

AGENDA SCHEDULED MEETING

WARRNAMBOOL CITY COUNCIL – 4:00PM

Monday 7 September 2026

VENUE:

Reception Room, 25 Liebig Street, Warrnambool

COUNCILLORS:

Cr. Ben Blain (Mayor)

Cr. Debbie Arnott

Cr. Willy Benter

Cr. Billy Edis

Cr. Vicki Jellie AM

Cr. Matthew Walsh

Cr. Richard Ziegeler

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Andrew Mason
CHIEF EXECUTIVE OFFICER



WARRNAMBOOL
CITY COUNCIL

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Behaviour At Council Meetings

Thank you all for coming – we really appreciate you being here. These meetings are the place where, we as Councillors, make decisions on a broad range of matters. These can vary greatly in subject, significance and the level of interest or involvement the community has. As part of making these decisions, we are presented with comprehensive information that helps us to form our position – you will find this in the agenda. It should also be remembered that the Council meeting is a “meeting of the Council that is open to the public”, not a “public meeting with the Council.” Each Council is required to have Governance Rules that pertains to meeting procedures. Warrnambool City Council has followed best practice in this regard and its Governance Rules provides regulations and procedures for the governing and conduct of Council meetings. Copies of the Conduct and Behaviour excerpt from Warrnambool City Council's Governance Rules can be obtained online at www.warrnambool.vic.gov.au. We thank you in anticipation of your co-operation in this matter.

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1. Opening Prayer & Original Custodians Statement

Almighty God
Grant to this Council
Wisdom, understanding and Sincerity of purpose
For the Good Governance of this City
Amen.

Original Custodians Statement

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.

2. Apologies

3. Confirmation Of Minutes

RECOMMENDATION

That the Minutes of the Scheduled Meeting of Council held on 3 August 2026, be confirmed.

4. Declaration By Councillors And Officers Of Any Conflict Of Interest In Any Item On The Agenda

Section 130 of the Local Government Act 2020 (Vic) (**the Act**) provides that a relevant person must disclose a conflict of interest in respect of a matter and exclude themselves from the decision making process in relation to that matter including any discussion or vote on the matter at any Council meeting or delegated committee meeting and any action in relation to that matter.

Section 126(2) of the Act sets out that a relevant person (Councillor, member of a delegated Committee or member of Council staff) has a conflict of interest if the relevant person has a **general conflict of interest** within the meaning of section 127 of the Act or a **material conflict of interest** within the meaning of section 128 of the Act.

A relevant person has a **general conflict of interest** in a matter if an impartial, fair minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty.

A relevant person has a **material conflict of interest** in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken. Councillors are also encouraged to declare circumstances where there may be a perceived conflict of interest.

5. Mayoral Presentation

6. Public Question Time

7. Reports

7.1. Open Space Policy

DIRECTORATE : City Futures

Purpose:

This report provides updated information on the Open Space Policy 2026 post recent adoption of the Open Space Strategy 2026-2041 and Open Space Contributions Report July 2026 and is recommended for adoption.

Executive Summary

- The Warrnambool City Council Open Space Policy applies to all open space under the management or ownership of Warrnambool City Council. It also applies to private land under agreement or negotiation to become future open space under the management or ownership of Warrnambool City Council.
- The Warrnambool Open Space Policy 2026 expresses Council's strategic policy in relation to the planning and delivery of open space.
- The policy helps implement the Warrnambool Open Space Strategy 2026-2041 (OSS) and the Warrnambool Open Space Contributions Report (OSC) July 2026.
- The OSS was adopted by Council in June 2026 and supersedes the Open Space Strategy 2014. The OSC Report was adopted by Council in August 2026 and does not supersede any previous contributions reports.
- It is Council's position that the open space network of Warrnambool should be: Accessible, adaptable, connected, efficient and sustainable, diverse, equitable, and protective of the environment.
- Consultation with the Project Working Group (PWG) during the OSS review concluded that we should add '*and sustainable*' to the strategic policy, where this had been excluded from the previous policy.
- Key changes include the hierarchy of open space with the addition of pocket parks, a new policy statement, new objectives and terminology.
- The OSC report implements new contribution rates under the *Subdivision Act 1988* for subdivisions across the municipality.
- It is recommended that Council adopt the Open Space Policy 2026.

RECOMMENDATION

That Council:

1. Revoke the Open Space Policy 2025.
 2. Adopt the Open Space Policy 2026.
 3. Authorises the Chief Executive Officer to make minor administrative and editorial amendments to the Policy that do not materially alter its intent or operation.
-

Background / Previous Reporting

The purpose of this Strategy is to provide Council and the community with a clear direction and priority for open space planning and delivery until 2041.

Open space is essential infrastructure. A high quality, well connected network of open space provides health and wellbeing, environmental and ecological values including habitat for fauna and flora, and economic benefits to a community through activating precincts and activity centres and providing spaces for future events and tourism opportunities. Open space supports not only local residents but also those that work, study, and visit the city.

The city is supported by a significant amount of public open space as well as conservation land and the foreshore which provides access to a diverse range of experiences. As the city continues to grow over the next 15 years the capacity and useability of the existing open space assets, along with additional open space provided through the growth areas will need to be integrated into a high quality and financial sustainable network.

The new policy statement includes:

The open space network protects and enhances the environmental values of Warrnambool while also providing spaces for the community to exercise, build social connection, access education, and relax. The future open space network will be planned and maintained to be adaptable to changing community and climate needs while also using financially sustainable approaches'

This has been updated in accordance with feedback received throughout the OSS engagement activities.

The Warrnambool Open Space Policy 2026 expresses Council's strategic policy in relation to the planning and delivery of open space.

It is Council's position that the open space network of Warrnambool should be:

Accessible

- Provide a variety of open spaces that are accessible and inclusive for all residents, regardless of age, ability and culture.
- Ensure that all residents should have at least one open space within walking distance of their home.

- Ensure that in urban areas, 95% of dwellings should be within 400m of open space.
- Ensure that across the whole LGA, 95% of dwellings should be within a 10min of district open space and 20min drive of regional open space.

Adaptable

- Ensure open space is flexible, multi-use and provide opportunities for passive and active recreation that is responsive to community needs.

Connected

- Open space corridors and shared trails that improve the connectivity of the network and provide links for walking, cycling and biodiversity movement.

Efficient and sustainable

- Consider adaptability and maintenance in the development and management of open space.

Diverse

- Provide a variety of experiences and cater for a range of recreational needs.
- 95% of open space land that is over 0.2ha (local open space and above) should have 2 or more functions

Equitable

- Access to open space will be distributed as fairly as possible across the municipality.

Protective of the environment

- Preserve and enhance the biodiversity and environmental values across open space while providing appropriate public access to waterways and coastal environments.

To achieve the open space vision, the Strategy is guided by three (3) objectives. These objectives include indicators to measure the impact of change over the life of the strategy as shown in Table 1.

Table 1. Open space objectives and indicators

Objectives	Indicators of success
Objective 1: To provide an equitable distribution and connection to open space across the city.	95% of dwellings in urban areas are within a 400m walkable catchment of open space
Objective 2: To ensure all open space has a clear purpose and supported by multiple functions.	All open space has a clear function. All open space greater than 0.2ha has a minimum of 2 functions
Objective 3: To provide a financially sustainable, adaptable and resilient open space network that can support future generations	30% tree canopy cover across the open space network

The classification of individual open spaces can be found in the Warrnambool Open Space Strategy as shown in Table 2.

Table 2. Hierarchy of open space

Hierarchy of open space	Size
Regional open space is a municipal destination. Infrastructure provided in regional spaces support longer stay times and typically accommodate substantial infrastructure and facilities that can cater to a large number of people. These spaces cater to users from across Warrnambool and, for some, the wider region. Examples include Lake Pertobe Recreation Reserve, Albert Park Reserve and Victoria Park.	15ha+
District open space is a destination that services a precinct. They can accommodate different activities and different user groups simultaneously. They are large enough to accommodate formalised sporting functions such as courts and playing fields; however, to include formalised sport, they must be at least 8ha in size. Infrastructure provided on district spaces supports longer stay times. Examples include Botanic Gardens, Brierly Recreation Reserve, Allansford Recreation Reserve, and Dennington Recreation Reserve.	5-15ha
Neighbourhood open space is large enough to accommodate multiple open space functions. In rural settings they may include formalised sports uses (e.g. 1 oval), however they need to be a minimum of 5ha. They are intended to service a catchment of surrounding suburbs for a medium length of stay. Examples include D.W. Jones Oval Reserve, A.H Davidson Oval, Manuka Dr Reserve, and Bushfield Recreation Reserve.	1-5ha
Local open space is intended as walkable locations for immediate residents. They can provide a range of passive open space functions, however, only for short stays. Examples include Witham Park Reserve, Toohey Estate Reserve, Motang Drive Reserve, and Water Tower Reserve.	0.2-1ha
Pocket parks are very small parcels of open space which can contribute to improving amenity and providing 'pockets' of green relief. Due to their size, they have limited functions and therefore require limited infrastructure. Pocket parks should not be prioritised as new open space due to the limitations on their use, rather they should only be delivered to fill accessibility gaps or increase greening in urban areas. Examples include Iona Avenue Reserve, Boronia Court, Mechanics Institute Park and Shrader Park.	0.2 ha and under

Functions on open space refers to the purposes and activities for which the land is developed and managed. To meet the diverse needs of the community multi-functional spaces (more than one function) should be provided on all local open space and higher order open space. The allocation of functions also ensures that the role of the open space is clear along with the supporting infrastructure required e.g. sport the civic, nature, linkage, events, play, social, story, art and education, vistas and dog walking.

