

SPECIAL MEETING OF COUNCIL - 13 MAY 2025 ATTACHMENTS

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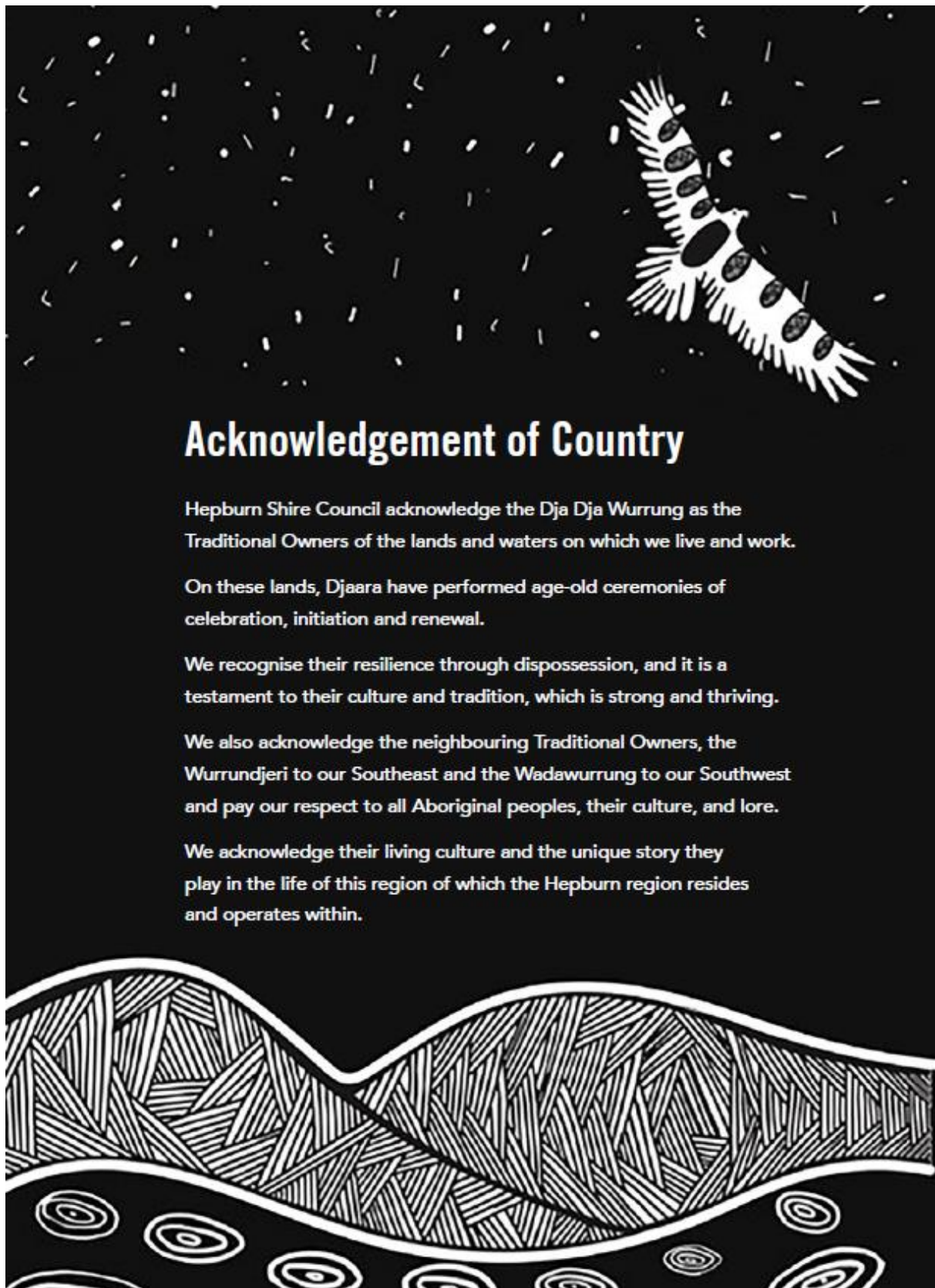
Hepburn
SHIRE COUNCIL



Figure 1 Djuwang Baring

Draft Council Plan 2025-2029

Including the Municipal Public Health and Wellbeing Plan



Acknowledgement of Country

Hepburn Shire Council acknowledge the Dja Dja Wurrung as the Traditional Owners of the lands and waters on which we live and work.

On these lands, Djaara have performed age-old ceremonies of celebration, initiation and renewal.

We recognise their resilience through dispossession, and it is a testament to their culture and tradition, which is strong and thriving.

We also acknowledge the neighbouring Traditional Owners, the Wurrundjeri to our Southeast and the Wadawurrung to our Southwest and pay our respect to all Aboriginal peoples, their culture, and lore.

We acknowledge their living culture and the unique story they play in the life of this region of which the Hepburn region resides and operates within.

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Community Vision

Council adopted its 10-year Community Vision in 2021 as a result of extensive engagement activities undertaken with a broad cross-section of our community. The engagement activities brought the voice of community to Council.

Our community's goals, aspirations and priorities have been captured and used to develop the Community Vision and help shape the long-term direction of the Shire.

Given the significant engagement undertaken in 2021, and the long-term nature of the Community Vision Council has not proposed any changes to the vision in 2025.



Hepburn Shire - an inclusive rural
community located in Dja Dja Wurrung
country where all people are valued,
partnerships are fostered, environment
is protected, diversity supported, and
innovation embraced.

Welcome

The Hepburn Shire Council Plan 2025-2029 (the Plan) sets the strategic direction of Hepburn Shire Council (Council) for the Council term. The Plan details the outcomes and strategies Council will focus its efforts and resources on for the four-year Council term to be able to achieve the aspirations in the Community Vision.

The Community Vision is a statement that captures the community's goals for the next ten years. The Community Vision is:

Hepburn Shire – an inclusive rural community located on Dja Dja Wurrung Country where all people are valued, partnerships are fostered, environment is protected, diversity is supported, and innovation embraced.

The Plan and Community Vision are required strategic documents under the Local Government Act 2020 (the Act). These plans, along with other strategic documents required under the Act, including the Long-Term Financial and Asset Plans, were developed in conjunction with the community and acknowledge ongoing financial pressures.

The Plan focuses on financial responsibility to ensure we can meet the required needs of the community now, while planning and advocating for future generations.

The Plan includes Council's requirements under the Victorian Public Health and Wellbeing Act 2008 for the delivery of a Municipal Public Health and Wellbeing Plan. Council and key stakeholders are required to examine Shire health data and health determinants and identify goals and strategies for ensuring the community can achieve maximum health and wellbeing. Council has chosen to incorporate the Municipal Public Health and Wellbeing Plan into its Council Plan to ensure that the health and wellbeing of our community is prioritised over the Council term and integrated into Council's services, processes, and policies.

Message from the Mayor and Chief Executive Officer

Hepburn Shire Council is entering a new chapter, one defined by a strong commitment to our community, improving our customer responsiveness and ensuring our financial sustainability.

Financial sustainability is at the core of our plan for the future. Challenging finances is not something unique to Hepburn Shire, it is an outlook being repeated across many of the 79 councils in Victoria. We need strong economic foundations to allow us to meet the challenges ahead. By making the difficult but important decisions today, we will be protecting our ability to deliver for our community tomorrow.

Our Council Plan 2025–2029 (including the Health and Wellbeing Plan) is focused on getting back to the basics. We are laying the groundwork for a strong future by focusing on maintaining our roads, enhancing our parks, planning for our community's future and delivering customer-centred services. Our vision is to build a future where services are accessible and connected to the needs of our community. We will focus on three domains (strategic objectives), Hepburn Life, Future Hepburn and Hepburn Working Together:

- Hepburn Life is about building a vibrant, resilient, and inclusive community where every person feels connected, informed, and supported to thrive.
- Future Hepburn strives to honour the distinctive character of our towns and rural landscapes while fostering sustainable growth, infrastructure, and economic vitality.
- Hepburn Working Together is guided by a commitment to delivering high-quality services, ensuring strong governance, and fostering a positive and skilled workforce.

The Plan is outcomes focused – we have detailed the outcomes Council is seeking to achieve across the Council term, reflecting the change or benefit to community, environment or organisation.

To ensure that we put words into action, the specific work that Council will do to deliver this Council Plan is contained in an action plan of initiatives released annually as part of the Budget. This ensures we have the resources to deliver on our commitments and will be accountable to you, our community.

Our Council Plan is a shared vision. A vision that incorporates the voices of residents and ratepayers collected through community feedback and a Deliberative Engagement Panel made up of community representatives. Appendix A details how we have responded to community input. Working together has helped us shape a Council Plan that reflects the hopes and needs of those who call our Shire home, in a financially sustainable manner.

We are focused on delivering projects that matter and ensuring that every decision we make reinforces a positive future for our organisation and our community.

Cr Don Henderson

Mayor

Bradley Thomas

Chief Executive Officer

Your Councillors



Figure 1 Hepburn Shire Council Councillors, L-R: Mayor, Cr Don Henderson, Cr Brian Hood, Deputy Mayor, Cr Lesley Hewitt, Cr Tim Drylie, Cr Tony Clark, Cr Shirley Cornish, Cr Pat Hockey

Hepburn Shire Council has seven Councillors elected every four years by the community to represent them on local public issues.

Every year Councillors elect a Mayor and Deputy Mayor to serve for 12 months.

You can find detailed descriptions of the Councillors on Council's [website](#).

Plan on a Page

Hepburn Life

Outcomes



- 1 Connected communities that are resilient, adaptable, and empowered - able to respond to and recover from climate-related impacts, emergencies, and other community challenges.
- 2 A healthy and inclusive community, where all people regardless of background or life stage have the opportunity to participate and thrive.
- 3 An informed and engaged community.

Future Hepburn

Outcomes



- 1 Preserve the unique character of our towns and communities, plan for future growth and protect our productive rural landscape.
- 2 Responsible management of infrastructure and environment to support wellbeing now and for future generations.
- 3 A dynamic, vibrant and resilient economic environment.

Hepburn working together

Outcomes



- 1 Future-focused services that are easy to use and inclusive.
- 2 Maintain corporate governance to enable good Council decision making and to ensure long-term financial viability.
- 3 An engaged, safe, and skillful workforce.

Levels of government in Australia



Federal Government

Responsible for issues that affect all Australians (national issues)

- Medicare, Centrelink, payments and pensions and aged care
- International trade and national defence
- Phone and internet networks and Australia Post
- National policies and regulations
- National parks



Victorian Government

Responsible for issues that affect people in the state

- Hospitals, health services, ambulances and schools
- Major roads, freeways and VicRoads
- Public transport and railways
- Police, prisons and emergency services
- Farming and fishing regulations, environmental protections and state parks



Local Government (Councils)

Responsible for issues that affect local communities

- Community buildings, reserves, sports grounds and playgrounds
- Town planning and building permits
- Cultural and community activities, libraries and youth spaces
- Local roads and traffic safety
- Resource recovery
- Health promotion services

To learn more visit www.peo.gov.au

Partnerships and advocacy

Advocacy is where we publicly voice our support for projects and policies to other levels of government, peak bodies, industry and non-government groups, and community advocacy groups.

Council is committed to actively advocating for the local projects and policies that matter to our community, providing better outcomes for our Shire through service improvements and capital investment.

We partner with other councils, peak bodies such as MAV (Municipal Association of Victoria), Rural Councils Victoria, Greater Ballarat Alliance of Councils and Loddon Campaspe Councils, Traditional Owners and community advocacy groups to collaborate on issues important to the community, where the reforms required go beyond our municipal boundary.

Our local community partners provide invaluable expertise and knowledge in their respective fields enabling us to put forward compelling submissions.

The Hepburn Shire actively advocates to both the Victorian and Australian Governments for projects, funding, services and infrastructure that will enhance the wellbeing of our residents and businesses. Often, this includes items that may be beyond the scope of what local government can deliver.

Our vision for Reconciliation

Council has recently had endorsed its second Reconciliation Action Plan (RAP) to continue the important work achieved in the previous plan. Our new Innovate RAP will drive our vision for reconciliation through this Council Plan.

Our relationships with Traditional Owners are built on respect, understanding and acknowledgement of Truth-telling [RA1] in our shared history, and through our Innovate RAP we will build on our commitment to reconciliation, demonstrated in our previous [RA2] Reflect RAP, to ensure all members of the Hepburn Shire community are united by respect.

We aim for all community members to be provided the same, highest quality services from our organisation and for all staff, aspiring towards a just equitable and reconciled Australia.

Through our Innovate Reconciliation Action Plan (RAP), Council seeks to ensure reconciliation is at the core of our organisation and a foundation to all our services.

Our council seeks to recognise and promote the collections of stories that make up the shared history of the Shire.

Our Council issues the following statement to respectfully acknowledge the Aboriginal and Torres Strait Islander history within our Shire.

"We commit to working positively today and in the future with the Dja Dja Wurrung peoples and other Aboriginal and Torres Strait Islander community members to learn, acknowledge and reconcile together with the whole Hepburn Shire community."

Hepburn Shire Council service map

The below service map gives an overview of the services delivered by Council and how they are connected. This document was prepared as part of the Financial Vision project in September 2024 and will be reviewed and updated along with the Hepburn Shire Council Service Catalogue, following adoption of the Council Plan. This is part of our ongoing service review process, ensuring that our service delivery remains responsive to the changing needs of our community and aligned with annual budget allocations.



For detailed information about what and how Council delivers services as well as associated costs, view the: [Hepburn Shire Council Service Catalogue](#)

Domain strategies alignment with Council services

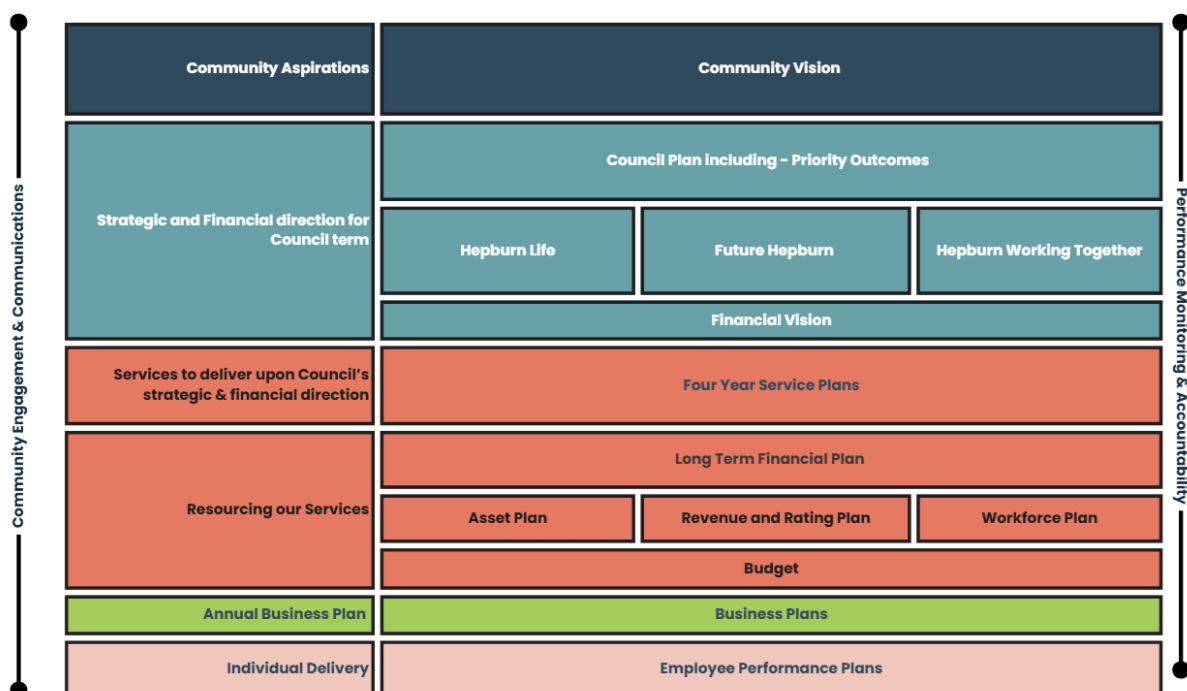
Hepburn Life	
Aboriginal cultural heritage & reconciliation	Economic Development
Aquatics	Events
Communications	Libraries
Community engagement	Recreation & leisure
Community grants & grant seeking	Senior, disability & inclusion support
Community wellbeing	Visitor economy
Early years	Youth Development

Future Hepburn	
Affordable housing	Property & leasing
Arts & culture	Public health
Asset delivery & construction	Public safety
Asset maintenance	Property maintenance
Building safety	Rural & township planning
Emergency management	Sustainability, climate resilience & the circular economy
Open space, parks & reserves management	Waste collection & recycling
Planning permits & compliance	

Hepburn Working Together	
Corporate governance & assurance	ICT – Information, Communications & Technology
Corporate reporting	People & Culture
Councillor governance	Procurement
Customer experience	Rates & property billing
Financial strategy, accounting & revenue management	Work, health and safety
Information & records management	

Integrated Strategic Planning and Reporting Framework

The Integrated Planning and Reporting Framework sets out the range of strategic documents Council is required to adopt under the *Local Government Act 2020*. The framework sets out Hepburn Shire's integrated approach to planning, monitoring, and performance reporting.



Layer	Description	Documents
Community aspirations	Community aspirations are set out in our Community Vision.	Community Vision
Strategic direction	The strategic and financial direction and priorities across the Council term.	Council Plan and Financial Vision
Council services	Services that will deliver upon Council's strategic and financial priorities.	Service Catalogue and Service Map

Layer	Description	Documents
Resourcing	How we will resource our services to deliver Council's strategic and financial priorities.	Financial Plan, Asset Plan, Workforce Plan and Annual Budget.
Annual business plan	The projects and initiatives funded through the annual Budget that will deliver on Council's strategic and financial priorities.	Annual Plan
Individual delivery	Individual employee plans that align our Council Officers roles and responsibilities to Council's strategic and financial priorities.	Employee Performance Plans

Community engagement

A range of engagement factors have been considered in the drafting of the Council Plan, including:

- Previous engagement activities, especially associated with Future Hepburn (Township Structure Plans and Rural Strategy), previous Council Plan input and the Financial Vision.
- Councillor and Officer insights.
- A community-based deliberative engagement panel.
- A shire-wide community survey.
- Seeking community feedback on the draft document.

As core inputs to the Council Plan, Appendix A includes details on how the results and recommendations of the community based deliberative engagement panel and shire-wide community survey have influenced the Plan, along with a table that shows the alignment of community feedback to the Council Plan.

Deliberative engagement

Consultancy group Conversation Co was contracted to develop and manage a Deliberative Engagement Panel process to ensure community views and input were considered and included in the Council Plan.

Community members were invited to participate via an expression of interest on the Hepburn Together project page. A total of 82 expressions of interest were received and 44 residents were randomly selected as a stratified sample to reflect the demographic makeup of Hepburn Shire. Of the invited 44 residents, 35 were able to participate.

Demographically, the panel was consistent with the shire demographics when taking into account gender, age and location. Just under 22.5 per cent of participants were from the LGBTIQ+ community and nearly 13 per cent were people with a disability.

Panel members attended four workshops: two in person and two online.

The first workshop focused on the Council, financial management and tiers of government. Panellists were asked to explore an assessment criteria to adjust service levels, and to consider current council services.

The second workshop focussed on the Long-Term Asset Plan and the third workshop about community health and wellbeing, and economic development.

The final workshop focussed on environmental sustainability and waste. Panel members were also asked to develop a summary of recommendations and future steps as well as feedback about the Deliberative Engagement Panel process.

Shire-wide community survey

To broaden engagement with the community, a survey was launched the week commencing 31 March and distributed through Participate Hepburn, social media and local newsletters. The survey asked community members about the Council services they value the most. People were able to complete the survey online or in hard copy format.

There were 409 responses to the survey, a fantastic number for our size population.

Health and wellbeing

In June 2024, the Health and Wellbeing survey was conducted and received 152 responses.

Seven workshops were held with the external Health and Wellbeing Working Group from July 2024 to April 2025. The workshops explored local data, key stakeholder objectives, resources, potential future funding opportunities and shared priorities.

Other Groups

Council's extensive Advisory Committees were engaged in early consultation through targeted sessions, and further engagement will take place during the feedback period.

DJARRA has been engaged for cultural consultation sessions to reflect the joint alignment of aspirations in the country plan throughout the documents.

Structure of the Council Plan

This document outlines the strategic framework that guides Council's planning and decision-making over the current Council term. It sets a clear direction for how the Council will work towards delivering long-term community aspirations while responding to current priorities and challenges.

The framework is structured around five key components:

1. Community Vision
 - i. A long-term vision that outlines the aspirations of the Hepburn Shire community.
2. Domains
 - i. Broad areas outlining the strategic direction and priorities across the Council term.
3. Outcomes
 - i. The outcomes Council is seeking to achieve across the Council term, reflecting the change or benefit to community, environment or organisation.
4. Strategies
 - i. Key approaches, actions and initiatives that will drive progress towards achieving the outcomes. These strategies guide projects, policies, decision making and the budget across the Council term.
 - Where applicable we have provided links to our other key strategies.
5. Indicators
 - i. How we will monitor progress across the Council term in achieving the outcomes.

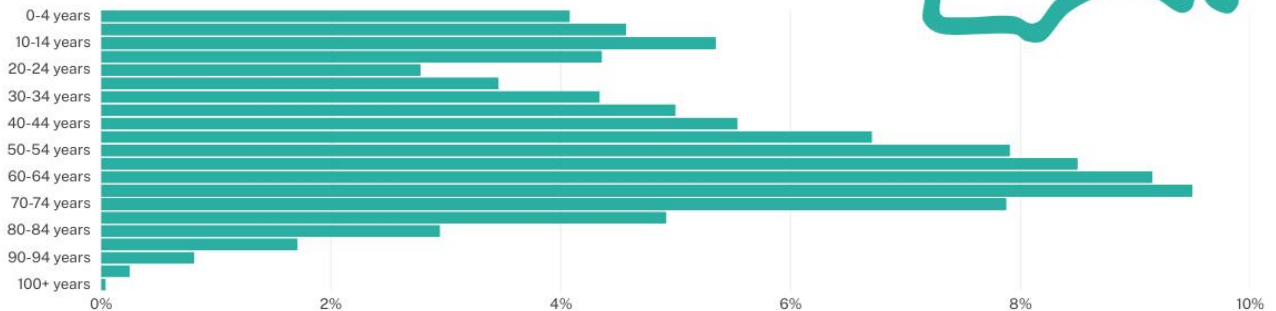
Each element of the Council Plan plays a vital role in shaping the future of the Shire. Together, they provide a roadmap for meaningful action and measurable progress.

Our community

Population

16,824 Estimated to grow 12.3% 2023-2026

Age profile



Area



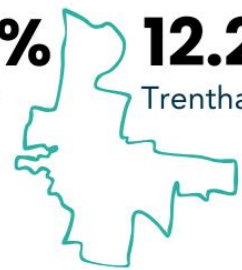
42.97%
Daylesford area



31.42%
Creswick area



13.29%
Clunes area



12.23%
Trentham area

Business



Businesses

1,785



Businesses with 20+ employees

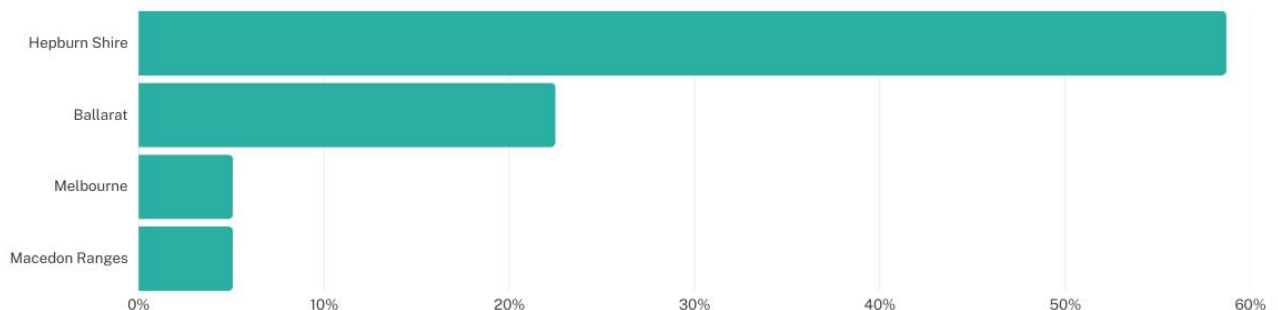
2.35%



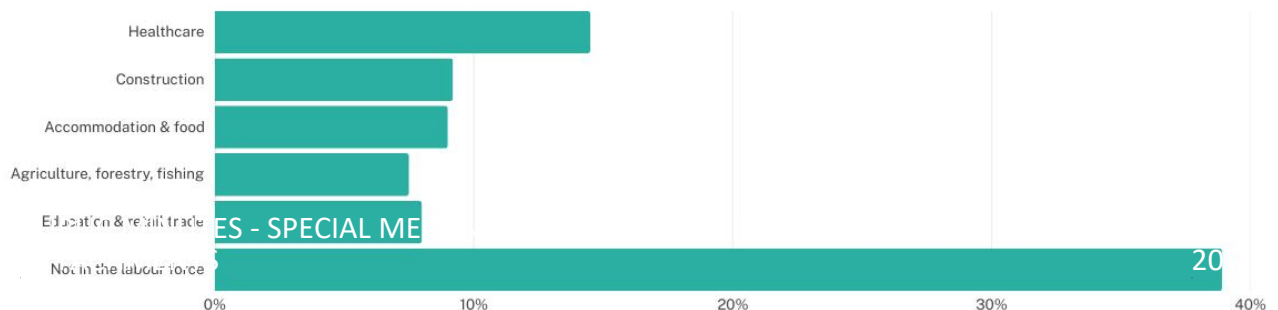
Jobs

5,636

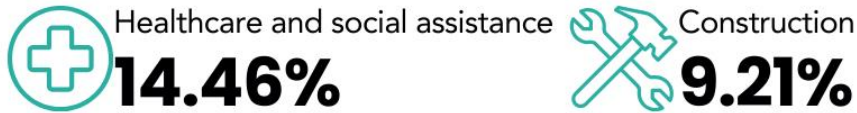
Shire workforce usual place of work



Shire workforce industries



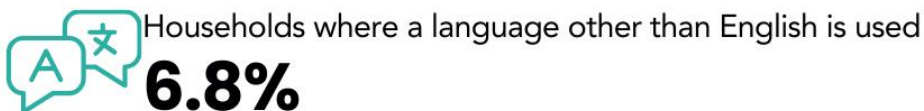
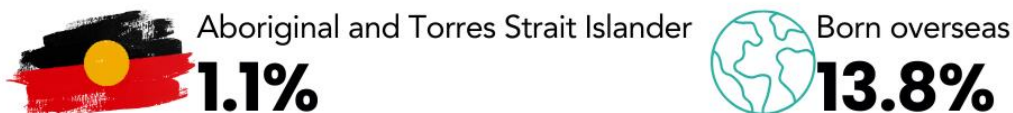
Employment



Shire workforce (FTE)



Diversity



Education



Tourism



Our community



5.9%

ran out of food and
could not afford more



64.5%

sufficiently active



7.1%

organised sport
participation rate



52.2%

overweight or obese



19.8%

increase risk of
alcohol-related harm



14.3%

currently smoke
tobacco



4.1%

currently vape



11.2%

diagnosed with a
mental health condition



16.9%

low-income households
under financial stress



6.7%

profound or
severe disability



6.8%

same sex couple
households



4.6%

adults who met
guidelines for fruit and
veg consumption

Council's approach to health and wellbeing

The Victorian Public Health and Wellbeing Act 2008 requires all local governments to prepare a Municipal Public Health and Wellbeing Plan (MPHWP) within 12 months of a council election. The Hepburn Shire Council Municipal Public Health and Wellbeing Plan 2025-2029 has been integrated into the Community Vision and Council Plan 2025-2029.

The MPHWP identifies the health priorities of the municipality for the next four years. To inform health and wellbeing planning, Council has:

- reviewed the priorities outlined in the Victorian Public Health and Wellbeing Plan 2023-2027.
- completed a municipal scan to assess the health status of the Shire.
- considered relevant legislation, including the Public Health and Wellbeing Act 2008, Local Government Act 2020, Gender Equality Act 2020, Climate Change Act 2017, and the Victorian Disability Act 2006.
- reviewed the actions and achievements of the Council Plan 2021-2025.
- engaged with Council Officers and external partners to identify emerging priorities and community needs.
- analysed community consultation data.

The health and wellbeing of communities are influenced by complex social factors, “including the circumstances in which people are born, grow, live, work and age, and the systems put in place to deal with illness”¹.

The two priority areas selected for Municipal Public Health and Wellbeing Plan are:

- **increasing active living**
- **increasing mental wellbeing**

¹ World Health Organization

Our key health and wellbeing partners

The Hepburn Shire Council Health and Wellbeing Working group was formed in 2019 to ensure that we work together to achieve outcomes in the community. Council would like to acknowledge and thank the members for their commitment.

- Central Highland Rural Health
- Western Public Health Unit
- Women's Health Grampians
- Live4Life: Daylesford College
- Grampians Public health Network
- Clunes Neighbourhood House and Creswick, Daylesford and Trentham Neighbourhood Centres
- Springs Medical
- Ochre Health
- Ballarat and District Aboriginal Cooperative
- Sports Central
- Headspace
- Health Futures Australia
- The Orange Door
- Victorian Department of Health

Health Equity

Council is committed to providing services, programs, policies, and supports that serve everyone in our community, with a particular focus on those who are most vulnerable. We recognise that not everyone has the same opportunities for good health and that various health determinants can influence outcomes, both positively and negatively. As a result, some groups experience poorer health outcomes and face barriers in accessing the care they need. To achieve health equity, Council must focus on the

broader municipal population, with particular attention to these identified priority groups:

- Aboriginal and Torres Strait Islanders
- Older people
- Children, youth, and families
- Culturally and linguistically diverse
- People with a disability
- LGBTIQ+

Commitment to violence prevention

Hepburn Shire Council has been a proud member of the Communities of Respect & Equality (CoRE) alliance since 2016 and collaborated closely with local stakeholders in gender equality and prevention of violence, including Women's Health Grampians who led the regional CoRE alliance. This alliance of organisations, businesses and sporting clubs in the Grampians region share a vision for safe, equitable and respectful communities.

Council has an adopted Leadership Statement for the Prevention of Violence Against Women and Children, visit our [Family violence webpage](#).

Hepburn Life

Hepburn Life is about building a vibrant, resilient, and inclusive community where every person feels connected, informed, and supported to thrive. Through strong partnerships, education, and advocacy, we will enhance community resilience to changing environmental conditions, emergencies, and evolving community needs. By ensuring access to essential resources before, during, and after crises, we are committed to safeguarding the wellbeing of all residents.

We are equally focused on nurturing a healthy, inclusive community where people of all ages, backgrounds, and abilities can participate fully in Shire life. By supporting active living, mental wellbeing, reconciliation, maintaining welcoming public spaces, and strengthening First Nations perspective, we aim to create a community where everyone feels a true sense of belonging.

Outcome 1

Connected communities that are resilient, adaptable, and empowered - able to respond to and recover from climate-related impacts, emergencies, and other community challenges.

Strategies

- Enhance community preparedness and resilience for changing conditions through community partnerships, education, support and advocacy.
- Work with partners to ensure timely and coordinated access to essential resources and services during and post-emergencies to preserve the safety and recovery of all residents.

Outcome 2

A healthy and inclusive community, where all people regardless of background or stage of life and have the opportunity to participate and thrive.

Strategies

- Provide access to, and support local formal and informal recreation opportunities to increase diversity of participation, promote wellbeing and nurture social connections.

- Municipal Public Health and Wellbeing priority: Improving Active Living
- Work with communities and partners to deliver and advocate for equitable, inclusive access to programs and resources that support wellbeing across all life stages.
 - Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing
- Actively involve First Nations voices, perspectives, and leadership to shape Council policies and initiatives, empowering self-determination and promoting reconciliation through decision-making, education, and community engagement.
 - Innovate: Reconciliation Action Plan 2025-2027
- Maintain public spaces, gardens and recreational areas, fostering environments that encourage physical activity, relaxation and community connection.

Outcome 3

An informed and engaged community.

Strategies

- Provide timely, accurate information through a variety of platforms, ensuring all residents are informed and have the ability to participate in Council activities and decision making through a variety of accessible platforms.
 - Details can be found within our [Community Engagement Policy](#).
- Facilitate and promote safe, collaborative and welcoming community places, spaces and initiatives that promote social connection and volunteerism.

Future Hepburn

Hepburn Shire Council is committed to shaping a future that honours the distinctive character of its towns and rural landscapes while fostering sustainable growth, infrastructure, and economic vitality.

This strategic framework outlines three key outcomes designed to guide the region's development, while preserving the uniqueness of our communities and natural environment, ensuring responsible infrastructure and environmental management, and cultivating a resilient and vibrant local economy. Through integrated planning, inclusive design, and environmentally conscious strategies, we aim to enhance the wellbeing of our residents today and for generations to come.

Outcome 1

Preserve the unique character of our towns and communities, plan for future growth and protect our productive rural landscape.

Strategies

- Encourage development and design that prioritises the wellbeing of the community, enhances township character, protects heritage and elevates environmentally sustainable development.
 - **Future Hepburn Structure Plans Objective: Urban design**
- Strive for access to diverse, affordable and sustainable housing options that enhance security and quality of life for residents.
 - **Future Hepburn Structure Plans Objective: Housing**
- Facilitate diverse, safe, and accessible public and active transport and movement options that support connection within towns and to surrounding areas for all ages and abilities.
 - **Future Hepburn Structure Plans Objective: Movement and access**
- Protect and enhance productive agricultural land, significant landscapes, biodiversity, natural environment and waterways.
 - **Rural Hepburn Strategy Principle**

- **Sustainable Hepburn Objective: Biodiversity and Natural Environment**

Outcome 2

Responsible management of infrastructure and environment to support wellbeing now and for future generations.

Strategies

- Deliver capital renewal programs that align with long-term planning and priorities, and are adaptive to community needs.
 - Long-term planning can be found in our Asset Plan 2025-2034.
- Advocate and plan for capital projects and ensure that all planning and infrastructure decisions consider long-term impacts on community and the environment.
- Provide inclusive, adaptable community infrastructure that strengthens local connections, adapts to changing climates, and incorporates high-quality design principles.
 - **Future Hepburn Objective: Community and cultural infrastructure**
- Review and manage a portfolio of assets that is financially responsible.
 - Our asset portfolio including the health of our assets can be found in our Asset Plan 2025-2034.
- Prioritise sustainable waste, resource management and circular economy to ensure a clean, safe and liveable environment.
 - **Sustainable Hepburn Objective: Low waste**

Outcome 3

A dynamic, vibrant, and resilient economic environment.

Strategies

- Enable a thriving and diverse local economy by supporting local business, industry growth, retention and attraction of businesses and jobs.

- Strengthen the visitor economy by collaborating with partners to elevate experiences including cultural tourism, drive sustainable visitation and dispersal across the Shire.
- Support a year-round calendar of diverse and inclusive events that attract locals and visitors and deliver significant social, cultural and economic benefits to our community.

Hepburn working together

Hepburn Shire Council is committed to building an inclusive and sustainable community. Our strategic focus is guided by a commitment to delivering high-quality services, ensuring strong governance, and fostering a positive and skilled workforce.

This plan outlines key outcomes and strategies designed to meet the evolving needs of our community while maintaining financial sustainability and enhancing community wellbeing. By integrating principles of equity, climate resilience, innovation, and accountability, we aim to create a more connected, transparent, and empowered Hepburn Shire. Each outcome reflects our commitment to delivering on community aspirations while preparing for the challenges and opportunities in the future.

Outcome 1

Future focused services that are easy to use and inclusive.

Strategies

- Design and deliver services that are accessible, consistent and responsive to community needs, ensuring a smooth experience that supports community.
- Foster continuous improvement across Council operations by using data, feedback and innovation to optimise service delivery models to ensure services align with the evolving needs of the community.
- Integrate principles of climate mitigation, violence prevention, gender equity, and inclusion into Council processes and policies to create a safer and more equitable community.
 - **Sustainable Hepburn Objectives: Beyond Zero Emissions and Climate Resilience**

Outcome 2

Maintain corporate governance to enable good Council decision making and to ensure long-term financial viability.

Strategies

- Maintain compliance with relevant legislation, uphold strong governance and project management frameworks that support transparent, accountable decision-making for the benefit of the community.
- Ensure clear and transparent financial decision making and strengthen reporting to build public trust and ensure accountability in Council's financial performance.
 - Hepburn Shire's financial planning can be found in our Long-term Financial Plan 2025-2034 and [Financial Vision 2024-2027](#).
- Actively pursue alternative revenue opportunities.

Outcome 3

An engaged, safe, and skillful workforce.

Strategies

- Ensure an engaged workforce, the promotes a positive workplace culture, recognises employees for their contributions and delivers positive outcomes for community.
- Ensure a safe and healthy work environment that actively supports the wellbeing of all employees.
- Develop our employees' capabilities to ensure we attract and retain talent.

