

Bass Coast Shire Council
Council Meeting Agenda

Wednesday 8 October 2025

Council Chamber

Bass Coast Civic Centre

Baillieu Street East, Wonthaggi

Commencing at 1:00 pm



Community Vision 2041

Vision Statement

From its flowing hills to its wild unspoiled coastlines, the Bass Coast is a source of celebration for all who live in and visit the region.

Our townships are vibrant, rich with culture and full of life, each with its own distinct character. Drawing on our creativity, innovation and resilience we've created a thriving and diverse economy that supports sustainable agriculture and industry.

We live proudly on Bunurong Country, and build on learnings from our First Peoples and their knowledge. We coexist in harmony with our environment, and are prepared for future challenges and changes.

We are the people of the Bass Coast. Experience ou cultures and history, and contribute to our story.



Notice of Meeting

Notice is hereby given that the next **Council Meeting** of the Bass Coast Shire Council will be held at the Council Chamber Bass Coast Civic Centre Baillieu Street East, Wonthaggi on 8 October 2025 at **1:00 pm**

Date of Notice – 3 October 2025

Greg Box

CEO

Mobile Telephone Reminder

Please turn off all mobile telephones or in the case of an emergency, please advise the Chair and switch to silent mode.

Statement of Acknowledgement

We acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pay respect to their Elders past, present and emerging

Councillor Statement

All members of this Council pledge to the Bass Coast Shire community to consider every item listed on this agenda:

- Based on the individual merits of each item;
- Without bias or prejudice by maintaining an open mind; and
- Disregarding Councillors' personal interests so as to avoid any conflict with our public duty.

Any Councillor having a conflict of interest in an item will make a proper, prior disclosure to the meeting and will not participate in the debate or vote on the issue.

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1 Present and Apologies

2 Declarations of Interest

3 Confirmation of Minutes

3.1 Council Meeting 17 September 2025

That the minutes of the Council Meeting held on 17 September 2025 be confirmed.

Mayor and Councillor Reports

4 Mayor and Councillor Reports

5 Public Question Time

Questions must be submitted in writing prior to the Meeting and questions and responses will be published in the minutes.

Please note:

Questions relating to an item in the agenda will be provided with the following response

- ***Councillors will consider and debate all aspects and implications of this issue as part of Council's agenda.***

Governance Rules

Chapter 2 – Meeting Procedure for Council Meetings

Public Question Time

53. Public Question Time

53.1 Public question time must be held at each Council meeting fixed under Rule 9 to enable members of the public to submit questions to Council.

53.2 Sub-Rule 53.11 does not apply during any period when a meeting is closed to members of the public in accordance with section 66(2) of the Act.

53.3 Questions submitted to Council must:

53.3.1 be in writing, state the name, email and address of the person submitting the question and generally be in a form approved or permitted by Council. This Personal Information is held in accordance with the Privacy and Data Protection Act 2014 (Vic) Principles. The submitted question/s and your name will be entered into the Council Minutes, be available to the public when placed on Council's website: and

53.3.2 be lodged 48 hours prior to the Council meeting.

53.4 No person may submit more than two questions at any, one meeting. If a question has multiple parts to it, it is considered multiple questions. Any additional question will not be read out at the meeting or included in the minutes.

53.5 The person who submitted the question may be present in the Chamber at Public Question Time when the Chair will call their name. The submitter will have an opportunity to read out the previously submitted question or request the Chair read their question. The question and the response will then be included in the minutes.

53.5.1 The submitter may not raise any additional questions or alter the previously submitted question.

53.5.2 Speakers must abide by the direction of the Chair and in accordance with these Governance Rules.

53.5.3 If the person is not present, the question may be read out. The question and answer will be included in the meeting minutes. They will not be afforded another opportunity to read their question.

53.6 A question may be disallowed by the Chair if the Chair determines that it:

53.6.1 relates to a matter outside the duties, functions and powers of Council.

53.6.2 is defamatory, indecent, abusive, offensive, irrelevant, trivial or objectionable in language or substance.

53.6.3 deals with a subject matter already answered.