The OSC Report includes new contribution rates relevant to land density expressed by residential land and rural and low-density land typology. The municipal wide application applies an equitable distribution to all land and is triggered via land subdivision applications of three (3) or more lot subdivisions.

Table 3. Open Space Contributions

Type or location of subdivision	Current amount of contribution for public open space	Recommended amount of contribution for public open space
Land within the North of the Merri River Structure Plan	1.67%	No change
Land within the North Dennington Structure Plan area (excluding Dennington Rise)	3%	No change
Land covered by the incorporated East of Aberline Precinct Structure Plan	3.81% (Draft for consultation at the time of writing this report)	No change
All other employment and residential land (other than land zoned Rural Living and Low Density Residential)	Up to 5% (through the Subdivision Act)	5.17%
Land zoned Rural Living and Low Density Residential	Up to 5% (through the Subdivision Act)	4.65%

Officers will review this policy for any necessary amendments every 4 years.

Issues

The Open Space Strategy 2014 expired in 2024. As such the suite of Open Space reporting was required to be reviewed and updated.

Financial Impact

There is no financial impact involved in the adoption of the Open Space Policy 2026.

Legislation / Policy / Council Plan Context

Internal Council Documents

- Warrnambool Open Space Strategy 2026-2041
- Warrnambool Open Space Contributions Report July 2026
- Warrnambool City Council - Council Plan 2025-2029
- Warrnambool Community Vision
- Asset Management Plan
- Healthy Warrnambool 2025-2029
- Green Warrnambool Plan 2018
- Active Warrnambool Strategy 2025-35
- Play Space Strategic Framework 2025
- Warrnambool Foreshore Strategic Framework Plan
- Warrnambool Coastal Management Plan 2013
- Structure Plans, Master Plans, Concept Plans, Detailed Landscape Plans

External Strategic Documents

- Warrnambool Planning Scheme
- Plans for Victoria
- Open Space for Everyone 2021
- Guide for open space strategy 2025
- Precinct Structure Plan Guidelines: New Communities in Victoria 2021

- Open Space Planning and Design Guide, Parks and Leisure Australia (2013)
- Safer Design Guidelines for Victoria, State of Victoria Department of Sustainability and Environment (2005).

Timing

The version as attached is recommended for approval. Officers are seeking feedback from Executive as to whether the internal policy can be approved under delegation. If not, the recommendation can be raised at the next available Council Meeting.

Internal / External Consultation

No direct consultation was undertaken in relation to this updated policy. Extensive consultation was undertaken through the development of the Open Space Strategy and the Open Space Contributions report. The updated policy reflects the directions within the adopted strategy, and it is considered that appropriate consultation has already occurred on this matter. The community can access the Open Space Policy via the Warrnambool City Council website.

Legal Risk / Impact

No legal risk or impact.

Officers' Declaration of Interest

No conflict of interest.

Collaborative Procurement

There are no collaborative procurement agreements as part of this project.

Conclusion

The Warrnambool Open Space Policy applies to all open space under the management or ownership of Warrnambool City Council. It expresses Council's strategic policy in relation to the planning and delivery of open space. The policy helps implement the Warrnambool Open Space Strategy.

The Open Space Strategy 2026-2041 and the Open Space Contribution Report July 2026 provide the strategic justification coupled with technical analysis to implement municipal wide open space actions and contributions.

It is recommended that Council adopt the Open Space Policy 2026.

ATTACHMENTS

1. Open Space Policy - Track Changes [7.1.1 - 8 pages]
2. Open Space Policy - Clean Version [7.1.2 - 6 pages]
3. Open Space Strategy [7.1.3 - 50 pages]
4. Open Space Contributions Report [7.1.4 - 29 pages]

7.2. Fees And Charges Reduction Policy

DIRECTORATE : Corporate Strategies

Purpose:

This report provides information on the draft Fees and Charges Reduction Policy.

Executive Summary

This report presents the proposed Fees and Charges Reduction Policy.

The proposed policy establishes a governance framework for approval, administration, monitoring and reporting of fee reductions, discounts, concessions and waivers applied to Council's adopted Fees and Charges Schedule.

The policy introduces clear eligibility criteria, approval, segregation of duties, documentation standards and quarterly reporting obligations. It also establishes approval limits on the cumulative value of discounts and waivers to support the integrity of Council's adopted Budget and promote sound financial management practices.

The proposed policy aims to ensure that decisions to reduce, discount or waive fees and charges are made consistently, are aligned with Council's strategic objectives and community outcomes, and comply with Council's obligations under the *Local Government Act 2020* and Council's financial management framework.

RECOMMENDATION

That Council:

1. Adopt the Fees and Charges Reduction Policy 2026.
 2. Authorises the Chief Executive Officer to make minor administrative and editorial amendments to the Policy that do not materially alter its intent or operation.
-

Background

Council adopts Fees and Charges as part of the annual Budget to support the delivery of services programs, facilities and infrastructure to the community. The adopted Fees and Charges Schedule reflects Council's strategic objectives, service delivery costs, community benefit considerations and long-term financial sustainability.

The policy has been developed to ensure greater transparency, consistency and oversight of discretionary fee decisions and to ensure appropriate management of financial, governance and conflict of interest risks.

The *Local Government Act 2020* requires Council to manage revenue, expenses and financial transactions in accordance with sound financial management principles and adopted financial policies. Uncontrolled discretionary reductions to adopted fees may create financial risks, inconsistent outcomes, perceptions of favouritism, conflicts of interest, and may adversely impact the achievement of Council's adopted Budget and Long-Term Financial Plan.

The policy seeks to ensure that any departure from Council's adopted fees is appropriately authorised, documented, transparent and aligned with Council's strategic objectives, financial management obligations, delegation framework and public accountability responsibilities.

The proposed policy is a Council policy and will be reviewed every four years, or earlier if required due to legislative, regulatory or organisational requirements.

Council's Executive Management Team has considered the draft policy with program consultation on 13 August 2026. Consultation with programs supported the recommended option 2 with clear definitions of the approval thresholds. Training will be required for the procedure application.

Issues

Revenue associated with potential

The proposed policy may impact User Fees and Contributions revenue from Fees and Charges adopted through the annual Budget process. Council's 2027 Budget includes approximately \$25 million of revenue from these sources across 74 cost centres, with individual revenue streams ranging from approximately \$200 to \$3.4 million per annum.

Examples of discretionary discounts:

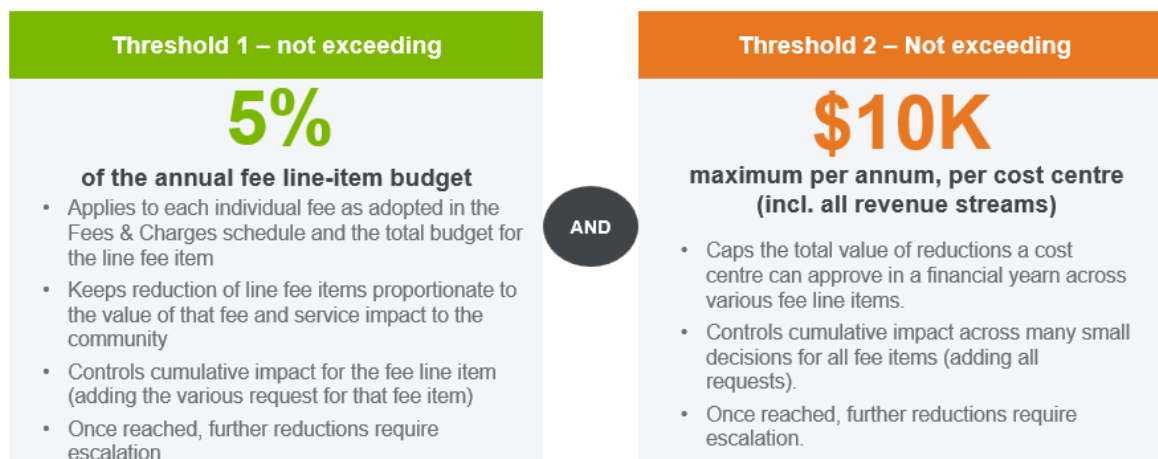
- Aquazone seasonal discounts include pre-summer 3-month swim membership special.
- Surfside Holiday Park provide Stay 3 pay for 2 or Stay 5 pay for 3 nights deals (Available 01/05 to 01/09).

Challenge in setting approval thresholds

The key challenge in establishing approval limits is balancing appropriate discretion at the program level with protection of Council's overall budget position. Program revenue and fee item bases vary significantly, ranging from approximately \$200 to \$3 million in annual revenue, meaning a single percentage or fixed-dollar threshold may be either too restrictive for smaller programs or provide excessive discretion for larger programs.

