			
Recreational, leisure and community facilities	10,515	12,218	-	22,733			
Waste Management	659	958	-	1,617			
Parks, open space and streetscapes	6,258	140	-	6,398			
Aerodromes	1,590	3,750	-	5,340			
Off street carparks	-	336	-	336			
	245,493	94,966	-	340,459			
Total asset revaluation reserves	331,702	94,966	-	426,668			

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

Notes to the Financial Report
For the Year Ended 30 June 2025

	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) Public Open Space Reserve				
2025				
Public Open Space Reserve	457	224	-	681
Total Other Reserves	457	224	-	681
2024				
Public Open Space Reserve	457	-	-	457
Total Other reserves	457	-	-	457

The collection of Public Open Space fees is through land or monetary contributions and is governed under Section 18 of the Subdivision Act 1988. Any collection of monies under this Act must be spent on Public Open Space - either improving or acquiring land for that purpose.

Notes to the Financial Report
For the Year Ended 30 June 2025

	2025	2024
	\$'000	\$'000
Deficit for the year	9,020	(1,897)
<i>Non-cash adjustments:</i>		
Depreciation and amortisation	15,876	10,544
Net loss on disposal of property, infrastructure, plant and equipment	423	738
Other Expenses - Non Cash Transactions	734	-
Impairment Losses	14	16
Borrowing Costs	10	11
Finance Costs - Leases	23	15
Internal Cost Allocations	(763)	(874)
Contributions - Non-monetary assets	-	(72)
Landfill Provision adjustment	(704)	(4,951)
Other Income - non cash adjustment	(61)	294
Net Trust Funds - Non Cash adjustment amount	146	69
GST Refund/Payment	90	
<i>Change in Assets and Liabilities:</i>		
(Increase)/decrease in trade and other receivables	379	(1,314)
(Increase)/decrease in prepayments	118	(28)
(Increase)/decrease in inventories	(304)	(111)
Increase/(decrease) in Trade and Other Payables	1,205	2,276
(Decrease)/increase in contract and other liabilities	(5,248)	2,566
(Increase)/decrease in other assets	(97)	101
(Decrease)/increase in other liabilities	(81)	(114)
(Increase)/decrease in Trust Funds	40	86
(Decrease)/increase in provisions	(539)	(2,496)
Net cash provided by/(used in) Operating Activities	20,281	4,859

9.3 Superannuation

Glenelg Shire 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 Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024: 11.0%)).

Defined Benefit

Glenelg Shire 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 Glenelg Shire 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.

Notes to the Financial Report **For the Year Ended 30 June 2025**

Funding arrangements

Glenelg Shire 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 Glenelg Shire 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%. Glenelg Shire 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 expected to be completed by 31 October 2025. 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, Glenelg Shire 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, Glenelg Shire Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Glenelg Shire 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 Glenelg Shire 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:

Notes to the Financial Report
For the Year Ended 30 June 2025

(b) Funding calls (continued)

	2024 (Interim) \$m	2023 (Triennial) \$m
- A VBI Surplus	\$108.40	\$85.70
- A total service liability surplus	\$141.40	\$123.60
- A discounted accrued benefits surplus	\$156.70	\$141.90

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%. Glenelg Shire 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.

The 2023 triennial investigation

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

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50% pa	2.5% pa for two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation Contributions

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

Scheme	Type of Scheme	Rate	2025 \$'000	2024 \$'000
Vision super	Defined benefits	11.5% (2024:11.0%)	70	75
Vision super	Accumulation	11.5% (2024:11.0%)	1,211	1,169

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$1,087,000 (2022/23 \$967,000).

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 \$96,641.

**Notes to the Financial Report
For the Year Ended 30 June 2025**

Note 10 CHANGE IN ACCOUNTING POLICY

Material accounting policy information

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

Council continues to work through the requirements of the amendments to AASB13 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. Council has assessed the impact of the modifications including the requirement to factor in relevant disruption costs into its valuations and has increased valuation amounts as a result.

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Victorian Auditor-General's Office

**Glenelg Shire Council
Final Management Letter
for the year ended 30 June 2025**

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Background

I enclose for your information the final management letter for the year ending 30 June 2025. The final management letter provides a summary of audit findings from the final phase of our audit.

It also includes recommendations from our *Results of 2023-24 Audits: Local Government* report which was tabled in Parliament on 3 April 2025 and those open issues from our *Results of 2022-23 Audits: Local Government* report.

This letter will be discussed at the Audit and Risk Committee meeting on 11 December 2025.

Acknowledgement

I also take this opportunity to thank your staff for the time they made available to us during the audit.

Yours sincerely

Luke Snowdon

Partner

KPMG Australia

VAGO Audit Service Provider

Geelong

4 December 2025

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Introduction

We are in the process of finalising the 30 June 2025 audit and now bring to your attention our findings. This letter should be read in conjunction with our closing report to be presented to the audit committee on 11 December 2025. As part of our reporting, we include our assessment of the audit significance of the findings. The criteria we consider in this assessment is included in **Appendix A**. Findings can fall into the following categories:

- internal control findings
- financial reporting and performance statement reporting findings

Internal control findings

As part of our audit, we assess the design and implementation of internal controls relevant to financial reporting and performance statement reporting. If we intend to rely on these controls, we test how effectively they are operating.

Any weaknesses in internal control identified during our audit is communicated to you through our management letters.

Financial reporting and performance statement reporting findings

As part of our audit, we may identify weaknesses in management's approach to financial reporting and performance statement reporting resulting in potential material misstatement. This includes, but is not limited to, non-compliance with the Australian Accounting Standards and other reporting frameworks.

Reporting and tracking internal control and financial reporting findings

As part of this communication we include:

- our assessment as to the significance of the finding
- recommended actions
- management comments and expected implementation dates.

We have discussed all findings with management. The nature and rating of the finding determines our expectations in relation to management acceptance and our monitoring of the implementation of remedial actions.

Business improvement opportunities and other findings

While conducting our audit, we may identify opportunities for improving the efficiency and effectiveness of your entity's processes and controls. We may also identify better practice solutions from across the public sector which we would like to share with you.

Given their nature, business improvement opportunities and other matters will not be tracked.

Scope of our audit

We did not carry out a comprehensive audit of all processes and systems of internal control you maintain or seek to uncover all deficiencies, breaches and irregularities in those systems and processes. Inherent limitations in any process and system of internal control may mean that errors or irregularities might not be detected.

As explained in the audit strategy presented to the Audit and Risk Committee on 6 March 2025, the objective of the audit is for the Auditor-General to express an opinion on the financial report and performance statement. Although the audit considers internal controls relevant to preparing the financial report and performance statement, this is done in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of those controls. Our planned approach, including level of reliance on internal controls, was communicated in our audit strategy.

Reports to Parliament

The Auditor-General may include items listed in this letter in a report to Parliament. We will send you a draft of the relevant material included in this report and ask for your comments before the report is tabled in Parliament. High rated findings may be specifically identified and reported in the Parliamentary reports.

Our recent report to parliament, *Results of 2023-24 audits – Local Government* was tabled on 3 April 2025. Our report discusses the observations and findings across all 79 councils as a result of our audit of the sector. From this, we have made seven recommendations. Four were specific to all councils. We have included these four findings in our management letter below to help councils keep track of them.

Our 2024 final management letter included 4 recommendations from the *Results of 2022-23 audits – Local Government* report that was tabled on 7 March 2024. The final management letter will include updates from management regarding any of the recommendations that were partially resolved or unresolved as councils look to close out these items in a timely and achievable manner.

Summary of audit findings

The table below summarises all 'open' (current and prior period) management letter issues, and prior period issues that have been resolved in the current period. Open items include all findings that are 'unresolved', 'partially resolved' or 'substantially resolved' as at the date of this letter.

Finding first raised (month / year)	Reference	Findings	Rating	Classification of deficiency					Original agreed implementation date
				Internal control	Financial / performance reporting	Financial statement areas grouping	Resolved / unresolved	Management acceptance	
Open issues (current and prior period)									
September 2024	2024.4	The Gravel Pit restoration provision calculations are based on data from 2014. For the landfill provision stage 3 capping costs are not included and certain costs unsubstantiated.	Moderate	X	X	Provisions	Unresolved	Yes	30 June 2025
September 2024	2024.5	The Long Service Leave provision was calculated incorrectly.	Low	X	X	Provisions	Unresolved	Yes	30 June 2025
October 2024	2024.8	The entity has not performed revaluations of their fixed assets in accordance with their revaluation policy.	High	X	X	Plant, property and equipment	Partially resolved	Yes	30 June 2025
October 2024	2024.9	Limitations in fixed assets system.	Moderate	X	X	Information Technology	Unresolved	Yes	30 June 2025
October 2025	2025.1	Deficiencies associated with the review of Journal Entries	Moderate	X	X	Financial Reporting	Unresolved	Yes	30 June 2026

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Finding first raised (month / year)	Reference	Findings	Rating	Classification of deficiency					Original agreed implementation date
				Internal control	Financial / performance reporting	Financial statement areas grouping	Resolved / unresolved	Management acceptance	
October 2025	2025.2	Absence of Signed Employee Contracts being maintained	Moderate	X	-	Employee Benefit Expenses	Unresolved	Yes	30 June 2026
Prior period issues resolved during the period									
September 2024	2024.6	There are signatories for bank accounts who are no longer employed with Glenelg Shire Council as at 30 June 2024	Low	X	X	Treasury	Resolved	Yes	30 June 2025
September 2024	2024.7	The expected credit loss model prepared by the Finance team does not fully align with AASB 9, in line with forward-looking information and historical data.	Low	X	X	Provisions	Resolved	Yes	30 June 2025
April 2024	2024.3	There were 2 instances where the evaluation summary had not been signed by panel members	Low	X	-	Expenditure	Resolved	Yes	30 June 2024

