



Glenelg Shire Council

Notice of Meeting and Agenda

Unscheduled Council Meeting Tuesday 20 October 2026

Notice is hereby given that a Unscheduled Council Meeting will be held in the Council Chamber, Glenelg Shire Offices, 71 Cliff Street, Portland commencing at **5:30 pm** on the above date for the purpose of transacting the business on the attached Agenda, together with such other business as the Chairperson may permit.

Helen Havercroft
Chief Executive Officer

Date of Issue: Thursday, 15 October 2026

Invited: Mayor, Councillor Karen Stephens
Deputy Mayor, Councillor Matt Jowett
Councillor Duane Angelino
Councillor Michael Carr
Councillor Robyn McDonald
Councillor John Pepper
Councillor Dr Mary Picard

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1. PRESENT

2. ACKNOWLEDGEMENT OF COUNTRY

On behalf of this Glenelg Shire Council, I respectfully acknowledge the traditional lands and waters of the Gunditjmara, Jardwadjali and Boandik people and their respective culture heritages. I acknowledge the elders past and present here at today's gathering and through them, to all Aboriginal people.

Aboriginal and Torres Strait Islander People provide an important contribution to Australia's cultural heritage and identity. We respectfully acknowledge the Aboriginal and Torres Strait community living throughout the Glenelg Shire and the contribution they make to the Glenelg Shire's prosperity and wellbeing.

3. RECORDING OF MEETINGS

To those present in the gallery today, by attending a public meeting of the Council you are consenting to your image, voice and comments being recorded and published. Council meetings may be livestreamed and the Chief Executive Officer will enable a copy of the recording to the public.

4. RECEIPT OF APOLOGIES

5. DECLARATIONS OF CONFLICT OF INTEREST

5.1. DECLARATIONS OF CONFLICT OF INTEREST

A Councillor or Officer with a conflict of interest in an item on the Agenda must indicate that they have a conflict of interest by clearly stating:

- The item for which they have a conflict of interest
- Whether their conflict is ***general*** or ***material***; and
- The circumstances that give rise to the conflict of interest.

Declaration of material or general conflict of interest must also be advised by Councillors and Officers at the commencement of discussion of the specific item.

6. MANAGEMENT REPORTS

6.1. 2025-26 ANNUAL FINANCIAL STATEMENTS AND PERFORMANCE REPORTING

Author: David Hol, Director of Corporate Services
Director: David Hol, Director Corporate Services

Summary

The Audit of Glenelg Shire Council's Annual Financial Statements and Performance Statement for the year ending 30 June 2026 has been undertaken by the Victorian Auditor Generals' (VAGO) audit contractor KPMG.

The audited financial documents are now presented to Council for in principle approval to enable them to be formally submitted to VAGO.

Background

Financial Statements

The Financial Statements are an annual 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 financial report is prepared in accordance with the *Australian Accounting Standards (AAS)*, the *Australian Accounting Standards Board*, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

Local Government Performance Statement

The Local Government Performance Reporting Framework (LGPRF) was introduced by the State Government in 2014 to ensure all Councils are measuring and reporting on their performance in a consistent way.

The Performance Statement presents Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Key Information

Financial Statements

The attached Financial Statements represent the financial position of Council at 30 June 2026 and the financial performance of Council for 2025/26.

It is noted that there have been significant delays in the finalisation of this year's accounts (similar to 2024/25). Council officers, together with the appointed Auditors KPMG, have been undertaking substantial work to provide the necessary verification for Auditor sign off.

Principally, the most relevant factor in the delay is in regards to the revaluation of infrastructure assets and system complexities to ensure that the resultant valuations and depreciation amounts calculate correctly. In addition, staff availability and the implementation of the new financial system have contributed significantly to the ability to provide the financial information within the preferred timelines. The level of detail required for verification of Council's financial statements has also increased in recent times further impacting the Councils ability to provide the Financial Statements in a final approved form within the prescribed timeframe.

The financial results (compared to the 2025/26 Adopted budget) have been impacted by a number of variable aspects. The early payment of 2026/27 financial assistance grant payments and carry forward amounts for incomplete major capital works projects suggest a cash position that appears more favourable than expected. Once the adjustments for the above have been reconciled, we would see a financial position more consistent with the Long Term Financial Plan. Following the certification of the Financial Statements, a more detailed analysis of cost and income variances will be presented and the Long Term Financial plan updated accordingly.