Indicators

Hepburn Life

Council-led indicators	<p>Facilitate at least 8 emergency management community education and engagement workshops per year.</p> <p>Percentage of actions achieved in Innovate: Reconciliation Action Plan 2025-2027.</p>
Community-led, Council supported, indicators	<p>Number of participants in Council supported mental health initiatives.</p> <p>Maintain or improve ‘How Council has performed on the appearance of public areas?’ (2024 rating: 64) Community Satisfaction Survey.</p> <p>Increase the numbers of subscribers (2024: 3,861) to Hepburn Life (Council’s eNewsletter) and maintain an open rate above industry average and increase the number of follows (2024: 7,293) of Council’s corporate Facebook page.</p> <p>Increase in library visits per head of population (2024: 3.6 visit per person) Local Government Performance and Reporting Framework.</p>

Future Hepburn

Council-led indicators	<p>Increase in the percentage of planning applications decided within required timeframes (2024: 17.9%) Local Government Performance and Reporting Framework.</p> <p>100% of actions achieved in the Integrated Transport Strategy per adopted timelines (subject to adoption by Council).</p> <p>Complete at least 85% of annual capital works projects. (Number of projects).</p> <p>Implementation of asset management improvement actions in accordance with Council’s adopted Asset Plan.</p>
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	Maintain or increase the number of events supported with financial, or in-kind support annually within the Shire.
Community-led, Council supported, indicators	<p>Support the creation annually of an extra 126 houses (to reach the State Government’s 2051 housing target, and a goal in line with Council estimates in Future Hepburn).</p> <p>The percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill. Local Government Performance and Reporting Framework</p> <p>Annual increase in the Gross Regional Product (economy) of the Shire.²</p> <p>Increase in the number of visitors (domestic) overnight trips³.</p>

Hepburn Working Together

Council-led indicators	<p>Meet customer request service standards (to be developed).</p> <p>Gender Impact Assessments completed for new or renewed Council policies.</p> <p>Annual improvement in Council’s unrestricted cash position on 30 June (in line with adopted budgets).</p> <p>Annual reduction in Council’s corporate emissions.</p> <p>Percentage of actions achieved in our Workforce Plan.</p> <p>Percentage of workforce turnover below the average of other small rural councils.</p> <p>An increase in the percentage of non-rates and charges income as proportion of total revenue above 35% (2024/2025 baseline).</p>
Community-led, Council	Maintain or improve Councils customer service ranking from 2024 (64) Community Satisfaction Survey.

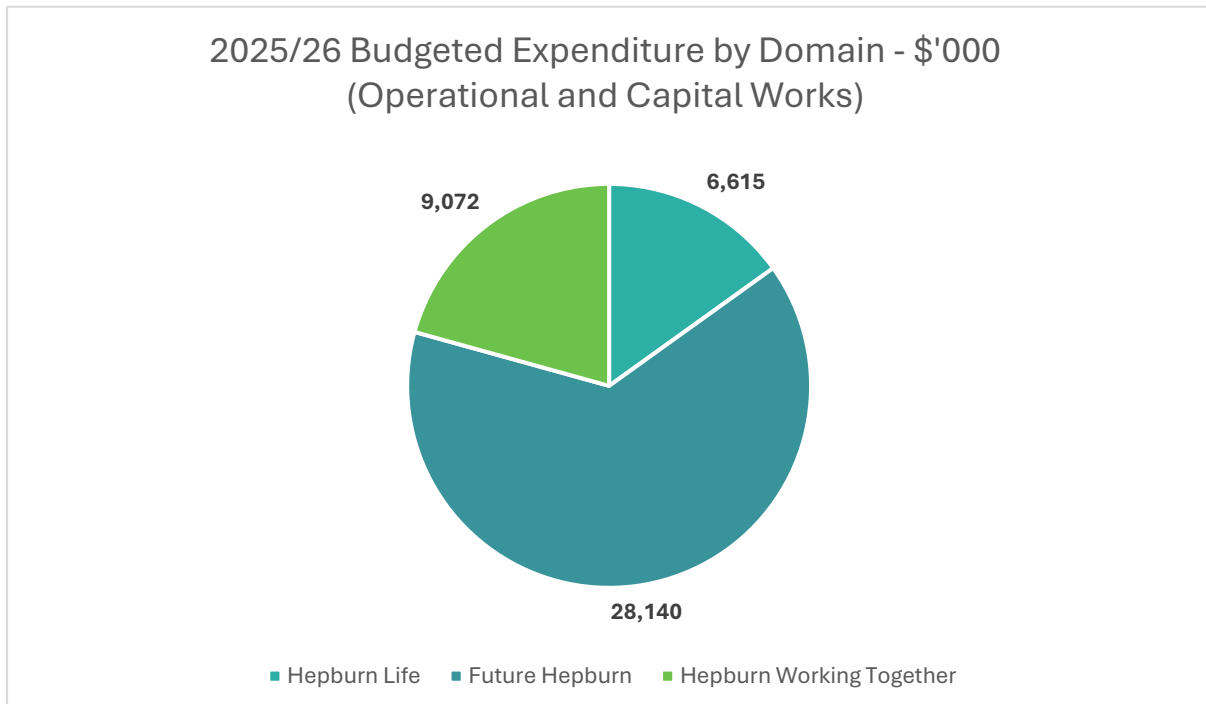
² REMPLAN, <https://app.remplan.com.au/hepburn/economy/summary>

³ Tourism Research Australia, National Visitor Survey, <https://www.tra.gov.au/en/domestic/regional-mobility-data>

**supported,
indicators**

Funding Allocation

The Council allocates funding annually for programs, projects, and capital works through the Annual Budget process. The draft Financial Plan and Budget align with the Council Plan, ensuring its affordability. The graph below illustrates the expenditure allocation by domain for the 2025/2026 financial year.



Monitoring and reporting

We evaluate to find out what works (and why) so we can improve our performance for our community. Performance reporting by Council is essential for ensuring transparency and accountability as to how public money is being spent and the quality of services being delivered.

Under the Local Government Act 2020, the Shire's services must:

- Be equitable and responsive to diverse needs.
- Be accessible to the people who need them.
- Provide good value for money.
- Be regularly reviewed and improved.

- Provide fair and effective complaints handling.

We measure progress in several ways, including:

- Reporting ongoing business and services through the Annual Report which includes:
 - a. All its service investment and output, activities, achievements and challenges.
 - b. Its performance against the Annual Community Satisfaction Survey (ACSS).
 - c. Its performance against the required service indicators of the Local Government Performance Reporting Framework (LGPRF) which is a mandatory system of performance reporting for all Victorian Councils.
- Reporting on Annual Plan actions to the Council quarterly.
- Reporting on the health and wellbeing priorities of this plan annually to the Department of Health.
- Reporting on our performance against the Council Plan using the Council-led Indicators above.
- Reporting on the Community-led, Council-supported Indicators above.

Glossary

Term	Definition
Accessible	Easy for everyone to use, understand and participate in – including people of all ages, abilities, and backgrounds.
Community	The people that make up the Hepburn Shire and Councils customers. Those who live, work, play, visit, or have a connection to places in Hepburn Shire. Our community is made up of individuals, families, businesses, businesses, and visitors.
Diverse/diversity	The presence of different people and cultures, identities, experiences, and perspectives in our community.
Economy	The way our community creates and shares jobs, income, goods, and services. A strong local economy supports our livelihoods and businesses.
Financial sustainability	Managing our money and resources responsibly to ensure Council can meet the needs of the community now and into the future.
Inclusion	Ensuring everyone feels welcome, respected, and able to take part in community life, regardless of their background or circumstances.
Innovation	The ability to try new ideas, technologies, or approaches.
LGPRF	Local Government Performance Reporting Framework. Indicators used to compare Councils across the State and available on the website Know Your Council.
Resilient	Able to adapt, recover and thrive during and after challenges such as natural disasters, economic changes, or social disruptions.

Social justice	Ensuring fair access to opportunities, support, and resources, especially for people who face disadvantages or discrimination.
Sustainable growth	Development that supports long-term community, environmental and economic health. A way of managing growth that protects our natural resources, high quality agricultural land, reduces emissions, supports local jobs and housing, and creates liveable places for current and future generations.
Transparent	Open, honest, and clear about decisions, actions, and how resources are used.

Appendix A – Alignment of Community Feedback to the Council Plan

To view the full report including all of findings and recommendations please visit: [Participate Hepburn](#).

Community and wellbeing					
Engagement Method	Community Health & Wellbeing Priorities	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Mental wellbeing and being socially connected to family / friends and neighbours.	<ul style="list-style-type: none"> Improving mental wellbeing is a priority area selected through our Municipal Public Health and Wellbeing Plan (incorporated into Council Plan). 	Hepburn Life	Outcome 2:	Strategy 1: Municipal Public Health and Wellbeing priority: <i>Improving Active Living</i>
				Outcome 2:	Strategy 2: Public Health and Wellbeing priority: <i>Improving Mental Wellbeing</i>
				Outcome 2:	Strategy 3: Innovate: Reconciliation Action Plan 2025-2027
	2. Keeping physically active and being able to walk/cycle to work, school activities.	<ul style="list-style-type: none"> Increasing active living is a priority area selected through our Municipal Public Health and Wellbeing Plan (incorporated into Council Plan). 	Hepburn Life	Outcome 2	Strategy 4
			Future Hepburn	Outcome 1	Strategy 3: Future Hepburn Structure Plans Objective: <i>Movement and access</i>
	3. Being able to access healthy / affordable food	<ul style="list-style-type: none"> Priority has been given to improving mental wellbeing and keeping physically active through our Municipal Health and Wellbeing Priorities. Although health eating is not a designated priority area (with only two) it is still an important response and Council will support actions where resources allow – including through the implementation of our 	Hepburn Life	Outcome 2	Strategy 2
			Future Hepburn	Outcome 1	Strategy 4

		Rural Strategy that is designed to protect agriculture land.			
Deliberative Engagement Panel	1. Low-cost Housing - affordable and secure housing, balance between permanent vs short stay accommodation	<ul style="list-style-type: none"> Through our adopted Future Hepburn Structure Plans, a key objective is to strive for affordable housing across the Shire. 	Future Hepburn	Outcome 1	Strategy: 2 Future Hepburn Structure Plans Objective: Housing
	2. Accessibility - footpaths and maintained roadsides for walkability	<ul style="list-style-type: none"> Improvement in movement and access is an objective within our adopted Future Hepburn Structure Plans. Footpath asset information including health and service levels can be found in our Asset Plan 2025-2034 Council will complete its Integrated Transport Strategy in 2025/26, and has included the following indicator in the Council Plan (100% of actions achieved in the Integrated Transport Strategy per adopted timelines) 	Hepburn Life	Outcome 2	Strategy 4:
				Outcome 1	Strategy: 3 Future Hepburn Structure Plans Objective: Movement and access
	3. Belonging and social connection - building social inclusion, sense of belonging through local festivals, knowing neighbours, welcoming new residents	<ul style="list-style-type: none"> Improving mental wellbeing is a priority area selected through our Municipal Public Health and Wellbeing Plan (incorporated into Council Plan) 	Hepburn Life	Outcome 2:	Strategy 1: Municipal Public Health and Wellbeing priority: <i>Improving Active Living</i>
				Outcome 2	Strategy 2: Public Health and Wellbeing priority: <i>Improving Mental Wellbeing</i>
				Outcome 2	Strategy 3: Innovate: Reconciliation Action Plan 2025-2027

Service groupings and delivery

Engagement Method	Priority Services and Council Delivery	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Provision of services for older people	<p>Through the Municipal Public Health and Wellbeing priority:</p> <p>1. Improving Mental Wellbeing & Municipal Public Health and Wellbeing priority:</p> <p>2. Improving Active Living we will support the ongoing wellbeing of older people in the community.</p> <p>Future Hepburn Structure Plans Objective: Housing</p> <p>Future Hepburn Structure Plans Objective: Movement and access. Council continues to fund resources to assist in the implementation of its Positive Aging Strategy.</p>	Hepburn Life	Outcome 2	Strategy 1, 2 & 4 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing Municipal Public Health and Wellbeing priority: Improving Active Living
				Outcome 3	Strategy 1 & 2
			Future Hepburn	Outcome 1	Strategy 2 & 3 Future Hepburn Structure Plans Objective: Housing Future Hepburn Structure Plans Objective: Movement and access
	2. Focus on community health and wellbeing through events and programs	<ul style="list-style-type: none"> Working with community and partners to deliver programs and resources supporting our community's health and wellbeing. 	Hepburn Life	Outcome 2	Strategy 2 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing
				Outcome 3	Strategy 1 & 2
	3. Provision of youth services	<ul style="list-style-type: none"> We will work with communities and partners to deliver and advocate for equitable, inclusive access to programs and resources that support wellbeing at all life stages. 	Hepburn Life	Outcome 2	Strategy 2 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing
			Hepburn Life	Outcome 3	Strategy 1 & 2 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing.

Deliberative Engagement Panel	<p>1. Empower the community Increased support for community-led organisations. Support Council leveraging assets and partnerships to provide housing for different people. This supports businesses and community.</p>	<ul style="list-style-type: none"> We are committed to working with communities and partners to deliver and advocate for equitable, inclusive access to programs and resources that support wellbeing. Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing. 	Hepburn Life	Outcome 2	Strategy 2
	<p>2. Recommend Council reviews its role in providing services through a balanced lens of cost and impact.</p>	<ul style="list-style-type: none"> We understand the importance of designing and delivering services that are responsive to community needs and aligned with our budget. We will continue to aim to improve our operations using data, feedback and innovation to optimise service delivery models. 	Hepburn Working Together	Outcome 1	Strategy 1 & 2
	<p>3. Open to partnering with others to deliver services. Preferencing community organisations, social entities over for profit organisations.</p>	<ul style="list-style-type: none"> We will foster continuous improvement across Council operations by using data, feedback and innovation to optimise service delivery models, ensuring services align with the evolving needs of the community. 	Hepburn Working Together	Outcome 1	Strategy 1 & 2

Environment, sustainability and waste					
Engagement Method	Priorities	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Collection of Kerbside Waste	<ul style="list-style-type: none"> The prioritisation of sustainable waste, resource management and circular economy to ensure a clean, safe and liveable environment is a key strategy in Future Hepburn and Sustainable Hepburn Objective: Low waste Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly 	Future Hepburn	Outcome 2	Strategy 5 Sustainable Hepburn Objective: Low waste Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly
	2. Protection of the region's biodiversity	<ul style="list-style-type: none"> Protect and enhancing the productive agricultural land, significant landscapes, biodiversity, natural environment and waterways is prioritised in Future Hepburn, Outcome 1., along with Sustainable Hepburn Objective: Biodiversity and Natural Environment 	Future Hepburn	Outcome 1	Strategy 4 Rural Hepburn Strategy Principle Sustainable Hepburn Objective: Biodiversity and Natural Environment
	3. Provision of transfer station services	<ul style="list-style-type: none"> This will form a focus in Future Hepburn Outcome 2, Strategy 5 and incorporated into Sustainable Hepburn Objective: Low waste 	Future Hepburn	Outcome 2	Strategy 5 Sustainable Hepburn Objective: Low waste
Deliberative Engagement Panel – Group 5 / Session 4	1. Protecting the environment, reducing landfill, and achieving long term sustainability were seen as the most important	<ul style="list-style-type: none"> The prioritisation of sustainable waste, resource management and circular economy to ensure a clean, safe and liveable environment is a key strategy in Future Hepburn and Sustainable Hepburn Objective: Low waste 	Future Hepburn	Outcome 2	Strategy 5 Sustainable Hepburn Objective: Low waste

	goals. Panel members strongly believe waste services must be cost effective, simple, and focused on a circular economy rather than creating more bins or processes.	<ul style="list-style-type: none"> Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly 			
	<p>2. Kerbside glass collection had some support on the following grounds: Kerbside collection can be more user friendly and provide a service where some people cannot go to a drop off point.</p>	<ul style="list-style-type: none"> Future Hepburn, Outcome 2, Strategy 5 and Sustainable Hepburn Objective: Low waste relate to this issue. Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly and Council is undertaking an evaluation of the FOGO given its 12-month implementation. 	Future Hepburn	Outcome 2	<p>Strategy 5 Sustainable Hepburn Objective: Low waste Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly</p>

Assets & Infrastructure					
Engagement Method	Priority Services and Council Delivery	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Sealed Roads	<ul style="list-style-type: none"> The maintenance of our sealed roads is detailed in our Asset Plan 2025-2034 along with Future Hepburn Structure Plans Objective: Movement and access Significant investment into road funding is included across the Financial Plan, Budget and Asset Plan. 	Future Hepburn	Outcome 1	Strategy 3 Future Hepburn Structure Plans Objective: Movement and access
				Outcome 2	Strategy 1 Long-term planning can be found in our Asset Plan 2025-2034
				Outcome 3	Strategy 4 Our asset portfolio including the health of our assets can be found in our Asset Plan 2025-2034
	2. Passive Parks such as botanical gardens	<ul style="list-style-type: none"> Maintaining our public spaces, gardens and recreational areas are a priority area under both Hepburn Life and Future Hepburn and are also aligned with the Asset Plan 2025-2034. 	Hepburn Life	Outcome 2	Strategy 4
			Future Hepburn	Outcome 2	Strategy 1, 2 & 3 Asset Plan 2025-2034
	3. Footpaths	<ul style="list-style-type: none"> Facilitating diverse, safe, and accessible public and active transport and movement options that support connection within towns and to surrounding areas for all ages and abilities is supported in Future Hepburn. Council will complete its Integrated Transport Strategy in 2025/26 	Future Hepburn	Outcome 1	Strategy 3 Future Hepburn Structure Plans Objective: Movement & Access
			Future Hepburn	Outcome 2	Strategy 1 & 3 Future Hepburn Objective: Community and cultural infrastructure
Deliberative Engagement Panel	1. Drainage - Drainage is a large issue for Hepburn Shire, with very destructive floods in November 2010, Jan and Feb 2011 and 2022.	<ul style="list-style-type: none"> Drainage is a priority in the Asset Plan 2025-2034. 	Future Hepburn	Outcome 2	Strategy 1,2 & 3 Asset Plan 2025-2034 Future Hepburn Objective: Community and cultural infrastructure

	2. Trees in Creeks - Trees in the creeks and tributaries are an issue with flooding	<ul style="list-style-type: none"> It is a priority of Hepburn Life to enhance community preparedness and resilience for changing conditions through community partnerships, education, support and advocacy. 	Hepburn Life	Outcome 1	Strategy 1
	3. Shire has not replaced any canopy trees to improve diversity of theShire and provide shady streets.	<ul style="list-style-type: none"> The Asset Plan 2025-2034 & Future Hepburn Outcome 2 & Future Hepburn Objective: Community and cultural infrastructure Provide inclusive, adaptable community infrastructure that strengthens local connections, adapts to changing climates. 	Future Hepburn	Outcome 2	Strategy 1,2 & 3 Asset Plan 2025-2034 Future Hepburn Objective: Community and cultural infrastructure
	4. Buildings Maintained	<ul style="list-style-type: none"> Future Hepburn, the Asset Plan 2025-2034, the Long-Term Financial Plan & Budget 2025-2025 all prioritise and detail recommendations for the ongoing review of Council buildings. 	Future Hepburn	Outcome 2	Strategies 1,2,3 & 4 Asset Plan Long-Term Financial Plan Budget 2025-2026

Economic development and tourism					
Engagement Method	Priorities	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Assistance to businesses with permits and other requirements	<ul style="list-style-type: none"> We have prioritised future focused services that are easy to use and inclusive as part of Hepburn Working Together. 	Hepburn Working Together	Outcome 1	Strategy 1 & 2
			Future Hepburn	Outcome 3	Strategy 1
	2. Business Development through grants, education and training	<ul style="list-style-type: none"> A focus of Future Hepburn is a dynamic, vibrant, and resilient economic environment, enabling a thriving and diverse local economy by supporting local business, industry growth, retention and attraction of businesses and jobs. 	Future Hepburn	Outcome 3	Strategy 1
			Hepburn Working Together	Outcome 1	Strategy 1 & 2
	3. Promotion of investment opportunities in the Shire	<ul style="list-style-type: none"> Our priority of a dynamic, vibrant, and resilient economic environment. 	Future Hepburn	Outcome 3	Strategy 1 & 2
	4. Promotion of the Shire as a tourist destination	<ul style="list-style-type: none"> A priority of strengthening the visitor economy by collaborating with partners to elevate experiences, drive sustainable visitation and dispersal across the Shire whilst also supporting a year-round calendar of events that deliver significant social, cultural and economic benefits to our community. 	Future Hepburn	Outcome 3	Strategy 2 & 3
Deliberative Engagement Panel – Group 4 / Session 4	1 Economic Development Council can make it easier for a diversity of businesses, to sustainably grow via promotion and facilitation, in ways that align with our	<ul style="list-style-type: none"> We have prioritised future focused services that are easy to use and inclusive as part of Hepburn Working Together while Future Hepburn prioritises the preservation of the unique character of our towns and communities 	Hepburn Working Together	Outcome 1	Strategy 1 & 2
			Future Hepburn	Outcome 1	Strategy 1 & 4

	community vision and protect cultural and environmental legacies.	when planning for future growth and protection of our productive rural landscape.			Future Hepburn Structure Plans Objective: Urban design Rural Hepburn Strategy Principle Sustainable Hepburn Objective: Biodiversity and Natural Environment
			Future Hepburn	Outcome 3	Strategy 1
	2. Tourism and Events Council to act as a supporter and promoter of a balanced and mindful approach to sustainable tourism that utilises the locally-driven events and businesses while not compromising the natural land, waterways and springs and agriculture.	<ul style="list-style-type: none"> A strategy of Future Hepburn's outcome 3 is to strengthen the visitor economy by collaborating with partners to elevate experiences, drive sustainable visitation and dispersal across the Shire. Our second strategy 2 supports a year-round calendar of diverse and inclusive events that attract locals and visitors and deliver significant social, cultural and economic benefits to our community. 	Future Hepburn	Outcome 3	Strategy 2 & 3

Appendix B - Our community

Population	16,824 ⁴
Land area	1,473 km ²
Estimated population growth 2023-2026	12.3%
Age profile⁵	

⁴ ABS 2024 Estimated residential population

⁵ 2021 Census, Shire median age: 52, State median age: 38

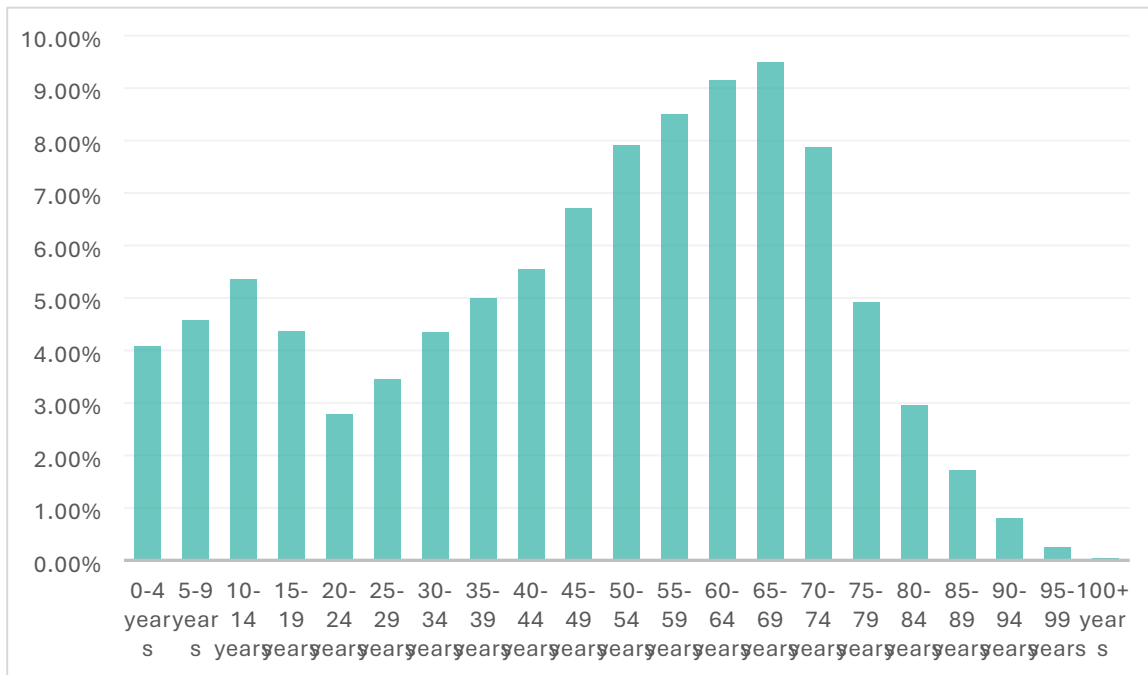


Figure 2 Description: The age profile of the Shire graph indicates that the Shire's median age is 52, with 53.63% of the municipality's population aged over 50

Population profile

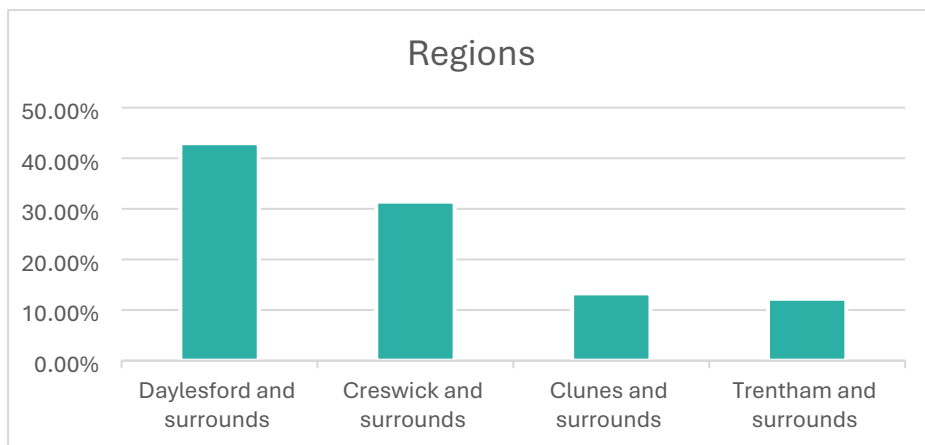


Figure 3 Description: As indicated in the graph nearly 43% of the population is in Daylesford and surrounds, 31.42% in Creswick and surrounds, 13.29% in Clunes and surrounds, 12.23% in Trentham and surrounds

People with a profound or severe disability

6.7%⁶

Same sex couple households

6.8%⁷

⁶ 2021 Census

⁷ 2021 Census, State average: 1.5%

Employment

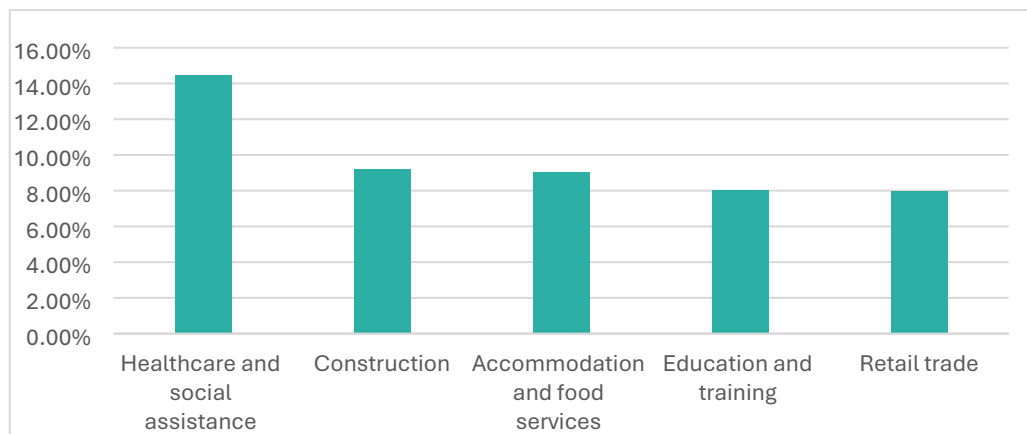


Figure 4 Description: The top five industries are indicated in the table are healthcare and social assistance 15%, construction 9%, accommodation and food services 9%, education and training 8 % and retail trade 8%.

Economy

Businesses	1,785 ⁸	Jobs	5,636 ⁹
Businesses with 20+ employees		2.35% ¹⁰	

⁸ REMPLAN, 11.5% increase from 2021

⁹ REMPLAN, 16.8% increase from 2021

¹⁰ REMPLAN

Shire workforce (usual place of work) ¹¹

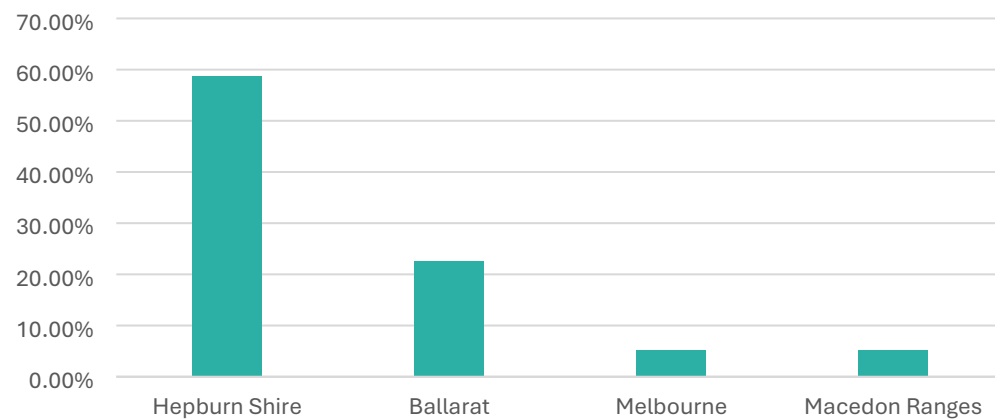


Figure 5 Description: The graph indicates that nearly 60% of the population work in the Hepburn Shire, just over 20% work in Ballarat, and around 5% work in Melbourne and the Macedon Ranges respectively.

¹¹ REMPLAN

Shire workforce (industries)

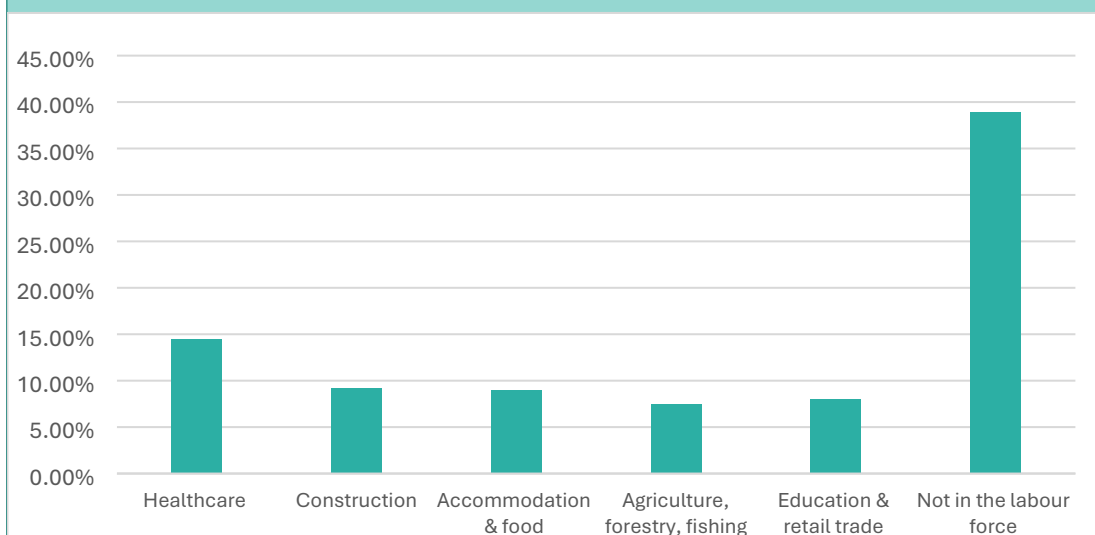


Figure 6 Description: ~ 40% of our workforce are not in the labour force. 14.5% in healthcare, 9.2% construction, 9% accommodation & food services, 7.5% agriculture, forestry or fishing and 8% education

Shire workforce (FTE) ¹²	%
Full time	25.8%

¹² REMPLAN, 2021 Census

Part time	21.1%	
Unemployed	2.1%	
Volunteer	21%	
Diversity ¹³	%	
Aboriginal and Torres Strait Islander	1.1%	
Born overseas	13.8%	
Households where a language other than English is used	6.8% ¹⁴	
Education		
	Hepburn	State
Bachelor’s degree or above	37.4%	45.9%
Proportion of youth (aged 15-24) currently undertaking full-time education or employment	87.6% ¹⁵	
Tourism		

¹³ REMPLAN

¹⁴ 2021 Census

¹⁵ 2021 Census

Output	\$203.28 million ¹⁶	
Health & Wellbeing		
	Hepburn	State
Proportion of adults who ran out of food in the past 12 months and could not afford to buy more	5.9% ¹⁷	
Proportion of adults who were sufficiently active ¹⁸	64.5%	50.9%
Organised sport participation rate ¹⁹	7.1%	12.9%
Proportion of overweight or obese	52.2% ²⁰	
Proportion of adults at increased risk of alcohol-related harm	19.8% ²¹	
Percentage of adults who currently smoke tobacco	14.3% ²²	

¹⁶ REMPLAN

¹⁷ Victorian Public Health Survey 2024 (VPHS 2024)

¹⁸ Victorian Public Health Survey 2017 (VHPS 2017), GPHU Regional Plan 2023 (GPHU 2023)

¹⁹ Victorian Public Health Survey 2020 (VPHS 2020), GPHU 2023

²⁰ West Victoria Primary Health Network Dashboard

²¹ VPHS

²² Cancer Council

Percentage of adults who currently vape	4.1% (RSE above 25%) ²³	
Proportion of adults diagnosed with a mental health condition	11.2% ²⁴	
Low-income households under financial stress from mortgage/rent	16.9% ²⁵	
Proportion of adults who met both fruit and vegetable consumption guidelines²⁶	4.6%	3.6%

²³ Cancer Council

²⁴ 2021 Census

²⁵ 2021 Census

²⁶ VPHS 2017, GPHU 2023

Appendix C – Plan on a Page

Hepburn Life	
Outcome 1	Connected communities that are resilient, adaptable, and empowered - able to respond to and recover from climate-related impacts, emergencies, and other community challenges.
Outcome 2	A healthy and inclusive community, where all people regardless of background or stage of life and have the opportunity to participate and thrive.
Outcome 3	An informed and engaged community.
Future Hepburn	
Outcome 1	Preserve the unique character of our towns and communities, plan for future growth and protect our productive rural landscape.
Outcome 2	Responsible management of infrastructure and environment to support wellbeing now and for future generations.
Outcome 3	A dynamic, vibrant, and resilient economic environment.
Hepburn Working Together	
Outcome 1	Future focused services that are easy to use and inclusive.
Outcome 2	Maintain corporate governance to enable good Council decision making and to ensure long-term financial viability.
Outcome 3	An engaged, safe, and skillful workforce.