Detailed audit findings—open issues

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2024.4	<p>Gravel Pit and Landfill Restoration Provisions</p> <p>30 June 2024 Final Update:</p> <p>Our review of the Gravel Pit restoration provision noted that the gravel pit provision calculations were based on figures from 2014, which is not the most accurate or up-to-date method for valuing such provisions. This does not reflect current market conditions, which can lead to potential inaccuracies in financial reporting.</p> <p>For the landfill provisions, there are no costs currently recorded for the completion of stage 3 capping works and certain costs are unsubstantiated.</p>	<p>30 June 2024 Final Update:</p> <p>We recommend that the calculation and provisions use data which is reflective of current costings. Engaging external consultants to determine costs for future financial years is strongly advised.</p>	<p>30 June 2024 Final Update:</p> <p>Recommendation: Accepted Responsible officer: Rebecca Campbell Implementation date: 30 June 2025</p> <p>Management Comment: Council is aware of the lack of information that it has available to calculate an accurate Provision amount for our Gravel and Landfill Provisions. For Gravel, Council is in the process of engaging a Contractor to provide an assessment of the Council's Gravel Pits with the aim to providing an up to date assessment of estimated restoration costs to restore it to its natural state. For the Landfill Provision, when works are completed during 2024/25, Council will be provided with reports and Audit data supporting the calculation amount for the 2024/25 Provision.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
	<p>30 June 2025 Interim Update:</p> <p>Our review of the Gravel Pit restoration provision noted that the gravel pit provision calculations were based on figures from 2014, which is not the most accurate or up-to-date method for valuing such provisions. This does not reflect current market conditions, which can lead to potential inaccuracies in financial reporting.</p> <p>For the landfill provisions, there are no costs currently recorded for the completion of stage 3 capping works and certain costs are unsubstantiated.</p>	<p>30 June 2025 Interim Update:</p> <p>We recommend that the calculation and provisions use data which is reflective of current costings. Engaging external consultants to determine costs for future financial years is strongly advised.</p> <p>This will be assessed as part of the year-end audit.</p>	<p>30 June 2025 Interim Update:</p> <p>Recommendation: Accepted Responsible officer: Rebecca Campbell Implementation date: 30 June 2025</p> <p>Management Comment: Work has been undertaken during 2024/25 to form a better understanding of our quarry sites and the work/costs that would be required to rehabilitate them. Council has utilised the Resources Victoria Rehabilitation Calculator to estimate the cost to rehabilitate Council's five Quarries and will provide to KPMG for review.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
	<p>30 June 2025 Final Update:</p> <p>Gravel Pit / Quarry provision: It was agreed that management would engage external consultants in the Current Year to improve the accuracy of cost estimates and the number of years used in the provision calculation.</p> <p>Based on inquiries and review of supporting documentations, it was noted that there had been informal communication with external consultants, and insights obtained from them were used by management to update the bond calculator costs. The number of years remaining was supported by Barry & Whyte through confirmation of remaining land volumes, providing better evidence for the provision calculation.</p> <p>However, it was again noted that the process could be improved by incorporating external valuations to ensure that reliable and formalised sources are used to determine costs. As the current approach does not fully reflect prevailing market conditions, which may lead to potential inaccuracies in financial reporting.</p> <p>Landfill Provision: During review of landfill provisioning process, it was noted that the parameters used by the management were the same as prior year except for the current CPI and indexation. The retrospective review indicates that no significant changes were incorporated in to calculating the liability except for the inputs determined by external sources and regulatory bodies.</p> <p>Moreover, For the landfill provisions, there are no costs currently recorded for the completion of stage 3 capping works.</p> <p>Management did not engage the external consultant in the 2025 financial year.</p>	<p>30 June 2025 Final Update:</p> <p>Gravel Pit / Quarry provision: It is recommended that management calculate the provision using data that is reflective of current costs and market conditions, and to formally engage external consultants to determine costs for future financial years.</p> <p>Landfill provision Based on the prior year communications to the management and Audit and Risk Committee, it was recommended to provide updated data for completion of Stage 3. The engagement team also notes that the Council is scheduled for an audit following the completion of Stage 3 of the capping process, which was supposed to completed for the current year audit. Based on communication with management and a review of the supporting documentation provided, it was noted that the After Care Plan, which should have been updated, is still in progress and is expected to be finalised in late 2025.</p> <p>Considering this, it was observed that the cost information utilised in the current provision calculation remains unchanged from prior periods. We recommend that the After Care Plan is completed in a timely manner, enabling the use of up-to-date and accurate cost information for future financial reporting.</p>	<p>30 June 2025 Final Update:</p> <p>Recommendation: Accepted</p> <p>Responsible officer: Rebecca Campbell</p> <p>Implementation date: 30 June 2026</p> <p>Management Comment: Council is considered a low risk operator with minimal obligations to return its Quarries to the their natural state. Council will consider the recommendation to engage an external consultant to estimate Quarry restoration costs for the year ended 30 June 2026.</p> <p>Council will work to ensure the Aftercare Management Plan (AMP) is updated for the year ended 30 June 2026. Council will use this AMP to better inform the provision calculation prior to 30 June 2026.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2024.5	<p>Long Service Leave Provision review of calculation</p> <p>30 June 2024 Final Update:</p> <p>In the review of the Long Service Leave Provision, we identified that the probability was not correctly incorporated in the calculation. The error was not identified through the review process.</p> <p>30 June 2025 Interim Update:</p> <p>In the review of the Long Service Leave Provision, we identified that the probability was not correctly incorporated in the calculation. The error was not identified through the review process.</p> <p>30 June 2025 Final Update:</p> <p>In the review of the Long Service Leave Provision, we identified that the probability was not correctly incorporated in the calculation. The error was not identified through the review process.</p>	<p>30 June 2024 Final Update:</p> <p>We recommend that all provisions are reviewed by authorised personnel to ensure there are no inaccuracies in the calculations.</p> <p>30 June 2025 Interim Update:</p> <p>We recommend that all provisions are reviewed by authorised personnel to ensure there are no inaccuracies in the calculations.</p> <p>This will be assessed as part of the year-end audit.</p> <p>30 June 2025 Final Update:</p> <p>We recommend that all provisions are reviewed by authorised personnel to ensure there are no inaccuracies in the calculations.</p>	<p>30 June 2024 Final Update:</p> <p>Recommendation: Accepted Responsible officer: Rebecca Campbell Implementation date: 30 June 2025</p> <p>Management Comment: Council has refined its Leave Provision working papers in preparation for 2024/25 Financial Statement preparation.</p> <p>30 June 2025 Interim Update:</p> <p>Recommendation: Accepted Responsible officer: Rebecca Campbell Implementation date: 30 June 2025</p> <p>Management Comment: Work was undertaken post audit to refine and update the Leave provision working papers in preparation for 2024/25 year end.</p> <p>30 June 2025 Final Update:</p> <p>Recommendation: Accepted Responsible officer: Rebecca Campbell Implementation date: 30 June 2026</p> <p>Management Comment: Management will ensure the provision calculations are reviewed by the appropriate officer for accuracy and completeness at 30 June 2026.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2024.8	<p>Revaluation for PPE not performed by independent experts</p> <p>30 June 2024 Final Update:</p> <p>In performing the audit of assets, it was established that Council had not complied with their policy in connection with the frequency of revaluations in relation to infrastructure assets, being the most significant assets.</p> <p>Further, no indices or other adjustments had been made since 2020, noting significant cost escalation in this period.</p> <p>For the Plant and Machinery category, the revaluation incorporates certain estimates from an auction market-based results by a third- party website and the finance team supplements the lack of available information with their own judgement.</p> <p>30 June 2025 Interim Update:</p> <p>In performing the audit of assets, it was established that Council had not complied with their policy in connection with the frequency of revaluations in relation to infrastructure assets, being the most significant assets.</p> <p>Further, no indices or other adjustments had been made since 2020, noting significant cost escalation in this period.</p> <p>For the Plant and Machinery category, the revaluation incorporates certain estimates from an auction market-based results by a third- party website and the finance team supplements the lack of available information with their own judgement.</p>	<p>30 June 2024 Final Update:</p> <p>To address this matter in the current year, the Victorian ABS Producer Price Indexes for Roads and Bridges Construction indices adjustment has been recorded. However, based on the time frame between full formal independent external valuation inclusive of the conditions impacts assessment we recommend such valuations are performed prior to 30 June 2025 and then subsequently performed in line with policy.</p> <p>30 June 2025 Interim Update:</p> <p>To address this matter in the current year, the Victorian ABS Producer Price Indexes for Roads and Bridges Construction indices adjustment has been recorded. However, based on the time frame between full formal independent external valuation inclusive of the conditions impacts assessment we recommend such valuations are performed prior to 30 June 2025 and then subsequently performed in line with policy.</p>	<p>30 June 2024 Final Update:</p> <p>Recommendation: Accepted Responsible officer: Asset Management Unit Implementation date: 30 April 2025 Management Comment: In preparation for the 24/25 AFS Council will engage a contractor to perform the necessary valuations. Council will review and update policies and procedures related to Fixed Assets.</p> <p>30 June 2025 Interim Update:</p> <p>Recommendation: Accepted Responsible officer: Asset Management Unit Implementation date: 30 April 2025 Management Comment: Council has engaged external specialists to perform valuations on its PPE and comply with its internal Policies. The relevant Policies and Procedures are currently under review and expected to be updated by 30 June 2025. Council will monitor its compliance with the updated policy for future financial periods.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
	<p>30 June 2025 Final Update:</p> <p>In performing the audit of assets in the prior year, it was established that Council had not complied with their policy in connection with the frequency of revaluations in relation to infrastructure assets, being the most significant assets. Further, no indices or other adjustments had been made since 2020, noting significant cost escalation in this period. Due to the passage of time and in the absence of an independent external valuation performed for infrastructure assets, a calculation using the Victoria ABS Producer Price Indexes for Roads and Bridges Construction indices had been performed and an audit adjustment was recognised in the prior year. We note that Management had a plan to present a paper to the audit and risk committee prior to 30 June 2025 to document the approach to assess fair values of the property, infrastructure assets, plant and equipment. Further for those asset categories requiring an independent external valuation incorporating the condition impact assessment. With this work to be performed for the 30 June 2025, incorporating the impacts of the amendments to AASB13.</p> <p>Management had engaged APV Valuers and Asset Management to perform a comprehensive revaluation of the infrastructure assets in the current year inclusive of adjusting infrastructure unit prices to reflect fair value. However, in performing our audit procedures over the infrastructure assets, we established that the scope of work performed did not incorporate a reassessment of unit rates and that the valuer's assumption was that the prior year unit rates be applied in their works performed. To avoid qualification, we spent considerable time working through available data with Council and the valuer to apply unit rates for the current year to materially apply fair value including the impact of AASB13 adoption. We have been able to accept the valuation adopted for the current year on the basis a full re-assessment of the unit rates is performed in FY2026.</p> <p>For the Plant and Machinery category, the revaluation incorporates certain estimates from an auction market-based results by a third- party website and the</p>	<p>Management have advised policies and procedures are currently under review. We will audit the current year valuations as part of our year-end testing.</p> <p>30 June 2025 Final Update:</p> <p>To address this matter in the current year, the Victorian ABS Producer Price Indexes for Roads and Bridges Construction indices adjustment has been recorded. However, based on the time frame between full formal independent external valuation inclusive of the conditions impacts assessment we recommend such valuations are performed prior to 30 June 2025 and then subsequently performed in line with policy.</p> <p>We recommend that a full formal independent external valuation inclusive of the conditions impacts assessment, including a re-assessment of the unit rates is performed in FY2026.</p>	<p>30 June 2025 Final Update:</p> <p>Recommendation: Accepted Responsible officer: Asset Management Unit Implementation date: 31 December 2025 Management Comment: Management has commenced the procurement process required to appoint an external valuer to conduct a full and comprehensive valuation of its Infrastructure Asset. Management have determined a preferred supplier and will engage their services prior to 31 December 2025. The valuation scope includes physical inspection of assets and adequate sample coverage of its portfolio. The valuation and update of replacement rates will be completed by 30 June 2026.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
	finance team supplements the lack of available information with their own judgement.		
2024.9	<p>Limitations in fixed asset system</p> <p>30 June 2024 Final Update:</p> <p>In our testing, we noted where the fixed asset system (i.e. Conquest) records a revaluation entry, depreciation is calculated retrospectively for the affected assets.</p> <p>30 June 2025 Interim Update:</p> <p>In our testing, we noted where the fixed asset system (i.e. Conquest) records a revaluation entry, depreciation is calculated retrospectively for the affected assets.</p>	<p>30 June 2024 Final Update:</p> <p>We recommend that the finance team reviews the fixed asset system to ensure depreciation for revaluation entries are not retrospectively entered.</p> <p>30 June 2025 Interim Update:</p> <p>We recommend that the finance team reviews the fixed asset system to ensure depreciation for revaluation entries are not retrospectively entered.</p>	<p>30 June 2024 Final Update:</p> <p>Recommendation: Accepted Responsible officer: Finance & Asset Management Unit Implementation date: 30 June 2025 Management Comment: Finance & the Asset Management Unit will critically review the Fixed Assets System prior to 30 June 2025 to understand it's capabilities and to ensure that any issues identified with the depreciation calculation are addressed.</p> <p>30 June 2025 Interim Update:</p> <p>Recommendation: Accepted Responsible officer: Finance & Asset Management Unit Implementation date: 30 June 2025 Management Comment: A review conducted by Finance Officers and the Asset Management Unit has analysed the revaluation process in Asset Management Software (Conquest). Officers have gained a thorough understanding of how the system processes revaluations and will ensure any future revaluations will be recorded and reported accurately.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
	<p>30 June 2025 Final Update:</p> <p>In our testing, we noted where the fixed asset system (i.e. Conquest) records a revaluation entry, depreciation is calculated retrospectively for the affected assets.</p>	<p>30 June 2025 Final Update:</p> <p>We recommend that the finance team reviews the fixed asset system to ensure depreciation for revaluation entries are not retrospectively entered.</p>	<p>30 June 2025 Final Update:</p> <p>Recommendation: Accepted Responsible officer: Finance & Asset Management Unit Implementation date: 30 June 2026 Management Comment: Finance and Asset officers are currently implementing a new Asset Management System. Testing and development of internal procedures will include appropriate checks of all valuation transactions in the new system.</p>
2025.1	<p>Deficiencies associated with the review of Journal Entries</p> <p>During the walkthrough of the internal control process for journals, it was observed that a Journal Entry can be posted and approved within the accounting system by the same person. This creates a deficiency associated with the segregation of duties within the finance function and diminishes the effectiveness of the review process associated with journals.</p> <p>We understand that management does have a compensating process and have formalised a General Journal Register Checklist, where journals posted within the accounting system are reviewed by Amy Walsh and Rebecca Campbell. However, we noted that this process should be undertaken in a timelier manner, as the September 2024 Checklist was completed on 2 December 2024.</p>	<p>Appreciating that there are planned changes to the accounting system, we recommend that management undertakes a detailed review of their user access to determine who the appropriate staff to process and review journals would be. Ensuring that there is a segregation of duties between the poster and approver of respective entries.</p> <p>We also recommend that management continues to retain detailed evidence of independent reviews occurring outside of the accounting system until this function can</p>	<p>Finance officers are currently implementing a new finance system. The development of appropriate procedures and internal controls is underway to address segregation of duties and user access requirements. Updated procedures will include the storage of journal entries outside of the new system and will evidence appropriate review and approvals.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2025.2	<p>Absence of Signed Employee Contracts being maintained</p> <p>In performing our audit works, we identified an instance where an employee contract was unable to be located and could not be provided for the purposes of our Payroll Testing.</p>	<p>be performed in the new accounting system. With this review occurring in a timelier manner.</p> <p>We recommend management strengthens their controls around the maintenance of employment contracts as these employment contracts are critical in ensuring compliance with the Fair Work Act 2009. This is also to ensure Council has the appropriate evidence, should it be required in calculating leave provisions and potential redundancies.</p>	<p>Management will ensure the record keeping requirements regarding employee records are maintained and controlled.</p>