The Management Letter and Closing Report from KPMG (see attached) highlights two new minor improvement actions whilst closing out a number of prior year recommendations.

The Financial Statements are an integral part of the Council Annual Report which has a statutory deadline for presentation to an open Council meeting within 4 months of the end of the financial year.

Council's external auditors (KPMG) presented the audit results to the Audit and Risk Committee on the 12 October 2026. The Audit and Risk committee has recommended that the Annual Financial Report and Performance Statement for the year ending 30 June 2026 be presented to Council for adoption in principle in accordance with Section 99(2) of the *Local Government Act 2020*.

The Annual Report will then be presented to the scheduled Council meeting on the 27 October 2026 to meet the obligations of Section 100 of the *Local Government Act 2020*.

Should there be any material changes identified by VAGO, the financial documents will be resubmitted to the Audit and Risk Committee and Council for further consideration. It is noted that VAGO have already reviewed the draft statements).

The attachments include the Financial Statements, Audit Closing Report and Management Letter for Council consideration.

Performance Statement

The 2025-26 Performance Statement reports the results and outcomes for the Local Government Performance reporting framework indicators for the financial year. These Statements provide results for: Service Performance indicators, Financial Performance indicators and Sustainable Capacity indicators, as well as the Governance and Management checklist.

Service reporting includes a variety of measures and data for the following services:

- Aquatic facilities;
- Animal management;
- Food safety;
- Governance;
- Libraries;
- Maternal Child Health (MCH);
- Roads;
- Statutory planning; and
- Waste collection.

The Performance Statement is included for review and contains explanations of any items with a material variation in the results. Materiality thresholds are applied to each indicator or measure and explanations have been provided for variations exceeding the materiality thresholds.

Some items that have materially impacted Council's result for 2025/26 include the one-off Drought Support Payment grant specifically for Primary Production ratepayers. This has impacted some financial ratios due to its effect of reducing rate income (and concurrently increasing operating grant income). The early timing of financial assistance grant payments has impacted on the financial ratios. The delays in completion of renewal capital works involving the Portland Foreshore Community Infrastructure refurbishment project and Gymnastics facility upgrade project together with the Asset revaluation amount booked for 2025/26 have also materially impacted the Infrastructure and Asset renewal indicators.

Risk

The Financial Statements represent the financial position of Council and outline any financial risks or concerns. This process is in accordance with the Financial Management Principles as outlined in Section 101 of the *Local Government Act 2020*

LGPRF reporting is mandatory for all Council's in Victoria under the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*. This data is used to compare one Council against another.

Finance

Financial resources administration time is provided for in the adopted budget. The 2025/26 budget for Audit costs was \$65k. In addition, there is significant amount of staff time involved across multiple areas of Council. There was also expenditure undertaken of approximately \$75k relating to engaging external advice to revalue the infrastructure assets.

Consultation

The financial statements are audited by KPMG, referred to the Audit and Risk Committee for comment and then presented to Council for in principle support. VAGO will also review the documents and provide comments where required. No material amendments are anticipated. The Financial Statements and LGPRF data, once adopted, are then included within the Annual Report.

Council and Wellbeing Plan 2025-2029 Alignment

Leading and Engaging – Being an active and transparent leader set up to deliver on our priorities.

Conclusion

The 2025/26 Financial Statements and LGPRF Performance Statement have been approved by Council's external auditors KPMG and referred by Councils Audit and Risk Committee for endorsement. As a result, these statements are now provided for Council consideration. This report seeks a Council in principle resolution to submit the Financial Statements and Performance Statement to VAGO.

Recommendation**That Council:**

- 1. Approves in principle the Audited Financial Statements, LGPRF Reporting Statement, Management Letter and Closing Report for the year ending 30 June 2026.**
- 2. That Councillors Stephens and Jowett be authorised to certify the Financial Statements and Performance Statement for the year ending 30 June 2026, in their final form after any changes recommended or agreed by the auditor have been made.**

Attachment List

1. 2025-26 Financial Statements [6.1.1 - 54 pages]
2. 2025-26 Closing Report [6.1.2 - 23 pages]
3. 2025-26 Final Management Letter [6.1.3 - 24 pages]
4. 2025-26 LGPRF Performance Statement [6.1.4 - 20 pages]

7. CLOSURE OF COUNCIL MEETING