The proposed risk mitigation is therefore a two-fold approval approach, considering both the relative impact at program level (Line fee level) and the cumulative financial impact on Council's overall budget (Full program level), with escalation to higher approval where either threshold is exceeded.

Two thresholds apply to every discretionary reduction



Delegated Approval Framework

The proposed delegation framework requires Council consideration and decision making:

Option 1

Position	Maximum Individual Approval
Service Manager	Up to \$500 of the annual budgeted revenue for the fee charge
Manager	Up to \$2,500 of the annual budgeted revenue for the fee charge
Director	Up to \$5,000 of the annual budgeted revenue for the fee charge
Chief Executive Officer	Over \$10,000 of the annual budgeted revenue for the fee charge

This option presents challenges due to the large range of revenue from \$200 to \$3.4m.

Option 2 (Recommended)

Alternatively, consideration could be given to a management approval model whereby requests are approved by the relevant upline manager, director or executive, rather than being governed by specific financial delegations. Under this approach, fee reductions, discounts and waivers would be managed within the policy criteria. This approval option applies a risk-based approach to determine the appropriate level of approval. Any request outside the criteria will escalate to a Director or Chief Executive Officer for approval.

Eligibility Check (Should return a YES)
The fee item is not a statutory fee
Promotional Campaign (Yes/No)
Budget neutral/better position (Yes/No)
Temporary reduction (Yes/No)
This request will not breach the 5% annual threshold for the fee item (Yes/No) Accumulative impact/annum of line fee item
This request will not breach the annual \$10k program level (Yes/No) - Total accumulative request impact/annum
No conflict of interest exist with request of approval

Formal approval workflow and procedures

A formal approval workflow and supporting administrative procedures will be developed for implementation post the adoption of this policy. The workflow will ensure all requests are supported by documented business justification, assessed against policy eligibility criteria, approved by the appropriate delegated authority and appropriately recorded within Council's record management systems. Segregation of duties will apply, ensuring that an officer cannot both initiate and approve the same request.

Scope and Exclusions

The Policy applies to discretionary reductions, discounts, concessions and waivers of fees and charges adopted by Council through the Annual Budget process, including any approved fees introduced following budget adoption.

Monitoring and Reporting

To strengthen transparency and oversight, management will provide quarterly reporting to Council on the extent and value of approved fee reductions, discounts and waivers. This will be part of the quarterly financial report.

Actual Outcomes

While it is anticipated that many fee reduction decisions will be budget neutral through increased participation, utilisation or other operational benefits, there is a risk that actual outcomes may differ from those initially forecast. For example, anticipated increases in demand, participation levels or associated revenue may not eventuate, resulting in a reduction in net revenue and an adverse impact on the approved budget position or services provided. The overall financial risk is considered low given the generally small value and infrequent nature of fee discounts and waivers.

Financial Impact

The adoption of this policy is not expected to have a direct financial impact on Council's approved Budget. The policy is intended to strengthen oversight of revenue foregone through discretionary fee reductions and support the effective management of financial risks associated with discounts and waivers. Any financial impact arising from approved fee reductions will continue to be managed within existing budget allocations and monitored through the reporting requirements established under the policy.

Legislation / Policy / Council Plan Context

5 City Leadership

5.4 Our City manages financial resources sustainably.

5.5 Our City promotes organisational culture and performance.

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

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.

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

Timing

The policy will be considered and approved by Council at a scheduled meeting with a proposed two-year review period.

Internal / External Consultation

The development of the proposed Fees and Charges Reduction Policy has been undertaken in response to a request from Council to establish a formal governance framework for the approval and oversight of fee reductions, discounts and waivers.

Consultation has been undertaken with the Executive Management Team on the proposed policy framework, including the eligibility criteria, delegated approval requirements, reporting obligations and associated governance controls.

Consultation with programs supported the recommended option 2 with clear definitions of the approval thresholds. Training will be required for the procedure application.

Legal Risk / Impact

The *Local Government Act 2020* requires councils to manage revenue, expenses and financial transactions in accordance with sound financial management principles and adopted financial policies.

Section 101 of the Act requires that revenue and financial transactions be managed in accordance with Council's financial policies and strategic plans, financial risks be monitored and managed prudently, and financial policies provide stability and predictability in the financial impact on the municipal community.

Sections 101 and 102 further require Council to adopt financial policies that give effect to these financial management principles.

Officers' Declaration of Interest

No conflict of interest has been declared.

Conclusion

Council is requested to consider the proposed governance framework, including the delegated approval limits, quarterly reporting requirements and implementation of supporting procedures from adoption date, prior to the policy being presented for adoption.

ATTACHMENTS

1. Fees and Charges Reduction Policy 2026 DRAFT [7.2.1 - 7 pages]

7.3. Draft Operations Report, Financial Statements And Annual Performance 2025-2026

DIRECTORATE : Corporate Strategies

Purpose:

The purpose of this report is to present the draft 2025-2026 Performance Statement and Financial Statements to Council for in-principle approval as recommended by Council's Audit and Risk Committee and in accordance with Section 99 of the Local Government Act 2020.

It further seeks to nominate two Councillors to have delegated authority to sign the annual accounts and performance statement on behalf of Council, once final sign off has been received from the Victorian Auditor General's Office (VAGO).

This authorisation will enable Council to meet its statutory obligations for the presentation of its Annual Statements (as part of the Annual Report) to an open Council meeting by 31 October 2026. The Annual Report, which includes the Financial and Performance Statements, will return to Council for consideration at a future Council Meeting.

Also provided with this report for Council's information is the draft Report of Operations, including governance information, which accompanies the Financial Statements and the Annual Performance Statement.

This report also seeks in-principle approval for the certifying of the Governance information by the Mayor and Chief Executive Officer.

Executive Summary

Council's Annual Report comprises three sections: an operations report, financial statements and a performance statement.

The Annual Report informs the community about the progress made to implement the Council Plan and about Council's financial performance in relation to the annual approved budget. The report also covers Council's progress across several key industry indicators.

Council continues to make good progress in delivering a wide range of important services to the community. Council's financial sustainability remains sound, however, it continues to operate in an increasingly complex and uncertain environment.

Cost-shifting, rate-capping constraints, ongoing external volatility in international markets, global supply chain disruptions and persistent inflationary pressures (particularly in relation to construction and asset renewal costs) are some of the head winds Council has had to manage in the last twelve months. In addition, the \$65 million periodic revaluation of key assets undertaken in this financial year is highlighting further pressure on Council's asset renewal gap and ongoing escalation of maintenance costs. In this context, Council must continue to carefully balance service delivery expectations with the need to maintain and renew an asset base now valued at more than \$863 million.

During the 2025–2026 financial year, Council delivered \$13.9 million in capital works, including the CBD Bus Interchange, Wollaston Road power relocation, and two major roundabout projects.

Other capital works projects included the construction of the city's first pump track, repairs to Wollaston Road bridge, a new fish weighing gantry at the Port of Warrnambool and a new beach access point off McGennan Car Park that features an accessible ramp. These projects were coupled with the further stage of development and delivery of many key multiyear projects.

Some of these include the Key Worker housing project at Shipwreck Caravan Park, Aquazone roof repairs and pool repaint, outdoor netball court refurbishment at ARC stadium, and the further design stages of Wollaston Road development.

Along with a range of capital works projects there were numerous highlights including: Warrnambool being awarded Top Tourism Town by the Victorian Tourism Industry Council; the hosting of a Red Hot Summer concert (which will return to Warrnambool for another three years); adoption of Council's inaugural Creative Strategy – which gave rise to the Live Music Action Plan and subsequent Warrnambool Live Program of music events staged across the CBD in October and November 2025.

In August 2025 we delivered what was 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.

Our Financial and Performance Statements are audited by the Victorian Auditor-General under part 3 of the *Audit Act 1994*. These audits are conducted by contractors as agents of the Auditor-General. RSD Audit has been appointed Auditor-General's agent for Warrnambool City Council and conducted the 2025-26 audit.

The Audit and Risk Committee considered the draft statements at its meeting held on Tuesday 1 September 2026. The recommendations in this report were considered and endorsed by the Audit and Risk Committee at that meeting.

Sections 98-100 of the *Local Government Act 2020* (LGA) and the *Local Government (Planning and Reporting) Regulations 2020* deal with statutory procedures that govern the preparation of an Annual Report inclusive of Financial Statements, Performance Statement, Report of Operations, auditor's reports, and adoption by Council.

Section 98 of the *Local Government Act 2020* states that Council must prepare an Annual Report as soon as practicable after the end of each financial year.

The Annual Report must contain:

- a) a report of operations of the Council;
- b) an audited Performance Statement;
- c) audited Financial Statements;
- d) a copy of the auditor's report on the Performance Statement;
- e) a copy of the auditor's report on the Financial Statements under Part 3 of the Audit Act 1994;
- f) any other matters prescribed by the regulations.

Council must first pass a resolution to give in-principle approval to the Performance Statement and Financial Statements before providing the statements to the auditor.

After the Financial and Performance Statements have achieved final sign-off from the Victorian Auditor General, the Mayor must report on the implementation of the Council Plan by presenting the Annual Report at an open Council meeting within four months of the end of the financial year (October 31).

The final version of the Annual Report to be considered by Council will be aesthetically improved and include a pictorial record of operations.