Recommendations from the *Results of 2023-24 Audits: Local Government* report

Our *Results of 2023-24 Audits: Local Government* report contains 7 recommendations, 4 directed to the 79 councils. The full context of the findings can be found in our report at <https://www.audit.vic.gov.au/report/results-2023-24-audits-local-government>.

The following table summarises the 4 recommendations with further detail on the pages that follow.

Finding first raised	Reference	Findings	Classification of deficiency		Management acceptance	Resolved / unresolved	Original implementation date
			Internal control	Financial / performance reporting			
April 2025	2025.LG1	Financial report and performance statement planning and preparation	-	X	Yes	Unresolved	30 June 2025
April 2025	2025.LG2	Developer non-cash contribution – sector collaboration	-	X	Yes	Unresolved	30 June 2026
April 2025	2025.LG3	Resolution of <i>Results of 2022-23 Audits: Local Government</i> report open recommendations	-	X	Yes	Partially resolved	30 June 2025
April 2025	2025.LG4	Asset valuations – AASB 13 amendments	-	X	Yes	Unresolved	30 June 2025

Ref	Summary of our report findings	Response from management
2025.LG1	<p>Financial report and performance statement planning and preparation</p> <p>We recommend, for councils that did not prepare their draft financial report or performance statement by the timelines agreed with their auditor in 2023-24 that they:</p> <ul style="list-style-type: none"> → assess their resources and expertise to confirm they can meet their reporting obligations. → strengthen their annual report plan to better align with legislative obligations, focusing on: <ul style="list-style-type: none"> – clear task allocation and achievable timelines – enhanced coordination with other business units – engaging with subject matter experts – quality assurance processes. 	<p>30 June 2025 Interim Update:</p> <p>Responsible officer: Rebecca Campbell</p> <p>Implementation date: 30 June 2025</p> <p>Management comment:</p> <p>2023/24 was a perfect storm of key finance personnel exiting the organisation and new auditors being appointed by VAGO.</p> <p>Council has the necessary resources and expertise to meet reporting obligations and will ensure tasks are allocated and completed on time.</p> <p>Council will work with KPMG to meet timelines in an efficient way to meet milestone dates.</p> <p>30 June 2025 Final Update:</p> <p>Council accepts that financial report preparation was delayed for 30 June 2025 due to issues specifically relating to the valuation of assets. Council will continue to assess the required resources to meet its financial reporting obligations. Council will ensure appropriate subject matter experts are engaged throughout the next reporting period. Council will focus on quality assurance during the development of procedures and controls relating to the new ERP system. Council will liaise with KPMG to ensure appropriate and achievable timelines for the coming reporting year. Focus for the coming year should include adequate time during the interim audit phase to ensure reporting requirements are being met and material balances are adequately reviewed – including balances subject to AASB 13.</p>

Ref	Summary of our report findings	Response from management
2025.LG2	<p>Developer non-cash contribution – sector collaboration</p> <p>We recommend that councils take the lead in the formation of a 'developer non-cash contribution' working party to:</p> <ul style="list-style-type: none"> ➔ create guidance materials to improve the internal control framework and processes that councils follow for the recognition and measurement of developer non-cash contributed assets ➔ host workshops to support the sector in applying the guidance effectively. 	<p>30 June 2025 Interim Update:</p> <p>Responsible officer: Rebecca Campbell Implementation date: 30 June 2026 Management comment:</p> <p>Glenelg Shire Council rarely receives non-cash contributions (such as land, works, services, or facilities) from developers as a contribution towards infrastructure costs.</p> <p>Council has a Public Open Space policy and Procedure that has been drafted, and Council will create guidance and internal controls to support possible future non-cash contributions.</p> <p>30 June 2025 Final Update:</p> <p>Council has a Public Open Space policy and Procedure that has been drafted, and Council will create guidance and internal controls to support possible future non-cash contributions.</p>

Ref	Summary of our report findings	Response from management
2025.LG3	<p>Resolution of <i>Results of 2022-23 Audits: Local Government</i> report open recommendations</p> <p>We recommend that councils resolve open recommendations from the <i>Results of 2022-23 Audits: Local Government</i> report.</p>	<p>30 June 2025 Interim Update:</p> <p>Responsible officer: Rebecca Campbell</p> <p>Implementation date: 30 June 2025</p> <p>Management comment: Council is putting clear timelines in place to ensure that identified tasks are completed on time. This has also been addressed in 2024.LG1</p> <p>30 June 2025 Final Update: These matters have been addressed at 2025.LG1</p>
2025.LG4	<p>Asset valuations – AASB 13 amendments</p> <p>We recommend that, councils that have not yet done so:</p> <ul style="list-style-type: none"> → ensure they have a thorough understanding of the AASB 13 amendments → update their valuation policy to reflect the impact of the AASB 13 amendments → consider the impact of the AASB 13 amendments on related entities (such as subsidiaries or joint ventures) where they adopt the same fair value policy → conduct valuations with careful attention to AASB 13 amendments: <ul style="list-style-type: none"> – ensure the valuation methodologies are aligned with the revised standard – engage assistance where required – for more contentious areas, engage with valuers or relevant industry sub groups to stay updated on new practices occurring as a result of the amendments, namely: <ul style="list-style-type: none"> ○ application of economic obsolescence ○ how the new areas are being factored into the valuations (for example, disruption costs), problems arising and practical application challenges 	<p>30 June 2025 Interim Update:</p> <p>Responsible officer: Rebecca Campbell</p> <p>Implementation date: 30 June 2025</p> <p>Management comment: Per 2024.LG2 & 2024.LG3 – Council has a thorough understanding of the AASB 13 amendments and the impact on the Financial Statements. Council is working on addressing all key points for 2024/25 Financial Statement presentation.</p> <p>30 June 2025 Final Update: Council is satisfied that the relevant officers have a thorough understanding of the requirements of AASB 13. Policies and procedures are currently being reviewed to ensure they address the additional requirements of recent amendments to the standard. Council is satisfied that AASB 13 requirements have been addressed for the 2024/25 reporting year. Council will engage external valuers in the 2025/26 year and will communicate draft reports and findings with KPMG as soon as they are available.</p>

Ref	Summary of our report findings	Response from management
	<ul style="list-style-type: none"> → update internal policies and procedures to reflect any changes in processes (for example, changes to using unobservable inputs, benchmarking with others) → develop a clear communications strategy to brief key stakeholders – including senior management, their audit and risk committee, councillors – on the material changes introduced by the AASB 13 amendments. This should cover the impact on valuation practices, financial reporting, and any new disclosure requirements. Also, where material, impacts to the asset management plan, long-term financial plan, operating and capital expenditure budgets → engage with their auditors as soon as possible to discuss their impact assessment → ensure financial report disclosures are aligned based on impact → keep a record of key discussions and decisions made regarding valuation methodologies, disclosures, and changes in accounting policies. This will help in future valuations. 	

