

WARRNAMBOOL
CITY COUNCIL

Annual Report 2025-2026

Including a Report of Operations, Performance Statement and Financial Report



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Introduction

Warrnambool City Council's annual report comprises a report on operations, financial statements and a performance statement.

Warrnambool City Council acknowledges the Peek Whurrong and Kirrae Whurrung Peoples of the Maar Nation, their land, waterways and skies within the Warrnambool municipality. We pay our respects to their Elders past and present.

Vision

We are a thriving, regional leader, rich in opportunities and committed to fostering a sustainable and inclusive lifestyle.

Our organisation's values

Accountability
We will be responsible and take ownership of our actions and decisions by being ethical, honest and transparent.

Collaboration
We will foster effective relationships through engagement, communication and co-operation, supporting decisions and outcomes for the benefit of all.

Respect
We will treat everyone with dignity, fairness and empathy, providing others with the opportunity to share views and be heard.

Wellbeing
We will commit to providing a safe and healthy workplace that promotes staff engagement, performance and achievement, allowing employees to flourish for the benefit of themselves and the organisation.

Progressiveness
We will evolve and grow by encouraging development, change and continuous improvement in all that we do.





Our Council

The Warrnambool municipality covers an area of 120sqkm and is situated in the Great South Coast region of Victoria, 263km south-west of Melbourne.

Warrnambool City Council includes the City of Warrnambool and the townships of Allansford, Bushfield and Woodford. The estimated residential population is 36,255 and the municipality's population density was 301.25 people per square kilometre. The average household size is 2.32 and the median age is 42.

Warrnambool serves as a centre for a regional population of about 120,000 people.

It contains the South West Institute of TAFE, a Deakin University campus which includes a School of Medicine and a base hospital which is part of South West Healthcare.

The major employment sectors are health care and social assistance, retail, manufacturing, education and training, construction and accommodation and food services.
Warrnambool has a moderate climate with an average maximum summer temperature of about 24°C, while the average winter maximum is about 14°C.

Stunning Lady Bay provides a focal point and major attraction for residents and visitors and in winter and spring the bay is home to southern right whales and their calves.

Along with the natural attractions visitors are drawn to events in Warrnambool including the speedway car racing, May Racing Carnival and surf lifesaving events.

The region also features some of Australia's most fertile agricultural land much of which is dedicated to dairy and beef production. Major dairy manufacturers and a large meat processor are situated in and around Warrnambool providing a major source of employment.

Warrnambool's total employment is estimated at more than 20,400 jobs and the city's economic output is estimated at $6.276 billion with major contributions from the following industry sectors:

Construction
$1.1billion

Health care and social assistance
$792.5 million

Manufacturing
$743.8 million

Rental, hiring and real estate services
$570.2 million

Retail trade
$384.3 million



McGennan accessible beach access

A new beach access ramp at Lady Bay was officially opened in September 2025. The ramp connects the popular McGennan Car Park to the beach. It is close to accessible parking bays and the recently constructed accessible amenities block.

The project was completed in two stages, the first re-established the dune profile which had eroded over time, while the second involved the installation of the ramp and staircase.

The project was supported by the Victorian Government with $150,000 in funding via the Coastal Public Access and Risk Grants.

Aquazone's 50m outdoor pool

The central bus interchange was moved from Work was carried out in May to extend the life of Aquazone's 50m outdoor pool.



Timor/Gilles intersection upgrade

A city centre laneway and intersection were upgraded to improve safety and accessibility, with De Grandi Lane receiving a significantly wider footpath and the Gilles and Timor streets roundabout renewed with safer pedestrian crossings.

The intersection had deteriorated and was due for renewal, and this project allowed Council to utilise external funding via the TAC Safe Local Roads and Streets Program while making the area safer for everyone.



Koroit and Ryot streets roundabout under construction.

Koroit/Ryot intersection upgrade

The upgraded intersection has improved safety and access for all road users, particularly people walking across Koroit Street to access the hospital precinct, and drivers turning right from Ryot Street onto Koroit Street.

The project involved a new roundabout, pedestrian islands, renewed road pavement, accessible footpaths, kerb and drainage improvements, extra car parking on Ryot Street and the relocation of two bus stops further west on Koroit Street.

The project was supported by a $400,000 grant from the Victorian Government's Safe Local Roads and Streets Program, with Council contributing up to $400,000.



Roundabout construction at the Koroit and Ryot streets intersection.

Botanic Road - Bromfield to Queens

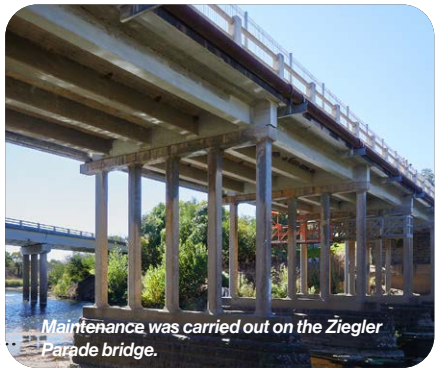
Raised safety platforms were installed on either side of the St Joseph's Primary School crossing on Botanic Road. The road surface between Queens Road and Bromfield Street, which was due for renewal, will also be completely rebuilt.

The safety platforms were supported with funding from the Victorian Government's Safe Local Roads and Streets Program.

Ziegler Parade Bridge maintenance

Repairs were carried out on the bridge's 25 columns, five crossheads (deck supports), 20 beams, 15 diaphragms (deck bracing), as well as sections of the underside of the deck, and the bluestone at the abutments and piers.

The work formed part of Council's commitment to spend up to $400,000 to maintain the bridge up to the end of 2029. Significant work was done on the underside of the deck and all structural components.



Maintenance was carried out on the Ziegler Parade bridge.



Bearing replacement on the Hopkins River bridge.

Hopkins Bridge bearings

Work was completed in February 2025 to replace the bearings on the Hopkins Bridge as part of routine maintenance. The original bearings lasted about 25 years. The work can be done without any changes to pedestrian or vehicle access.

Totally pumped

Warrnambool's first pump track opened on Queens Road in December.

The project was supported by a $150,000 grant from the Australian Government's Local Roads and Community Infrastructure Program and is part of Council's plan to create more active recreation opportunities along the Merri River corridor.

Pump tracks take elements from BMX tracks and skate parks, with riders completing the circuit of berms and rollers using body movements to create momentum instead of pedalling or pushing. They have become popular across Australia as a low-barrier, family-friendly way for people to build skills and confidence on wheels.

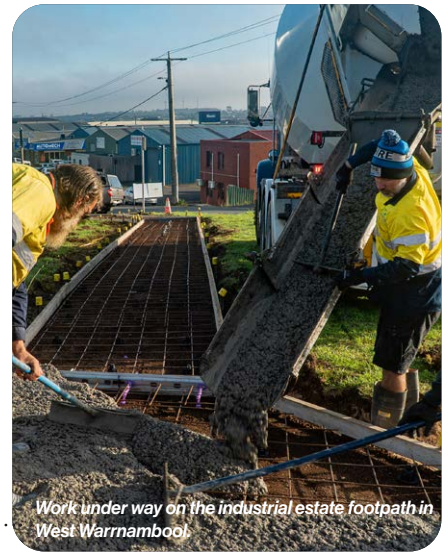


The Queens Road pump track features a continuous concrete loop suitable for beginners through to more confident riders, along with landscaping to improve the surrounding area.

Industrial Estate footpath

Approximately 1.7km of new footpath will link Merrivale Drive with McMeekin Road, Albert Street and Braithwaite Street in the Warrnambool Industrial Estate.

This was Council's largest new footpath project in at least 20 years and will greatly improve safety for people walking in the area.



Work under way on the industrial estate footpath in West Warrnambool.

The new footpath is a $534,000 project and is being jointly funded by Council and the Australian Government via the Active Transport Fund.

The footpath was finished in the second half of 2026.

Frank Street footpath

A new 375m concrete footpath was built in Allansford in early 2026, extending from the rear entrance of Allansford and District Primary School along Frank Street to Tooram Road, then connect to Ziegler Parade and continuing down to Shrader Park.

This project was supported by the Victorian Government via a $50,000 Tiny Towns Grant with Council contributing up to $62,400 to the project.



Work at the Wollaston Road footpath.

Wollaston Road footpath

Approximately 380m of new footpath was built on Wollaston Road, extending the existing path from Ponting Drive up to Cecil Street.

Work began in June and was completed in early September. The project is supported with funding via the Australian Government's Local Roads and Community Infrastructure Program.

Promenade footpath renewal

During the first half of 2026, sections of the promenade have been renewed with new concrete. This work is being done in stages, with each section usually completed within a day, keeping detours on this popular path to a minimum, while each new section improved safety and accessibility.

Work also continued on the multi-year project to renewal Council's CBD footpaths. In 2025-2026 sections completed included:

- Henna Street – Koroit to Lava streets
- Timor Street – footpath at intersection with Gilles and De Grandi Lane



Wollaston Bridge crossheads



Wooles Avenue playground



Lake Pertobe barbecue roof renewal



King and Bromfield streets drainage

Port of Warrnambool gantry

A new fish weighing gantry opened in January at the Port of Warrnambool.

This new weighing facility for recreational anglers enhances the recreational fishing scene by showcasing the quality of fishing catches available in the Warrnambool area.

The project was support with a grant of $74,287 grant from the Victorian Fisheries Authority.



Road resealing program

November marked 10 years of collaboration with Corangamite Shire on joint road resealing contracts.

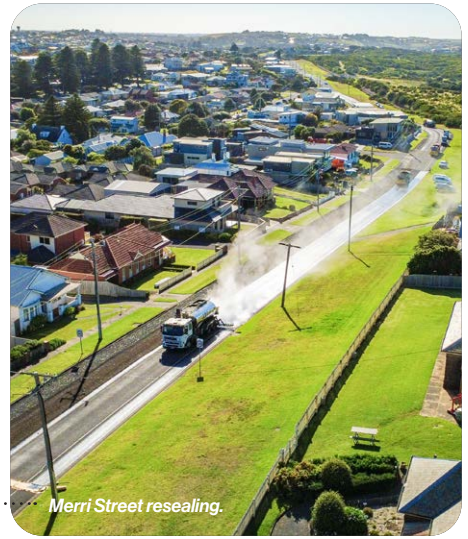
The partnership has saved Warrnambool ratepayers an estimated $900,000 while also delivering savings for Corangamite ratepayers.

In 2025-2026 Council resealed the following roads:

- Lindsay St: Baynes St - Princes Hwy
- Raglan Pde Service Road (north side of Raglan Pde between Rooneys Rd and Caramut Rd)
- Fotheringham St: Caramut Rd - Vickers Dr
- Hopetoun Rd: Chisholm St - Crawley St
- Parker St: Fairfax Ave - Hoddle St
- Watson St: Dickson St - Granter St
- Wellington St: Merrivale Dr - McGennan St
- Essington Ct: Alexandra Cres - Halladale Pl
- Merri St: Kelp St - Foster St
- Barkly St: Nicholson St - Foster St
- Ormsby Ct: Minerva Dr - End
- Sundale Rd: Couch St - Heydon Ave
- Warwick Pl: Queens Rd - end
- Marfell Rd: Hopkins Rd - Point Richie Rd



Fotheringham Street resealing.



Merri Street resealing.

South West Volunteer Expo

Members of 40 local clubs and groups were represented at a very busy South West Volunteer Expo in May.

Hundreds of people keen to give time and experience checked out the many options available to those keen to give back to the community.

For the first time the expo, held in May at the Emmanuel Centre, featured a dedicated youth space with workshops and activities for people aged 12-25.



Fishcare Victoria was one of the organisations represented at this year's volunteer expo.

Top Tourism Town

In July Warrnambool was awarded the prestigious gold medal at the 2025 Victorian Top Tourism Town Awards.

Warrnambool finished ahead of Ballarat and Echuca.

The awards, presented by the Victorian Tourism Industry Council, celebrate the immense value of tourism to towns and communities across Victoria, highlighting the diversity and exceptional regional destinations throughout the state.
The achievement was a testament to the dedication and passion of all those who contribute to making Warrnambool a world-class tourism destination.

This year, over 27,000 votes were cast, with the awards were picked up by numerous media outlets, showcasing the Warrnambool region to more people.



Manager City Activation Paul Thompson, Great Ocean Road Regional Tourism General Manager Liz Price, Cr Vicki Jellie, Flagstaff Hill Service Manager Ash Ansell and Flagstaff Hill Sales and Marketing Coordinator Ash Price with the Top Tourism Town trophy.

Community Development Fund and the Festival and Events Fund

Council's Community Development Fund supports not-for-profit groups based in Warrnambool, to fund projects and activities that contribute to the liveability of the city.

The Festival and Events Fund support events which contribute to the local economy and build the profile of Warrnambool as a vibrant regional city.

Applicant	Project Title	Funding Category	Total CDF Allocated
Warrnambool & District Historical Society Inc.	Into the 1890s: Access to more Standards online	Arts and Culture	$5,000
Warrnambool Theatre Company	My Brilliant Career Production	Arts and Culture	$5,000
One Day Studios	Media Mavericks: Expansion Pack	Arts and Culture	$4,852
Holiday Actors Inc	Holiday Actors Summer Performance '& Juliet '	Arts and Culture	$5,000
Warrnambool City Band Inc	Marimba (keyboard percussion) purchase	Arts and Culture	$5,000
Warrnambool Repair Cafe	Warrnambool Repair Cafe - equipment and training	Environment and Sustainability	$2,806
Beach Patrol Australia incorporated	Enclosed Equipment Trailer for Beach Patrol 3280–3284.	Environment and Sustainability	$4,830
Warrnambool Coastcare Landcare	Infill Planting Downstream Wellington Street	Environment and Sustainability	$2,000
Warrnambool Toy Library	Purchase of new toys	Environment and Sustainability	$5,000
North Warrnambool Eagles Football Netball Club Inc	Construction of an accessible toilet at the Bushfield Community Hall	Minor Capital Works	$10,000
Nestles Rowing Club and Warrnambool Kayak Club	Change room shed upgrade.	Minor Capital Works	$10,000
Russells Creek Club Inc	Multipurpose Community Space	Minor Capital Works	$10,000
Community Radio Endeavour Warrnambool (Trading as 3 WayFM)	Split system in Studio 3	Minor Capital Works	$3,942
Warrnambool Surf Life Saving Club	Tailored equipment for Lifesavers competing in Women's Surf Boat Rowing	Sport and Recreation	$5,000
Hockey South West	Growing Hockey South West	Sport and Recreation	$5,000
Warrnambool Action Squash Club	Increasing youth participation in Warrnambool Squash	Sport and Recreation	$1,500
Warrnambool Swimming Club	Physiotherapy led pilates for adolescent female swimmers	Sport and Recreation	$1,200
South C Dragons Inc.	New Dragon Boat to increase membership and develop competitive edge.	Sport and Recreation	$5,000

Applicant	Project Title	Funding Category	Total CDF Allocated
Warrnambool Wolves FC	Website Development for Warrnambool Wolves FC	Sport and Recreation	$5,000
South Rovers Football Netball Club	Purchase of kitchen equipment to support the sustainability of SRFNC	Sport and Recreation	$5,000
Athletics South West	Track Starter Blocks	Sport and Recreation	$1,017
Warrnambool City Croquet Club Inc	Using modern technology for Club efficiency	Sport and Recreation	$1,000
Archers of Warrnambool	Easy Move Target Stands	Sport and Recreation	$5,000
Southwest Strength Sports Inc	2025 Australia's Strongest Man/Woman Equipment Purchase	Sport and Recreation	$5,000

Festivals and Events Fund recipients

Organisation	Project Title	Total Amount Allocated
Warrnambool Running Club	Warrnambool Running Festival	$10,000
Warrnambool Gift Inc	Warrnambool Gift	$5,000
Warrnambool Moyne and District Cricket Association	WMDCA Centenary Celebrations	$5,000
Warrnambool Agricultural Society Inc	Warrnambool Show	$10,000
Premier Speedway Club Warrnambool	Grand Annual Sprintcar Classic	$20,000
Life Saving Victoria	2026 Victorian Junior Lifesaving Championships	$20,000
Warrnambool Showgrounds Reserve Inc. COM	Warrnambool Rodeo & RSA Finals 2025	$10,000
The F Project	Fabric of Life Festival 2025: "Sustayin' Alive"	$7,595
City of Warrnambool Eisteddfod	City of Warrnambool Eisteddfod 'Dance'	$5,000
Warrnambool Lawn Tennis Club Inc	Warrnambool Lawn Open 2026	$10,000
Dennington Community Association	Carols by the Merri	$1,000
Filipino Community of Warrnambool Incorporated	Filipino Fiesta Warrnambool: An Inclusive Cultural Celebration	$3,050
Armed Vics Incorporated	National Bowling Arm Championships 2025	$6,400
Warrnambool Multicultural Association	Warrnambool Multicultural Festival	$10,000
Warrnambool and District Easter Arts Festival Incorporated	Warrnambool and District Easter Arts Festival	$1,100
Warrnambool Racing Club	May Racing Carnival	$20,000
Warrnambool Citizens Road Race Committee	Melbourne to Warrnambool Cycling Festival	$20,000

Organisation	Project Title	Total Amount Allocated
Extreme Life	Christmas Spectacular	$500
Warrnambool and District Orchid Society	Warrnambool Orchid Show 2025	$1,155
Warrnambool BMX Club	2026 AusCycling BMX State Series - VIC - Warrnambool	$6,034
Corporate Cycling Australia Pty Ltd	Dirty Warrny	$9,010
Warrnambool RSL Sub Branch Inc	Remembrance Day, ANZAC DAY	$10,000



Solstice Search Party

The popular Solstice Search Party returned in June to Lake Pertobe.

Thousands of people rugged up to enjoy a winter sunset and an evening of light, music, food and entertainment.

Neon light sculptures featured and the artist behind the new Warrnambool Railway Station mural, Tyson Savannah, returned as "The Lanternist" with a collection of larger-than-life animal lanterns.

Fire dancers lit up the night while craft activities were on offer children and and a silent disco tour was available for those wanting to groove.

Live music, a huge variety of food vans and a dedicated zone for people with sensory sensitivities completed the event.

Advocacy

Councillors and senior staff made multiple trips to Melbourne, Canberra and Sydney to push for better outcomes for Warrnambool. These delegations included meetings with various ministers and senior government department officials to provide briefings on the city's priority projects.

In addition to advocating as an individual municipality, Council also joined regional and state efforts to lobby for better outcomes for regional Victoria.

This was done though the South West Victoria Alliance, which represents the interests of the Warrnambool, Moyne, Corangamite, Colac-Otway, Southern Grampians and Glenelg municipalities, and through Regional Cities Victoria, which is currently chaired by Warrnambool Mayor Cr Ben Blain.

Among local priorities discussed with Victorian and Australian politicians were an upgrade of Aquazone, a community hub at Brierly Recreation Reserve, a new Surf Life Saving Club building and renewal of the Logans Beach whale viewing platform. The South West Victoria Alliance has called for a $1 billion Regional Growth and Liveability Fund for economic development and productivity projects, and community infrastructure and liveability projects.. Regional Cities Victoria is backing the Regional Growth and Liveability Fund and also calls on the Victorian Government to invest an extra $500 million a year over four years to fix local and declared (state) roads, above and beyond the Victorian Government's existing almost $1 billion annual regional road maintenance program.



Mayor Cr Ben Blain with the then Victorian Housing Minister Harriet Shing.



Cr Ben Blain with Climate Change and Energy Minister Chris Bowen.



Cr Ben Blain with Senator Raff Ciccone.



South West mayors meeting member for Wannon Dan Tehan.



Then Victorian Opposition Leader Brad Battin, Football Victoria CEO Dan Burrell, Mayor Cr Ben Blain, Roma Britnel MP, Football Victoria's Lachlan Cole and Cr Willy Benter.



Cr Ben Blain (far right) with Warrnambool soccer and cricket representatives met Roma Britnell MP and Opposition Leader Jess Wilson to discuss the community hub with accessible changerooms proposed for the Brierly Recreation Reserve.



Cr Willy Benter, member for South-West Coast Roma Britnell and Cr Ben Blain.



Cr Ben Blain, Member for Western Victoria Jacinta Allan and Cr Willy Benter.



Member for Western Victoria Bev McArthur talking to Councillors at Brierly Reserve.



Cr Blain with Senator Anthony Chisholm.



Wodonga Mayor Cr Michael Gobel, Minister for Regional Development, Local Government and Territories Kristy McBain and Cr Ben Blain.



Darren Chester, Cr Ben Blain and Cr Michael Robel (Wodonga).

Sister cities visit

For the first time since 2014 a Council-led delegation journeyed to Japanese sister city, Miura.

The trip also included a visit to Chinese sister city, Changchun, which was Council's first visit since 2018.

Warrnambool's sister city status with Miura was formally established in 1992, with a focus on education and cultural exchange. Over the years a number of Warrnambool residents have enjoyed cultural exchanges through study or employment.

Warrnambool's relationship with Changchun was formalised in 2012 and has a focus on culture and economic development.

Accompanying the Mayor Cr Ben Blain on the trip were Chief Executive Officer Andrew Mason, Great Ocean Road Regional Tourism General Manager Liz Price, Corangamite Shire's Manager Economy and Prosperity Katy McMahon.
Warrnambool hospitality operator Jon Watson wase part of the Miura visit.

The delegation will met representatives of the Victorian Government's "Global Victoria" initiative in Tokyo.

The delegation also visited Shanghai and Beijing and toured Vic House, a showroom and event space in Shanghai where Victorian goods are displayed and where producers can connect with Chinese buyers.

Note: Cr Blain and Mr Mason paid for their own flights and intercity train travel.



Miura Mayor Kaichi Deguchi officially welcomes Cr Ben Blain to Miura.



Cr Ben Blain with Changchun City Vice-Mayor Ruan Ganghui.

Citizen of the Year awards

In January physician and gastroenterologist Dr Barry Morphett was declared Warrnambool Citizen of the Year.

Dr Morphett was instrumental in establishing Deakin University's medical training in Warrnambool including the clinical school based at South West Healthcare.

Quality training and being part of the Warrnambool community are key strengths of the Deakin program which increases the chances of graduates remaining or returning to the South West to practice.

Other award winners included Young Citizen of the Year Meekah Merriman, Local Achiever Bruce Morton and the Life Saving Victoria Senior State Championships hosted by the Warrnambool Surf Life Saving Club, which was the Community Event of the Year.

Ms Merriman, a Warrnambool College Year 12 student and proud young Indigenous woman was recognised for her cultural storytelling, artistic contributions and advocacy for young people.

She was one of four students who worked with teacher Anthea Rafferty and artists Sherry Johnstone and Mel Steffensen to create the Six Indigenous Seasons corten steel artwork at Warrnambool College. The artwork represents the six seasons observed by Peek Whurrong People for thousands of years and recognises their deep connection with Country and living their lives in harmony with the changing seasons.

Mr Morton was recognised for his work with the Warrnambool Toy Library where he has voluntarily repaired hundreds of toys over the years.

The Life Saving Victoria Senior State Championships brought more than 1000 people to Warrnambool across the three-day carnival, with competitors travelling from across Victoria to take part in beach, sand and boat events.



Mayor Cr Ben Blain with Citizen of the Year Barry Morphett.



Local Achiever Bruce Morton with Cr Ben Blain.



Cr Ben Blain with Young Citizen of the Year Meekah Merriman.



Cr Ben Blain with Young Citizen of the Year Meekah Merriman.

Warrnambool's first pocket forest

In June about 500 native trees, shrubs and grasses were planted at Warrnambool Community Garden, marking the start of Warrnambool's first pocket forest.

Pocket forests use what is known as the Miyawaki method, which involves intensive soil preparation and dense planting to help young trees and shrubs establish more quickly.

This allows them to provide the benefits of food, shelter and habitat to native wildlife sooner than traditional plantings.

Warrnambool City Council and the Warrnambool Community Garden successfully applied for a Bupa Healthy Cities Landcare Grant to fund the project.

Civic Green improvements

The Civic Green received an upgrade that included improved paving, seating and power supply.



Plaque remembers East Warrnambool Football Netball Club legacy

After the East Warrnambool Football Netball Club officially disbanded in late 2025, Council worked with the club on a plaque to recognise the club's history, which spanned more than 120 years.

In May the plaque was officially unveiled at Reid Oval.



Unveiling of the plaque at Reid Oval for the former East Warrnambool Football Netball Club.

Inaugural Youth Advisory Board

Warrnambool's young people were given a greater say through the establishment of a Youth Advisory Board (YAB), in partnership with Moyne Shire.
The YAB was the first initiative implemented from the Moyne and Warrnambool Youth Strategy, adopted by both Councils in early 2025.
Applications for the YAB were open to anyone aged 16 to 25 years who lives, works, studies or plays in Moyne or Warrnambool.
YAB members meet every two months in the first year received $35 per hour to discuss upcoming Council projects and provide advice on ways to make them as relevant and engaging for the region's youth as possible.

Members also receive training in leadership, advocacy and public speaking.
Funding for the program is through the Victorian Government's Engage! program.

Financial summary

Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the financial statements and performance statement sections of this report.

Operating position

Council achieved a surplus of $3.3 million in 2025-2026. This surplus is lower than the previous year's surplus of $11.9 million and the budgeted surplus of $7.5 million.

Council's operating surplus was $4 million lower than budget, due mainly to lower capital grant income and higher delivery costs including employee expenses, depreciation, materials and services. The result also reflects $4.5 million in project expenditure that had originally been budgeted as capital works but was required under accounting standards to be reported as operating expenditure, and the delivery of $1.2 million in projects carried forward from 2024–2025.

These impacts were partly offset by the early receipt of $4.8 million in Victorian Local Government Grants Commission funding for 2026–2027, as well as $4.5 million in non-cash developer contributions above budget. Council received additional investment revenue of $600,000 resulting from higher interest rate returns and investment balances during the year and recognising the support from volunteers of $417,000.

The result was also impacted by a net loss on the disposal of property and infrastructure assets. This included the write-off of infrastructure assets removed as part of renewal and upgrade works totalling $1.2 million, along with the disposal of three Koroit Street properties. The Koroit Street properties generated proceeds of $1.2 million; however, as the properties had a carrying value of $2.2 million, this resulted in a net loss on disposal of $1million.

For 2025–2026, Council recorded a negative underlying result of $7.7 million compared with $3.6 million in the previous year. The underlying result removes capital grants, developer-contributed assets and other one-off or non-cash items to provide a clearer view of Council's recurring operating performance. A negative underlying result means Council's day-to-day operating costs were higher than its recurring operating income for the year, after allowing for depreciation expenditure. Depreciation costs have increased because the replacement cost of Council's asset and infrastructure base has risen, including through indexation and asset valuation movements.

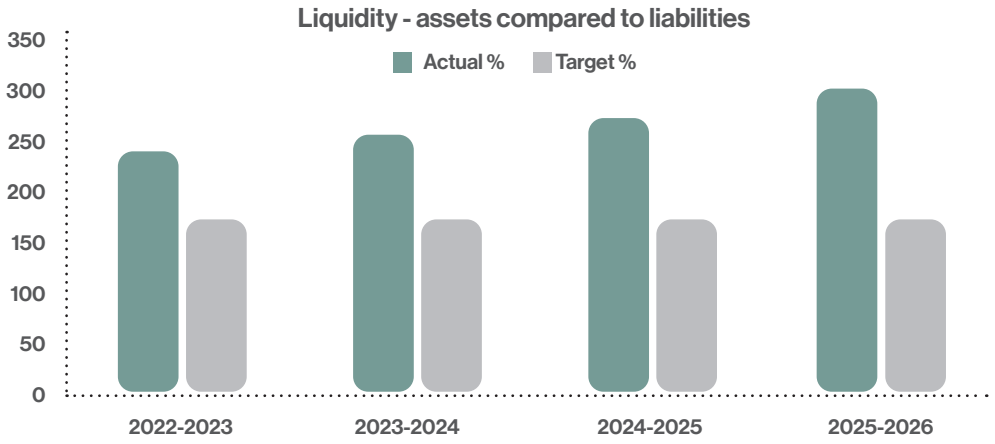
The adjusted underlying result highlights an issue being faced across the local government sector, as councils continue to manage rising costs, ageing infrastructure, increased depreciation, constrained revenue growth under rate capping, and uncertainty around the timing of government grant funding. While Council's overall financial position remains sound, this result highlights the need to continue carefully balancing service delivery, asset renewal, cost control and long-term financial sustainability.

