

MINUTES

SPECIAL COUNCIL MEETING

Tuesday 13 October 2026
6:00 pm

City Hall
57 Little Malop Street, Geelong 3220

LIVE STREAMED ON THE CITY'S WEBSITE:

www.geelongaustralia.com.au/meetings

COUNCIL:

Cr S Kontelj (Kardinia Ward) - Mayor
Cr E Kontelj (Hamlyn Heights Ward) - Deputy Mayor
Cr R Nelson (Barrabool Hills Ward)
Cr E Sinclair (Charlemont Ward)
Cr M Cadwell (Cheetham Ward)
Cr E Wilkinson (Connewarre Ward)
Cr A Aitken (Corio Ward)
Cr A Katos (Deakin Ward)
Cr T Sullivan (Leopold Ward)
Cr R Story (Murradoc Ward)
Cr C Burson (You Yangs Ward)

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Present:

- Cr S Kontelj
- Cr R Nelson
- Cr T Sullivan
- Cr A Aitken
- Cr E Wilkinson
- Cr E Sinclair
- Cr A Katos
- Cr E Kontelj
- Cr M Cadwell (virtual)
- Cr R Story
- Cr C Burson

Also Present: A Wastie (Chief Executive Officer), T Edwards (Executive Director, Corporate Services), J Stirton (Executive Director City Infrastructure), J Randles (Acting Executive Director, Growth and Place), A Basford (Executive Director City Life), A Martin (Chief Governance and Risk Officer) S Beck (Acting Manager Council & Corporate Governance) D Pangrazio (Acting Senior Governance Advisor – Council Business)

Opening: The Mayor declared the meeting open at 6.06pm.

1. PROCEDURAL MATTERS

1.1. Acknowledgement of Country

Council acknowledges the Wadawurrung People as the Traditional Owners of the Land, Waterways and Skies. We pay our respects to their Elders, past, present and emerging. We acknowledge all Aboriginal and Torres Strait Islander people who are part of our Greater Geelong community today.

1.2. Apologies

NIL

1.3. Leaves of Absence

RESOLUTION - Item 1.3.1

Cr A Katos moved, Cr E Wilkinson seconded -

That Leave of Absence be granted to Cr M Cadwell from 29 September 2026 to 2 October 2026, inclusive.

Carried

1.4. Declarations of Conflicts of Interest

NIL

1.5. Confirmation of Minutes

RESOLUTION - Item 1.5.1

Cr R Story moved, Cr E Sinclair seconded -

That the Minutes of the Council Meeting held on 22 September 2026 be confirmed.

Carried

2. REPORTS

2.1. Preparation of the 2025-26 Annual Report - Draft Financial Statements and Draft Performance Statement

Source: Corporate Services
Executive Director: Troy Edwards

Purpose

1. To obtain in principle approval of the annual financial statements (Attachment 1) and the performance statement (Attachment 2) for the financial year ended 30 June 2026.

Background

2. Council is required by the *Local Government Act 2020* to:
 - 2.1. Prepare an annual report each financial year that contains a report on operations, audited financial statements, audited performance statement, and copies of the auditor's report on the statements.
 - 2.2. Pass a resolution giving in principle approval to the annual financial statements and performance statement and submit these to the Victorian Auditor-General's Office as soon as possible after the end of the financial year for reporting on the audit.
 - 2.3. Authorise two Councillors to certify the statements in their final form after any changes recommended or agreed to by audit have been made.

Key Matters

3. The annual financial statements and performance statement have been prepared by appropriate Council officers and reviewed by the Chief Financial Officer.
4. The annual financial statements and performance statement were reviewed by the Audit and Risk Committee on 1 October 2026 and recommends Council provide "In Principle Approval" to these statements subject to the completion of all audit procedures.
5. The statements are audited by the Victorian Auditor-General's Office.
6. The annual financial statements and performance statement are to be certified by the Chief Executive Officer, the Principal Accounting Officer and two Councillors authorised by Council (refer Section 99(3) of the Act).
7. The Audit and Risk Committee would like to acknowledge the work done by the Chief Executive Officer, the Principal Accounting Officer and other Officers involved in the completion of the Financial Report and Performance Statement for the year ended 30 June 2026.
8. For the 2025-26 financial year Council achieved an operating surplus of \$90.8 million, compared to the prior year surplus of \$117.3 million. Income of \$635.9 million was \$3.5 million lower than the 2024/25 financial year due to the following key movements:

- 8.1. Rates income increase of \$18.3 million due to the impact of the 2.5% rates increase which was below the Fair Go rates system rates cap as well as additional waste charges and interest received.
- 8.2. Additional \$18.6 million grants income received due to the receipt of additional Financial Assistance Grant funding for Roads to Recovery Program and funding for non-recurrent capital projects.
- 8.3. Contributions- monetary reduced by \$8.1 million due to the timing of developments year on year.
- 8.4. Contributions- non monetary reduced by \$30.1 million due to assets identified during the financial year being recognised in the restated comparative financial years, resulting in prior year adjustments for found footpath assets \$14.7 million and subdivision assets \$17.5 million.
9. Expenditure increased in 2025-26 by \$23.2 million to \$545.2 million from \$522.0 million in 2024-25 due to the following key movements:
10. Net loss on disposal of property, infrastructure, plant and equipment increased by \$18.8 million to \$36.2 million due to the de-recognition of \$23 million of landscaping and green assets from the asset register which did not meet the accounting standard requirements, this value is net of the income received from property sales during the financial year.
 - 10.1. Increased materials and services of \$7.5 million related to increased contractor payments and maintenance and includes the reallocation of project capital expenditure to operating expenditure due to its nature following significant work and reviews on project expenses to recognise assets and decrease work in progress.
 - 10.2. Increased employee costs of \$9.3 million (4.5%) to \$212.5 million, in line with the Enterprise agreement and the increase in the Superannuation Guarantee to 12 per cent.
11. Depreciation of \$105.3 million decreased by \$13.2 million due to the adjustment of prior year expenses, restating comparative balances, and a process change to remove estimated balances related to older projects that were added to the asset register in 2025-26.
 - 11.1. Allowance for impairment losses credit of \$1.4 million is a net improvement of \$3.0 million due to a reassessment of the collection rates of older debt, in accordance with accounting standards, resulting in reduced provision being required.
12. Total comprehensive result is a deficit of \$51.1 million due to the net asset revaluation loss off \$141.8 million explained below.
13. The Balance Sheet net assets/ equity balance of \$5.239 billion reduced by \$51.1 million (the comprehensive result) attributable to the following offsetting key movements:
 - 13.1. Cash and financial assets increased by \$48.5 million due to delays in delivering Councils capital program.