Recommendations from the *Results of 2022-23 Audits: Local Government* report

Our *Results of 2022-23 Audits: Local Government* report contains 6 recommendations, 4 directed to the 79 councils. The full context of the findings can be found in our report at <https://www.audit.vic.gov.au/report/results-2022-23-audits-local-government>.

The following table details the follow up on the prior-year recommendations and the council's progression toward resolution.

Finding first raised	Reference	Findings	Classification of deficiency		Management acceptance	Resolved / unresolved	Original implementation date
			Internal control	Financial / performance reporting			
March 2024	2024.LG1	Annual financial reporting process	X	X	Yes	Partially resolved	30 June 2025
March 2024	2024.LG2	Asset valuations – Finance team briefing	X	-	Yes	Resolved	30 June 2025
March 2024	2024.LG3	Asset valuations - Audit and Risk Committee oversight	X	-	Yes	Partially resolved	30 June 2025
March 2024	2024.LG4	Open internal control weakness and financial reporting issues	X	-	Yes	Partially resolved	30 June 2024

Ref	Summary of our report findings	Response from management
2024.LG1	Annual financial reporting process <p>We recommend that all councils:</p> <ul style="list-style-type: none"> → arrange for training or briefing sessions to be held with key internal stakeholders before 30 June 2024 to enhance their understanding of the financial reporting process and their legislative obligations → assess the adequacy of their financial reporting plan given their legislative obligations, namely: <ul style="list-style-type: none"> – task allocation and timelines – the nature and timing of liaison with other business units – quality assurance processes → critically assess whether they have the resources and expertise to fulfil their financial reporting obligations throughout the year and, if not, that they consider engaging an external party. 	30 June 2024 Final Update

Ref	Summary of our report findings	Response from management
		<p>30 June 2025 Final Update:</p> <p>This item has been addressed at 2025.LG1</p> <p>Council will continue to educate key stakeholders to ensure they understand their role in financial reporting requirements.</p> <p>Council will continue to ensure appropriate resources are available to meet deadlines.</p>
2024.LG3	<p>Asset valuations - Audit and Risk Committee oversight</p> <p>We recommend that audit and risk committees:</p> <ul style="list-style-type: none"> → prior to balance date, review the finance team's accounting paper → after balance date and at the time of reviewing the draft financial report: <ul style="list-style-type: none"> – determine whether there have been any changes to circumstances that would indicate that key assumptions behind the finance team's initial advice and key judgements no longer hold true – assess the reasonableness of the valuation and fair value assessment outcomes. → update their annual work plan to include the above tasks. 	<p>30 June 2024 Final Update</p> <p>Responsible officer: Rebecca Campbell</p> <p>Implementation date: 30 June 2025</p> <p>Management comment:</p> <p>Prior to 30 June 2025, Council will develop and present a paper to the audit and risk committee (most likely the June 2025 audit and risk meeting), which will contain information related to Council Assets and the applicable Accounting policies and approach to valuations including likely impact of movements in fair value for the respective Financial Year. This will be included the Audit and Risk meeting plan.</p> <p>30 June 2025 Interim Update:</p> <p>Responsible officer: Rebecca Campbell</p> <p>Implementation date: 30 June 2025</p> <p>Management comment:</p> <p>Council provided a report to the March Audit and Risk on Asset Valuations. A further report will be provided to Audit and Risk post 30 June 2025 comparing actual results and the projected results and determining if any changes in circumstances and assumptions were reasonable.</p> <p>30 June 2025 Final Update:</p> <p>Further to the information provided at the March 2025 Audit and Risk meeting, Finance officers have prepared a further report outlining the outcomes of asset valuations at 30 June 2025. This report will be provided, together with a detailed internal memorandum at the December 2025 Audit and Risk meeting.</p>

Ref	Summary of our report findings	Response from management
2024.LG4	<p>Open internal control weakness and financial reporting issues</p> <p>We recommend that</p> <ul style="list-style-type: none"> → prioritise and promptly address the internal control and financial reporting issues we raise with them and that their audit and risk committee monitor this → review the actions and timelines established to resolve internal control weaknesses, with a focus on older and higher-risk findings → for longer-term action plans, ensure adequate compensating safeguards are in place. 	<p>30 June 2024 Final Update</p> <p>Responsible officer: Rebecca Campbell Implementation date: 30 June 2024 Management comment: Council currently addresses issues raised in the internal and external audits with the Audit and Risk committee. These issues are reviewed quarterly and updates are provided to the Audit and Risk Committee to address the outstanding items. Items that have been completed are closed out. Additional measures are put in place to address and minimise the issues raised in the internal and external audits until permanent solutions are put in place to address and minimise the issues. Council has a Risk Register that all items that are reported are logged in and are reported against they until deemed complete. The Risk Register is reviewed quarterly by the Audit & Risk Committee.</p> <p>30 June 2025 Interim Update:</p> <p>Responsible officer: Rebecca Campbell Implementation date: 30 June 2025 Management comment: Council continues to address issues raised in internal and external audits with the Audit and Risk committee through the Council Internal Action List and Corporate Risk Register.</p> <p>30 June 2025 Final Update:</p> <p>Council continues to address issues raised in internal and external audits with the Audit and Risk committee through the Council Internal Action List and Corporate Risk Register. Council is working to identify weaknesses and strengthen internal controls during the implementation and roll out of its new ERP system. Internal procedures and controls are being identified and addressed throughout the organization.</p>

Appendix A. Rating definitions and actions

We have rated our findings as follows:

Rating	Description of rating	Management action required
High	<p>This issue represents:</p> <ul style="list-style-type: none"> → a material misstatement in the financial report which has occurred, or an issue which could potentially result in a modified audit opinion if not addressed as a matter of urgency by the entity, or → a control weakness which could cause or is causing a major disruption of the process or the entity's ability to achieve process objectives in relation to financial reporting and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires executive management to correct the misstatement in the financial report, or address the issue, as a matter of urgency to avoid a modified audit opinion. → Requires immediate management intervention with a detailed action plan to be implemented within one month.
Moderate	<p>This issue represents:</p> <ul style="list-style-type: none"> → a misstatement in the financial report that is not material and has occurred, or that may occur, the impact of which has the possibility to be material, or → a control weakness which could have or is having a moderate adverse effect on the ability to achieve process objectives and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires management intervention with a detailed action plan implemented within three to six months.
Low	<p>This issue represents:</p> <ul style="list-style-type: none"> → a misstatement in the financial report that is likely to occur but is not expected to be material, or → a minor control weakness with minimal but reportable impact on the ability to achieve process objectives and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires management intervention with a detailed action plan implemented within six to 12 months.

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Glenelg Shire Council

Closing Report

For the financial year ended 30 June 2025

Presented to the Audit and Risk Committee on 11 December 2025

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Background

I enclose for your information the closing report for the year ended 30 June 2025. The closing report provides a summary of results of our audit of the Glenelg Shire Council. This report will be discussed at the audit committee meeting on 11 December 2025.

Acknowledgement

I also take this opportunity to thank your executive team and staff for the time they made available to us during our audit.

Yours sincerely

Luke Snowdon

Partner

KPMG

VAGO Audit Service Provider

Geelong

4 December 2025

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Introduction

Purpose of the closing report

- Our closing report summarises the results of our audit and communicates significant findings from the audit.
- Please read this document in conjunction with our Audit Strategy Memorandum dated 6 March 2025.

Scope and purpose of the audit

- The *Audit Act 1994* requires the Auditor-General to form an opinion on your financial report and performance statement and provide a copy of the audit reports to you.
- A copy of the audit reports are also provided to the Minister for Local Government.

The Auditor-General

The Auditor-General is:

- an independent officer of the Victorian Parliament
- appointed under legislation to examine on behalf of parliament and taxpayers, the management of resources within the public sector
- not subject to the control or direction of either parliament or the government.



Audit completion status

We have substantially completed our audit of the financial report and the performance statement. We performed our audit in accordance with the *Audit Act 1994* and the terms of our engagement letter. We can provide reasonable assurance that the:

- financial report presents fairly, in all material respects in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.
- performance statement presents fairly in accordance with the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Expected audit opinion

Based on our audit, we expect to conclude that the financial report is presented fairly. We also expect to conclude that the performance statement is presented fairly. We expect to issue unmodified audit opinions.

Outstanding audit matters

We can conclude and issue our audit opinions when we finalise our audit process. **Appendix A** provides a detailed list of all outstanding audit matters.

Areas of audit focus

Our audit focused on the financial report balances / disclosures / areas that we rated as higher risk for material misstatement in your financial report and performance statement.

We are in the process of finalising our procedures, our findings outlined below are those as at 4 December 2025.