53.6.4 is aimed at embarrassing a Councillor or a member of Council staff.

53.6.5 relates to personnel matters.

53.6.6 relates to the personal hardship of any resident or ratepayer.

53.6.7 relates to confidential information as defined in Section 3 of the Act

53.6.8 relates to matters affecting the security of Council property; or

53.6.9 relates to any other matter which Council considers would prejudice Council or any person.

53.7 Any question which has been disallowed by the Chair will not be read at the meeting or published in the meeting minutes.

53.8 Any question which has been disallowed by the Chair must be made available to Councillors.

53.9 Where the Mayor or Chief Executive Officer does not accept a question, the submitter is to be informed of the reason or reasons for which their question was not accepted.

53.10 All questions and answers must be as brief as possible, and no discussion may be allowed other than by Councillors for the purposes of clarification.

53.11 Questions must be limited to 50 words inclusive of any preamble and additional information.

53.12 Like questions may be grouped together and a single answer provided.

53.13 The Chair may nominate a Councillor or the Chief Executive Officer to respond to a question.

53.14 A Councillor or the Chief Executive Officer may require a question to be taken on notice. If a question is taken on notice, the answer may be provided in the minutes or a written copy of the answer will be provided to the submitter, where practicable.

53.15 A Councillor or the Chief Executive Officer may advise Council that it is their opinion that the reply to a question should be given in a meeting closed to members of the public. The Councillor or Chief Executive Officer (as the case may be) must briefly state the reason why the reply should be so given and, unless Council resolves to the contrary, the reply to such question must be so given.

53.16 Question time will be for a maximum of 30 minutes unless extended by a Council resolution.

Notices of Motion

6 Notices of Motion

7 Petitions and Joint Letters

7.1 Petition to reinstate the Lord's Prayer

Division	**Innovation & Engagement**
Council Plan Strategic Objective	**Leading for our Community** *Demonstrating leadership through good governance, transparency and accountability*

Declaration

The author has no general or material interests in relation to this report.
A Petition containing 194 signatures has been received. The petition reads:

> *"This petition of certain citizens of the Bass Coast Shire draws to the attention of the Bass Coast Shire Mayor and Councillors the error of removing the Lord's Prayer from the order of business at council meetings since 2014. The petitioners therefore request that The Lord's Prayer is reinstated as a reading at the commencement of proceedings of Bass Coast Council Meetings as soon as possible. This unfortunate move to secularise Council proceedings did send a clear message that faith has no place in the community. Since 1857, the Lord's Prayer has been a longstanding part of the formal processes of both Houses of the Victorian Parliament; the Legislative Assembly (Lower House) and the Legislative Council (Upper House). The merit of saying the Lord's Prayer is the action of publicly acknowledging the responsibility one has to the people they are serving.*
>
> *The petitioners therefore request that the Bass Coast Shire Mayor and Councillors recognise the valuable role of the Lord's Prayer in Parliament and ensure its practice continues to play an integral part of our domestic tradition."*

Section 54.4 of the Bass Coast Shire Council Governance Rules states that:

> *"Where a petition or joint letter is received and complies with the requirements of the Governance Rules, it may be considered at the meeting at which it is tabled or resolved to consider it at a future Council meeting."*

Recommendation

That Council:

1. **Receive the petition requesting The Lord's Prayer to be reinstated at the Bass Coast Shire Council meetings and resolve to deal with this matter at this Council Meeting in accordance with Council's Governance Rules.**
2. **Resolve to continue its current practice of opening Council Meetings with a Councillor Statement.**
3. **Advise the lead petitioner of Council's decision.**

Discussion

The use of prayer at the start of Council Meetings has been a topic of discussion across Victoria.

It is not a requirement of the *Local Government Act 2020* to start a Council Meeting with a prayer. Over time, many Councils have moved away from a traditional prayer at Council Meetings to include either a statement affirming how Councillors intend to work in the best interests of the community, or a statement of inclusion and recognition of diversity of beliefs and identities within their municipality.

Council recognises the significance of Christianity in the development of post-colonial society in Australia and the important role of religion more generally in Bass Coast communities.