Liquidity

Cash and cash equivalents increased by $2.5 million compared to the previous year due to receiving $4.8 million from Victoria Local Government Grants Commission in advance for 2026-2027 offset by increased investments of $6 million and net cash inflow from other activities of $3.7 million, primarily due to lower capital works expenditure, with several projects delayed or carried forward to future years.

The working capital ratio, which measures the ability to meet current commitments by comparing current assets to current liabilities, is 301.98%, exceeding the target range of 175% and indicating a strong position and an improvement from the prior year.

Of the cash and investment funds, $17 million is committed to incomplete projects scheduled for delivery in 2026–2027 and reserves, $20 million.





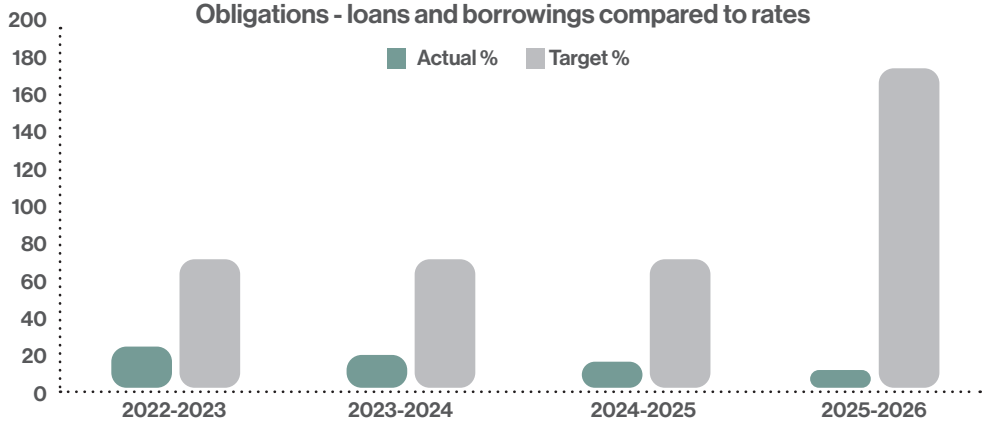
Obligations

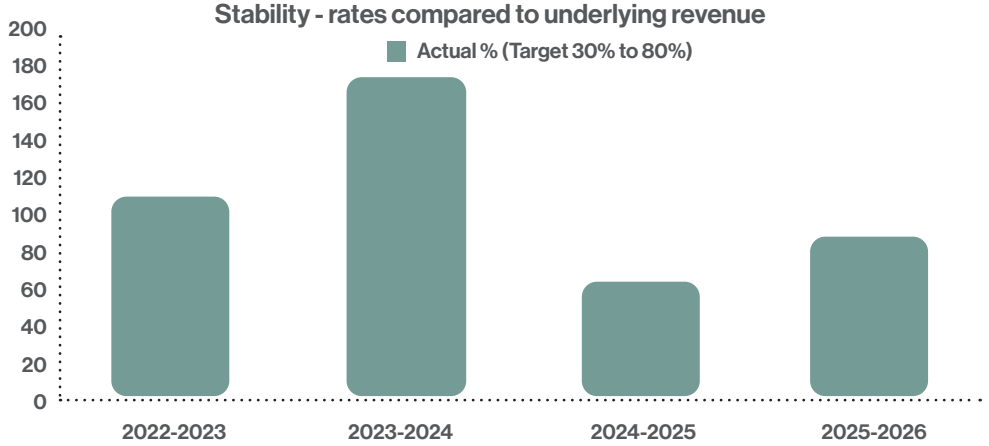
Council is committed to maintaining infrastructure assets and progressively closing the renewal gap while continuing to deliver community services. The renewal gap indicator reduced this year, primarily due to higher depreciation costs following asset revaluations undertaken in 2024–25 and 2025–26 and the timing of delivery for multi-year renewal projects. Council has carried forward the budgeted contributions to renewal from this year to undertake further gap reduction efforts in 2026-2027 with significant projects to be completed post year end.

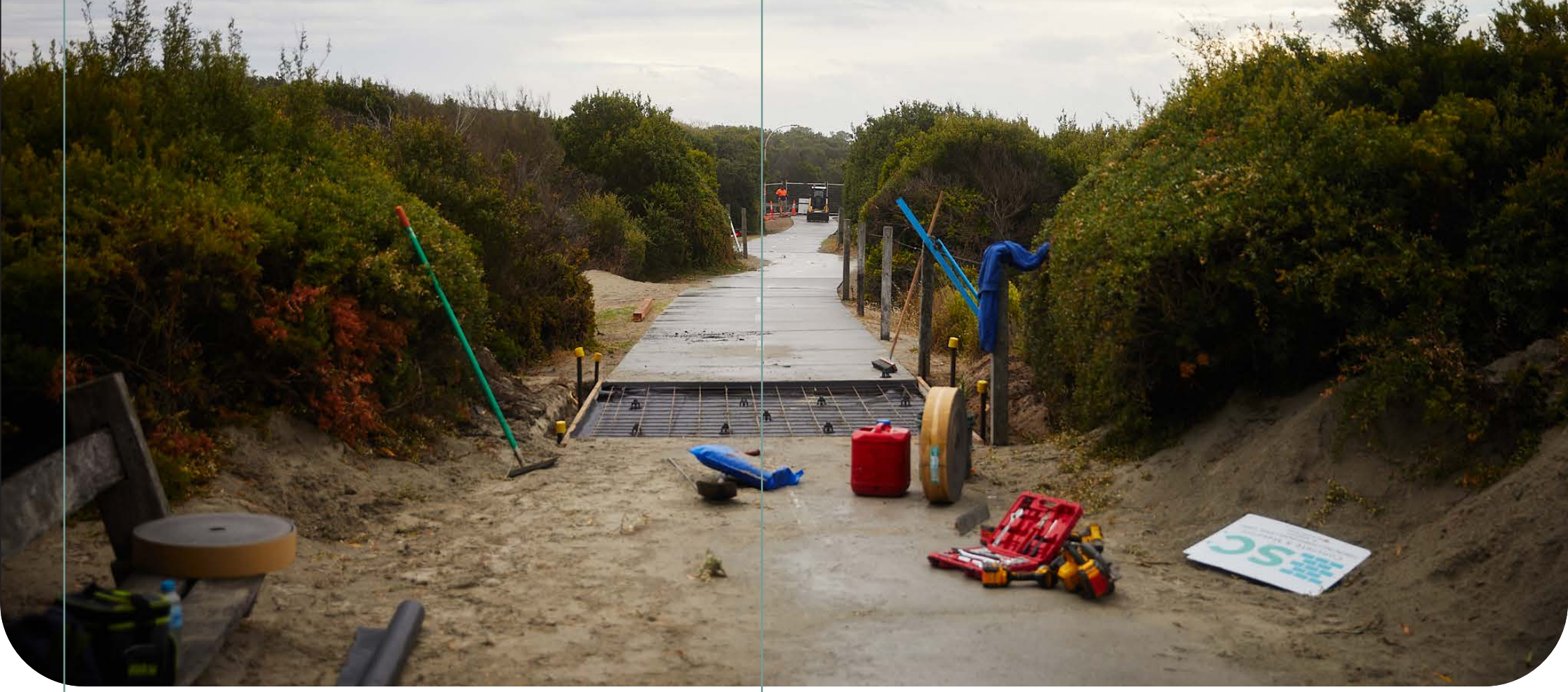
Council reduced its debt in 2025-2026 with $1.5m repaid during the year. No new borrowings were undertaken. Council maintains a conservative loan position to ensure appropriate borrowing capacity remains for important generational infrastructure projects if required in the future. The repayment obligations compared to rates revenue reduced slightly to 3.20% and remains well below the permitted ratio of 20% with debt borrowing to total rates revenue ratio reducing to 10.48%. This remains well below the industry-permitted borrowing ratio.

Stability and Efficiency

Council continues to maintain a strong and sustainable revenue base, with most income derived from rates, statutory fees and fines, operational grants, and contributions. The rates concentration ratio compares rate revenue to adjusted underlying revenue. The ratio improved slightly to 49.29% and within the target range of 30% to 80%. Rates were increased by 3% in 2025-2026 which aligned with the Essential Services Commission rate cap.







Challenges and future outlook

The conflict in the Middle East and the closure of the Strait of Hormuz resulted in large fuel increases that impacted Council's fleet costs from March 2026.

Along with an increased cost to operate the Council vehicle fleet, the cost of some capital works projects also increased, including work on the roundabouts at the intersection of Ryot and Koroit streets and at Gilles and Timor streets.

The rising fuel prices added impetus to the continuing electrification of the Council light vehicle fleet, which now includes several fully electric, plug-in hybrid and hybrid vehicles.

Rate capping and cost-shifting continue to be a challenge for Local Government in Victoria, particularly in relation to keeping pace with the renewal of older assets and the construction of new infrastructure for a growing population.



The year in review



Message from the Mayor

It was an exciting 2025-2026 and it began with a huge accolade: Warrnambool was named the 2025 Victorian Top Tourism Town.

The Victorian Tourism Industry Council award acknowledged Warrnambool's appeal as a visitor destination and was a testament to the dedication and passion of all the incredible people who contribute to making Warrnambool such an attractive place to visit and to live.

In August we delivered the largest round of community grants to date, providing $311,991 to 47 local groups and events.

Twenty-five local clubs, organisations and groups shared in $121,147 through the Community Development Fund, while 22 events received a combined $190,844 from the Festivals and Events Fund.

We embarked on numerous strategic planning efforts and sought the community's input on projects including the North Merri Open Space Master Plan, the long-term land use strategy Warrnambool Futures, the Health Warrnambool Plan and the kerbside waste collection service.

We also encouraged residents to have a say on the East of Aberline Precinct Structure Plan proposed by the Victorian Government. This is an area in Warrnambool's north-east that will be home to about 12,000 people in years to come.

In a first for the City we adopted the Creative Warrnambool Strategy. The strategy is Council's commitment to work with the community to make our local talent more visible and to help connect creatives with people, spaces and opportunities. The first initiative emerging from the strategy was the Live Music Action Plan and the 2025 Warrnambool Live Program – a series of music events staged in the CBD across October and November.

On the advocacy front, we understand funding for the regions has been limited in recent years but we continued to lobby hard on behalf of the community.

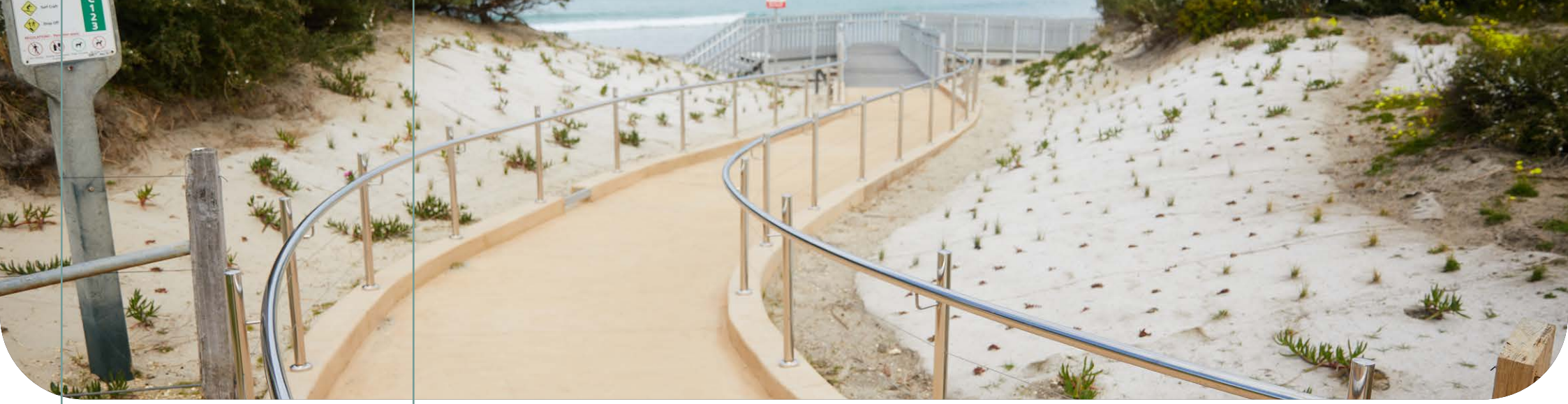
Councillors and senior staff made numerous trips to Melbourne, Canberra and Sydney to present arguments in support of the city's priority projects including a community hub with female-friendly changerooms at Brierly Recreation Reserve, an upgrade of Aquazone, a new building for Warrnambool Surf Lifesaving Club, affordable housing and an upgrade of the Logans Beach whale viewing platform.

It was a year with plenty of positives for Warrnambool. We hosted a Red Hot Summer tour concert – and later locked in a further three Red Hot Summer concerts; we responded to the community's call for a new roundabout at the intersection of Koroit and Ryot streets and we continued to roll out new footpaths in areas chosen by the community and listed in our Principal Pedestrian Network Plan.

I want to thank the people across the municipality for your support of Council and in particular the many people who volunteer time to the diverse range of organisations and programs that make our city such an amazing place to live.

Cr Ben Blain
Mayor
Warrnambool City Council





Message from the Chief Executive Officer

A number of fantastic initiatives were rolled out over the year that enlivened the economy, helped boost our status as a visitor destination and contributed to our city's reputation as a great place to live and work.

From the inaugural Twilight Dessert Night in December and the Warrnambool Gift Card to another successful Solstice Search Party and the city's first pump track there was a huge amount of activity covering capital works, culture and the wellbeing of the city and its people.

Council was able to acknowledge the difficulties drought conditions placed on farm owners and applied a rebate of 40 per cent to farm land in Warrnambool, made possible through the Victorian Government Drought Support Package.

Although the Warrnambool municipality covers just 120sqkm, there were 183 properties which received the rebate.

Council also sold three adjoining houses in Koroit Street that were surplus to Council needs. They were originally purchased by Council because of the flood risk however significant drainage improvements had since reduced the risk and selling these properties made them available for development or for the rental market.

Despite the oil crisis we were able to negotiate positive outcomes on capital works projects. Our ongoing transition to operating an electric vehicle fleet will also go some way to protecting us against the volatility of fuel prices.

During 2025-2026 we continued to work on the shared enterprise software project – Coastal Connect – that involves a partnership with Moyne and Corangamite municipalities. This work led to the "go live" of the first stage of the project in July 2026. The shared project means shared expertise and knowledge which will allow each Council to

We remain in a sound financial position but as with other Councils we are conscious that rising cost of materials and rate capping will present challenges when it comes to closing the asset renewal funding gap. We also need to be flexible when it comes to seeking funding for projects. We revised the design and costings for the Brierly Recreation Reserve Community Hub and have advocated for the Aquazone upgrade to be done in two stages.

I'd like to acknowledge the work Councillors, the staff, the many Council volunteers for their efforts to ensure that Warrnambool City Council meets its vision to be a thriving regional leader, rich in opportunities and committed to fostering a sustainable and inclusive lifestyle.

Andrew Mason
Chief Executive Officer
Warrnambool City Council





Description of Council operations

Warrnambool City Council provides a diverse range of services which include: the building and maintenance of municipal roads, parks and gardens, footpaths, cycling paths, public amenities, a regional airport, waste management, tourism and economic development, local laws, home support, early childhood and family services, immunisation services, recreation services including sporting facilities, planning, a live performance theatre, aquatic centre, community centre, neighbourhood house, youth services, art gallery, sporting stadium, a visitor information centre and maritime village tourism attraction.

Key infrastructure assets include 342km of sealed roads, 30km of unsealed roads, 515km of kerb and channel, 30 pedestrian bridges, 17 major culverts, 11 road bridges, 399km of pathways, 261 major buildings, 79 minor structures, 70 playgrounds, 52km of fencing and walls, 342km of drainage pipes, 13,155 stormwater pits, 3.2km of tunnels, more than 19,000 trees and more than 540 light poles.

Major capital works over the financial year included the construction of a permanent bus interchange in Lava Street. The central bus interchange was moved from Koroit Street (between Liebig and Kepler streets) as part of the City Centre Renewal project, which ran from 2016 to 2017.

While initially a temporary measure, following community consultation, Council decided to make this move permanent, and to seek funding for safety improvements. A public survey completed by over 200 people found that Lava Street was the most preferred location for the interchange.

The project was delivered from late September to mid- December 2025 and included a raised pedestrian crossing, a lighting upgrade, improved drainage, a new road surface and repaired footpaths. Utilities for a new public toilet were also installed in preparation for new facilities in the future. The project was partially funded via a TAC Safe Local Roads and Streets grant.

Other major capital works included the upgrade of a city centre laneway and the Gilles and Timor streets intersection to improve safety and accessibility. De Grandi Lane receiving a significantly wider footpath and the intersection had pedestrian priority crossings installed.

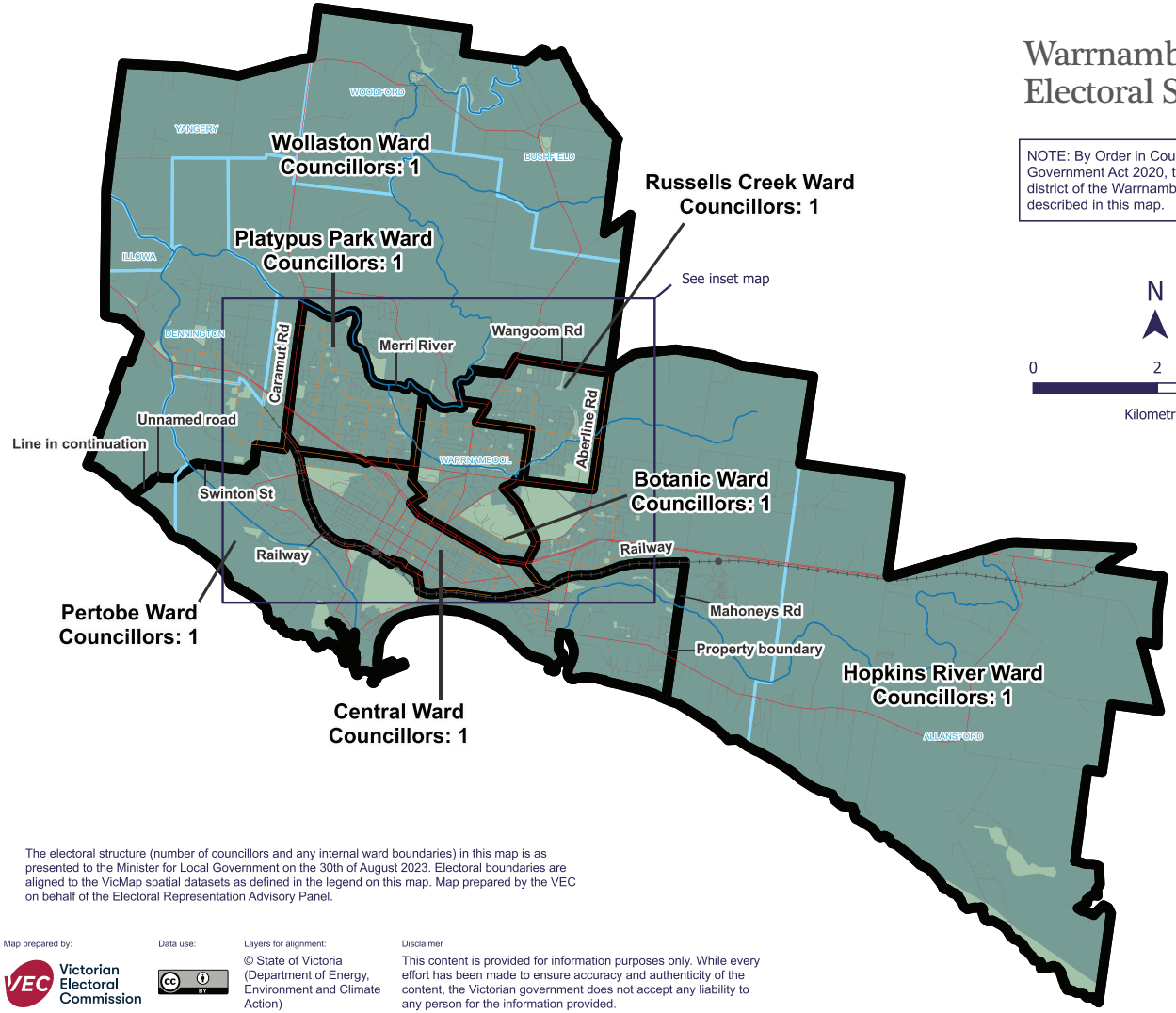
The intersection at Koroit and Ryot streets was upgraded safety and access for all road users, particularly people walking across Koroit Street to access the hospital precinct, and drivers turning right from Ryot Street onto Koroit Street. The project involved a new roundabout, pedestrian islands, renewed road pavement, accessible footpaths, kerb and drainage improvements, extra car parking on Ryot Street and the relocation of two bus stops further west on Koroit Street.

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures.

Council has a wide range of responsibilities under Victorian and Australian legislation.

Our Council

Warrnambool City Council covers 120sqkm in Victoria's South West.
A map of the municipality and its seven wards is below.



Warrnambool City Council Electoral Structure

NOTE: By Order in Council under section 15(1) of the Local Government Act 2020, the electoral structure of the municipal district of the Warrnambool City Council is specified as described in this map.

N

0 2 4

Kilometres

Legend

- Ward boundary
- Freeway
- Main road
- Collector road
- Minor road
- Railway
- Railway station
- River or creek
- Lake
- Park or reserve
- Locality boundary

DATASETS FOR BOUNDARY ALIGNMENT AS AT NOVEMBER 2022

The electoral structure (number of councillors and any internal ward boundaries) in this map is as presented to the Minister for Local Government on the 30th of August 2023. Electoral boundaries are aligned to the VicMap spatial datasets as defined in the legend on this map. Map prepared by the VEC on behalf of the Electoral Representation Advisory Panel.

Map prepared by: Victorian Electoral Commission

Data use:

Layers for alignment: © State of Victoria (Department of Energy, Environment and Climate Action)

Disclaimer

This content is provided for information purposes only. While every effort has been made to ensure accuracy and authenticity of the content, the Victorian government does not accept any liability to any person for the information provided.

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contact@warrnambool.vic.gov.au
www.warrnambool.vic.gov.au

Councillors



Cr Ben Blain - Mayor
Russells Creek Ward
Elected: October 2020, re-elected 2024
Mobile - 0437 900 646
Email - bblain@warrnambool.vic.gov.au



Cr Debbie Arnott
Central Ward
Elected: October 2020, re-elected 2024
Mobile - 0438 034 169
Email - darnott@warrnambool.vic.gov.au



Cr Billy Edis
Botanic Ward
Elected 2024
Mobile - 0428 361 792
Email - bedis@warrnambool.vic.gov.au



Cr Richard Ziegeler
Wollaston Ward
Elected: October 2020, re-elected 2024
Mobile - 0437 928 490
Email - rziegeler@warrnambool.vic.gov.au



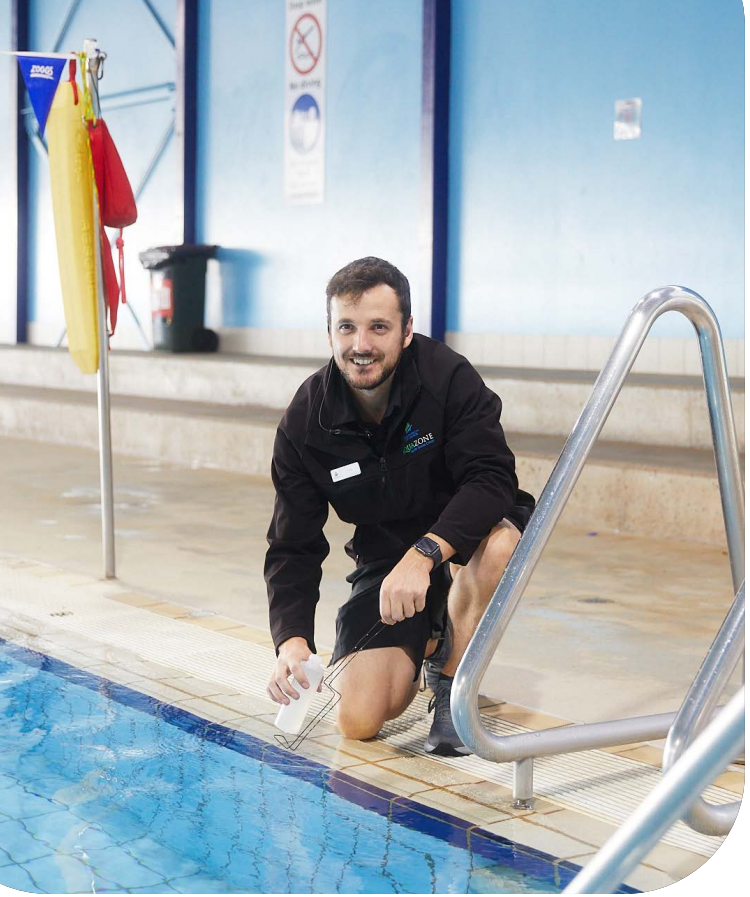
Cr Matt Walsh - Deputy Mayor
Pertobe Ward
Elected 2024
Mobile - 0439 666 731
Email - mwalsh@warrnambool.vic.gov.au



Cr Willy Benter
Hopkins River Ward
Elected 2024
Mobile - 0438 045 880
Email - wbenter@warrnambool.vic.gov.au



Cr Vicki Jellie
Platypus Park Ward
Elected: October 2020, re-elected 2024
Mobile - 0437 937 810
Email - vjellie@warrnambool.vic.gov.au



Section 4. Our people

Organisational structure

The organisational structure described below was operating in 2025-2026.

Four directors and the Chief Executive Officer form the Executive Management Team and lead the organisation. While this annual report was being prepared a new three-directorate structure was introduced. The new structure is available at www.warrnambool.vic.gov.au

Chief Executive Officer
Andrew Mason

Senior officers reporting directly to the Chief Executive Officer

Director City Futures: Luke Coughlan
Areas of responsibility: economic development and investment; city strategy and development; tourism, environmental health, city amenity.

Director City Wellbeing: Brooke Love
Areas of responsibility: community planning and policy, recreation and culture; children's and family services; community strengthening.

Director City Infrastructure & Environment (acting): Julie Anderson
Areas of responsibility: infrastructure services, facilities and projects, environment and sustainability.

Director Corporate Strategies: Peter Utri
Areas of responsibility: financial services, organisational development, communications, community engagement, information technology.