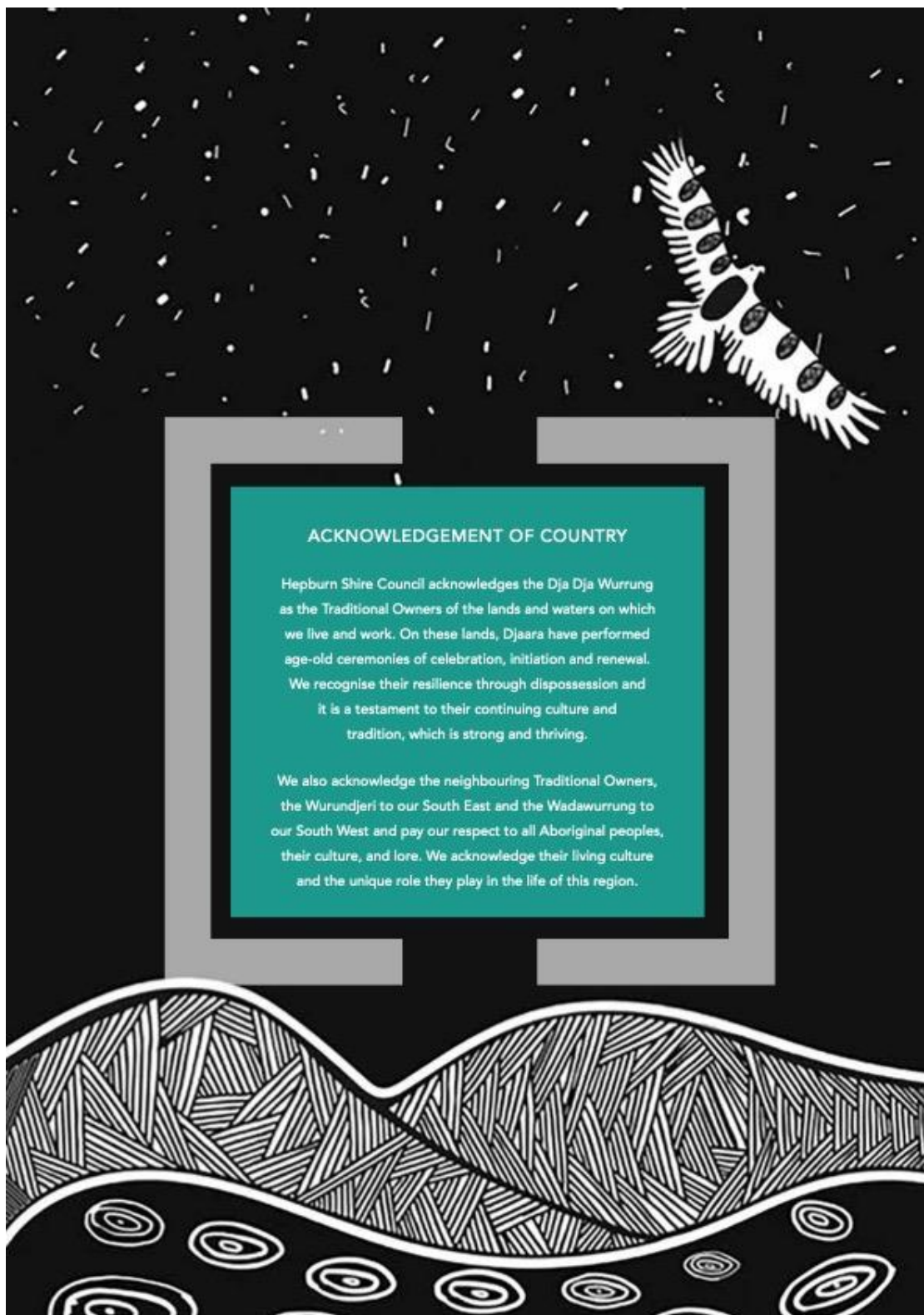
The logo for Hepburn Shire Council features the word "Hepburn" in a white, elegant script font, with "SHIRE COUNCIL" in a smaller, white, sans-serif font below it. The text is set against a teal background that spans the width of the page.

Hepburn
SHIRE COUNCIL



Draft Budget 2025/26

May 2025



This Budget Report has been prepared with reference to Local Government Victoria's Model Budget 2025-2026 and Best Practice Guide.

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Mayor and CEO Introduction

Hepburn Shire Council is entering a new chapter, one defined by a strong commitment to our community, improving our customer responsiveness and ensuring our financial sustainability.

Financial sustainability is at the core of our plan for the future. We need strong economic foundations to allow us to meet the challenges ahead. By making the difficult but important decisions today, we will be protecting our ability to deliver for our community tomorrow.

In the first year of our Council term, the Council Plan 2025-2029 (including the Municipal Health & Wellbeing Plan), and the draft 2025/2026 budget identifies a financial outlook being repeated across many of the 79 local governments in Victoria.

In September 2024 Council adopted its Financial Vision, which was proactively created to support Council's obligations towards financial sustainability. The vision was created in partnership with Council and the community, and acts as a strategic guide to detail the provision of services, priorities, and projects that meet community needs, while ensuring financial stability over the next ten years.

Our Council Plan 2025–2029 has been developed within the remit of our Financial Vision, and is focused on getting back to the basics, this budget delivers on year 1 of the Council Plan.

The draft 2025/26 budget strives to make tough but responsible decisions to ensure that Hepburn Shire is financially viable in the short and long-term.

The operating expenditure for 2025/2026 is projected to be \$40.9 million (\$31.4 million excluding depreciation). The budget will deliver a \$13.07 million capital works program for 2025/2026, focused on the delivery of previous project commitments and renewal of our existing assets.

Major areas of investment throughout 2025/2026 includes:

- Over \$1 million of strategic planning investment to continue the implementation of Future Hepburn (Township Structure Plans, Rural Strategy and Integrated Transport Strategy).
- The roads capital expenditure is \$6.59 million, significantly higher than recent years and likely to be the largest non-flood recovery investment. Over the past five financial years, the average expenditure on roads capital works has been \$3.03 million. This investment has been made possible with \$3.64 million of State and Federal funding.
- Renewal funding
- Operational funding for roads, facilities, and asset maintenance of \$4.88 million, Parks and Open Space funding of \$2.23 million and investment in waste operations (kerbside collections, transfer stations) of \$3.97 million.

Council has made the difficult but necessary decision to reduce operating expenditure by \$2.53 million across services, further detailed throughout the budget.

This budget leaves little or no room for discretionary funding outside what is planned in the budget

or to respond to unplanned emergencies. This reality poses risks for Council and amplifies that Council's strategic decisions on project delivery are critical now more than ever.

The budget projects \$6.08 million in cash reserves on 30 June 2026 and unrestricted cash is forecast as \$0.32 million. This is an extremely modest buffer and has required Council to consider thoroughly the most effective means to ensure financial stability and sustainability.

Revenue collected through rates and charges, State and Federal Government grants and other sources, is projected to be \$43.9 million. Rates have been increased in line with the State Government Rate Cap of 3.0%, together with a permanent uplift of 7% rate cap variation for 2025/2026 as approved by the Essential Services Commission to ensure the financial viability and long-term sustainability of Council.

This decision supports the previous work identified through the Financial Vision 2024-2027 and is made in conjunction with the operating efficiencies to be delivered.

Council has weekly kerbside collections across the Shire and a review of the standard annual fees for 2025/2026 has retained these annual fees at the 2024/2025 rates with the exception of food and organics (FOGO) for township residents which has reduced by \$40 per annum. This ability to reduce overall charges associated with waste collection is extremely positive and demonstrates Council working hard to ensure value of money and reducing costs where possible.

This budget includes \$11.42 million of revenue collected through government grants and other sources. There is a strong need for Council to remain actively seeking other income sources, including grants. It is important to note that although planning and design allocations for capital projects are funded in this budget, many projects will require successful sourcing of external funding if they are to progress to the construction stage.

This budget includes no new borrowings.

The financial outlook of many local governments highlights the need for ongoing advocacy and partnerships with all tiers of government. We will continue to emphasise to State and Federal Governments that local government is a vital tier of government that must be appropriately funded.

Creating this budget has been a challenging process, as anticipated. Numerous workshops have been conducted with Councillors and Officers to develop the draft Council Plan and the associated budget. We recognise that many of the decisions in this budget may not be well-received. However, it is crucial that we make these tough decisions. Not only do we have a legal responsibility to ensure the Council's financial viability, but we also have a moral duty to make what we believe are the best decisions for both the present and the future. We are confident that this budget accomplishes that.



Cr Don Henderson
Mayor



Bradley Thomas
Chief Executive Officer

Executive Summary

The overall operating expenditure budgeted for 2025/2026 is projected to decrease by 11% (or \$4.9m) from the 2024/2025 forecast actual, bringing it down to \$40.9m. This reduction aligns with the Financial Vision 2024-2027, which aims to achieve a fiscally responsible budget and ensure financial sustainability for Council. This budget takes into account the challenging environment characterised by the Local Government sectors tough financial position, increased capital delivery costs, general inflation and significant cost of living pressures for the community.

The 2025/2026 budget has been developed within the objectives of the Financial Vision and the new Council Plan 2025-29 acknowledging operational savings are required to ensure unrestricted cash remains positive. The 2025/2026 budget is also developed in the context that Councillors are reviewing the wide range of services offered by Council, and the limited opportunities to increase revenue as part of the 10-year Financial Plan development.

The 2025/2026 budget is founded on a number of assumptions, including the final impact of the 2024/2025 financial year. It is difficult to estimate a closing cash position as at June 2025 given a number of factors including the timing of grant payments, project delivery and carry-forward impacts. The closing cash position as at 30th June 2025, as reflected in the audited 2024/2025 financial statements, will have an influence on the 2025/2026 budget, and forms part of reporting in September 2025.

Council has budgeted both a surplus, and an adjusted underlying surplus for the 2025/2026 year, and while a positive unrestricted cash position – these are positive trends and improvements on prior financial years.

Operating Results

Adjusted Underlying Result	\$'000
Total Income	43,886
Total Expense	40,871
Surplus / (deficit) for the year	3,015
Less non-operating income and expenditure	
Grants capital (non-recurrent)	2,412
Capital contributions other sources	250
Non-monetary contributions	-
Adjusted underlying surplus / (deficit)	352

Impact on Untied Cash	\$'000
Cash and Cash Equivalents at end of 2025/2026	6,079
Less	
Statutory Reserves	2,488
Discretionary Reserves	1,536
Trust Funds and Deposits	1,736
Budgeted unrestricted cash as at 30 June 2026	319

1. Rates and Charges

The projected total revenue from rates and charges is \$28.9m, which includes an average rate increase of 10.0%. This increase consists of a rate cap variation for a permanent uplift of 7% to ensure the financial viability and long-term sustainability of the Council, and a 3% rate cap in accordance with the Fair Go Rates System (FGRS), which limits rate increases for Victorian councils as determined by the Minister for Local Government.

The required level of rates and charges has been evaluated in the context of the Financial Vision 2024-2027, considering the Council's other income sources and the planned expenditure on community services and works. A 7% rate cap variation has been requested from the Essential Services Commission, aligning with the Council's current and projected financial outlook.

It is important to note, the actual rate increases experienced by individual ratepayers may differ from the 10.0% increase due to revaluations. Rate increases are impacted by the average rate increase (10.0%) and the property valuation increases (or decreases) of individual properties relative to the average across the municipality. If your property increased in value by more than the average for the Shire, your rates may increase by more than 10.0%. If your property value increased by less than the average, your rates may increase by less than 10.0% and may in fact reduce from the previous year.

Council has weekly kerbside collections across the Shire and a review of the standard annual fees for 2025/2026 has retained these annual fees at the 2024/2025 rates with the exception of food and organics (FOGO) for township residents which has reduced by \$40 per annum. The standard annual fee for a residential property kerbside collection (fortnightly garbage collection, recycling and weekly FOGO) will be \$610 per annum or the equivalent of \$11.73 per week. This is in comparison to the prior year of \$650 per annum for a residential property that had the same kerbside collections. This ability to reduce overall charges associated with waste collection is extremely positive and demonstrates Council working hard to ensure value of money and reducing costs where possible.

2. Financial Position

The financial position of Council is expected to slightly improve with net assets (net worth) to increase by \$3.02m to \$484.89m during 2025/2026 – predominately due to the increase in capital works undertaken.

Working capital is an indicator of council's ability to meet its financial obligations as and when they fall due (being current assets less current liabilities). When comparing this measure against the forecast as at 30/6/2025 this measure is budgeted to slightly deteriorate from 1.27 to 1.03 predominately due to a decreasing cash balance at 30/6/2026. The trend on the budgeted ratio for 2025/2026 remains within an acceptable range according to the Victorian Auditor General's Office's standard for this measure and is closely monitored by Council.

Council has adequate funds to meet all debts and obligations, including to staff and contractors,

however cashflow and total expenditure will continue to be monitored closely as projections show there is unlikely to be any major reserves of unrestricted cash to buffer against unforeseen events. This is consistent with Council's Financial Vision, with the financial position improving over the medium term.

3. Operating Result

The expected operating result for the 2024/2025 year is a surplus of \$3.02m, which is an improvement of \$1.37m in comparison to the 2024/2026 forecast – predominately due to the planned \$2.53m in operation savings, and the fact that rates income will increase by \$2.18m due to the increased rates cap and growth.

It is vital that a Council generates operating surpluses across the life of budget, to fund capital works and borrowing repayments.

Operating grants will decrease by \$1.15m due to the removal of one-off grants for special operating projects in 2024/2025 removed from the 2025/2026 budget, as these projects are scheduled for completion. Capital Grants will decrease by \$4.12m as major capital projects with associated grant funding associated are scheduled for completion in 2024/2025.

Although the total grants is decreasing, due to one off grants, it is pleasing to note that recurrent (on-going) grants are budgeted to increase by \$0.55m to a total of \$8.97m for our community.

Expenditure will decrease by \$4.89m, which includes a reduction in materials and services of \$2.92m, partly due to operational efficiency targets set for 2025/2026, amount to \$2.53m. Further reductions are attributed to a scaled-back special operating projects program in 2025/2026 compared to 2024/2025. Employee costs will decrease by a net of \$1.21m as a result of the efficiency targets, although allowances have been made for the Enterprise Agreement increase, and employer on-cost increases.

Council has achieved an adjusted underlying surplus of \$0.35m for the 2025/2026 fiscal year, which is projected to grow over the budget period. This adjusted underlying result represents the net surplus for the year, modified to exclude non-recurrent capital grants, capital contributions from other sources, and non-monetary contributions. It serves as a key indicator of Council's financial sustainability and its capacity to meet its service delivery goals.

4. Financial Sustainability

A budget spanning four years until 30 June 2029 has been developed to align with the overarching Financial Plan, aiding the Council in adopting a budget within a comprehensive financial framework. The primary aim of the Financial Plan is to ensure financial sustainability in the medium to long term, while also fulfilling the Council's strategic objectives. Continued collaboration with the community remains essential for:

- Assessing and prioritising our service offerings.

- Determining feasible and affordable levels of expenditure.
- Identifying necessary assets for delivering prioritised services.
- Evaluating surplus assets for potential disposal.
- Adjusting resources to support the delivery of prioritised services.
- Reviewing borrowing levels.
- Reviewing opportunities for additional revenue, including an application for a rate cap variation.

With a commitment to safeguarding Council's long-term financial health, a comprehensive review of the ten-year Financial Plan, alongside a broad evaluation of service provisions, has been undertaken and continues on from the previous work associated with the Financial Vision 2024-2027. Striking a balance between financial constraints, community expectations, and statutory obligations remains a formidable task, particularly given the constraints of the State Government rate cap and fluctuations in government grant funding.

This budget has undergone rigorous scrutiny and is supplemented with detailed information dispersed throughout this document.

5. Services

In mid-2024, the Council collaborated with the community to create the Financial Vision. This was followed by the development of the Council Plan 2025-29 and other essential documents that are part of the Integrated Strategic Planning and Reporting Framework in early 2025 (section 1.1).

As part of the adopted Financial Vision was a commitment that Council would:

- *Requests that the Chief Executive Officer work with Councillors to analyse all services offered by Council, so as to ensure that the Council Plan 2025-2029 and Budget 2025-26 identify operational saving and/or new revenue opportunities needed to realise the Financial Vision; and*
- *Take into account operational savings, services changes and new revenue opportunities in the development of the 2025/26 budget, and by 30 June 2025.*

Council will continue to work with the community in the coming years to ensure that community priorities and expectations are aligned with the Council's service delivery model. This alignment must be achieved within a financially sustainable framework. For more details on the cost of the Council's services, please refer to section 2 of this document. The following table provides a summary of the budgeted permanent savings or additional revenue for 2025/2026 onwards, with more specific details in section 2. It is important to note that these savings or additional revenue are in addition to the \$1.5m identified and achieved for 2024/2025.

Area	Saving 2025/26 compared to 2024/25		Explanation
Councillors, Executive and Leadership	\$505k	28%	There has been a reduction in the number of roles within the Executive and Leadership structure. While some service reductions are inevitable, it has been crucial to prioritise and protect investment in direct service delivery to the community as much as possible.
Inclusive Communities	\$264k	36%	Reduction in services and realignment of purpose in relation to services such as wellbeing (\$50k), inclusion and positive aging (\$95k), reconciliation (\$10k), arts and culture (\$67k). Council will move away from delivering services and rather partner with and advocate for our community, with other stakeholders.
ICT (Technology)	\$258k	14%	Due to significant enhancements in ICT infrastructure and processes over recent years, along with capital funding in the 2025/2026 budget, the Council has been able to ensure operational efficiencies and reduce ICT investment. Council will maintain highly secure ICT infrastructure and continue to invest in digital improvements to enhance service delivery.
Recreation and Sport	\$229k	26%	Likely reduction in aquatic opening hours, as well as streamlining support provided to clubs and partners in the recreation sector. Council has a continued priority to invest in capital renewal (and upgrades when funding is available).
Waste, Sustainability and Circular Economy	\$212k	3%	There will be a reduction in services related to the circular economy (\$100k) and biodiversity (\$28k), along with a realignment of purpose concerning sustainability (\$84k). Council will shift from delivering services and direct funding to community groups, instead focusing on partnering with and advocating for our community. Additionally, the Council will ensure that sustainability practices have a greater internal focus, and are embedded across the organisation.
Roads and	\$209k	4%	Minor reduction (4%) in spend across these key infrastructure areas to be achieved through creating

Area	Saving 2025/26 compared to 2024/25		Explanation
Infrastructure ^			efficiencies. Council will continue to maintain significant investment in assets including renewal, upgrades and maintenance.
Financial Services	\$170k	8%	A primary focus for funding reduction has been achieving savings within internal services to prioritise and protect investment in direct service delivery to the community. It is crucial to manage this while ensuring appropriate oversight and governance continue.
Planning and Building	\$162k	7%	Significant increases to statutory planning, building and strategic planning have occurred over recent years. This high level of funding compared to other small rural councils will continue even with the slight reduction.
Customers, Libraries and Communications	\$152k	10%	There are opportunities to explore the most effective ways to deliver services and engagement. With the launch of Open Libraries in mid-2025 and improved digital access, savings can be achieved without significantly impacting service delivery. The likely closure of Duke Street Customer Service will align Daylesford with the hub-like services available in Creswick, Clunes, and Trentham.
Early, Middle and Youth Years	\$146k	23%	Reduction in services and realignment of purpose in relation to services, with reduction in Early and Middle Years (\$66k) and Youth Services (\$80k). Council will move away from delivering services and rather partner with and advocate for our community.
Economic Development and Visitor Economy	\$130k	13%	Operational savings (\$82k) and a refocus on economic development resources will enable us to continue supporting our strong visitor economy and partners, Daylesford Macedon Tourism and Tourism Midwest Victoria. Additionally, we will place an increased focus on assisting new and growing businesses across the shire and in all

Area	Saving 2025/26 compared to 2024/25	Explanation
		industries.
Governance	\$115k 7%	A primary focus for funding reduction has been achieving savings within internal services to prioritise and protect investment in direct service delivery to the community. It is crucial to manage this while ensuring appropriate oversight and governance continue.
Emergency Management and Community Safety	\$50k 4%	Increase revenue by maintaining a strong focus on ensuring compliance with local laws to safeguard our community, including areas such as animal control, environmental health, planning, and local regulations.
Buildings and Facilities ^	\$20k 1%	Minor savings as we realign our cleaning schedules of council facilities, mainly staff office areas.
People and Culture	\$18k 2%	A primary focus for funding reduction has been achieving savings within internal services to prioritise and protect investment in direct service delivery to the community. It is crucial to manage this while ensuring appropriate oversight and governance continue.
Parks and Open Spaces ^	\$0 0%	Although there are no direct savings, the responsibility for maintaining Djuwang Baring and increased open spaces ensures that efficiencies will need to be achieved within the teams to deliver more services without a significant increase in the budget.
Total	\$2,639k 8%	Includes \$103k reduction of funding within waste charges as a result of reduced allocation of services within the Circular Economy area, and thus total savings amount to \$2.535 million.

^ These areas are subject to a detailed service review in 2025/2026 to further identify opportunities

for efficiencies and possible savings as a result of service changes, which would inform any proposed changes in the 2026/2027 budget.

6. Cash and Investments

Cash and investments are expected to decrease by \$1.62m over the year, reaching \$6.08m by 30 June 2026. This reduction is in comparison to the 2024/2025 forecast. The primary factor affecting the cash balance in the upcoming year is the anticipated decline in grant funding for both operating and capital programs. The 2024/2025 capital program heavily relied on substantial capital grant funding to complete major projects. Moving forward, the focus of the capital program will be on renewing and protecting the existing asset base.

Council has continued to focus on returning its unrestricted cash to a positive position. Unrestricted cash is forecast as a surplus of only \$0.32m at June 2026. This is a modest buffer against unforeseen circumstances and leaves little room for discretionary expenditure.

It is important to note that Council adopts a conservative approach in calculating unrestricted cash by including discretionary reserve balances. This approach is taken because Council has committed to the community on the use of these funds, even though there are no legislative restrictions. Reporting by State Government, including that by the Victorian Auditor General's Office (VAGO) excludes discretionary reserves. If Council were to use this ratio, the unrestricted cash would be higher than the budgeted position of \$0.32m.

The level of unrestricted cash is manageable but needs constant attention, and is in line with our Financial Vision, with the level being on the lower side early in the 10-years and improving over the medium term.

7. Capital Works

Detail of the Capital Works program for 2025/2026 can be found in section 4.5 of this document.

The \$13.07m capital works program is funded by Council cash and reserves as well as:

- \$4.17m in grants and contributions; and
- No new borrowings will be used to fund the 2025/2026 capital works program.

The 2025/2026 capital works budget prioritises the completion of current projects and the renewal of existing assets, rather than creating new assets given the financial outlook. Any new assets or upgrades to existing assets will be managed through the use of grant and reserve funds.

Council's draft budget does not include carried forward projects from 2024/2025. Carry forward balances are considered and approved by Council after the conclusion of the end of financial year process.

01. Delivering on the Council Plan

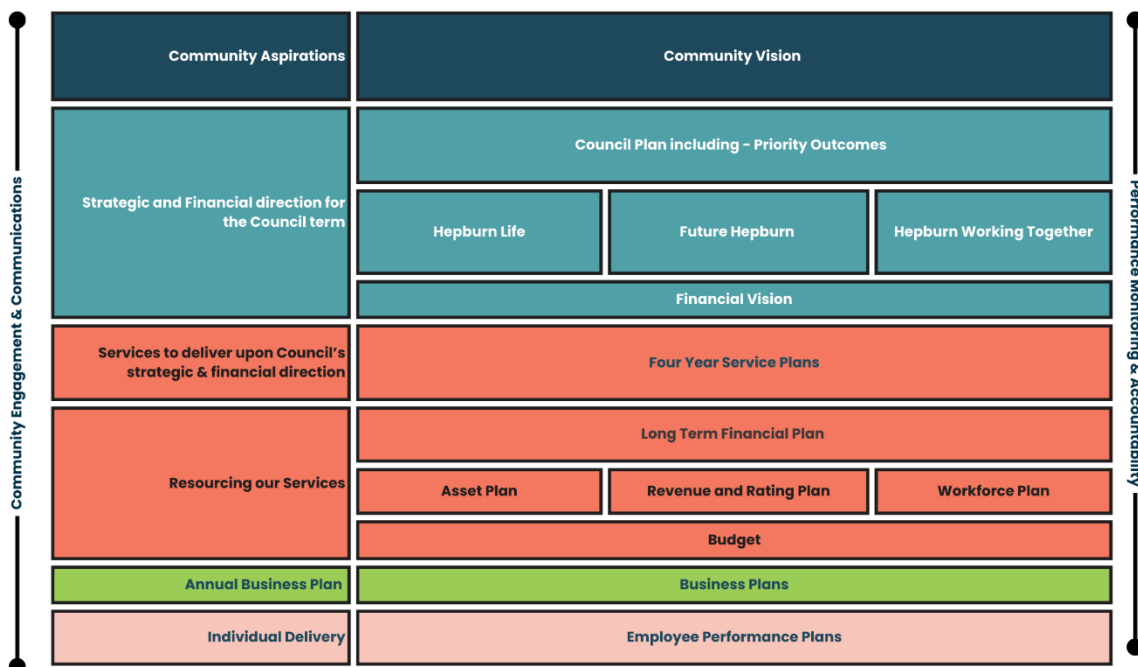
This section outlines the alignment between the Annual Budget and the realisation of the Community Vision and Council Plan within a cohesive integrated planning and budgeting structure. This framework steers the Council in recognising community needs and aspirations across varying timelines: long term (Community Vision and Financial Plan), medium term (Council Plan, Asset Plan, Workforce Plan, and Revenue and Rating Plan), and short term (Annual Budget), while ensuring accountability through the Annual Report.

1.1 Integrated Strategic Planning and Reporting Framework

The Budget serves as a dynamic four-year blueprint delineating both financial and non-financial resources necessary for the Council to fulfill the strategic objectives outlined in the Council Plan. The diagram below illustrates the integrated planning and reporting framework applicable to local government in Victoria. At each phase of this framework, community and stakeholder input opportunities are present, ensuring transparency and accountability to residents and ratepayers.

As per the requirements of the Local Government Act 2020, the following documents must be in place:

- A Community Vision (spanning at least the next 10 financial years)
- A Council Plan (covering at least the next 4 financial years)
- A Financial Plan (encompassing at least the next 10 financial years)
- An Asset Plan (for at least the next 10 financial years)
- A Revenue and Rating Plan (projecting at least the next 4 financial years)
- A Budget (detailing at least the next 4 financial years)
- A Workforce Plan (including projected staffing needs for a minimum of 4 years)



While councils are obligated to offer certain services like animal management, local roads, food safety, and statutory planning, the majority of council services, including libraries, building permits, and sporting facilities, are discretionary. Moreover, community needs and expectations evolve over time. Councils must establish robust procedures for service planning and evaluation to ensure the ongoing value and alignment of all services with community expectations. In this endeavour, councils actively involve communities to prioritise resources and strike a balance between service delivery and other obligations such as asset maintenance and infrastructure projects.

1.2 Our Community Vision

The Community Vision is a result of extensive engagement activities undertaken with a broad cross-section of our community during the Hepburn Together project in 2021. The engagement activities brought the voice of the community to Council. Our community's goals, aspirations and priorities were captured and used to develop the Community Vision to shape the long-term direction of the Shire.

The Community Vision states:

Hepburn Shire - an inclusive rural community located in Dja Dja Wurrung country where all people are valued, partnerships are fostered, environment is protected, diversity supported, and innovation embraced.

1.4 Council's Strategic Vision

Council delivers activities and initiatives under major service categories. Each contributes to the achievement of one of the domain strategies as set out in the four-year Council Plan 2025-2029. The three domain strategies described in the Council Plan are:

Domain Strategies	Outcomes
1. Hepburn Life	<ul style="list-style-type: none"> Connected communities that are resilient and adaptable, and empowered - able to respond to and recover from climate-related impacts, emergencies and other community challenges. A healthy and inclusive community, where all people regardless of background or life stage have the opportunity to participate and thrive. An informed and engaged community.
2. Future Hepburn	<ul style="list-style-type: none"> Preserve the unique character of our towns and communities, plan for future growth and protect our productive rural landscape. Responsible management of infrastructure and environment to support wellbeing now and for future generations. A dynamic, vibrant and resilient economic environment.
3. Hepburn working together	<ul style="list-style-type: none"> Future-focused services that are easy to use and inclusive. Maintain corporate governance to enable good Council decision making and to ensure long-term financial viability. An engaged, safe and skillful workforce.

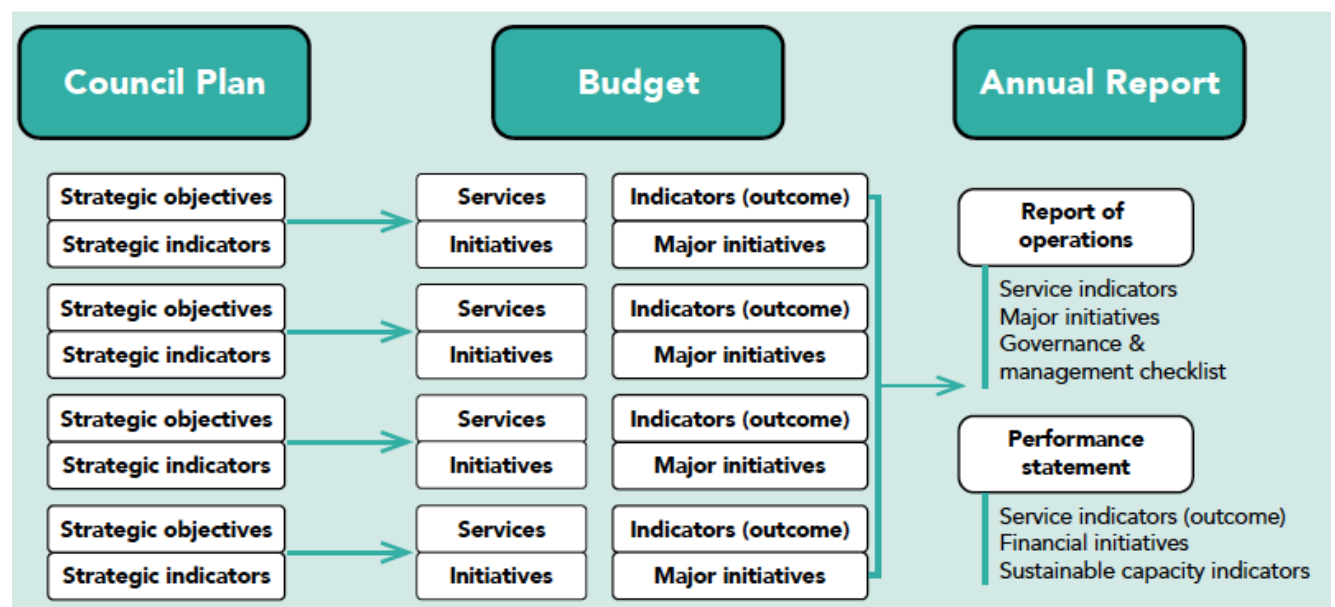


02. Services and Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2025-26 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan.

It also describes several initiatives and service performance indicators for key areas of Council's operations.

Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

It should be noted that reporting lines within the organisation structure can impact the income and expenditure associated with each service. The income includes capital grants which can distort the income in a particular year.

For each service area, the primary domain has been chosen to align services with the Council Plan. However, it is important to note that each service will inevitably overlap with multiple domains.

2.1 Development and Community

Service Area	Alignment with Council Plan Domains and Objectives			2023-24 Actual \$'000	2024-25 Forecast \$'000	2025-26 Budget \$'000
	Life	Future	Together			
Emergency Management	✓			Exp 439 Rev 121 Net 318	982 774 208	469 273 196

We work with the community and response agencies to develop robust and innovative plans to prepare, respond and recover from emergencies.

Environmental Health	✓			Exp 657 Rev 218 Net 439	475 198 277	393 263 130
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To provide a range of public health programs including food safety throughout the community which focus on a preventative approach to health and aim to minimise future problems.

Compliance	✓			Exp 572 Rev 236 Net 335	723 227 495	676 261 415
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Through education and Local Law enforcement, including animal management, the Compliance team provides a safe community for all to enjoy.

Statutory and Strategic Planning		✓		Exp 1,970 Rev 485 Net 1,486	2,240 491 1,749	2,427 360 2,067
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The Planning team provides advice and guidance for responsible current and future land use planning which includes the consideration of applications for planning permits and ensuring compliance with planning permits and controls. Through regular review of the Hepburn Shire Planning Scheme and development of new policy documents, the team ensures that statutory planning, investment and decision making for the Shire is relevant to the needs of the community and provides a sustainable base for future generations.

Biodiversity		✓		Exp 164 Rev - Net 164	305 128 177	105 - 105
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In partnership with the community, natural resources are managed to ensure their conservation, enhancement and control.

Building Services	✓			Exp 586 Rev 180 Net 406	609 - 609	499 80 419
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To provide quality regulatory advice on all building matters associated with properties in the Shire.

Library Services	✓			Exp 565 Rev 187 Net 378	662 368 295	495 183 312
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This service provides, through our public libraries, a welcoming space that develops strong and connected communities, supports a culture of reading and improves quality of life.

Service Area	Alignment with Council Plan Domains and Objectives			2023-24 Actual \$'000	2024-25 Forecast \$'000	2025-26 Budget \$'000
	Life	Future	Together			
Customer Experience			✓	Exp 753	745	749
				Rev 5	5	5
				Net 748	740	744

To provide consistent, high quality customer service, by managing, resolving, and preventing problems; empowering and educating our customers with self-service tools and solutions; communicating effectively; and exceeding customer expectations which will enable Council and our community to reach their goals.

Communications			✓	Exp 389	412	327
				Rev -	-	-
				Net 389	412	327

Council delivers effective communication through varied channels to ensure all who wish to be informed are.

Net Cost to Council for Development and Community	4,663	4,962	4,715
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INITIATIVES

- Adoption of the Creswick Flood Study and initiate the Clunes Flood Study (if grant successful).
- Operate Open Library services across our four library sites.
- Adoption of the Integrated Transport Strategy.
- Ensure the successful transition of the Building Services functions to Mount Alexander Shire Council as a shared service.
- Undertake the next stage of Future Hepburn strategic planning implementation (subject to Council resolution).
- Completion of submission to the environment effects statement (EES) in opposition to the Western Renewables Link.

Service	Indicator	2023-24 Actual	2024-25 Forecast	2025-26 Budget
Food Safety	Health and safety	100%	100%	100%
Animal Management	Health and safety	100%	100%	100%
Statutory Planning	Service Standard	18%	20%	30%
Libraries	Participation	28%	30%	30%

2.2 Infrastructure and Delivery

Service Area	Alignment with Council Plan Domains and Objectives			2023-24 Actual \$'000	2024-25 Forecast \$'000	2025-26 Budget \$'000
	Life	Future	Together			
Assets, Roads and Maintenance		✓		Exp 7,915 Rev 172 Net 7,743	5,696 103 5,593	5,385 84 5,301

With forward planning, the timely intervention and replacement of infrastructure assets is programmed to maximise the serviceability of assets and minimise escalating maintenance costs. This proactive management of assets also allows long term financial demands for asset renewal works to be anticipated and planned for. Also includes storm recovery works undertaken.

Early Years Services	✓			Exp 847 Rev 334 Net 513	602 225 377	490 230 260
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This service provides leadership in the planning and development of early years services and programs and in partnership with community and service providers facilitate integrated and coordinated service provision including maternal and child health.

Recreation	✓			Exp 1,057 Rev 26 Net 1,031	1,043 211 831	725 81 643
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This service provides a proactive and planned approach to the maintenance, renewal and upgrade of recreation assets, and provide strategic direction for future recreation and aquatic facilities.

Community Services	✓			Exp 769 Rev - Net 769	1,020 - 1,020	503 - 503
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This service seeks to identify and create opportunities with residents to participate in enhancing community health and wellbeing

Parks and Open Spaces		✓		Exp 2,330 Rev - Net 2,330	2,362 - 2,362	2,366 - 2,366
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This service provides well-presented Parks & Gardens, Public Open Space and Sporting Fields for the enjoyment, amenity and well-being of our community and visitors to the Shire.

Economic Development and Tourism		✓		Exp 1,077 Rev 65 Net 1,013	910 63 846	893 25 868
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To facilitate Hepburn Shire becoming a recognised tourist destination and to foster economic development that is appropriate within the Shire which increases employment and business opportunities To provide quality regulatory advice on all building matters associated with properties in the Shire.

Youth	✓			Exp 288 Rev 36 Net 252	236 36 201	180 40 140
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This service seeks to engage our young people. Invest in them now and create our community leaders for the future.

Service Area	Alignment with Council Plan Domains and Objectives			2023-24 Actual \$'000	2024-25 Forecast \$'000	2025-26 Budget \$'000
	Life	Future	Together			
Waste Management and Cleaning Services		✓		Exp 5,934 Rev 6,040 Net (106)	6,552 6,471 81	6,005 6,116 (110)
This service is to deliver high quality kerbside waste and recycling collection services, and general waste management which includes transfer stations, transporting materials, public place bins, disposing of waste, street cleaning, rehabilitating closed landfills and other waste management services.						
Sustainability		✓		Exp 472 Rev 65 Net 407	378 - 378	195 - 195
To guide and support Council and the community in the development of innovative sustainable practices that ensure the preservation of limited resources.						
Property & Facilities		✓		Exp 1,906 Rev 1,182 Net 723	1,863 1,217 647	1,823 1,205 618
To make decisions on property management arrangements that are underpinned by service plans, the long-term financial plan and a minimisation of risks.						
Net Cost to Council for Infrastructure and Delivery				14,676	12,336	10,785

INITIATIVES

- Prepare a briefing for Councillors that reviews the implementation of the Leases and Licences policy to ensure equitable compliance is fast-tracked across the shire.
- Undertake the largest single year of capital works associated with Roads spend (\$6.6m)
- Complete a service review to identify efficiencies and opportunities within the works and operations services.
- Complete a service review to identify efficiencies and opportunities within the Parks and Open Spaces services.
- Finalise a 12-month evaluation of the Food and Garden Organics roll out.
- Transition community services, youth, and early years services to a partnership and advocacy model with other community organisations rather than direct service delivery, where appropriate.
- Transition to the new Visitor Economy Partnership.