Section 14 of the Victorian Charter of Human Rights and Responsibilities (the Charter) protects the right of every person to freedom of thought, conscience, religion and belief. Section 38 of the Charter obliges all public authorities, including Councils, to act compatibly with human rights and to properly consider relevant rights in decision-making.

Council currently opens Council Meetings with a Councillor Statement. The statement reads:

All members of this Council pledge to the Bass Coast Shire community to consider every item listed on this agenda:

- *Based on the individual merits of each item;*
- *Without bias or prejudice by maintaining an open mind; and*
- *Disregarding Councillors' personal interests so as to avoid any conflict with our public duty.*

Any Councillor having a conflict of interest in an item will make a proper, prior disclosure to the meeting and will not participate in the debate or vote on the issue.

Attachments

1. CONFIDENTIAL - 250923 Letter to Bass Coast Shire Council [**7.1.1** - 1 page]
2. CONFIDENTIAL - 250923 Petition for The Lord's Prayer [**7.1.2** - 21 pages]

Reports Requiring Council Decision

8 Reports Requiring Council Decision

8.1 Community Vision 2045, Council Plan 2025-2029 and Annual Action Plan 2025-2026

Division	**Innovation & Engagement**
Council Plan Strategic Objective	**Leading for our Community** *Demonstrating leadership through good governance, transparency and accountability*

Declaration

The author has no general or material interests in relation to this report.

Summary

The purpose of this report is to present the Community Vision 2045, Council Plan 2025-2029 and Annual Action Plan 2025-2026 for Council's consideration.

Recommendation

That Council:

1. **Adopt the Community Vision 2045;**
2. **Adopt the Council Plan 2025-2029; and,**
3. **Adopt the Annual Action Plan 2025-2026.**

Background

The review of the Community Vision and development of the Council Plan 2025-2029 and Annual Action Plan 2025-2026 are required under the *Local Government Act*. These key strategic documents guide Council's planning and operations to ensure that resources and activities are aligned with the vision of the Bass Coast communities.

Discussion

The Community Vision 2045 (**Attachment 1**), Council Plan 2025-2029 (**Attachment 2**) and Annual Action Plan 2025–2026 (**Attachment 3**) have been developed reflecting community priorities identified throughout extensive consultation.
Council conducted three stages of community engagement:

- Broad community consultation in July and August 2024.
- Deliberative engagement undertaken by the 45-member Community Panel earlier this year.
- Final community consultation on the draft documents.

Councillors also participated in a series of internal workshops to consider community feedback, develop their priorities and inform the development of these documents to reflect their aspirations for the next 4 years.
The strategic objectives of the Council Plan have been aligned to the aspirations of the Community Vision to maximise the connection between these 2 key strategic documents.
The 4 Strategic Objectives of the Council Plan are:

- Naturally Beautiful – Together we build resilience and protect and enhance our natural environment
- Thriving Places – Facilities and infrastructure meet current and future needs. Growth is sustainable and well planned. Our economy, agriculture, tourism and industries are resilient. Unique character is preserved.
- Vibrant Communities - Communities are healthy, inclusive, safe and socially connected. Communities celebrate opportunity, recreation, diversity, heritage and reconciliation.
- Visionary Leadership - Our communities flourish through leadership that is open and responsible, ensuring decisions serve the community's best interests, and comply with legislative obligations.

Council will develop a new Annual Action Plan each year to progress the priorities of the Council Plan.
Council will provide regular updates on the progress towards delivering the Plan through its Quarterly Performance Reports and the Annual Report, which are shared on Council's website.

Sustainability Implications

These documents outline the priorities for Council that will guide the economic, social, environmental and climate change approach of Council for the next 4 years.

Finances

These documents outline the priorities for Council that will guide financial decision making of Council.

Stakeholders

- Bass Coast Shire communities
- Councillors

Community consultation

During August and September 2025 Council engaged community members from across the shire to review the Draft Community Vision 2045, Draft Council Plan 2025-2029 and Draft Annual Action Plan 2025-2026. This was an opportunity for a final check-in with the communities of Bass Coast.