Once considered the Annual Report remains available on Council's website for the community to access. Hard copies of the report are made available at Council's service center and Library.

The Annual Report has been prepared in accordance with the objectives contained in Council's Election Period Policy, with specific reference to item 2.8.2 of the policy which states that the Annual Report must not include matter that may be considered electioneering or publicising attributes or achievements of individual Councillors.

The attached financial statements and performance statement are subject to audit completion.

RECOMMENDATIONS

1. That Council approve in principle the 2025-2026 Financial Statements which have been subject to external audit by the Auditor-General's agent, with the outcomes also having been reviewed by Warrnambool City Council's Audit & Risk Committee.
 2. That Council approve in principle the 2025-2026 Performance Statement which has been subject to external audit by the Auditor-General's agent, with the outcomes also having been reviewed by Warrnambool City Council's Audit & Risk Committee.
 3. That Councillor Ben Blain and Councillor Matthew Walsh be delegated authority to certify the 2025-2026 Financial Statements, after any changes recommended by the review of audit from the Victorian Auditor General have been made.
 4. That Councillor Ben Blain and Councillor Matthew Walsh be delegated authority to certify the 2025-2026 Performance Statement, after any changes by the review of audit from the Victorian Auditor General have been made.
 5. That the Mayor Councillor Ben Blain and Chief Executive Officer Andrew Mason be authorised to certify the governance and management arrangements as contained in the final Operations Report.
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Summary Financial Result

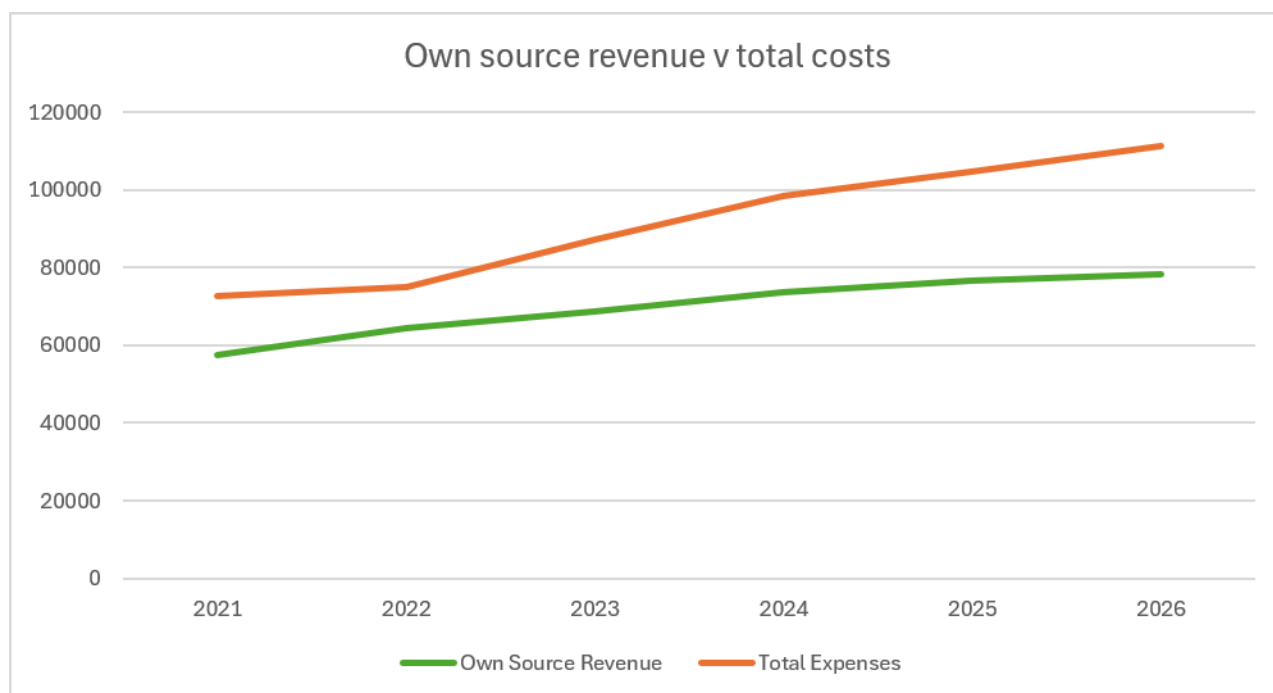
Operating Result

Council achieved a surplus of \$3.3million 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. The operating surplus includes several non-cash and one-off items and does not reflect the amount of cash available.

Council reported an operating surplus that was \$4.1 million below the adopted budget. This variance was influenced by:

- Additional operating grants of \$5.1 million which included the prepaid portion of the 2026-27 payment from Victorian Grants Commission \$4.8 million;
- Lower capital grants revenue due to not receiving budgeted grant of \$4.9 million for the Shipwreck Key Worker Housing project;
- Additional non-monetary contributions received from Developers \$4.5 million;
- Increased employee costs of \$864k due to funded retention payments for the Childcare sector and additional employee on costs identified through the forecast process;
- Increased depreciation of \$2.8 million due to revaluation of Buildings in the prior year and indexation of Parks and Open space and Streetscapes in 2025-26 which includes \$500k for the \$14 million found assets;
- Increased materials and services costs, primarily due to \$4.5 million in project expenditure being expensed in accordance with accounting standards, rather than capitalised as originally budgeted which include \$2.8 million for the Coastal Connect shared service project. Budget rollovers from 2024-25 into 2025-26 (incorporated through the revised budget) contributed to a further \$1.5m to the variance;
- Net loss on disposal of property, infrastructure includes the unbudgeted net loss of Koroit Street properties of \$1 million and the impact of infrastructure demolitions of \$1.1 million.

For 2025-2026, Council has a negative underlying result of \$7.7 million compared to \$4.1 million the previous year.



Revenue adjusted to exclude – Grants (operating & capital), Contributions (monetary & non-monetary)

The graph demonstrates that total costs are increasing at a faster rate than Council's own-source revenue, resulting in a narrowing capacity to fund ongoing service delivery from recurring own source revenue. This increases Council's reliance on government grants and other external funding to support its overall financial position. As more own-source revenue is required to meet operating costs, there is less capacity to fund capital investment, particularly discretionary new capital and asset renewal, from Council's own resources.

The widening gap between the rate cap and underlying cost escalation presents an ongoing financial sustainability risk for Council. While the rate cap limits growth in Council's primary source of recurring revenue, operating costs continue to be subject to inflationary and market pressures. Council continues to face volatility in international markets, disrupted global supply chains and elevated cost pressures, which can increase the cost of delivering services and capital works.

Financial Position

Cash and Cash equivalents increased by \$2.5 million compared to the previous year due to receiving \$4.8 million from VLGGC in advance for 2026-27 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 302%, exceeding the target of 176% and indicating a strong position. Of the cash and investment funds, \$17.5 million is committed to projects scheduled for delivery in 2026–2027 and reserves, \$19.6 million and remainder to fund current liabilities. The rollover projects include \$10 million of key projects to be delivered over multiple years.

Outstanding debtor balances show an increasing trend across most debtor classes, reflecting continued cost-of-living pressures and the impact of hardship arrangements on customers' ability to meet payment obligations. Rates and infringement receivables have been particularly impacted, with overdue balances increasing from prior year by approximately 20% and 16%, respectively.

The increase in overdue balances has also resulted in a 20% increase in the provision for doubtful debts totaling \$1.7 million, reflecting the higher level of credit risk and the assessment of amounts that may not ultimately be recoverable. The trend highlights the ongoing financial pressure on the community and the importance of effective debt management, collection processes, and appropriate hardship support.

Borrowings totalled \$5.3 million at 30 June 2026, with \$1.5 million repaid during this year. With Council maintaining a conservative loan position to ensure appropriate borrowing capacity for important generational infrastructure projects if required in the future.

Unrestricted cash is above the \$5 million threshold and subject to finalisation of rollovers and any associated transfers to Reserves, estimated at \$6.8 million.

Other Committed Reserves decreased by \$4.8 million, mainly due to a net reduction of \$8.9 million in general committed reserves. This reflects the use of reserves for their intended purposes. The reduction was partly offset by \$4.8 million in Victorian Local Government Grants Commission funding received in advance for 2026–27 service delivery and \$1.2 million in proceeds from the sale of the Koroit Street properties, which are being held for future purposes. Developer Contributions also decreased by a net \$604,000.