Risk of material misstatement	Our audit response	Results of our key procedures
<p>1. Fair value of non-financial assets, including AASB13 Amendments</p> <p>Property, infrastructure assets, plant, and equipment account for 97.9% of Council's total assets, valued at \$569.8 million as at 30 June 2024. Most of these assets are carried at fair value.</p> <p>Some assets experience significant and volatile changes in fair value, requiring an annual review. For others, revaluation may only be necessary every three to five years. Each year, specific asset classes are scheduled for a full revaluation.</p> <p>The market's volatility and uncertainty, driven by changes to interest rates, supply chain disruptions, labour shortages, general inflation, and other macroeconomic influences, further emphasise the importance of accurate valuations.</p> <p>Valuing these assets is inherently complex and requires significant judgement. Assumptions, such as useful life and asset condition, play a critical role in determining fair value. This process may involve engaging valuation</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> reviewed management's assessment of the impact of amendments to AASB 13 and evaluate any changes to valuation approaches assessed whether the fair value of each material asset class is materially different from the carrying amount evaluated the reasonableness of key assumptions underlying management's fair value assessment reviewed management's valuation calculations and verify supporting documentation to validate fair value verified the determination of revaluation increments or decrements reviewed journal entries made to account for the revaluation increments or decrements assessed management's impairment evaluation ensured the adequacy of disclosures in the financial report 	<p>As outlined in the management letter, in the prior year Council had not completed valuations in accordance with their internal policy. Due to the passage of time and in the absence of an independent external valuation performed for infrastructure assets, a calculation using the Victoria ABS Producer Price Indexes for Roads and Bridges Construction indices had been performed and an audit adjustment was recognised.</p> <p>We note that Management had a plan to present a paper to the audit and risk committee prior to 30 June 2025 to document the approach to assess fair values of the property, infrastructure assets, plant and equipment. Further for those asset categories requiring an independent external valuation incorporating the condition impact assessment. With this work to be performed for the 30 June 2025, incorporating the impacts of the amendments to AASB13.</p> <p>Management had engaged APV Valuers and Asset Management to perform a comprehensive revaluation of the infrastructure assets in the current year inclusive of adjusting infrastructure unit prices to reflect fair value. However, in performing our audit procedures over the infrastructure assets, we established that the scope of work performed did not incorporate a reassessment of unit rates and that the</p>

experts, applying industry indices, or relying on management's expertise.

Additionally, councils must consider amendments to AASB 13, which affect the current replacement cost method of determining fair value and requires judgements by management and the valuer.

It is our understanding that:

- Infrastructure assets will undergo a full revaluation in 2024-25.
- management has engaged APV Valuers and Asset Management (APV) to undertake the valuations.

Due to the complexities of valuations and the unique nature of the assumptions and judgements involved, councils must clearly disclose these in the financial report. The amendments to AASB 13 also underscores the importance of transparency to help users understand the valuation process.

In the prior year we had identified a number of asset classes that had not complied with Council policy in relation to having been revalued as a result a significant indices adjustment was recorded, with an external valuation to be performed in the current year.

Where you engage an expert we performed the following procedures:

- reviewed the scope and terms of engagement.
- assessed the valuer's expertise (qualifications and experience).
- reviewed the valuer's report, including the methodology, assumptions, and estimates used, as well as the overall reasonableness of the valuation.
- tested the completeness and accuracy of data provided to the valuer.

valuer's assumption was that the prior year unit rates be applied in their works performed. To avoid qualification, we spent considerable time working through available data with Council and the valuer to apply unit rates for the current year to materially apply fair value including the impact of AASB13 adoption. We have been able to accept the valuation adopted for the current year on the basis a full re-assessment of the unit rates is performed in FY2026. As a result of the above matter, consistent with prior year we have raised a management letter point surrounding this process.

<p>2. Changes to councillors following general elections</p> <p>Council general elections were held on 26 October 2024 with the elected councillors confirmed during November 2024.</p> <p>Changes at councillor level may result in changes to the council's strategic direction and priorities over time.</p> <p>A councillor's knowledge and understanding of the legislative framework, including financial reporting matters, may vary depending on whether they are a newly elected councillor or a returning councillor.</p> <p>During times of change there is an increased risk that:</p> <ul style="list-style-type: none"> key controls may not operate as intended leading to material misstatement in the financial report strategic decisions are made which may impact financial report balances and transactions related party transactions are not declared. 	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> gained an understanding of newly elected councillors' qualifications and experience from a corporate governance perspective. monitored developments regarding the council's strategic direction and priorities and assess the impact of changes on: <ul style="list-style-type: none"> the internal control environment transactions and balances in the financial report assessed the risk of internal controls, as they relate to financial information and the financial report. reviewed the completeness of the council's register of personal interest returns. sighted and reviewed related party declarations. assessed the completeness and accuracy of key management personnel and related party disclosures within the financial report. 	<p>We did not identify any findings in this area.</p>
<p>3. Government Grants</p> <p>The Council receives funding from the Australian and Victorian governments. The amount and timing of receipt varies year-to-year at the discretion of the respective government, depending on program initiatives or capital projects.</p> <p>The application of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Non-for-Profit Entities requires management to exercise judgement in determining whether the funding agreement contains sufficiently specific enforceable performance obligations exist.</p> <p>Termination for Convenience (TFC) clauses within grant agreements, that require a grant recipient to refund</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> updated our understanding of key controls over material items of revenue. evaluated management's process to assess funding arrangements against the requirements of AASB 15 and AASB 1058. performed substantive analytical procedures. verified a sample of transactions to supporting documentation, including a review of the grant agreement against the requirements of AASB 15 and AASB 1058. made enquiries of management regarding funding subject to recall and if recall provisions are enacted or waived sight. 	<p>We did not identify any findings in this area.</p>

unspent amounts upon demand by the grantor gives rise to a financial liability on any unspent amounts.

supporting documentation to confirm the appropriateness of the accounting treatment adopted.

- obtained and reviewed management's assessment of the impacts of Termination for Conveniences clauses.
- reviewed the adequacy of disclosures in your financial report.

4. Landfill and restoration provisions

The Landfill and restoration provisions are complex calculations that require management to exercise judgement regarding the:

- useful life of the landfill site / cells
- required works and estimated costs to comply with Environmental Protection Authority Victoria landfill restoration requirements
- inflation and discount factors, to bring the value to present value.

This increases the risk of potential misstatement of the landfill restoration provision.

Management may also engage an expert to assist with estimating the liability at balance date.

We have performed the following procedures:

- reviewed the landfill provision calculations.
- reviewed inflation, discount and other management estimates used in the landfill provision calculations.
- assessed whether the planned works incorporates / addresses the Environmental Protection Authority Victoria requirements as at 30 June 2025.
- assessed the expert's competence, skills and experience to provide advice, where applicable.

There are two relevant restoration provisions, Gravel Pit / Quarry and Landfill.

We have reviewed management estimates used in the landfill and gravel pit provision calculations.

We conducted an independent assessment using actual cost data, which led to a reduction of \$1,275,855. The adjustment remains uncorrected due to the limitation of available information around actual costs in current market conditions. Also noting stage 3 completion capping works are excluded. Please refer to **Appendix C** for this unadjusted audit difference.

In the prior year Council had committed to engaging a contractor to provide an assessment of Council's Gravel Pit with the aim of providing an up-to-date assessment of estimated restoration costs to restore it to its natural state as outlined in our prior year management letter. This did not occur and is included in our current year management letter.

5. The performance statement may not be prepared in accordance with applicable legislative requirements

The Local Government (Planning and Reporting) Regulations 2020 specify the indicators to be included in the performance statement.

Local Government Victoria (LGV) release a model performance statement each year that needs to be compiled with.

We have performed the following procedures:

- reviewed the systems in place to capture the financial and non-financial data
- determined the reliability and completeness of the available records for compiling that indicator
- verified figures to supporting documentation
- checked the calculations of reported figures

We did not identify any findings in this area.

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There is a potential risk that:

- systems in place at Council may not accurately capture the data required to support the sustainability and service performance outcomes
- financial figures are incorrectly included or excluded when calculating the financial outcomes
- a lack of quality assurance over the preparation of the performance statement may also result in significant errors or omissions.
- assessed the reasonableness of explanations included in the performance statement for material variation
- confirmed that the format of the performance statement complies with model performance statement released by LGV.

Audit findings—financial report

Materiality assessment

Misstatements are considered material if they individually or collectively could influence economic decisions of users of the financial report. Users could be influenced by either the amount (quantity) or the nature (quality) of the matter.

We have not updated the materiality levels indicated in our audit strategy memorandum.

Final overall materiality for the financial report has been set at 5% of the 2024-2025 budgeted total property, infrastructure asset, plant and equipment balance, \$28.5M.

Final specific materiality for particular statements, account balances or disclosures has been set at 5% of the 2023-2024 budgeted total expenditure balance, \$2.8m.

In our view:

- total uncorrected errors above this amount for particular statements would mislead the users of the financial report.
- the risk that there may be a material error in the financial report increases with the level of accumulated uncorrected errors below this threshold.

Adjusted audit differences

Appendix B presents the adjusted audit differences.

Unadjusted immaterial audit differences

The effect of unadjusted immaterial audit differences on the financial report is that the net result is understated by \$1,384,501, and net assets are understated by \$1,384,501.

Appendix C presents the unadjusted immaterial audit differences.

OFFICIAL

Control environment

The Australian Auditing Standards require us to write to those charged with governance about any significant deficiencies we identified during the audit.

As part of our audit process, we consider, but do not assess or provide an opinion on, the effectiveness of your internal control framework. If we identify any significant weaknesses in internal control during our audit, we communicate them to you in our management letters.

Audit findings—performance statement

Materiality assessment

Misstatements are considered material if they could individually or collectively influence economic decisions of users of the performance statement. Users could be influenced by either the amount (quantity) or the nature (quality) of the matter.

We set materiality for each indicator reported in a performance statement after we consider the qualitative and quantitative factors that influence each indicator. We cannot set an overall materiality level for the performance statement due to its nature.

Adjusted differences

None Noted.

Unadjusted immaterial differences

None Noted.

Control environment

The Australian Auditing Standards require us to write to those charged with governance about any significant deficiencies we identified during the audit.

As part of our audit process, we consider, but do not assess or provide an opinion on, the effectiveness of your internal control framework. If we identify any significant weaknesses in internal control during our audit, we communicate them to you in our management letters.

Please refer to our findings in our management letter.

Other audit findings

Fraud, irregularities, or regulatory non-compliance

When performing our risk assessments and conducting our audit procedures, we consider the risk of material misstatement in the financial report and performance statement that may be due to fraud. We are not responsible for preventing or detecting fraud.

Our audit procedures did not identify any specific financial report and performance statement areas of fraud risk or regulatory non-compliance. However we do note due to the issues associated with the valuation on Infrastructure Assets Council has breached its financial report lodgement date.

Waste, probity & financial prudence

Our procedures are not specifically designed to detect matters of waste, probity, and financial prudence but we may detect these matters.

Our audit procedures did not identify any material issues concerning waste, probity, or lack of financial prudence.

We do note due to the misunderstanding / miscommunication between Council and their valuers a report was initially prepared that did not meet the intended purpose which has led to required additional works and the need for the intended valuation works to be performed in FY2026.

Accounting policies

Your entity's material accounting policies, material transactions and/or events that occurred during the financial year are in accordance with the Australian accounting standards.

Difficulties encountered in performing the audit and Disagreements with management

As noted elsewhere in this report a number of challenges and associated additional work by all parties was required in relation to Infrastructure Asset valuations.

With regards to Disagreements with management there were no issues noted.