A summary of the key points raised through surveys and written responses is shown in the tables below. The tables also highlight how the feedback has been considered in the strategic documents. Details of the three stages of engagement, and summaries of each stage, can be found on Council's Engage Bass Coast website.

Table 1: Draft Community Vision themed feedback and response

What we heard	How it has been considered in the Plan
The land north of Cape Paterson should be used for residential growth.	Planning and road maintenance decisions are not in the scope of this Plan. Feedback passed on to the relevant departments for consideration.
Retaining existing dirt roads within Sunderland Bay.	
Ease of movement.	This Plan is designed to be aspirational and high level. These themes are captured in the 21 priorities of the Council Plan and represented in more detail in the lead and supporting strategies which are outlined in the Council Plan.
Needs to capture everyday challenges such as housing, access and equity and climate change. Livability. Inclusivity. Practical needs of residents	
Greater reference to young people – better access to jobs and training	
Greater reference to small business, shops, trades and services, agriculture. Greater focus on people and Bass Coast's broad history.	
Support the addition of coastal woodland	The proposed inclusion of 'Coastal Woodlands' will remain in the Community Vision 2045.
More action required – especially in Inverloch Practical outcomes/measurable.	The Community Vision is an aspirational document that guides Council's work. The deliverable actions are outlined in other documents such as the Annual Action Plan.
What happened to the 2035 Community Vision	The *Local Government Act* requires councils to revisit their vision each 4 years to make sure it is still relevant for local communities. Earlier versions of the vision have informed the refreshed current vision.
Overall support for the Vision	No changes.
Suggestions for specific wording changes including: Additional wording to the last paragraph reflecting the people of Bass Coast. Mentioning Bunurong first Elevating climate change and climate resilience.	The Community Vision was developed through a robust deliberative process with the Community Panel in 2021. Broad community engagement reflected the current Community Vision still resonates with the communities of Bass Coast, with the additional of the wording to include coastal woodlands.
Transparency now and throughout the life of the Vision.	The Community Vision is an aspirational document that guides Council's work, and as such does not have measures to report against. Council reports to the

What we heard	How it has been considered in the Plan
	community quarterly on its performance, including an Annual Report.
Should reflect what is possible with existing resources	The Vision guides the resourcing and decision making of Council through the Council Plan, Long Term Financial Plan and Asset Plan to identify what will be delivered in the short and longer term.

Table 2: Draft Council Plan themed feedback and response

What we heard	How it has been considered in the Plan
Greater focus and funding on core services – roads, footpaths	These themes have been captured in the 21 priorities of the Council Plan. The next tier of strategic plans which have a more specific focus explore these themes in more detail.
Greater focus on older people	
Greater focus on Emergency Management and Safety, homelessness, access & inclusion, mental health, first nations, transport planning, local business support	
Need to balance tourism with residents' quality of life	
Greater support around coastal erosion e.g. Silverleaves	
Community engagement not broad enough – young families, small businesses not represented	Broad community engagement to set the foundation for this project was conducted in stage 1 with a range of opportunities to provide ideas. The Community Panel was recruited to mirror the demographics of the Shire.
Priority 16 doesn't reflect the intention of the Community Panel.	In response to this feedback, the Thriving Places priority has been changed from 'Supporting local industry, business and *producers*' to 'Supporting local industry, business and *agriculture*' to provide additional clarity.
More electric car charging infrastructure – particularly Phillip Island	Whilst this specific item is not included in the Council Plan, the 21 priorities outlined capture the strategic intent. This specific feedback will be passed on to relevant departments.
Visionary Leadership (one of the 4 strategic objectives) isn't included in the Community Vision 2045.	The Community Vision 2045 has 3 aspirations. To assist Council to deliver in the Vision through the Council Plan 2025-2029, these 3 aspirations were aligned to 3 of the strategic objectives of the Council Plan. An additional Strategic Objective was developed reflecting the way Council leads. The documents have been edited to clarify this.
Suggestions for alternative Strategic Indicators and higher targets	This feedback was considered as Strategic Indicators were reviewed but they remain unchanged. The