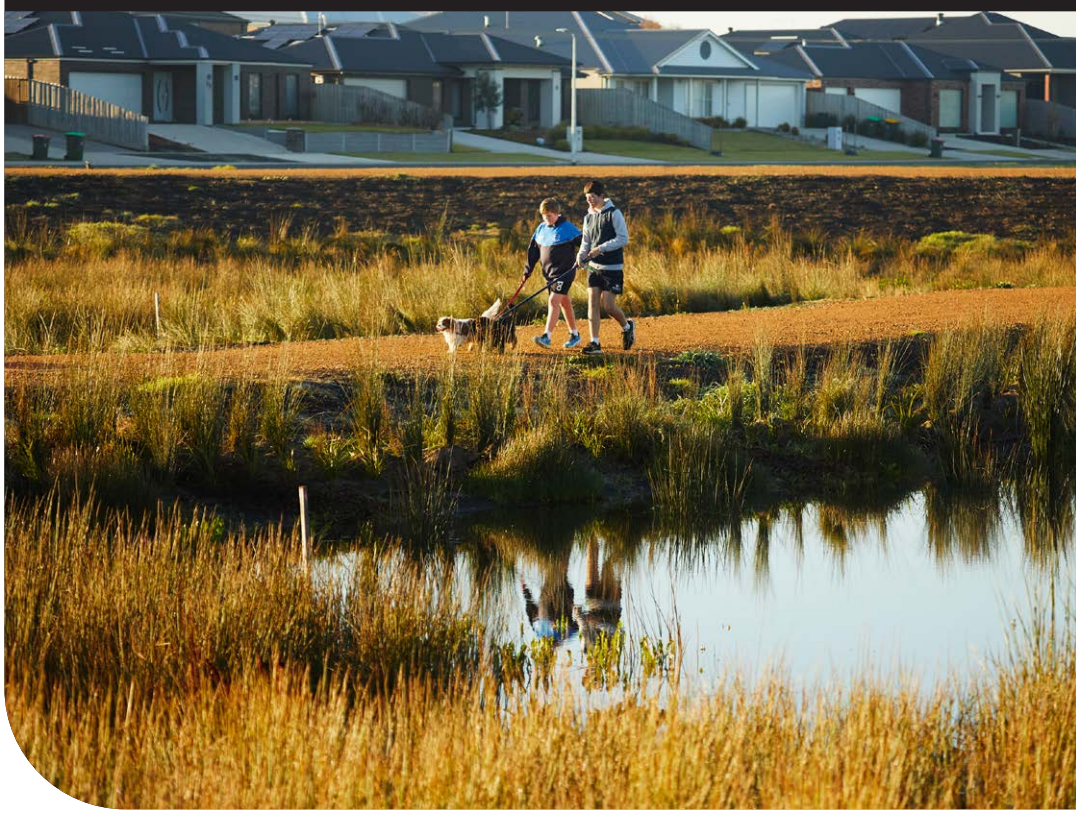
Manager Governance: James Plozza

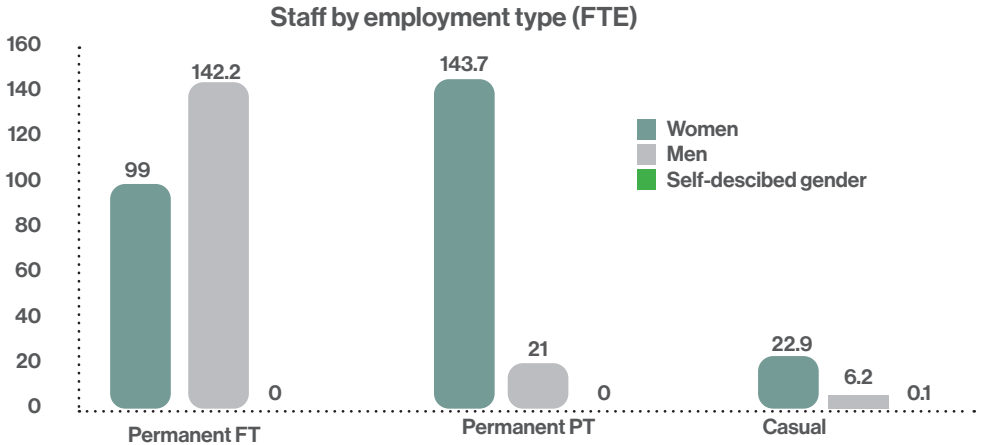


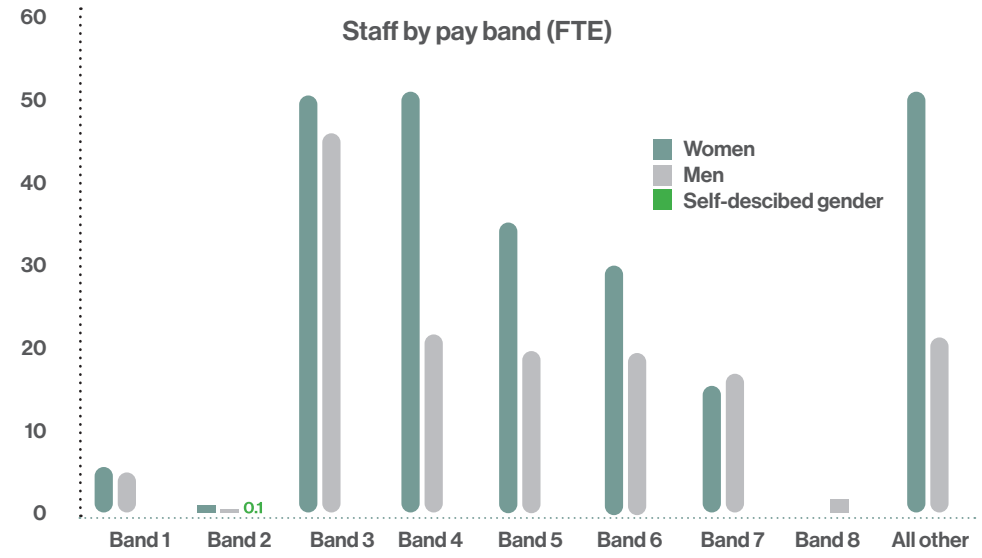
Council staff

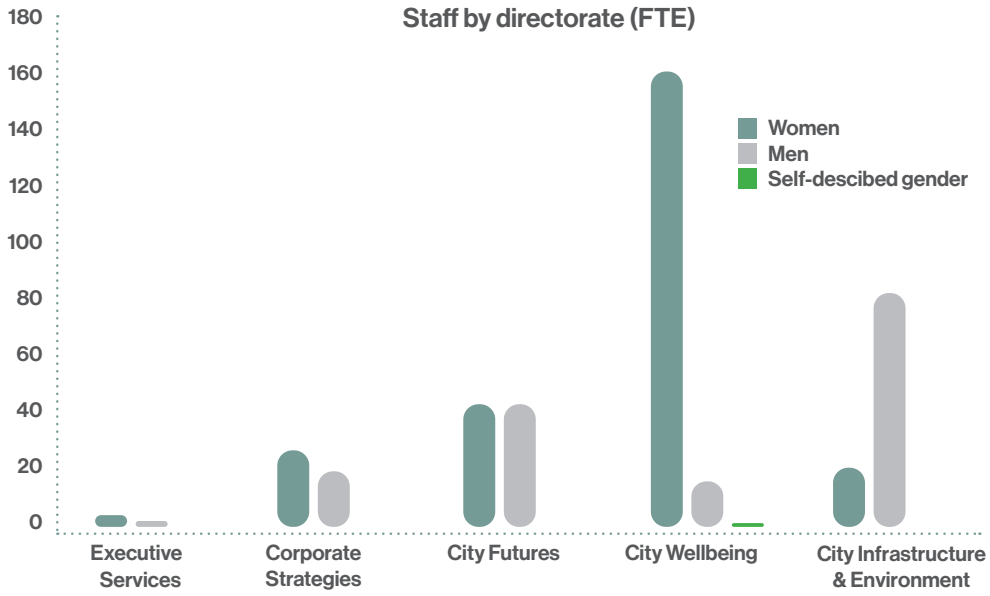
Council has 435.1 full-time equivalent staff comprising 265.6 FTE women, 169.4 FTE men and .06 FTE self-described gender.

The composition of the workforce by employment type, pay banding and directorate is described in the graphs below.











Our Performance

Our integrated planning framework includes the following key documents required under the Local Government Act 2020.

- Warrnambool 2040 - our long-term community vision;
- Council Plan 2025-2029;
- Financial Plan;
- Asset Plan;
- Revenue and Rating Plan;
- Annual Budget;
- Quarterly Budget Reports;
- An Annual Report; and,
- Financial policies.

The Act also requires councils to prepare:

- A Workforce Plan;
- A Municipal Health and Wellbeing Plan.

Council Plan 2025-2029

The four-year Council Plan contains the following key objectives:

City Futures – Activating a vibrant, liveable and safe city through enhancing outcomes for all.

City Infrastructure – Renewal and maintenance of Council's infrastructure while balancing the needs of our growing city through sound asset management.

City Sustainability – Caring for our natural environment by promoting energy efficiency, best practice circular economy and embracing new technology.

City Wellbeing – Working to enable everyone at every stage of life to participate in welcoming and inclusive environments which foster learning connection health and wellbeing.

City Leadership – We will advocate for our community, operate efficiently, maintain sound governance, care for our team, and embrace a rapidly changing technological landscape.

The Council Plan is accompanied by an Annual Action Plan that sets out the actions to be delivered within the financial year.



Our Performance



City Futures

Activating a vibrant, liveable and safe city through enhancing outcomes for all.

Strategic indicators

The following statement reviews the performance of Council against the Council Plan including results in achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator/measure	Result	Comment
Business and community development and tourism – Community Satisfaction Survey	60	Two points above the regional city average
Developing and promo ting the local economy – Community Satisfaction Survey	55	One point below the regional city average.
Planning for population growth – Community Satisfaction Survey	52	Three points below the regional city average.
Planning and building permits – Community Satisfaction Survey	50	Four points below the regional city average.
Council's general town planning policy – Community Satisfaction Survey	48	No regional city average available for this measure.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2025-2026 budget.

Major initiative	Progress
Completion of the Key Worker Accommodation Project.	Contracts developed for civil works, design and construction of cabins. Contracts awarded in August 2026.
Development of the Warrnambool Futures long-term land use plan.	

Services
The following statement provides information in relation to the services funded in the 2025-2026 budget and the people or sections of the community who are provided the service.

Services

Activity	Description	Net cost Actual Budget Variance $'000
Statutory	This service provides statutory building services to the Council community including processing of building permits.	-84 -188 **104**
City Strategy & Development	This service prepares and processes amendments to the Council Planning Scheme. This service processes statutory planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Council's Planning Scheme, prepares major policy documents and processes amendments to the Council Planning Scheme.	-1,416 -1,530 **114**
Warrnambool Livestock Exchange	The South West Victoria Livestock Exchange ceased operating during 2022-23. Ongoing costs relate to site maintenance only.	-49 -47 **-2**
Holiday Parks	Provides affordable holiday accommodation that is modern, clean and well maintained in a family orientation atmosphere.	1,529 1,493 **36**
Flagstaff Hill Maritime Village	A City and Regional tourism hub open 364 days of the year that includes a Visitor Information Centre and Flagstaff Hill Maritime Village, which tells the maritime history of the region during the day and a "Shipwrecked" Sound & Light laser show in the evening.	-905 -951 **46**
Econcomic Development	Includes the industry and business support, research and statistical analysis and project development which underpin economic development.	-901 -886 **-15**
Port of Warrnambool	Council manages the City's port facility on behalf of the State Government.	-16 27 **-43**
Festivals and Events Group	Delivers a range of promotions, festivals and events along with attracting events to the city to deliver economic benefits.	-1,240 -1,325 **85**

Activity	Description	Net cost Actual Budget Variance $'000
Art and Culture	Provision of high-quality venues where people can see, present and explore the arts, ideas and events provided at the Art Gallery and Lighthouse Theatre.	-1,324 -1,215 **-109**
Health Services	Administrations of legislative requirements pertaining to public health, immunisation and food premises.	-419 -411 **-8**
Regulatory Services	Local laws enforcement including parking fees and fines, public safety, animal management and traffic control.	1,529 1,704 **-175**

Service performance indicators

The following statement provides the result of the prescribed service performance indicators and measures including explanation of results in the comments.

Results

Service indicator/measure	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	 Actual	Comments
Animal Management						
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	100%	N/A	100%	One prosecution case was pursued during the year with a successful outcome.

Food Safety						
Health and safety Critical and major non-compliance outcome notifications [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	50.00%	96.63%	97.10%	N/A	98.00%	50 major or critical non-compliant notifications were received in the calendar year. One remained outstanding which will be followed up in 2026.
Statutory Planning						
Service standard Planning applications decided within required time frames [(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	66.97%	86.59%	77.56%	80.00%	80.97%	More stability in staff over the past 12 months with no vacancies.

Complete Progress Incomplete Withdrawn or on-hold

City Futures strategy 1.1: **Our City activates and promotes local culture and art.**

No.	Action	Progress	Indicator	Report
1.1.1	Deliver actions from the Art Gallery Strategic Plan in line with the Warrnambool Destination Action Plan.	100%		Warrnambool Art Gallery exhibition Kait James: Red Flags continues its three-year national tour. Currently in Tamworth, before travelling to Adelaide, Geelong and Tasmania throughout the remainder of 2026 and 2027. Following subsidised bus travel for public schools in south-west Victoria, the gallery's school engagement increased by 100% in Q3 & Q4, compared to 2025. Seven solo exhibitions commissioned in 2025-2026 included three Warrnambool artists: Gus Franklin, Alexandra Peters and Bronwyn Razem.
1.1.2	Progress actions from the Flagstaff Hill reimagining vision and opportunities plan in line with the Warrnambool Destination Action Plan.	100%		This action will continue in 2027, (particularly the "Accessible Element") with the new budget available in the new financial year. Diversifying the Flagstaff Hill offerings in line with the Re-Imagined Plan continue.
1.1.3	Develop a Lighthouse Theatre Strategic Plan.	70%		Strategic consultation process pushed the deadline from the end of June to end of September. Public consultation took place in May and June and closed on June 12. The draft preparation stage began with aim to release a draft for comment at the end of August, with the strategy to be finalised for Council adoption in September.

City Futures strategy 1.2: **Our City puts public health and safety as a priority.**

No.	Action	Progress	Indicator	Report
1.2.1	Review and update the Domestic Animal Management Plan that outlines our approach to domestic animals in the City.	100%		Warrnambool City Council Domestic Animal Management Plan adopted by Council on July 6, 2026.
1.2.2	Review and update the Onsite Wastewater Management Plan which outlines Council's approach to minimising the impact of domestic onsite wastewater systems.	100%		Warrnambool City Council Onsite Wastewater Management Plan adopted by Council on July 6, 2026.
1.2.3	Contribute to and support actions of the Local Community Safety Committee to reduce the impact of antisocial behaviour.	100%		Ongoing attendance and supporting actions at Local Community Safety Committee meetings with VicPol.

Complete Progress Incomplete Withdrawn or on-hold

City Futures strategy 1.3: **Our City plans for sustainable growth while accommodating a changing climate.**

No.	Action	Progress	Indicator	Report
1.3.1	Continue to engage with the Victorian Planning Authority to finalise the East of Aberline Precinct Structure plan and implementation into the planning scheme.	100%		The East of Aberline Precinct Structure Plan (PSP) Advisory Committee hearing held March-April 2026. The Committee report and made recommendations to the Minister for Planning. The Minister will make a final decision and gazette changes to the planning scheme. This is anticipated to occur later in 2026.
1.3.2	Develop the Retail Strategy and progress implementation into the planning scheme.	100%		The Retail Strategy was adopted by Council on March 2, 2026. Draft planning scheme amendment documentation has been prepared and is currently being reviewed.
1.3.3	Develop Warrnambool Futures: a long-term land use plan.	95%		Draft strategy released for final public consultation. Once consultation is finished, all submissions will be analysed and updates made to the draft strategy as required before the draft strategy is presented to Council for adoption.
1.3.4	Deliver the South Warrnambool Flood Study planning scheme amendment.	0%		No further progress required as per Council resolution.
1.3.5	Deliver the Allansford Flood Study planning scheme amendment in line with the Allansford Strategic Framework plan.	80%		Flood investigation nearing completion. Final mapping and reports will be released for public consultation in coming months. Once final consultation is complete, the flood investigation will be presented to Council for adoption.
1.3.6	Finalise the Bushfield Woodford Strategic Framework plan and progress the implementation into the planning scheme.	95%		Final revisions in progress, including liaising with the Department of Transport and Planning. The plan will be presented to Council for adoption in the coming months.
1.3.7	Progress the planning scheme amendment to incorporate the Foreshore precinct plan into the scheme.	45%		Amendment documents are being drafted and reviewed.
1.3.8	Deliver the review and update of the Open Space Strategy.	100%		The Open Space Strategy 2026-2041 was adopted by Council on June 1, 2026.

1.3.9	Continue to be a financial member of Council Alliance for a Sustainable Built Environment and continue to support their advocacy activities.	100%		Council are a financial member of CASBE, and the strategic team attend regular Steering Committee meetings, as well as other meetings to discuss and support CASBE areas of advocacy.

City Futures strategy 1.4: **Our City will continue to advocate for improvements to planning frameworks for growth area developments including Development Contribution Plans.**

No.	Action	Progress	Indicator	Report
1.4.1	Information and options prepared to support planning framework improvements.	100%		This is an ongoing action.

City Futures strategy 1.5: **Our City is activated to be attractive to residents and visitors.**

No.	Action	Progress	Indicator	Report
1.5.1	Distribute the Festival and Events Fund grants which encourage events during winter and other non-peak periods.	100%		Summary of Council supported or delivered events during Q4: April • The Easter Arts Festival Family Day attracted 3000 attendees of which 2000 were visitors. • ANZAC Day Dawn Service saw 2100 attendees. • Up and Away Warrnambool Kite Day attracted 800 attendees. May • The May Racing Carnival saw 29,153 attendees across the three days of which 22,156 were visitors with an average 4-night stay. • Grant writing workshop saw 30 attendees from 13 organisations and community groups. June • The Yoga Festival saw 347 participants with 11% of from Warrnambool, the remaining 89% were visitors staying an average of two nights. • The Brick Show (Lego) at the Lighthouse Theatre attracted 2,000 attendees.

1.5.2	Deliver Solstice Search Party.	100%		Solstice Search Party was held on Saturday June 20, at Lake Pertobe. The 2026 event was the wettest so far but most attendees were undeterred. An estimated 5,000 people attended. The event featured a local music line up, a Welcome to Country by Jess Chatfield and performances from Those Two Guys, MixTape Trio, JAGR and DJ Good Intentions. New attractions included roving fire dancing as well and a thrilling 15-minute main performance. Silent disco tours were a popular and The Friend in Me Sensory van, a space with reduced stimulation that allows people to relax and take a minute before re-entering the party, was well used and made the event more accessible. Other features included neon installations, large scale native animal lanterns, The Nature Bus, One Day Studios glow wall and light projections and Southwest Face Painters. Following an EoI process, Fresh Market curated 16 food vendors. Additional vans reduced waiting times.
1.5.3	Complete feasibility work around an off-leash dog area at the Visitor Information Centre to service and attract a wider cohort of visitors.	50%		Site and requirements confirmed with quotes sourced for fence materials and installation. Target for completion by the September school holidays.
1.5.4	Complete feasibility work around suitable locations for a public dump site.	40%		Work completed looking at various sites around Warrnambool including Flagstaff Hill, the showgrounds and the fish cleaning area at the Breakwater. A report is being prepared to decide whether to progress to Council as an option.
1.5.5	Produce a joint Warrnambool/ Moyne visitor map to enhance destination marketing and promote length of stay.	50%		In-principle agreement with Moyne Shire. Early design plans and scope being developed with completion scheduled for the September School Holidays

Complete Progress Incomplete Withdrawn or on-hold

1.5.6	Develop a night-time economy plan for the city.	100%		The 2026-2031 Night-time Economy Plan has been completed. The plan received strong stakeholder input including: Survey • Responses from 86 Residents, 36 Businesses (Surveys and Face to Face) and 16 Visitors. Workshops • 20 Are Able Employees. • 15 Warrnambool City Council Youth Committee Members. • Attendance at Workforce Australia's Talking Transport Inquiry Session. • Two sessions with WCC staff across Economic Development and Events, Lighthouse Theatre, Warrnambool Art Gallery, City Wellbeing, City Activation. 1:1 Discussion • VICPOL Inspector - Local Area Commander for Warrnambool, Moyne and Corangamite. • Hampden Football Netball League. Main themes and opportunities identified: 1. Improved lighting in the CBD car parks, laneways and areas where people walk to and from venues 2. Develop an online resource for event organisers identifying spaces for small, medium, large events including pop-up events, night markets, live music, street activations and what each space offers i.e. water, electricity, lighting, cover. 3. Continue to collaborate with local businesses to identify activations and campaigns in low peak periods which draw people into the city at night. 4. Identify existing spaces and infrastructure which that could be enhanced to support night-time activities.
1.5.7	Deliver the Holiday Parks Strategic Plan.	100%		Community consultation completed, and final report prepared for Council endorsement in August.

City Futures strategy 1.6: **Our City will be a sought-after destination for visitors.**

No.	Action	Progress	Indicator	Report
1.6.1	Update and enhance the Flagstaff Hill website.	100%		The Flagstaff Hill website was upgraded; the new site went live mid-August.
1.6.2	Refresh the visitor information signs from the west and the north so they become interchangeable.	40%		New signs due for completion by September school holidays.
1.6.3	Engage with Traditional Owners to deliver welcome signage in language at the Visitor Information Centre.	50%		Council has met with Eastern Maar Aboriginal Corporation. This action will continue into next financial year.

Complete Progress Incomplete Withdrawn or on-hold

City Futures strategy 1.7: **Our City encourages workforce attraction and development.**

No.	Action	Progress	Indicator	Report
1.7.1	Deliver training and workshops for local businesses.	100%		Training and workshops for local businesses continued to be well received. Mentoring training was delivered to 15 staff from local businesses and 54 attended across five different workshop themes. Over the year workshop attendees totalled 154 and the one day of business mentoring had 41 attendees. A panel of local businesses shared successes and challenges in June and had 85 attendees. Business-focussed networking breakfasts and lunches had 341 attend over the year.
1.7.2	Deliver, facilitate the Great South Coast Designated Area Migration Agreement and Talent Beyond Boundaries programs and engage and promote Victorian Government skilled migration programs.	100%		Year eight of the GSC DAMA began on March 26. Employer demand remains strong, with 38 positions endorsed during the first quarter. Of these, five were for Employer Nomination Scheme visas, where workers become eligible for permanent residency after two years of employment under a GSC DAMA visa. Applications are being processed for 10 businesses, covering 26 positions. Under the year eight extension, any business covered by an industry labour agreement must use that instrument rather than the GSC DAMA. While this has affected occupations in dairy, agriculture, aged care and hospitality, some exceptions apply. As a result, these occupations remain available to eligible businesses and industries in certain circumstances. Since the program began in 2019, 168 businesses have been supported to apply for labour agreements. This has resulted in 204 workers relocating to the region, accompanied by 229 dependants. Across the first seven years, businesses sought approval to recruit 920 workers through five-year labour agreements awarded under the program. The Commonwealth has indicated its intention for the GSC DAMA program to transition to Victorian Government management. Discussions with the Victorian Government regarding implementation and governance arrangements are ongoing. The Department of Home Affairs has been engaged to clarify requirements for a new GSC DAMA extension.
1.7.3	Promote Warrnambool Live, Work Invest collateral locally and across the state and nation and report engagement across digital platforms.	100%		The website was reviewed to ensure accuracy and currency of data. A new Live, Work and Invest hardcopy booklet was produced. Digital copies were shared with local real estate vendors. Planned distribution of hardcopies to real estate offices across town will take place over coming months. The site continues to be a valuable resource for new business inquiries, investors and developers. Many businesses include the site when advertising job vacancies online.

Complete Progress Incomplete Withdrawn or on-hold

City Futures strategy 1.8: **Our City encourages business growth and development.**

No.	Action	Progress	Indicator	Report
1.8.1	Deliver quarterly business networking functions.	100%		Four breakfast or lunchtime networking events over the year covered a range of topics, guest speakers and drew 341 people. The events included the Mayors Breakfast (105), Geelong Cats Business Breakfast (86), Bendigo Spirit Business Luncheon (65) and Warrnambool Business Owners Speaker Panel (85).
1.8.2	Support business growth through targeted programs and business support activities in line with the Economic Development Strategy and report on metrics.	100%		Better Business Approvals: the Economic Development team received 18 new business or business expansion enquiries over the quarter. The total for the previous past year was 35 enquiries. Warrnambool Gift Card: 727 cards have been loaded since October 2025. This equates to a total load amount of $58,013 which was $5,120 more than the previous quarter. The program is designed to strengthen our local economy by keeping money circulating within Warrnambool, supporting locally owned and operated businesses and encouraging greater community and tourism spend with local traders and less spending online. A new campaign is planned for the end of year period where large businesses will be targeted, along with community, to support local. The completion of the night-time economy plan provided direction on the initiatives Council might consider. These will be included in staff work plans to investigate and implement events and activities supported by business.
1.8.3.	Engage with Global Victoria and Regional Development Victoria to promote opportunities for investment attraction in other markets.	100%		In May the Economic Development team attended the quarterly LGA meeting which featured Regional Development Victoria (RDV) representatives, Moyne Shire, Glenelg Shire, Corangamite Shire and Southern Grampians staff. Updates on key developments in the region and each LGA along with information sharing networking are the primary purposes of the meeting. The Economic Development Team liaised with local RDV, RDA and Global Victoria staff while developing the itinerary for the 17-day delegation to our Sister Cities Miura (Japan) and Changchun (China) in May. The delegation focussed on opportunities in education, tourism, energy, agriculture and community engagement. A meeting after the visit was held in Warrnambool in July with three staff from Global Victoria and the Victorian Commissioner for Trade to China. Opportunities across community, education, energy, tourism and trade were tabled to be explored with both Miura and Changchun. A delegation from Changchun will visit Warrnambool in late August.
1.8.4	Support the development of a visitor economy business reference group to enact Warrnambool destination action plan priorities.	30%		A new sales and marketing position is working with Great Ocean Road Regional Tourism and the Visitor Economy industry. Contact has been made with Greater Warrnambool, a new business interest group.

Complete Progress Incomplete Withdrawn or on-hold

City Futures strategy 1.9: **Our City will create an environment that accelerates delivery of housing across all forms.**

No.	Action	Progress	Indicator	Report
1.9.1	Council will prioritise permit approval that enables subdivision and new housing developments.	100%		This is an ongoing action.

City Futures strategy 1.10: **Our City supports learning and recognises the importance of tertiary and vocational learning institutions including Deakin University and the South West TAFE.**

No.	Action	Progress	Indicator	Report
1.10.1	Support the new Warrnambool Technical School as a member of the project control group to achieve its goal of opening in September 2026.	100%		Manager Economic Development represents Council on the monthly steering committee, providing input and acting as a liaison to areas within council as the planning and construction progresses. The Tech School will open in October delivering programs two days a week to schools across the region before becoming fully operational in term one 2027. The recent sister city delegation met with industry and education representatives from the energy sector.
1.10.2	Promote opportunities for relevant stakeholders to meet with the Deakin Hycel team.	100%		The sister city delegation visited a leading hydrogen company in Changchun. A delegation from Changchun will visit Warrnambool in late August and meet with representatives from Deakin University's Hycel team.

City Futures strategy 1.11: **Our City will support and grow industries that will bring employment and prosperity to the region.**

No.	Action	Progress	Indicator	Report
1.11.1	Promote our investment and attraction package (Live, Work & Invest -warrnambool.com / CBD & City Business Occupancy Report / Economic Data / Land Availability) to key players in relevant government and private sectors who are at the coalface of investment, attraction and development.	100%		The new Live, Work and Invest hardcopy booklet has been produced. Digital copies were shared with local real estate vendors. Copies of the booklet were delivered to real estate offices across town to take place over coming months. The website was reviewed and updated to ensure the economic data is accurate. This is a valuable resource for new business inquiries, investors and developers engaging with Council.

Complete Progress Incomplete Withdrawn or on-hold

City Futures strategy 1.12: Our City celebrates iconic events and attractions that are part of our identity and visitor economy including speedway racing, the May Racing Carnival and our foreshore and beach.

No.	Action	Progress	Indicator	Report
1.12.1	Maintain Councils What's On platform and report on page visitation.	100%		149 events were listed on the What's On calendar for the quarter (April - 128 events, May - 106 events, June - 185 events). Over the past year on the Events and Promotions team has listed 1,339 events on the What's On calendar. This is a significant increase on previous years as the team also focussed on listing Council venue events and proactively looked for events being run by groups and businesses. There were 66,148 clicks on the What's On calendar (April 23,808, May 19,436, June 22,904). Top performing events included the Solstice Search Party 4,895 clicks, Easter Family Fun Day 810 clicks, South West Volunteer Expo 572 clicks and Flagstaff Hill School Holiday Program 480 clicks. Total clicks across the 12 months numbered 272,517.
1.12.2	Promote and support promotional roundabout banners in the city.	100%		Council supports and promotes the roundabout banners as a valuable tool for community and event promotion. This quarter 174 roundabout banners went up (52 April, 66 May and 56 June) promoting 17 events including the May Race Carnival, ALERT, Yoga Festival and Dance Eisteddfod.
1.12.3	Support key events eligible through the annual Festival and Events Fund.	100%		Three events out of the 22 funded via the 2025/2026 Festivals and Events Grants were held this quarter while the Warrnambool Yoga Festival was funded outside the funding round. Key events Council supported which contributed to the local economy and promoted Warrnambool as a regional destination included the Warrnambool May Race Carnival, Easter Arts Festival Family Day and ANZAC Day. The 2026/2027 Festivals and Events Grant opened in May and closed in late June. Over 50 people attended the grant information session that was held and a record number of applications were received (37).
1.12.4	Develop and implement seasonal marketing campaigns which draw back to What's On.	100%		The Embrace the Winter marketing campaign began in June and included Facebook, Instagram, roundabout banners, May Racing Carnival – Electronic Direct Mail, race book, big screen advertisements, Events and Economic Development newsletters, ACE Radio - Hamilton/Portland and Colac, Warrnambool Standard (print, digital) and Eat Play Stay magazine. June social media saw posts reach 83,644 people with 205,990 impressions. The campaign targeted Geelong, Ballarat, Mt Gambier, Bendigo, Portland, Hamilton and Melbourne's west. Festival tiles for May Race Carnival and Storytelling Festival were created on What's On platform to link all events happening within these events.