Service	Indicator	2023-24 Actual	2024-25 Forecast	2025-26 Budget
Roads	Condition	98%	98%	98%
Waste Management	Waste Diversion	38%	45%	50%
Aquatic Facilities	Utilisation	1.10	1.66	1.67

2.3 Performance and Transformation

Service Area	Alignment with Council Plan Domains and Objectives				2023-24	2024-25	2025-26
	Life	Future	Together		Actual \$'000	Forecast \$'000	Budget \$'000
Financial Services			✓	Exp	1,931	1,365	1,533
				Rev	988	436	252
				Net	943	928	1,281
To deliver efficient and effective allocation of resources through sound financial planning and management, that is guided by the long-term financial plan and secures the financial viability of the municipality.							
ICT			✓	Exp	2,088	2,324	1,735
				Rev	-	0	-
				Net	2,088	2,324	1,735
To provide the highest quality technology-based services, in the most cost-effective manner, to facilitate the delivery of services to Council and the community.							
People and Culture			✓	Exp	1,120	1,121	1,168
				Rev	-	-	-
				Net	1,120	1,121	1,168
In partnership with Management, Culture and Performance provide a high level of service and support to the organisation for recruiting and retaining qualified and diverse staff, facilitating positive employee relations, developing and delivering training to enhance employees skills and capabilities, measuring employee performance and job satisfaction and providing industrial relations advice to contribute to Council's organisational effectiveness.							
Governance and Risk			✓	Exp	1,556	1,871	1,618
				Rev	7	6	3
				Net	1,549	1,866	1,615
Good governance is provided through the development and implementation of policies and procedures that support good decision making.							
Net Cost to Council for Performance and Transformation					5,700	6,239	5,800

INITIATIVES

- Council is committed to the improvement of its ICT infrastructure and in addition to maintaining a higher level of recurrent budget to enhance its day-to-day capability. It is also investing in a number of capital works projects to improve infrastructure, which will benefit both residents and staff, and ensure adequate cyber security in place.
- Further digitise payment methods, especially in relation to rate notice payments.
- Implementation of new organisational structure, to support the new Council Plan.
- Develop four-year service plans to ensure each service aligns with the direction of the new Council Plan.

Service	Indicator	2023-24 Actual	2024-25 Forecast	2025-26 Budget
Governance	Consultation and engagement	52	52	53

2.4 Service Performance Outcome Indicators

These are standard service performance indicators as required by State Legislation.

Service	Indicator	Performance Measure	Computation
Governance	Consultation and engagement	Satisfaction with community consultation and engagement. (Community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement
Statutory planning	Service Standard	Planning applications decided within required timeframes (Percentage of regular and VicSmart planning application decisions made within legislated timeframes)	[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100
Roads	Condition	Sealed local roads below the intervention level (Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100
Libraries	Participation	Library membership (Percentage of the population that are registered library members)	[Number of registered library members / Population] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill. (Percentage of recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of population)	Number of visits to aquatic facilities / Population
Animal Management	Health and safety	Animal management prosecutions. (Percentage of animal management prosecutions which are successful)	Number of successful animal management prosecutions / Total number of animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance outcome notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service) Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

2.5 Reconciliation of Strategic Objectives with Budgeted Result

Operating Result Reconciliation

Domain	Net Cost \$'000	Expenditure \$'000	Revenue \$'000
Hepburn Life	3,018	4,429	1,411
Future Hepburn	11,411	19,200	7,789
Hepburn Working Together	6,870	7,131	261
Total	21,299	30,760	9,461

Expenses added in:

Depreciation & Amortisation	9,473
Finance costs	638

Deficit before funding sources

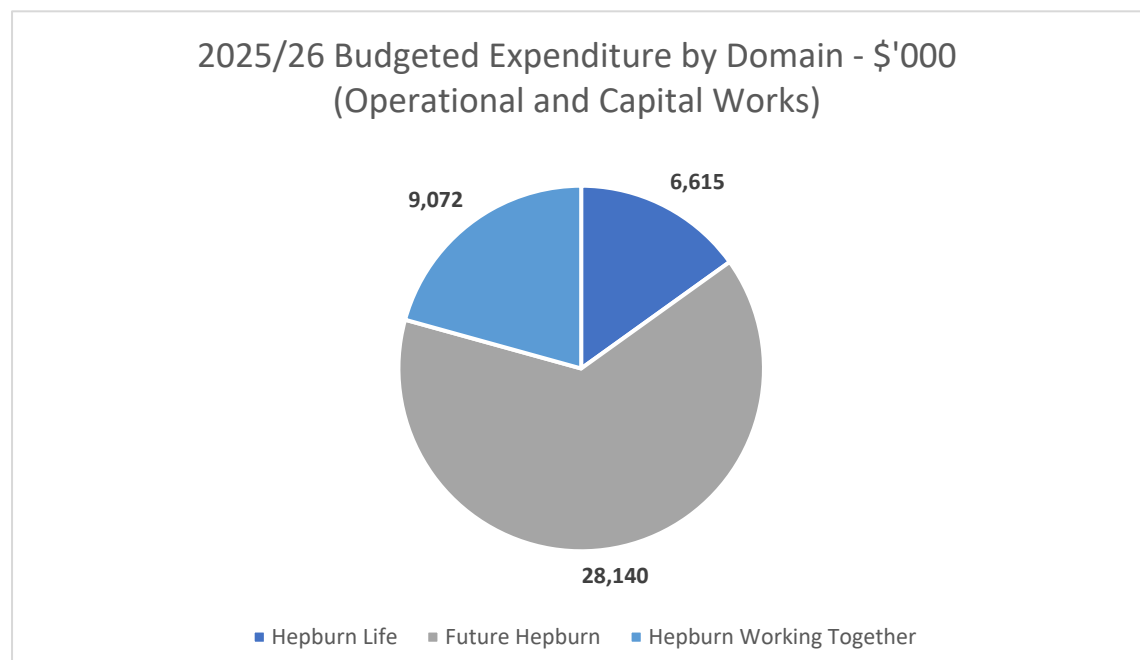
31,410

Funding sources added in:

Rates and charges	23,352
Victorian Grants Commission	6,654
Capital Grants	3,962
Capital Contributions	457
Total Funding Sources	34,425

Operating surplus / (deficit) for the year **3,015**

2.6 Total budgeted expenditure by domain



2.7 Operating Efficiencies

Council has been required this year to make decisions on the reduction of \$2.53m in operational budgets while minimising the impact on services. This is in addition to the \$1.5m of operational efficiencies that was achieved in 2024/2025. The table in the services section of the Executive Summary details the areas identified for changes to budgets in 2025/2026 to achieve these operational efficiencies.

Councillors and Officers have worked together over a number of years to reduce the costs of delivering services, and therefore any reduction in operating expenditure will have an impact on service delivery. The \$2.53m in operational expenditure savings is equivalent to 6.2% of the total operating expenditure and comes on top of implementing \$1.50m in 2024/25.

It is noted that these operational efficiencies are over, and above the offset of costs associated with a general increase in expense. Across the organisation we have seen increases to almost all costs – including materials, legal fees, insurances, software licenses, and utilities.

03. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2025/2026 has been supplemented with projections to 2028/2029. This section includes the following financial statements prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Capital Works Program
- Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2029

	Notes	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	2026/27 \$'000	Projections 2027/28 \$'000	2028/29 \$'000
Income / Revenue						
Rates and charges	4.1.1	26,936	28,882	29,720	30,641	31,585
Statutory fees and fines	4.1.2	894	908	1,044	1,080	1,118
User fees	4.1.3	741	792	827	865	904
Grants - Operating	4.1.4	8,862	7,458	7,746	8,046	8,358
Grants - Capital	4.1.4	8,087	3,962	1,841	1,938	1,938
Contributions - monetary	4.1.5	280	250	250	250	250
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		24	207	296	312	300
Other income	4.1.6	1,592	1,427	1,459	1,491	1,524
Total income / revenue		47,416	43,886	43,183	44,623	45,976
Expenses						
Employee costs	4.1.7	17,269	16,063	16,004	16,580	17,177
Materials and services	4.1.8	16,641	13,719	13,991	14,413	14,904
Depreciation	4.1.9	10,380	9,473	9,832	10,150	10,445
Bad and doubtful debts - allowance for impairment losses		15	5	5	5	5
Borrowing costs		401	638	549	456	359
Other expenses	4.1.10	1,064	973	1,021	1,031	1,277
Total expenses		45,769	40,871	41,402	42,635	44,167
Surplus/(deficit) for the year		1,647	3,015	1,781	1,988	1,809
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment /(decrement)		-	-	-	-	-
Total other comprehensive result		-	-	-	-	-
Total comprehensive result		1,647	3,015	1,781	1,988	1,809

3.2 Balance Sheet

For the four years ending 30 June 2029

	Notes	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	2026/27 \$'000	Projections 2027/28 \$'000	2028/29 \$'000
Assets						
Current assets						
Cash and cash equivalents		7,697	6,079	6,119	6,441	6,320
Trade and other receivables		5,859	3,063	3,194	3,240	3,287
Inventories		5	5	5	5	5
Other assets		80	80	80	80	80
Total current assets	4.2.1	13,641	9,227	9,397	9,766	9,692
Non-current assets						
Property, infrastructure, plant & equipment		491,611	495,206	494,691	494,245	493,970
Total non-current assets	4.2.1	491,611	495,206	494,691	494,245	493,970
Total assets		505,252	504,432	504,088	504,011	503,662
Liabilities						
Current liabilities						
Trade and other payables		2,810	2,525	2,410	2,447	2,489
Trust funds and deposits		1,736	1,736	1,736	1,736	1,736
Unearned Income		1,629	0	0	0	0
Provisions		2,679	2,679	2,679	2,679	2,679
Interest-bearing liabilities	4.2.3	1,921	2,009	2,102	2,200	2,302
Total current liabilities	4.2.2	10,775	8,950	8,927	9,062	9,206
Non-current liabilities						
Provisions		537	537	537	537	537
Interest-bearing liabilities	4.2.3	12,057	10,047	7,945	5,746	3,444
Total non-current liabilities	4.2.2	12,593	10,584	8,482	6,282	3,981
Total liabilities		23,369	19,534	17,409	15,344	13,187
Net assets		481,883	484,898	486,679	488,667	490,475
Equity						
Accumulated surplus		142,660	146,834	148,634	150,572	152,381
Reserves		339,223	338,064	338,044	338,094	338,094
Total equity		481,883	484,898	486,679	488,667	490,475

3.3 Statement of Changes in Equity

For the four years ending 30 June 2029

	Notes	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024/25 Forecast					
Balance at beginning of the financial year		480,237	140,192	334,040	6,005
Surplus/(deficit) for the year		1,647	1,647	-	-
Transfers to other reserves			(900)	-	900
Transfers from other reserves		-	1,721	-	(1,721)
Balance at end of the financial year		481,883	142,660	334,040	5,184
2025/26 Budget					
Balance at beginning of the financial year		481,883	142,660	334,040	5,184
Surplus/(deficit) for the year		3,015	3,015	-	-
Transfers to other reserves	4.3.1	-	(1,403)	-	1,403
Transfers from other reserves	4.3.1	-	2,562	-	(2,562)
Balance at end of the financial year	4.3.2	484,898	146,834	334,040	4,025
2026/27 Budget					
Balance at beginning of the financial year		484,898	146,833	334,040	4,025
Surplus/(deficit) for the year		1,781	1,781	-	-
Transfers to other reserves		-	(900)	-	900
Transfers from other reserves		-	920	-	(920)
Balance at end of the financial year		486,679	148,634	334,040	4,005
2027/28 Budget					
Balance at beginning of the financial year		486,679	148,634	334,040	4,005
Surplus/(deficit) for the year		1,988	1,988	-	-
Transfers to other reserves		-	(200)	-	200
Transfers from other reserves		-	150	-	(150)
Balance at end of the financial year		488,667	150,572	334,040	4,055
2028/29 Budget					
Balance at beginning of the financial year		488,667	150,572	334,040	4,055
Surplus/(deficit) for the year		1,809	1,809	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		490,476	152,381	334,040	4,055

3.4 Statement of Cash Flows

For the four years ending 30 June 2029

	Notes	Forecast Actual	Budget	Projections		
		2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		28,121	31,678	29,589	30,595	31,538
Statutory fees and fines		894	908	1,044	1,080	1,118
User fees		741	792	827	865	904
Grants - operating		9,523	6,550	7,746	8,046	8,358
Grants - capital		8,087	3,633	1,841	1,938	1,938
Contributions - monetary		280	250	250	250	250
Interest received		230	170	170	170	170
Other receipts		1,362	866	1,289	1,321	1,354
Employee costs		(17,269)	(16,063)	(16,004)	(16,580)	(17,177)
Materials and services		(17,979)	(14,004)	(14,106)	(14,376)	(14,862)
Other payments		(1,079)	(978)	(1,026)	(1,036)	(1,282)
Net cash provided by/(used in) operating activities	4.4.1	12,912	13,801	11,620	12,273	12,308
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(17,477)	(13,068)	(9,732)	(10,261)	(10,621)
Proceeds from sale of property, infrastructure, plant and equipment		235	207	710	869	750
Net cash provided by/ (used in) investing activities	4.4.2	(17,242)	(12,861)	(9,022)	(9,392)	(9,871)
Cash flows from financing activities						
Finance costs		(401)	(638)	(549)	(456)	(359)
Proceeds from borrowings		5,528	-	-	-	-
Repayment of borrowings		(932)	(1,921)	(2,009)	(2,102)	(2,200)
Net cash provided by/(used in) financing activities	4.4.3	4,196	(2,559)	(2,559)	(2,559)	(2,559)
Net increase/(decrease) in cash & cash equivalents		(134)	(1,618)	39	323	(121)
Cash and cash equivalents at the beginning of the financial year		7,832	7,697	6,079	6,119	6,441
Cash and cash equivalents at the end of the financial year		7,697	6,079	6,119	6,441	6,320

3.5 Capital Works Program

For the four years ending 30 June 2029

	Notes	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Projections 2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Property						
Buildings and improvements		3,392	2,212	1,051	1,077	1,104
Total property		3,392	2,212	1,051	1,077	1,104
Plant and equipment						
Plant, machinery and equipment		1,287	1,331	1,611	2,222	2,245
Computers and telecommunications		265	610	830	215	221
Library books		50	62	63	65	66
Total plant and equipment		1,602	2,003	2,504	2,502	2,532
Infrastructure						
Roads		3,617	6,589	5,034	4,783	5,646
Bridges		3,266	276	236	1,077	248
Footpaths and cycleways		195	229	210	215	221
Drainage		98	320	103	106	108
Recreational, leisure and community facilities		2,020	858	226	248	237
Parks, open space and streetscapes		3,178	581	368	253	524
Other infrastructure		110	-	-	-	-
Total infrastructure		12,483	8,853	6,177	6,682	6,984
Total capital works expenditure	4.5.1	17,477	13,068	9,732	10,261	10,621
Represented by:						
New asset expenditure		2,511	2,284	-	-	-
Asset renewal expenditure		13,891	10,298	9,732	10,261	10,621
Asset upgrade expenditure		1,075	485	-	-	-
Total capital works expenditure	4.5.1	17,477	13,068	9,732	10,261	10,621
Funding sources represented by:						
Grants		8,087	3,962	1,841	1,938	1,938
Contributions & asset sales		40	237	710	869	750
Council cash		3,822	8,868	7,181	7,454	7,933
Borrowings		5,528	-	-	-	-
Total capital works expenditure	4.5.1	17,477	13,068	9,732	10,261	10,621

3.6 Statement of Human Resources

For the four years ending 30 June 2029

	Forecast Actual	Budget	Projections		
	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Staff expenditure					
Employee costs - operating	17,269	16,063	16,004	16,580	17,177
Employee costs - capital	1,045	1,043	1,080	1,119	1,160
Total staff expenditure	18,314	17,106	17,084	17,699	18,337
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees *	172.6	155.8	155.8	155.8	155.8
Temp staff and contractors	1.7	0.4	0.4	0.4	0.4
Total staff numbers	174.3	156.2	156.2	156.2	156.2

* allows for operational staff efficiencies in 2025/26 that have yet to be determined

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Directorate	Budget 2025/26	Permanent Full Time	Part time	Temporary Fixed Term & Casual	Contractors
	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Services	410	410	-	-	-
Development and Community	4,461	3,230	515	717	-
Infrastructure and Delivery	9,356	7,384	974	977	22
Performance and Transformation	3,209	2,461	747	-	-
Total Permanent Staff expenditure	15,720	13,485	2,235		
Total Fixed Term & Casual Staff	1,695			1,695	
Total Contractors Costs	22				22
Operational Staff efficiencies to be determined	(330)	(330)			
Subtotal - All Staffing Costs	17,106	13,155	2,235	1,695	22
Capitalised labour costs	(1,043)	(1,043)	-	-	-
Total expenditure	16,063	12,112	2,235	1,695	22

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Directorate	Comprises				
	Budget 2025/26	Permanent Full Time	Part time	Temporary Fixed Term & Casual	Contractors
Executive Services	2.0	2.0	-	-	-
Development and Community	39.8	26.0	4.7	8.9	0.2
Infrastructure and Delivery	92.8	73.0	8.6	11.0	0.2
Performance and Transformation	24.9	18.0	6.9	-	-
Operational Staff efficiencies to be determined (est.)	(3.3)	(3.3)	-	-	-
Total staff	156.2	115.7	20.2	19.9	0.4

Several vacancies that arose during the 2024/25 year have not been filled in anticipation of reduced FTE numbers in 2025/26 due to the required operational savings.

Summary of Planned Human Resources Expenditure

For the four years ending 30 June 2029

	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Executive Services				
Permanent - Full time	410	425	440	456
Women	106	109	113	118
Men	305	316	327	339
Persons of self-described gender	-	-	-	-
Total Executive Services	410	425	440	456
Development and Community				
Permanent - Full time	3,230	3,238	3,351	3,467
Women	1,765	1,721	1,779	1,839
Men	1,178	1,220	1,264	1,309
Persons of self-described gender	-	-	-	-
Vacant Positions	287	297	308	319
Permanent - Part time	515	533	552	572
Women	391	406	420	435
Men	123	128	132	137
Persons of self-described gender	-	-	-	-
Total Development and Community	3,744	3,771	3,903	4,039
Infrastructure and Delivery				
Permanent - Full time	7,384	7,439	7,702	7,976
Women	1,655	1,508	1,562	1,618
Men	5,559	5,755	5,958	6,169
Persons of self-described gender	-	-	-	-
Vacant Positions	170	176	182	189
Permanent - Part time	973	905	937	971
Women	722	748	775	803
Men	191	94	97	101
Persons of self-described gender	-	-	-	-
Vacant Positions	60	62	65	67
Total Infrastructure and Delivery	8,357	8,343	8,639	8,947
Performance and Transformation				
Permanent - Full time	2,461	2,426	2,511	2,597
Women	1,767	1,707	1,765	1,824
Men	589	610	632	655
Persons of self-described gender	-	-	-	-
Vacant Positions	106	109	113	118
Permanent - Part time	747	671	694	720
Women	705	627	649	673
Men	42	44	45	47
Persons of self-described gender	-	-	-	-
Total Performance and Transformation	3,209	3,097	3,205	3,317
Casuals, temporary and other expenditure	1,716	1,778	1,842	1,909
Operational Staff Efficiencies to be determined	(330)	-	-	-
Total staff expenditure	17,106	17,084	17,699	18,337
<i>Of which:</i>				
Capitalised labour costs	1,043	1,080	1,119	1,160

Summary of Planned Human Resources Expenditure

For the four years ending 30 June 2029

	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE
Executive Services				
Permanent - Full time	2.0	2.0	2.0	2.0
Women	1.0	1.0	1.0	1.0
Men	1.0	1.0	1.0	1.0
Persons of self-described gender	-	-	-	-
Total Executive Services	2.0	2.0	2.0	2.0
Development and Community				
Permanent - Full time	26.0	26.0	26.0	26.0
Women	14.0	14.0	14.0	14.0
Men	9.0	9.0	9.0	9.0
Persons of self-described gender	-	-	-	-
Vacant Positions	3.0	3.0	3.0	3.0
Permanent - Part time	4.7	4.7	4.7	4.7
Women	3.4	3.4	3.4	3.4
Men	1.2	1.2	1.2	1.2
Persons of self-described gender	-	-	-	-
Total Development and Community	30.7	30.7	30.7	30.7
Infrastructure and Delivery				
Permanent - Full time	73.0	73.0	73.0	73.0
Women	15.0	15.0	15.0	15.0
Men	56.0	56.0	56.0	56.0
Persons of self-described gender	-	-	-	-
Vacant Positions	2.0	2.0	2.0	2.0
Permanent - Part time	8.6	8.6	8.6	8.6
Women	6.1	6.1	6.1	6.1
Men	2.0	2.0	2.0	2.0
Persons of self-described gender	-	-	-	-
Vacant Positions	0.5	0.5	0.5	0.5
Total Infrastructure and Delivery	81.6	81.6	81.6	81.6
Performance and Transformation				
Permanent - Full time	18.0	18.0	18.0	18.0
Women	12.0	12.0	12.0	12.0
Men	5.0	5.0	5.0	5.0
Persons of self-described gender	-	-	-	-
Vacant Positions	1.0	1.0	1.0	1.0
Permanent - Part time	6.9	6.9	6.9	6.9
Women	6.5	6.5	6.5	6.5
Men	0.4	0.4	0.4	0.4
Persons of self-described gender	-	-	-	-
Total Performance and Transformation	24.9	24.9	24.9	24.9
Casuals and temporary staff	20.3	20.3	20.3	20.3
Operational Staff Efficiencies to be determined (est.)	(3.3)	-	-	-
Total staff numbers	156.2	156.2	156.2	156.2
<i>Of which:</i>				
Capitalised labour	8.8	8.8	8.8	8.8

04. Notes to the Financial Statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's budget.

As per the Local Government Act 2020, Council is required to have a Revenue and Rating Plan which is a four-year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount Councils may increase rates in a year, without an approved Essential Services Commission (ESC) approved rate cap application. For 2025/2026 year the FGRS cap has been set at 3.00%. The cap applies to both general rates and municipal charges and is calculated on the basis of Council's average rates and charges.

The level of required rates and charges has been considered in the context of the Financial Vision 2024-2027, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community. A rate cap variation has been sought from the ESC that aligns with the current and projected financial outlook of Council and as such, the average revenue generated by the general rate and municipal charge will increase by 10.00%. This comprises:

- A permanent uplift of 7% relating to the financial viability and long-term sustainability of the Council; and
- 3% being the rate cap set by the Minister for Local Government for 2025/26.

This budget will raise total rates and charges for 2025/2026 of \$28,881,818.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	Forecast Actual 2024/25	Budget 2025/26	Change	%
	\$'000	\$'000	\$'000	
General rates*	20,842	23,025	2,183	10.5%
Waste management charge	2,674	2,648	(26)	-1.0%
Service rates and charges	3,093	2,883	(210)	-6.8%
Supplementary rates and rate adjustments	120	120	-	0.0%
Interest on rates and charges	200	200	-	0.0%
Revenue in lieu of rates	7	7	-	0.0%
Total rates and charges	26,936	28,882	1,946	7.2%

*These items are subject to the rate cap established under the FGRS

4.1.1(b) The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2024/25 cents/\$CIV*	2025/26 cents/\$CIV*	Change	%
General rate for residential properties	0.002217	0.002407	0.0002	8.56%
Rate concession for farm properties	0.001441	0.001564	0.0001	8.56%
General rate for commercial properties	0.002572	0.002792	0.0002	8.55%
General rate for mixed use properties	0.002572	0.002792	0.0002	8.55%
General rate for industrial properties	0.002572	0.002792	0.0002	8.55%
General rate for vacant land township properties	0.002771	0.003009	0.0002	8.57%
General rate for vacant land other properties	0.002217	0.002407	0.0002	8.56%
Rate concession for trust for nature properties	0.001108	0.001203	0.0001	8.61%
Rate concession for recreational properties	0.001108	0.001203	0.0001	8.61%

*Cents/\$CIV are subject to minor changes as the general revaluation is finalised and will be adopted when the proposed budget is adopted in June 2025.

4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2024/25 \$'000	2025/26 \$'000	Change \$'000	%
Residential	13,814	15,565	1,751	12.7%
Farm	2,514	2,666	152	6.0%
Commercial	2,416	2,620	205	8.5%
Industrial	106	122	16	14.9%
Mixed Use	367	405	38	10.2%
Vacant land - township	756	780	23	3.1%
Vacant land - other	830	825	(5)	-0.6%
Trust for nature	23	24	1	4.2%
Recreational *	15	17	3	18.6%
Total amount to be raised by general rates	20,842	23,025	2,183	10.5%

*Recreational not subject to the rate cap.

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2024/25 Budget Number	2025/26 Budget Number	Change	%
Residential	8,002	8,145	143	1.8%
Farm	1,168	1,188	20	1.7%
Commercial	948	927	(21)	-2.2%
Industrial	63	63	-	0.0%
Mixed use	129	125	(4)	-3.1%
Vacant land - township	679	659	(20)	-2.9%
Vacant land - other	860	834	(26)	-3.0%
Trust for nature	24	24	-	0.0%
Recreational	12	13	1	8.3%
Total number of assessments	11,885	11,978	93	0.8%

4.1.1(e) The basis of valuation to be used is the Capital Improved Value (CIV)

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2024/25 \$'000	2025/26 \$'000	Change \$'000	%
Residential	6,231,023	6,467,111	236,088	3.8%
Farm	1,744,784	1,704,366	(40,418)	-2.3%
Commercial	939,321	938,589	(732)	-0.1%
Industrial	41,230	43,620	2,390	5.8%
Mixed Use	142,805	144,990	2,185	1.5%
Vacant land - township	272,939	259,169	(13,770)	-5.0%
Vacant land - other	374,596	342,939	(31,657)	-8.5%
Trust for Nature	20,710	19,885	(825)	-4.0%
Recreational	13,250	14,470	1,220	9.2%
Total value of land	9,780,658	9,935,139	154,481	1.6%

4.1.1(g) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2024/25 \$	Per Rateable Property 2025/26 \$	Change \$	%
Kerbside landfill - township (120L) - fortnightly	120	120	-	0.0%
Kerbside landfill - rural (140L) - fortnightly	140	140	-	0.0%
Kerbside mixed recycling (240L) - fortnightly	110	110	-	0.0%
Kerbside food and garden organics (120L) - weekly	190	150	(40)	-21.1%
Kerbside landfill - commercial (240L) - weekly	485	485	-	0.0%
Waste management improved charge	230	230	-	0.0%
Waste management unimproved charge	230	230	-	0.0%

4.1.1(h) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	2024/25 \$'000	2025/26 \$'000	Change \$'000	%
Kerbside landfill - township (120L) - fortnightly	662	684	22	3.3%
Kerbside landfill - rural (140L) - fortnightly	261	317	56	21.3%
Kerbside mixed recycling (240L) - fortnightly	910	905	(5)	-0.5%
Kerbside food and garden organics (120L) - weekly	1,071	848	(223)	-20.8%
Kerbside landfill - commercial (240L) - weekly	189	129	(60)	-31.8%
Waste management improved charge	2,269	2,266	(4)	-0.2%
Waste management unimproved charge	404	382	(23)	-5.6%
Total	5,767	5,530	(237)	-4.1%

4.1.1(i) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2024/25 \$'000	2025/26 \$'000	Change \$	%
Residential	13,814	15,565	1,751	12.7%
Farm	2,514	2,666	152	6.0%
Commercial	2,416	2,620	205	8.5%
Industrial	106	122	16	14.9%
Mixed Use	367	405	38	10.2%
Vacant land - township	756	780	23	3.1%
Vacant land - other	830	825	(5)	-0.6%
Trust for Nature	23	24	1	4.2%
Recreational	15	17	3	18.6%
Supplementary rates and rate adjustments	120	120	-	0.0%
Interest on rates and charges	200	200	-	0.0%
Revenue in lieu of rates	7	7	-	0.0%
Kerbside landfill - township (120L) - fortnightly	1,112	1,130	17	1.5%
Kerbside landfill - rural (140L) - fortnightly	910	905	(5)	-0.5%
Kerbside mixed recycling (240L) - fortnightly	1,071	848	(223)	-20.8%
Waste management improved charge	2,269	2,266	(4)	-0.2%
Waste management unimproved charge	404	382	(23)	-5.6%
Total Rates and charges	26,936	28,882	1,946	7.2%

4.1.1(j) Fair Go Rates System Compliance

Hepburn Shire Council is **fully compliant** with the State Government's Fair Go Rates System. The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	2024/25	2025/26
Total Rates (Prior year annualised)	\$ 20,272,397	\$ 20,920,226
Number of rateable properties (excluding recreational)	11,873	11,965
Base Average Rates	\$ 1,707.44	\$ 1,748.45
Maximum Rate Increase (set by the State Government)	2.75%	10.00%
Capped Average Rate	\$ 1,754.39	\$ 1,923.30
Maximum General Rates and Municipal Charges Revenue	\$ 20,829,888	\$ 23,012,249
Budgeted General Rates and Municipal Charges Revenue	\$ 20,827,274	\$ 23,007,407
Budgeted Supplementary Rates	\$ 120,000	\$ 120,000
Budgeted Total Rates and Municipal Charges Revenue	\$ 20,947,274	\$ 23,127,407

4.1.1(k) Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2025/2026: estimated \$120,000)
- The variation of returned levels of value (eg. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land that becomes commercial land and vice versa.

4.1.1(l) Differential rates

Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.0024068% (0.24068 cents in the dollar of CIV) for all rateable residential properties;
- A concessional rate of 0.0015644% (0.15644 cents in the dollar of CIV) for all rateable farm properties;
- A general rate of 0.0027919% (0.27919 cents in the dollar of CIV) for all rateable commercial properties;
- A general rate of 0.0027919% (0.27919 cents in the dollar of CIV) for all rateable industrial properties;
- A general rate of 0.0027919% (0.27919 cents in the dollar of CIV) for all rateable mixed use properties;
- A general rate of 0.0030085% (0.30085 cents in the dollar of CIV) for all rateable vacant land-township properties;
- A general rate of 0.0024068% (0.24068 cents in the dollar of CIV) for all rateable vacant land-other properties;
- A concessional rate of 0.0012034% (0.12034 cents in the dollar of CIV) for all rateable trust for nature properties;
- A concessional rate of 0.0012034% (0.12034 cents in the dollar of CIV) for all rateable recreation properties;

Council considers that each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the type of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below. There are no changes to rating differentials proposed in the 2025/26 budget. Comprehensive details on rates can be found in the Revenue and Rating Plan 2025-2029.

General Rate - Residential rateable land which is used solely for residential purposes and the balance of land defined by exception to the general rate.

Farm Rate - Rateable land identified and defined as farmland and which is used solely for the purpose of farming as defined in section 2(1) of the Valuation of Land Act 1960 and is deemed to be a property for primary production purposes as accepted by the Australian Taxation Office

Commercial Rate - Rateable land which is used solely for commercial purposes. Includes rateable land which is used for short term accommodation which does not qualify as Residential under the Residential Tenancies Act 1997 characterised by stays of greater than 60 days and the existence of a tenancy agreement to which the Residential Tenancy Act 1997 applies.

Industrial Rate - Rateable land which is used solely for industrial purposes.

Mixed Used Rate - Rateable land which is not used solely for residential or commercial or farmland or industrial or recreational but is a combination of residential and at least one other category.

Trust For Nature Rate - Rateable land which has a Trust for Nature Covenant applying to the land. A Trust

for Nature Covenant enables the permanent protecting of significant areas of natural bush land. To encourage landowners to voluntarily place conservation covenants on their land, Council will offer a lower differential compared to the general rate.

Vacant Land (Township Rate) - Rateable land, within township boundaries, which does not form part of a commercial or industrial or farming enterprise or recreational purpose or upon which a residence is erected.

Vacant Land (Other Rate) - Rateable land which does not form part of a commercial or industrial or farming enterprise or recreational purpose or upon which a residence is erected. This applies to all vacant land that does not meet the definition of "township" above.

Vacant Premises (Commercial) - Vacant rateable premises which, if occupied, would be used solely for commercial purposes.

Vacant Premises (Industrial) - Vacant rateable premises which, if occupied, would be used solely for industrial purposes.

Recreational Rate - Rateable land upon which sporting, recreational or cultural activities are conducted, including buildings which may be ancillary to such activities. Profits from recreational land must be applied in promoting its objectives. The definition of "recreational lands" is per section 2 of the Cultural and Recreational Lands Act 1964. The recreational differential will not apply to any component of the property that is used for gaming. This component will be rated as commercial.

4.1.2 Statutory fees and fines

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Infringements and costs	58	58	-	0.0%
Permits	101	174	73	72.6%
Registration fees	240	280	40	16.7%
Planning fees	410	300	(110)	-26.8%
Other fees and fines	86	97	12	13.5%
Total statutory fees and fines	894	908	15	1.6%

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Public Health and Wellbeing Act 2008 registrations, infringements and planning fees. Increases in statutory fees unit rates are made in accordance with legislative requirements. The reduction in planning fees is due to a decrease in development activities (planning applications) compared to previous years, which saw an increase in development post-pandemic.

4.1.3 User fees

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Aquatic centres	11	11	-	0.0%
Building services	30	100	70	229.7%
Waste management services	615	550	(65)	-10.6%
Other fees and charges	84	130	46	54.1%
Total user fees	741	792	51	6.8%

User fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of transfer stations, leisure, and other community facilities and the provision of building services. User charges are projected to increase by 6.8% or \$51,000 over 2025/2026, mainly due to increases as a result of reviewing service delivery methods, and a desire following community deliberate panel to increase user fees where possible rather than have further reduction in services. The draft council plan includes a strategy to actively pursue alternative revenue opportunities.

4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's budget.

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	12,389	8,204	(4,185)	-33.8%
State funded grants	4,560	3,215	(1,344)	-29.5%
Total grants received	16,949	11,420	(5,529)	-32.6%
(a) Operating Grants				
<i>Recurrent - Commonwealth Government</i>				
Financial Assistance Grants - General	4,378	4,545	167	3.8%
Financial Assistance Grants - Local Roads	2,028	2,108	81	4.0%
Community health	1	1	0	6.3%
<i>Recurrent - State Government</i>				
Libraries	177	177	-	0.0%
Maternal and child health	225	225	-	0.0%
Emergency management and preparation	120	120	-	0.0%
School crossing supervisors	46	46	-	0.0%
Youth	36	40	5	12.7%
Community safety	3	3	1	20.0%
Other	61	62	1	1.7%
Total recurrent grants	7,073	7,327	254	3.6%
<i>Non-recurrent - State Government</i>				
Information Technology	-	-	-	-
Community Health	52	-	(52)	-100.0%
Emergency management and preparation	321	128	(193)	-60.1%
Commerce and tourism	180	-	(180)	-100.0%
Storm Recovery	615	-	(615)	-100.0%
Libraries	185	-	(185)	-100.0%
Recreation	138	-	(138)	-100.0%
Other	298	2	(295)	-99.2%
Total non-recurrent grants	1,789	130	(1,659)	-92.7%
Total operating grants	8,862	7,458	(1,405)	-15.9%
(b) Capital Grants				
<i>Recurrent - Commonwealth Government</i>				
Roads to recovery	1,259	1,550	291	23.1%
Total recurrent grants	1,259	1,550	291	23.1%
<i>Non-recurrent - Federal Government</i>				
Local Government Community Infrastructure Funding	2,163	-	(2,163)	-100.0%
Roads and bridges	2,560	-	(2,560)	-100.0%
<i>Non-recurrent - State Government</i>				
Roads	-	2,231	2,231	-
Buildings	390	-	(390)	-100%
Recreation	1,566	182	(1,385)	-88.4%
Other	148	-	(148)	-100.0%
Total non-recurrent grants	6,828	2,412	(4,415)	-64.7%
Total capital grants	8,087	3,962	(4,125)	-51.0%
Total Grants	16,949	11,420	(5,529)	-32.6%

Operating grants encompass all monies received from State and Federal sources to support the delivery of Council's services to ratepayers. Overall, the projected level of operating grants is expected to decrease by 15.9% or \$1.405m compared to 2024/2025. This reduction is due to the completion of various one-off grants received for specific projects in previous financial years, which do not need to be budgeted for in 2025/2026. A detailed list of all grants by type and source, classified by type and source into recurrent and

non-recurrent, has been included above.

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Overall, the level of capital grants is budgeted to decrease by 51% or \$5.146m compared to 2024/2025. This is due to the completion of projects in 2024/2025 that had received capital funding. Section 4.5 "Capital works program" includes a more detailed listing of the capital grants expected to be received during the 2025/2026 year.

Although the total grants are decreasing, due to one off grants, it is pleasing to not that recurrent (on-going) grants are budgeted to increase by \$0.55m to a total of \$8.97m for our community.

4.1.5 Contributions

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Monetary	280	250	(30)	-10.7%
Total contributions	280	250	(30)	-10.7%

Contributions can relate to monies paid by developers in regard to public resort and recreation, drainage and car parking in accordance with planning permits issued for property development, as well as community groups contributions to capital works. Reduction is as a result of development decreasing to more consistent levels than the post-pandemic surge.

4.1.6 Other income

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Interest	230	170	(60)	-26.1%
Rental income	1,212	1,192	(20)	-1.6%
Other	150	65	(85)	-56.7%
Total other income	1,592	1,427	(165)	-10.4%

Other income relates to a range of items such as sale of materials, cost recoups and other miscellaneous income items. It also includes interest revenue on investments which is expected to reduce given Councils lower cash holdings, and rental income. Sale of materials within Other is anticipated to reduce in line with current sales trends from 2024/2025.