What we heard	How it has been considered in the Plan
	Strategic Indicators were carefully designed to be aspirational but also achievable.
Community satisfaction survey to contact 900 ratepayers instead of 400	This feedback will be considered when the 2026 Community Satisfaction Survey is prepared.
Gender Impact Statement for all projects	In accordance with the *Gender Equality Act 2020,* a Gender Impact Assessment has been undertaken when developing the Community Vision 2045 and Council Plan 2025-2029.
More detail, deliverables and measurables	The Council Plan sets the direction, more specific deliverables are outlined each year in the Annual Action Plan.
Wonthaggi School site major opportunity – should be key priority in Plan (not just the action plan). Support for exploring this project for arts and community activities. Needs community consultation at every step.	We will soon call for Expressions of Interest to join a Community Reference Group to help guide the Review of the Wonthaggi Structure Plan and other key Wonthaggi projects such as the school site.
Wonthaggi Aquatic Centre needs a refresh, including hydrotherapy and broader range of activities. Cater for underwater hockey	Commence detailed design for the Bass Coast Aquatic and Leisure Centre (Wonthaggi) is an action in the Annual Action Plan 2025-2026.
Expand the Bass Coast Rail Trail Network – eg. Woolamai-Nyora Trail extension, Wonthaggi-Cape Paterson.	Whilst this specific item is not included in the Council Plan, the 21 priorities outlined capture the strategic intent. This specific feedback will be passed on to relevant departments.
Build on climate action work such as implementing actions of Climate Change Action Plan Review, Community Electrification Campaign, strengthen Clean Energy Retrofit Goal.	Further actions around climate change will be considered as part of the Climate Change Action Plan review and incorporated in Year 2, 3 & 4 action plans where appropriate.
Bunurong people and culture deserve the same treatment as other groups	Council is committed to reconciliation, respecting all cultures and fostering understanding of First Nations heritage. We will continue to lead with integrity and bring the community along this journey.
Request to keep Sunderland dirt road as is	Planning and road maintenance decisions are not in the scope of this Plan.
Review of the Bass Coast Planning Scheme another essential piece of work.	Section 12B of the *Planning and Environment Act* requires Council to undertake a planning scheme review within 12 months of every Council Plan, so we are due to complete it by October 2026. This is an action in the Annual Action Plan 2025-2026.

What we heard	How it has been considered in the Plan
Support for focus on the environment, including the Western Port Woodlands.	'Coastal woodlands' has been incorporated into the Community Vision 2045.

Conclusion

Council is proud to present the Community Vision 2045, Council Plan 2025-2029 and Annual Action Plan 2025-2026. These key strategic documents will guide the decision making of Council for the next 4 years.
These documents will be available on Council's website.

Governing Documents

Local Government Act 2020

Attachments

1. Attachment 1 - Community Vision 2045 [**8.1.1** - 7 pages]
2. Attachment 2 - Council Plan 2025 - 2029 [**8.1.2** - 20 pages]
3. Attachment 3 - Annual Action Plan 2025–2026 [**8.1.3** - 9 pages]

8.2 Quarterly Performance Report- Quarter 4- April-June 2025

Division	**Innovation & Engagement**
Council Plan Strategic Objective	**Leading for our Community** *Demonstrating leadership through good governance, transparency and accountability*

Declaration

The author has no general or material interests in relation to this report.

Summary

The Quarterly Performance Report provided in Attachment 1 presents a summary of Council's performance for the year ending 30 June 2025.
This is the final report of the Annual Action Plan for 2024-2025 and Council Plan 2021-2025.
Of the 21 actions in the 2024-2025 Annual Action Plan, 19 have been completed. The remaining 2 actions have not been completed due to circumstances outside of Council's control and have been flagged in previous quarterly reports as being unable to be achieved.
This report also provides an overview of Council's 2024-2025 financial performance. The Operating Surplus $9.8 million is $6.6 million favourable compared to the budgeted surplus of $3.2 million. Further details are set out in the Financial Performance section of the report.

Recommendation

That Council receives the June 2025 Quarterly Performance Report.