Capital Works Delivery

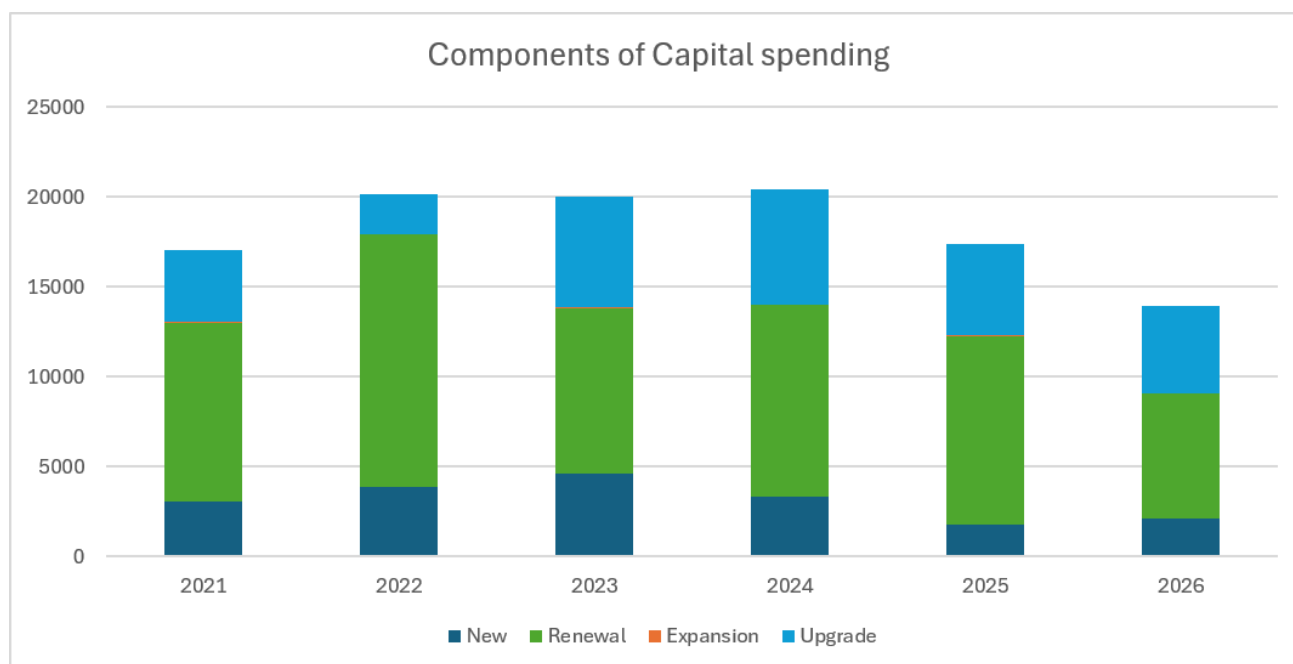
The financial statements outline one of the most significant issues this financial year with a 38% delivery of capital works against budget. The continuing pressure to conclude projects in the nominated year of delivery is exacerbated by an increasingly complex compliance environment at both a state and federal legislative level. This year's result should also be tempered with the near-term delivery of a substantial suite of projects being delivered shortly post end of the financial reporting period and the staged delivery of multi-year projects.

The lower delivery rate reflects the timing of seasonal works, including approximately \$1 million of Aquazone projects, together with delays to several significant projects pending strategic decisions, funding confirmation and consideration of the most appropriate delivery approach.

The \$2.1 million Matron Swinton project did not commence during the year, with Council continuing advocacy for the project and receipt of any government funding. The \$5.2 million Shipwreck Bay Key Worker Accommodation project was also delayed pending a Council decision and confirmation of funding, with delivery expected over a two-year delivery. Year 1 focused on the design and incurred initial costs of \$174k with delivery expected in 2026-27 upon receipt of funding. The Civic Centre Accommodation project of \$953k was delayed while strategic scoping was undertaken to determine the appropriate scope and delivery approach. The \$5.4 million Wollaston Road project was delayed while Council considered the most appropriate funding strategy and delivery model.

The Coastal Connect project further contributed to the variance, with \$2.8 million incurred during the year being expensed in accordance with applicable accounting standards rather than recognised as capital expenditure. The budget had anticipated this expenditure would be treated as a capital project, resulting in a material variance between actual capital works delivery and the budget.

The budgeted \$2.2m project to relocate high-voltage powerlines at Wollaston Road is nearing completion, with \$1.2 million savings against the approved budget.



The chart shows a reduction in renewal expenditure in 2025–26 to approximately \$7 million, compared with around \$10–11 million in each of the previous two years and a peak of approximately \$14 million in 2021–22. Council has carried forward the budgeted contributions to renewal from this year to undertake further gap reduction efforts in the 2026–27 with some significant projects being completed adjacent to year end including scheduled Aquazone renewal works of \$1.1 million, Netball ARC Stadium outdoor netball court refurbishment of \$200k and City Centre Lighting renewal 200k as part of the ongoing works.

Council completed upgrade works at Timor/Gilles Street roundabout for \$908k and Botanic Road \$1.3m, with both projects including a large component of asset renewal as part of the overall upgrades.

The Performance Statement identifies a reduction in Council's asset renewal ratio to 50.51%, below the target of 52.33%. This reflects the lower level of renewal expenditure delivered during 2025–26 compared to the increased depreciation costs. This highlights the continued need to prioritise renewal investment within the forward capital program. Maintaining a strong focus on asset renewal will be important to address the renewal gap and support the long-term sustainability of Council's asset base.

Asset Revaluations

A major contributor to the improvement in Council's balance sheet was the revaluation of major infrastructure asset classes. During the year, Council recognised \$65.9 million in revaluation gains, reflecting increases in the assessed value of its infrastructure assets. The revaluation gains included:

- Roads: \$19.7 million.
- Parks/Open Space/Streetscapes: \$26.8 million.
- Recreational facilities: \$7.7 million.
- Drainage: \$3.9 million.
- Aerodromes: \$3.5 million.

The increase in asset values results in a higher depreciation expenses needed in future years and the increased level of asset renewal investment required to maintain Council's asset base. This information places additional pressure on future operating results and capital funding requirements.

Prior Year Adjustments

The financial statements include a number of prior-period adjustments arising from the review of Council's asset register and historical capital work in progress balances. These adjustments have been made to ensure assets and work in progress are correctly recognised and valued in accordance with applicable accounting standards, with comparative balances restated from 1 July 2024. Overall, the adjustments resulted in an improvement to Council's net equity position of approximately \$7 million.

The key adjustments include:

- Previously unrecorded assets: Open space assets identified during the year that existed at the reporting date but had not previously been recognised many having previously fallen below the asset recognition threshold have now been brought to account, resulting in a net increase in asset values of \$10.6 million at 1 July 2024.
- Building revaluation: A \$1.2 million reduction in work in progress was recognised where costs incurred prior to 1 July 2024 had already been incorporated into the carrying values of buildings through the 30 June 2025 revaluation process, avoiding duplication of asset values.
- Capital work in progress review: A detailed review of historical work in progress identified \$2.3 million incurred prior to 1 July 2024 that should have been written down in earlier reporting periods. The comparative balances have been restated accordingly.

The adjustments improve the accuracy of Council's reported asset values and provide a more appropriate basis for future depreciation and asset management planning.

Legislation / Policy / Council Plan Context

5 City Leadership

5.4 Our City manages financial resources sustainably

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

Timing

Council will approve in principle the 2025-26 Financial and Performance Statements at a scheduled meeting. After the Financial and Performance Statements have received final sign-off from the Victorian Auditor General, the Mayor must report on the implementation of the Council Plan by presenting the Annual Report at an open Council meeting within four months of the end of the financial year (31 October).

Internal / External Consultation

The Annual Report remains available on Council's website for the community to access when adopted. Hard copies of the report are made available at Councils service centre and Library.

Legal Risk / Impact

Sections 98-100 of the *Local Government Act 2020* (LGA) and the Local Government (Planning and Reporting) Regulations 2020 deal with statutory procedures that govern the preparation of an Annual Report inclusive of Financial Statements, Performance Statement, Report of Operations, auditor's reports, and adoption by Council.

Section 98 of the *Local Government Act 2020* states that Council must prepare an Annual Report as soon as practicable after the end of each financial year.

Officers' Declaration of Interest

Nil.

Conclusion

Council is provided with the draft financial statements and performance statement for the year ending 30 June 2026 for in-principle approval as recommended by Council's Audit and Risk Committee and in accordance with the *Local Government Act 2020*.

ATTACHMENTS

1. Draft Annual Financial Statements 2026 [7.3.1 - 62 pages]
2. Draft Performance Statement 2026 [7.3.2 - 21 pages]

7.4. Capital Works Report 2025-26

DIRECTORATE : City Infrastructure and Environment

Purpose:

This report is to present a recap of the Capital Works Program for the 2025-26 Financial Year.

Executive Summary

Each year, Warrnambool City Council undertakes a significant program of capital works to renew existing assets, upgrade infrastructure and deliver new facilities that support the needs of the community.

The program comprises projects approved through Council's annual budget process, multi-year projects continuing from previous financial years, externally funded projects and renewal works identified through Asset Management Plans, asset condition information, service priorities and available funding.

The attached *Capital Works Report 2025–2026* provides a community-focused overview of the breadth of infrastructure works delivered or progressed during the year. It explains the purpose and community benefit of these works, with a particular focus on roads, drainage, footpaths, bridges, buildings, beach access, playgrounds and public open space.

The report is intended to complement Council's formal financial and performance reporting by presenting capital works outcomes in an accessible and visually engaging format.

The *Capital Works Report 2025–2026* is provided for information.

RECOMMENDATION

That the Capital Works Program for 2025-26 Financial Year be received.

Background / Previous Reporting

Council's Capital Works Program delivers the renewal, upgrade and construction of infrastructure across the municipality. This includes local roads, drainage, paths, bridges, community buildings, recreation facilities, public open space and coastal infrastructure.

Capital program reporting has traditionally focused primarily on project expenditure and financial performance. While this remains essential for governance and accountability, financial reporting alone does not always clearly communicate what has been delivered, why the work was required or how it benefits the community.