4.1.7 Employee costs

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Wages and salaries	14,613	13,797	(816)	-5.6%
WorkCover	379	458	79	20.8%
Superannuation	1,819	1,703	(116)	-6.4%
Fringe Benefits Tax	84	84	-	0.0%
Other initiatives	374	22	(352)	-94.2%
Total employee costs	17,269	16,063	(1,206)	-7.0%

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, workcover premium and fringe benefits tax.

Employee costs are budgeted to decrease by 7.0% or \$1.21m compared to 2024/2025 due to a planned review of operational effectiveness across all services within Council to ensure future financial sustainability, and service cuts required per the Financial Vision.

A summary of human resources expenditure categorised according to the organisational structure of Council is included in the '3.6 Statement of Human Resources'.

4.1.8 Materials and services

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Contract and external suppliers	9,909	6,579	(3,330)	-33.6%
Materials and maintenance	3,965	4,436	472	11.9%
Utilities	596	590	(6)	-0.9%
Office administration	336	326	(10)	-2.8%
Information technology	1,079	1,000	(79)	-7.3%
Insurance	757	787	30	4.0%
Total materials and services	16,641	13,719	(2,922)	-17.6%

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are budgeted to decrease by 17.6% or \$2.922m compared to 2024/2025. A major impact of the decrease in costs relates to the identified operational efficiencies for Council and the finishing of works in 2024/2025 on one-off special operating projects.

4.1.9 Depreciation

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Property	2,865	2,652	(213)	-7.4%
Plant & equipment	1,192	1,042	(150)	-12.6%
Infrastructure	6,322	5,779	(543)	-8.6%
Total depreciation and amortisation	10,380	9,473	(907)	-8.7%

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life

for Council's property, plant and equipment including infrastructure assets such as roads and drains. Depreciation has decreased due to a reduced capital program over the last year.

4.1.10 Other expenses

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Auditors remuneration- VAGO	56	56	-	0.0%
Auditors remuneration - Internal	33	33	-	0.0%
Councillors allowances	318	312	(6)	-1.7%
Community grants	379	261	(119)	-31.3%
Others	278	312	34	12.1%
Total other expenses	1,064	973	(90)	-8.5%

Other expenses relate to a range of unclassified items including contributions to community groups, audit expenses, Councillor allowances and other miscellaneous expenditure items. Other expenses are budgeted to decrease by 8.5% or \$90,000 compared to 2024/2025 due to a planned review of operational effectiveness across all services within Council to ensure future financial sustainability.

4.2 Balance Sheet

4.2.1 Assets

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Assets				
Current assets				
Cash and cash equivalents	7,697	6,079	(1,618)	-21.0%
Trade and other receivables	5,859	3,063	(2,796)	-47.7%
Inventories	5	5	-	0.0%
Other assets	80	80	-	0.0%
Total current assets	13,641	9,227	(4,414)	-32.4%
Non-current assets				
Property, infrastructure, plant & equipment	491,611	495,206	3,594	0.7%
Total non-current assets	491,611	495,206	3,594	0.7%
Total assets	505,252	504,432	(820)	-0.2%

Cash and cash equivalents include cash on hand, deposits at call and term deposits with original maturity dates of 90 days or less. Other financial assets include term deposits which will mature within the next twelve months with original maturity dates of greater than 90 days.

Trade and other receivables include monies owing to Council and include Council rates and charges, fire services property levy, and GST receivable. Inventories include Council's diesel storage and other assets include accrued income and prepaid expenses.

Property, infrastructure, plant and equipment includes all of Council's land, buildings, vehicles, plant, information technology, roads, bridges, recreational and other infrastructure assets. The value of these

non-current assets represent their written down values, which is either their acquisition cost less accumulated depreciation or current valuation following an asset revaluation.

4.2.2 Liabilities

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Liabilities				
Current liabilities				
Trade and other payables	2,810	2,525	(285)	-10.1%
Trust funds and deposits	1,736	1,736	-	0.0%
Provisions	2,679	2,679	-	0.0%
Unearned Income	1,629	-	(1,629)	-100.0%
Interest-bearing liabilities	1,921	2,009	89	4.6%
Total current liabilities	10,775	8,950	(1,825)	-16.9%
Non-current liabilities				
Provisions	537	537	-	0.0%
Interest-bearing liabilities	12,057	10,047	(2,009)	-16.7%
Total non-current liabilities	12,593	10,584	(2,009)	-16.0%
Total liabilities	23,369	19,534	(3,835)	-16.4%

Trade and other payables include amounts owed to suppliers for goods and or services and other accrued expenses. Trust funds and deposits represent amounts received as deposits and retention amounts controlled by Council until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Provisions include liability for accrued employee benefits and landfill rehabilitation. Interest bearing liabilities reflect the outstanding principal balance of previous borrowings.

The classification as current liabilities illustrate that portion that is likely to be repaid in the upcoming twelve months. Total liabilities were impacted by new borrowings in 2024/2025 of \$5.528m.

Council has been, and will continue to be in a position to pay all debts as they are due and payable.

4.2.3 Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	Forecast 2024/25 \$'000	Budget 2025/26 \$'000
Amount borrowed as at 30 June of the prior year	9,382	13,978
Amount proposed to be borrowed	5,528	-
Amount projected to be redeemed	(932)	(1,921)
Amount of borrowings as at 30 June	13,978	12,057

Borrowings are an important funding source which enables funding for capital works or other items as identified without adversely affecting Council's liquidity position. Council has determined that no new loans will be taken out in 2025/2026.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest paid \$'000	Balance 30 June \$'000
2024/2025 (Forecast)				13,978
2025/2026	-	1,921	638	12,057
2026/2027	-	2,009	549	10,048
2027/2028	-	2,102	456	7,946
2028/2029	-	2,200	359	5,746

4.2.4 Unrestricted Cash

	Budget 2025/26 \$'000	2026/27 \$'000	Projections 2027/28 \$'000	2028/29 \$'000
Cash and Cash Equivalents at end of financial year	6,079	6,119	6,441	6,320
<i>Less</i>				
Statutory Reserves	2,488	2,468	2,318	2,318
Discretionary Reserves	1,536	1,536	1,736	1,736
Trust Funds and Deposits	1,736	1,736	1,736	1,736
Budgeted unrestricted cash at end of financial year	319	378	651	530

Council has continued to focus on returning its unrestricted cash to a positive position. Unrestricted cash is forecast as a surplus of only \$0.32m at June 2026. This is a modest buffer against unforeseen circumstances and leaves little room for discretionary expenditure.

It is important to note that Council adopts a conservative approach in calculating unrestricted cash by including discretionary reserve balances. This approach is taken because Council has committed to the community on the use of these funds, even though there are no legislative restrictions. Reporting by State Government, including that by the Victorian Auditor General's Office (VAGO) excludes discretionary reserves. If Council were to use this ratio, the unrestricted cash would be higher, as demonstrated in the above table.

The level of unrestricted cash is manageable but needs constant attention, and is in line with our Financial Vision, with the level being on the lower side early in the 10-years and improving over the medium term.

4.3 Statement of Changes in Equity

4.3.1 Reserves

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024/2025 Budget				
Balance at beginning of the financial year	481,883	142,660	334,040	5,184
Surplus/(deficit) for the year	3,015	3,015	-	-
Transfers to other reserves	-	(1,403)	-	1,403
Transfers from other reserves	-	2,562	-	(2,562)
Balance at end of the financial year	484,898	146,834	334,040	4,025

Council has allocated funds to reserves for specific purposes. These reserves are with statutory or discretionary reserves. Statutory reserve funds must be applied for specified statutory purposes in accordance with various legislative requirements. Discretionary reserves have been established by Council

regarding the future use of these funds. Net reserve movements for 2025/2026 are forecast to be a transfer from reserves of \$1.15m. Each reserve and their forecast balance are shown below, with all 'other reserves' cash backed.

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Asset revaluation reserve	334,040	334,040	-	0.0%
Other reserves				
Open Space Recreation Reserve *	1,853	1,379	(474)	-25.6%
Mineral Springs Reserves Financial Reserve	703	-	(703)	-100.0%
Waste Management Reserve	716	1,109	393	54.9%
Discretionary Reserves				
Mt Beckworth Pit Reserve	28	28	-	0.0%
Smeaton Hill Pit Reserve	74	74	-	0.0%
Staff Accommodation and Community Facilities Reserve	1,809	1,434	(375)	-20.7%
Total Other Reserves	5,183	4,025	(1,159)	-22.4%
Total Reserves	339,223	338,064	(1,159)	-0.3%

* Indicates statutory reserve

Council has allocated \$770,000 in the 2025/2026 capital works budget for repair and renewal of the ceiling at the Bathhouse in Hepburn Springs. This funding is sourced from the Mineral Springs reserve, which accounts for the reduced balance as of June 2026. The reserve will be replenished in the following years. The works commenced in April 2025, and an adjustment will be made after 30 June 2025 to accurately reflect the extent of the works in the 2024/2025 year.

The Daylesford Community Facilities (Detailed Design) will be subject to a further Council report and resolution following community engagement on the concept plans. The project will only proceed based on the council's resolution, and funded from the Staff Accommodation and Community Facilities Reserve.

4.3.2 Equity

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Equity				
Accumulated surplus	142,660	146,834	4,174	2.9%
Reserves	339,223	338,064	(1,159)	-0.3%
Total equity	481,883	484,898	3,015	0.6%

Total equity equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less reserves that have accumulated over time.

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
	Inflow s (Outflow s)	Inflows (Outflows)		
Rates and charges	28,121	31,678	3,556	12.6%
Statutory fees and fines	894	908	14	1.6%
User fees	741	792	51	6.8%
Grants - operating	9,523	6,550	(2,973)	-31.2%
Grants - capital	8,087	3,633	(4,454)	-55.1%
Contributions - monetary	280	250	(30)	-10.7%
Interest received	230	170	(60)	-26.1%
Other receipts	1,362	866	(496)	-36.4%
Employee costs	(17,269)	(16,063)	1,206	-7.0%
Materials and services	(17,979)	(14,004)	3,974	-22.1%
Other payments	(1,079)	(978)	100	-9.3%
Net cash provided by/(used in) operating activities	12,912	13,801	889	6.9%

Cash flow from operating activities refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

4.4.2 Net cash flows provided by/used in investing activities

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
	Inflow s (Outflow s)	Inflows (Outflows)		
Payments for property, infrastructure, plant and equipment	(17,477)	(13,068)	4,409	-25.2%
Proceeds from sale of property, infrastructure, plant and	235	207	(28)	-11.9%
Net cash provided by/ (used in) investing activities	(17,242)	(12,861)	4,381	-25.4%

Cash flows from investing activities refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and other financial assets including term deposits greater than 90 days maturity.

The 2025/2026 budget for net cash used in investing activities is \$12.86m, which is \$4.38m less than 2024/2025. This is reflective of large-scale capital projects being completed in the current financial year and the focus on a renewal program of capital works in 2025/2026. This excludes any potential carry forward of capital works from 2024/2025 to 2025/2026.

4.4.3 Net cash flows provided by/used in financing activities

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
	Inflow s (Outflow s)	Inflow s (Outflow s)		
Finance costs	(401)	(638)	(237)	59.2%
Proceeds from borrowings	5,528	-	(5,528)	-100.0%
Repayment of borrowings	(932)	(1,921)	(989)	106.1%
Net cash provided by/(used in) financing activities	4,196	(2,559)	(6,754)	-161.0%

Cash flows from the financing activities refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

The 2025/2026 budget for cash flows provided by financing activities is a decrease in cash of \$6.7m from 2024/2025, as there are no new loans included in the 2025/2026 budget.

4.5 Capital Works Program

This section presents a listing of the capital works projects that will be undertaken for the 2025/2026 year, classified by expenditure type and funding sources.

4.5.1 Summary

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Property	3,392	2,212	(1,180)	-35%
Plant and equipment	1,602	2,003	401	25%
Infrastructure	12,483	8,853	(3,630)	-29%
Total	17,477	13,068	(4,409)	-25%

	Project Cost \$'000	Asset expenditure types			Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contrib./ Asset Sale \$'000	Council cash \$'000	Loans \$'000
Property	2,212	-	1,727	485	-	-	2,212	-
Plant and equipment	2,003	-	2,003	-	-	207	1,796	-
Infrastructure	8,853	2,284	6,538	30	3,962	30	4,860	-
Total	13,068	2,284	10,268	515	3,962	237	8,868	-

4.5.2 Capital works program

Capital Works Area	Project Cost	Asset expenditure types			Summary of Funding Sources			
		New	Renewal	Upgrade	Grants	Contrib/ Asset Sale	Council cash	Loans
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY								
Buildings								
Hepburn Bathhouse - Ceiling Renewal *	770	-	770	-	-	-	770	-
Daylesford Community Facilities - Detailed Design *	375	-	-	375	-	-	375	-
Hepburn Bathhouse - Lift Renewal *	224	-	224	-	-	-	224	-
Minor Capital Works Program	165	-	165	-	-	-	165	-
Forward Design Program	150	-	150	-	-	-	150	-
Daylesford Transfer Station Masterplan *	110	-	-	110	-	-	110	-
Lake Jubilee Caravan Park - Toilet & Shed	103	-	103	-	-	-	103	-
Newlyn Recreation Reserve Floor Replacement	97	-	97	-	-	-	97	-
Wombat Hill Botanic Gardens - Glasshouse	85	-	85	-	-	-	85	-
Lee Medlyn Bottle Museum	73	-	73	-	-	-	73	-
Clunes Recreation Reserve Stadium	36	-	36	-	-	-	36	-
Park Lake Reserve - Rotunda	24	-	24	-	-	-	24	-
TOTAL PROPERTY	2,212	-	1,727	485	-	-	2,212	-
PLANT AND EQUIPMENT								
Plant, Machinery and Equipment								
Vehicle and Plant Replacement	1,331	-	1,331	-	-	207	1,124	-
Computers and Telecommunications								
IT Hardware / Technology Renewal Program	610	-	610	-	-	-	610	-
Library books								
Library Collection Renewal	62	-	62	-	-	-	62	-
TOTAL PLANT AND EQUIPMENT	2,003	-	2,003	-	-	207	1,796	-
INFRASTRUCTURE								
Roads								
Road Safety Improvements Program	2,284	2,284	-	-	2,091	-	193	-
Gravel Road Resheet Program	1,188	-	1,188	-	-	-	1,188	-
Bituminous Reseal Program	1,005	-	1,005	-	-	-	1,005	-
Charters Lane and Pearsons Road	850	-	850	-	619	-	231	-
Creswick - Lawrence Road	507	-	507	-	507	-	-	-
Burrall Street	424	-	424	-	424	-	-	-
Verge Improvements	110	-	110	-	-	-	110	-
Forward Design	110	-	110	-	-	-	110	-
Minor Capital Works	110	-	110	-	-	-	110	-
Bridges								
Hepburn Mineral Springs Pedestrian Bridge *	144	-	144	-	-	-	144	-
Minor Capital Works	132	-	132	-	-	-	132	-
Footpaths and Cycleways								
Lake Daylesford 'The Beach'	105	-	105	-	-	-	105	-
Minor Capital Works	100	-	100	-	-	-	100	-
Newlyn Township Path	24	-	24	-	-	-	24	-
Drainage								
Clunes Flood Study ^	210	-	210	-	140	-	70	-
Creswick Flood Study	55	-	55	-	-	-	55	-
Minor Capital Works	55	-	55	-	-	-	55	-
Recreational, Leisure & Community Facilities								
Sports Court Resurfacing	242	-	242	-	-	-	242	-
Trentham Sportsground Cricket Nets Renewal ^	242	-	242	-	182	20	41	-
Minor Capital Works	110	-	110	-	-	-	110	-
Forward Design Program	110	-	110	-	-	-	110	-
Pool Facilities Renewal Program	88	-	88	-	-	-	88	-
Soccer Club Upgrades	66	-	66	-	-	10	56	-
Bath Street Reserve Planning *	30	-	-	30	-	-	30	-
Parks, Open Space and Streetscapes								
Hepburn Mineral Springs Reserves - Lighting *	145	-	145	-	-	-	145	-
Trentham Open Space Minor Projects *	144	-	144	-	-	-	144	-
Township Improvement Program	110	-	110	-	-	-	110	-
Queens Park Playground	97	-	97	-	-	-	97	-
BBQ & Park Furniture Renewal Program	55	-	55	-	-	-	55	-
TOTAL INFRASTRUCTURE	8,853	2,284	6,538	30	3,962	30	4,860	-
TOTAL CAPITAL WORKS	13,068	2,284	10,268	515	3,962	237	8,868	-

- The Daylesford Community Facilities (Detailed Design) will be subject to a further Council report and resolution following community engagement on the concept plans. The project will only proceed based on the council's resolution.
- Grant funding totalling \$321,500 is being sought for the Clunes Flood Study and Trentham Sportsground Cricket Nets, and these projects will proceed only if grant funding is awarded.
- Projects identified with an “*” are fully funded by Council Reserves amounting to a total movement of \$1.942m from the reserves.

The capital works program for 2025/2026 highlights that a number of major projects have been completed and reduced grant funding has resulted in a reduction of new projects being included in the budget. Projects funded in 2024/2025 but not yet delivered will continue and funds will be carry-forward if not finalised by 30 June 2025.

4.5.3 Summary of Planned Capital Works expenditure

For the years ended 30 June 2027, 2028, and 2029

2026/2027	Asset Expenditure Types				Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Property									
Buildings	1,051	-	1,051	-	1,051	-	250	801	-
Total Property	1,051	-	1,051	-	1,051	-	250	801	-
Plant and Equipment									
Plant, machinery and equipment	1,611	-	1,611	-	1,611	-	460	1,151	-
Computers and telecommunications	830	-	830	-	830	-	-	830	-
Library books	63	-	63	-	63	-	-	63	-
Total Plant and Equipment	2,504	-	2,504	-	2,504	-	460	2,044	-
Infrastructure									
Roads	5,034	-	5,034	-	5,034	1,841	-	3,193	-
Bridges	236	-	236	-	236	-	-	236	-
Footpaths and cycleways	210	-	210	-	210	-	-	210	-
Drainage	103	-	103	-	103	-	-	103	-
Recreational, leisure and community facilities	226	-	226	-	226	-	-	226	-
Parks, open space and streetscapes	368	-	368	-	368	-	-	368	-
Total Infrastructure	6,177	-	6,177	-	6,177	1,841	-	4,336	-
Total Capital Works Expenditure	9,732	-	9,732	-	9,732	1,841	710	7,181	-

4.5.3 Summary of Planned Capital Works expenditure (cont.)

For the years ended 30 June 2027, 2028, and 2029

2027/2028	Asset Expenditure Types				Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Property									
Buildings	1,077		1,077	-	-	-	250	827	-
Total Property	1,077	-	1,077	-	-	-	250	827	-
Plant and Equipment									
Plant, machinery and equipment	2,222	-	2,222	-	-	-	619	1,603	-
Computers and telecommunications	215	-	215	-	-	-	-	215	-
Library books	65	-	65	-	-	-	-	65	-
Total Plant and Equipment	2,502	-	2,502	-	-	-	619	1,883	-
Infrastructure									
Roads	4,783	-	4,783	-	4,783	1,938	-	2,845	-
Bridges	1,077	-	1,077	-	1,077	-	-	1,077	-
Footpaths and cycleways	215	-	215	-	215	-	-	215	-
Drainage	106	-	106	-	106	-	-	106	-
Recreational, leisure and community facilities	248	-	248	-	248	-	-	248	-
Parks, open space and streetscapes	253	-	253	-	253	-	-	253	-
Total Infrastructure	6,682	-	6,682	-	6,682	1,938	-	4,744	-
Total Capital Works Expenditure	10,261	-	10,261	-	10,261	1,938	869	7,454	-

2028/2029	Asset Expenditure Types				Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Property									
Buildings	1,104		1,104	-	1,104	-	250	854	-
Total Property	1,104	-	1,104	-	1,104	-	250	854	-
Plant and Equipment									
Plant, machinery and equipment	2,245	-	2,245	-	2,245	-	500	1,745	-
Computers and telecommunications	221	-	221	-	221	-	-	221	-
Library books	66	-	66	-	66	-	-	66	-
Total Plant and Equipment	2,532	-	2,532	-	2,532	-	500	2,032	-
Infrastructure									
Roads	5,646	-	5,646	-	5,646	1,938	-	3,708	-
Bridges	248	-	248	-	248	-	-	248	-
Footpaths and cycleways	221	-	221	-	221	-	-	221	-
Drainage	108	-	108	-	108	-	-	108	-
Recreational, leisure and community facilities	237	-	237	-	237	-	-	237	-
Parks, open space and streetscapes	524	-	524	-	524	-	-	524	-
Total Infrastructure	6,984	-	6,984	-	6,984	1,938	-	5,046	-
Total Capital Works Expenditure	10,621	-	10,621	-	10,621	1,938	750	7,933	-

4.6 Non-Capital Projects Program

This section presents a listing of non-capital projects that will be undertaken for the 2025/2026 year. The projects listed below are one-off or cyclical in nature or are additional to funding levels which are ordinarily provided to undertake these activities.

Project Name	Project Cost \$'000	Income \$'000	Net Cost to Council \$'000
Future Hepburn Stage 2A	283	-	283
Western Renewable Link	140	-	140
Integrated Transport Strategy	50	-	50
Djarra Engagement Land Practices	30	-	30
TOTAL NON-CAPITAL PROJECTS	503	-	503

05. Targeted Performance Indicators

The following tables highlight Council's current and projected performance across a selection of targeted service and financial performance indicators. These indicators provide a useful analysis of Council's intentions and performance and should be interpreted in the context of the organisation's objectives.

The targeted performance indicators below are the prescribed performance indicators contained in Schedule 4 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

5.1 Targeted Performance Indicators – Service

Indicator	Measure	Notes	Actual 2023/24	Forecast 2024/25	Target 2025/26	Target Projections			Trend
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	+ / o / -
Governance									
Consultation and engagement (Council decisions made and implemented with community input)	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	52	52	53	53	54	55	+
Roads									
Condition (sealed local roads are maintained at the adopted condition standard)	Sealed local roads below the intervention level Number of kms of sealed local roads below the renewal intervention level set by Council / Kms of sealed local roads	2	98%	98%	98%	98%	98%	98%	o
Statutory planning									
Service standard (planning application processing and decisions are in accordance with legislative requirements)	Planning applications decided within the relevant required time Number of planning application decisions made within the relevant required time / Number of planning application decisions made	3	18%	20%	30%	35%	40%	45%	+
Waste management									

Waste diversion (amount of waste diverted from landfill is maximised)	Kerbside collection waste diverted from landfill									
	Weight of recyclables and green organics collected from kerbside bins /	4	37.72%	45%	50%	52%	53%	54%	+	
	Weight of garbage, recyclables and green organics collected from kerbside bins									

5.2 Targeted Performance Indicators – Financial

Indicator	Measure	Notes	Actual 2023/24	Forecast 2024/25	Target 2025/26	Target Projections			Trend
2026/272027/282028/29+/-									
Liquidity									
Working Capital (sufficient working capital is available to pay bills as and when they fall due)	Current assets compared to current liabilities Current assets / current liabilities	5	141%	127%	103%	105%	108%	105%	+
Obligations									
Asset renewal (assets are renewed as planned)	Asset renewal compared to depreciation Asset renewal and upgrade expense / Asset depreciation	6	75.3%	144.2%	113.8%	99.0%	101.1%	101.7%	-
Stability									
Rates concentration (revenue is generated from a range of sources)	Rates compared to adjusted underlying revenue Rate revenue / adjusted underlying revenue	7	75.0%	66.8%	70.1%	69.2%	69.1%	69.1%	o
Efficiency									
Expenditure level (resources are used efficiently in the delivery of services)	Expenses per property assessment Total expenses / no. of property assessments	8	\$4,132	\$3,852	\$3,412	\$3,450	\$3,528	\$3,624	+

5.3 Financial Performance Indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives.

The financial performance indicators below are the prescribed financial performance indicators contained in Part 3 of Schedule 3 of the *Local Government (Planning and Reporting) Regulations 2020*. Results against these indicators will be reported in Council's Performance Statement included in the Annual Report.

Indicator	Measure	Notes	Actual 2023/24	Forecast 2024/25	Budget 2025/26	2026/27	Projections 2027/28 2028/29		Trend +/-
Operating position									
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted underlying surplus (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue	9	-41.4%	-13.5%	0.9%	3.6%	3.9%	3.4%	+
Liquidity									
Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	Unrestricted cash compared to current liabilities Unrestricted cash / current liabilities	10	21%	10%	21%	21%	26%	25%	+
Obligations									
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings compared to rates Interest bearing loans and borrowings / rate revenue	11	36.0%	51.9%	41.7%	33.8%	25.9%	18.2%	+
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2.1%	4.9%	8.9%	8.6%	8.4%	8.1%	+
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non-current liabilities compared to own-source revenue Non-current liabilities / own source revenue		30.7%	41.7%	32.9%	25.4%	18.3%	11.2%	+

Stability									
Rates effort (rating level is set based on the community's capacity to pay)	Rates compared to property values Rate revenue / CIV of rateable properties in the municipal district	12	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o
Efficiency									
Revenue level (resources are used efficiently in the delivery of services)	Average rate per property assessment General rates and municipal charges / no. of property assessments	13	\$1,714	\$1,765	\$1,932	\$1,992	\$2,042	\$2,090	+

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Notes To Indicators

1. Satisfaction with community consultation and engagement

The target for this measure has been set taking into consideration an indicator that is included in our Council Plan to continually increase the satisfaction results over the life of the plan.

2. Sealed local roads below the intervention level

Indicator considers past performance and condition data that is currently available. Our roads are traditionally in very good condition, however, have been impacted with recent storm events. Significant expenditure has occurred on maintenance and repair with overall conditions returning to a positive outcome.

3. Planning applications decided within the relevant required time

This is a new measure, and therefore actual data will need to be obtained. Target has been set as a minimum (due to change in measure) with a view to revisit in the future.

4. Kerbside collection waste diverted from landfill

Targets have been set in accordance with past data and reasonable prediction about the future state. This includes the expectation to remove glass, which is a significant weight of current commingled recyclables. A FOGO service has been introduced in quarter 4 of 2023/24.

5. Working Capital

The proportion of current assets allocated to the repayment of current liabilities. The increasing ratio from 2025/2026 onwards demonstrates prudent use of available cash in tight financial environments.

6. Asset renewal

This percentage indicates the extent of Council's renewal of assets against depreciation charge (an indication of the decline in value of its existing capital base). A percentage greater than 100% indicates there is a lesser risk of insufficient spending on Council's asset base.

7. Rates concentration

Reflects extent of reliance on rate revenues to fund all Council's on-going services. The higher the ratio the more reliant Council is on rate revenue compared to all other revenue sources. The rate concentration is steady across the years with 2025/2026 having a permanent increase of 7% to the rates base, over and above the rate cap to improve the financial sustainability of Council.

8. Expenditure level

Expenditure levels increase in line with cost increases from 2025/2026 onwards. There is a reduction across 2023-2025 as service efficiencies are identified for Council that sees significant savings deducted from the expenditure budgets to ensure long-term sustainability of Council.

9. Adjusted underlying result

An indicator of the sustainable operating result to enable Council to continue to provide core services and meet its objectives.

10. Unrestricted Cash

Some cash held by Council is restricted in part, to cover trust deposits and cash reserves, and is not fully available for Council's operations. This ratio, in particular, is closely monitored by Council.

11. Debt compared to rates

This ratio indicates a spike in 2024/2025 when loans are drawn down with a subsequent reduction as loan repayments exceed expected future borrowings.

12. Rates effort

No material variation and reflects expected rate cap rises.

13. Revenue level

Reflects expected rate cap rises and the inclusion of the permanent 7% rate cap variation for 2025/2026.

Appendix A: Fees and Charges Schedule (refer to following pages)

Appendix A - Fees and Charges Schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2025/26 year.

Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or legislation.

The Fees and Charges are grouped by functional area and include:

- Emergency Management
- Environmental Health
- Town Planning
- Building Services
- Domestic and Commercial Waste
- Infrastructure
- Compliance
- Visitor Information Centres & Swimming Pools
- Libraries
- Functions in Council Reserves and Facilities
 - All Reserves and Facilities
 - Victoria Park, Daylesford
 - Wombat Hill Botanic Gardens
 - Lake Daylesford Foreshore
 - Doug Lindsay Reserve
 - Creswick Town Hall
 - Clunes Town Hall
 - Daylesford Town Hall
 - Clunes Community Centre
 - Creswick Hub
 - The Warehouse – Clunes
- Photocopying/Printing
- Rates Information
- Freedom of Information
- Dishonoured Payments

All items include GST, except where denoted with an *

Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation. Fees for 2025/26 are yet to be determined and will be advised once available.

	Rounded	
Fee Unit effective from 1 July 2024 - 30 Jun 2025	16.33	16.40
Penalty Unit effective from 1 July 2024 - 30 Jun 2025	197.59	198.00
Fee Unit effective from 1 July 2023 - 30 Jun 2024	15.90	15.90
Penalty Unit effective from 1 July 2023 - 30 Jun 2024	192.31	193.00

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Fire Prevention		
Private grass slashing administration fee which is in addition to the contractor's charge	\$200.00	\$209.00
Costs of works to clear property	At contractors cost	At contractors cost
Failing to comply with notice	10 penalty units	10 penalty units

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Environmental Health		
Food Act 1984		
New Registrations		
CLASS 1: High risk unpackaged food supplied to vulnerable people		
Premises include: Child Care, Kindergartens, Aged Care and Nursing Homes	\$685.00	\$1,520.00
CLASS 2: Handling unpackaged high risk potentially hazardous foods		
2(A) Premises include: Large function centres, Manufacturers, Supermarkets, and restaurants employing more than 20 staff	\$615.00	\$1,034.00
2(B) Premises include: Restaurants, cafes, caterers, supermarkets, home based manufacturer, takeaway outlets employing less than 20 staff	\$615.00	\$1,034.00
2(C) Premises include: Prep and cooking of potentially hazardous foods for immediate consumption at accommodation getaway premises.	\$414.00	\$850.00
2(D) Premises include: Community groups, sporting clubs serving full meals	\$216.00	\$265.00
CLASS 3: Handling and supplying low risk unpackaged foods		
(A) Milk Bars, Convenience Stores, Fruit Stall, Pre-packaged and home based manufacturer.	\$365.00	\$400.00
(B) Seasonal Kiosks, Community Groups, Sporting Clubs (½ Annual Fee of Class 3(A))	\$155.00	\$265.00
(C) Food distribution, manufacturer, large warehouse	\$567.00	\$1,034.00
CLASS 3A: Handling and supplying low risk unpackaged foods and high risk packaged foods		
(A) (A)Accommodation Getaways - premises who cook and serve potentially hazardous food. Must not be prepared >2hrs in advance	\$414.00	\$657.00
(B) (B) Home based or temporary food premises making chutneys, jams and relishes	\$365.00	\$400.00

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
CLASS 4: Low risk to public health packaged food (includes Newsagents, Pharmacies, Video Stores)(Notification Form required to be completed and submitted to Council	Fee Exempt	Fee Exempt
Non-Compliant Food Premises – Inspection Fees		
Inspection Fee for Non-Compliant Food Premises – Class 2	\$253.00	\$264.00
Inspection Fee for Non-Compliant Food Premises – Class 3	\$253.00	\$264.00
Inspection Fee for Non-Compliant Food Premises – Class 3A	\$253.00	\$264.00
FoodTrader (Temporary and Mobile Premises)		
Class 2 Food Vehicle or Stall (community group)	\$197.00	\$250.00
Class 2 Food Vehicle or Stall (Business)	\$475.00	\$550.00
Class 2 (second food vehicle or stall of the same nature)	\$238.00	\$265.00
Class 2 (food vehicle or stall linked to a fixed premises)	\$238.00	\$265.00
Class 3 Food Vehicle or Stall (business)	\$305.00	\$425.00
Class 3 Food Vehicle or Stall (community group)	\$152.00	\$190.00
Business (1 event for no more than 2 consecutive days)	\$104.00	\$200.00
Community Group/Fundraiser (1 event for no more than 2 consecutive days)	\$52.00	\$60.00
Other Fees		
New Business Registration	150% of annual registration fee	150% of annual registration fee
New Business Fast Track - registration required in 5 business days or less	\$253.00	\$500.00
Food Sampling Fee - requests from businesses and resample of non-compliant samples	\$200.00	\$250.00
Late Fee - applicable to renewal of registration if renewal fee is not received within 14 days of the due date	50% of annual registration fee	50% of annual registration fee

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Renewal of Registrations		
Failure to Renew from 30 days of expiry	2024/25 Charge (determined by Penalty Units)	5 Penalty Units for a person and 10 Penalty Units for a Body Corporate. 2025/2026 Penalty unit TBA
CLASS 1: High risk unpackaged food supplied to vulnerable people Premises include: Child Care, Kindergartens, Aged Care and Nursing Homes	\$685.00	\$1,010.00
CLASS 2: Handling unpackaged high risk potentially hazardous foods		
2(A) Premises include: Large function centres, Manufacturers, Supermarkets, and restaurants employing more than 20 staff	\$615.00	\$677.00
2(B) Premises include: Restaurants, cafes, caterers, supermarkets, home based manufacturer ,takaway outlets employing less than 20 staff	\$615.00	\$677.00
2(C) Premises include: Prep and cooking of potentially hazardous foods for immediate consumption at accomodation getaway premises.	\$414.00	\$455.00
2(D) Premises include: Community groups, sporting clubs serving full meals	\$216.00	\$238.00
CLASS 3: Handling and supplying low risk unpackaged foods		
(A) Milk Bars, Convenience Stores, Fruit Stall, Pre-packaged and home based manufacturer.	\$365.00	\$402.00
(B) Seasonal Kiosks, Community Groups, Sporting Clubs (½ Annual Fee of Class 3(A))	\$155.00	\$171.00
(C) Food distribution, manufacturer, large warehouse	\$567.00	\$624.00
CLASS 3A: Handling and supplying low risk unpackaged foods and high risk packaged foods		
(A) (A)Accommodation Getaways - premises who cook and serve potentially hazardous food. Must not be prepared >2hrs in advance	\$414.00	\$455.00

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
(B) (B) Home based or temporary food premises making chutneys, jams and relishes	\$365.00	\$402.00
CLASS 4: Low risk to public health packaged food (includes Newsagents, Pharmacies, Video Stores) (Notification Form required to be completed and submitted to Council)	Fee Exempt	Fee Exempt
Non-Compliant Food Premises – Inspection Fees		
Inspection Fee for Non-Compliant Food Premises – Class 2	\$253.00	\$264.00
Inspection Fee for Non-Compliant Food Premises – Class 3	\$253.00	\$264.00
Inspection Fee for Non-Compliant Food Premises – Class 3A	\$253.00	\$264.00
FoodTrader (Temporary and Mobile Premises)		
Class 2 Food Vehicle or Stall (Community Group)	\$197.00	\$217.00
Class 2 Food Vehicle or Stall (Business)	\$475.00	\$523.00
Class 2 (second food vehicle or stall of the same nature)	\$238.00	\$262.00
Class 2 (food vehicle or stall linked to a fixed premises)	\$238.00	\$262.00
Class 3 Food Vehicle or Stall (business)	\$305.00	\$336.00
Class 3 Food Vehicle or Stall (community group)	\$152.00	\$167.00
Business (1 event for no more than 2 consecutive days)	\$104.00	\$114.00
Community Group/Fundraiser (1 event for no more than 2 consecutive days)	\$52.00	\$57.00
Other Fees		
Late Fee - applicable to renewal of registration if the renewal fee is not received within 14 days of the due date	50% of annual registration fee	50% of annual registration fee

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Public Health and Wellbeing Act 2008		
Beauty premises, day spa, nails and hair removal premises *	\$357.00	\$500.00
Skin Penetration - tattooing and piercing *	\$420.00	\$500.00
Prescribed Accommodation – hotels/motels, recreation camps, B&Bs (NOT self contained or exclusive use of Units, Villas, Houses)*		
6 to 10 persons*	\$347.00	\$450.00
Over 50 persons*	\$417.00	\$1,000.00
New Hair Dresser registration	\$303.00	\$450.00
New Business Registration	150% of annual registration fee	150% of annual registration fee
Transfer of Registration of Public Health and Wellbeing Premises	50% of annual registration fee	50% of annual registration fee
Late Fee - applicable to renewal of registration if the renewal fee is not received within 14 days of the due date	50% of the annual registration fee	50% of the annual registration fee
Residential Tenancies Act 1970		
Caravan Parks* (3 Yearly Fee)	As per Schedule 5 of the Residential Tenancies Act	As per Schedule 5 of the Residential Tenancies Act
Transfer of Registration*	\$81.60 (5 Fee Units)	TBA (5 Fee Units)
Public Health and Wellbeing Regulations 2019		
Category 1 Aquatic Facilities annual registration fee	\$227.00	\$237.00
Transfer of Registration Category 1 Aquatic Facilities	50% of annual registration fee	50% of annual registration fee

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Environment Protection Act 2017		
Special Visit – Pre-purchase inspections *	\$300.00	\$314.00
Special Visit – Pre-purchase inspections within 48 hours*	\$450.00	\$470.00
New Septic Tank systems* Regulation 196 (1)b	\$798.20 48.88 Fee Units	TBA 48.88 Fee Units
Major alteration to septic system N/A see New Septic tank systems e.g. increasing wastewater field, replacing an existing system	\$798.20 48.88 Fee Units	TBA 48.88 Fee Units
Minor alteration to septic system. Regulation 196 (1)a e.g. connecting new internal plumbing fixtures	\$608.30 37.25 Fee Units	TBA 37.25 Fee Units
Transfer onsite wastewater management system permit, Regulation 197	\$162.20 9.93 Fee Units	TBA 9.93 Fee Units
Fee to amend onsite wastewater management system permit. Regulation 198	\$169.50 10.38 Fee Units	TBA 10.38 Fee Units
Exception Fee for onsite wastewater management system permit. Regulation 199	\$239.60 14.67 Fee Units	TBA 14.67 Fee Units
If Council assessment exceeds 2.6 hours, an additional fee of 5.94 fee units for each hour os assessment over. Regulation 199	5.94 fee units per additional hour	5.94 fee units per additional hour
Renewal Fee for onsite wastewater management system permit Regulation 200	\$135.70 8.31 Fee Units	TBA 8.31 Fee Units
Extension of Time for Septic Permit	\$302.00	\$316.00

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
General Fees		
Property Enquiries/Plan Search – Commercial (site history/copies of permits/copies of endorse plans/etc)*	\$248.00	\$259.00
Property Enquiries/Plan Search – Residential (site history/copies of permits/copies of endorse plans/etc)*	\$112.00	\$117.00
Written request for General Advice	\$300.00	\$314.00
Special request for inspection – septic, food premises	\$300.00	\$314.00
Note: Full registration fees are to be paid up until 31 August. Registrations after this date, i.e. from 1 September onwards are only required to pay 50% of the full fee.		