Background

Section 96 of the *Local Government Act 2020* (the Act) requires councils to prepare a quarterly financial report that includes a comparison of its actual and budgeted financial results for the year to date, including explanations of any material variances and updated financial forecasts for the full financial year.
Council uses this opportunity to provide a summary of performance against the Annual Action Plan and celebrate achievements to provide transparency in its performance and maintain good governance practices.
Council's quarterly reports are published on its website and can be accessed by the public at any time

Discussion

The purpose of this report is to provide advice on Council's performance for the 12 months ending 30 June 2025, including its performance against the Annual Action Plan 2024-2025, financial performance against its 2024-2025 Budget and capital works project delivery.

Annual Action Plan Performance

The Annual Action Plan 2024-2025 contains 21 activities and initiatives that were planned to be delivered by 30 June 2025.
Of the 21 actions in the 2024-2025 Annual Action Plan, 19 have been completed.
The remaining 2 actions have not been completed due to circumstances outside of Council's control and have been flagged in previous quarterly reports as being unable to be achieved.
Actions completed include:

- 1810 new street trees planted in townships across Bass Coast
- Solar and battery systems installed at 8 community facilities
- Award of Bass Coast Leisure Facilities Contract
- Launch of the Event Funding Framework and Event Partnership Program
- Adoption of the Circular Economy Framework
- Completion of the Free from Violence project
- Adoption of the Property Strategy
- Adoption of the Integrated Transport Strategy

Further information can be found in Attachment 1.

Financial Performance

Council is reporting a balanced Funding Statement for 2024-2025. The reported result has been impacted by the allocation of $3 million in unbudgeted transfers to Council's Strategic Works Reserve to enable the Cemeteries services transfer payment. The effective $3 million favourable Funding Statement result has been underpinned by:

- Interest revenue $770,000 favourable to budget due to higher than projected funds in the investment portfolio and higher interest rates and
- Savings of $550,000 on Council's Capital advancement budget allocation (set up to support the deliverability of the capital program).
- Receipt of $350,000 from the Disaster Recovery Funding Arrangement for Council expenditure on eligible disaster events in the previous financial years.
- Lower than budgeted debt repayments of $460,000 through the management of debt draw down requirements on new loans.
- Capital program savings of $450,000.

Council's operating surplus of $9.8 million is favourable to budget by $3.6 million due to the recognition of $6 million of unbudgeted non-monetary developer contributions, $7.4 million of unbudgeted capital grants, and $5.6 million of unbudgeted operating grants.

This is partly offset by additional depreciation of $5.1 million, capital expenditure written off as operating ($2.8 million) and the settlement of cemeteries transfer ($3.2 million). Council's adjusted underlying net result (which excludes capital grants and contributions) is a $6.8 million deficit compared to a budgeted underlying deficit of $100,000.
The following have had an adverse impact of Council's projected full year results:

- Payment of $3.2 million to the Southern Metropolitan Cemeteries Trust for the transfer of the Cemeteries and the perpetual maintenance obligations to them.
- Additional Labour costs $1.1 million due to one-off costs associated with the organisational redesign, staffing costs for theatrical performances (offset by additional revenue) and an increase in the long service leave provision.
- Reallocation of Capital Expenditure, (which does not meet Council's asset capitalisation criteria), to Operating Expenditure of $1.6 million and a loss on the disposal capital assets renewed or upgraded (non-cash) of $1.2 million.
- Higher than budgeted depreciation (non-cash) of $5.1 million due to the increase revaluation cost of Council's Infrastructure Asset Network.

These variances are partially offset by:

- Timing of the Financial Assistance Grants payment ($4.6 million), received in advance of the 2025-26 financial year.
- Interest revenue of $770,000, favourable to budget due to an elevated interest rate environment and higher than projected funds available for investment.