Reports to Parliament

Results of the 2024-2025 Audits: Local Government

Glenelg Shire Council will be included in the *Results of the 2024-25 Audits: Local Government*. We aim to table this report by the end of November 2025. The report will analyse the financial performance and position, and sustainability risks of each sector. The report also informs Parliament about the strengths and weaknesses in the control environments at entities within the sector and make recommendations to improve them as appropriate. For 2023-2024, we focused on Annual financial reporting process, Asset Valuations, open internal control weakness and financial reporting issues. Refer to Final Management letter.

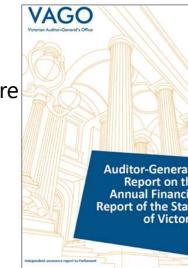
We will release an interactive dashboard to accompany the Parliamentary report. This will enable users to visualise:

- sector results over the last 5 years
- trends and composition analyses for specific entities
- compare results between entities over time.

Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2024-2025

Each year, the Auditor-General presents the Annual Financial Report of the State of Victoria to the Victorian Parliament. The report analyses and provides commentary on key aspects of the financial performance and position of the state. In line with the Act, and where appropriate, it provides information and recommendations for more effective and efficient management of public resources.

We must table this report on or before November 2025.



VAGO links and resources



[VAGO's website](#)

[VAGO's role](#)

[Annual work plan](#)

[Strategic plan](#)

[Our reports](#)

[Audits in progress](#)

[Privacy policy](#)

[Financial reporting alerts](#)

APPENDIX A

Outstanding audit matters

The following items are outstanding at the date of this report and need to be resolved before we can issue our audit reports

Item	Action required	Responsibility
Review of final draft of the financial report and performance statement	We are reviewing the draft of the financial report and performance statement updated for our latest feedback.	Management and audit
Subsequent events update	Provide details of significant transactions and events up to date of signing the audit report. Audit will assess for any impact on the financial report	Management and audit
Financial report and performance statement certification	To be signed on adoption of the accounts by the Board	Management
Management representation letter	To be signed on same date as the certification of the financial report and performance report	Management

OFFICIAL

After we issue our audit report(s), we are required to undertake the following procedures. We will report any issues we find to your accountable officer for appropriate remedial action.

Item	Our procedure
Annual report	<p>We will review your annual report to confirm that it includes the correct version of the signed financial report, performance report and auditor's report. We will also check that all information in the annual report is materially consistent with the financial report.</p> <p>We request your provision to us of an electronic copy of the printers' proof of the annual report.</p>
Website publication of annual report	<p>We will review your annual report on your website to confirm that it includes the correct version of the signed financial report, performance report and auditor's report.</p> <p>We request your notification to us when you publish your annual report on your website.</p>

APPENDIX B

Adjusted audit differences

Adjusted dollar differences

Financial report component(s)	Adjusted \$	Basis for the adjustment
None noted		

Adjusted differences of disclosures in your financial report and indicators in your performance statement

Throughout the audit process we have provided feedback on disclosures which has been incorporated in the draft financial statement.

APPENDIX C

Unadjusted audit differences

Unadjusted dollar differences

Financial report component(s)	Adjusted \$	Basis for the difference and the reason/s for not adjusting
Long Service Leave Provision Payroll Expense	Dr \$108,646 Cr \$108,646	In our review of the Long Service Leave calculations as of 30 June 2025, the probability was excluded from the calculation. This identified a misstatement of \$108,646 overstating the Long Service Leave balance. This has been agreed with management to remain an unadjusted audit difference.
Landfill Provision Other Expenses	Dr \$1,275,855 Cr \$1,275,855	We conducted an independent assessment using actual cost data, which led to a reduction of \$1,275,855. The adjustment remains uncorrected due to the limitation of available information around actual costs in current market conditions. Also noting stage 3 completion capping works are excluded.

Unadjusted differences of disclosures in your financial report and indicators in your performance statement

Throughout the audit process we have provided feedback on disclosures which has been incorporated in the draft financial statement.

APPENDIX D

Final management letter

We provide the final management letter as a separate attachment.

APPENDIX E

Management representation letter

As part of gathering audit evidence, we obtain formal management representations about your entity's financial report and performance statement. We look at completeness, preparation, and presentation of the information in the report statement.

We do not rely solely on the management representations, except when they are the only evidence reasonably available.

A draft version of the management representation letter is provided as a separate attachment.

When forming our audit opinion, we did not rely solely on management representation.

REPORT OF OPERATIONS (ANNUAL REPORT INSERT)

Service Performance Indicators

Service / indicator / measure	Results				Comments
	2022	2023	2024	2025	
Aquatic Facilities					
Service standard					
Health inspections of aquatic facilities	0.50	1.00	1.00	1.00	
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
Utilisation					
Utilisation of aquatic facilities	2.10	3.73	4.03	6.28	The growth in centre visits is due to investment made by the contractor into programs and asset improvements applicable under the contract. This has encouraged more schools to use the facilities with learn to swim promotions.
[Number of visits to aquatic facilities / Population]					
Service cost					
Cost of aquatic facilities	\$27.63	\$19.22	\$18.64	\$13.43	The growth in centre visits has seen the per visit cost reduce despite increasing costs of service delivery.
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]					
Animal Management					
Timeliness					
Time taken to action animal management requests	2.40	2.63	1.25	1.25	
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]					
Service standard					
Animals reclaimed	26.33%	36.44%	33.28%	34.06%	
[Number of animals reclaimed / Number of animals collected] x100					
Animals rehomed	50.66%	57.30%	97.28%	0.00%	Animals collected are transferred by arrangement to Warrnambool City Council under contract. Their reporting does not identify the Shire that any rehomed animal came from for reporting purposes.
[Number of unclaimed collected animals rehomed / Number of unclaimed collected animals] x100					
Service cost					
Cost of animal management service per population	\$27.28	\$38.85	\$40.15	\$39.42	
[Direct cost of the animal management service / Population]					
Health and safety					
Animal management prosecutions	100.00%	100.00%	100.00%	75.00%	The decline in successful prosecutions during the period is attributed to one matter on appeal and another matter being withdrawn.
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					
Food Safety					
Timeliness					
Time taken to action food complaints	1.00	2.25	1.00	1.93	The increased response time is due to a range of factors including timing of complaints (those lodged on a Friday afternoon may not be actioned until Monday - 3 days).
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard					
Food safety assessments	83.44%	100.00%	98.63%	100.00%	
[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100					
Food safety samples	New	New	131%	118.42%	
[Number of food samples obtained / Required number of food samples] x 100					
Service cost					
Cost of food safety service	\$382.77	\$569.92	\$542.57	\$666.04	The cost of providing the food safety service has increased by 5%, whilst the number of premises registered has decreased by 14% when compared to the prior year.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]					
Health and safety					
Critical and major non-compliance outcome notifications	60.87%	100.00%	95.00%	91.67%	
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100					
Governance					
Transparency					
Council decisions made at meetings closed to the public	3.73%	3.48%	26.00%	23.53%	
[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] <100					
Consultation and engagement					

REPORT OF OPERATIONS (ANNUAL REPORT INSERT)

Service Performance Indicators

Service / indicator / measure	Results				Comments
	2022	2023	2024	2025	
Satisfaction with community consultation and engagement	57.00	45.00	42.00	43.00	Target setting was based upon historical trends. Council has experienced a decline in this measure over recent years. Council has identified opportunities for improvement and are currently implementing measures to improve survey results
[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]					
Attendance					
Councillor attendance at council meetings	96.70%	97.62%	94.29%	90.48%	
[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) x (Number of Councillors elected at the last Council general election)] x100					
Service cost					
Cost of elected representation	\$59,851.43	\$59,910.05	\$93,779.29	\$75,445.71	Prior year costs included Municipal Monitors, CEO recruitment costs and Interim CEO expenditure.
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]					
Satisfaction					
Satisfaction with council decisions	58.00	44.00	39.00	42.00	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
Libraries					
Resource currency					
Recently purchased library collection	43.58%	43.78%	48.48%	46.91%	
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
Service cost					
Cost of library service per population	\$33.33	\$34.59	\$34.65	\$40.48	The general cost of operations has increased in 2024-25 due to organisational realignments and extended hours (libraries after dark). A new funding stream for the library - The VicHealth Grant - has also contributed to an increase in expenditure compared to prior years.
[Direct cost of the library service / Population]					
Utilisation					
Loans per head of population	New	New	5.55	5.30	
[Number of library collection item loans / Population]					
Participation					
Library membership	New	New	24%	24.86%	
[Number of registered library members / Population] x100					
Library visits per head of population	New	New	5.40	4.95	
[Number of library visits / Population]					
Maternal and Child Health (MCH)					
Service standard					
Infant enrolments in the MCH service	101.09%	100.00%	101.45%	100.00%	
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost					
Cost of the MCH service	\$115.29	\$130.64	\$117.75	\$71.00	The cost of the service was inflated in 23-24 when compared to the current year due to additional support funding passed on to the Contractor totalling \$99k.
[Cost of the MCH service / Hours worked by MCH nurses]					
Participation					
Participation in the MCH service	87.18%	87.60%	87.19%	89.67%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
Participation in the MCH service by Aboriginal children	84.68%	81.58%	93.18%	90.34%	
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					
Satisfaction					
Participation in 4-week Key Age and Stage visit	94.02%	99.39%	100.00%	98.15%	
[Number of 4-week key age and stage visits / Number of birth notifications received] x100					
Roads					
Satisfaction of use					
Sealed local road requests	4.20	9.37	8.84	4.12	A decrease in this measure reflects Council's improved maintenance response times, which have led to fewer requests being logged over the period.
[Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition					
Sealed local roads maintained to condition standards	93.52%	93.52%	94.75%	93.00%	
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost					
Cost of sealed local road reconstruction	\$53.25	\$41.44	\$38.34	\$48.78	Increases in the cost of road construction is attributed to rising material prices.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
Service Cost					

REPORT OF OPERATIONS (ANNUAL REPORT INSERT)