The attached report introduces a more community-focused approach to reporting capital works outcomes. It has been jointly developed by the Project Management Office and Communications Team and is intended to:

- demonstrate the breadth of infrastructure works undertaken across the municipality;
- explain the purpose and community benefit of different types of capital works;
- improve community understanding of Council's role in maintaining and renewing infrastructure;
- highlight selected projects completed or substantially progressed during the year; and
- provide greater visibility of significant projects continuing into future financial years.

This approach supports Council's response to the Community Satisfaction Survey by providing clearer and more accessible information about the services and infrastructure delivered for the community.

The format and community response will be reviewed to inform the development of future annual capital works reporting.

Issues

A significant proportion of Council's capital investment is directed toward renewing existing infrastructure. Renewal work is essential to maintain asset condition, safety and serviceability and to reduce the risk of more costly intervention in the future. However, this work is not always readily visible in particular where it relates to underground drainage, structural maintenance, building services or preventative road treatments.

The report provides a representative overview rather than an exhaustive schedule or financial acquittal of every capital project. Formal financial outcomes, project carry-forwards and budget variances are addressed separately through Council's established financial reporting and year-end processes.

Some larger capital projects span more than one financial year due to their scale, planning and design requirements, external approvals, procurement processes or construction timeframes. The report includes a summary of significant projects underway to provide information about work that progressed during 2025–26 but will be completed in a future financial year.

Financial Impact

Council's adopted 2025–26 Budget included \$28.94 million in new capital works allocations and \$7.66 million in works carried forward from 2024–25, resulting in total planned whole-of-Council capital expenditure of \$36.60 million.

The adopted budget includes capital expenditure outside the scope of the attached report, including fleet, plant, information technology, library resources and other corporate asset expenditure. It also reflects the assumptions and funding sources known when the budget was adopted, including projects that may have been contingent on external grant funding.

The capital program is reviewed during the financial year to reflect confirmed grant outcomes, revised project timing, updated cost estimates and other changes affecting project delivery.

Accordingly, the value of the infrastructure works program delivered by the City Infrastructure and Environment Directorate may differ from the whole-of-Council capital expenditure identified in the adopted budget.

The attached report is focused on communicating the infrastructure works delivered or progressed during 2025–26. It is not intended to provide a financial acquittal or reconciliation of the adopted capital budget.

Final expenditure, funding received, project variances and amounts carried forward into 2026–27 will be confirmed through Council's year-end financial reporting and Annual Report processes. There is no additional financial impact arising from Council receiving or publishing the attached report.

Legislation / Policy / Council Plan Context

2 City Infrastructure

2.1 Our City will prioritise maintaining and renewing existing infrastructure.

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

2.8 Our City will continue to improve pedestrian, cycling and vehicle movement.

2.10 Our City's public spaces will be maintained to a high standard.

Timing

The report principally covers capital works delivered or progressed between 1 July 2025 and 30 June 2026.

The attached report also identifies selected multi-year projects that progressed during the reporting period and will continue into 2026–27 or later years.

Internal / External Consultation

Where a project is live and has had the appropriate planning and procurement undertaken and a commencement date and timeframe for the project is known, information in relation to the project will be communicated to relevant stakeholders and impacted residents for their information.

Capital Projects for new and upgrades to assets that are approved as part of the budget, first undergo a community consultation process through the draft budget being put out to the community for comment and feedback. These new or upgrade projects are generally developed from initial strategic planning work and are formulated and approved via a strategic plan that details the community and Council need for the new or upgraded infrastructure which will have also been through a community consultation process.

Legal Risk / Impact

There are no specific legal risks arising from Council receiving or publishing the attached report.

Legal, safety, environmental, procurement and delivery risks are considered and managed at an individual project level through Council's project planning, procurement, contract management and risk management processes.

Gender Impact Assessments are undertaken where required in accordance with the *Gender Equality Act 2020* and Council's associated processes.

Officers' Declaration of Interest

Nil.

Collaborative Procurement

Opportunities for collaborative procurement are considered when planning and procuring relevant capital works.

During 2025–26, Council continued to partner with Corangamite Shire Council in procuring road resealing works. This collaborative arrangement provides greater purchasing scale and supports more competitive pricing for both councils.

Conclusion

The attached *Capital Works Report 2025–2026* provides an accessible overview of the infrastructure renewal, upgrade and new asset projects delivered or progressed during the year.

The report complements Council's formal financial and performance reporting by explaining the purpose, breadth and community benefit of the Capital Works Program.

The report is provided for information.

ATTACHMENTS

1. Capital works report 2025-2026 [7.4.1 - 8 pages]

7.5. Active Transport Fund Grant Update

DIRECTORATE : City Futures

Purpose:

This report provides information on the status of infrastructure grant opportunities that are Upcoming for the Australian Government's Active Transport Fund.

Executive Summary

Following the successful application of the Australian Government's Active Transport Fund (ATF) Round 1 for the Industrial Precinct Footpath Construction Project, this report provides an update on the Australian Government's Active Transport Fund (ATF) Round 2 and outlines proposed projects for submission by Council.

The proposed projects have been selected to improve walking and cycling connectivity, address identified gaps within Warrnambool's active transport network and align with strategic planning documents, including the Principal Pedestrian Network (PPN).

RECOMMENDATION

That Council:

1. Endorses the submission of an application to the Australian Government Active Transport Fund for the;
 - a. Lake Pertobe Path Network (Gilles Street Pedestrian Rail Crossing to the Pertobe Road Underpass); and
 - b. Raglan Parade to Sherwood Park Station Link
 2. Commits a Council co-contribution of up to \$300,000 Ex GST, conditional upon the applications being successful;
 3. Approves the co-contribution being funded from the General Reserve [or another identified funding source];
 4. Notes that, if the application is successful, the project and associated grant income and Council contribution will be incorporated into the relevant Council budget through the applicable budget review/variation process; and
 5. Authorises the Chief Executive Officer to submit the application, execute the funding agreement and undertake any administrative actions necessary to give effect to the resolution.
-

Background / Previous Reporting

The Warrnambool Principal Pedestrian Network (PPN) identifies strategic walking corridors that improve accessibility, connectivity and safety across the municipality. The overarching objective of the PPN is to increase the proportion of local trips undertaken by walking or mobility aids while promoting healthier and more sustainable transport choices.

The Australian Government's Active Transport Fund provides financial assistance for projects that encourage walking and cycling through the delivery of safe, connected and accessible infrastructure. Council officers have reviewed the program guidelines and undertaken an assessment of potential projects against a range of criteria including:

- Strategic alignment with adopted Council plans;
- Community benefit and network connectivity outcomes;
- Ability to increase active transport participation;
- Project readiness and deliverability;
- Funding eligibility and likelihood of success; and
- Required Council contribution.

Following this assessment process, two projects were identified as providing the greatest opportunity to improve active transport outcomes while meeting funding program objectives.

Rank	Project	Total Cost	ATF Cost	WCC Contribution
1	Lake Pertobe Path Network (Gilles Street Pedestrian Rail Crossing to the Pertobe Road Underpass) (Attachment 1)	\$ 300,000.00	\$ 150,000.00	\$ 150,000.00
2	Raglan Parade to Sherwood Park Station Link (Attachment 2)	\$ 300,000.00	\$ 150,000.00	\$ 150,000.00

The proposed projects improve connectivity between key destinations, reduce barriers to walking and cycling, and support safer movement throughout Warrnambool. The projects are supported through several strategic plans and objectives, including structure planning.

Lake Pertobe Path Network (Gilles Street Pedestrian Rail Crossing to the Pertobe Road Underpass)

This project proposes the delivery of improved pedestrian and cycling connections between the Lake Pertobe precinct, Deakin University and surrounding destinations, including progression of the pedestrian rail crossing underpass concept. The project addresses a key missing link within Warrnambool's active transport network and improves accessibility to education, recreation and tourism destinations.

Raglan Parade to Sherwood Park Station Link

This project proposes improvements connecting the Raglan Parade corridor to Sherwood Park Station, facilitating safer cycling and walking access to public transport infrastructure. The project supports multi-modal transport outcomes and improves active transport options for residents travelling to employment, educational and recreational destinations.

Issues

Warrnambool continues to experience growth in active transport demand, however a number of gaps remain within the walking and cycling network. These gaps reduce accessibility and discourage active transport participation.

The proposed projects seek to address several identified challenges, including:

- Missing pedestrian and cycling links between key destinations;
- Limited separation between active transport users and vehicle traffic;
- Accessibility barriers for mobility-impaired users;
- Reduced connectivity to educational, recreational and transport hubs;
- Safety concerns at existing crossing points; and
- Increasing demand for alternative transport options that reduce reliance on private vehicles.

The Active Transport Fund presents an opportunity to accelerate delivery of priority projects that would otherwise compete with other infrastructure priorities for Council funding.

Financial Impact

Site 1 Lake Pertobe Path Network (Gilles Street Pedestrian Rail Crossing to the Pertobe Road Underpass)

Grant: \$150,000

Council Contribution from Open Space Reserves: \$150,000

Total: \$300,000

Raglan Parade to Sherwood Park Station Link

Grant: \$150,000

Council Contribution from Footpath Reserves, with savings captured as part of the 2025/26 budget report: \$150,000

Total: \$300,000

This will bring the total funding application for round 2 Active Transport Fund to \$300,000.00, matched by a Council contribution of \$300,000.00.