UNIT FEE FOR JULY 2025 TBA

Description of Charge		Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Part 1: Prescribed Statutory Fees (subject to change by State Government)			
Fees for amendment to planning scheme (regulation 6)			
Stage			
1	For: a) considering a request to amend a planning scheme; and b) taking action required by Division 1 of Part 3 of the Act; and c) considering any submissions which do not seek a change to the amendment; and d) if applicable, abandoning the amendment	(206 fees units)	(206 fees units)
	(i) up to and including 10 submissions which seek a change to an amendment and where necessary referring the submissions to a panel; or	(1021 fee units)	(1021 fee units)
	(ii) 11 to (and including) 20 submissions which seek a change to an amendment and where necessary referring the submissions to a panel; or	(2040 fee units)	(2040 fee units)
	(iii) Submissions that exceed 20 submissions which seek a change to an amendment, and where necessary referring the submissions to a panel; and	(2727 fee units)	(2727 fee units)
	b) providing assistance to a panel in accordance with section 158 of the Act; and c) making a submission to a panel appointed under Part 8 of the Act at a hearing referred to in section 24(b) of the Act; and d) considering the panel's report in accordance with section 27 of the Act; and e) after considering submissions and the panel's report, abandoning the amendment.		
3	For: a) adopting the amendment or part of the amendment in accordance with section 29 of the Act; and b) submitting the amendment for approval by the Minister in accordance with section 31 of the Act; and c) giving the notice of the approval of the amendment required by section 36(2) of the Act.	\$530.70 (32.5 fee units) if the Minister is not the planning authority	TBA (32.5 fee units) if the Minister is not the planning authority
Applications for Permits under section 47 of the Planning and Environment Act (Regulation 9)			
Class	Type of Application		
1	Amendment to a permit to change the use of land allowed by the permit or allow a new use of land	(89 fee units)	(89 fee units)
2	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 7 permit or a permit to subdivide or consolidate land) if the estimated cost of development is \$10,000 or less	(13.5 fee units)	(13.5 fee units)
3	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$10,000 but not more than \$100,000	(42.5 fee units)	(42.5 fee units)
4	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$100,000 but not more than \$500,000	(87 fee units)	(87 fee units)
5	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$500,000 but not more than \$1,000,000	(94 fee units)	(94 fee units)
6	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$1,000,000 but not more than \$2,000,000	(101 fee units)	(101 fee units)
7	VicSmart application if the estimated cost of development is \$10,000 or less	(13.5 fee units)	(13.5 fee units)

Description of Charge		Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
8	VicSmart application if the estimated cost of development is more than \$10,000	(29 fee units)	(29 fee units)
9	VicSmart application to subdivide or consolidate land	(13.5 fee units)	(13.5 fee units)
10	VicSmart application other than class 7, class 8 or class 9 permit	(13.5 fee units)	(13.5 fee units)
11	To develop land (other than a class 2, class 3, class 7 or class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is less than \$100,000	(77.5 fee units)	(77.5 fee units)
12	To develop land (other than a class 4, class 5, or class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$100,000 and not more than \$1,000,000	(104.5 fee units)	(104.5 fee units)
13	To develop land (other than a class 6 or class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$1,000,000 and not more than \$5,000,000	(230.5 fee units)	(230.5 fee units)
14	To develop land (other than a class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$5,000,000 and not more than \$15,000,000	(587.5 fee units)	(587.5 fee units)
15	To develop land (other than a class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$15,000,000 and not more than \$50,000,000	(1,732.5 fee units)	(1,732.5 fee units)
16	To develop land (other than a class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$50,000,000	(3,894 fee units)	(3,894 fee units)
17	To subdivide an existing building (other than a class 9 permit)	(89 fee units)	(89 fee units)
18	To subdivide land into 2 lots (other than a class 9 or class 16 permit)	(89 fee units)	(89 fee units)
19	To effect a realignment of a common boundary between lots or consolidate 2 or more lots (other than a class 9 permit)	(89 fee units)	(89 fee units)
20	Subdivide land (other than a class 9, class 16, class 17 or class 18 permit)	Per 100 lots created (89 fee units per 100 lots created)	Per 100 lots created (89 fee units per 100 lots created)
21	To: a) create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or b) create or remove a right of way; or c) create, vary or remove an easement other than a right of way; or d) vary or remove a condition in the nature of an easement (other than right of way) in a Crown grant.	(89 fee units)	(89 fee units)
22	All items include GST, except where denoted with an *	(89 fee units)	(89 fee units)

Description of Charge		Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Applications to amend permits under section 72 of the Planning and Environment Act 1987 (Regulation 11)			
Class	Type of Application		
1	Amendment to a permit to change the use of land allowed by the permit or allow a new use of land	(89 fee units)	(89 fee units)
2	Amendment to a permit (other than a permit to develop land for a single dwelling per lot or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of land for a single dwelling per lot) to change the statement of what the permit allows or to change any or all of the conditions which apply to the permit.	(89 fee units)	(89 fee units)
3	Amendment to a class 2, class 3, class 4, class 5 or class 6 permit, * if the cost of any additional development permitted by the amendment is \$10,000 or less	(13.5 fee units)	(13.5 fee units)
4	Amendment to a class 2, class 3, class 4, class 5 or class 6 permit, * if the cost of any additional development permitted by the amendment is more than \$10,000 but not more than \$100,000	(42.5 fee units)	(42.5 fee units)
5	Amendment to a class 2, class 3, class 4, class 5 or class 6 permit, * if the cost of any additional development permitted by the amendment is more than \$100,00 but not more than \$500,000	(87 fee units)	(87 fee units)
6	Amendment to a class 2, class 3, class 4, class 5 or class 6 permit, * if the cost of any additional development permitted by the amendment is more than \$500,000	(94 fee units)	(94 fee units)
7	Amendment to a permit * that is the subject of VicSmart application, if the estimated cost of the additional development is \$10,000 or less	(13.5 fee units)	(13.5 fee units)
8	Amendment to a permit * that is the subject of VicSmart application, if the estimated cost of the additional development is more than \$10,000	(29 fee units)	(29 fee units)
9	Amendment to a class 9 permit	(13.5 fee units)	(13.5 fee units)
10	Amendment to a class 10 permit	(13.5 fee units)	(13.5 fee units)
11	Amendment to a class 11, class 12, class 13, class 14, class 15 or class 16 permit * if the estimated cost of the additional development to be permitted by the amendment is \$100,000 or less	(104.5 fee units)	(104.5 fee units)
12	Amendment to a class 12, class 13, class 14, class 15 or class 16 permit * if the estimated cost of any additional development to be permitted by the amendment is more than \$100,000 but not more than \$1,000,000	(230.5 fee units)	(230.5 fee units)
13	Amendment to a class 11, class 12, class 13, class 14, class 15 or class 16 permit * if the estimated cost of any additional development to be permitted by the amendment is more than \$1,000,000	(89 fee units)	(89 fee units)
14	Amendment to a class 17 permit	(89 fee units)	(89 fee units)
15	Amendment to a class 18 permit	(89 fee units)	(89 fee units)
16	Amendment to a class 19 permit	(89 fee units)	(89 fee units)
17	Amendment to a class 20 permit	(89 fee units)	(89 fee units)
18	Amendment to a class 21 permit	(89 fee units)	(89 fee units)
19	Amendment to a class 22 permit	(89 fee units)	(89 fee units)

Description of Charge		Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Other Statutory Fees			
Regulation	Type of Application		
10	For combined permit applications	Sum of the highest of the fees which would have applied if separate applications were made and 50% of each of the other fees which would have applied if separate applications were made.	
12	Amend an application for a permit or an application to amend a permit	<p>a) Under section 57A(3)(a) of the Act the fee to amend an application for a permit after notice is given is 40% of the application fee for that class of permit set out in the Table at regulation 9</p> <p>b) Under section 57A(3)(a) of the Act the fee to amend an application to amend a permit after notice is given is 40% of the application fee for that class of permit set out in the Table at regulation 11 and any additional fee under c) below</p> <p>c) If an application to amend an application for a permit or amend an application to amend a permit has the effect of changing the class of that permit to a new class, having a higher application fee set out in the Table to regulation 9. the applicant must pay an additional fee being the difference the original class of application and the amended class of permit</p>	
13	For a combined application to amend permit	The sum of the highest of the fees which would have applied if separate applications were made and 50% of each of the other fees which would have applied if separate applications were made.	
14	For a combined permit and planning scheme amendment	Under section 96A(4)(a) of the Act: The sum of the highest of the fees which would have applied if separate applications were made and 50% of each of the other fees which would have applied if separate applications were made.	
15	For a certificate of compliance	(22 fee units)	(22 fee units)
16	For an agreement to a proposal to amend or end an agreement under section 173 of the Act	(44.5 fee units)	(44.5 fee units)
17	Where a planning scheme specifies that a matter must be done to the satisfaction of a responsible authority, Minister, public authority or municipal council		

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Part 2: Administrative Charges (Non Statutory Fees)		
Enquiries		
Written request for Heritage Control advice	\$185.00	\$194.00
Written request for Demolition Control advice (Section 29A – Form 8)	\$185.00	\$194.00
Written request for General Planning advice	\$185.00	\$194.00
Request a copy of a planning permit (on site archives - From 2012 onwards)	\$57.00	\$60.00
Request a copy of a planning permit (off site archives - Pre 2012)	\$239.00	\$347.00
Pre application advice including written response		\$250.00
Extension		
Extension of time (first request)	\$304.00	\$318.00
Extension of time (second request)	\$452.00	\$473.00
Extension of time (third and subsequent requests)	\$677.00	\$708.00
Refunds		
Cancellation/withdrawal of application when no work carried out	Refund ¾ of application fee	Refund ¾ of application fee
Cancellation/withdrawal after direction to advertise but before commenced	Refund ½ of application fee	Refund ½ of application fee
Cancellation/withdrawal after advertising commenced	No Refund	No Refund
Cancellation/withdrawal due to prohibited proposal (written planning advice will be provided)	\$175.00	\$183.00
Other fees		
Condition Plan assessment - First Submission (plans submitted for endorsement as required by conditions of a planning permit)	\$0.00	\$0.00
Condition Plan assessment - Second and subsequent submission (plans submitted for endorsement as required by conditions of a planning permit)	\$114.00	\$120.00
Preparation and registration of section 173 agreement	\$1,408.00	\$2,500.00
Review of Section 173 Agreement not prepared by Council	Invoice to applicant Re-coup full costs	Invoice to applicant Re-coup full costs
Secondary Consent (first request)	\$304.00	\$318.00
Secondary Consent (subsequent requests)		\$467.00
Miscellaneous Planning Consent	\$452.00	\$473.00
Advertising		
Advertising – A3 Notice	\$125.00	\$131.00
Advertising – Letters to adjoining owners	\$66.00	\$69.00
Advertising – Notice in Newspaper	Invoice to applicant Re-coup full costs	Invoice to applicant Re-coup full costs

NOTES**Statutory Fees**

These fees are cumulative unless otherwise stated.

If your application or request falls into several categories the highest fee and half the lower fee are payable.

Administrative charges for photocopying and printing

These charges are in accordance with those published by Hepburn Shire Council and subject to amendment.

Please contact the Planning Customer Service for the list of charges.

The preceding sections are a summary of the fees prescribed under the Planning and Environment (Fees) Regulations 2016, and is not a complete representation of these Regulations or other legislative provisions. Reference should be made to the Regulations to obtain the complete wording of individual fee Regulations and other Regulations (which include waiving and rebating provisions). Please visit www.planning.vic.gov.au for more details on the Planning and Environment (Fees) Regulations 2016 setting out the new fees and the Planning and Environment Act 1987.

Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation.

Fee for amending a planning permit application depends on the Schedule of fees as per the Planning & Environment Regulations (Fees).

Fee for lodging amended subdivision plans at certification stage depends on the schedule of fees as per the Planning & Environment Regulations (Fees).

The non-statutory fees are above the benchmark for the surrounding municipalities. A policy is to be formed to determine future non stat fees rises.

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Residential		
New Dwelling	\$648.00 plus \$6.15 per m ² (plus levy & lodgement fee) (Minimum \$1,104.00)	\$648.00 plus \$6.15 per m ² (plus levy & lodgement fee) (Minimum \$1,154)
Alteration to Dwelling	\$648.00 plus \$6.15 per m ² (plus levy & lodgement fee) (Minimum \$1,104.00)	\$648.00 plus \$6.15 per m ² (plus levy & lodgement fee) (Minimum \$1,154)
Addition to a Dwelling	\$648.00 plus \$6.15 per m ² (plus levy & lodgement fee) (Minimum \$1,104.00)	\$648.00 plus \$6.15 per m ² (plus levy & lodgement fee) (Minimum \$1,154)
Garages/Carports up to \$10,000	\$621.00 (plus lodgement fee)	\$ 649.00 (plus lodgement fee)
Garages/Carports over \$10,000	\$702.00 (plus lodgement fee & levy)	\$733.00 (plus lodgement fee & levy)
Swimming Pools	\$688.00	\$719.00
Restump	\$434.00	\$454.00
Building Reg 326 (2) statutory fee	\$52.10 (3.19 fee units)	TBA (3.19 fee units)
Lodgement Fees (Payable on Council & Private Building Surveyor Projects)*	\$134.40 (8.23 fee units)	TBA (8.23 fee units)
Conducting an assessment for compliance under AS3959 (Bushfire Code)	\$380.00	\$398.00
Commercial/Industrial		
All works under \$5,000	\$603.00	\$631.00
Works valued \$5,000 – \$30,000	\$900.00	\$941.00
Works valued \$30,000 – \$250,000	\$Cost x 0.4% plus \$1,035	\$Cost x 0.4% plus \$1,082
Works valued \$250,000 – \$500,000	\$Cost x 0.25% plus \$2,070	\$Cost x 0.25% plus \$2,164
Works valued over \$500,000	\$Cost x 0.25% plus \$2,070	\$Cost x 0.25% plus \$2,164
Lodgement Fees (Commercial/Industrial)*	\$44.90 (2.75 fee units)	TBA (2.75 fee units)
Demolition		
Single Storey Building	\$782.00 plus Sec 29A fee \$75.10 (4.6 fee units)	\$782.00 plus Sec 29A fee TBA (4.6 fee units)
Any other building more than one storey	\$1252.00 plus Sec 29A fee \$75.10 (4.6 fee units)	\$1252.00 plus Sec 29A fee TBA (4.6 fee units)
Other Permits/Services		
Fences and signs	\$363.00	\$380.00
Swimming Pool Reports (Existing)	\$345.00	\$361.00
Request for variation of siting*	\$320.20 (19.61 fee units)	TBA (19.61 fee units)
Any other service not otherwise provided for (per Hour)	\$293.00	\$307.00
Extension of Time for a Permit	\$304.00	\$318.00
Amendment to a Building Permit	\$333.00	\$348.00
Inspection associated with lapsed permits (per inspection)	\$243.00	\$254.00
State Government Building Levy	\$1.28 per	TBA per
Cost recovery of levy*	\$1,000 of construction value	\$1,000 of construction value

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Requests for Information		
Property Certificates (last 10 years information)*		
Temporary Structures	\$333.00	\$348.00
Copies of Plans from Building files*	\$243.00	\$254.00
Written Advice	\$184.00	\$193.00
Any other service	\$125.00	\$131.00
Swimming Pools and Spas		
Pool or Spa registration fee	\$35.10	TBA
Information Search fee	\$52.10	TBA
Lodgement of a certificate of compliance	\$22.55	TBA
Lodgement of a certificate of non-compliance	\$395.20	TBA
Other Fees		
Issue Building Notice	No Charge	No Charge
Issue Building Order	\$900.00	\$941.00

2025/26 Statutory Fees: The value of a fee unit is TBA and the value of a penalty unit is \$TBA

NOTES:

1. Square metres calculated on total floor
2. Cost of works determined by Relevant Building Surveyor, unless contract applies.
3. All fees quoted (unless determined by legislation) are a minimum basis.

Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation.

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Domestic Waste & Recyclables		
Standard Garbage Bag (approx. 120 litre)	\$11.00	\$12.00
Car/Boot Load (½ m³ max)	\$33.00	\$35.00
Utility/Small Trailer (1.0 m³ max)	\$66.00	\$70.00
Other Loads that are non-commercial / m³ *	\$66.00	\$70.00
Commercial or Industrial Waste	Not accepted	Not accepted
Clean Green Waste up to 240L bin	\$7.00	\$8.00
Clean Green Waste up to ½ m³	\$14.00	\$16.00
Clean Green Waste / m³	\$28.00	\$32.00
Food Organics up to 12L bucket	\$5.00	\$6.00
Food Organics 120L bin	\$7.00	\$8.00
Woody Weeds / m³	Not accepted	Not accepted
Comingled recyclables - up to 240L bin	\$11.00	\$12.00
Comingled recyclables - ½ m³	\$22.00	\$23.00
Comingled recyclables - per m³	\$44.00	\$46.00
Glass up to 120L	\$5.00	\$6.00
Separated recyclable cardboard & paper	No charge	No charge
Tyres		
Car	\$10.00	\$12.00
Light Truck	\$38.00	\$40.00
Truck	\$74.00	\$78.00
Tractor – Small	\$154.00	\$161.00
Tractor – Large	\$236.00	\$247.00
Rims only	No charge	No charge
Other		
Paint 4L container or smaller #	\$4.00	\$5.00
Paint 5L container or smaller #	\$7.00	\$8.00
Empty paint containers - Recyclable	No charge	No charge
Oil	No charge	No charge
Batteries	No charge	No charge
Scrap steel	No charge	No charge
Non ferrous metals	No charge	No charge
Car bodies	No charge	No charge
Refrigerators and freezers (Degassed/Gassed)	\$23.00	\$25.00
Televisions / Computer *	No charge	No charge
Other E-Waste Item	No charge	No charge
Concrete Rubble - per Cubic Metre	\$83.00	\$87.00
Mattresses	\$34.00	\$36.00

*Note: loads are charged pro-rata based on cubic cost

Council has delegated to the CEO the ability to reduce charges for paint drop off to zero subject to a suitable paint disposal scheme being implemented. This change would be reflected in the salvaging guidelines.

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Legal Point of Discharge*	TBC (9.77 fee units)	TBA (9.77 fee units)
Consent to Work on Road where speed greater than 50 kph		
Works on road, shoulder or pathway (max speed greater than 50 kph)	TBC (43.1 fee units)	TBA (43.1 fee units)
Road but NOT on roadway, shoulder or pathway	TBC (23.5 fee units)	TBA (23.5 fee units)
Minor works but NOT on a road, shoulder or pathway	TBC (6 fee units)	TBA (6 fee units)
Consent to Work on Road where speed not more than 50 kph		
Works on road, shoulder or pathway	\$373.65 (23.5 fee units)	TBA (23.5 fee units)
Road but NOT on roadway, shoulder or pathway	\$95.40 (6 fee units)	TBA (6 fee units)
Minor works on a road, shoulder or pathway	\$147.85 (9.3 fee units)	TBA (9.3 fee units)
Minor works but NOT on a road, shoulder or pathway	\$95.40 (6 fee units)	TBA (6 fee units)
Street Signage (Tourist Accommodation)		
Blade supply and installation	\$265.00	\$277.00
Blade plus pole supply and installation	\$333.00	\$348.00
Road Discontinuance Fee		
Road Discontinuance Fee	\$750.00	\$784.00
Vic Roads signage installation		
One pole	\$239.00	\$276.00
Two poles	\$260.00	\$272.00
Land Use Activity Agreements LUAA		
Facilitation fee - Advisory	\$431.00	\$451.00
Facilitation fee - Negotiation and other	\$1,615.00	\$1,688.00
Water Sensitive Urban Design Contribution WSUD		
Standard sizes subdivision 450 sq/m to 2000 sq/m. Minimum contribution \$1,600.00	\$8.30 per sq/m	\$8.70 per sq/m
High density subdivision less than 450 sq/m. Minimum contribution \$1,600.00	\$10.40 per sq/m	\$10.90 per sq/m
Industrial/Commercial development. Minimum contribution \$1,600.00	\$10.40 per sq/m	\$10.90 per sq/m
Low density subdivision larger than 2000 sq/m. Minimum contribution \$1,600.00	\$1.05 per sq/m	\$1.10 per sq/m
Minimum contribution fee is \$1,600 including when a partial contribution is made		
Partial contributions will be based on the amount of treatment that will not be met with proposed stormwater treatment infrastructure. For example, if a treatment will achieve 80% then the partial contribution will be 20% of the rate based on the development type.		
Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation.		

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Animal Registration Fees		
Dog – Full fee*	\$166.00	\$174.00
Dog – Discounted fee*#	\$48.00	\$51.00
Pension- 50% of the category the dog is in	\$24.00	\$26.00
Dog - Dangerous / restricted breed fee	\$434.00	\$454.00
Dog - Kept for breeding at a registered domestic animal business	\$166.00	\$174.00
Dog - 1st year registration 50% of fee	\$83.00	\$87.00
Dog - 1st year registration free Discounted fee*#	\$0.00	\$0.00
Cat – Full fee*	\$149.00	\$156.00
Cat – Discounted fee*#	\$44.00	\$46.00
Pension- 50% of the category the cat is in	\$22.00	\$23.00
Cat - 1st year registration 50% of fee	\$74.00	\$78.00
Cat - 1st year registration free Discounted fee*#	\$0.00	\$0.00
Cat - Kept for breeding at a registered domestic animal business	\$149.00	\$156.00
Replacement Tag	\$10.00	\$11.00
Domestic animal business registration*	\$284.00	\$297.00
Domestic animal business - New Registration*	150% of annual registration fee	150% of annual registration fee
Animal Reclaim Fee* (From Pound)	\$0.00	\$300.00
Community Foster Care Network Registration	\$41.00	\$43.00
#The discounted fees only apply if the animal meets eligibility criteria (ie. Micro-chipped and desexed)		
Medium animals (sheep/goats)*	\$17.00 per day, per animal	\$30.00 per day, per animal
Large animals (cows/horses)*	\$23.00 per day, per animal	\$50.00 per day, per animal
Sustenance fees	At cost	At cost
Identification tags	At cost	At cost
Transport contractor fees	At cost	At cost
Other incurred expenses (vet care, euthanasia, carcass disposal etc)	At cost	At cost
Live Stock Impounding - Release Fees		
Medium animals (sheep/goats)*	up to 3: \$65.00 4 or over: \$125.00	up to 3: \$90.00 4 or over: \$200.00
Large animals (cows/horses)*	up to 3: \$125.00 4 or over: \$340.00	up to 3: \$131.00 4 or over: \$355
Abandoned Vehicles		
Impounded vehicle release fee	\$179.00	\$250.00
Towing contractor fees	At contractors cost	At contractors cost
Parking Fines		
Overstaying time*	\$39.50 (0.2 penalty unit)	TBA (0.2 penalty unit)
In No Parking area*	N/A	N/A
Not within parking bay*	N/A	N/A
Not completely within parking bay*	N/A	N/A
Stopped in a No Stopping area*	\$197.60 (1 penalty unit)	TBA (1 penalty unit)
Stopped in a parking area for the charging of electric vehicles*	\$118.60 (0.6 penalty unit)	TBA (0.6 penalty unit)
Stopped in a parking area for people with disabilities*	\$197.60 (1 penalty unit)	TBA (1 penalty unit)

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Other		
Tradesperson Parking Permit*	\$33.00 per day	\$40.00 per day
A-Frame Signage*	\$93.00 per year	\$100.00 per year
Outdoor Dining - Seating*	CBD & Non CBD Seating up to 6 seats \$187 per year	CBD & Non CBD Seating up to 6 seats \$195 per year
	CBD & Non CBD Seating 7-12 seats \$341 per year	CBD & Non CBD Seating 7-12 seats \$357 per year
	CBD & Non CBD Seating over 13 seats \$566 per year	CBD & Non CBD Seating over 13 seats \$592 per year
Goods for Display or Sale*	CBD & Non CBD \$156 per year	CBD & Non CBD \$163 per year
Wind Barriers*	CBD & Non CBD \$92 per year	CBD & Non CBD \$96 per year
Other items - such as planter boxes, heaters, umbrellas, decorative items etc	\$88 per year	\$92 per year
Late Fee - Applicable to renewal of permits if the renewal fee is not received within 14 days of the due date	50% of annual permit fee	50% of annual permit fee
Cat Cage Hire*	\$100 Bond refundable on return of cage \$5.00 per day late fee if kept beyond 5 business days	N/A
Skip Bin Permit	\$135.00 per week or part thereof	\$145.00 per week or part thereof
Busking Permit	\$25.00 per day \$125.00 per year	\$30.00 per day \$140.00 per year
Street Stalls ⁺	\$50.00 per day	\$50.00 per day
Hoarding / Fencing Permit	\$135.00 per week or part thereof	\$150.00 per week or part thereof
Excess Animals Permit	\$132.00	\$140.00
Itinerant Trader - other than Policy 19	\$540 (annual) \$180 (up to 1 week)	\$565 (annual) \$190 (up to 1 week)
Occupation of Road for Works	\$135 per week or part thereof	\$150 per week or part thereof
Roadside Grazing Permit (per year)	\$122	\$130
Droving for a Distance > 2km	\$189	\$200
Realestate agent directional sign (per franchise/year)	\$230	\$250
Other Advertising Signs (per event) - includes event signage, election signage, or other temporary signage	\$37	\$40
Clothing Bins	\$145	\$150
Open Air Burning (per day)	\$27	\$30

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
Camping in a public place (per day/per campsite)	\$26	\$30
Camping on private land (for a period not exceeding 12 months) - includes camping, caravans and removable dwellings	\$118	\$250
Other Local Law Permits (not separately identified) issued in accordance with the provisions of General Local Law No 2	\$145	\$152
Firewood Collection	No Charge	No Charge
Firewood Collection - Non Residents	\$32.00	\$34
Planting Vegetation	No Charge	No Charge
Farm Gate Sale	No Charge	No Charge
Late Fee - applicable if application is received with less than 5 business days to process the permit	50% of permit fee	50% of permit fee
+ Fees will be waived for Community Not for Profit organisations on application		

2025/26 Penalty Unit is TBA

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
VISITOR INFORMATION CENTRES		
Basic	\$0.00	\$0.00
Premium	\$185.00	\$194.00
<i>Premium website listing with multiple categories and multiple VIC brochure display</i>		
<i>Previous membership options will be simplified, with the new "Visit Hepburn Shire website", businesses will need to sign up to the Australia Tourism data Warehouse (ATDW) (external site) to list on this site. This sign up will also provide them with a listing on many other tourism sites (the cost of this is \$295.00 paid directly to ATDW, which will mean once this is implemented there will be no fee/charge in Hepburn schedule).</i>		
SWIMMING POOLS		
Child Day Entry	\$0.00	\$0.00
Adults Day Entry		\$0.00
Spectators Day Entry	\$0.00	\$0.00
Private Function Per Day	\$1,139.00	\$1,200.00
School Entry per student	\$5.00	\$5.20

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
LIBRARIES		
Fines	N/A	N/A
Holds	Free (Maximum of 30 holds)	Free (Maximum of 30 holds)
Inter Library Loans	\$4.70 plus other charges	\$ 4.91 plus other charges incurred*
Inter Library Loans - Universities	\$26.00	\$28.00
Photocopying A3 per side	\$0.65	\$0.65
Photocopying A4 per side	\$0.35	\$0.35
Colour printing A4 per side	\$0.55	\$0.55
Colour printing A3 per side	\$1.10	\$1.10
Scanning	Free	Free
Lost or damaged items	Cost of replacement plus processing fee	Cost of replacement plus processing fee
Processing fee	\$7.40	\$8.00
Debt Collection charge	\$19.20	\$21.00
Book Club Package		
• Private Book Club	\$185 per club per year	N/A
• Library Book Club	\$70.00 per person per year	\$73.15 per person per year
Book Sales	From \$0.60 per item	From \$0.60 per item
Events	Variable fee from Free to \$100.00	Variable fee from Free to \$105.00
Note: GST is applicable unless it is the copying of official documents.		

Description of Charge	Fee/Charge 2024/25 (inc GST)			Fee/Charge 2025/26 (inc GST)		
ALL RESERVES AND FACILITIES						
	* Community	Not for Profit / Government	Private or Commercial	* Community	Not for Profit / Government	Private or Commercial
BONDS						
Insurance admin fee (if no Certificate of Currency is provided) {charged once per annum for regular users}	\$67.00	\$67.00	\$67.00	\$71.00	\$71.00	\$71.00
ALL RESERVES						
	* Community	Not for Profit / Government	Private or Commercial	* Community	Not for Profit / Government	Private or Commercial
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Personal Training Subject to LTA	\$25.00	\$25.00	\$25.00	\$27.00	\$27.00	\$27.00
DOUG LINDSAY RESERVE						
No fee waiver is applicable to the hire of this venue - refer Council Policy 48						
	Local Community	Not for Profit / Government	Private or Commercial	Local Community	Not for Profit / Government	Private or Commercial
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Function + Kitchen	\$9.00	\$16.00	\$43.00	\$20.00	\$30.00	\$50.00
VICTORIA PARK DAYLESFORD						
No fee waiver is applicable to the hire of this venue - refer Council Policy 48						
	Local Community	Not for Profit / Government	Private or Commercial	Local Community	Not for Profit / Government	Private or Commercial
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Function + Kitchen	\$9.00	\$16.00	\$43.00	\$20.00	\$30.00	\$50.00
Function + Kitchen with alcohol	N/A	N/A	N/A	N/A	N/A	N/A
WOMBAT HILL BOTANIC GARDENS						
	Local Community	Not for Profit / Government	Private or Commercial	Local Community	Not for Profit / Government	Private or Commercial
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Wedding Hourly Rate	\$28.00	\$28.00	\$28.00	\$100.00	\$100.00	\$100.00
LAKE DAYLESFORD FORESHORE						
	Local Community	Not for Profit / Government	Private or Commercial	Local Community	Not for Profit / Government	Private or Commercial
Wedding Hourly Rate	\$28.00	\$28.00	\$28.00	\$100.00	\$100.00	\$100.00
CRESWICK TOWN HALL						
	* Community	Not for Profit / Government	Private or Commercial	* Community	Not for Profit / Government	Private or Commercial
Hepburn Shire Community Not for Profit						
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Rehearsals/Regular user	\$4.50	\$6.75	\$9.00	\$10.00	\$20.00	\$50.00
Regular User - Use of Kitchen	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$50.00
Meetings	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$50.00
Functions – Use of Kitchen	\$21.50	\$32.25	\$43.00	\$30.00	\$50.00	\$100.00

Description of Charge	Fee/Charge 2024/25 (inc GST)			Fee/Charge 2025/26 (inc GST)		
CLUNES TOWN HALL						
	* Community	Not for Profit / Government	Private or Commercial	* Community	Not for Profit / Government	Private or Commercial
Hepburn Shire Community Not for Profit						
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Rehearsals/Regular user (no Kitchen Use)	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$50.00
Regular User - Use of Kitchen	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$50.00
Meetings / Functions (no Kitchen Use)	\$8.00	\$12.00	\$16.00	\$20.00	\$30.00	\$50.00
Functions – Use of Kitchen	\$19.00	\$28.50	\$38.00	\$30.00	\$50.00	\$100.00
THE MECHANICS TRENTHAM						
	* Community	Not for Profit / Government	Private or Commercial	* Community	Not for Profit / Government	Private or Commercial
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Community Hall + Kit's Kitchen	\$37.00	\$55.50	\$74.00	\$40.00	\$60.00	\$100.00
Loddon River Room - Bulatjal Yaluk	\$15.00	\$22.50	\$30.00	\$16.00	\$25.00	\$40.00
Campaspe River Room - Yaluk	\$10.00	\$15.00	\$20.00	\$11.00	\$16.00	\$21.00
Coliban River Room - Dindilong Yaluk	\$7.50	\$11.25	\$15.00	\$10.00	\$15.00	\$30.00
Puggles Room - Bupuwuk Yulawila	\$10.00	\$15.00	\$20.00	\$11.00	\$16.00	\$21.00
Kit's kitchen - kitchen hire with room hire	\$5.00	\$7.50	\$10.00	\$10.00	\$10.00	\$20.00
Kit's kitchen - kitchen hire only	\$15.00	\$22.50	\$30.00	\$16.00	\$25.00	\$40.00
Insurance admin fee (if no Certificate of Currency is provided) {charged once per annum for regular users}	\$67.00	\$67.00	\$67.00	\$70.00	\$70.00	\$70.00
Function with alcohol	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DAYLESFORD TOWN HALL						
	*Community	Not for Profit / Government	Private or Commercial	*Community	Not for Profit / Government	Private or Commercial
Hepburn Shire Community - Not for Profit						
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Rehearsals	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$40.00
Meetings	\$8.00	\$12.00	\$16.00	\$8.00	\$12.00	\$16.00
Functions and set up days	\$19.00	\$28.50	\$38.00	\$25.00	\$35.00	\$50.00
Function with alcohol	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Senior Citizens Room	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$40.00
PA System	\$7.50	\$11.25	\$15.00	\$10.00	\$20.00	\$30.00
CLUNES COMMUNITY CENTRE						
	*Community	Not for Profit / Government	Private or Commercial	Local Community	Not for Profit / Government	Private or Commercial
No fee waiver is applicable to the hire of this venue - refer Council Policy 48						
Oval Lights (per hour)						
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
Rehearsals/Regular User	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$50.00
Meetings	\$8.00	\$12.00	\$16.00	\$10.00	\$20.00	\$50.00
Functions	\$19.00	\$28.50	\$38.00	\$20.00	\$30.00	\$50.00
Function with alcohol (1 Day or part there of)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
*Community refers to groups located outside Hepburn Shire Council boundaries.						