City Infrastructure

Renewal and maintenance of Council's infrastructure while balancing the needs of our growing city through sound asset management

Strategic indicators
The following statement reviews the performance of Council against the Council Plan including results in achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator/measure	Result	Comment
Appearance of public areas – Community Satisfaction Survey	65	On par with the regional city average.
Parking facilities – Community Satisfaction Survey	50	Two points below the regional city average.
The condition of footpaths – Community Satisfaction Survey	51	Five points below the regional city average.
Condition of sealed streets – Community Satisfaction Survey	49	Two points below the regional city average.
Traffic management	47	Six points below the regional city average.

Major initiatives
The following statement reviews the progress of Council in relation to major initiatives identified in the 2025-2026 budget.

Major initiative	Progress
Construction of the industrial precinct footpath.	Completed in August 2026.
Wollaston Road duplication (Stage 1)	The first section of Wollaston Road between Caramut Roaches roads has been completed.

Services
The following statement provides information in relation to the services funded in the 2025-2026 budget and the people or sections of the community who are provided the service.

Activity	Description	Net cost Actual Budget Variance $'000
Asset Maintenance	This service prepares long term maintenance management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include buildings, pavilions, roads, footpaths and tracks and drainage.	-2,630 -2,708 **78**

Infrastructure Services	This service prepares and conducts capital works and maintenance planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges.	-5,183 -4,302 **-881**
Parks & Gardens	This service covers a range of areas such as tree pruning, planting, removal, planning and street tree strategies, management of conservation and parkland areas, creeks and other areas of environmental significance. Parks management provides management and implementation of open space strategies and maintenance programs.	-6,798 -6,153 **-645**
Warrnambool Airport	This service provides a regional Airport that meets the needs of users and operates as a viable commercial enterprise to the benefit of the region.	-26 -138 **112**

Service performance indicators
The following statement provides the result of the prescribed service performance indicators and measures including explanation of results in the comments.

Results

Service indicator/measure	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Roads						
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	93.56%	89.69%	90.35%	89.69%	91.01%	Based on deterioration of State Roads the forecast was 89.69% however a conditions audit on Council roads in 2025/26 showed the overall condition of roads maintained by Council had not deteriorated as budgeted.

City Infrastructure strategy 2.1: **Our City will prioritise maintaining and renewing existing infrastructure.**

No.	Action	Progress	Indicator	Report
2.1.1	Monitoring existing infrastructure through the State of the Assets Report.	100%		The State of the Assets report was completed and was presented to Council at the May Council meeting.

Complete Progress Incomplete Withdrawn or on-hold

City Infrastructure strategy 2.2: **Our City will have appropriate open space infrastructure to meet the needs of our growing community.**

No.	Action	Progress	Indicator	Report
2.2.1	Council will investigate the need for change facilities for ocean swimmers at the Pavilion.	30%		The changeroom facilities at the Pavilion were inspected. Further discussion with relevant stake-holders will occur.
2.2.2	Complete designs for the pro-vision of shelters over some seats in Liebig Street and over seats along the Promenade.	70%		At Council's request, this item was reactivated, with an investigation into a shelter progressing. A report will be brought to Councillors for consideration.
2.2.3	Advocate for upgrades to the whale viewing platform beach access.	100%		To date, a suitable funding option has not become available. Officers continue to prioritise this project and assess its feasibility as different funding options become available.
2.2.4	Advocate for funding to imple-ment third stage of the Lake Pertobe Master Plan.	100%		Officers continue to monitor for potential funding opportunities.
2.2.5	Advocate to Department of Justice for improved lighting in open spaces including walking trails.	100%		No current funding available. Will continue to seek through Department of Justice.
2.2.6	Work with the Department of Transport and Planning (DTP) for the DTP to take responsi-bility for maintenance of bus shelters.	100%		Council's position has been made clear in discussions with Public Transport Victoria, Department of Transport and Planning, bus operators and the community: minor maintenance and cleaning are the responsibility of Council, while the renewal, upgrade and provision of new shelters remain the responsibility of the Victorian Government.

City Infrastructure strategy 2.3: **Our City will plan for and improve the municipal drainage network to cope with the changing environment.**

No.	Action	Progress	Indicator	Report
2.3.1	Dedicate design resources to design and plan for known stormwater and flood issue areas within the municipality.	100%		Drainage program (design and construction) is complete.
2.3.2	Develop an implementation plan for Integrated Water Management Plans.	100%		Awaiting outcomes of funding applications. Participation in the Great South Coast Integrated Water Management Forum continues. Council has provided some funding towards a regional Integrated Water Management Officer to be based with Wannon Water.

Complete Progress Incomplete Withdrawn or on-hold

City Infrastructure strategy 2.4: **Our City neighbourhoods will have a well-connected network of footpaths.**

No.	Action	Progress	Indicator	Report
2.4.1	Provide annual program of pathways as defined in the Principal Pedestrian Network.	100%		The West Warrnambool Industrial Estate footpath is nearing completion. This project provides 1.7km of new footpath along Braithwaite Street, Albert Street and McMeekin Road to Merrivale Drive. The footpath is a $534,000 project, jointly funded by Council and the Australian Government via the Active Transport Fund.
2.4.2	Continue to advocate for funding to deliver Deakin Link.	100%		Officers continue to monitor for potential funding opportunities to deliver Deakin Link. Some work has been completed which contributes towards achieving components of the Deakin Link project including on-road bike lane line marking on Timor, Nicholson and Bostock streets, the wombat crossing on Flaxman Street and supporting wayfinding signage to the Raglan Parade shared path, which was funded with the Flexible Local Transport Solutions Program.

City Infrastructure strategy 2.5: **Our City's road network will be maintained to a safe and high-quality standard.**

No.	Action	Progress	Indicator	Report
2.5.1	Investigate internal capital funding to seal gravel road network.	100%		Sealing sections of gravel road is essentially upgrade of the road and is subject to budget bids. Scoping and design of some of these projects has been completed. Budget bids will continue to be put forward for consideration each financial year.
2.5.2	Work with the Department of Transport and Planning to improve traffic safety along Princes Highway at Allansford intersections.	100%		In May a speed limit of 80kmh was introduced by the Department of Transport and Planning on the Princes Hwy between the Great Ocean Road and the Speedway. Officers continue to communicate with DTP staff to progress proposed safety improvements at highway intersections at Allansford.

City Infrastructure strategy 2.6: **Our City will pursue efficiencies in maintaining and renewing Council buildings by improving heating and cooling systems and through energy-efficient lighting.**

No.	Action	Progress	Indicator	Report
2.6.1	Investigate the feasibility of upgrading the Pavilion lift to obtain a reasonable useful life for this asset.	100%		An engineering investigation was completed and recommendations reviewed. A report on the outcome will be prepared.

2.6.2	Explore bundling of renewal work to achieve savings through economies of scale.	100%		The building renewal program has been grouped into component types. Where possible, similar works have been placed under a single procurement process. Consideration of bundling works will continue as the building renewal program progresses. An early review of this approach showed positive results with savings against cost estimates for some projects realised and improved efficiency with a greater portion of the renewal program delivered compared to previous years. A more detailed review of the approach will be completed.
2.6.3	Upgrade the Civic Centre with a focus on accessibility, e.g. planning for a lift and improved ground floor amenities.	100%		Initial stages of this multi-year project, including project planning, has been undertaken. The structural engineering assessment has been completed and an architect engaged to prepare initial concept designs for the lift location and accessible ground floor amenities. The next phase will involve specialist sub-consultants undertaking structural, building services and other technical investigations to inform the detailed design and final documentation. This project is included in next year's Annual Action Plan with future stages, including detailed design completing and delivery to be reported in 2026-2027.
2.6.4	Develop and maintain a property leasing policy.	100%		Leases and Licenses Policy 2025 was adopted by Council.

City Infrastructure strategy 2.7: **Our City values and implements sound Strategy Asset Management with consideration to assets and the retirement and consolidation of assets.**

No.	Action	Progress	Indicator	Report
2.7.1	Review building assets to determine whether buildings are surplus to need.	100%		Key infrastructure documents, including the Early Years Infrastructure Plan, and the Community Facilities Infrastructure Plan are under development and will provide key information in relation to service needs and building requirements. This may provide opportunity for consolidation of assets. Investigation of other building assets on a case-by-case basis will continue, as triggers such as leases ending, service changes and co-habitation opportunities arise.
2.7.2	Complete the Open Space Asset Management Plan.	100%		The Open Space Asset Management Plan is nearing completion. An audit on of open space was undertaken to ensure all assets have been picked up in the asset management system. A valuation was completed to inform replacement cost outlined in the Asset Management Plan. The final plan will be issued to Council for consideration.

City Infrastructure strategy 2.8: **Our City will continue to improve pedestrian, cycling and vehicle movement.**

No.	Action	Progress	Indicator	Report
2.8.1	Investigate an East Warrnambool Local Area Traffic Management Plan.	100%		The East Warrnambool Local Area Traffic Management Plan is complete. Projects from that Plan are now being considered as road safety funding opportunities become available.

2.8.2	Work with the Department of Transport and Planning on community road safety concerns.	100%		Officers continue to engagement with the Department of Transport and Planning on known community concerns on State roads.
2.8.3	Install a roundabout at the intersection of Koroit and Ryot streets.	100%		Project has been completed. Lighting at the roundabout was approved by Powercor and installation of the light is scheduled in July/August. Once the light is installed, we will await electrification from Powercor.
2.8.4	Advocate to the Department of Transport and Planning for improved traffic conditions on arterial roads including Mortlake Road.	100%		Council Officers are in regular communication with the Department of Transport and Planning on matters including traffic conditions, road safety, strategic work and projects. Periodic discussions with senior department staff occur at which arterial road matters are raised.

City Infrastructure strategy 2.9: **Our City will focus on playspaces as a key feature of local neighbourhoods.**

No.	Action	Progress	Indicator	Report
2.9.1	In line with the Playspace Framework, consider including more fences (where identified by the Framework) around playgrounds when they are being renewed.	100%		The Play Space Strategic Framework 2025-2034 guides installation of fencing in some play spaces, particularly those with a high number of visitors and a busy road. Upon renewal, the viability of fencing at a place space will be assessed.
2.9.2	In line with the Playspace Framework, consider including trees and seats around playgrounds when they are being renewed.	100%		The Play Space Strategic Framework 2025-2034 defines a hierarchy classification to identify levels of service across various sites. This includes infrastructure elements such as trees and seats. Upon renewal, the hierarchy classification will be applied to guide the possible inclusion of new trees and seats.
2.9.3	Advocate for funding of the second Lake Pertobe playspace.	100%		Lake Pertobe (Stage Three) is an active advocacy priority for Council. Staff will continue to seek external funding opportunities to help deliver this stage of work.

City Infrastructure strategy 2.10: **Our City's public spaces will be maintained to a high standard.**

No.	Action	Progress	Indicator	Report
2.10.1	Maintenance including grass mowing, brushcutting and planting.	100%		Maintenance of open spaces is an ongoing task. Our city amenity rates highly in community satisfaction surveys as a result of our maintenance programs and our dedicated staff.

Complete Progress Incomplete Withdrawn or on-hold

City Infrastructure strategy 2.11: **Our City will advocate for renewal and upgrade of arterial roads and for improved rail services.**

No.	Action	Progress	Indicator	Report
2.11.1	Hold regular meetings with senior Department of Transport and Planning staff.	100%		Meetings and communications continue at regular intervals with senior officers including Director Regional Operations - Planning, and Executive Director Barwon South West & Grampians, where key road infrastructure and transport matters are discussed along with key planning matters.
2.11.2	Develop advocacy material with specific asks for arterial network and rail requests.	100%		Development of the Regional Transport Strategy is nearing completion. Bi-monthly meetings of directors from the South West Victoria Alliance Councils discuss and progress the strategy and other engagement and alignment of regional issues. Meetings have also taken place with Department of Transport and Planning representatives.

City Infrastructure strategy 2.12: **Our City will ensure the regional airport continues to operate as a base for emergency air transport and as a destination for business and recreational aircraft.**

No.	Action	Progress	Indicator	Report
2.12.1	Pursue air passenger services.	100%		Strategy implementation continues. Economic Impact Assessment under engagement.
2.12.2	Seek funding to upgrade infrastructure to enable larger aircraft to use the facility.	100%		The Regional Air Service Strategy, which was adopted by the South West Victoria Alliance, has moved to the implementation stage.

City Sustainability

Caring for our natural environment by promoting energy efficiency, best practice circular economy and embracing new technology.

Strategic indicator/measure	Result	Comment
Waste management	68	Three points below the regional city average.
Environmental sustainability	60	Two points below the regional city average.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2025-2026 budget.

Major initiative	Progress
Installation of electric vehicle charging stations	Charging stations installed at the Civic Centre and Depot to charge fleet vehicles.
Footpath and bike path renewal	Footpaths renewed in the city centre and other locations around the municipality including Allansford.

Services

The following statement provides information in relation to the services funded in the 2025-2026 budget and the people or sections of the community who are provided the service.

Activity	Description	Net cost Actual Budget Variance $'000
Environmental	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	-442 -490 **48**
Waste	This service provides kerbside rubbish collections of garbage, recycling and Food Organics Green Organics (FOGO) from all households and some commercial properties in Council. It also provides street cleaning, leaf collection and street litter bins throughout Council.	-4,967 -5,213 **246**
Animal Shelter	This service provides a place of refuge for lost, surrendered and abandoned animals.	-806 -970 **164**

Service performance indicators

The following statement provides the result of the prescribed service performance indicators and measures including explanation of results in the comments.

Results

Service indicator/measure	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Animal Management						
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	100%	N/A	100%	One prosecution case was pursued during the year with a successful outcome.
Waste Management						
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	67.24%	65.45%	63.34%	64.00%	63.82%	

Complete Progress Incomplete Withdrawn or on-hold

City Sustainability strategy 3.1: **Our City will pursue efficiencies in our waste management system.**

No.	Action	Progress	Indicator	Report
3.1.1	Investigate options for industry intervention in managing difficult recycling streams such as soft plastics and glass.	100%		Soft plastic recycling is currently unviable due to not having a Material Recovery Facility contract. This can be investigated further after the award of the next kerbside collection contracts. Council accept several hard-to-recycle items at the Civic Centre and the Archie Graham Centre including, mobile phones, oral hygiene products, writing utensils, reading glasses and batteries.
3.1.2	Investigate hard waste collection.	80%		Community consultation was undertaken with the following results: • - No - 41.46% • - Yes up to $100 per year - 3.26% • - Yes up to $50 per year - 13.96% • - Yes up to $20 per year - 41.59%. Further investigation into the actual costs of service required.
3.1.3	Investigate smart public bins to compress waste.	100%		Investigations into the cost-saving application of bin sensors, which are low cost, and smart compacting bins, which have a high cost, were undertaken. Both the compacting bins and the bin sensors would not impact street collection cost due to resources being unable to be reallocated.
3.1.4	Collaborate with Recycle Victoria on a pilot program for soft plastic recycling.	0%		Sustainability Victoria does not have a soft plastic pilot running and has ceased to exist as a government agency.
3.1.5	Review glass bin collection schedule as part of the contract specification for June 2026.	60%		Community consultation about waste services, including bin collection times and frequencies, was conducted. Actual costs for the change in service to be known after tender release.

City Sustainability strategy 3.2: **Our City will use water wisely**

No.	Action	Progress	Indicator	Report
3.2.1	Advocate for funding assistance to implement the Lake Pertobe Integrated Water Management Plan.	10%		Current funding available through the Great South Coast Integrated Water Management Forum has focused on other strategic projects such as the Woodend Road Wetland.

Complete Progress Incomplete Withdrawn or on-hold

City Sustainability strategy 3.3: **Our City is committed to reducing its carbon footprint.**

No.	Action	Progress	Indicator	Report
3.3.1	Install more electric vehicle charging points to enable the staged transition to a low emissions pool vehicle fleet.	100%		A further four 22kW EV chargers are to be installed at the Civic Centre (eight in total) and four 22kW EV chargers installed at the Depot in Q1 2026-27.
3.3.2	Prioritise electric and low emission vehicles as replacement pool vehicles.	100%		Electric and hybrid vehicles are being added to the fleet. Investigation of more suitable vehicles still under way.
3.3.3	Seek funding to implement recommendations from the sustainability audit.	100%		A sustainability audit to improve the efficiency of hot water systems and other electrical appliances has been completed.
3.3.4	Investigate the electrifying of the boiler at Aquazone.	20%		Funding through the Community Energy Upgrades Fund was unsuccessful.
3.3.5	Continue to deliver the re-vegetation plan by planting up to 5,000 plants of various species across the city.	100%		Preparation for the 2026 planting season is under way through Council's School Plant a Tree Day, Healthy Cities Landcare project and supporting community planting efforts such as National Tree Day.
3.3.6	Investigate viability of small community battery installations.	100%		Investigation into suitable locations for batteries has been undertaken. The design of behind-the-meter battery installations at Archie Graham Community Centre, the Stadium and Depot is under way. Installation of batteries at Archie Graham Community Centre and the ARC Stadium are planned through the Smart Building Project Control Group to occur in Q2 2026-27.
3.3.7	Explore reliability and sustainability of battery powered outdoor equipment.	100%		Battery-powered outdoor equipment remains a component of renewal of outdoor tools and equipment (minor plant). We have also investigated larger equipment including lawn mowers and side-by-sides ("gators").

City Sustainability strategy 3.4: **Our City will monitor and manage pest animals and plants on land owned and/or managed by Council.**

No.	Action	Progress	Indicator	Report
3.4.1	Reduce rabbit numbers.	100%		The RHDV1 K5 (Rabbit Haemorrhagic Disease Virus) was released along the foreshore. Virus Impact possibly reduced due to rain at the time of release. The virus can persist in the environment and impact when conditions are optimal. A contractor has been engaged to shoot rabbits to protect the foreshore.
3.4.2	Remove pest plants from river banks.	100%		Work on the Glenelg Hopkins Catchment Management Authority projects, Rivers of Warrnambool and Platy Patch projects, are nearing completion. Weeds were removed from sections of bank along the Hopkins and Merri rivers and replaced with native plants. Planning for Warrnambool Coastcare Landcare Network volunteers to undertake removal of pest plants at South Warrnambool Wetlands continues.

Complete Progress Incomplete Withdrawn or on-hold

City Sustainability strategy 3.5: **Our City will advocate for accessible and sustainable public transport.**

No.	Action	Progress	Indicator	Report
3.5.1	Participate in regional transport strategy with an emphasis on public transport, particularly links to towns adjacent to Warrnambool.	100%		Development of the Regional Transport Strategy is nearing completion. Directors from the South West Victoria Alliance Councils meet bi-monthly to progress the strategy. Meetings with Department of Transport and Planning representatives have been held.
3.5.2	Advocate with South West Victoria Alliance for-inter town public transport improvements, specifically weekend links to smaller, surrounding towns.	100%		These issues are discussed in regular meetings with Department of Transport and Planning.

City Sustainability strategy 3.6: **Our City will collaborate with other agencies to achieve positive environmental outcomes.**

No.	Action	Progress	Indicator	Report
3.6.1	Schedule meetings with DEECA staff including agreed shared actions.	100%		Council staff met the new Marine Coastal Act team within the Department of Energy, Environment and Climate Action.
3.6.2	Continue to deliver actions and events in line with the Green Warrnambool Plan and provide an annual report of the benefits.	100%		Middle Island Project Future Options and Annual Report prepared along with an updated method to report Council energy consumption and greenhouse gas emissions. The Green Warrnambool Plan will be reviewed in 2026-2027.

City Sustainability strategy 3.7: **Our City will take measures to limit the impact of climate change.**

No.	Action	Progress	Indicator	Report
3.7.1	Implement mitigation actions from the heat map strategy.	100%		Council's Healthy Warrnambool Plan 2025-2029 and Warrnambool Urban Forest Strategy includes actions from the Warrnambool Extreme Heat Vulnerability Project. The Growing Green Rooms Project is under way with planting at Crawley Street and Wave Links. Further planting is planned at Bradley Street Playground. A community event, 'Cool your Bool' is planned for Q2 2026-27 and will cover the benefits of nature strip planting, planting to cool your home and promotion of a citizen science heat recording activity organised by Warrnambool Coastcare Landcare Network.

Complete Progress Incomplete Withdrawn or on-hold

City Sustainability strategy 3.8: **Our City will implement biodiversity improvement and revegetation outcomes.**

No.	Action	Progress	Indicator	Report
3.8.1	Partner with agencies and community groups to complete the Growing Green Rooms project.	100%		Three growing green rooms installed. Project closed and outcomes reported. Monitoring and community engagement is ongoing to determine benefits for future green room projects.
3.8.2	Collaborate with Warrnambool Coastcare Landcare network and schools in re-vegetation projects.	100%		Maintained collaboration and established new projects with Warrnambool CoastCare Landcare Network (WCLN). Also auspiced groups and school programs.
3.8.3	Continue mapping for natural assets and annual re-vegetation projects supporting future biodiversity planning.	100%		Financial year program completed. Site management, infill and ongoing programs transitioning to 2026-27.
3.8.4	Partner with state agencies for threatened flora and fauna conservation works.	100%		Partnerships established for ongoing program delivery, and establishment of tools supporting core programs and Green Warrnambool goals.
3.8.5	Partner with Traditional Owner groups for biodiversity and education projects.	100%		Support for Eastern Maar Aboriginal Corporation's Whale Research Project has started with community education on drone use and review of signage between the Blue Hole and Logans Beach. Gunditjmara Aboriginal Corporation invited to participate in tree planting activities at Albert Park.

City Sustainability strategy 3.9: **Our City's animal shelter will be a place of refuge for lost, surrendered and abandoned animals.**

No.	Action	Progress	Indicator	Report
3.9.1	Provide care to all the animals at the Animal Shelter to the appropriate standard.	100%		Daily care provided to cats and dogs according to the Code of Practice for cats and dogs in shelters and pounds.
3.9.2	Reunite lost pets and provide second chances to all animals in our care.	100%		Reuniting dogs and cats with their owners continues. Adequate and suitable housing of cats and dogs that have been lost, surrendered or abandoned provided in accordance with the relevant Code of Practice. Animals have also been rehoused with new owners. Shelter audited by Department of Energy, Environment and Climate Change and provided with positive feedback.
3.9.3	Improve animal welfare by advocating and educating our community.	100%		Community education undertaken through Council's website and the Animal Shelter's social media. Animal Shelter foyer offers educational resources. Cats and dogs rehomed through the Pet Rescue website. Shelter staff conduct tours of the shelter and facilitate student work placements.

Complete Progress Incomplete Withdrawn or on-hold

City Sustainability strategy 3.10: **Our City will advocate for support to manage our coastal areas effectively.**

No.	Action	Progress	Indicator	Report
3.10.1	Identify targeted removal of unsuitable species and seek permission for a managed program.	100%		Warrnambool Foreshore Path Vegetation Management Plan drafted. A weeding activity with Birdlife Australia for Cape Beach Daisy and Sicilian Sea Lavender is planned for Q1 2026-27.

City Wellbeing

Working to enable everyone at every stage of life to participate in welcoming and inclusive environments which foster learning connection health and wellbeing.

Strategic indicators

The following statement reviews the performance of Council against the Council Plan including results in achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator/measure	Result	Comment
Library – Community Satisfaction Survey	82	Five points above the regional city average and Council's highest rated service.
Art centres – Community Satisfaction Survey	63	Seven points below the regional city average.
Recreational facilities – Community Satisfaction Survey	62	Six points below the regional average.
Elderly support services – Community Satisfaction Survey	60	Regional city average not available.
Family support services – Community Satisfaction Survey	60	Three points below the regional average.
Disadvantaged support services	57	Regional city average not available.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2025-2026 budget.

Major initiative	Progress
Upgrade and renewal of Aquazone roof, plant and amenity	Planning under way for roof renewal in late 2026.
Resealing of outdoor netball courts	Project paused.

Services

The following statement provides information in relation to the services funded in the 2025-2026 budget and the people or sections of the community who are provided the service.

Activity	Description	Net cost Actual Budget Variance $'000
Aged Services	This area provides a range of services including meals on wheels, personal care, respite, home maintenance, home care, adult day care and senior citizens programs.	-348 -643 **295**
Family Services	This service provides family orientated support services including pre-schools, maternal & child health, child care, counselling & support, youth services, immunisation, family day care.	-922 -717 **-205**
Library Services	Provision of quality library and information services to the community.	-1,353 -1,255 **-98**
Recreation	Provision of sport, recreation and cultural facilities, service and programs in response to identified community need and to provide information and advice to clubs and organisations involved in these areas.	-629 -736 **107**
Leisure Centres	The Arc and Aquazone provide premier indoor community leisure facilities in South West Victoria, providing equitable and affordable access to a wide range of aquatic and fitness activities.	-1,016 -1,289 **273**
Health Services	Preparation of the Health & Wellbeing plan and the Reconciliation Action Plan.	-301 -253 **-48**
Volunteer Services	Volunteer Connect provides support and guidance to organisations and community groups that involve volunteers in their work, and provides a volunteer matching service to bring together volunteer roles, and volunteers to fill them.	-170 -173 **3**

Service performance indicators

The following statement provides the result of the prescribed service performance indicators and measures including explanation of results in the comments.

Results

Service indicator/measure	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities						
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.63	5.74	5.99	N/A	6.38	Increased usage of facilities is being driven by an increase in Health & Fitness activities such as Group Fitness and Gym. Marketing initiatives have focused on increasing class and membership number to support activation of these spaces. The facility also saw a small % increase in Aquatic attendances driven by an increase in school lesson activation and general recreational swimming.
Libraries						
Participation Library membership [Number of registered library members / Population] x100	#N/A	39.79%	47.64%	N/A	55.03%	Library membership continues its trajectory of strong growth and demonstrates the value perceived by the community in the range of collections, services, programming and facilities on offer.
Maternal and Child Health (MCH)						
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	79.42%	77.14%	79.00%	N/A	78.88%	
Participation in the MCH service by Aboriginal children [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	80.75%	84.02%	76.97%	N/A	81.91%	

Complete Progress Incomplete Withdrawn or on-hold

City Wellbeing strategy 4.1: **Our liveable City promotes access to housing, places and activity for all.**

No.	Action	Progress	Indicator	Report
4.1.1	Secure planning approvals and funding for the Harrington Road Key Worker Project.	75%		Planning permit approved and issued. An expression of interest and request to tender did not secure a capable entity to fund the project. The project model and specification was reviewed and a further approach to the market initiated. Tenders being assessed.
4.1.2	Develop Community Services Futures 2040 community infrastructure and services plan.	100%		Plan finalised and adopted by Council at its April meeting.
4.1.3	Implement strengthened Aged Care Quality Standards.	100%		Community Care has instigated the Aged Care Governance Committee which meets quarterly. This completed compliance with the Aged Care Quality Standards. Relevant training for committee members provided.