Legislation / Policy / Council Plan Context

1 City Futures

1.2 Our City puts public health and safety as a priority

2 City Infrastructure

2.1 Our City will prioritise maintaining and renewing existing infrastructure.

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

2.4 Our City neighbourhoods will have a well-connected network of footpaths.

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

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

2.8 Our City will continue to improve pedestrian, cycling and vehicle movement.

Timing

Each of these projects is expected to be completed within the 26/27 and 27/28 financial year(s) by the funding provider, depending on when the application outcome is formally received.

Internal / External Consultation

The projects have been informed through strategic planning undertaken as part of the Principal Pedestrian Network and broader active transport planning activities. Engagement with affected stakeholders and the wider community would be undertaken as part of project development and delivery.

Key stakeholders are expected to include:

- Department of Transport and Planning, and VicTrack
- Nearby residents and businesses
- Cycling Reference Group
- Deakin University
- Other standard stakeholders (Warrnambool Bus Lines, DTP, Vic Pol, CFA, Ambulance Vic)

Legal Risk / Impact

If successful, both projects will be delivered through Council's Project Management Office using established project governance, risk management and procurement processes. Appropriate approvals and stakeholder consultation will be undertaken throughout project development and delivery.

Officers' Declaration of Interest

Nil.

Collaborative Procurement

Collaborative procurement opportunities will be considered where beneficial. Where appropriate, project-specific procurement processes will be undertaken.

Conclusion

The Active Transport Fund provides an opportunity for Council to accelerate delivery of priority walking and cycling infrastructure projects that improve safety, accessibility and connectivity across Warrnambool. The proposed Lake Pertobe Path Network (Gilles St Pedestrian Rail Crossing to the Pertobe Rd Underpass) and Raglan Parade to Sherwood Park Station Link projects align with Council's strategic objectives, support increased active transport participation and deliver long-term community benefits.

Subject to Council endorsement, applications will be submitted to the Active Transport Fund, with successful outcomes enabling the delivery of up to \$600,000 of active transport infrastructure through a combination of Australian Government funding and Council contribution.

ATTACHMENTS

1. Attachment 1 - Lake Pertobe (Gilles St - Underpass) - Concept [7.5.1 - 1 page]
2. Attachment 2 - Raglan Parade (Mahoneys - Sherwood Park Station) - Concept [7.5.2 - 1 page]

7.6. Middle Island Project Annual Report

DIRECTORATE : City Futures

Purpose:

The Middle Island Project Annual Report 2025/2026 Season is provided for information.

Executive Summary

The Annual Report 2025/2026 outlines the achievements and challenges of the Middle Island Project, highlights ongoing community and partner support, and provides an update on the Maremma guardian dog team.

The Middle Island Project has contributed to the conservation of the Middle Island little penguin (*Eudyptula minor*) colony for twenty-one years. Known as “The Warrnambool Method” for wildlife conservation, the project’s innovative use of Maremma guardian dogs to protect a colony of wild little penguins was world-first.

The Middle Island Project is a partnership between Warrnambool City Council, Warrnambool Coastcare Landcare Network, Deakin University, Warrnambool Field Naturalists Club, the Department of Energy, Environment and Climate Action and Parks Victoria. Major sponsors include Petstock Warrnambool, The Vet Group, and Flagstaff Hill Maritime Museum.

The Middle Island Project is continually evolving and the ability to effectively complete operational requirements has become increasingly difficult over the previous four years due to a combination of factors.

Council officers continue to investigate a range of operational changes that may enable ongoing conservation and protection of the little penguins on Middle Island, ensure the wellbeing of the Maremma Dogs involved in the guardian dog program and best use of Council and Community resources.

RECOMMENDATION

That Council accepts the 2025/2026 Middle Island Project Annual Report (Attachment 1) for publication on “Warrnambool Penguins” webpage and distribution to stakeholders.

Background / Previous Reporting

The Annual Report 2025/2026 outlines the achievements and challenges of the Project, highlights ongoing community and partner support, and provides an update on the Maremma guardian dog team.

Highlights include;

- No evidence of foxes on the island during the season
- Ongoing interest in the ‘Penguin Protectors Warrnambool’ education experience as well as Flagstaff Hill Maritime Museum (FSH) education program engaging over 1,906 individuals
- Ongoing sponsorship and support from the community (local to overseas)

- Strong social media with 19,900 followers on Facebook and 12,000 on Instagram

Challenges include;

- Ongoing health concerns for the dogs
- Reduced access to Middle Island
- Infrastructure deterioration on Middle Island

The Middle Island Project (the Project) has contributed to the conservation of the Middle Island little penguin (*Eudyptula minor*) colony for twenty-one years. Known as “The Warrnambool Method” for wildlife conservation, the project’s innovative use of Maremma guardian dogs (dogs) to protect a colony of wild little penguins was world-first. The Project became the inspiration for the movie “Oddball” in 2015, which has since permanently put Warrnambool on the map on a global scale.

The Project is a partnership between Warrnambool City Council, Warrnambool Coastcare Landcare Network (WCLN), Deakin University, Warrnambool Field Naturalists Club, the Department of Energy, Environment and Climate Action (DEECA) and Parks Victoria. These stakeholders form the Middle Island Project Committee (Committee) and advise Council on the management of the project. Major sponsors include Petstock Warrnambool, The Vet Group, and Flagstaff Hill.

The Project has adopted an adaptive management approach to conserve little penguins and other seabird species on Middle Island. Using dogs in conjunction with other fox control methods implemented by Council such as baiting and shooting. In doing so, the Project continues to work towards the vision to “ensure the long-term survival of the little penguin colony on Middle Island through the use of conservation techniques that reduce the threats posed to these birds”.

In recent years the ability to effectively complete operational requirements has become more difficult for a combination of factors. Primarily, unpredictable and changed environmental conditions restricting safe access to the island and infrastructure damage preventing unsupervised dog deployment.

In 2024 a sub-committee of the Committee recommended to continue the education program and restructure the guardian program, with no new dogs being purchased until crossings to the island can be made on a regular basis and penguin monitoring can once again provide clear estimates of the population size.

Stingray Bay is a dynamic body of coastline, with conditions changing regularly and influenced by the flow of the Merri River, tide strength and direction, as well as prevailing winds. In front of the island is a reef and in front of the reef is a deep channel that provides an added hazard to Middle Island crossings. Staff and volunteers follow protocols as outlined in the Project Operational Manual and Risk Management Plan to reduce the risks of crossing to Middle Island.

The boardwalk on Middle Island was originally built in 2002 to protect burrows from being collapsed by people walking on the surface. Since the closing of Middle Island to the public, the boardwalk has been modified and used to securely house the dogs while they protect the little penguins from fox attacks.

Other fox control methods undertaken by Council are guided by the Fox Action Plan – Coastal Reserve. This includes two baiting programs per year, fumigation of known fox dens and off target shooting from Council's rabbit control activities. Fox control success is measured by surveying the foreshore for fox activity. This surveying has shown a drop in fox activity during the 2025 fox baiting programs and a shift in fox activity hot spots since surveying began in 2018.

Issues

1. Environmental conditions have considerably changed the crossing to Middle Island over the past four seasons, reducing the predictability and safety of access to Middle Island. The channel largely caused by the Merri River outflow has become deeper for extended periods of time over the little penguin breeding season, reducing the ability to have dogs on Middle Island and WCLN to complete effective penguin monitoring. Middle Island access is continually monitored year-round; however prolonged unsafe crossing conditions and adverse weather events have significantly limited safe access. During the 2022/2023 (October to March) breeding season, breeding monitoring and penguin arrival counts were able to be conducted, however in limited capacity. During the 2023/2024 season, access was only possible during a 6-week period between December to January when tide, swell, and weather conditions facilitated safe access. Spring storms before the 2024/2025 season damaged Stingray Bay and removed a lot of sand from the bay. Beach accesses were closed and crossing to Middle Island was unsafe at this time. There was no breeding monitoring and penguin arrival counts undertaken during the 2025/2026 season.
2. Middle Island infrastructure has needed ongoing repair as a result of harsh environmental conditions which have contributed to deterioration in the boardwalk and fencing over time. Damage to the boardwalk has made it unsafe to have dogs unattended on Middle Island since the 2023/2024 season and unsafe crossing conditions delayed repairs.
3. There are currently five dogs in Council's care, of which four are working on the Project. As the dogs age, their health concerns increase and their capacity to undertake their roles on any given day becomes less predictable. The age and health status of the dogs is an important consideration for future planning and it is important that back-up options and the potential for dogs having a dual role are explored in the event a dog is unable to undertake their role.
4. The Project education program consists of the following talks and provides a fantastic opportunity to increase awareness in the project and raise revenue to contribute to the costs of the Project.
 - a. The Penguin Protectors Warrnambool – Educational Experience, is available to group bookings throughout the year and opens to the general public (up to 30 people) during the summer and Easter school holidays.
 - b. FSH offers group bookings for schools and tourism operators.
 - c. Incursions are offered to local schools.
 - d. The Middle Island Project Officer has engaged with audiences in the USA with one off online presentations and Q&A's.
 - e. Middle Island Project word searches, colour in sheets and other materials have been produced and available on request.