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)		
		Event application fee	Peak Season (September to April)	Low Season (May to August) (subject to seasonal closure)
Djuwang Baring - Events				
Community Event (any number of participants)	New Fee - 2025/26 Financial Year	\$65.00	\$0.00	\$0.00
Small Commercial Event (Up to 200 Participants)	New Fee - 2025/26 Financial Year	\$200.00	\$2,000.00	\$1,000.00
Medium Commercial Event (200 - 500 Participants)	New Fee - 2025/26 Financial Year	\$300.00	\$3,000.00	\$1,500.00
Large Commercial Event (Over 500 Participants)	New Fee - 2025/26 Financial Year	\$400.00	\$5,000.00	\$3,000.00
Major Event - National/State	New Fee - 2025/26 Financial Year	\$450.00	\$10,000.00	\$8,000.00

Description of Charge	Fee/Charge 2024/25 (inc GST)			Fee/Charge 2025/26 (inc GST)		
CRESWICK HUB - MEETING ROOM OFFICE HOURS ONLY						
	* Community	Not for Profit / Government	Private or Commercial	* Community	Not for Profit / Government	Private or Commercial
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
No fee waiver is applicable to the hire of this venue - refer Council Policy 48						
Regular (per hour)	\$19.00	\$28.50	\$38.00	\$20.00	\$30.00	\$40.00
Casual (per hour)	\$31.00	\$46.50	\$62.00	\$33.00	\$49.00	\$65.00
Saturday Morning (per hour) Not Public Holidays	\$37.00	\$55.50	\$74.00	\$39.00	\$58.00	\$78.00
THE WAREHOUSE - CLUNES						
	* Community	Not for Profit / Government	Private or Commercial	* Community	Not for Profit / Government	Private or Commercial
	Hourly	Hourly	Hourly	Hourly	Hourly	Hourly
No fee waiver is applicable to the hire of this venue - refer Council Policy 48						
COMMUNITY MEETING ROOM - ULLUMBURRA						
Regular (per hour)	\$19.00	\$28.50	\$38.00	\$20.00	\$30.00	\$40.00
Casual (per hour)	\$31.00	\$46.50	\$62.00	\$33.00	\$49.00	\$65.00
Weekend (per hour)	\$37.00	\$55.50	\$74.00	\$39.00	\$58.00	\$78.00
Fri evenings, Sat, Sun & Public Holidays						
COMMUNITY ACTIVITY ROOM - ESMOND GALLERY						
Regular (per hour)	\$19.00	\$28.50	\$38.00	\$20.00	\$30.00	\$40.00
Casual (per hour)	\$31.00	\$46.50	\$62.00	\$33.00	\$49.00	\$65.00
Weekend (per hour)	\$37.00	\$55.50	\$74.00	\$39.00	\$58.00	\$78.00
Fri evenings, Sat, Sun & Public Holidays						
Weekly Hire	\$1,373.96	\$2,060.94	\$2,747.93	\$1,436.00	\$2,154.00	\$2,872.00
ALL OTHER FACILITIES NOT PREVIOUSLY LISTED						
Regular (per hour)	\$19.00	\$28.50	\$38.00	\$20.00	\$30.00	\$40.00
Casual (per hour)	\$31.00	\$46.50	\$62.00	\$33.00	\$49.00	\$65.00
Weekend (per hour)	\$37.00	\$55.50	\$74.00	\$39.00	\$58.00	\$78.00
Fri evenings, Sat, Sun & Public Holidays						

*Community refers to groups located outside Hepburn Shire Council boundaries.
A minimum hire of one hour will be charged to allow for set up and pack up.

Description of Charge	Fee/Charge 2024/25 (inc GST)	Fee/Charge 2025/26 (inc GST)
PHOTOCOPYING/PRINTING		
A4 per side – Black & White	\$0.35	\$0.40
A4 per side – Colour	\$0.55	\$0.60
A3 per side – Black & White	\$0.65	\$0.70
A3 per side – Colour	\$1.05	\$1.10
Note: GST is applicable unless copying official documents.		
RATES INFORMATION		
Land information certificate* 1.82 fee units	\$28.90 (1.82 fee units)	TBA (1.82 fee units)
Urgent Land information certificate	\$44.00	\$50.00
Duplicate/Reprint Rates Notice	\$19.00	\$25.00
Rate search 15 years	\$80.00	\$90.00
Rate search 30 Years	\$156.00	\$170.00
FREEDOM OF INFORMATION		
Online documentation, search time at the pay rate of the Council officer searching for documentation	Calculated per request	Calculated per request
Freedom of information access supervision fee (per ¼ hr)*	\$24.50 (1.5 fee units) per hour or part of an hour	TBA (1.5 fee units) per hour or part of an hour
Freedom of information search fee (per hr)*	\$24.50 (1.5 fee units) per hour or part of an hour	TBA (1.5 fee units) per hour or part of an hour
Photocopying Charge (Black & White A4)	\$0.20	\$0.20
Freedom of Information lodgement fee*	\$32.70 (2 fee units)	TBA (2 fee units)
Other charges may apply, as per the Freedom of Information (Access Charges) Regulations 2014		
DISHONoured PAYMENTS		
Direct Debit fee	\$11.00	\$15.00
Dishonoured Cheque Fee	\$11.00	\$15.00



Financial Plan 2025-2035

10-year projection of financial sustainability

May 2025

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1 Purpose

The Financial Plan aims to provide a 10-year project of financial sustainability, detailing how the Council Plan and other Integrated Plans will be funded to achieve Council's *Community Vision 2040*. This Plan is crucial for supporting the long-term goals and aspirations of the community and is supported by the Council Plan, Health and Wellbeing Plan, Budgets, Workforce Plans and other key strategies and documents, especially the Council's Financial Vision.

Council is dedicated to regularly reviewing and updating this document to ensure the information remains accurate and up to date, and that it aligns consistently with the annual budget.

2 Executive Summary

Hepburn Shire Council is entering a new phase, marked by a strong commitment to our community, improving our customer responsiveness, and ensuring our financial sustainability. Financial sustainability is at the heart of our future plans. We need solid economic foundations to address the challenges ahead. By making difficult but necessary decisions today, we are securing our ability to serve our community in the future.

In September 2024, Council adopted its Financial Vision, which was proactively developed to support its commitment to financial sustainability. This vision, created in collaboration with Council and the community, serves as a strategic guide for providing services, setting priorities, and executing projects that meet community needs while ensuring financial stability over the next decade.

In creating the Financial Plan, key financial principles underpin Council's projected financial performance and position over a 10-year period, fulfilling our statutory requirements. The financial forecasts within this plan outline Council's future direction and financial capacity, serving as a guide for future actions or opportunities. This allows Council to assess the future impacts of its current decisions and review the Plan annually following the adoption of the Annual Budget.

2.1 Financial Vision

This Financial Plan is underpinned by the Financial Vision, which had the following high-level inclusions:

- That the current and projected financial outlook of Council must be a key consideration in the development of the Council Plan 2025-29 and Financial Plan 2025-34 **(completed)**;
- That Council must consider operational savings, services changes and revenue opportunities in the development of the 2025/26 budget **(completed)**;
- That Council prepare and submit an application to the Essential Services Commission for a rate cap variation applicable for the 2025/26 financial year of 7% **(completed, and approved in full)**;
- Subject to a successful application for a rate cap variation, the rebate on rate charges for pensioners who qualify under the State Government's Pensioner Rate Remission scheme will be doubled. This initiative will increase Council's rebate from \$21 to \$42 to assist pensioners in their rate payments **(completed, to apply in the 2025/26 year)**;
- The Chief Executive Officer will work with Councillors to analyse all services offered by Council, to ensure that the Council Plan 2025-2029 and Budget 2025/26 identify operational saving and/or new revenue opportunities needed to deliver the Financial Vision **(completed, and service changes will be ongoing)**;
- That the funding of asset renewal is a priority, and that capital works expenditure is limited to effectively renewal works only. Council will actively seek State and Federal Government funding, if new or extended assets are to be considered **(completed, and ongoing)**; and
- Creation of a 'grant funding reserve', if the rate cap variation is approved, which will mean funds will be available to allocate to government grant applications as 'matching' funds **(ongoing)**.

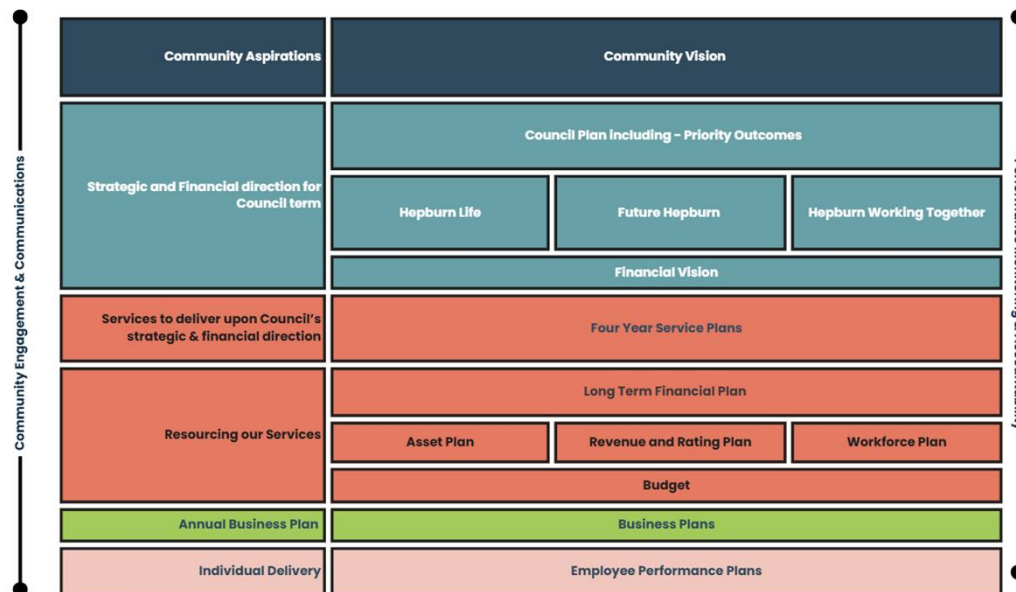
This Financial Plan ensures that the objectives outlined within the Financial Vision are achieved:

- Ensure that cash reserves are sufficient to sustain service delivery for the community and to fulfill our obligations;
- Strive to have an amount of unallocated cash to provide a buffer so that we can adequately respond to any unforeseen emergencies;

- In the long-term, establish a reserve that can provide matching funds for grants received from other tiers of government to deliver for our future generations.

3 Integrated Strategic Planning and Reporting Framework

The Integrated Planning and Reporting Framework sets out the range of strategic documents Council is required to adopt under the Local Government Act 2020. The framework sets out Hepburn Shire's integrated approach to planning, monitoring, and performance reporting.



Council holds itself accountable through the Annual Report.

3.1 Strategic Planning Principles

The Financial Plan provides a 10-year financially sustainable projection regarding how the actions of the Financial Vision and Council Plan may be funded to achieve the Community Vision. The Financial Plan is developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting.
- Council's Financial Plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan outcomes and strategies are formulated in the context of the Community Vision.
- The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan.
- The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

3.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Management of the following financial risks:
 - The financial viability of the Council (refer to Section 5.1 Financial Policy Statement)
 - The management of current and future liabilities of the Council. The estimated 10-year liabilities are disclosed in Section 6.2 Balance Sheet projections.

- Financial policies and strategic plans are designed to provide financial stability and predictability for the community.
- Council maintains accounts and records that explain its financial operations and financial position (refer to Section 6 Financial Plan Statements)

3.3 Service Performance Principles

Council services are designed to be purposeful, targeted to community needs and value for money. The service performance principles are listed below:

- Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- Services are accessible to the relevant users within the community.
- Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate Council's performance regarding the provision of quality and efficient services.

3.4 Community Engagement

The Local Government Act 2020 prescribes that community engagement be undertaken in accordance with Council's Community Engagement Policy and include deliberative engagement for the Financial Plan.

Consultancy group Conversation Co was contracted to develop and manage a Deliberative Engagement panel process to ensure community views and input were considered and included in the Council Plan. Details of the engagement process, and findings is included within the Council Plan and on Council's website.

The recent community engagement was further supplemented by the work undertaken with the Financial Vision 2024-2027 that was adopted by Council in September 2024.

3.5 Asset Plan Integration

Integration of the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery and the effective management of Council's assets into the future.

The Asset Plan identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide Council with a sound base to understand the risks associated with managing its assets for the community's benefit.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the capital renewal gap and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues, as well as the impact of reviewing and setting intervention and service levels for each asset class. The intervention levels can be adjusted and adopted across a range of scenarios considering the longer-term financial capacity which is reviewed annually.

In addition to identifying the operational and strategic practices that ensure Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

4 Council Plan 2025-29

The Council Plan outlines the strategic framework that guides Council's planning and decision-making over the current Council term. It sets a clear direction for how the Council will work towards delivering long-term community aspirations while responding to current priorities and challenges.

Progress and outcomes will be reported through the Hepburn Shire Council Annual Report and quarterly business reports. Our work is measured annually against the Performance Statement in the Annual Report and the community rates our performance through the annual Community Satisfaction Survey.

Council delivers activities and initiatives under major service categories. Each contributes to the achievement of one of the domain strategies as set out in the four-year Council Plan 2025-2029. The three domain strategies described in the Council Plan are:

Outcome 1	Connected communities that are resilient, adaptable, and empowered - able to respond to and recover from climate-related impacts, emergencies, and other community challenges.
Outcome 2	A healthy and inclusive community, where all people regardless of background or stage of life and have the opportunity to participate and thrive.
Outcome 3	An informed and engaged community.
Future Hepburn	
Outcome 1	Preserve the unique character of our towns and communities, plan for future growth and protect our productive rural landscape.
Outcome 2	Responsible management of infrastructure and environment to support wellbeing now and for future generations.
Outcome 3	A dynamic, vibrant, and resilient economic environment.
Hepburn Working Together	
Outcome 1	Future focused services that are easy to use and inclusive.
Outcome 2	Maintain corporate governance to enable good Council decision making and to ensure long-term financial viability.
Outcome 3	An engaged, safe, and skillful workforce.

5 Financial Plan Context

This section describes the context and external / internal environment and consideration in determining the 10-year financial projections and assumptions.

5.1 Financial Policy Statement

This section defines the measures that demonstrate Council's financial sustainability in order to fund the aspirations of the Community Vision and the Council Plan.

Policy Statement	Measure	Target	Forecast 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	Budget 2034	Budget 2035
Consistent underlying surplus results	<i>Adjusted underlying result (%)</i> Adjusted underlying result / Adjusted underlying revenue to be maintained greater than 0%	>0%	-13.5%	0.9%	3.6%	3.9%	3.4%	4.3%	4.1%	4.0%	3.2%	3.9%	4.0%
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due	<i>Working capital (ratio)</i> Current assets / Current liabilities to be maintained above 1.25	>1.25	1.27	1.03	1.05	1.08	1.05	1.40	1.69	1.95	1.97	2.49	2.92
Ensure Council maintains the ability to finance planned investments from its own resources	<i>Self-financing (%)</i> Net operating cash flow / Adjusted underlying revenue to be maintained above 20%	>20%	32.0%	33.5%	27.1%	27.7%	26.9%	27.4%	26.2%	27.4%	26.7%	27.0%	26.9%
Ensure Council could repay long term obligations from the income it generates internally	<i>Indebtedness (%)</i> Non-current liabilities / own source revenue to be maintained below 40%	<40%	41.7%	32.9%	25.4%	18.3%	11.2%	7.8%	5.4%	3.3%	1.4%	1.3%	1.3%
Council maintains total borrowings in line with rate income and growth of the Shire	<i>Loans and borrowings (%)</i> Total borrowings / Rate revenue to be maintained below 60%	<60%	51.9%	41.7%	33.8%	25.9%	18.2%	10.6%	6.9%	4.3%	2.1%	0.0%	0.0%
Council maintains debt service costs in line with rates income and growth of the Shire	<i>Loans and borrowings payments (%)</i> Repayment on loans / Rate revenue to be maintained below 10%	<10%	4.9%	8.9%	8.6%	8.4%	8.1%	7.9%	3.7%	2.7%	2.3%	2.1%	0.0%

5.2 Assumptions to the Financial Plan Statements

This section outlines the assumptions for the Comprehensive Income Statement over the 10-year period from 2025/26 to 2034/35. It includes the annual escalations and movements for each line item of the Comprehensive Income Statement.

Further details on Council's approach and recommendations in relation to revenue are contained in Council's Revenue and Rating Plan, available on Council's website.

Escalation Factors % movement	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	Budget 2034	Budget 2035
Rate revenue cap	10.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Statutory fees and fines	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
User fees	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Grants - Operating	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Grants - Capital	as per estimates provided on specific capital projects									
Other income	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Employee costs	2.3%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Materials and services	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Depreciation & Amortisation	based on projected capital spending									
Other expenses	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Rates and Charges

The base rate revenue will increase by 10 per cent for the 2025/26 year, with future annual increases in line with the State Government rate cap, estimated as outlined in the long-term Financial Plan. The level of required rates and charges has been considered in the context of Financial Vision 2024-2027, with reference to Council's other income sources and planned community services and works expenditures.

A rate cap variation has been approved by the Essential Services Commission (ESC), aligning with Council's current and projected financial outlook. Consequently, the average revenue from the general rate will rise by 10 per cent, which includes:

- A permanent 7 per cent uplift to ensure Council's financial viability and long-term sustainability; and
- A 3 per cent increase as set by the Minister for Local Government for 2025/26.

Statutory Fees and Fines

The Financial Plan applies a conservative indexation of 3.5 per cent for future years' statutory fees as they are outside of the control of Council, as these are predominately set up by the State Government.

User Fees

User fees are projected to rise by 4.5 per cent for the 2025/26 fiscal year and are expected to continue increasing in subsequent years as outlined in the financial plan. Council is committed to making a concerted effort to boost revenue sources over the coming years. Detailed information about the user fees for the 2025/26 Budget year can be found in Council's Fees and Charges Schedule, which is included in the Budget document.

Grants

Operating grants are projected to increase annually by approximately 2.5 per cent while Financial Assistance grants are expected to grow by 4.0 per cent each year.

Capital grants, which include funds from state and federal sources for the capital works program, can vary significantly each year depending on the types of projects included. For this Financial Plan, the forecast is based on estimates provided for specific capital projects.

Other Income

Revenue from other income mainly comprises investment income plus the recovery income from a variety of sources and rental income received from the lease and hire of Council buildings.

Employee Costs

Hepburn Shire Council plans to introduce a new Enterprise Agreement starting in 2026, which will include provisions for employee remuneration increases until the agreement expires. This plan is based on an annual employee cost increase of 3.6 per cent from 2026/27 onwards, which needs to take into account wage increases, superannuation increases, WorkCover insurance, training and development, and other employee related costs.

Materials and Services

Material costs encompass items necessary for the maintenance and repair of Council buildings, roads, drains and footpaths which are more influenced by market availability than by CPI. This category also includes utilities and consumable items for various services. Additionally, Council relies on external expertise for various matters, such as legal services and audits. The plan anticipates an annual increase of 2.5 per cent to manage these costs.

Depreciation and Amortisation

Depreciation estimates have been calculated based on the anticipated capital expenditures outlined in this plan.

Borrowing Costs

Borrowing costs comprise of the interest expense to service Council's loan portfolio that is described in Section Borrowing Strategy. This part of the plan does not include any new loan funding.

Other Expenses

Other expenses encompass administration costs such as Councillor allowances, election expenses, community grants, fire services property levy, audit fees, and various other costs related to the daily operations of Council.

6 Financial Plan Statements

This section presents details regarding the Financial Plan Statements for the 10-year period from 2025/26 to 2034/35.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

6.1 Comprehensive Income Statement

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Income											
Rates and charges	26,936	28,882	29,720	30,641	31,585	32,552	33,544	34,560	35,602	36,670	37,765
Statutory fees and fines	894	908	1,044	1,080	1,118	1,157	1,197	1,239	1,283	1,328	1,374
User fees	741	792	827	865	904	944	987	1,031	1,078	1,126	1,177
Grants - operating	8,862	7,458	7,746	8,046	8,358	8,682	9,019	9,369	9,733	10,112	10,505
Grants - capital	8,087	3,962	1,841	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938
Contributions - monetary	280	250	250	250	250	250	250	250	250	250	250
Net gain/-loss on disposal of property, infrastructure, plant & equipment	24	207	296	312	300	290	69	79	69	26	26
Other income	1,592	1,427	1,459	1,491	1,524	1,558	1,592	1,628	1,664	1,702	1,740
Total income	47,416	43,886	43,183	44,623	45,976	47,371	48,597	50,095	51,617	53,151	54,774
Expenses											
Employee costs	17,269	16,063	16,004	16,580	17,177	17,795	18,436	19,100	19,787	20,500	21,238
Materials and services	16,641	13,719	13,991	14,413	14,904	15,214	15,646	16,093	16,674	17,034	17,529
Depreciation	10,380	9,473	9,833	10,150	10,446	10,742	11,049	11,409	11,767	12,058	12,322
Bad and doubtful debts	15	5	5	5	5	5	5	5	5	5	5
Borrowing costs	401	638	549	456	359	257	109	103	62	24	0
Other expenses	1,064	973	1,021	1,031	1,277	1,083	1,127	1,138	1,416	1,195	1,244
Total expenses	45,769	40,871	41,402	42,635	44,168	45,097	46,372	47,848	49,711	50,816	52,338
Surplus/-deficit for the year	1,647	3,015	1,781	1,988	1,809	2,274	2,225	2,248	1,907	2,335	2,437
Other comprehensive income											
<i>Items that will not be classified to surplus or deficit in future periods</i>											
Net asset revaluation increment/-decrement	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	1,647	3,015	1,781	1,988	1,809	2,274	2,225	2,248	1,907	2,335	2,437

Adjusted Underlying Result

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Adjusted Underlying Result											
Total Income	47,416	43,886	43,183	44,623	45,976	47,371	48,597	50,095	51,617	53,151	54,774
Total Expense	45,769	40,871	41,402	42,635	44,168	45,097	46,372	47,848	49,711	50,816	52,338
Surplus / (deficit) for the year	1,647	3,015	1,781	1,988	1,809	2,274	2,225	2,248	1,907	2,335	2,437
Less non-operating income and expenditure											
Grants capital (non-recurrent)	6,828	2,412	-	-	-	-	-	-	-	-	-
Capital contributions other sources	280	250	250	250	250	250	250	250	250	250	250
Non-monetary contributions	-	-	-	-	-	-	-	-	-	-	-
Adjusted underlying surplus / (deficit)	(5,461)	352	1,531	1,738	1,559	2,024	1,975	1,998	1,657	2,085	2,187

The adjusted underlying result reflects the net surplus for the year, excluding non-recurrent capital grants, capital contributions from other sources, and non-monetary contributions. It serves as a crucial indicator of Council's financial health and its ability to achieve its service delivery goals.

The 10-year financial plan is aligned with the Financial Vision 2024-2027, which aims to establish a fiscally responsible budget and ensure financial sustainability for Council. This plan includes a reduction in operating expenditure for 2025/26 financial year of \$2.53 million. The plan considers the challenging environment faced by the Local Government sector, including increased capital delivery costs, general inflation and significant cost of living pressures on the community. As a result of the strategic direction to reduce operating expenditure while increasing revenue, Council has budgeted for an adjusted underlying surplus for 2025/26 year. This positive trend in the adjusted underlying surplus is expected to continue throughout the duration of the plan.

6.2 Balance Sheet

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Assets											
Current assets											
Cash and cash equivalents	7,697	6,079	6,119	6,441	6,320	7,758	9,035	10,890	11,121	13,163	16,135
Trade and other receivables	5,859	3,063	3,194	3,240	3,287	3,335	4,053	4,124	4,197	4,272	4,349
Inventories	5	5	5	5	5	5	5	5	5	5	5
Other assets	80	80	80	80	80	80	80	80	80	80	80
Total current assets	13,641	9,227	9,397	9,766	9,692	11,178	13,173	15,099	15,402	17,520	20,568
Non Current Assets											
Property, infrastructure, plant and equipment	491,611	495,206	494,691	494,245	493,970	492,420	491,586	491,117	492,079	491,506	490,926
Total non-current assets	491,611	495,206	494,691	494,245	493,970	492,420	491,586	491,117	492,079	491,506	490,926
Total Assets	505,252	504,432	504,088	504,011	503,662	503,598	504,759	506,216	507,481	509,026	511,493
Liabilities											
Current Liabilities											
Trade and other payables	2,810	2,525	2,410	2,447	2,489	2,452	2,520	2,568	2,667	2,609	2,640
Trust funds and deposits	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Unearned income	1,629	0	0	0	0	0	0	0	0	0	0
Provisions	2,679	2,679	2,679	2,679	2,679	2,679	2,679	2,679	2,679	2,679	2,679
Interest-bearing liabilities	1,921	2,009	2,102	2,200	2,302	1,132	839	740	733	0	0
Total current liabilities	10,775	8,950	8,927	9,062	9,206	7,999	7,775	7,724	7,815	7,025	7,056
Non Current Liabilities											
Provisions	537	537	537	537	537	537	537	537	537	537	537
Interest-bearing liabilities	12,057	10,047	7,945	5,746	3,444	2,312	1,473	733	0	0	0
Total non-current liabilities	12,593	10,584	8,482	6,282	3,981	2,849	2,009	1,270	537	537	537
Total Liabilities	23,369	19,534	17,409	15,344	13,187	10,848	9,784	8,993	8,352	7,561	7,592
Net Assets	481,883	484,898	486,679	488,667	490,475	492,750	494,975	497,223	499,129	501,465	503,901
Equity											
Accumulated surplus	142,660	146,834	148,634	150,572	152,381	154,405	156,380	158,378	160,285	162,120	164,057
Reserves	339,223	338,064	338,044	338,094	338,094	338,344	338,594	338,844	338,844	339,344	339,844
Total Equity	481,883	484,898	486,679	488,667	490,475	492,750	494,975	497,223	499,129	501,465	503,901

6.3 Statement of Changes in Equity

	Total \$000	Accumulated Surplus \$000	Revaluation Reserve \$000	Other Reserves \$000
Forecast				
2025				
Balance at beginning of the year	480,237	140,192	334,040	6,005
Surplus/-deficit for the year	1,647	1,647	-	-
Transfers to other reserves	-	(900)	-	900
Transfers from other reserves	-	1,721	-	(1,721)
Balance at the end of the year	481,883	142,660	334,040	5,184
2026				
Balance at beginning of the year	481,883	142,660	334,040	5,184
Surplus/-deficit for the year	3,015	3,015	-	-
Transfers to other reserves	-	(1,403)	-	1,403
Transfers from other reserves	-	2,562	-	(2,562)
Balance at the end of the year	484,898	146,834	334,040	4,025
2027				
Balance at beginning of the year	484,898	146,834	334,040	4,025
Surplus/-deficit for the year	1,781	1,781	-	-
Transfers to other reserves	-	(900)	-	900
Transfers from other reserves	-	920	-	(920)
Balance at the end of the year	486,679	148,634	334,040	4,005
2028				
Balance at beginning of the year	486,679	148,634	334,040	4,005
Surplus/-deficit for the year	1,988	1,988	-	-
Net asset revaluation increment/-decrement	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Transfers from other reserves	-	150	-	(150)
Balance at the end of the year	488,667	150,572	334,040	4,055

Statement of Changes in Equity (cont.)

	Total \$000	Accumulated Surplus \$000	Revaluation Reserve \$000	Other Reserves \$000
2029				
Balance at beginning of the year	488,667	150,572	334,040	4,055
Surplus/-deficit for the year	1,809	1,809	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
Balance at the end of the year	490,475	152,381	334,040	4,055
2030				
Balance at beginning of the year	490,475	152,381	334,040	4,055
Surplus/-deficit for the year	2,274	2,274	-	-
Net asset revaluation increment/-decrement	-	-	-	-
Transfers to other reserves	-	(250)	-	250
Transfers from other reserves	-	-	-	-
Balance at the end of the year	492,750	154,405	334,040	4,305
2031				
Balance at beginning of the year	492,750	154,405	334,040	4,305
Surplus/-deficit for the year	2,225	2,225	-	-
Transfers to other reserves	-	(250)	-	250
Transfers from other reserves	-	-	-	-
Balance at the end of the year	494,975	156,380	334,040	4,555
2032				
Balance at beginning of the year	494,975	156,380	334,040	4,555
Surplus/-deficit for the year	2,248	2,248	-	-
Transfers to other reserves	-	(250)	-	250
Transfers from other reserves	-	-	-	-
Balance at the end of the year	497,223	158,378	334,040	4,805

Statement of Changes in Equity (cont.)

	Total \$000	Accumulated Surplus \$000	Revaluation Reserve \$000	Other Reserves \$000
2033				
Balance at beginning of the year	497,223	158,378	334,040	4,805
Surplus/-deficit for the year	1,907	1,907	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
Balance at the end of the year	499,129	160,285	334,040	4,805
2034				
Balance at beginning of the year	499,129	160,285	334,040	4,805
Surplus/-deficit for the year	2,335	2,335	-	-
Net asset revaluation increment/-decrement	-	-	-	-
Transfers to other reserves	-	(500)	-	500
Transfers from other reserves	-	-	-	-
Balance at the end of the year	501,465	162,120	334,040	5,305
2035				
Balance at beginning of the year	501,465	162,120	334,040	5,305
Surplus/-deficit for the year	2,437	2,437	-	-
Transfers to other reserves	-	(500)	-	500
Transfers from other reserves	-	-	-	-
Balance at the end of the year	503,901	164,057	334,040	5,805

6.4 Statement of Cash Flows

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Cash flows from operating activities											
<i>Receipts</i>											
Rates and charges	28,121	31,678	29,589	30,595	31,538	32,504	32,826	34,489	35,529	36,595	37,688
Statutory fees and fines	894	908	1,044	1,080	1,118	1,157	1,197	1,239	1,283	1,328	1,374
User fees	741	792	827	865	904	944	987	1,031	1,078	1,126	1,177
Grants - operating	9,523	6,550	7,746	8,046	8,358	8,682	9,019	9,369	9,733	10,112	10,505
Grants - capital	8,087	3,633	1,841	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938
Contributions - monetary	280	250	250	250	250	250	250	250	250	250	250
Interest received	230	170	170	170	170	170	170	170	170	170	170
Other receipts	1,362	866	1,289	1,321	1,354	1,388	1,422	1,458	1,494	1,532	1,570
<i>Payments</i>											
Employee costs	(17,269)	(16,063)	(16,004)	(16,580)	(17,177)	(17,795)	(18,436)	(19,100)	(19,787)	(20,500)	(21,238)
Materials and services	(17,979)	(14,004)	(14,106)	(14,376)	(14,862)	(15,251)	(15,578)	(16,044)	(16,576)	(17,091)	(17,498)
Other payments	(1,079)	(978)	(1,026)	(1,036)	(1,282)	(1,088)	(1,132)	(1,143)	(1,421)	(1,200)	(1,249)
Net cash provided by/-used in operating activities	12,912	13,801	11,620	12,273	12,308	12,899	12,664	13,659	13,691	14,260	14,687
Cash flows from investing activities											
Payments for property, infrastructure, plant & equipment	(17,477)	(13,068)	(9,732)	(10,261)	(10,621)	(9,548)	(10,837)	(11,653)	(13,352)	(11,717)	(11,973)
Proceeds from sale of property, infrastructure, plant & equipment	235	207	710	869	750	645	692	792	692	257	257
Net cash provided by/-used in investing activities	(17,242)	(12,861)	(9,022)	(9,392)	(9,871)	(8,903)	(10,145)	(10,861)	(12,660)	(11,460)	(11,716)
Cash flows from financing activities											
Finance costs	(401)	(638)	(549)	(456)	(359)	(257)	(109)	(103)	(62)	(24)	-
Proceeds from borrowings	5,528	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(932)	(1,921)	(2,009)	(2,102)	(2,200)	(2,302)	(1,132)	(839)	(740)	(733)	-
Net cash provided by/-used in financing activities	4,196	(2,559)	(2,559)	(2,559)	(2,559)	(2,559)	(1,241)	(943)	(801)	(757)	-
Net increase / -decrease in cash held	(134)	(1,618)	39	323	(121)	1,438	1,277	1,855	231	2,043	2,971
Cash and cash equivalents at the beginning of the year	7,832	7,697	6,079	6,119	6,441	6,320	7,758	9,035	10,890	11,121	13,163
Cash and cash equivalents at the end of the year	7,697	6,079	6,119	6,441	6,320	7,758	9,035	10,890	11,121	13,163	16,135

6.5 Statement of Capital Works

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Property											
Buildings	3,392	2,212	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249	1,280
Total property	3,392	2,212	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249	1,280
Plant and Equipment											
Plant, machinery and equipment	1,287	1,331	1,611	2,222	2,245	2,057	2,674	3,541	2,200	1,071	1,098
Computers and telecommunications	265	610	830	215	221	226	232	238	244	250	256
Library books	50	62	63	65	66	68	70	71	73	75	77
Total plant and equipment	1,602	2,003	2,504	2,502	2,532	2,351	2,976	3,850	2,517	1,396	1,431
Infrastructure											
Roads	3,617	6,589	5,034	4,783	5,646	4,888	5,061	5,239	6,623	7,438	7,587
Bridges	3,266	276	236	1,077	248	255	261	267	1,218	281	288
Footpaths and cycleways	195	229	210	215	221	226	232	238	244	250	256
Drainage	98	320	103	106	108	111	114	116	119	122	125
Recreational, leisure and community facilities	2,020	858	226	248	237	243	267	273	262	287	294
Parks, open spaces and streetscapes	3,178	581	368	253	524	343	768	480	1,149	694	712
Other infrastructure	110	-	-	-	-	-	-	-	-	-	-
Total infrastructure	12,483	8,853	6,177	6,682	6,984	6,066	6,701	6,614	9,617	9,072	9,262
Total capital works expenditure	17,477	13,068	9,732	10,261	10,621	9,548	10,837	11,653	13,352	11,717	11,973
Represented by:											
New asset expenditure	2,511	2,284	-	-	-	-	-	-	-	-	-
Asset renewal expenditure	13,891	10,298	9,732	10,261	10,621	9,548	10,837	11,653	13,352	11,717	11,973
Asset upgrade expenditure	1,075	485	-	-	-	-	-	-	-	-	-
Total capital works expenditure	17,477	13,068	9,732	10,261	10,621	9,548	10,837	11,653	13,352	11,717	11,973
Funding sources represented by:											
Grants	8,087	3,962	1,841	1,938	1,938	1,938	1,938	1,938	1,938	1,938	1,938
Contributions	40	30	-	-	-	-	-	-	-	-	-
Council cash	3,822	9,075	7,891	8,323	8,683	7,610	8,899	9,715	11,414	9,779	10,035
Borrowings	5,528	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	17,477	13,068	9,732	10,261	10,621	9,548	10,837	11,653	13,352	11,717	11,973

6.6 Statement of Human Resources

	Forecast 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	Budget 2034	Budget 2035
Staff expenditure											
Employee costs - operating (\$'000)	17,269	16,063	16,004	16,580	17,177	17,795	18,436	19,100	19,787	20,500	21,238
Employee costs - capital (\$'000)	1,045	1,043	1,080	1,119	1,160	1,201	1,245	1,289	1,336	1,384	1,434
Total staff expenditure	18,314	17,106	17,084	17,699	18,337	18,997	19,681	20,389	21,123	21,883	22,671
Staff numbers											
Employees (FTE)	174.3	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2
Total staff numbers	174.3	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2

A summary of human resources expenditure categorised according to the 2024/25 organisational structure of Hepburn Shire Council is included below:

Directorate	Budget 2025/26	Permanent		Temporary	
		Full Time	Part time	Fixed Term & Casual	Contractors
	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Services	410	410	-	-	-
Development and Community	4,461	3,230	515	717	-
Infrastructure and Delivery	9,356	7,384	974	977	22
Performance and Transformation	3,209	2,461	747	-	-
Total Permanent Staff expenditure	15,720	13,485	2,235		
Total Fixed Term & Casual Staff	1,695			1,695	
Total Contractors Costs	22				22
Operational Staff efficiencies to be determined	(330)	(330)			
Subtotal - All Staffing Costs	17,106	13,155	2,235	1,695	22
Capitalised labour costs	(1,043)	(1,043)	-	-	-
Total expenditure	16,063	12,112	2,235	1,695	22

A summary of the number of full-time equivalents (FTE) Council staff in relation to the above expenditure is included below.