City Wellbeing strategy 4.2: **Our City encourages opportunities for innovation and creativity, increasing community connectedness.**

No.	Action	Progress	Indicator	Report
4.2.1	Adopt the Creative Warrnambool Strategy and implement year 1 actions	100%		Year 1 actions from the Strategy completed including the Soundtracks Micro Festival, Creative Warrnambool brand and website, creatives database, Creative Warrnambool newsletter, Live Music Action Plan, Community Development Fund review, professional development workshop for creatives, continuation of strategic partnerships e.g. Fletcher Jones Family Foundations and Regional Arts Victoria.
4.2.2	Deliver two micro festivals as a part of Live and Local Music Program.	100%		Two 'micro festivals' delivered on time and under budget. Dubbed the SoundTracks Festival, the program focused on indoor live events on October 18 and outdoor live events on November 7. Rain saw the outdoor events move to the Lighthouse Theatre, Vida, the Seanchai and the Archie Graham centre. Audience numbers were reduced as a result but several hundred people enjoyed excellent acts. Overall, 2000+ people took part in two days of live music across the CBD.
4.2.3	Create a new Creative Warrnambool webpage to showcase Warrnambool creatives.	100%		The Creative Warrnambool website covers all art forms now and has 114 listed practitioners. The Creative Warrnambool newsletter has 244 subscribers a consistent 50% open rate. The branding is complete and a marketing campaign under way. We are working with RAV with input from Creative Victoria to establish baseline data from which to measure future success. There will be monthly newsletters and an annual survey that will contribute to this data.
4.2.4	Implement 100% of FReeZA programs.	100%		Collaborations with community partners have delivered successful events including In Common with the Community Gardens, Up and Away and the Archie Graham Fashion Show – providing opportunities for young DJs to showcase their skills. Up in Lights was once again a success with 14 artworks from young artists displayed publicly for a year. Program targets for FReeZa (now rebranded as 'Amplify') achieved and exceeded.

4.2.5	Audit community halls and spaces and provide opportunity for increased use.	100%		Initial audit of halls and community spaces complete. The next stage of mapping facilities to increase usage has started.

City Wellbeing strategy 4.3: **Our active City provides recreational opportunities for people of all ages and abilities.**

No.	Action	Progress	Indicator	Report
4.3.1	Finalise Active Warrnambool Strategy 2025-2035.	100%		The Active Warrnambool Strategy 2025-2035 was endorsed by Council on December 1, 2025.
4.3.2	Identify opportunities for programming and marketing for AquaZone.	100%		Learn To Swim recorded strong growth with 1,070 students enrolled. A strong retention program paired with winter marketing saw numbers hold steady in June where historically there was a decline. Memberships grew and member visits exceeded 108,700, an increase of 8,700 on the previous year. Digital signage was installed and cross promotion of various Council operations (Stadium, Library, Flagstaff Hill, Lighthouse Theatre) has been made possible at other Council sites. Attendance grew in aquatics (4%), group fitness (9%) and gym (15%) there was a 14,000 visit (7%) increase on 2024-2025.
4.3.3	Review After School Care and Vacation Care service at Warrnambool Stadium.	100%		A detailed review provided recommendations for enhanced service delivery to be implemented across 2026.
4.3.4	Review Social Support program in anticipation of the Support At Home program.	100%		The Social Support program was reviewed as part of the Support at Home Implementation Plan. Social support services address social connection and participation in community life including diverse cultural activities. Social Support Group activities are a well subscribed service type for WCC. Under Support at Home there is no separate indicative pricing for group and individual activities so there is flexibility in the funding model to meet the needs and interests of clients. Retaining social support is a key strategy to ensure council retains market share with the change from Commonwealth Home Support Program to Support at Home funding models.
4.3.5	Deliver two new programs or events that are responsive to community needs.	100%		Council's Healthy and Engaged Community team delivered several new programs throughout the year including Summer by the Sea, Celebrating Pride in Ageing, Community Sparks, Sharing My Culture and Cooking Classes based on fresh produce grown in the Food Cubes at Archie Graham Community Centre. These provided opportunities for inclusion, education, shared interests and ideas, and building connections.

Complete Progress Incomplete Withdrawn or on-hold

4.3.6	Deliver the volunteer expo to promote council and community volunteer opportunities.	100%		Volunteer Connect delivered the South West Volunteer Expo at the Emmanuel Centre in May. It featured 45 stallholders and over 200 members of the public attended. Many stallholders recruited 5 - 20 new volunteers on the day. Youth @ the Expo was a special feature, facilitated by the Youth Team and YACVIC (Youth Affairs Council Victoria) as part of the Council's 2026 Youth Environment Summit. Youth @ the Expo focused on volunteering for young people, and included a dedicated youth space with workshops, activities and a discussion. The expo was supported by a Volunteering Victoria grant. More marketing and promotion was possible due to combined volunteer and youth team capacity. The video produced had great success on social media and Council received more volunteer enquiries and youth interest.
4.3.7	Finalise the business case for Aquazone redevelopment and implement funding strategy and advocacy.	100%		Aquazone redevelopment business case completed and endorsed by Council in February. Advocacy collateral has been prepared, a coordinated advocacy action plan developed and implemented. Various meetings with local members, relevant ministers and key stakeholders have occurred.

City Wellbeing strategy 4.4: **Our inclusive and diverse City is welcoming to all.**

No.	Action	Progress	Indicator	Report
4.4.1	Development of Disability, Inclusion and Access Plan.	40%		Council's Disability Access Plan is scheduled for review. Development of new plan delayed while the Reconciliation Action Plan was developed. Project Control Group established, procurement completed and the consultant appointed. The Disability Inclusion and Access Plan implementation plan will be confirmed with consultants and is anticipated to be delivered by the end of the year.
4.4.2	Finalisation of Council's Reconciliation Action Plan.	100%		The Reconciliation Action Plan was adopted by Council in May. Council's Community Development Officer will have operational responsibility for implementing and reporting on the Plan's actions. A year 1 work plan and reporting framework is being developed.
4.4.3	Implement the Moyne-Warrnambool Youth Strategy year 1 including development of Youth Advisory Board, reimaging volunteer recruitment.	100%		The first year of the strategy was a success and strengthened through collaboration with Moyne Shire. A study on local youth volunteering was completed with findings to inform youth volunteering projects. The inaugural Youth Advisory Board (YAB) received praise and great feedback from participants and council departments. Year 2 YAB members have been recruited with leadership and governance training under way.
4.4.4	Audit Maternal Child Health Clinics to ensure they are inclusive of all genders.	0%		This action was put on hold throughout the year as an approved assessment tool to measure was not available. This action has now been included in the 2026-2027 Annual Action Plan as a part of a whole of service audit.

Complete Progress Incomplete Withdrawn or on-hold

City Wellbeing strategy 4.5: Our City provides learning pathways and opportunities for education and development.

No.	Action	Progress	Indicator	Report
4.5.1	Initiate Library and Learning Cultural Interpretative project in a staged approach.	25%		The project was delayed. A project working group has now been reestablished and will restart the project for completion by June 2027.
4.5.2	Embed programs at the new the West Warrnambool Neighbourhood House.	100%		West Warrnambool Neighbourhood House has embedded and consolidated programs and introducing two new physical health and wellbeing programs: Pilates and Hula Hoops which have increased program participation. In addition to our regular programs of Playgroup, School Holiday Programs, our regular series of Conversational Cooking - a program that explores multicultural cuisine and culture was also well attended. A four-week acrylic painting class was introduced with community expressing interest in attending more of these opportunities to learn and connect with others. This quarter we also partnered with Warrnambool West Primary School and the Neighbourhood House Knitting and Crochet group to create a colourful yarn bombing installation on Pecten Avenue Park. The programs on offer at West Warrnambool Neighbourhood House will continue to evolve in response to community need.
4.5.3	Finalisation of Early Years Infrastructure 10-year Strategy.	100%		The strategy is nearing completion. The Kindergarten Infrastructure Service Plan is still to be finalised with the Department of Education. This project component has been held up due to department pre-prep rollout in 2027 being a priority over the 2028 rollout area (Warrnambool City is part of the 2028 roll out). The project is anticipated to be completed in the first half of 2026-2027.
4.5.4	Explore ongoing provision of Library Café.	100%		An agreement for the Library Cafe and ongoing arrangements is progressing.
4.5.5	Complete Matron Swinton playground upgrade.	80%		Detailed designs for the Matron Swinton playground were completed. Works have been identified as an action in the 2026-2027 Annual Action Plan.
4.5.6	Consult with community and staff on pre-prep reform and advocate to the department.	100%		2027 kindergarten enrolments are on schedule to deliver more hours of 4-year-old kindergarten in line with the 2026 model. Planning and consultation for 2028 models and rollout of more hours of 4-year-old kindergarten is ongoing.
4.5.7	Replace kindergarten enrolment software.	100%		The Enrolnow software went live in May for 2027 kindergarten registrations. Initial registration and allocation process was successful and had minimal impact on the community. Enrolment allocations were sent to families in June 2026.
4.5.8	Expand our presence at Neil Porter Foundation Careers Expo to showcase community development career opportunities.	100%		City Wellbeing promoted careers in aged care, early years, lifeguarding, library and health and fitness at the Careers Expo on March 3.

Complete Progress Incomplete Withdrawn or on-hold

4.5.9	Implement 100 per cent of the youth Engage program.	100%		The Youth Engagement team successfully delivered the second Youth Environment Summit in collaboration with the Volunteering Expo. Feedback from stallholders was very positive, with volunteering matches occurring across a range of local clubs and groups. This year's Social Innovators program again had young people thinking outside of the box to solve problems. Green Futures Now started, and the young people involved in the group will deliver a project by September 2026. The Youth Engagement team has implemented the Engage! program across the year, meeting the Department of Families, Fairness and Housing grant requirements and exceeded event and program targets.
4.5.10	Provide opportunity for vulnerable families to undertake a funded First Aid course to support parental capacity and child health and wellbeing.	100%		Fifteen families undertook the Child First Aid course.
4.5.11	Strengthening and embedding gender equality through delivery of the new Baby Makes 3 framework.	100%		Staff completed training embedded the learning into clinic interactions.

City Wellbeing strategy 4.6: **Our nurturing city supports growth and development through high quality service delivery.**

No.	Action	Progress	Indicator	Report
4.6.1	Initiating a review Early Years Quality and Compliance in response to early years and family and children services reform.	100%		Quality and Compliance work plan for the financial year completed. Actions met Early Years & Children's & Family Services Reform requirements. National Worker Register for Early Years Staff implemented and processes developed for new and departing staff. The role ensured alignment with the Australian Children's Education and Care Quality Authority standards, Victorian Human Social Standards (social services) and the Multi-Agency Risk Assessment and Management Framework to support child safety and family violence risk management.
4.6.2	Undertake Council's Public Health and Wellbeing Plan "Healthy Warrnambool" review and Develop the Healthy Warrnambool Plan 2025-2029.	100%		Council adopted the Healthy Warrnambool Plan 2025-29 in late 2025 and lodged the plan with the Victorian Health Department. An annual action plan was developed for year-1 of the plan. Reporting systems developed to facilitate reporting on plan implementation. Consultants engaged to review the Healthy Warrnambool Plan 2021-2025. The review of projects, key stakeholder interviews and case study development is under way.
4.6.3	Develop the Municipal Early Years Plan.	10%		Work on hold while a service review is undertaken to provide key data that will inform development of the plan.

Complete Progress Incomplete Withdrawn or on-hold

4.6.4	Reestablish Indigenous Language program in Council's early years services.	25%		Council is working with Eastern Maar Aboriginal Corporation on options to deliver a language program in kindergartens.
4.6.5	Offer the opportunity to fathers to participate in the iCOPE Postnatal Depression Scale through the Key Age Stage visits in Maternal Child Health.	100%		Maternal and Child Health nurses offer fathers the option to attend consultations.
4.6.6	Provide additional Feeding Support Consultation outside Key Age Stage visits for families of babies with slow weight gain.	100%		Council's Maternal Child Health team successfully completed re-accreditation of a lactation consultant specialising in clinical management of breastfeeding. The International Board of Lactation Consultant Examiners certifies lactation consultants. Council collaborated with South-West HealthCare feeding clinic and calendars have been adopted to allow for 15-minute consultations to refer families/babies most in need for weight checks.

City Leadership

We will advocate for our community, operate efficiently, maintain sound governance, care for our team, and embrace a rapidly changing technological landscape.

Strategic indicators

The following statement reviews the performance of Council against the Council Plan including results in achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator/measure	Result	Comment
Keeping the community informed – Community Satisfaction Survey	56	Three points below the regional city average.
Advocating for the community – Community Satisfaction Survey	50	Four points below the regional city average
Opportunities to give feedback on key local issues – Community Satisfaction Survey	49	Eight points below the regional city average.
Decisions in the interest of the community – Community Satisfaction Survey	46	Seven points below the regional city average.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2025-2026 budget.

Major initiative	Progress
Coastal Connect (Regional Council Transformation Program) with Moyne and Corangamite shires.	First stage introduced in June-July 2026.
Introduce changes through the Gender Equality Action Plan.	

Services

The following statement provides information in relation to the services funded in the 2025-2026 budget and the people or sections of the community who are provided the service.

Activity	Description	Net cost Actual Budget Variance $'000
Governance & Elected Council	Elected Council governs our City in partnership with and on behalf of our community and encourages and facilitates participation of all people in civic life. Also includes contributions made to community groups and organisations.	-760 -942 **182**
Executive Services	Manages and facilitates the Council governance service, implementation of Council decisions and policies and compliance with the legislative requirements.	-659 -567 **-92**
Communications & Customer Service	Provides a customer interface for various service units and a wide range of transactions. Includes media and marketing.	-1,349 -1,383 **34**
Information Services	Enables Council staff to have access to the information they require to efficiently perform their functions. Includes software support, licensing and lease commitments.	-3,814 -3,896 **82**
Organisation Development & Risk Management	This service promotes and implements positive HR strategies to assist staff reach their full potential and, at the same time are highly productive in delivering Council's services to the community. Includes recruitment, staff inductions, training, implementation of the Corporate Risk Management Framework and managing Council's insurance portfolio.	-2,026 -2,044 **18**
Corporate & Financial Services	Provides corporate support to Council and all divisions/branches in meeting organisational goals and objectives and includes banking and treasury functions, loan interest, audit, grants commission, legal, procurement, overhead costs including utilities and unallocated grants commission funding.	11,712 12,357 **-645**
Depreciation	Depreciation is the allocation of expenditure write down on all of Council's assets over there useful lives.	-23,193 -20,456 **-2,737**

Complete Progress Incomplete Withdrawn or on-hold

Service performance indicators

The following statement provides the result of the prescribed service performance indicators and measures including explanation of results in the comments.

Results

Service indicator/measure	2023 Actual	2024 Actual	2025 Actual	2026 Target as per budget	2026 Actual	Comments
Governance						
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	46	48	51	49	48	

City Leadership Strategy 5.1: **Our City pursues technology and innovation for community benefit.**

No.	Action	Progress	Indicator	Report
5.1.1	Activate the Shared Services arrangement for an improved digital future.	100%		Stage 1 delivered. The implementation finalises a historic step of three Councils completing an ICT enterprise system configuration with a common configuration. This work sets the foundation for future resource sharing and common improvement avenues. Work continues on Stage 2 modules, data migration, systems testing and configuration development.
5.1.2	Maximise Coastal Connect outcomes by removal of legacy systems.	25%		As Coastal Connect functions are introduced decisions will be made on software that is no longer required.
5.1.3	Procure a new digital telephony system.	100%		Phone system has been implemented.
5.1.4	Go live Coastal Connect Enterprise Resource Platform.	100%		The Coastal Connect Project delivered seven TechnologyOne modules on July 1.
5.1.5	Trial Sharepoint with the Family and Children's Services branch for more efficient and user-friendly records management.	75%		The project is under way with the design and configuration completed. The TechOne integration is in progress.

Complete Progress Incomplete Withdrawn or on-hold

City Leadership Strategy 5.2: **Our City will use Artificial Intelligence (AI) software to gain operational efficiencies.**

No.	Action	Progress	Indicator	Report
5.2.1	Explore the use of an AI chat-bot alongside the introduction of new phone software.	10%		The AI chatbot was not procured as part of the new phone system. Other options will be explored.
5.2.2	Trial AI software within a Local Laws function.	100%		Trial successfully undertaken in Q2. In-principle agreement made on commercial terms for ongoing use including revenue share in perpetuity provided targets met.

City Leadership Strategy 5.3: **Our City is a leader in the South West region.**

No.	Action	Progress	Indicator	Report
5.3.1	Provide a South West Leadership role by being Lead Member of the South West Council ICT Alliance.	100%		The Alliance consolidated a strong year with the completion of stage 1 of the Coastal Connect enterprise software changeover. The Alliance continues to do supplementary work on the coordination of ICT resources and is committed to reviewing shared service opportunities as the enterprise system implementation draws to a conclusion. The Alliance was successful in attracting an additional $450,000 in Victorian Government Business Accelerator Funding to enhance the Enterprise System project by including improved business-to-business processes and a business portal into our enterprise system to reduce red tape.
5.3.2	Maintain an active leadership role in the South West Alliance of Councils.	100%		Council provides regional leadership through the South West Alliance and participation in regional events and activities.

City Leadership Strategy 5.4: **Our City manages financial resources sustainably.**

No.	Action	Progress	Indicator	Report
5.4.1	Maintain a comprehensive 10-year Long-Term Financial Plan.	100%		The Long-Term Financial Plan (LTFP) 2026-2035 was formally adopted by Council. The LTFP model is being enhanced and recommendations implemented from an internal audit. Ongoing engagement with programs ensures financial information is embedded in key strategic documents, alongside development of a consistent framework to support this approach. The LTFP will be reviewed and updated as part of the 2027 budget process.
5.4.2	Undertake an annual four-year budget process in consultation with our community.	100%		The 2026-2027 budget was finalised and adopted by Council in June. The budget is currently being migrated to Council's enterprise software.

5.4.3	Responsibly negotiate a balanced employee terms and conditions Enterprise Agreement.	100%		Council Enterprise Agreement No. 10.2025 was negotiated then formally approved by Fair Work Australia.

City Leadership Strategy 5.5: **Our City promotes organisational culture and performance.**

No.	Action	Progress	Indicator	Report
5.5.1	Implement the actions of Year 1 of the 2025-29 Workforce Plan.	100%		The Workforce Plan actions identified were completed or are in progress as per plan timelines.
5.5.2	Delivering leadership development opportunities through to fourth level supervisors.	100%		Ongoing leadership opportunities provided via the Learning & Development Team, along with specifically scheduled fourth level supervisor leadership development days twice yearly.
5.5.3	Deliver training for nine Coastal Connect modules.	60%		Training was delivered to assist the rollout of Coastal Connect Stage 1. The Stage 2 modules of P&R - Compliance and Revenue will go live in 2027. Training for this anticipated in early 2027.
5.5.4	Conduct an employee engagement and alignment survey to support and measure culture development.	100%		Engagement and Alignment Survey conducted in March 2026.
5.5.5	Develop 2026-2030 Gender Equality Action Plan.	100%		The WCC Organisation Development Branch lead the completion of the report. The 2026-2030 Gender Equality Plan was submitted to the Gender Equality Commissioner by 1 May 2026.
5.5.6	Maintain a contemporary Safety Measurement System and Reporting process.	100%		Safety management system and reporting process in place and established. Ongoing review and maintenance of systems occurs in consultation with OHS committee and the Safety and Risk Management Review Panel.

City Leadership Strategy 5.6: **Our City will advocate strongly for our community and our region.**

No.	Action	Progress	Indicator	Report
5.6.1	Lobby for Early Years Centre of Excellence with a view to reducing childcare waiting lists by increasing numbers of skilled professional staff.	100%		Advocacy continued with state/federal governments with this project forming a key advocacy priority for the South West Alliance. Deakin University announced the return of the Bachelor of Early Education to Warrnambool campus in 2027, which supports the case for an Early Learning Centre of Excellence integrating education, professional learning, and research to enhance workforce capability and inform policy and practice across the early years sector.

Complete Progress Incomplete Withdrawn or on-hold

5.6.2	Brierly Community Hub to develop female-friendly change rooms and community spaces.	100%		Advocacy collateral prepared, a coordinated advocacy action plan developed and implemented. Various meetings held with local members, relevant ministers and key stakeholders.
5.6.3	Advocate for city-wide bus shelter improvements.	100%		The issue of ownership and responsibility for bus shelters is regularly discussed with Dept. of Transport and Planning and Public Transport Victoria (PTV). Council will continue to push for PTV for improvements to shelters.
5.6.4	Advocate for further for Warrnambool Airport upgrades to accommodate the return of passenger services.	100%		Further to the adoption of the Regional Airport Strategy, the Alliance board has adopted an implementation plan. A working group has been established and consultant engaged to complete an economic impact assessment.
5.6.5	Seek full Australian and Victorian government funding for the Warrnambool Art Gallery.	10%		Advocacy to fund a new art gallery continues. Council has secured two years of funding from Creative Victoria to support the gallery ($100,000 per year). This action is currently not realistic, achievable, or measurable.
5.6.6	Seek majority funding for the aquatic centre upgrade.	100%		Advocacy collateral prepared and a coordinated advocacy action plan developed. Various meetings have been held with local members, relevant ministers and key stakeholders.
5.6.7	Advocate to the State Government for maintaining its Breakwater asset.	100%		A draft estimate for completing a business case and project plan for the Breakwater has been provided to the Department of Transport and Planning. Additional funding for maintenance of $131,000 was allocated to Council over next two financial years for minor works including relocation of lighting for safety purposes, renewal of signage, replacement of fenders on lower landing, repainting of light poles, ladder replacement and rectification of concrete cap damage on parapet.
5.6.8	Advocate on behalf of the Warrnambool Surf Life Saving Club for a new club building.	100%		Council continues to advocate for funding in support of the Warrnambool Surf Life Saving Club's proposed building upgrade and has adopted this item as an advocacy priority.

City Leadership Strategy 5.7: **Our City is committed to sound governance, transparent decision-making and operating with integrity.**

No.	Action	Progress	Indicator	Report
5.7.1	Improve our assessment against the State Victorian Protective Data Security Framework.	70%		The VPDSF is an ongoing process and requirement. Council is working towards completion and maintenance.
5.7.2	Establish a Data Governance Committee.	100%		ICT steering committee and consultative committee established, regular meetings to be scheduled.

Complete Progress Incomplete Withdrawn or on-hold

5.7.3	Maintain the key performance indicators relating to Governance in Council's annual performance statements.	100%		The key financial indicators are reviewed and included in the quarterly financial report.
5.7.4	Councillors will undertake governance training and development.	100%		2025 training completed through regional training day.
5.7.5	Councillors will participate in the City's calendar of civic events and activities.	100%		Councillors frequently invited to civic events across Council and the city more broadly.
5.7.6	Deliver a review of Council's governance arrangements.	50%		Deferred to next year. Preliminary work and Councillor engagement complete, awaiting model rules before finalising. Enabling legislation for the model rules introduced to Parliament in June 2026. If passed, it is understood engagement and consultation with the sector will occur soon after.

City Leadership Strategy 5.8: **Our City will foster an informed community, enhance the customer experience and engage with the community to help inform key decisions, plans and policies.**

No.	Action	Progress	Indicator	Report
5.8.1	Consult with our community where significant decisions are required that may have impacts on the community.	100%		Over the June quarter Council began or completed consultations that included: the Warrnambool night time economy, Draft Budget and Council Plan, Brierly Reserve Light the Night initiative, Moore Street safety improvements, Domestic Animal Management Plan, Warrnambool Holiday Parks Strategic Plan, strategic direction of the Lighthouse Theatre, On-site Waste Water Management Plan, Warrnambool Futures Land Use Strategy and the Open Space Contributions Policy.

City Leadership Strategy 5.9: **Our City considers strategic risk in its decision making and is committed to providing safe environments where people can thrive.**

No.	Action	Progress	Indicator	Report
5.9.1	Deliver 2025-26 Internal Audit program.	100%		Internal audits completed in accordance with the Annual Audit Plan. During Quarter 4, the Lease and Licensing Audit was finalised, and the Animal Shelter Audit commenced. The Strategic Audit Plan for 2026 has also been finalised.
5.9.2	Review the key Strategic Risks to improve the 2026-27 Council Plan.	100%		Key strategic risks reviewed and workshopped with Councillors. New/reviewed strategic risks agreed to and entered into Council's risk management system. Identification of specific controls complete and actions implemented.

Complete Progress Incomplete Withdrawn or on-hold

5.9.3	Maintain the Risk Management Framework and reporting to Council's Audit and Risk Committee.	100%		Quarterly reports pertaining to the Risk Management Framework are provided to the Safety and Risk Management Review Panel and the Audit and Risk Committee.
5.9.4	Adhere to the child safety standards.	100%		Child Safe Standards implemented with ongoing monitoring.
5.9.5	Ensure our workplace is a safe and inclusive space and where required will implement changes recommended in staff wellbeing surveys.	100%		Survey complete and action plan started.

City Leadership Strategy 5.10: **Our City will review the community vision, Warrnambool 2040.**

No.	Action	Progress	Indicator	Report
5.10.1	Begin review of Warrnambool 2040.	100%		As part of a review of Warrnambool 2040 the Mayor wrote to partners involved in the development of the plan in 2017-2018 seeking feedback on the plan and progress made on its goals. The Mayor also wrote to new stakeholders including the Warrnambool Multicultural Association. The plan's short-term goals were removed in the revised plan, having been largely achieved. The redevelopment of Reid Oval and building a new library were among the important goals completed. The plan's commitment to gender equality was strengthened. The revised plan was released by Council for public feedback in September. The plan was then considered and adopted by Council at its October meeting.

City Leadership Strategy 5.11: **Our City will advocate for important needs including an upgrade of the aquatic centre, a community hub at Brierly Recreation Reserve, a new art gallery and affordable housing.**

No.	Action	Progress	Indicator	Report
5.11.1	Advocacy materials prepared and meetings with relevant parliamentarians and department officials arranged.	100%		Advocacy documents continue to be updated as required ahead of delegations meeting politicians and advisers.

Governance and Management

Council's commitment to good governance is contained in the Council Plan 2025-2029, the Governance Rules and Privacy Policy.

Councillor allowances

Councillor	Allowance $	Car
Cr Arnott	35,049	
Cr Benter	35,049	
Cr Blain	116,936	7,806.52
Cr Edis	35,049	
Cr Jellie	43,596	
Cr Walsh	49,921	
Cr Ziegeler	35,049	

Councillor expenses

	Travel $	Car mileage $	Childcare $	IT & comms $	Conferences $	Training $
Cr Arnott		-	-	602	-	474
Cr Benter	1,291	-	-	602	1,368	1,274
Cr Blain	4,067	-	-	788	1,405	474
Cr Edis	10	-	-	602	-	11,056
Cr Jellie	1,297	1,247	-	602	164	474
Cr Walsh	535	-	-	602	-	1,224
CrZiegeler	-	-	-	602	-	474
Totals	**$7,200**	**$1,247**	**-**	**$4,400**	**$2,936**	**$15,450**

Delegated committees

Delegated committee	Councillors	Officers	Other	Purpose
Audit and Risk Committee	2	-	3	The purpose of the Committee is to monitor compliance of Council policies and procedures with the overarching governance principles and the Act, monitor Council financial performance and reporting, monitor and provide advice on risk management and fraud prevention systems and controls, and oversee internal and external audit functions. Audit Committee Allowances 2025-2026 Chair - $2,850 Independent committee members = $1,904 each.
Aged Care Services Committee	2	6	-	To exercise Council's powers, discretions and authorities to perform Council's functions under the Aged Care Act 2024 and its associated rules, regulations, and standards in accordance with relevant policies and guidelines of the Council and to do all things necessary or convenient to be done for or in connection with the performance those functions, duties and powers.
Planning Advisory Committee	1	2	5	To provide advice on strategic land use planning projects across the Warrnambool municipality.

Meetings of Council – attendance

Ordinary/scheduled meetings are held on first Monday of the month and are open to the public.

Dates for Council meetings are advertised in the local media and on our website.

A guide to Council's meeting procedures is also available on the website at www.warrnambool.vic.gov.au.

Council meeting attendance

COUNCILLOR	Scheduled Meetings attended	Annual/ Additional Meetings Attended	In-Camera Meetings Attended	Informal Meetings Attended
Cr. Debbie Arnott	10/11	2/2	7/7	31/34
Cr. Ben Blain, Mayor	11/11	2/2	7/7	32/34
Cr. Vicki Jellie AM	9/11	2/2	6/7	34/34
Cr. Richard Ziegeler	11/11	2/2	7/7	31/34
Cr. Willy Benter	10/11	2/2	6/7	34/34
Cr. Matthew Walsh	11/11	2/2	7/7	30/34
Cr. Billy Edis	11/11	2/2	7/7	32/34

Conflicts of interest

During 2024/25, Councillors declared 24 conflicts of interest.