5. As there is interest in the project from interstate and overseas an online virtual tour of Middle Island and aspects of the project is under development. This virtual online tour is intended to create an additional revenue source for the Middle Island project.
6. WCLN has possession of remote sensing cameras and acoustic recording equipment. Once set up, this equipment can be used to passively monitor the little penguin colony. The data collected will provide evidence of little penguins using Middle Island and when combined with arrival counts and breeding monitoring, provide a well-rounded assessment of the Middle Island colony.

Financial Impact

The Middle Island Project is recurrently funded by Council. Council's Guardian dogs are cared for by Council's team of Dog Handlers/Education Officers. Volunteers contribute substantially to the Middle Island conservation effort. These include Warrnambool Coastcare Landcare Network (WCLN), Deakin University and the Warrnambool Field Naturalists Club.

The Middle Island Project receives income from the Education and Tour Program, public donations and sponsorship.

Legislation / Policy / Council Plan Context

2 City Infrastructure

2.1 Our City will prioritise maintaining and renewing existing infrastructure.

3 City Sustainability

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

3.6 Our City will collaborate with other agencies to achieve positive environmental outcomes.

3.10 Our City will advocate for support to manage our coastal areas effectively.

Catchment and Land Protection Act 1994

20 General duties of land owners

- (1) In relation to his or her land a land owner must take all reasonable steps to -
 - (1)
 - (1) (f) prevent the spread of, and as far as possible eradicate, established pest animals.

Timing

The Middle Island Project Annual Report is for the period July 2025 to June 2026 inclusive.

Internal / External Consultation

The Middle Island Project Committee advises Council on the operational aspects of the Project. The Warrnambool Community have a vested interest in the Project, finding it a source of pride for their hometown.

The community is informed of project outcomes through media releases, the project's own website "Warrnambool Penguins", its Facebook and Instagram pages and the annual report.

Council will work with the Middle Island Project Committee and other stakeholders to consider the changing conditions the Project operates under and how best to focus future conservation efforts on and around Middle Island.

Legal Risk / Impact

All penguin monitoring and data collection is conducted under ethics approvals, there are no legal or environmental risk issues.

Use of remote sensing cameras and acoustic recording equipment by WCLN are exempt under general conditions of the Marine and Coastal Act.

The Middle Island Project is guided by the Project Operational Manual and Risk Management Plan.

Officers' Declaration of Interest

Nil.

Collaborative Procurement

The Project is a collaborative project, encompassing local and state governing bodies including Council, DEECA and Parks Victoria, as well as local community conservation groups such as WCLN and Warrnambool Field Naturalists. The project also collaborates with local businesses including Petstock Warrnambool and The Vet Group and educational bodies including Deakin University.

Council manages the dog component of the project, with WCLN managing little penguin monitoring. Ongoing research into the little penguin colony is conducted by Deakin University.

Conclusion

The willingness to adapt and multidisciplinary nature of the Middle Island Project has contributed largely to its success over the previous twenty-one years. This includes the project partnerships and sponsors. Increased challenges in island management, including access to Middle Island and damage to infrastructure increase the need for a more holistic approach in project management, in addition to a more comprehensive education and promotion program.

ATTACHMENTS

1. 4300 Middle island season report v 2 [7.6.1 - 10 pages]

7.7. Informal Meetings Of Council Reports

DIRECTORATE : Executive Services

Purpose

The purpose of this report is to provide Council with copies of Informal Meetings of Council (previously known as "Assembly of Councillor Records") as previously required under section 80A(2) of the Local Government Act 1989.

Background Information

Section 80A(2) of the Local Government Act 1989 required the record of an Assembly of Councillors to be reported at an ordinary Council meeting.

Assembly of Councillor Records are no longer a requirement in the Local Government Act 2020 as of 24 October 2020. However, under Council's Governance Rules, a summary of the matters discussed at the meeting are required to be tabled at the next convenient Council meeting and recorded in the minutes of that Council meeting.

Report

The record of the following Informal Meetings of Council are enclosed:-

1. Monday 10 August 2026 – refer **Attachment 1**;
2. Monday 17 August 2026 – refer **Attachment 2**;
3. Monday 24 August 2026 – refer **Attachment 3**;
4. Monday 31 August 2026 – refer **Attachment 4**.

ATTACHMENTS

1. Assembly of Councillors Record 10 August 2026 [**7.7.1** - 2 pages]
2. Assembly of Councillors Record 17 August 2026 [**7.7.2** - 2 pages]
3. Assembly of Councillors Record 24 August 2026 [**7.7.3** - 1 page]
4. Assembly of Councillors Record 31 August 2026 [**7.7.4** - 2 pages]

RECOMMENDATION

That the record of the Informal Meetings of Council held on 10, 17, 24 and 31 August 2026, be received.

7.8. Mayoral & Chief Executive Officer Council Activities - Summary Report

DIRECTORATE : Executive Services

Purpose

This report summarises Mayoral and Chief Executive Officer Council activities since the last Ordinary Meeting which particularly relate to key social, economic and environmental issues of direct relevance to the Warrnambool community.

Report

Date	Location	Function
5 August 2026	Warrnambool	Mayor – Hosted Civic Reception to celebrate successful grant applicants for 2026/27 Community Development Fund and Festival & Events Fund.
6 August 2026	Colac	Chief Executive Officer – Attended the Regional Development Australia Barwon South West Meeting.
8 August 2026	Warrnambool	Deputy Mayor – Attended and addressed the Kokoda Day Football Match Warrnambool vs Port Fairy.
10 August 2026	Virtual	Mayor and Chief Executive Officer – Met with Michaela Settle, MP, Minister for Rural & Regional Development.
11 August 2026	Warrnambool	Mayor – Met with Joe Ball, Commissioner for LGBTIQ+.
	Warrnambool	Mayor and Deputy Mayor – Attended the Japanese Garden tree planting ceremony.
12 August 2026	Melbourne	Mayor and Chief Executive Officer – Regional Cities Victoria Parliamentary meetings and Regional Cities Annual Forum and Leaders Reception.
13 August 2026	Melbourne	Mayor and Chief Executive Officer – South West Victoria Alliance Parliament House delegation.
14 August 2026	Warrnambool	Mayor – Met with visiting students from Miura, Japan.
	Warrnambool	Deputy Mayor – Attended Kings College 40 th Anniversary Founders Day.
15 August 2026	Lake Gillear	Cr Willy Benter – Attended the National All Range Championships Medal Presentations.

Date	Location	Function
17 August 2026	Warrnambool	Mayor and Chief Executive Officer – Attended the Early Learning and Childcare Centre announcement at Deakin University.
18 August 2026	Warrnambool	Mayor and Chief Executive Officer – Attended the Vietnam Veterans Day Ceremony and wreath laying.
19 August 2026	Warrnambool	Mayor and Chief Executive Officer - Met with Eastern Maar Aboriginal Corporation for the Q3 meeting.
	Warrnambool	Mayor and Chief Executive Officer – Met with Midfield Meats.
26 August 2026	Warrnambool	Mayor – Met with visiting Changchun delegation.
28 August 2026	Warrnambool	Mayor and Chief Executive Officer – Attended the South West Victoria Alliance Board meeting.
29 August 2026	Warrnambool	Mayor – Attended the Warrnambool Racing Pigeon Club manual loading of the pigeons for the Great Australian Pigeon Race.
30 August 2026	Warrnambool	Mayor – Opened the Warrnambool & District Artists Society 25 year old Time Capsule.
	Warrnambool	Mayor – Attended the celebration of the completion of displays at the Warrnambool RSL following a Department of Veterans Affairs \$10,000 grant.
2 September 2026	Warrnambool	Mayor and Chief Executive Officer – Met with Chris Burson, One Nation Candidate for Western Victoria.
3 September 2026	Warrnambool	Mayor – Attended the Student Leaders Congress Celebration Night.

RECOMMENDATION

That the Mayoral & Chief Executive Officer Council Activities – Summary Report be received.

8. Notice Of Motion

No Notices of Motion have been received.

9. General Business

10. Urgent Business

11. Suspension Of Standing Orders

RECOMMENDATION

That Standing Orders be suspended to allow members of the public to depart.

11.2. Resume Standing Orders

RECOMMENDATION

1. That Standing Orders be resumed.
 2. That pursuant to the provisions of Section 66(2)(a) of the *Local Government Act 2020*, the meeting be closed to the public to enable consideration of the following reports:-
 - a) Minutes of Confidential Meeting of Council held on 1 June 2026 – Section 3(1)(f);
 - b) Minutes of the Audit & Risk Committee held on 11 November 2025, 3 March 2026 and 2 June 2026 – Section 3(1)(a);
 - c) Minutes of the Aged Care Services Committee held on 28 July 2026 – Section 3(1)(g), and
 - d) Minutes of CEO Employment Matters Advisory Committee Meeting held on 17 August 2026 – Section 3(1)(f).
-

12. Section 66 Confidential Meeting

13. Resolution To Re-Open Meeting

RECOMMENDATION

That the meeting be re-opened to members of the public.

14. Close Of Meeting