Service Performance Indicators

Service / indicator / measure	Results				Comments
	2022	2023	2024	2025	
Cost of sealed local road resealing	\$3.22	\$6.44	\$5.37	\$6.29	Increases in the cost of road resealing is attributed to rising contractor prices.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
Satisfaction					
Satisfaction with sealed local roads	42.00	32.00	31.00	34.00	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Statutory Planning					
Timeliness					
Time taken to decide planning applications	47.00	55.00	42.00	36.00	Council experienced a greater proportion of Vicsmart Applications combined with a lesser amount of regular applications, driving down the median timeframe.
[The median number of days between receipt of a planning application and a decision on the application]					
Service standard					
Planning applications decided within required time frames	73.23%	71.36%	89.17%	88.30%	Targets were set based on historical trends, current year actuals have exceeded target due to a modernised planning scheme that is reducing permit triggers and creating additional Vicsmart paths for applications - reducing Council turnaround times.
[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100					
Service cost					
Cost of statutory planning service	\$1,728.54	\$2,228.83	\$2,375.78	\$2,741.76	Council experienced increased legal costs due to additional reviews taken to Tribunal and the Supreme Court. This is coupled with a slight reduction in regular application numbers.
[Direct cost of the statutory planning service / Number of planning applications received]					
Decision making					
Council planning decisions upheld at VCAT	66.67%	100.00%	100.00%	100.00%	
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					
Waste Management					
Service standard					
Kerbside collection bins missed	0.87	0.51	0.57	0.03	Only two (2) missed bins were reported to Council through a service request. A change in reporting systems by the contractor during 2024-25 found that this data had not been captured. This has been rectified for 2025-26.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10.000					
Service cost					
Cost of kerbside garbage bin collection service	\$136.00	\$161.78	\$144.30	\$199.10	An increase in gate fees passed on by the Contractor has increased the overall cost of kerbside collection in 2024-25.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
Service cost					
Cost of kerbside recyclables collection service	\$91.99	\$91.44	\$111.73	\$110.52	
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
Waste diversion					
Kerbside collection waste diverted from landfill	32.33%	30.40%	28.65%	27.28%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

PERFORMANCE STATEMENT (ANNUAL REPORT INSERT)

Section 2 - Service Performance Indicators

For the year ended 30 June 2025

Results

Service / Indicator / Measure [Formula]	2022	2023	2024	2025		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities <i>Utilisation</i> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.10	3.73	4.03	N/A	6.28	The growth in centre visits is due to investment made by the contractor into programs and asset improvements applicable under the contract. This has encouraged more schools to use the facilities with learn to swim promotions.
Animal Management <i>Health and safety</i> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	100%	N/A	75%	The decline in successful prosecutions during the period is attributed to one matter on appeal and another matter being withdrawn.
Food Safety <i>Health and safety</i> <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	60.87%	100.00%	95.00%	N/A	91.67%	
Governance <i>Consultation and engagement</i> <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	57	45	42	58	43	Target setting was based upon historical trends. Council has experienced a decline in this measure over recent years. Council has identified opportunities for improvement and are currently implementing measures to improve survey results.
Libraries <i>Participation</i> <i>Library membership</i> [Number of registered library members / Population] x100	#N/A	#N/A	24.14%	N/A	24.86%	
Maternal and Child Health (MCH) <i>Participation</i> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	87.18%	87.60%	87.19%	N/A	89.67%	
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	84.68%	81.58%	93.18%	N/A	90.34%	
Roads <i>Condition</i> <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	93.52%	93.52%	94.75%	94.90%	93.00%	
Statutory Planning <i>Service standard</i> <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	73.23%	71.36%	89.17%	74.00%	88.30%	Targets were set based on historical trends, current year actuals have exceeded target due to a modernised planning scheme that is reducing permit triggers and creating additional VicSmart paths for applications - reducing Council turnaround times.
Waste Management <i>Waste diversion</i> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	32.33%	30.40%	28.65%	32.33%	27.28%	

Section 3 - Financial Performance Indicators

For the year ended 30 June 2025

	Results					Forecasts				Material Variations and Comments
	2022	2023	2024	2025		2026	2027	2028	2029	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency <i>Expenditure level</i> Expenses per property assessment [Total expenses / Number of property assessments]	\$4,533.38	\$4,440.01	\$3,814.92	\$4,240.98	\$4,683.70	\$4,687.18	\$4,766.47	\$4,849.66	\$4,939.18	Accounting Adjustments to the Landfill and Gravel Pit Provisions in 2023-24 led to a decrease in Expenditure for Council. Actual operational expenditure (excluding depreciation and accounting adjustments) remains consistent between periods.
Revenue level Average rate per property assessment [Sum of all general rates and municipal charges / Number of property assessments]	\$1,438.40	\$1,720.49	\$1,784.47	N/A	\$1,851.55	\$1,905.79	\$1,963.59	\$2,022.39	\$2,082.96	
Liquidity <i>Working capital</i> Current assets compared to current liabilities [Current assets / Current liabilities] x100	85.00%	94.14%	51.16%	73.70%	117.36%	64.25%	71.91%	82.53%	95.45%	This ratio indicates Council's ability to pay its bills as they fall due. Council's Working Capital ratio improved in 2024/25 and can be attributed to receiving \$5.8M of 2025/26 General Purpose funding for early. A reduction in Unspent Capital Grant funds at 30 June 2025 of \$5M has also had the effect of improving this ratio.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	71.88%	25.27%	29.03%	N/A	86.59%	28.84%	36.15%	46.86%	59.86%	An increase in Unrestricted cash can be attributed to \$5.8M in General Purpose funding for 2025-26 being received in the 2024-25 financial year. Unspent Capital Grant funds as at 30 June 2025 are \$5M less than the prior period.
Obligations <i>Loans and borrowings</i> Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	5.64%	2.54%	1.02%	N/A	13.93%	21.50%	19.83%	18.20%	16.59%	Council has increased its borrowings for 2024-25 by drawing down a \$4M loan. An additional \$3M of borrowings will be accessed in 2025-26 as Council expects to complete its carried forward capital works program.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	33.65%	2.22%	1.02%	N/A	1.02%	2.18%	2.11%	2.05%	1.99%	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	33.26%	29.71%	16.38%	N/A	23.90%	29.01%	26.23%	23.57%	20.94%	Council's Non Current liabilities increased in 2024-25 due to borrowing \$4M. An additional \$3M of borrowings will be accessed in 2025-26 as Council expects to complete its carried forward capital works program.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	50.92%	55.97%	57.96%	59.57%	87.89%	113.27%	61.98%	62.90%	64.35%	Council's renewal and upgrade expenditure has increased in 2024-25 due to increased expenditure on Roads and Drainage. It is expected to remain high for 2025-26 due to the recategorisation of the Foreshore Multipurpose Project from New to Renewal/Upgrade.
Operating position <i>Adjusted underlying result</i> Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-18.20%	-7.63%	-10.74%	N/A	-1.32%	-6.72%	-4.79%	-3.66%	-3.14%	Council's adjusted underlying deficit for 2024-25 has reduced but has been impacted by the early payment of \$5.8M. Had Council not received the early payment, the underlying deficit for 2024-25 would have been approx. -12%.
Stability <i>Rates concentration</i> Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	42.22%	46.17%	57.26%	61.69%	44.45%	50.54%	50.28%	50.35%	50.66%	The fluctuation in this measure is attributed to the timing of General Purpose Grant funding payments across the past two financial years with Council receiving early payment in 2024-25 of \$5.8M.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.40%	0.33%	0.30%	N/A	0.33%	0.33%	0.34%	0.35%	0.36%	

Section 4 - Sustainable Capacity Indicators

For the year ended 30 June 2025

Results					
Indicator / Measure [Formula]	2022 Actual	2023 Actual	2024 Actual	2025 Actual	Comment
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$3,218.72	\$3,101.55	\$2,672.46	\$3,270.66	Expenses per head of municipal population have increased for 2024-25 due to increased depreciation as a result of Asset revaluations of \$5M. Accounting adjustments to Provisions in 2023-24 further contribute to the change in expenditure across the period.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$23,522.73	\$21,772.19	\$26,697.06	\$26,637.88	
Population density per length of road [Municipal population / Kilometres of local roads]	7.43	7.62	7.61	7.61	
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,681.83	\$1,876.84	\$1,900.26	\$1,951.69	
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$887.37	\$840.40	\$351.91	\$1,107.21	The increase in this measure is due to receiving a \$5.8M early payment of Federal Assistance funding. This will likely also distort the variance % for 2025-26.
Disadvantage Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	2.00	2.00	2.00	2.00	
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.6%	11.8%	22.2%	12.2%	Councils' decision to cease operating Aged Care Services during 23-24 resulted in redundancies of staff providing these services. This extraordinary event gave rise to a temporary increase in this measure.

OFFICIAL

GOVERNANCE AND MANAGEMENT CHECKLIST (ANNUAL REPORT INSERT)

Governance and Management Checklist**For the year ended 30 June 2025**

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 02/23/2021 Reviewed 23/12/2024
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of commencement: 01/01/2022 Reviewed 01/02/2024
3 Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 10/26/2021 2021-2031 Draft 2025-2035 Plan out for public consultation until 15 October 2025.
4 Asset Plan (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 06/22/2022 2021-2025
5 Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 06/24/2025 2025-2029
6 Annual budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act. Date of adoption: 06/24/2025
7 Risk policy (policy outlining Council's	Current policy in operation

Output 3-GM Checklist

LG-Model-Sector-Performance-Report-2024-25-VAGO Reviewed 06/24/2025

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GOVERNANCE AND MANAGEMENT CHECKLIST (ANNUAL REPORT INSERT)

	commitment and approach to minimising the risks to Council's operations)	Date of commencement: 09/01/2020 Reviewed 1/7/2024
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of commencement: 10/24/2023 Reviewed 24/08/2025
9	Municipal emergency management planning (Participation in meetings of the Municipal Emergency Management Planning Committee.)	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the financial year. Dates of MEMPC meetings attended: 15/08/2024 21/11/2024 20/02/2025 15/05/2025
10	Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act. Date of commencement: 12/14/2021 Currently under review
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of commencement: 08/21/2024
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of commencement: 02/20/2024
13	Complaint policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.)	Policy developed in accordance with section 107 of the Act. Date of commencement: 12/14/2021 Currently under review
14	Workforce plan (Plan outlining Council's commitment and approach to planning the current and future workforce	Plan developed in accordance with section 46 of the Act. Date of commencement: 12/14/2021

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GOVERNANCE AND MANAGEMENT CHECKLIST (ANNUAL REPORT INSERT)

	requirements of the organisation.)	Reviewed 06/2025
15	Payment of rates and charges hardship policy (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.)	Current policy in operation Date of commencement: 07/25/2023
16	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of commencement: 09/17/2020 Reviewed 01/07/2025
17	Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act. Date of commencement: 08/25/2020 2025-2027 Charter Adopted 22/07/2025
18	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement: 08/26/2022 Contract expires 26/08/2026
19	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Current framework in operation Date of adoption: 04/07/2015 Last Amendment to Framework - 24/10/2020
20	Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report Date of report: 05/27/2025 Next report - 26/08/2025
21	Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Quarterly reports presented to Council in accordance with section 97(1) of the Act. Date of report: 25/06/2024 24/10/2024 25/02/2025 29/04/2025

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GOVERNANCE AND MANAGEMENT CHECKLIST (ANNUAL REPORT INSERT)

22	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented Dates of reports: 29/04/2025 22/07/2025
23	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	No reports. Reason for no reports: 12/31/2024 Not required under Act
24	Annual report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements)	Annual report presented at a meeting of Council in accordance with section 100 of the Act. Date of presentation: 10/22/2024
25	Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters.)	Code of conduct reviewed and adopted in accordance with section 139 of the Act. Date reviewed and adopted: 11/11/2024
26	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act. and a register kept in accordance with sections 11(8) and 47(7) of the Act. Date of review: S5 - Delegation to CEO - 28/01/2025 S6 - Council to Staff - 25/09/2024, 22/07/2025 S7 - Sub-delegation by CEO - 25/09/2024, 22/07/2025 S13 - CEO to Staff Members - 25/09/2024
27	Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date rules adopted: 01/23/2024



Maddocks

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From Daniel Vaughan	Date 8 December 2025
Direct 03 9258 3200	Email Daniel.Vaughan@maddocks.com.au Delegations@maddocks.com.au
Partner Melanie Olynyk	

Our Ref MSB:DVAU:628721

Dear subscriber

Planning and Environment Act 1987 Delegations and Authorisations Service

We have prepared a 'mini' update to the Delegations and Authorisations Service, specifically in response to the recent changes to the *Planning and Environment Act 1987* (as amended) (**Act**) which commenced on 25 November 2025.