The Financial Sustainability risk indicators for 2024-25 prepared by the Victorian Auditor General are on balance in the low-risk zone, with the following exceptions:

- Council is reporting an adjusted underlying result of $6.8 million (or -7.5%) in the high-risk band, reflecting the delivery of the operational initiatives brought forward from the previous financial years and transfer of the Cemetery Trusts. These programs have been funded in the previous and current budgets with our Funding Statement capturing the full impact and the impacts noted above.
- Capital Replacement and Renewal Gap ratios places Council in the medium risk assessment criteria reflecting the increased depreciation expense due to increased revaluations of council's infrastructure asset network.

Stakeholders

- Bass Coast Shire community
- Councillors

Conclusion

The Quarterly Performance Report (Attachment 1) provides information on Council's financial and corporate performance for the financial year ending 30 June 2025. The delivery of progress updates against all annual activities of the Council Plan 2021-2025 and a financial report contribute to the ongoing enhancement of good governance across the Council.
The June 2025 Quarterly Performance Report will be available on Council's website.

Governing Documents

Local Government Act 2020

Attachments

1. Attachment 1 [**8.2.1** - 33 pages]

8.3 Annual Financial Report and Performance Statement 2024-2025

Division	**Innovation & Engagement**
Council Plan Strategic Objective	**Leading for our Community** *Demonstrating leadership through good governance, transparency and accountability*

Declaration

The author has no general or material interests in relation to this report.

Summary

The purpose of this report is to:

- Obtain 'in-principle' approval of the draft Annual Financial Report and Performance Statement to be submitted to the Auditor and
- Obtain a Council Resolution authorising two Councillors to certify the Statements in their final form following completion of the Audit.

Recommendation

That Council:

1. **Approves 'in-principle' the draft Annual Financial Report and Performance Statement for the year ended 30 June 2025, for submission to the Auditor for reporting on the audit;**
2. **Authorises the Principal Accounting Officer to make any subsequent changes to the statements as necessary to meet the Auditor-General's requirements; and,**
3. **Nominates and authorises the Mayor, Councillor Rochelle Halstead and the Deputy Mayor, Councillor Brett Tessari to certify the statements in their final form on behalf of the Council.**

Background

Council's Annual Report must be presented to the community by no later than 31 October 2025. Section 98 (2) of the Local Government Act 2020 states that the audited Annual Financial Report and Performance Statement, including the Auditor's report on the Annual Financial Report and the Performance Statement are to form part of the Annual Report.
Section 99 (2) states that Council must approve 'in principle' the draft Financial Statements and Performance Statement prior to formally submitting the accounts for audit.

Because of the timing restrictions noted above and the requirement that an audit review is required by the Auditor-General, it is normal for the Council to provide 'in -principle' approval of the draft financial statements. The bulk of the audit work will have been completed prior to Council approving the draft statements.
Any issues raised by the Auditor must be appropriately dealt with in the draft statements presented to Council to provide more comfort that they are true and fair. A meeting of the Audit and Risk Committee was held on 24 September to review the draft statements with the Council's Auditors. In principle support was provided for the financial statements, subject to there being no material changes required following the Victorian Auditor-General's Office (VAGO) review. Council's representatives on the Audit and Risk Committee can, if required, raise any further issues arising out of this meeting, directly with Council.

Discussion

The salient features of Council's financial performance are summarised below.
$123.7 million revenue compared to the $103.5 million budget. This favourable variance is due to:

- The receipt of $6.0 million in unbudgeted developer contributions.
- Unbudgeted capital grants of $7.4 million.
- Additional operating grants of $5.6 million due to the $4.6 million early receipt of the Financial Assistance Grant, 50% of the 2025-26 annual allocation.
- Other income of $1.0 million more than budget due to interest rates remaining at elevated levels.

$113.9 million expenditure, $13.6 million more than budget. This unfavourable variance is due to:

- A net loss on asset disposals of $1.2 million linked to the disposal of bridges and road assets that have been renewed.
- Materials and services are $1.6 million more than budget due to capital expenditure being reclassified as operating expenditure.
- Depreciation of $5.1 million more than budget due to higher network infrastructure asset revaluations.
- Other expenses $4.4 million due to the $3.2 million for the unbudgeted cost of the Wonthaggi and San Remo cemeteries service transfer and $1.0 million due to the Landfill Rehabilitation provision movement.