Type of Meeting	No. of Cr. Conflicts declared
Scheduled	6
Special/Additional	0
In-Camera	0
Informal	16



Management

Summary of completed audit work

Victoria Auditor- General's Office : Financial Report 2025-26
Victoria Auditor- General's Office : Performance Statement 2025-26
Victoria Auditor- General's Office : Roads to Recovery (R2R) acquittal
Victoria Auditor- General's Office : Local Roads and Community Infrastructure (LRCI) acquittal

Strategic internal audits

- Panel Contracts
- Long-Term Financial Planning/Sustainability
- Asset Management
- Follow-up of selected higher risk matters raised in prior internal audit reports
- Leases and Licences

Governance and Management Checklist

	Item	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: 02/06/2025
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: 02/06/2025
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: 06/10/2025
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: 06/10/2025
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: 02/06/2025
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: 02/06/2025
7	**Risk policy** (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of commencement: 06/02/2024
8	**Fraud policy** (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of commencement: 01/12/2025
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: 17/09/25, 10/12/2025, 18/03/26, 17/06/2026
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: 05/08/2024
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: 19/02/2026
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: 19/02/2026
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: 01/09/2025
14	**Workforce plan** (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.)	Plan developed in accordance with section 46 of the Act. Date of commencement: 14/10/2025

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: 04/08/2025
16	**Risk management framework** (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of commencement: 01/02/2024
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: 01/01/2019
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: 01/01/2019
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: 01/07/2024
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: 06/06/2026
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: 01/12/2025, 02/03/2026, 01/06/2026
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: 26/08/2025, 11/11/2025, 03/03/2026. 02/06/2026
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)	Performance reports prepared Dates of reports: 06/10/2025
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: 06/10/2025
25	**Councillor Code of Conduct** (Code setting out the standards of conduct to be followed by Councillors and other matters.)	Not reviewed and adopted. Reason for not reviewing and adopting:
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: 04/02/2025
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: 05/09/2023



Statutory Information

Contracts entered into by Council that were higher than the value in which Council has set within its Procurement Policy.

Contacts entered into by Council that were higher than the value set by Council in its Procurement Policy for which Council did not initiate a tender or expression of interest.

Documents Open for Public Inspection

In accordance with Section 57 (1) of the Local Government Act 2020 Council has adopted and maintains a Transparency Policy.

Under this policy the following documents are publicly available on Council's website:

- Council meeting agendas;
- reporting to Council;
- minutes of Council meetings;
- reporting from advisory committees to Council through reporting to Council;
- Audit and Risk Committee performance reporting;
- terms of reference or charters for advisory committees;
- registers of gifts, benefits and hospitality offered to Councillors or Council staff;
- registers of interstate and overseas travel undertaken by Councillors or Council staff;
- registers of conflicts of interest disclosed by Councillors or Council staff;
- submissions made by Council;
- registers of donations and grants made by Council;
- registers of leases entered into by Council, as lessor and lessee;
- register of delegations;
- register of authorised officers;
- register of election campaign donations;
- summary of personal interests;
- any other registers or records required by legislation or determined to be in the public interest.

Disability Action Plan

Progress on disability initiatives is described in Section 5 of the Operations Report.

Domestic Animal Management Plan

Council reviewed its Domestic Animal Management Plan in 2025-2026 and an updated plan was formally adopted by Council at its July 2026 meeting.

Food Act Ministerial Directions

Council did not receive any Ministerial directions relating to the Food Act this year.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982, Council has information on its website that explains the Freedom of Information process.

Protected Disclosure Procedures

No protected disclosures were made this financial year.

Road Management Act Ministerial Direction

Council did not receive any Ministerial directions relating to the Road Management Act.

Carers Recognition

Where applicable, Council is required to comply with the reporting obligations set out in the Carers Recognition Act 2012.

Infrastructure and development plan

Information on infrastructure and development contributions including levies and works in kind.

Developer contributions

Table 1 - Total DCP Levies received in 2025-26 Financial Year

DCP name and year approved	Levies received in 2025-26 financial year ($)
North of the Merri DCP (2011)	583,994
North Dennington DCP (2014)	2,410,086
Total	**2,994,080**

Table 2 – DCP land, works, services or facilities accepted in part or full satisfaction of the amount of levies payable in 2025-26 financial year

DCP name and year approved	Project ID	Project description	Item purpose	Project value ($)
North of the Merri DCP (2011)	DR01, OS01, RO02, RO09			
RO01 + RO08, RO05, PC02, DR01	Riverside Estate Stage 8			
Riverland Estate Stage 10	Footpath, Road, Land and Drainage Assets provided in-kind	$3,617,063		
North Dennington DCP (2014)	RO02, NDRDS-04, RO09	Infrastructure Project Credits	Footpath, Road, and Drainage Assets provided in-kind	$1,014,173
Total				**$4,631,236**

Table 3 – Total DCP contributions received and expended to date

DCP name and year approved	Total levies received ($)	Total levies expended ($)	Total works-in-kind accepted ($)	Total DCP contributions received (levies and works-in-kind) ($)
North of the Merri DCP (2011)	3,710,240	1,943,048	6,831,865	10,542,104
North Dennington DCP (2014)	2,729,084	-	2,714,834	5,443,918
Total	**$6,439,324**	**$1,943,048**	**$9,546,698**	**$ 15,986,022**

Table 4 – Land, works, services or facilities delivered in 2025-26 financial year from DCP levies collected

Project description	Project ID	DCP name and year approved	DCP fund expended ($)	Works-in-kind accepted ($)	Council's contribution ($)	Other contributions ($)	Total project expenditure ($)	Percentage of item delivered
North of the Merri DCP (2011)	DR01, OS01, RO02, RO09, DR06	North of the Merri DCP (2011)	483,651	3,617,063			4,100,714	100%
North Dennington DCP (2014)	RO02, NDRDS-04, RO09	North Dennington DCP (2014)	-	1,014,173		-	1,014,173	97%
Total			**$ 483,651**	**$4,631,236**	**$-**	**$ -**	**$5,114,887**	

Warrnambool City Council is an employer in the municipality.

Warrnambool City Council is committed to providing a safe and secure work environment for its employees.

The following information is provided on Warrnambool City Council's secure employment indicators for the 2025-26 financial year. It may be read in conjunction with Section 4 in the Report of Operations component of the Annual Report that reports on the human resources of Warrnambool City Council.

Indicator	2025-26 Financial Year
Permanent Employees	
Total headcount of council employees engaged on a permanent basis at the end of the financial year	522
Total FTE of council employees engaged on a permanent basis at the end of the financial year	406.36
Total expenditure on council permanent employees for the financial year	$36,196,601.27
Other Employees	
Fixed-Term Employees	
Total headcount of council employees engaged on a fixed-term basis at the end of the financial year	7
Total FTE of council employees engaged on a fixed-term basis at the end of the financial year	7
% of fixed-term employee headcount to the total of Permanent Employees and Other Employees at the end of the financial year	0.88%
Total number of fixed-term roles converted to ongoing employment for the financial year	0
Casual Employees	
Total headcount of direct-hire casual employees at the end of the financial year	269
Total FTE of direct-hire casual employees at the end of the financial year	32.03
Total expenditure on direct-hire casual employees for the financial year	$3,440,068.64
Labour Hire	
Total headcount engaged by council through labour hire arrangements of less than 90 days for the financial year	0
Total headcount engaged by council through labour hire arrangements of 90 days or more for the financial year	0
Total expenditure, for the financial year, on workers engaged by council through a labour hire arrangement of less than 90 days	0
Total expenditure, for the financial year, on workers engaged by council through a labour hire arrangement for 90 days or more	0
Top 5 functions or departments, based on total expenditure, which utilise labour hire	N/A

Indicator	2025-26 Financial Year
Ratio between Permanent and Other Employees	
Ratio between council's Permanent Employee headcount and total Other Employees (fixed-term, labour hire and casual)	
Ratio between total expenditure on council's Permanent Employees and total Other Employees (fixed-term, labour hire and casual)	
Apprentices and Trainees	
Total headcount of new apprentices and trainees engaged for the financial year	25
Number of apprenticeships and traineeships completed with council for the financial year	6
Top 5 occupation streams for apprenticeships and traineeships completed for the financial year	Early Childhood Education Horticulture Business Administration Sports & Recreation Heavy Vehicle Mechanical Technology
Number of council employees who completed an apprenticeship or traineeship at the council within the preceding 5 years	21
Consultants and Contractors	
Total expenditure on consultants for the financial year	$2,869,726
Description of professional services procured	
Total expenditure on contractors procured for the financial year	$20,304,686
Description of contracted services procured	



Warrnambool City Council Performance Statement 2025-2026

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Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

Ann Van Zyl
Principal Accounting Officer
Dated: 23 September 2026

In our opinion, the accompanying performance statement of the Warrnambool City Council for the year ended 30 June 2026 presents fairly the results of council's performance in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.

Cr Ben Blain
Councillor
Dated: 23 September 2026

Cr Matthew Walsh
Councillor
Dated: 23 September 2026

Andrew Mason
Chief Executive Officer
Dated: 23 September 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Councillors of Warrnambool City Council

Opinion	I have audited the accompanying performance statement of Warrnambool City Council (the council) which comprises the: • description of municipality for the year ended 30 June 2026 • service performance indicators for the year ended 30 June 2026 • financial performance indicators for the year ended 30 June 2026 • sustainable capacity indicators for the year ended 30 June 2026 • notes to the accounts • certification of the performance statement. In my opinion, the performance statement of Warrnambool City Council in respect of the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the performance statement	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
29 September 2026

Travis Derricott
as delegate for the Auditor-General of Victoria



Description of municipality

Our Council

The Warrnambool municipality covers an area of 120 sqkm and is situated in the Great South Coast region of Victoria, 263 km south-west of Melbourne.

Warrnambool City Council includes the City of Warrnambool and the townships of Allansford, Bushfield and Woodford. The estimated residential population is 36,150 and the municipality's population density was 301.25 people per square kilometre. The average household size is 2.32 and the median age is 42.

Warrnambool serves as a centre for a regional population of about 120,000 people. It contains a TAFE college, a Deakin University campus including a School of Medicine and a base hospital which is part of South West Healthcare.

The major employment sectors are health care and social assistance, retail, manufacturing, education and training, accommodation and food services, professional services and construction.

Warrnambool has a moderate climate with an average maximum summer temperature of about 24°C, while the average winter maximum is about 14°C.

Stunning Lady Bay provides a focal point and major attraction for residents and visitors and in winter and spring the bay is home to southern right whales and their calves.

Along with the natural attractions visitors are drawn to events in Warrnambool including the speedway car racing, May Racing Carnival and surf lifesaving events.

The region also features some of Australia's most fertile agricultural land much of which is dedicated to dairy and beef production. Major dairy manufacturers and a large meat processor are situated in and around Warrnambool providing a major source of employment. Warrnambool's total employment is estimated at more than 18,500 jobs and the city's economic output is estimated at $6.013 billion with major contributions from the following industry sectors:

Construction - $975.6 million
Manufacturing - $754.2 million
Health care and social assistance - $720.5 million

Service Performance Indicators

For the year ended June 30, 2026

	2023	2024	2025	2026		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities						
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.63	5.74	5.99		6.38	Increased usage of facilities is being driven by an increase in Health & Fitness activities such as Group Fitness and Gym. Marketing initiatives have focused on increasing class and membership number to support activation of these spaces. The facility also saw a small % increase in Aquatic attendances driven by an increase in school lesson activation and general recreational swimming.
Animal Management						
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	100%		100%	One prosecution case was pursued during the year with a successful outcome.
Food Safety						
Health and safety Critical and major non-compliance outcome notifications [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	50.00%	96.63%	97.10%	N/A	97.92%	48 major or critical non-compliant notifications were received in the calendar year 2025. One remained outstanding which will be followed up in 2026.

Governance						
Satisfaction Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	46	48	51	49	48	
Libraries						
Participation Library membership [percentage of the population that are registered library members] x100	N/A	39.79%	47.64		55.03%	Library membership continues its trajectory of strong growth and demonstrates the value perceived by the community in the range of collections, services, programming and facilities on offer.
Maternal and Child Health (MCH)						
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	79.42%	77.14%	79%		78.88%	
Participation Participation in the MCH service by Aboriginal children [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	80.75%	84.02%	76.97%		81.91%	
Roads						
Condition Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	93.56%	89.69%	90.35%	89.69%	91.01%	Based on deterioration of State Roads we had forecast 89.69%, however, after an updated conditions audit on Council Roads for 2025/26 we noted the overall condition of roads maintained by Council had not deteriorated as budgeted.

Statutory Planning						
Service standard Planning applications decided within the relevant required time (percentage of planning application decisions made within the relevant required time)	66.97%	86.59%	77.56%	80.00%	80.97%	Council experienced more staff stability over the past 12 months, with no vacancies.
Waste Management						
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	67.24%	65.45%	63.34%	64.00%	63.82%	

Financial Performance Indicators

For the year ended June 30, 2026

Dimension/indicator/ measure	2023	2024	2025	2026		2027	2028	2029	2030	Material Variations and Comments	
	Actual	Actual	Actual	Target As per budget	Actual	Forecast	Forecast	Forecast	Forecast		
Efficiency											
Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	$4,724.40	$5,256.62	$5,520.98	$5,253.00	$5,756.49	$5,577.02	$5,430.23	$5,488.83	$5,597.93	Increases in Materials and Services due to current costs of materials and labour shortages, as well as higher depreciation on assets has resulted in higher cost per property assessment than targeted.	
Revenue level											
Average rate per property assessment [Sum of all general rates and municipal charges / Number of property assessments]	$2,036.72	$2,107.11	$2,161.54	N/A	$2,218.23	$2,286.72	$2,340.45	$2,398.75	$2,458.73	Forecast period is based on estimated rate cap increase between 2.35% in 2027 and 2.50% for later years together with a 1% growth year on year in the number of property assessments over the same period.	
Liquidity											
Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	240.47%	255.95%	273.85%	174.54%	301.98%	244.70%	252.39%	253.54%	264.06%	Council continues to hold funds committed for incomplete projects that will be delivered in the 2026/27 financial year which is expected to reduce over the forecast period as projects are completed	

Unrestricted cash										
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	-38.81%	-50.26%	-13.09%	N/A	30.98%	-28.44%	34.89%	38.96%	50.42%	Council considers the current definition of "unrestricted cash" as misleading, as it excludes investments with a maturity term of 90 days. Council held $6m of uncommitted cash in these investments as at 30 June 2026, which will be used to fund committed reserves, operations, capital works, and projects. Council uses careful and timely treasury management to maximise investment returns and ensure cash availability for its operations.
Obligations										
Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	22.93%	18.01%	14.03%	N/A	10.48%	19.14%	15.51%	11.96%	9.59%	Council reduced its debt slightly in 2025/26 as it was able to retire historical loans. New borrowings will be considered in the 2026/27 financial year to assist with funding Council's capital works plan. Council expects to retire further loans during 2029/30.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.66%	3.84%	3.44%	N/A	3.20%	3.50%	3.81%	3.70%	2.52%	Council reduced its debt slightly in 2025/26 as it was able to retire historical loans. New borrowings will be considered in the 2026/27 financial year to assist with funding Council's capital works plan. Council expects to retire further loans during 2029/30.

Indebtedness										
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	14.73%	12.29%	9.67%	N/A	7.40%	12.07%	10.60%	7.98%	6.47%	Council reduced its debt slightly in 2025/26 as it was able to retire historical loans. New borrowings will be considered in the 2026/27 financial year to assist with funding council's capital works plan. Council expects to retire further loans during 2029/30.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	114.67%	74.90%	73.92%	52.33%	50.51%	127.57%	75.13%	71.95%	67.08%	Depreciation costs have increased in 2025/26 due to revaluations in 2024/25. Infrastructure Upgrades of $11.6m budgeted for the 26/27 year.
Operating position										
Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	4.05%	-10.31%	-4.10%	N/A	-7.47%	-3.52%	-3.33%	-3.00%	-3.12%	The adjusted underlying result has decreased compared with the prior year, primarily due to increased depreciation expense following the revaluation of buildings, roads, parks, open space and streetscape assets. The result was also impacted by increased employee costs, including wage increases above the rate cap arising from Enterprise Agreement (EA) increases and the Superannuation Guarantee Charge (SGC) rate increase. These impacts were partially offset by the favourable timing of the receipt of Federal Assistance Grants. Forecast periods reflect reduced grant funding available for capital works

Stability										
Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	49.54%	52.92%	48.42%	52.48%	49.29%	50.97%	53.41%	53.90%	54.15%	Council received $4.8m, representing 80% of the Victorian Local Government Grants Commission funding for 2026–27, in advance. Council recognised operating grant revenue of $5.18m above budget, primarily due to the timing of grant receipts and the release of grant funding as project milestones were achieved. A number of unbudgeted developer contributions were also received during 2025-26.
Rates effort										
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.42%	0.41%	0.42%	N/A	0.45%	0.45%	0.46%	0.47%	0.48%	

Sustainable Capacity Indicators

For the year ended June 30, 2026

Indicator / measure [formula]	Results 2023 Actual	2024 Actual	2025 Actual	2026 Actual	Comments
Population					
Expenses per head of municipal population	$2,455.97	$2,743.45	$2,896.87	$3,073.47	Increases in Materials and Services due to current costs of materials and labour shortages, as well as higher depreciation on assets has resulted in higher cost per head of municipal population
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	$17,353.60	$18,658.31	$18,650.26	$20,488.66	Infrastructure values have increased in 2025/26 due to revaluations.
Population density per length of road [Municipal population / Kilometres of local roads]	102.96	102.30	94.63	93.90	
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	$1,934.68	$2,047.23	$2,120.44	$2,168.38	Own-source revenue per head has increased by $233.70 or 12.08% between 2023 and 2026, which aligns closely with cumulative CPI growth over this three-year period. This increase reflects the compounding impact of high inflation seen throughout 2023, 2024, and 2025. This is reflected in the increase over the same period for expenses per head.
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	$444.62	$296.99	$534.05	$518.42	Council received 100% of the 2024/25 Victoria Grants Commission as well as 50% advance of the 2025/26 Financial year, with no funding received in the 2023/24 as these were advanced during the 2022/23 Financial year. Council received $4.8m, representing 80% of the Victorian Local Government Grants Commission funding for 2026–27, in advance.

Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	5	5	5	5	
Workforce turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	*12.4%	10.9%	12.06%	8.64%	Council has had fewer employees leave than the previous 12 months. *During audit review in 2023/24 of underlying supporting information it was found prior years indicators should be reported as 2023 - 11.29% (previously 12.40%) as casuals had been incorrectly included in the staff numbers.

Notes to the accounts

5.1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2026-27 to 2029-30 by the council's financial plan.

The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.



5.2 Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N (3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the Food Act 1984
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
major non-compliance outcome notification	means a notification received by a council under section 19N (3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash



Annual Financial Report For The Year Ended 30 June 2026

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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.

Ann Van Zyl

Principal Accounting Officer

23 September 2026

Warrnambool

In our opinion, the accompanying financial statements present fairly the financial transactions of Warrnambool City Council for the year ended 30 June 2026 and the financial position of the Council as at that date.

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

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

Cr Ben Blain
Mayor
23 September 2026
Warrnambool

Cr Matt Walsh
Councillor
23 September 2026
Warrnambool

Andrew Mason
Chief Executive Officer
23 September 2026
Warrnambool

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Warrnambool City Council

Opinion	I have audited the financial report of Warrnambool City Council (the council) which comprises the: • balance sheet as at 30 June 2026 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Travis Derricott
as delegate for the Auditor-General of Victoria

MELBOURNE
29 September 2026

Comprehensive Income Statement
for the year ended 30 June 2026

	Note	2026 $ '000	2025 $ '000
Income / Revenue			
Rates and charges	3.1	50,953	48,715
Statutory fees and fines		2,745	2,692
User fees	3.2	20,771	19,522
Grants - operating	3.3	21,435	20,409
Grants - capital	3.3	1,827	2,373
Contributions - monetary	3.4	2,577	3,743
Contributions - non monetary	3.4	9,513	13,942
Other income	3.5	4,605	5,259
Total income / revenue		114,426	116,655
Expenses			
Employee costs	4.1	47,707	43,461
Materials and services	4.2	36,214	36,408
Depreciation	4.3	23,298	20,980
Depreciation - Right of use assets		497	486
Allowance for impairment losses		311	302
Borrowing costs		140	183
Finance Costs - Leases		43	45
Net loss on disposal of property, infrastructure, plant and equipment		1,943	1,982
Other expenses	4.4	953	875
Total expenses		111,106	104,722
Surplus for the year		3,320	11,933
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	9.1	65,852	590
Total items which will not be reclassified subsequently to the operating result		65,852	590
Total other comprehensive income		65,852	590
Total comprehensive result		69,172	12,523

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

Balance Sheet
as at 30 June 2026

	Note	2026 $ '000	Restated 2025 $ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	9,786	7,201
Trade and other receivables	5.1	5,054	4,692
Prepayments		941	1,006
Other financial assets	5.1	54,000	48,000
Inventories		262	178
Other assets		1,438	1,815
Total current assets		71,481	62,892
Non-current assets			
Other financial assets	5.1	2	2
Property, infrastructure, plant and equipment	6.1	863,364	803,198
Right-of-use assets		975	1,472
Total non-current assets		864,341	804,672
Total assets		935,822	867,564
Liabilities			
Current liabilities			
Trade and other payables	5.2	4,007	3,695
Trust funds and deposits	5.2	4,655	3,823
Contract and other liabilities	5.2	5,366	5,786
Provisions	5.4	8,061	7,675
Interest-bearing liabilities	5.3	1,125	1,493
Lease liabilities		457	494
Total current liabilities		23,671	22,966
Non-current liabilities			
Provisions	5.4	981	1,018
Interest-bearing liabilities	5.3	4,216	5,341
Lease liabilities		600	1,057
Total non-current liabilities		5,797	7,416
Total liabilities		29,468	30,382
Net assets		906,354	837,182
Equity			
Accumulated surplus		311,553	303,449
Reserves	9.1	594,801	533,733
Total Equity		906,354	837,182

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

Statement of Changes in Equity
for the year ended 30 June 2026

	Note	Total $ '000	Accumulated Surplus $ '000	Revaluation Reserves $ '000	Other Reserves $ '000
2026					
Balance at beginning of the financial year		837,182	303,449	509,284	24,449
Surplus for the year		3,320	3,320	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	65,852	–	65,852	–
Other comprehensive income		65,852	–	65,852	–
Total comprehensive income		69,172	3,320	65,852	–
Transfers to other reserves	9.1	–	(12,060)	–	12,060
Transfers from other reserves	9.1	–	16,844	–	(16,844)
Balance at end of the financial year		906,354	311,553	575,136	19,665
2025					
Balance at beginning of the financial year		817,644	291,291	508,694	17,659
Correction of prior period errors – retrospective	11.1	7,015	7,015	–	–
Surplus for the year		11,933	11,933	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	590	–	590	–
Other comprehensive income		590	–	590	–
Total comprehensive income		12,523	11,933	590	–
Transfers to other reserves	9.1	–	(11,109)	–	11,109
Transfers from other reserves	9.1	–	4,319	–	(4,319)
Balance at end of the financial year		837,182	303,449	509,284	24,449

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flow
for the year ended 30 June 2026

	Note	2026 Inflows/ (Outflows) $ '000	2025 Inflows/ (Outflows) $ '000
Cash flows from operating activities			
Rates and charges		50,615	48,284
Statutory fees and fines		2,698	2,648
User fees		21,013	19,522
Grants - operating		21,729	20,809
Grants - capital		810	3,540
Contributions - monetary		2,577	3,743
Interest received		2,400	2,584
Trust funds and deposits taken		10,835	9,946
Other receipts		2,211	3,121
Net GST refund		128	13
Employee costs		(47,284)	(42,897)
Materials and services		(33,719)	(33,462)
Short-term, low value and variable lease payments		(111)	(170)
Trust funds and deposits repaid		(10,003)	(8,526)
Other payments (incl. Interest paid)		(1,167)	(1,461)
Net cash provided by operating activities	9.2	22,732	27,694
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(13,898)	(17,350)
Proceeds from sale of property, infrastructure, plant and equipment		1,781	526
Payments for investments		(62,000)	(51,000)
Proceeds from sale of investments		56,000	46,000
Net cash used in investing activities		(18,117)	(21,824)
Cash flows from financing activities			
Repayment of borrowings		(1,493)	(1,678)
Interest paid - lease liability		(43)	(45)
Repayment of lease liabilities		(494)	(480)
Net cash flow used in financing activities		(2,030)	(2,203)
Net increase in cash and cash equivalents		2,585	3,667
Cash and cash equivalents at the beginning of the financial year		7,201	3,534
Cash and cash equivalents at the end of the financial year		9,786	7,201
Financing arrangements	5.5	6,747	8,825

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 2026

	Note	2026 $ '000	2025 $ '000
Property			
Buildings specialised		1,449	2,957
Buildings non-specialised		19	38
Building improvements		–	385
Total property		1,468	3,380
Plant and equipment			
Plant, machinery and equipment		1,520	2,319
Fixtures, fittings and furniture		222	–
Computers and telecommunications		121	409
Library books		261	230
Other		15	–
Total plant and equipment		2,139	2,958
Infrastructure			
Roads		5,934	4,048
Bridges		636	89
Footpaths and cycleways		888	2,074
Drainage		610	1,775
Recreational, leisure and community facilities		14	379
Parks, open space and streetscapes		725	780
Aerodromes		–	272
Off street car parks		–	291
Other infrastructure		1,485	1,304
Total infrastructure		10,292	11,012
Total capital works expenditure	6.1	13,899	17,350
Represented by:			
New asset expenditure		2,132	1,758
Asset renewal expenditure		6,934	10,469
Asset expansion expenditure		–	83
Asset upgrade expenditure		4,833	5,040
Total capital works expenditure		13,899	17,350

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

Note 1. Overview

Introduction

Warrnambool City Council was established by an Order of the Governor in Council on 20 September 1994 and is a body corporate.

The Council's main office is located at 25 Liebig Street, Warrnambool.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)
- 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
- whether or not AASB 1059 *Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements.

Note 1. Overview (continued)

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

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

1.2 Impact of emergencies and natural disasters

Following a severe weather event in August-September 2024, Council received a grant of $1.6m from the Victorian Department of Energy, Environment and Climate Action as part of the 2024 Severe Weather Event Recovery Funding. This is for design and construction of a coastal protection structure on Viaduct Road. Council spent $62,780 of this grant in 2025-26, with the remainder held as income in advance to complete the project in future years.

1.3 Impacts of other external events

Council has considered ongoing external events that have contributed to volatility in international markets, disrupted global supply chains and increased inflationary pressure, including the risk that they may cause significant changes in the carrying values of assets and liabilities in the next financial year, and has concluded that there is no material impact on the 2025-26 financial report that requires additional disclosure.