- 13.2. Property, Infrastructure, Plant and Equipment reduced by \$115.4 million to \$5.221 billion due to:
14. Road assets decreased by \$97.9 million. These balances had been annually indexed but had not been fully revalued since 2019 resulting in updated condition data and remaining asset lives significantly impacting accumulated depreciation after 6 years of consistent increases.
 - 14.1.1. Land and building assets decreased by \$50.9 million due to changes in zoning for land parcels causing a decline in valuation.
 - 14.1.2. Additions of \$148 million to recognise new and renewed assets and help Council reduce their older work in progress balances.
15. Current liabilities increase of \$55.5 million is mostly offset by the decrease in non-current liabilities. This is due to \$50 million of borrowings being due for repayment in the 2026-27 financial year and reallocated to current as they are due within 12 months.
 - 15.1. Asset revaluation reserve declined by \$141.8 million as detailed above
16. Other reserves increased by \$49 million as funds from the improved cash surplus for 2025-26 were allocated to current and new reserves to help fund long term growth and initiatives.
17. The balance sheet is presented for three years with the prior year comparative years restated because of adjustments identified as relating to prior periods. The overall net impact of these adjustments was \$3.9 million, however individually they are material and three balance sheets are required. The following was adjusted:
18. Footpath assets found in parks and reserves previously not recognised in Councils asset register. Increased Contributions- non-monetary 2024-25 \$0.21 million, 2023-24 and earlier periods \$14.5 million.
19. Developer infrastructure from subdivisions transferred to Council were recognised in the financial year and adjusted to prior periods contribution- non-monetary 2024-25 \$9.3 million, 2023/24 and earlier periods \$8.2 million.
20. Depreciation adjustments for recreation asset revaluation from 2024/25 which was updated in the asset register calculated \$25.0 million of depreciation across multiple years. Prior year adjustments to reflect the understated comparative expenses were 2024-25 \$10.7 million and 2023/24 and earlier periods \$8.22 million.
21. Work in progress project expenditure recognised as asset additions during the year relating to prior year works calculated depreciation across multiple financial years. Prior year adjustments to reflect the understated comparative year expenses were 2024-25 \$0.4 million and 2023-24 and earlier periods \$5.0 million

RESOLUTION - Item 2.1

Cr A Katos moved, Cr A Aitken seconded -

That Council:

- 1. In accordance with section 99(2) of the Local Government Act 2020, gives In Principle Approval to the Annual Financial Statements (Attachment 1) and Performance Statement (Attachment 2) (the Statements) for the year ended 30 June 2026.**
- 2. Pursuant to section 99(3) of the Local Government Act 2020 authorises the Mayor Cr Kontelj and Cr Rowan Story AM, and the Chief Executive Officer to certify the Annual Financial Statements and Performance Statement for the year ended 30 June 2026.**

Carried

Financial Sustainability

22. The attached annual financial statements and performance statement outline Council's financial sustainability performance for the year ended 30 June 2026.

Community Engagement

23. The 2025-26 audited annual financial statements and the performance statement will be available to the public as part of the published 2025-26 Annual Report, available on the Geelong City website www.geelongcity.vic.gov.au.
24. The prescribed indicators and measure of service performance outcome, financial performance and sustainable capacity will be available on the State Government 'Know Your Council' website.

Social Equity and Sustainability

25. There are no social equity or sustainability implications associated with this report.

Gender Equality – Gender+ Impact Assessment

26. A Gender+ Impact Assessment was not required, as the report concerns statutory financial reporting. The report content and attachments have been considered from a gender equality perspective, with no gendered impacts identified.

Relevant Law/Policy/Legal Implications

27. The contents of this report have been prepared in accordance with section 98 and 99 of the *Local Government Act* and as prescribed by the Local Government (Planning and Reporting) Regulations 2020 (the Regulations) and in accordance with Australian Accounting Standards.

Alignment to Council Plan and Vision

28. This report aligns with the Council Plan 2025-29 strategic priority:
Governance and Integrity

Conflict of Interest

29. No officer involved in the preparation of this report declared a general or material conflict of interest.

Risk Assessment and Risk Appetite Statement

30. The 2025-26 annual financial statements and performance statement are subject to sign off by the Auditor-General.
31. The Audit and Risk Committee will be presented with a signed copy of the Annual Report, including the audited statements.

Environmental Sustainability

32. There are no environmental sustainability implications associated with this report.

Attachments

1. Attachment 1 2025-26 Annual Financial Statements 2026- Council Meeting [**2.1.1** - 68 pages]
2. Attachment 2 2025-26 Performance Statement- Council meeting [**2.1.2** - 20 pages]

3. CLOSE OF MEETING

As there was no further business the meeting closed at 6:14pm on Tuesday 13 October, 2026

Signed: _____

Cr Stretch Kontelj (Mayor)

Date: _____