The *Consumer and Planning Legislation Amendment (Housing Statement Reform) Act 2025* made several changes to the Act, including to Council's powers and functions which may be delegated under s 188.

As such, we have prepared the S6A Instrument of Delegation to members of Council staff under s 188 of the Act.

Please review the document carefully. When doing so, please have regard to the following comments:

New Council powers

- The amendments to the Act include a revised mechanism in relation to preparing amendments to the planning scheme, which will generally require authorisation from the Minister as set out in the new Division 1AA of Part 3 (ss 16A – 16N).
- Other changes relevant to Councils relate to the abandoning of amendments, and the ability of the Minister to continue with the amendment despite the abandonment.

Repealed Council powers

- Some provisions of the Act have been repealed which previously set out delegable powers and functions of Council, namely in ss 8A and 8B. Those powers have largely been replaced by the new powers in Division 1AA of Part 3.

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Canberra Sydney

Other key amendments

- While this mini-update includes the changes required for Council's instruments, there are a number other amendments to the Act which Council should note. These include:
 - levy exemption certificates (s 96UB), which Council is required to keep a record of (s 96Z);
 - duty not to refer frivolous, vexatious or wholly irrelevant submissions to the panel (s 23(6)); and
 - the Minister being able to issue guidelines on material detriment (s 52A), which Council will be required to consider (ss 52(1D), 57B(2A), 96C(1A)).

Making of this new instrument

- The S6A Instrument of Delegation will need to be authorised by a resolution of Council, although it does not have to have the common seal affixed to it.

We will still be releasing our usual update to the Delegations and Authorisations Service in January, incorporating other changes made to other legislation.

If you have any queries about the above, or the Delegations and Authorisations Service more generally, please contact us via our Delegations and Authorisations website or email us.

Yours sincerely



Melanie Olynyk
Partner



***S6A Instrument of Delegation
under the Planning and Environment Act 1987***

Glenelg Shire Council

Instrument of Delegation

to

Members of Council staff

Instrument of Delegation

In exercise of the powers conferred by the *Planning and Environment Act 1987* (Act), the legislation referred to in the attached Schedule, and in accordance with section 188 of the Act, the Council:

1. delegates each duty and/or function and/or power described in column 1 of the Schedule (and summarised in column 2 of the Schedule) to the member of Council staff holding, acting in or performing the duties of the office or position described opposite each such duty and/or function and/or power in column 3 of the Schedule;
2. records that references in the Schedule are as follows:

Abbreviation	Position
DRC	Director Community Services
MPD	Manager Planning and Development
PlanAO	Planning Support Officer
StP	Statutory Planner
SP	Strategic Planner

3. declares that:
 - 3.1 this Instrument of Delegation is authorised by a resolution of Council passed on 16 December 2025; and
 - 3.2 the delegation:
 - 3.2.1 comes into force immediately upon this resolution being made and is signed by the Mayor and Chief Executive Officer;
 - 3.2.2 remains in force until varied or revoked;
 - 3.2.3 is subject to any conditions and limitations set out in sub-paragraph 3.3, and the Schedule; and
 - 3.2.4 must be exercised in accordance with any guidelines or policies which Council from time to time adopts;
 - 3.3 the delegate must not determine the issue, take the action or do the act or thing:
 - 3.3.1 if the issue, action, act or thing is an issue, action or thing which Council has previously designated as an issue, action, act or thing which must be the subject of a Resolution of Council;

- 3.3.2 if the determining of the issue, taking of the action or doing of the act or thing would or would be likely to involve a decision which is inconsistent with a
 - (a) policy; or
 - (b) strategyadopted by Council;
- 3.3.3 if the determining of the issue, the taking of the action or the doing of the act or thing cannot be the subject of a lawful delegation; or
- 3.3.4 if the determining of the issue, the taking of the action or the doing of the act or thing is already the subject of an exclusive delegation to another member of Council staff or delegated committee; and

3.4 acknowledges that this delegation only affects the current S6 Instrument of Delegation to members of Council staff to the extent that the provisions in the Schedule are marked as 'amended' or 'repealed' as appropriate.

EXECUTED for and on behalf of GLENELG SHIRE COUNCIL by Karen Stephens, MAYOR, and Helen Havercroft, CHIEF EXECUTIVE OFFICER, in accordance with a resolution of Council, item number 9.8 at its meeting dated 16 December 2025.

..... Date:
Helen Havercroft
CHIEF EXECUTIVE OFFICER

..... Date:
Cr Karen Stephens
MAYOR

SCHEDULE



PLANNING AND ENVIRONMENT ACT 2017			
Column 1	Column 2	Column 3	Column 4
PROVISION	THING DELEGATED	DELEGATE	CONDITIONS & LIMITATIONS
s 8A(2) (repealed)	Power to prepare amendment to the planning scheme where the Minister has given consent under s 8A	-	This provision has been repealed, as of 25 November 2025, and should not be exercised. Refer to section 231 for treatment of amendments on foot before the repeal of this section.
s 8A(3) (repealed)	Power to apply to Minister to prepare an amendment to the planning scheme	-	This provision has been repealed, as of 25 November 2025, and should not be exercised. Refer to section 231 for treatment of amendments on foot before the repeal of this section.
s 8A(5) (repealed)	Function of receiving notice of the Minister's decision	-	This provision has been repealed, as of 25 November 2025, and should not be exercised. Refer to section 231 for treatment of amendments on foot before the repeal of this section.
s 8A(7) (repealed)	Power to prepare the amendment specified in the application without the Minister's authorisation if no response received after 10 business days	-	This provision has been repealed, as of 25 November 2025, and should not be exercised. Refer to section 231 for treatment of amendments on foot before the repeal of this section.
s 8B(2) (repealed)	Power to apply to the Minister for authorisation to prepare an amendment to the planning scheme of an adjoining municipal district	-	This provision has been repealed, as of 25 November 2025, and should not be exercised.

			Refer to section 231 for treatment of amendments on foot before the repeal of this section.
16B	<p>Duty (upon receiving a request to prepare an amendment to the planning scheme) to decide:</p> <ul style="list-style-type: none"> - to apply to the Minister for authorisation to prepare the amendment, with or without changes, under section 16F, or - to refuse the request. <p>Note: see also sections 16A, 16D, 16E and 16K.</p>	DRC, MPD	
16C(1)	<p>Duty to give written notice of its decision under section 16B to the person who made the request within 10 business days of making the decision.</p> <p>Note: The notice must contain prescribed information, and reasons if it is a refusal.</p>	DRC, MPD, SP, PlanAO	
16C(4)	Duty to give a copy of the request and the notice under subsection 16C(1) to the Minister.	DRC, MPD, SP, PlanAO	
16F	<p>Power to apply to the Minister for authorisation to prepare an amendment to the State standard provisions or the local provisions of a planning scheme in force in the municipal district.</p> <p>Note: see also sections 16G and 16K.</p>	DRC, MPD, SP	
16F	Power to prepare an amendment to the planning scheme where the Minister has authorised Council to do so under section 16F	DRC, MPD, SP	
16H	Power to prepare an amendment specified in an application without the Minister's authorisation if no response received after 10 business days	DRC, MPD, SP	Does not apply in relation to an application for the preparation of an amendment that will apply to land to which a Suburban Rail Loop planning area declaration applies.

	Note: see also section 16K.		
16I	Power to apply to the Minister for authorisation to prepare an amendment to any part of the State standard provisions and local provisions of a planning scheme applying to an area adjoining its municipal district.	DRC, MPD	
16I	Power to prepare amendment to the planning scheme applying to an area adjoining Council's municipal district where the Minister has authorised Council to do so under section 16I. Note: see also sections 16D, 16G and 16J.	DRC, MPD	
23A(2)	Power to: - change the amendment in the manner requested; - not change the amendment in the manner requested; or - abandon the amendment or part of the amendment.	DRC, MPD	Where Council is the planning authority. After considering a submission which requests a change to a 'low-impact' amendment (as described in section 16N).
28(1) (amended)	Duty to notify the Minister if abandoning an amendment, with a copy of any submission considered, and a statement of reasons for the decision.	DRC, MPD, SP	Note: the power to make a decision to abandon an amendment cannot be delegated
28C	Duty to comply with directions of the Minister after abandoning the amendment with respect to: - providing relevant documentation; and - providing assistance with steps to be taken for the amendment.	DRC, MPD, SP	
48A	Power to notify an applicant that the application is incomplete Note: The notice must set out any required fees or information, the date for payment or production, and the effect of non-compliance set out in section 48B(1).	DRC, MPD, SP, Stp, PlanAO	Where Council is the responsible authority



48C	Power to refund a fee paid for an application which is void and of no effect under section 48B(1)	DRC, MPD, SP, StP, PlanAO	Where Council is the responsible authority
96A(2) (amended)	Power to agree to consider an application for permit concurrently with preparation of proposed amendment	DRC, MPD	<p>The request to prepare the amendment must be made under section 16A.</p> <p>Delegate must not agree to consider the application for the permit concurrently with the preparation of the proposed amendment unless it has made a decision under section 16B(a) to apply to the Minister for authorisation to prepare the amendment, with or without changes, under section 16F.</p>
96Z (amended)	Duty to keep levy certificates and levy exemption certificates given to it under ss 47 or 96A for no less than 5 years from receipt of the certificate	DRC, MPD	
158F	Power to make submissions in response to a directions panel	DRC, MPD, SP	