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government* (*Planning and Reporting*) *Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of greater than 10 percent and at least $500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2026 $ '000	Actual 2026 $ '000	Variance $ '000	Variance %	Ref
Income / Revenue					
Rates and charges	50,471	50,953	482	1%	
Statutory fees and fines	2,642	2,745	103	4%	
User fees	19,932	20,771	839	4%	
Grants - operating	16,255	21,435	5,180	32%	1
Grants - capital	5,768	1,827	(3,941)	(68)%	2
Contributions - monetary	3,477	2,577	(900)	(26)%	
Contributions - non monetary	5,000	9,513	4,513	90%	3
Net gain on disposal of property, infrastructure, plant and equipment	344	–	(344)	(100)%	7
Other income	2,656	4,605	1,949	73%	4
Total income / revenue	106,545	114,426	7,881	7%	
Expenses					
Employee costs	46,843	47,707	(864)	(2)%	
Materials and services	30,296	36,214	(5,918)	(20)%	5
Depreciation	20,456	23,298	(2,842)	(14)%	6
Depreciation - right of use assets	544	497	47	9%	
Allowance for impairment losses	153	311	(158)	(103)%	
Borrowing costs	191	140	51	27%	
Finance costs - leases	48	43	5	10%	
Net loss on disposal of property, infrastructure, plant and equipment	–	1,943	(1,943)	∞	7
Other expenses	517	953	(436)	(84)%	
Total expenses	99,048	111,106	(12,058)	(12)%	
Surplus/(deficit) for the year	7,497	3,320	(4,177)	(56)%	

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	Council recognised operating grant revenue of $5.18m above budget, primarily due to the timing of grant receipts and the release of grant funding as project milestones were achieved. Council received $4.8m, representing 80% of the Victorian Local Government Grants Commission funding for 2026–27, in advance. This was partially offset by $1.6m of grant income budgeted for 2025–26 that was received in the prior year. A further $1.6m of grant revenue was recognised as funding was released following achievement of project milestones, including $944k relating to the Coastal Connect shared service project with the remaining variance relating to smaller movements across various programs. Council also received additional funding not included in the original budget, including $703k Commonwealth retention grant funding for early learning centre employees and $275k of Primary Producer grant funding.
2.	Council recognised capital grants $3.9m lower than budget. This is due to $4.9m for the Shipwreck Bay Key Worker Accommodation project budgeted but not received. This is offset by grants received in prior years being released as project achieved milestones or completion including: $882k for roads, $92k for the airport, $67k for the Port of Warrnambool.
3.	Contributions are budgeted at an estimated aggregate amount of $5m, as it is not practical to accurately forecast contributions at an individual project or development level due to the timing and variability of development activity. The most significant contributions received this year relate to Northern Edge Estate $2.8m, Riverside Estate $1.3m, Wollaston Road upgrades $1.3m, Horne Road Industrial Estate $1.4m, Hollingsworth Estate $1.1m.
4.	Council received other income of $1.2m above budget, primarily due to $600k of additional interest income resulting from higher interest rates and investment balances held during the year than anticipated in the budget. Volunteer labour of $417k was also recognised, which was not included in the original budget, with the remaining variance relating to smaller movements across various programs.
5.	Materials expenditure was over budget due to expensing of capital works above budget for infrastructure services ($1.7m) and the Coastal Connect shared service project ($2.8m). Budget rollovers from 2024–25 into 2025–26, incorporated through the revised budget rather than the adopted budget, contributed $1.2m to the variance. Additional expenditure of $300k was incurred during the year from new grant funding that was not included in the budget.
6.	Depreciation expense was higher than budget, primarily due to increases in the Buildings – Specialised category of $1.5m, reflecting the revaluation of buildings in the prior year and the resulting increase in the depreciable cost base. Depreciation for Parks, Open Space and Streetscape is $2m higher than budget, including approximately $500k of additional depreciation relating to the $14m of previously unrecorded assets identified this year together with the revaluation of this asset class in 2025–26.
7.	The budget included a net gain of $344k on the sale of plant and equipment, compared with an actual net loss of $1.9m. The net loss on disposal was primarily due to the impact of infrastructure demolitions, including $464k relating to Roads, $143k to Parks and Open Space, and $571k to Recreational, Leisure and Community Facilities. Council also disposed of the Koroit Street properties for proceeds of $1.2m, resulting in a net loss on disposal of $1m due to the properties having a carrying value of $2.2m.

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2026 $ '000	Actual 2026 $ '000	Variance $ '000	Variance %	Ref
Property					
Buildings specialised	11,720	1,449	(10,271)	(88)%	1
Buildings non-specialised	–	19	19	∞	
Total property	11,720	1,468	(10,252)	(87)%	
Plant and equipment					
Plant, machinery and equipment	1,791	1,520	(271)	(15)%	
Fixtures, fittings and furniture	–	222	222	∞	
Computers and telecommunications	3,732	121	(3,611)	(97)%	2
Library books	177	261	84	47%	
Other	20	15	(5)	(25)%	
Total plant and equipment	5,720	2,139	(3,581)	(63)%	
Infrastructure					
Roads	13,157	5,934	(7,223)	(55)%	3
Bridges	450	636	186	41%	
Footpaths and cycleways	2,058	888	(1,170)	(57)%	4
Drainage	877	610	(267)	(30)%	
Recreational, leisure and community facilities	2,055	14	(2,041)	(99)%	5
Parks, open space and streetscapes	402	725	323	80%	
Aerodromes	70	–	(70)	(100)%	
Other infrastructure	95	1,485	1,390	1,463%	6
Total infrastructure	19,164	10,292	(8,872)	(46)%	
Total capital works expenditure	36,604	13,899	(22,705)	(62)%	
Represented by:					
New asset expenditure	6,055	2,132	(3,923)	(65)%	7
Asset renewal expenditure	10,705	6,934	(3,771)	(35)%	8
Asset upgrade expenditure	19,844	4,833	(15,011)	(76)%	9
Total capital works expenditure	36,604	13,899	(22,705)	(62)%	

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	Capital works expenditure was below budget during the year, primarily due to the timing and deferral of several significant projects. The $2.1m Matron Swinton project has not commenced, with Council continuing advocacy for the project and awaiting confirmation and receipt of government funding. The $5.2m Shipwreck Bay Key Worker Accommodation project has also been delayed pending a Council decision and confirmation of funding, with delivery now expected in 2026–27. Several key projects have been delayed, with $2.7m of budgeted expenditure carried forward for completion in 2026–27. These projects include the Aquazone roof replacement, which has been rescheduled to align with other key renewal projects, Civic Centre accessibility upgrades, the Council Pound upgrade and ongoing works at Alveston House.
2.	The budget included a carried forward amount of $965k and $2.3m for the Coastal Connect shared service project. The project incurred expenditure of $2.8m during 2025-26 which has been recognised as an expense as it does not meet the recognition criteria for an asset. Separately, the budget included $500k for IT projects, which will be carried forward to 2026–27 as Council's contribution towards the delivery of Phase 2 of the Coastal Connect shared service.
3.	Roads capital expenditure was below budget primarily due to the delayed delivery of the $5.1m Wollaston Road Duplication project, which remains subject to receipt of grant funding to commence the project. The budgeted $2.2m project to relocate high-voltage powerlines at Wollaston Road is nearing completion, with anticipated savings of approximately $1.2 million. Expenditure of $1m incurred to date has been capitalised as Other infrastructure rather than Road infrastructure, resulting in a variance between the budgeted and reported road capital expenditure (Refer note 6).
4.	CBD footpath capital works were $390k below budget due to delays associated with AusNet CBD gasworks, which impacted the timing of planned works. The remaining budget will be carried forward to 2026–27 for delivery of the outstanding works.
5.	Recreational, leisure and community facilities capital expenditure was below budget; however, actual capital expenditure was higher than the reported variance, with $428k of costs capitalised to other asset classes on completion, including plant and equipment, artwork, furniture and fittings, and building capital works. The 2025-26 budget included a general minor works allocation, with the final asset classification not known at the time the budget was prepared. A $250k variance relates to Aquazone improvements, which have been rescheduled for completion in 2026–27 to align with other planned building projects. The $193k Outdoor Netball Court Reseal project has also been delayed to 2026–27 due to a change in scope and associated increase in costs. Several projects were impacted by unsuccessful grant funding applications. The $750k Friendly Society's irrigation project will not proceed, while the $134k Davison Oval lighting and power upgrade has been delayed pending further consideration of funding. In addition, the $150k Flagstaff Hill capital works budget carried forward from the prior year will not proceed.

Note 2.1 Performance against budget (continued)

6. Other Infrastructure capital expenditure includes $1m relating to the Wollaston Road high-voltage powerline relocation project, which was budgeted under Road Infrastructure (Refer note 3 above).

   Additional expenditure includes $134k for the completion of the Civic Centre backup generator replacement. A further $114k of expenditure relates to works at Viaduct Road. Council received funding for the design and construction of a coastal protection structure at Viaduct Road after the 2025–26 budget was prepared, resulting in additional capital expenditure during the year. It is expected this project to be completed during 2026-27.

7. The variance in new capital projects compared with budget primarily reflects the $5.1m Shipwreck Key Worker Housing project not proceeding during the year (per Note 1). This was partially offset by expenditure on several smaller projects not budgeted as new, including the construction of the new Timor/Ryot Street roundabout of $853k, installation of the Civic Centre backup generator $134k and construction of the Queens Road Pump Track $140k.

8. Renewal expenditure was below budget due to the timing and reclassification of several projects. Building renewal expenditure was $282k below budget, with a further $535k of building renewal projects delayed as outlined in Note 1.

   Fleet renewal expenditure was $230k below budget due to lower replacement costs during the year. Council's $300k contribution towards Phase 2 of the Coastal Connect project has also been carried forward to 2026–27 (per Note 2).

   Drainage and Road renewal expenditure was below budget, with $205k of drainage expenditure and $1.7m of road expenditure instead incurred on upgrades that had been budgeted as renewal expenditure.

9. Incomplete projects to be carried forward and delivered in future years include Buildings $4.7m (per Note 1), Recreational upgrades of $1.5m (per Note 5) and $6.3m expenditure relating to the Wollaston Road upgrade and relocation of power lines (per Note 3). The budget included the Coastal Connect shared service budget of $3.2M. Project expenditure of $2.8m incurred during 2025-26 has been expensed (per Note 2).

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

City Futures
The City Futures directorate is required to plan, facilitate and deliver growth of population, jobs and investment but with the added responsibility of maintaining the liveability of Warrnambool for residents and visitors. City Futures has a key role in engaging business and all tiers of government, as well as supporting regional growth in business and tourism.

The City Futures directorate provides many services including tourism development and destination marketing, visitor information centre, holiday parks, Flagstaff Hill Maritime Village, Warrnambool Art Gallery, The Lighthouse Theatre, economic development and investment, business support, events and promotions, regional skilled migration programs (including the Great South Coast Designated Area Migration Agreement), city statutory planning and development, strategic planning to cater for new residential and commercial/industrial growth, development engineering services, building services, environmental health services, local laws, immunisation and open space planning.

The directorate also has responsibility for supporting and adding value to the city's international relationships with Miura (Japan) and Changchun (China).

City Infrastructure & Environment
The City Infrastructure and Environment directorate provides Infrastructure and Environmental services across the following categories, capital works, asset management, waste management, environment and sustainability services, services to the Port of Warrnambool and the management of the Warrnambool Regional Airport. The directorate also assists in facility management and oversight of the council cleaning contract, security contract and essential safety measures contract, through the building services team included in the strategic assets and projects branch. City Infrastructure and Environment took over the operational responsibilities for the Warrnambool Animal Shelter, from 1 July 2024.

The directorate provides engineering services including investigation, design, road safety projects, project management and supervision of key infrastructure projects. Strategy and policy advice is provided to council along with technical services and advice to the community. This service also provides contract management, and oversight of the city's road, drainage and footpath networks, parks, recreational and sporting facilities, and fleet. City Infrastructure also takes responsibility for playground renewals, accessible parking, and project management advice. The engineering services team oversee the traffic management plans to accommodate significant regional projects such as the Warrnambool Base Hospital upgrade.

Whilst the development engineering function has moved into the City Futures directorate to align with the development planning function, the Engineering Services team continue to assist with approvals where necessary through the provision of advice.

The Environment and Sustainability branch is responsible for various environmental programs, such as coastal protection programs, vegetation management programs, selected revegetation activities and facilitates environmental projects in accordance with the Warrnambool 2040 plan. The Circular Economy team, who also operate within this branch are responsible for managing the waste, recycling and Food Organics, Green Organics (FOGO) contracts. This requires the development and implementation of education programs to reduce volumes to landfill and reduce contamination in the various recycling streams.

The 2025-26 financial year saw the Project Management Team oversee capital works of $11.7m, including large volumes of renewal works on key asset categories such as roads, footpaths and parks, open spaces and playgrounds. It also saw the completion of construction of Beach Access 123 and the commencement and progression of a number of multi-year projects including the Key Worker Accomodation Project at Shipwreck Bay, Rock Revetment works on Viaduct Road, and the delivery of road and footpath projects in the CBD as well as the Koroit Street Roundabout near the Warrnambool Base Hospital. The team also delivered works towards the Wollaston Road Power relocation, completed the CBD Bus interchange and several road safety projects with support from the Safe Local Roads and Streets Program, including the renewal works at Botanic Road.

City Wellbeing
The City Wellbeing directorate plans for and provides a broad range of strategies, plans and policies, programs and services across social, cultural, community, recreational and educational services, children and family services and community facilities to support residents and users of all ages and stages of life.

Services in the Directorate include:

Children & Family Services - Maternal Child Health, Parenting and Children's Intervention and Support Services (PACS), Parenting Advice and Education Services, Integrated Family Services, Early Years Customer Service and Administration; Early Learning Centres, Family Day Care, 3 & 4 year old Kindergarten, Preschool Field Officer Program, Inclusion and Care.

Note 2.2 Analysis of Council results by program (continued)

Recreation & Culture - Warrnambool Library and Learning Centre, Community Arts; Aquazone; Warrnambool Stadium; Recreation facilities and sports grounds; recreation participation and activation; Grants Management and administration of several municipal funding programs.

Community Strengthening - Home care services including HACC PYP Assessment, Personal Care, Domestic Assistance, Respite Care, Social Support, Home Maintenance and Modifications, and Meals on Wheels; Community Support services such as Volunteer Connect, Community programs, Youth Services, West Warrnambool Neighbourhood House; Archie Graham Community Centre: Public meeting spaces, Community centre programs, commercial kitchen and café, and Hydrotherapy pool, along with support for strategic areas of public, social and community policy that impact on community development within the City including the development and implementation of the Municipal Health and Wellbeing Plan and Council's Reconciliation Action Plan.

The Directorate receives funding from a variety of sources including Fee for service, State and Federal Government departments in order to subsidise, deliver and/or support Council services and facilities provided. The Directorate also works in partnership with a range of Government departments, not-for-profits and non-government agencies, private sector/philanthropic partners in order to plan, advocate, develop and/or deliver projects, programs or initiatives that achieve the community's strategic goals and aspirations.

Corporate Strategies

The Corporate Strategies directorate is largely responsible for servicing the administrative and legislative needs of other directorates with back-of-house systems and other support.

The Financial Services branch provides budgeting, reporting and accounting support to other branches of the organisation, as well as rates and revenue, procurement, business improvement, and fleet support.

The Communications branch supports external and internal stakeholder management, council reporting, coordination of the Council Plan, community engagement services and manages our customer service centre.

The Organisational Development branch provides human resources support to other internal branches, manages training and payroll services, and oversees Council's occupational health and safety and risk areas.

The Information Technology Services branch provides IT management and support to all Council branches and facilities, digital transformation programs and business process improvements.

Executive

The Executive branch encompasses the Elected Council and the Chief Executive Officer's office, providing overall leadership and governance for the organisation. The Elected Council sets the strategic direction and policy framework for Warrnambool, representing the interests of the community and making key decisions on priorities and resources. The CEO is responsible for implementing Council's decisions and ensuring the effective delivery of services and initiatives in line with Council's strategic objectives. The Executive branch oversees and coordinates all directorates, ensuring strong organisational performance, accountability, and alignment with the vision and goals of Council.

The Executive branch also contains the Governance, Records, and Property functions. The Governance function supports the organisation by ensuring sound decision-making processes, compliance with statutory obligations, and the maintenance of transparent and ethical practices. The Records team manages Council's information assets and recordkeeping systems, supporting legislative compliance and efficient access to information. The Property team oversees Council's property portfolio, providing strategic management of leases, licences, acquisitions, and disposals, as well as supporting the use and maintenance of Council-owned and managed land and buildings.

Note 2.2 Analysis of Council results by program (continued)

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

Functions/activities	Income / Revenue $ '000	Expenses $ '000	Surplus / (Deficit) $ '000	Grants included in income / revenue $ '000	Total assets $ '000
2026					
Corporate Strategies	76,070	38,770	37,300	9,740	75,335
City Infrastructure & Environment	3,433	26,324	(22,891)	2,099	831,988
City Wellbeing	20,427	25,855	(5,428)	10,434	16,430
City Futures	13,731	18,094	(4,363)	989	12,069
Executive	765	2,063	(1,298)	–	–
Total functions and activities	114,426	111,106	3,320	23,262	935,822
2025					
Corporate Strategies	77,157	34,907	42,250	9,245	66,422
City Infrastructure & Environment	4,184	27,917	(23,733)	2,196	779,660
City Wellbeing	19,466	23,816	(4,350)	10,230	16,253
City Futures	15,137	16,569	(1,432)	1,111	5,229
Executive	711	1,513	(802)	–	–
Total functions and activities	116,655	104,722	11,933	22,782	867,564

The 2025 asset figure has been updated in line with the restated balance sheet.

Note 3. Funding for the delivery of our services

	2026 $ '000	2025 $ '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 2025/26 was $11.227 billion (2024/25: $11.590 billion).

Residential Rates	26,562	25,428
Waste management charge	7,890	7,499
Commercial rates	5,902	5,776
Municipal charge	5,983	5,712
Industrial rates	2,207	2,032
Vacant Land rates	1,651	1,576
Urban farm rates	509	476
Interest on rates and charges	171	142
Cultural and recreational land rates	78	74
Total rates and charges	50,953	48,715

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2025 and the valuation was first applied in the rating year commencing 1 July 2025.

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.

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

	2026 $ '000	2025 $ '000
3.2 User fees		
Children's services	5,166	4,753
Foreshore holiday parks	4,048	3,996
Regulatory control	2,329	2,139
Cultural centres	2,326	2,242
Indoor aquatic centre	2,287	2,093
Tourism and promotion	1,484	1,487
Property management	1,022	922
Multi Purpose Sports Stadium	780	685
Aged services fees	714	654
Livestock exchange	–	50
Other fees and charges	615	501
Total user fees	20,771	19,522
User fees by timing of revenue recognition		
User fees recognised at a point in time	20,771	19,522
Total user fees	20,771	19,522

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.

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

	2026 $ '000	2025 $ '000
3.3 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	11,270	11,211
State funded grants	11,992	11,571
Total grants received	23,262	22,782
(a) Operating Grants		
Recurrent - Commonwealth Government		
Aged Services	2,187	2,094
Victoria Grants Commission - Financial Assistance Grant	6,295	6,943
Victoria Grants Commission - Local roads	1,312	1,344
Recurrent - State Government		
Family and children	5,912	5,799
Pension rebate	878	848
Cultural centres	673	693
Aged services	567	641
School crossing supervision	283	274
Port operations	97	97
Environment initiatives	94	88
Other	150	225
Total recurrent operating grants	18,448	19,046
Non-recurrent - Commonwealth Government		
Other	704	75
Non-recurrent - State Government		
Transformation Shared Services	944	–
Family and children	554	710
Environment initiatives	145	71
Cultural centres	66	101
Infrastructure services	51	72
Recreation	3	–
Aged services	–	14
Economic development	–	60
Other	520	260
Total non-recurrent operating grants	2,987	1,363
Total operating grants	21,435	20,409

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

	2026 $ '000	2025 $ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	293	260
Total recurrent capital grants	293	260
Non-recurrent - Commonwealth Government		
Infrastructure services	437	495
Other	42	–
Non-recurrent - State Government		
Infrastructure services	916	1,019
Other	62	324
Recreation	9	182
Port operations	68	93
Total non-recurrent capital grants	1,534	2,113
Total capital grants	1,827	2,373

(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 time or over time when services are rendered.

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

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

	2026 $ '000	2025 $ '000
Income recognised under AASB 1058 *Income of Not-for-Profit Entities*		
General purpose	18,799	18,688
Specific purpose grants to acquire non-financial assets	1,209	1,022
Other specific purpose grants	2,769	2,371
Revenue recognised under AASB 15 *Revenue from Contracts with Customers*		
Specific purpose grants	485	701
	23,262	22,782

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

	2026 $ '000	2025 $ '000
(d) Unspent grants received on condition that they be spent in a specific manner:		
Operating		
Balance at start of year	2,567	2,167
Received during the financial year and remained unspent at balance date	2,432	1,914
Received in prior years and spent during the financial year	(2,138)	(1,514)
Balance at year end	2,861	2,567
Capital		
Balance at start of year	3,219	2,052
Received during the financial year and remained unspent at balance date	723	1,717
Received in prior years and spent during the financial year	(1,667)	(550)
Balance at year end	2,275	3,219

Unspent grants are determined and disclosed on a cash basis.

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

	2026 $ '000	2025 $ '000
3.4 Contributions		
Monetary contributions		
Monetary	2,577	3,743
Total monetary contributions	2,577	3,743
Non-monetary contributions		
Non-monetary	9,513	13,942
Total non-monetary contributions	9,513	13,942
Total contributions	12,090	17,685
Roads	5,147	6,826
Drainage	2,359	4,836
Footpaths and cycleways	1,668	1,988
Bridges	242	292
Parks open spaces and streetscapes	97	–
Total non-monetary contributions	9,513	13,942

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

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

	2026 $ '000	2025 $ '000
3.5 Other income		
Interest	2,483	2,584
Reimbursements	1,376	1,998
Recognition of in-kind volunteer support	418	370
Infrastructure services	144	196
Family and community	31	8
Recreation and cultural programs	3	4
Other	150	99
Total other income	4,605	5,259

Interest is recognised as it is earned.

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

Note 4. The cost of delivering services

	2026 $ '000	2025 $ '000

4.1 Employee costs

(a) Employee costs

Wages and salaries	41,089	37,830
Superannuation	4,757	4,208
WorkCover	1,541	1,084
Fringe benefits tax	320	339
Total employee costs	47,707	43,461

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	180	184
	180	184
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,611	2,392
Employer contributions - other funds	1,966	1,632
	4,577	4,024
Total superannuation costs	4,757	4,208
Employer contributions payable at reporting date	–	358

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.

Defined benefit fund

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 of 30 June 2026, there were 15 employees in the defined benefit fund.

On the basis of the results of the 2025 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2026, this rate was 12% of members' salaries (2025: 11.5%). 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.

As at 30 June 2026, a triennial actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2026. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2025 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. Vision Super has advised that the VBI at 30 June 2026 was 116.9%. Warrnambool City Council was notified of the 30 June 2026 VBI during August 2026 (2025: August 2025).

Accumulation funds

Employer contributions to accumulation funds are normally based on a fixed percentage of employee earnings; for the year ended 30 June 2026, this was 12.0% as required under Superannuation Guarantee (SG) legislation (2025: 11.5%).

Note 4. The cost of delivering services (continued)

	2026 $ '000	2025 $ '000
4.2 Materials and services		
Corporate services	10,128	11,555
Infrastructure services	8,121	8,005
Recreation and cultural services	5,339	5,137
Waste management	4,920	4,503
Children's services	1,646	1,427
Tourism and promotion	1,548	1,727
Aged services	1,209	973
Health and local laws	1,191	1,099
Foreshore caravan parks	940	809
Family day care	97	93
Livestock Exchange	49	222
Other	1,026	858
Total materials and services	36,214	36,408

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

Coastal Connect shared service project expenditure reclassified from Infrastructure services to Corporate services in 2026. Prior year comparative figures have also been updated to reflect this reclassification totalling $2.940m.

Note 4. The cost of delivering services (continued)

	2026 $ '000	2025 $ '000
4.3 Depreciation		
Property		
Land improvements	140	24
Buildings - specialised	5,427	3,960
Buildings - non specialised	93	38
Building improvements	47	34
Total depreciation - property	5,707	4,056
Plant and equipment		
Plant machinery and equipment	1,372	1,238
Computers and telecomms	239	559
Library books	106	141
Fixtures fittings and furniture	89	92
Total depreciation - plant and equipment	1,806	2,030
Infrastructure		
Roads	7,844	8,447
Footpaths and cycleways	1,777	1,927
Drainage	1,474	1,372
Parks open spaces and streetscapes	2,996	951
Off street car parks	413	761
Aerodromes	323	527
Bridges	540	508
Recreational, leisure and community	377	203
Waste management	41	41
Other infrastructure	–	157
Total depreciation - infrastructure	15,785	14,894
Total depreciation	23,298	20,980

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

	2026 $ '000	2025 $ '000
4.4 Other expenses		
Recognition of in-kind volunteer support	418	370
Councillors' allowances and expenses	367	340
Auditors' remuneration - Internal Audit	103	89
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	65	76
Total other expenses	953	875

Note 5. Investing in and financing our operations

	2026 $ '000	2025 $ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash at bank	9,760	7,175
Cash on hand	26	26
Total current cash and cash equivalents	9,786	7,201
Total cash and cash equivalents	9,786	7,201
(b) Other financial assets		
Current		
Term deposits	54,000	48,000
Total current other financial assets	54,000	48,000
Non-current		
Unlisted shares in corporations	2	2
Total non-current other financial assets	2	2
Total other financial assets	54,002	48,002
Total current financial assets	63,786	55,201
Total non-current financial assets	2	2
Total cash and cash equivalents and other financial assets	63,788	55,203

Cash and term deposits held to fund carried forward capital works.

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.

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

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

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

	2026 $ '000	2025 $ '000
(c) Trade & Other Receivables		
Current		
Statutory receivables		
Rates debtors	1,969	1,631
Infringement debtors	2,338	2,014
Allowance for expected credit loss - infringements	(1,630)	(1,353)
GST receivable	369	277
Non-statutory receivables		
Development and buildings	84	22
Animals	147	122
Child care	12	21
TAFE	56	77
Emergency Services and Volunteers Fund (previously Fire Service Levy)	17	15
Loans and advances to community organisations	9	9
Other debtors	1,726	1,892
Allowance for expected credit loss - other debtors	(43)	(35)
Total current trade and other receivables	5,054	4,692
Total trade and other receivables	5,054	4,692

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.

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

	2026 $ '000	2025 $ '000

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

(a) Trade and other payables

Current		
Non-statutory payables		
Accrued expenses	3,477	2,702
Trade payables	530	977
Statutory payables		
Net GST payable	–	16
Total current trade and other payables	4,007	3,695

(b) Trust funds and deposits

Current		
Refundable deposits	2,092	2,074
Other refundable deposits	146	–
Emergency Services and Volunteers Fund	2,202	1,461
Retention amounts	215	288
Total current trust funds and deposits	4,655	3,823

(c) Contract and other liabilities

Contract liabilities		
Current		
Grants received in advance - operating	2,861	2,567
Grants received in advance - capital	2,275	3,219
Total contract liabilities	5,136	5,786
Other liabilities		
Other income in advance	230	–
Total other liabilities	230	–
Total current contract and other liabilities	5,366	5,786
Total contract and other liabilities	5,366	5,786

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.

Contract liabilities
Contract liabilities reflect consideration received in advance from customers in respect of which Council is yet to meet its obligations.Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Purpose and nature of items
Emergency Services and Volunteers Fund - Council is the collection agent for the Emergency Services and Volunteers Fund 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.