The above variances have resulted in Council reporting an operating surplus of $9.8 million, $6.6 million more than the budgeted surplus of $3.1 million.
The above variances, specifically the higher depreciation and payment of the cemeteries services transfer have significantly impacted Council's adjusted underlying result.

This has resulted in a $6.8 million deficit, compared to an adjusted underlying budgeted deficit of $0.1 million, partially offset by the $4.6 million early receipt of the Financial Assistance Grant of for 2025-26.
Asset revaluations were carried out during the year on Council's Bridges and Land Improvements assets classes. These revaluations resulted in a $41.3 million asset revaluation adjustment reflected in other comprehensive income per the Income Statement and increases the overall Comprehensive Result to $51.1 million.
Cash and investments (including other financial assets) increased to $60.8 million, up from $48.1 million the previous year end. This increase is due to the year-on-year impact of the Financial Assistance Grants and retainment of strategic works allocations for the progression of future council projects.
Net borrowings increased by $5.9 million to $29.2 million. This is due to loan drawdowns associated with the cemeteries service transfer of $3.0 million and the $2.9 million for funding of the capital program including Inverloch to Wonthaggi Trail and Cowes Activity Centre Plan.
$28.0 million has been expended against the capital works program of which $27.7 million has been recognised as capital expenditure. The remaining $0.3 million has been expensed as operational expenditure.
Council's Performance Statement reflects the following significant changes compared to the preceding year:

- The improved cash position has aided the Working Capital ratio increasing to 171% as of 30 June 2025 compared to the 132% reported for 30 June 2024.
- Efficiency expenditure level (expenses per property assessment) has increased by 9% in response to the 33 per cent increase in depreciation and one-off expenditure for the settlement payment of the cemetery services transfer.
- Recurrent grants per head of municipal population have spiked in response to the return of the Financial Assistance Grants being received in advance, which did not occur in the 2023-24 financial year.
- Asset renewal and upgrade have declined to 66% for 2024-25 because of the asset revaluation increases impacting Councils depreciation expense and the capitalisation of new assets.
- Unrestricted cash has improved, increasing from –9% due to the exclusion of $36 million in term deposits from cash to 37% for the 2024-25 financial year.

Council waste diversion from landfill decreased for the 2024-25 financial year to 70%, down from 75% in 2023-24. This is due to a 6% decrease in the volume of recyclables collected through kerbside bins, consistent with the introduction of the Container Deposit Scheme.

Sustainability Implications

There are no sustainability implications associated with this report.

Finances

The costs associated with the development of the 2024-2025 Financial Statements and Performance Statement have been factored into the operating budget of the Finance department. This includes staff costs and the VAGO audit fees.

Stakeholders

Council is responsible for the preparation of the statements. The Auditor-General is responsible for auditing the statements and providing audit reports which are included in Council's Annual Report. The Annual Report is a public document and is published on Council's website.

Conclusion

Before Council considers and provides 'in-principle' approval for the financial and performance statements, the Audit and Risk Committee reviews and discusses the statements with the Auditor present. The Committee then makes a recommendation to the Council as to whether the Council should approve the statements 'in-principle'.
Once Council approves the statements 'in-principle' and authorises two Councillors to sign the statements, the statements are presented to the Auditor-General for the issuing of audit certificates. These certificates will be published along with the statements in the Annual Report.
The 2024-2025 Annual Report will be presented to Council for endorsement at the 15 October meeting.
Council needs to adopt the recommendation to finalise the 2024-2025 financial and performance statements.

Governing Documents

Local Government Act 2020

Attachments

1. Draft 2024-25 Financial Statements [**8.3.1** - 54 pages]
2. Draft 2024-25 Performance Statement [**8.3.2** - 19 pages]

Statutory Reports

9 Statutory Reports

10 Urgent Business

11 Mayoral Announcement of Next Meeting of Council

The next Council Meeting will be held on 15 October 2025 at Berninneit, 91-97 Thompson Ave, Cowes commencing at 1.00pm.

12 Meeting Closed

That the meeting be closed.