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

	2026 $ '000	2025 $ '000
5.3 Interest-bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	538	520
Other borrowings - secured	587	973
Total current interest-bearing liabilities	1,125	1,493
Non-current		
Treasury Corporation of Victoria borrowings - secured	2,992	3,530
Other borrowings - secured	1,224	1,811
Total non-current interest-bearing liabilities	4,216	5,341
Total	5,341	6,834

Borrowings are secured by Council rates.

a) The maturity profile for Council's borrowings is:		
Not later than one year	1,125	1,493
Later than one year and not later than five years	3,575	4,081
Later than five years	641	1,260
Total	5,341	6,834

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

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

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

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

	Employee provisions $ '000	Landfill restoration $ '000	Total $ '000
5.4 Provisions			
2026			
Balance at the beginning of the financial year	8,378	315	8,693
Additional provisions	3,936	–	3,936
Amounts used	(3,497)	(57)	(3,554)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(16)	(17)	(33)
Balance at the end of the financial year	8,801	241	9,042
Provisions			
Provisions - current	7,981	80	8,061
Provisions - non-current	820	161	981
Total Provisions	8,801	241	9,042
2025			
Balance at the beginning of the financial year	7,814	385	8,199
Additional provisions	3,934	–	3,934
Amounts used	(3,369)	(79)	(3,448)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(1)	9	8
Balance at the end of the financial year	8,378	315	8,693
Provisions			
Provisions - current	7,596	79	7,675
Provisions - non-current	782	236	1,018
Total Provisions	8,378	315	8,693

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

	2026 $ '000	2025 $ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,443	2,566
Long service leave	587	571
	3,030	3,137
Current provisions expected to be wholly settled after 12 months		
Annual leave	333	136
Long service leave	4,618	4,323
	4,951	4,459
Total current employee provisions	7,981	7,596
Non-Current		
Long service leave	820	782
Total Non-Current Employee Provisions	820	782
Aggregate Carrying Amount of Employee Provisions:		
Current	7,981	7,596
Non-current	820	782
Total Aggregate Carrying Amount of Employee Provisions	8,801	8,378

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

Annual leave
A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:
- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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

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

Key assumptions:		
- wage inflation rate	4.15%	4.25%
- discount rate	4.74%	4.20%

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

	2026 $ '000	2025 $ '000
5.5 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2026.		
Other facilities - bank loans and leases	2,867	4,425
Treasury Corporation of Victoria facilities	3,530	4,050
Bank overdraft	200	200
Credit card facilities	150	150
Total Facilities	6,747	8,825
Used facilities	6,457	8,510
Used facilities	6,457	8,510
Unused facilities	290	315

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

5.6 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year $ '000	Later than 1 year and not later than 2 years $ '000	Later than 2 years and not later than 5 years $ '000	Later than 5 years $ '000	Total $ '000
2026					
Operating					
Recycling collection	1,642	–	–	–	1,642
Waste collection	2,360	–	–	–	2,360
Consultancies	326	49	51	–	426
Food and organics collection	1,094	–	–	–	1,094
Glass collection	703	–	–	–	703
Transactional banking	22	–	–	–	22
Cleaning services	866	430	–	–	1,296
Security Services	289	241	–	–	530
Parking Services	47	–	–	–	47
Internal Audit	55	–	–	–	55
Meals for delivery	489	–	–	–	489
Information technology	347	347	347	–	1,041
Total	8,240	1,067	398	–	9,705
Capital					
Information technology	–	–	–	–	–
Infrastructure	1,023	–	–	–	1,023
Total	1,023	–	–	–	1,023
2025					
Operating					
Recycling collection	1,293	–	–	–	1,293
Waste collection	2,395	–	–	–	2,395
Consultancies	1,039	85	–	–	1,124
Food and organics collection	1,147	–	–	–	1,147
Glass collection	590	–	–	–	590
Transactional banking	64	66	–	–	130
Cleaning services	792	807	217	–	1,816
Security Services	287	293	557	–	1,137
Parking Services	67	–	–	–	67
Internal Audit	70	36	–	–	106
Meals for delivery	432	445	–	–	877
Information technology	159	100	–	–	259
Total	8,335	1,832	774	–	10,941
Capital					
Information technology	20	–	–	–	20
Infrastructure	540	–	–	–	540
Total	560	–	–	–	560

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2025 Restated $ '000	Additions $ '000	Contributions $ '000	Revaluation $ '000	Disposal $ '000	Depreciation $ '000	Write-off $ '000	Transfers $ '000	Carrying amount 30 June 2026 $ '000
Property	277,815	441	–	2,036	(2,075)	(5,707)	–	1,580	274,090
Plant and equipment	23,693	2,032	–	(2)	(174)	(1,806)	–	958	24,701
Infrastructure	482,878	1,947	9,513	63,817	(1,475)	(15,785)	(5)	11,115	552,005
Work in progress	18,812	9,479	–	–	–	–	(2,070)	(13,653)	12,568
Total	803,198	13,899	9,513	65,851	(3,724)	(23,298)	(2,075)	–	863,364

Summary of Work in Progress	Opening WIP $ '000	Additions $ '000	Write-off $ '000	Transfers $ '000	Closing WIP $ '000
Property	3,463	1,027	(1,215)	(2,234)	1,041
Plant and equipment	428	107	(409)	45	171
Infrastructure	14,921	8,345	(446)	(11,464)	11,356
Total	18,812	9,479	(2,070)	(13,653)	12,568

Note 6. Assets we manage (continued)

	Note	Land specialised $ '000	Land non specialised $ '000	Land improve-ments $ '000	Total land and land improve-ments $ '000	Buildings specialised $ '000	Buildings non specialised $ '000	Building improve-ments $ '000	Total buildings $ '000	Work in progress $ '000	Total property $ '000
Property											
At fair value 1 July 2025		119,876	1,560	1,051	122,487	229,962	4,869	1,240	236,071	5,904	364,462
Accumulated depreciation at 1 July 2025		–	–	(511)	(511)	(78,651)	(1,402)	(179)	(80,232)	–	(80,743)
Net correction of prior period errors - retrospective	11.1	–	–	–	–	–	–	–	–	(2,441)	(2,441)
		119,876	1,560	540	**121,976**	151,311	3,467	1,061	**155,839**	3,463	**281,278**
Movements in fair value											
Additions		–	–	–	–	423	18	–	441	1,027	1,468
Revaluation		–	–	2,243	2,243	–	–	69	69	–	2,312
Disposal		(11)	(1,040)	(106)	(1,157)	(462)	(1,168)	60	(1,570)	–	(2,727)
Write-off		–	–	–	–	–	–	–	–	(1,215)	(1,215)
Transfers		–	–	–	–	1,563	–	17	1,580	(2,234)	(654)
		(11)	(1,040)	2,137	**1,086**	1,524	(1,150)	146	**520**	(2,422)	**(816)**
Movements in accumulated depreciation											
Depreciation		–	–	(140)	(140)	(5,427)	(93)	(47)	(5,567)	–	(5,707)
Disposals		–	–	42	42	355	433	(177)	611	–	653
Revaluation		–	–	(265)	(265)	–	–	(11)	(11)	–	(276)
		–	–	(363)	**(363)**	(5,072)	340	(235)	**(4,967)**	–	**(5,330)**
At fair value 30 June 2026		119,865	520	3,188	123,573	231,486	3,719	1,386	236,591	1,041	361,205
Accumulated depreciation at 30 June 2026		–	–	(874)	(874)	(83,723)	(1,062)	(414)	(85,199)	–	(86,073)
Carrying amount		119,865	520	2,314	**122,699**	147,763	2,657	972	**151,392**	1,041	**275,132**

Note 6. Assets we manage (continued)

	Plant machinery and equipment $ '000	Fixtures fittings and furniture $ '000	Computers and telecomms $ '000	Library books $ '000	Paintings and exhibits $ '000	Total $ '000	Work in progress $ '000	Total plant and equipment $ '000
Plant and Equipment								
At cost 1 July 2025	12,059	5,787	7,173	708	15,906	41,633	429	42,062
Accumulated depreciation at 1 July 2025	(6,676)	(5,122)	(5,782)	(360)	–	(17,940)	–	(17,940)
	5,383	665	1,391	348	15,906	**23,693**	429	**24,122**
Movements in carrying value								
Additions	1,487	165	107	261	12	2,032	107	2,139
Revaluation	–	(5)	–	–	–	(5)	–	(5)
Disposal	(1,307)	–	–	(328)	–	(1,635)	–	(1,635)
Write-off	–	–	–	–	–	–	(409)	(409)
Transfers	–	400	479	–	79	958	45	1,003
	180	560	586	(67)	91	**1,350**	(257)	**1,093**
Movements in accumulated depreciation								
Depreciation	(1,372)	(89)	(239)	(106)	–	(1,806)	–	(1,806)
Disposals	1,203	–	–	258	–	1,461	–	1,461
Revaluation	–	3	–	–	–	3	–	3
	(169)	(86)	(239)	152	–	**(342)**	–	**(342)**
At cost 30 June 2026	12,239	6,347	7,759	641	15,997	42,983	172	43,155
Accumulated depreciation at 30 June 2026	(6,845)	(5,208)	(6,021)	(208)	–	(18,282)	–	(18,282)
Carrying amount	5,394	1,139	1,738	433	15,997	**24,701**	172	**24,873**

Plant and equipment are carried at historical cost.

Note 6. Assets we manage (continued)

	Note	Roads $ '000	Bridges $ '000	Foot-paths and cycle-ways $ '000	Drainage $ '000	Recreati-on, leisure, communi-ty $ '000	Waste manage-ment $ '000	Parks, open spaces, streetsca-pes $ '000	Aerodro-mes $ '000	Off street car parks $ '000	Other infra-structure $ '000	Total $ '000	Work in progress $ '000	Total infra-structure $ '000
Infrastructure														
At fair value 1 July 2025		392,612	50,817	70,318	150,340	10,247	606	24,314	10,546	20,379	5,508	735,687	16,069	751,756
Accumulated depreciation at 1 July 2025		(154,266)	(8,244)	(26,718)	(47,134)	(5,018)	(255)	(7,972)	(2,111)	(9,458)	(2,238)	(263,414)	–	(263,414)
Net correction of prior period errors - retrospective	11.1	–	–	–	–	–	–	10,604	–	–	–	10,604	(1,148)	9,456
		238,346	42,573	43,600	103,206	5,229	351	26,946	8,435	10,921	3,270	**482,877**	14,921	**497,798**
Movements in fair value														
Additions		847	262	261	202	14	–	361	–	–	–	1,947	8,345	10,292
Contributions		5,147	242	1,668	2,359	–	–	97	–	–	–	9,513	–	9,513
Revaluation		48,153	–	1,933	5,857	8,319	–	31,342	5,565	2,430	–	103,599	–	103,599
Disposal		(1,683)	–	(336)	(97)	(664)	–	(1,052)	(82)	(287)	–	(4,201)	–	(4,201)
Write-off		(5)	–	–	–	–	–	–	–	–	–	(5)	(446)	(451)
Transfers		3,658	1	3,437	757	54	–	5,922	–	7	(2,721)	11,115	(11,465)	(350)
		56,117	505	6,963	9,078	7,723	–	36,670	5,483	2,150	(2,721)	**121,968**	(3,566)	**118,402**
Movements in accumulated depreciation														
Depreciation		(7,844)	(540)	(1,777)	(1,474)	(377)	(41)	(2,996)	(323)	(413)	–	(15,785)	–	(15,785)
Disposals		1,219	–	188	27	93	–	908	33	258	–	2,726	–	2,726
Transfers		–	–	(30)	–	–	–	(172)	–	–	202	–	–	–
Revaluation		(28,456)	–	(884)	(1,954)	(599)	–	(4,547)	(2,084)	(1,258)	–	(39,782)	–	(39,782)
		(35,081)	(540)	(2,503)	(3,401)	(883)	(41)	(6,807)	(2,374)	(1,413)	202	**(52,841)**	–	**(52,841)**
At fair value 30 June 2026		448,729	51,322	77,281	159,418	17,970	606	75,519	16,029	22,529	2,787	872,190	11,355	883,545
Accumulated depreciation at 30 June 2026		(189,347)	(8,784)	(29,221)	(50,535)	(5,901)	(296)	(18,710)	(4,485)	(10,871)	(2,036)	(320,186)	–	(320,186)
Carrying amount		259,382	42,538	48,060	108,883	12,069	310	56,809	11,544	11,658	751	**552,004**	11,355	**563,359**

Note 6. Assets we manage (continued)

Acquisition
Initial measurement
Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided 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 to Note 8.4 for more information on how Council measures fair value.

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.

	Depreciation Period years	Threshold Limit $ ´000
Asset recognition thresholds and depreciation periods		
Land and land improvements		
Land	n/a	–
Land improvements	10 - 200 years	5
Buildings		
Buildings	20 - 150 years	5
Building improvements	25 - 60 years	1
Leasehold improvements	10 - 20 years	1
Plant and Equipment		
Plant, machinery and equipment	3 - 40 years	1
Fixtures, fittings and furniture	2 - 25 years	5
Computers and telecommunications	5 - 30 years	2
Paintings and exhibits	n/a	–
Infrastructure		
Roads	16 - 80 years	5
Bridges	30 - 200 years	5
Footpaths and cycleways	10 - 80 years	5
Drainage	20 - 200 years	1
Recreational, leisure and community facilities	20 - 80 years	1
Parks, open spaces and streetscapes	15 - 80 years	5
Off street car parks	16 - 60 years	5
Aerodromes	16 - 80 years	1
Other infrastructure	20 - 80 years	5

Land under roads
Council recognises land under roads it controls at fair value from 1 January 2008.

Depreciation
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.

Note 6. Assets we manage (continued)

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.

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

Land - Non-specialised and Specialised
Valuation of non-specialised and specialised land was undertaken by Mr Aaron Armistead (API Registration No 18353), Preston Rowe Patterson in 2024. The review was conducted in accordance with relevant accounting standards and under official guidance from the Victorian Valuer-General's office.

Land Improvements were indexed at 30 June 2026. The basis for the indexation was the review of costs associated with capital works undertaken by Council by Julie Anderson, Acting Director Infrastructure and Environment.

Buildings - Non-specialised
Valuation of non-specialised buildings was undertaken by a qualified independent valuer, Mr Aaron Armistead, Preston Rowe Patterson in 2025. 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.

Buildings - Specialised
Valuation of specialised buildings was undertaken by a qualified independent valuer, Mr Aaron Armistead, Preston Rowe Patterson in 2025. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

The date and type of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Land - non specialised	–	520	–	Jun-24	Full
Land - specialised	–	–	119,865	Jun-24	Full
Land improvements	–	–	2,314	Jun-26	Indexed
Buildings - non-specialised	–	2,657	–	Jun-25	Full
Buildings - specialised	–	–	147,763	Jun-25	Full
Building improvements	–	–	972	Jun-24	Indexed
Total	–	3,177	270,914		

Valuation of Infrastructure
Valuation of Bridge infrastructure assets have been determined in accordance with an independent valuation undertaken by Mr Joshua Baulch, LGA Bridge Support, at 30 June 2025.

The following asset classes were indexed as at 30 June 2026: Roads, footpaths and cycleways, recreational, leisure and community facilities, waste management, parks, open space and streetscapes, aerodromes, off street carparks and other. The basis for the indexation was the review of costs associated with capital works undertaken by Council by Julie Anderson, Acting Director Infrastructure and Environment.

Indexed valuation of Open Space Assets was undertaken by Asset Lab Pty Ltd in 2026. The review was conducted using the Fair Value framework under AASB 13. Open space assets are considered specialised assets for which there is generally no active market. As a result, the valuation adopted a Level 3 fair value methodology using the Replacement Cost Approach.

Note 6. Assets we manage (continued)

Drainage was indexed as at 31 March 2026 based on Construction Cost Index.

Waste Management and Other Infrastructure assets were indexed at 30 June 2024. The basis for the indexation was current replacement cost less accumulated depreciation at the date of valuation, which was reviewed and approved by Mr. David Leahy, Director City Infrastructure with Warrnambool City Council.

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 2026 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	–	–	259,382	Jun-26	Indexed
Bridges	–	–	42,538	Jun-25	Full
Footpaths and cycleways	–	–	48,060	Jun-26	Indexed
Drainage	–	–	108,883	Mar-26	Indexed
Recreational, leisure & community facilities	–	–	12,069	Jun-26	Indexed
Waste management	–	–	310	Jun-24	Indexed
Parks, open space & streetscapes	–	–	56,809	Jun-26	Indexed
Aerodromes	–	–	11,544	Jun-26	Indexed
Off street car parks	–	–	11,658	Jun-26	Indexed
Other	–	–	751	Jun-24	Indexed
Total	–	–	552,004		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 70% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between $0.05 and $1,400.00 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from $250.00 to $20,000.00 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2026 $ '000	2025 $ '000
Reconciliation of specialised land		
Land under roads	5,361	5,372
Crown land	44,493	44,493
Council freehold land	70,011	70,011
Total specialised land	119,865	119,876

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity
Warrnambool City Council is the parent entity.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Councillor Ben Blain (Mayor) Councillor Matt Walsh (Deputy Mayor 17 November 2025 to 30 June 2026) Councillor Vicki Jellie (Deputy Mayor 1 July 2025 to 17 November 2025) Councillor Debbie Arnott Councillor Willy Benter Councillor Billy Edis Councillor Richard Ziegeler
Chief Executive Officer	Mr Andrew Mason
Key Management Personnel	Director - City Futures Mr Luke Coughlan Director - City Infrastructure & Environment Mr David Leahy (1 July 2025 - 5 December 2025) Acting Director - City Infrastructure & Environment Ms Julie Anderson (from 8 December 2025) Director - City Wellbeing Ms Brooke Love Director - Corporate Strategies Mr Peter Utri

	2026 No.	2025 No.
Total Number of Councillors	7	10
Total of Chief Executive Officer and other Key Management Personnel	6	5
Total Number of Key Management Personnel	13	15

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2026 $ '000	2025 $ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,542	1,519
Other long-term employee benefits	29	29
Post-employment benefits	136	118
Total	1,707	1,666

	2026 No.	2025 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
$1 - $9,999	–	1
$10,000 - $19,999	–	2
$20,000 - $29,999	–	3
$30,000 - $39,999	4	2
$40,000 - $49,999	2	–
$50,000 - $59,999	–	1
$110,000 - $119,999	1	1
$120,000 - $129,999	2	–
$240,000 - $249,999	3	3
$250,000 - $259,999	–	1
$360,000 - $369,999	1	1
Total	13	15

Note 7. People and relationships (continued)

(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.

	2026 $ '000	2025 $ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,114	481
Post-employment benefits	131	54
Other long-term employee benefits	27	11
Termination benefits	–	–
Total	1,272	546

	2026 No.	2025 No.
The number of other senior staff are shown below in their relevant income bands:		
Income Range:		
$170,000 - $179,999	4	2
$180,000 - $189,999	2	–
$200,000 - $209,999	1	1
Total	7	3

	2026 $ '000	2025 $ '000
Total remuneration for the reporting year for other senior staff included above, amounted to:	1,272	546

Note 7. People and relationships (continued)

7.2 Related party disclosure

(a) Transactions with related parties

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

Councillor	Related Party	Nature of Relationship	Terms and Conditions	Nature of Transaction	Aggregate Total
Cr Benter	Apollo Industries	Controlled entity	Commercial	Providing construction materials	$1,350

(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:

2026 - Nil (2025 - Nil).

(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 as follows:

2026 - Nil (2025 - Nil).

(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:

2026 - Nil (2025 - Nil).

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.

Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance.

At reporting date, developers had commenced construction of assets that will eventually be transferred to Council contingent upon Council issuing a Statement of Compliance.

Due to the nature of the arrangements in place and the assets involved, a contingent asset amount cannot be reliably measured prior to completion.

(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.

Road Transport Contractual Chain Order
The Fair Work Commission issued an urgent Road Transport Contractual Chain Order (RTCCO), effective from 21 April 2026, which required mandatory fortnightly fuel-rate adjustments for certain transport supply chains.

Council has considered the potential impact of the RTCCO on its transport and waste service contracts. While contractors may have had an entitlement to seek retrospective fuel-rate adjustments for the period in which the Order applied, as at 30 June 2026 Council had not received any formal claims or retrospective adjustment requests from its contractors.

The mandatory fuel-rate adjustment requirements ceased to apply from 7 June 2026 following the reduction in average diesel prices below the applicable threshold. Council is not aware of any outstanding claims at 30 June 2026 and, accordingly, no provision has been recognised in the financial statements.

A liability may arise if contractors subsequently submit retrospective claims relating to the period in which the RTCCO applied. The potential financial impact cannot be reliably estimated at the reporting date.

EPA Notice
The Environment Protection Authority (EPA) issued an Environmental Action Notice requiring the removal of contaminated soil and waste from a property. A resident has alleged that Council caused or contributed to the contamination through historic landfill activities and management of the adjoining road reserve and is seeking recovery from Council of remediation, consultant and associated costs pursuant to section 274(6) of the *Environment Protection Act 2017*.

The Environmental Action Notice remains ongoing and the potential financial impact on Council cannot currently be reliably determined. MAV Insurance has advised that indemnity will not be provided in relation to the Environmental Action Notice or any associated remediation costs.

Note 8. Managing uncertainties (continued)

Liability Mutual Insurance
Council is 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 WorkSafe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

Gallagher Bassett is a direct provider appointed by WorkSafe Victoria to provide workers compensation insurance and have been appointed as Council's agent since the closure of the MAV WorkeCare Scheme.

Legal Matters
Council has a number of current open legal matters. At the date of reporting, the matters remain unresolved and the outcome and any potential financial impact cannot be reliably determined. Accordingly, no provision has been recognised in relation to these matters.

Note 8. Managing uncertainties (continued)

(c) Guarantees for loans to other entities

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

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

The Council acts as guarantor in respect of bank loans provided to the following clubs and community groups:

Entity and Institution	Original Loan $'000	Balance of borrowings 2026 $'000	2025 $'000
Warrnambool Returned Services Club - Commonwealth Bank *	2,091	2,023	2,116
Warrnambool Football Netball Club - Commonwealth Bank	322	202	299
Old Collegians Football Netball Club - NAB	100	72	77
Dennington Football Netball Club - Bendigo Bank	49	16	21

* During 2025-26, the Warrnambool Returned Services Club informed Council of changes to its loan facilities, reducing the amount of Counci's guarantee from $2,744m to $2,091m.

8.2 Australian Accounting Standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.

The Australian Accounting Standards Board (AASB) has issued AASB 18 *Presentation and Disclosure in Financial Statements.* When applicable AASB 18 supersedes AASB 101 *Presentation of Financial Statements.* AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

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 significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in 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.

Note 8. Managing uncertainties (continued)

(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. 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 has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

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

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of 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:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;

Note 8. Managing uncertainties (continued)

- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed 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 5.3.

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 shift of + 1 % and - 1 % 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 fianncial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

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

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 *Fair Value Measurement* aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Note 8. Managing uncertainties (continued)

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

Asset Class	**Revaluation frequency**
Land	1 to 5 years
Buildings	1 to 4 years
Roads	1 to 4 years
Bridges	1 to 5 years
Footpaths and cycleways	1 to 5 years
Drainage	1 to 5 years
Recreational, leisure and community facilities	1 to 5 years
Waste management	1 to 5 years
Parks, open space and streetscapes	1 to 4 years
Aerodromes	1 to 5 years
Other infrastructure	1 to 5 years

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

Impairment of assets
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. The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

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

Note 9. Other matters

	Balance at beginning of reporting period $ '000	Increase (decrease) $ '000	Balance at end of reporting period $ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2026			
Property			
Land and Improvements	83,427	1,979	85,406
Buildings - Specialised	120,776	–	120,776
Buildings - non specialised	1,883	–	1,883
Building improvements	–	58	58
	206,086	2,037	208,123
Plant and equipment			
Artworks	5,286	–	5,286
	5,286	–	5,286
Infrastructure			
Roads	181,085	19,697	200,782
Bridges	32,853	–	32,853
Footpaths and cycleways	7,208	1,049	8,257
Drainage	44,525	3,903	48,428
Recreational, leisure and community facilities	104	7,720	7,824
Parks, open space and streetscapes	3,253	26,793	30,046
Aerodromes	833	3,481	4,314
Offstreet car parks	3,227	1,172	4,399
Other infrastructure	24,824	–	24,824
	297,912	63,815	361,727
Total asset revaluation reserves	509,284	65,852	575,136

Note 9. Other matters (continued)

	Balance at beginning of reporting period $ '000	Increase (decrease) $ '000	Balance at end of reporting period $ '000
2025			
Property			
Land and Improvements	83,427	–	83,427
Buildings - Specialised	125,929	(5,153)	120,776
Buildings - non specialised	–	1,883	1,883
	209,356	(3,270)	206,086
Plant and equipment			
Artworks	5,187	99	5,286
	5,187	99	5,286
Infrastructure			
Roads	185,337	(4,252)	181,085
Bridges	27,540	5,313	32,853
Footpaths and cycleways	7,208	–	7,208
Drainage	40,549	3,976	44,525
Recreational, leisure and community facilities	115	(11)	104
Parks, open space and streetscapes	3,253	–	3,253
Aerodromes	1,019	(186)	833
Offstreet car parks	3,227	–	3,227
Other infrastructure	25,903	(1,079)	24,824
	294,151	3,761	297,912
Total asset revaluation reserves	508,694	590	509,284

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

Note 9. Other matters (continued)

	Balance at beginning of reporting period $ '000	Transfer from Accumulated Surplus $ '000	Transfer to Accumulated Surplus $ '000	Balance at end of reporting period $ '000
(b) Other reserves				
2026				
Main drainage fund	426	1,336	(1,307)	455
Committed reserve	17,493	7,339	(11,867)	12,965
Heritage restoration fund	52	2	–	54
Art gallery reserve	53	3	–	56
Resort and recreation reserve	902	184	–	1,086
Car park fund	151	604	(474)	281
North of the Merri developer contribution reserve	877	584	(1,154)	307
Hopkins Point Road developer contribution reserve	561	–	–	561
North East growth area developer contribution reserve	1,812	1,758	(1,739)	1,831
Horne Road developer contribution reserve	1,803	250	–	2,053
North Dennington developer contribution reserve	319	–	(303)	16
Total Other reserves	24,449	12,060	(16,844)	19,665
2025				
Main drainage fund	507	1,296	(1,377)	426
Committed reserve	12,453	5,741	(701)	17,493
Heritage restoration fund	50	2	–	52
Art gallery reserve	51	2	–	53
Resort and recreation reserve	732	170	–	902
Car park fund	–	743	(592)	151
North of the Merri developer contribution reserve	555	1,719	(1,397)	877
Hopkins Point Road developer contribution reserve	452	109	–	561
North East growth area developer contribution reserve	1,521	508	(217)	1,812
Small infrastructure fund	35	–	(35)	–
Horne Road developer contribution reserve	1,303	500	–	1,803
North Dennington developer contribution reserve	–	319	–	319
Total Other reserves	17,659	11,109	(4,319)	24,449

Main Drainage Fund is maintained specifically for future major drainage works.
Committed Reserve is specifically for future works and funds may be retained in the Committed Reserve where they remain committed to their intended purpose but there is no current-year budget or approved rollover for delivery.
Heritage Restoration Fund is maintained specifically for grant loans for heritage works.
Art Gallery Reserve is maintained specifically for the purchase of art pieces.
Resort and Recreation Reserve is maintained specifically for public open space works.
Car Park Fund is maintained specifically for future major car park works.
North of the Merri Developer Contributions Reserve is maintained specifically for contributions held in this growth area.
Hopkins Point Road Developer Contributions Reserve is maintained specifically for contributions held in this growth area.
Northeast Developer Contributions Reserve is maintained specifically for contributions held for this growth area.
Horne Road Developer Contributions Reserve is maintained specifically for contributions held for the Horne Road Industrial Estate.
North Dennington Developer Contribution Reserve is maintained specifically for contributions held for this growth area.

Note 9. Other matters (continued)

	2026 $ '000	2025 $ '000
9.2 Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	3,320	11,933
Non-cash adjustments:		
Add / (deduct) non-cash items:		
Depreciation	23,795	21,466
Loss on disposal of property, infrastructure, plant and equipment	1,943	1,982
Contributions - Non-monetary assets	(9,513)	(13,942)
Prior year WIP written off	2,075	4,175
Bad and doubtful debts expense	311	302
Interest on lease liabilities	43	45
Change in assets and liabilities:		
Increase in trade and other receivables	(673)	(741)
(Increase)/decrease in inventories	(84)	3
Decrease in prepayments	65	94
Increase in other assets	377	379
Decrease/(increase) in trade and other payables	312	(1,483)
Increase in provisions	349	494
Increase in other liabilities	832	1,420
(Decrease)/increase in contract and other liabilities	(420)	1,567
Net cash provided by/(used in) operating activities	22,732	27,694

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2025-26 year.

Note 11. Errors and changes in accounting estimates

11.1 Correction of error/s relating to a previous reporting period – retrospective

Nature of prior-period adjustments:

1. Recognition of previously unrecorded found assets

During the current year, Council found assets that existed at the reporting date but had not previously been recognised in the asset register. The gross carrying amount and associated accumulated depreciation of these assets have been recognised as a prior period adjustment. Comparative balances have been restated to reflect the recognition of these assets as at 1 July 2024 with a net carrying amount of $10.6 million.

2. Building Revaluation 30 June 2025

Council identified that work in progress costs incurred prior to 1 July 2024 had not been incorporated into the carrying amount of certain buildings during the 2025 building revaluation process. The affected building assets have been correctly revalued at 30 June 2025 at the correct carrying values. The comparative carrying amount of work in progress has been restated, with the balance written down by $1.2 million to remove costs that had already been recognised within the revalued building asset values.

3. Review of capital work in progress

During the current year, Council completed a detailed reconciliation of historical work in progress balances and identified $2.3 million of expenditure incurred prior to 1 July 2024 that should have been written down in earlier reporting periods. Comparative balances have been restated to correct the carrying amount of work in progress balances at this date.

The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2024) and taking the adjustment through to accumulated surplus at that date.

Comparatives have been changed to reflect the correction of errors. The impact on each line item is shown in the tables below.

Changes to the opening Statement of Financial Position at 1 July 2024

	Original Balance 1 July, 2024 $ '000	Impact Increase $ '000	Restated Balance 1 July, 2024 $ '000
Statement of Financial Position			
Property, infrastructure, plant and equipment	791,964	7,015	798,979
Total assets	847,875	7,015	854,890
Total liabilities	30,231	–	30,231
Accumulated surplus	291,291	7,015	298,306
Total equity	817,644	7,015	824,659