Directorate	Comprises				
	Budget 2025/26	Permanent Full Time	Part time	Temporary Fixed Term & Casual	Contractors
Executive Services	2.0	2.0	-	-	-
Development and Community	39.8	26.0	4.7	8.9	0.2
Infrastructure and Delivery	92.8	73.0	8.6	11.0	0.2
Performance and Transformation	24.9	18.0	6.9	-	-
Operational Staff efficiencies to be determined (est.)	(3.3)	(3.3)	-	-	-
Total staff	156.2	115.7	20.2	19.9	0.4

Planned Human Resources Expenditure

	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Executive Services										
Permanent - Full time	410	425	440	456	468	479	491	504	516	529
Women	106	109	113	118	120	123	127	130	133	136
Men	305	316	327	339	347	356	365	374	383	393
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Executive Services	410	425	440	456	468	479	491	504	516	529
Development and Community										
Permanent - Full time	3,230	3,238	3,351	3,467	3,525	3,683	3,851	3,982	4,125	4,280
Women	1,765	1,721	1,779	1,839	1,856	1,972	2,092	2,179	2,276	2,385
Men	1,178	1,220	1,264	1,309	1,342	1,376	1,416	1,451	1,488	1,525
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	287	297	308	319	327	335	343	352	361	370
Permanent - Part time	515	533	552	572	586	601	616	631	647	663
Women	391	406	420	435	446	457	469	480	492	505
Men	123	128	132	137	140	144	147	151	155	159
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Development and Community	3,744	3,771	3,903	4,039	4,111	4,284	4,467	4,614	4,772	4,943

	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Infrastructure and Delivery										
Permanent - Full time	7,384	7,439	7,702	7,976	8,115	8,468	8,830	9,250	9,682	10,124
Women	1,655	1,508	1,562	1,618	1,638	1,754	1,873	2,020	2,171	2,325
Men	5,559	5,755	5,958	6,169	6,283	6,515	6,753	7,022	7,298	7,580
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	170	176	182	189	193	198	203	208	213	219
Permanent - Part time	974	905	937	971	995	1,020	1,046	1,072	1,099	1,126
Women	722	748	775	803	823	844	865	886	909	931
Men	191	94	97	101	104	106	109	111	114	117
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	60	62	65	67	69	70	72	74	76	78
Total Infrastructure and Delivery	8,357	8,343	8,639	8,947	9,110	9,488	9,875	10,322	10,780	11,250
Performance and Transformation										
Permanent - Full time	2,461	2,427	2,511	2,597	2,662	2,765	2,871	2,980	3,091	3,206
Women	1,767	1,707	1,765	1,824	1,870	1,953	2,039	2,127	2,217	2,310
Men	589	610	632	655	671	688	705	723	741	760
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	106	109	113	118	120	123	127	130	133	136
Permanent - Part time	747	671	694	720	738	756	775	795	815	835
Women	705	627	649	673	690	707	725	743	761	780
Men	42	44	45	47	48	49	51	52	53	55
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Performance and Transformation	3,209	3,097	3,205	3,317	3,400	3,522	3,647	3,775	3,906	4,041
Casuals, temporary and other expenditure	1,716	1,778	1,842	1,909	1,909	1,909	1,909	1,909	1,909	1,909
Operational Staff Efficiencies to be determined	(330)	-	-	-	-	-	-	-	-	-
Total staff expenditure	17,106	17,084	17,699	18,337	18,997	19,681	20,389	21,123	21,883	22,671
<i>Of which:</i>										
Capitalised labour costs	1,043	1,080	1,119	1,160	1,201	1,245	1,289	1,336	1,384	1,434

Planned Human Resources – Full Time Equivalents

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Executive Services										
Permanent - Full time	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Women	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Men	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Executive Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Development and Community										
Permanent - Full time	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Women	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Men	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Permanent - Part time	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Women	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Men	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Development and Community	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7	30.7

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Infrastructure and Delivery										
Permanent - Full time	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0
Women	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Men	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Permanent - Part time	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Women	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Men	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total Infrastructure and Delivery	81.6	81.6	81.6	81.6	81.6	81.6	81.6	81.6	81.6	81.6
Performance and Transformation										
Permanent - Full time	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Women	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Men	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent - Part time	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Women	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Men	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Performance and Transformation	24.9	24.9	24.9	24.9	24.9	24.9	24.9	24.9	24.9	24.9
Casuals and temporary staff	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3
Operational Staff Efficiencies to be determined (est.)	(3.3)									
Total staff numbers	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2	156.2
<i>Of which:</i>										
Capitalised labour	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8

7 Financial Performance Indicators

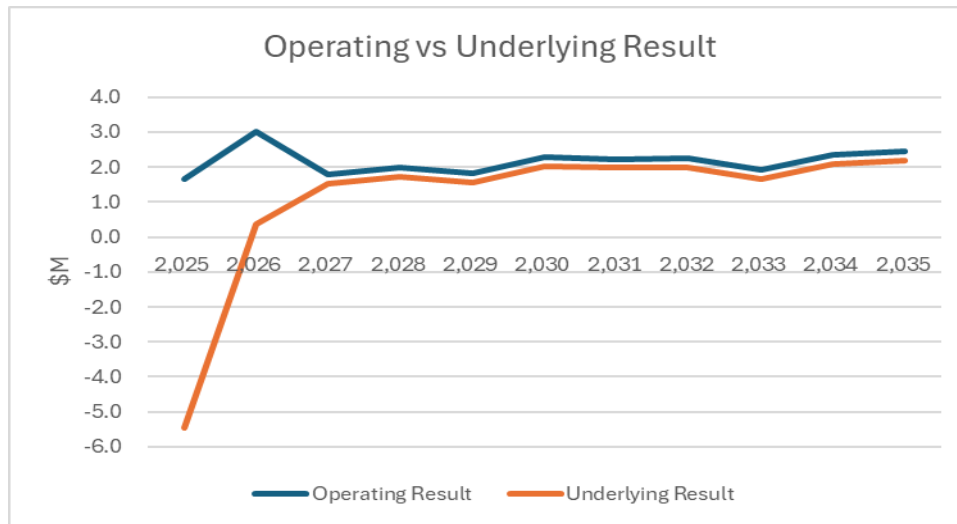
The following table highlights Council's projected performance across a range of key financial performance indicators. These indicators provide an analysis of Council's 10-year financial projections and should be interpreted in the context of the organisation's objectives and financial management principles.

Indicator	Measure	Forecast 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	Budget 2034	Budget 2035	Trend +/-
Operating position													
Adjusted underlying result	Adjusted underlying surplus-deficit / Adjusted underlying revenue	-13.5%	0.9%	3.6%	3.9%	3.4%	4.3%	4.1%	4.0%	3.2%	3.9%	4.0%	+
Liquidity													
Working capital	Current assets / Current liabilities	127%	103%	105%	108%	105%	140%	169%	195%	197%	249%	292%	+
Unrestricted cash	Unrestricted cash / Current liabilities	10%	21%	21%	26%	25%	46%	64%	88%	90%	130%	171%	+
Obligations													
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	51.9%	41.7%	33.8%	25.9%	18.2%	10.6%	6.9%	4.3%	2.1%	0.0%	0.0%	+
Loans and borrowings commitment	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4.9%	8.9%	8.6%	8.4%	8.1%	7.9%	3.7%	2.7%	2.3%	2.1%	0.0%	+
Indebtedness	Non-current liabilities / own source revenue	41.7%	32.9%	25.4%	18.3%	11.2%	7.8%	5.4%	3.3%	1.4%	1.3%	1.3%	+
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	144.2%	113.8%	99.0%	101.1%	101.7%	88.9%	98.1%	102.1%	113.5%	97.2%	97.2%	-
Stability													
Rates concentration	Rate revenue / Adjusted underlying revenue	66.8%	70.1%	69.2%	69.1%	69.1%	69.1%	69.4%	69.3%	69.3%	69.3%	69.3%	+
Rates Effort	Rate revenue / CIV of rateable properties in the municipality	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o
Efficiency													
Expenditure level	Total expenses / Number of property assessments	\$3,852	\$3,412	\$3,450	\$3,528	\$3,624	\$3,669	\$3,741	\$3,827	\$3,943	\$3,996	\$4,116	+
Revenue level	Total revenue / Number of property assessments	\$2,267	\$2,411	\$2,477	\$2,535	\$2,591	\$2,648	\$2,706	\$2,764	\$2,824	\$2,884	\$2,970	+

Key to Forecast Trend

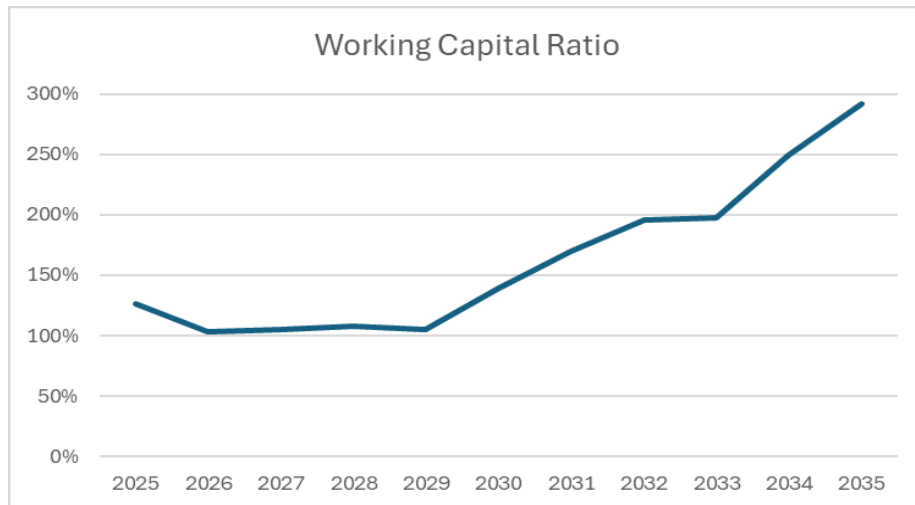
- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Graphs – Key Performance Indicators



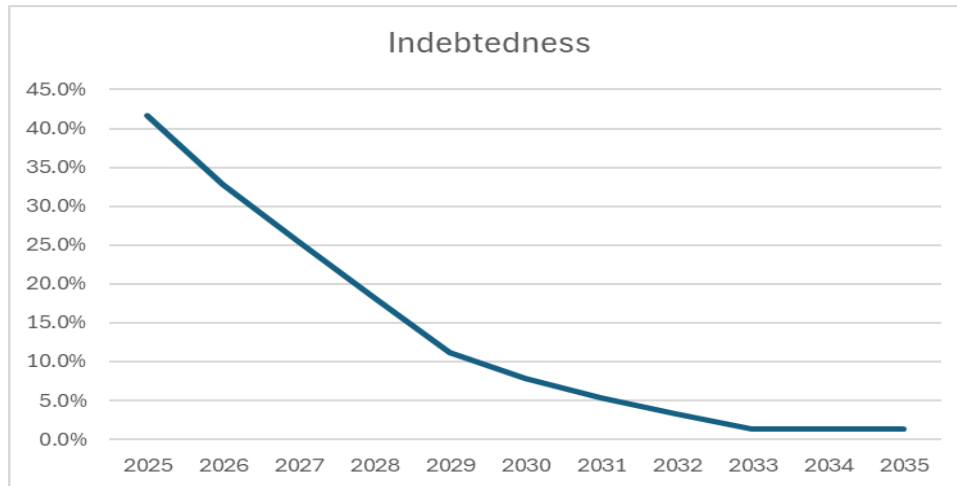
- Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. The positive result for this indicator identifies an adjusted underlying surplus and the trend indicates improving underlying surpluses over the strategic resource plan.
- Positive outcomes for both operating and adjusted underlying result.
- Combination of increasing revenues and decreasing operating expenditures.
- Promising financial health and shows ability to achieve Council's service delivery goals.

Graphs – Key Performance Indicators (cont.)



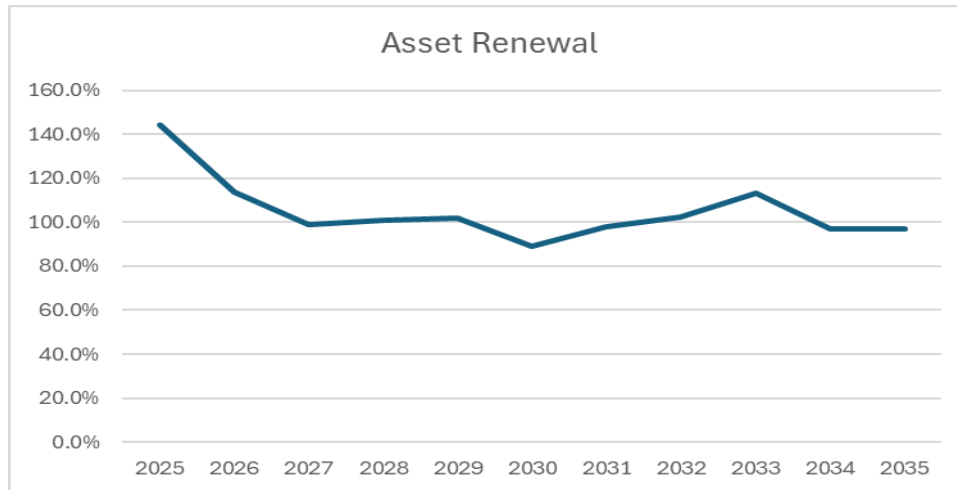
- Working capital – The proportion of current liabilities represented by current assets. The indicator shows an increase over most of the plan, primarily due to rising cash balances and decreasing expenditure on loan interest and loan principal repayments.
- Significant improvements in the latter part of the plan will allow for increased allocation of capital works expenditure or the ability for Council to respond to increased costs, or unforeseen costs.
- Increasing cash balances and reducing debt levels.

Graphs – Key Performance Indicators (cont.)



- Indebtedness – to assess Council’s ability to cover its medium to long-term liabilities with revenue not sourced by grants, monetary contributions, or non-monetary contributions.
- Improvements to the indicator throughout as the repayment of debt obligations occur.
- Within the State Government target of between 0-40% with capacity for future borrowings subject to any new capital developments.

Graphs – Key Performance Indicators (cont.)



- Asset renewal – This percentage indicates the extent of Council’s renewals against its depreciation charge (an indication of the decline in value of its existing capital assets).
- A percentage greater than 100 indicates that Council is maintaining its existing assets, while a percentage less than 100 indicates that assets are deteriorating faster than they are being renewed, necessitating future capital expenditure for asset renewal.
- 2025 is artificially high as it includes carry-forward projects in addition to the annual allocation.

Unrestricted Cash Position

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Cash and cash equivalents	7,697	6,079	6,119	6,441	6,320	7,758	9,035	10,890	11,121	13,163	16,135
Trust funds and deposits	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)	(1,736)
Total statutory reserves	(3,272)	(2,488)	(2,468)	(2,318)	(2,318)	(2,318)	(2,318)	(2,318)	(2,318)	(2,318)	(2,318)
Total discretionary reserves	(1,911)	(1,536)	(1,536)	(1,736)	(1,736)	(1,986)	(2,236)	(2,486)	(2,486)	(2,986)	(3,486)
Unrestricted Cash (Hepburn)	777	318	378	650	529	1,717	2,744	4,349	4,580	6,122	8,594

- Unrestricted cash – This indicator represents Council’s ability to meet its short-term commitments without using funds allocated for other purposes.
- Remains positive throughout the plan but requires ongoing attention.
- Aligns with our Financial Vision, starting on the lower side in the early years and improving over the medium term.

8 Strategies and Plans

This section describes the strategies and plans that support the 10-year financial projections included in the Financial Plan.

8.1 Borrowing Strategy

Current Debt Position

Council's adopted Treasury Management Policy (50C) specifies the conditions under which borrowings can be used as a funding source. This policy acknowledges the principles of inter-generational equity funding and states that borrowings should be for specific purposes, such as strategically significant capital works that cannot be funded within the required timeframe. Additionally, it mandates that future borrowings must align with the Financial Plan's capacity to cover debt servicing costs throughout the loan's duration.

Council has utilised debt funding for several major infrastructure projects, including the completion of Djuwang Baring – All abilities mountain biking project and the Daylesford Town Hall roof and electrical works.

The total amount outstanding as at 30 June 2026 is projected to be \$12.07 million.

Future Borrowing Requirements

The following table highlights Council's projected loan balance, including new loans and loan repayments for the 10-years of the Financial Plan.

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Opening balance	9,382	13,978	12,057	10,048	7,946	5,746	3,444	2,313	1,473	734	-
Plus New loans	5,528	-	-	-	-	-	-	-	-	-	-
Less Principal Repayment	(932)	(1,921)	(2,009)	(2,102)	(2,200)	(2,302)	(1,132)	(839)	(740)	(734)	-
Closing Balance	13,978	12,057	10,048	7,946	5,746	3,444	2,313	1,473	734	-	-
Interest payment	401	638	549	456	359	257	109	103	62	24	-

Performance Indicators

The following table highlights Council's projected performance across a range of debt management performance indicators.

Performance Indicator	Target	Forecast 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033	Budget 2034	Budget 2035
Total borrowings / Rate revenue	Below 60%	51.9%	41.7%	33.8%	25.9%	18.2%	10.6%	6.9%	4.3%	2.1%	0.0%	0.0%
Debt servicing (interest) / Rate revenue	Below 5%	1.5%	2.2%	1.8%	1.5%	1.1%	0.8%	0.3%	0.3%	0.2%	0.1%	0.0%
Debt commitment (interest & principal) / Rate revenue	Below 10%	4.9%	8.9%	8.6%	8.4%	8.1%	7.9%	3.7%	2.7%	2.3%	2.1%	0.0%
Indebtedness / Own source revenue	Below 40%	41.7%	32.9%	25.4%	18.3%	11.2%	7.8%	5.4%	3.3%	1.4%	1.3%	1.3%

Council maintains its loan borrowing within prudent and management limits as demonstrated by the following performance indicators, and the medium-long term of this plan allows the capacity to borrow for appropriate projects if Council resolves too.

Total borrowings / Rate revenue

This evaluates the use of debt to finance Council's long-term projects in relation to rates and charges revenue. Since it is within the 60 per cent target, Council can borrow funds for major capital projects in the future. The financial plan does not include any new borrowings.

Debt Servicing / Rate revenue

This indicates Council's capacity to meet its debt obligations using the revenue generated from rates. Being significantly below the 5 per cent target demonstrates that Council can cover its loan interest payments through rates without needing to seek alternative funding sources.

Debt commitment / Rate revenue

This evaluates how dependent Council is on revenue from rates and charges to meet its interest and principal loan repayments. With ratios below the 10 per cent target, it indicates that Council can fulfill its debt obligations without needing to seek alternative funding sources.

Indebtedness / Own source revenue

This measures Council's capacity to meet its long-term obligations using internally generated revenue (excluding external grants and contributions). The indebtedness target is higher in the initial years but remains within the target of 40 per cent.

8.2 Reserves Strategy

Council maintains both statutory and discretionary reserves in accordance with standard practice. Financial reserves are funds set aside from operating and capital incomes for future funding of capital projects. From an accounting perspective, these funds are recorded under 'Equity' in Council's Balance Sheet. The nature, purpose, and any usage restrictions of major reserves are outlined below.

- **Public Open Space Reserve** - The Public Open Space Reserve is used to hold developer contributions towards public open space infrastructure arising from property developers undertaking property subdivisions. These funds are then used to expand and upgrade Council's public open space facilities. Use of the funds in the Public Open Space Reserve is restricted by legislation.
- **Mineral Springs Financial Reserve** - The purpose of this reserve is to fund future works associated with mineral springs across the shire and the refurbishment of the spa complex. The annual operating surplus of the Hepburn Mineral Springs Reserve is transferred to this reserve each year. Reserve funds are then used for capital projects at the Hepburn Mineral Springs Reserve. The use of funds in this reserve is not restricted by legislation and is at the discretion of Council.
- **Waste Management Reserve** - The annual operating surplus of Council's waste management function is transferred to the Waste Management Reserve each year. Reserve funds are then used for waste management capital projects. Council has continued with the Waste Strategy during 2024/2025 which informs future waste management capital projects required by the Shire. The use of funds in this reserve is not restricted by legislation and is at the discretion of Council.
- **Staff Accommodation and Community Facilities Reserve** - This reserve is the surplus from the sale of The Rex and the repayment of the loan drawn down to purchase The Rex. This reserve is to be allocated to projects associated with accommodation for Hepburn Shire Staff and Community Facilities within the Birch Ward.
- **Grant Funding Reserve** – A newly established reserve, through the Financial Vision, designed to provide 'match' funding for government grants. This reserve ensures that the necessary co-contributions for future projects are available, facilitating the allocation of funds to government grant applications. Allocations to this reserve will depend on the available cash surpluses and will be reviewed annually.

Reserve Usage Projections

The table below presents the balance and projected annual movement for each reserve over the 10-year duration of the Financial Plan. The total amount of reserves for each year aligns with the Statement of Changes in Equity, excluding the Asset Revaluation Reserve.

	Forecast 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000	Budget 2033 \$000	Budget 2034 \$000	Budget 2035 \$000
Statutory											
Public Open Space	1,853	1,379	879	879	879	879	879	879	879	879	879
Mineral Springs	703	0	580	580	580	580	580	580	580	580	580
Waste Management	716	1,109	1,009	859	859	859	859	859	859	859	859
Total statutory reserves	3,272	2,488	2,468	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318
Discretionary											
Other	102	102	102	102	102	102	102	102	102	102	102
Accommodation and Community Facilities	1,809	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434
Grant Reserves	0	0	0	200	200	450	700	950	950	1,450	1,950
Total discretionary reserves	1,911	1,536	1,536	1,736	1,736	1,986	2,236	2,486	2,486	2,986	3,486
Total reserves	5,184	4,025	4,005	4,055	4,055	4,305	4,555	4,805	4,805	5,305	5,805

8.3 Treasury Management Approach and Investment Strategy

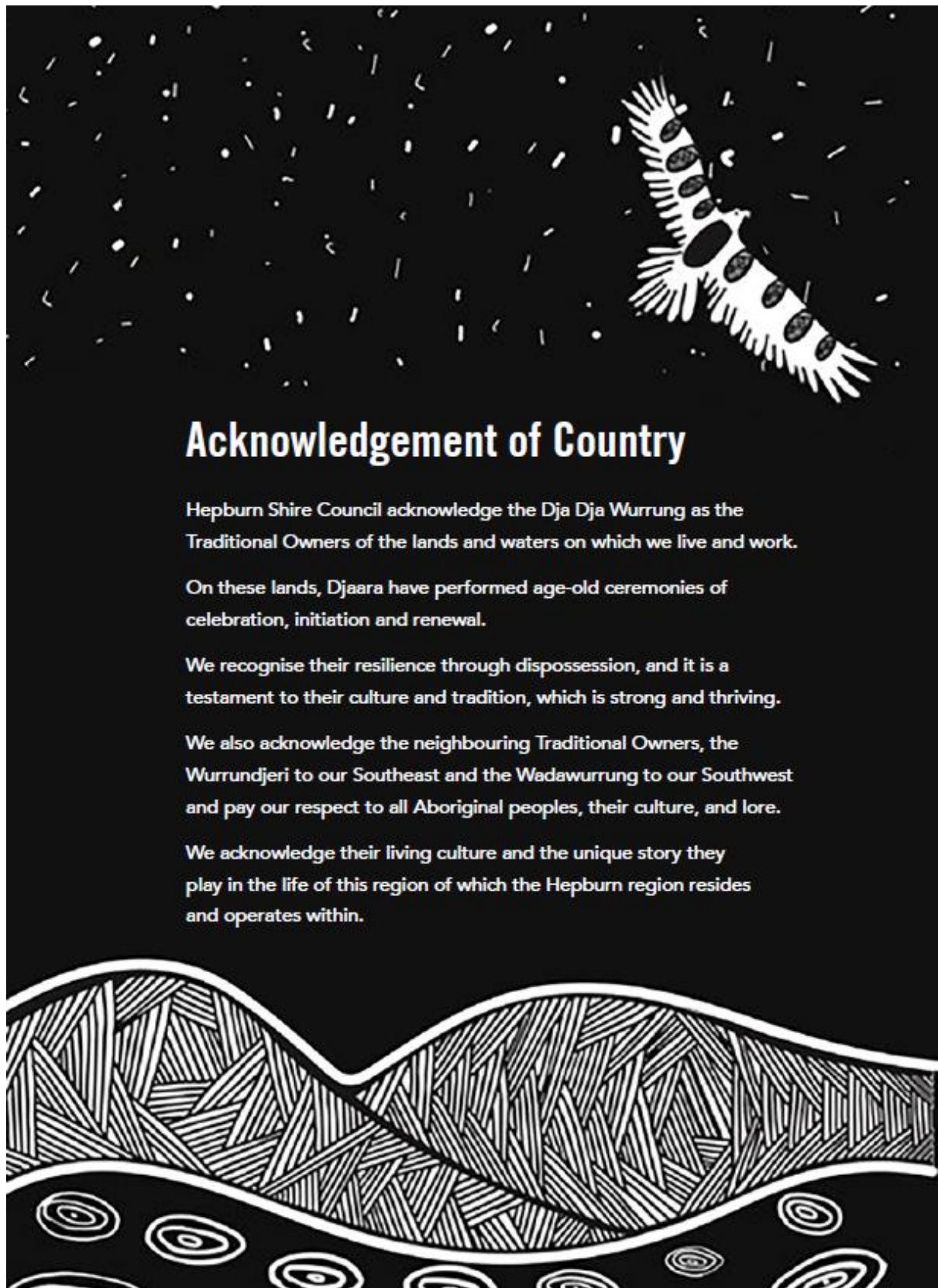
Council's Treasury Management Policy (50C) governs the management of its financial resources, including cash and investments.

Council must maintain adequate cash and cash equivalents to meet all reasonably anticipated cash flow needs as they arise. For any surplus cash, Council will invest in term deposits, ensuring that investments with any single financial institution does not exceed the policy's specified limits. Speculative investments are strictly prohibited.



Draft Revenue & Rating Plan 2025-2029

May 2025



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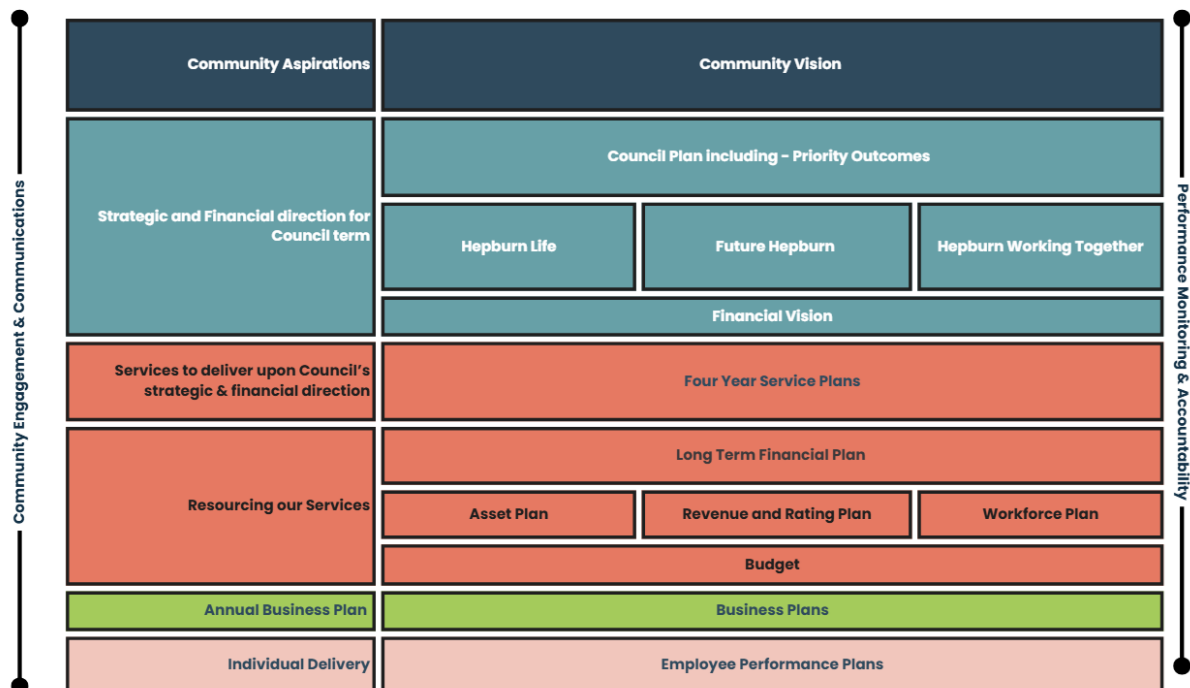
1 Purpose

The Revenue and Rating Plan aims to identify the most suitable revenue and rating strategy for the Hepburn Shire Council. This strategy will ensure adequate funding for the objectives outlined in the Council Plan.

A strategy included within the Council Plan 2025-29 is that Council will actively pursue alternative revenue opportunities.

The *Local Government Act 2020* mandates that each council must develop a Revenue and Rating Plan covering at least four years after each council election. This plan sets the revenue and rating framework within which Hepburn Shire Council intends to operate.

The Revenue and Rating Plan is a crucial component of Hepburn Shire Council's Integrated Strategic Planning Framework. All documents within this framework are designed to achieve the Community Vision and the Council Plan. The strategies outlined in this Revenue and Rating Plan align with the outcomes in the Council Plan and will contribute to Hepburn Shire Council's budgeting, long-term financial planning, and other strategic planning documents under the Council's strategic planning framework. The framework is detailed in the below diagram.



Layer	Description	Documents
Community aspirations	Community aspirations are set out in our Community Vision.	Community Vision
Strategic direction	The strategic and financial direction and priorities across the Council term.	Council Plan and Financial Vision
Council services	Services that will deliver upon Council's strategic and financial priorities.	Service Catalogue and Service Map
Resourcing	How we will resource our services to deliver Council's strategic and financial priorities.	Financial Plan, Asset Plan, Revenue and Rating Plan, Workforce Plan and Annual Budget.
Annual business plan	The projects and initiatives funded through the annual Budget that will deliver on Council's strategic and financial priorities.	Annual Plan
Individual delivery	Individual employee plans that align our Council Officer's roles and responsibilities to Council's strategic and financial priorities.	Employee Performance Plans

This plan explains how Hepburn Shire Council apportions and charges the revenue needed to fund its activities, and how the funding burden will be apportioned between ratepayers and other users of Hepburn Shire Council facilities and services. In particular, this plan sets out decisions that Hepburn Shire Council has made in relation to rating options available to it under the *Local Government Act 2020* to ensure the fair and equitable distribution of rates across property owners. It also sets out principles that are used in decision making for other revenue sources such as fees and charges.

This plan has been heavily influenced by the findings and recommendations of Council's [Financial Vision](#) adopted in September 2024.

It is important to note that this plan does not set revenue targets for Hepburn Shire Council, it outlines the strategic framework and decisions that inform how Council will go about calculating and collecting its revenue.

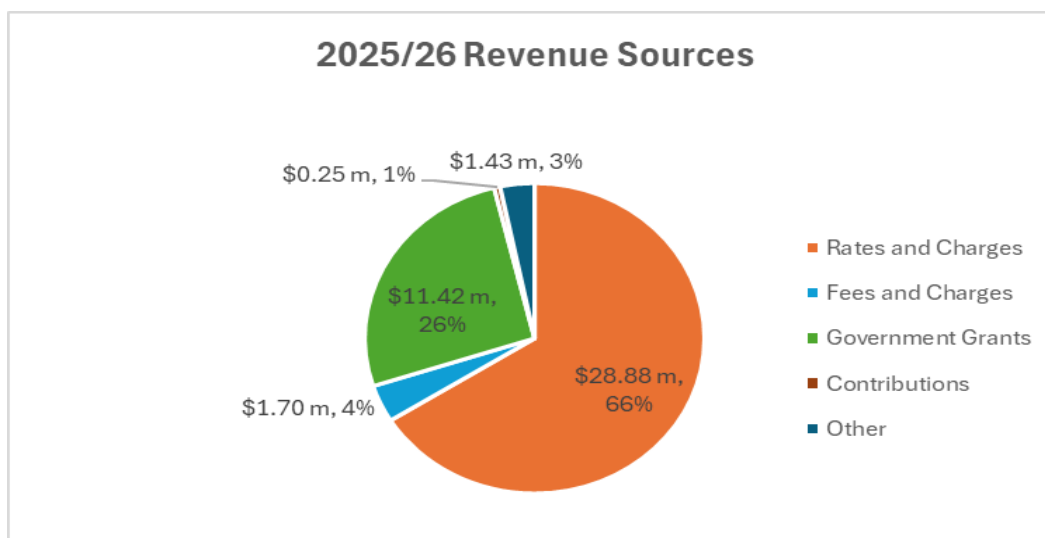
2 Introduction

Hepburn Shire Council provides an extensive range of services and facilities to our local community, and in doing so, must collect revenue to cover the cost of providing these services and facilities.

Hepburn Shire Council's revenue sources include:

- Rates and charges (including waste charges)
- Government grants
- Fees and charges
- Contributions
- Other revenue

2.1 Revenue Sources



Note: All numbers on the graph are shown in millions of dollars.

The above graph shows a breakup of the revenue Hepburn Shire Council uses to fund services and facilities for the Hepburn Shire community. The total revenue for the 2025-26 year is budgeted to be \$43.89 million with the major components being rates and charges (66%), Government grants (26%), fees and charges (4%) and other (3%). Gain on disposal of property, infrastructure, plant and equipment of \$207,000 has been excluded for the purposes of the analysis. The budgeted income from general rates is calculated based on the 10% rate cap increase for 2025-26 fiscal year.

2.2 Revenue Requirements

The Revenue and Rating Plan is a medium-term plan for how Hepburn Shire Council will generate income to deliver on the Council Plan, program and services and capital works commitments over the next four years. In determining its revenue requirements, the Council has identified what each source of revenue is, how much will be raised in each class,

and the policy rationale/assumptions for each. In doing this, Hepburn Shire Council has considered:

- How revenue will be generated through rates on properties (including differential rates [if any] on different property classes)
- Fixed service charges that might be applied on services such as waste or recycling
- Fees and charges for services and programs including cost recovery policies, user charges and means testing
- Recurrent and non-recurrent operational and capital grants from other levels of government
- Developer contributions and other revenue
- Revenue generated from the use or allocation of Council assets (including the application of discounts and waivers)
- Entrepreneurial, business, or collaborative activities established to deliver programs or services and generate income or reduce costs.

2.3 Revenue Balance

Hepburn Shire Council provides a range of services and capital works, and in determining if services should be funded through rates and charges or other revenue sources such as user charges, the Council considers whether services are either entirely or partially public goods. That is, where a service provides a broad benefit to the whole community then it will be mostly funded from rates. Where individual or groups of ratepayers receive a particular benefit then the service will be mostly funded from user charges.

In developing the Revenue and Rating Plan, Hepburn Shire Council does take into consideration stakeholders' capacity to pay and is willing to work with ratepayers to explore payment options. Hepburn Shire Councils Revenue Collection and Financial Hardship Policy describes how Rates and Fees will be collected and how Council may assist persons who are unable to pay rates, fees and debts because they are experiencing financial hardship. All persons who are experiencing financial hardship are provided with reasonable access to appropriate assistance and in relevant circumstances referred to a financial counsellor. All applications for financial hardship are treated in confidence.

- **Hepburn Working Together | Outcome 1 | Strategy 1 and 2¹**
- **Hepburn Working Together | Outcome 2 | Strategy 2**

¹ Dot points throughout the document denote the alignment with Council Plan domains, outcomes and strategies as detailed in Appendix B.

3 Community Engagement

The Revenue and Rating Plan details Hepburn Shire Council's decision-making process for calculating and collecting revenues.

Hepburn Shire Council has engaged the community in reviewing the Community Vision and developing the 2025-2029 Council Plan. Previous engagements on the Financial Vision, Budget, and the previous Rating Strategy, along with other strategies and plans, have informed the development of this plan.

Deliberative community engagement is not prescribed for a Revenue and Rating Plan in either the *Local Government Act 2020*, or the *Local Government (Planning and Reporting) Regulations 2020*. However, community engagement on the Revenue and Rating Plan can be an effective way to better involve and educate ratepayers, customers and other stakeholders about the Council's rating and revenue systems, how income is collected, and how policies are created and applied.

The Revenue and Rating Plan community engagement process will include:

- Review of the Revenue and Rating Plan.
- Draft Revenue and Rating Plan endorsed and available for public comment (13 May 2025)
- Community consultation and engagement (May 2025) through local news outlets, social media and councils website.
- Review of public submissions (June 2025)
- Council Meeting to be held (24 June 2025) to adopt the Revenue and Rating Plan.

Hepburn Shire Council will review, as they become due, revenue policies alongside this Revenue and Rating Plan including:

- Revenue Collection & Financial Hardship Policy
- Treasury Management Policy
- **Hepburn Working Together I Outcome 2 I Strategy 2**
Hepburn Shire's financial planning can be found in our Long-term Financial Plan 2025-2034 and Financial Vision 2024-2027

4 Legislative Framework

The *Local Government Act 2020* empowers councils to declare general rates, municipal charges, service rate and charges, and special rates and charges and along with the *Valuation of Land Act 1960*, is the legislative framework that apply to the raising of revenue via rates as outlined in the specific sections below.

4.1 Local Government Act 2020

Section 8 Role of a Council

The role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

Section 9 Overarching Governance Principles

A Council must in the performance of its role give effect to the overarching governance principles. Relevant overarching governance principles include:

- Priority is to be given to achieving the best outcomes for the municipal community, including future generations
- The economic, social and environmental sustainability of the municipal district is to be promoted
- The municipal community is to be engaged in strategic planning and strategic decision making
- The ongoing financial viability of the Council is to be ensured.

In giving effect to the overarching governance principles, a Council must take into account the financial management principles.

Section 94 The Budget

Council must adopt a budget by 30 June each year (or at another time fixed by the Minister) to include:

- The total amount that the Council intends to raise by rates and charges
- A statement as to whether the rates will be raised by the application of a uniform rate or a differential rate
- A description of any fixed component of the rates, if applicable
- If the Council proposes to declare a uniform rate, the matters specified in section 160 of the *Local Government Act 1989*
- If the Council proposes to declare a differential rate for any land, the matters specified in section 161(2) of the *Local Government Act 1989*.

Council must ensure that, if applicable, the budget also contains a statement:

- That the Council intends to apply for a special order to increase the Council's average rate cap for the financial year or any other financial year; or
- That the Council has made an application to the Essential Services Commission for a special order and is waiting for the outcome of the application; or
- That a special order has been made in respect to the Council and specifying the average rate cap that applies for the financial year or any other financial year.

Section 101 Financial Management Principles

Relevant financial management principles include:

- Revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans.
- Financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community.

4.2 Local Government Act 1989

The *Local Government Act 1989* continues to be the authority for rating purposes. The legislative framework set out in the *Local Government Act 1989* determines Council's ability to develop a rating system.

Section 155 Charges that Maybe Declared

Section 155 of the *Local Government Act 1989* provides that a council may declare the following rates and charges on rateable land:

- General rates under Section 158.
- Municipal charges under Section 159.
- Service rates and charges under Section 162.
- Special rates and charges under Section 163.

The recommended strategy in relation to service rates and charges and special rates and charges are discussed later in this Plan.

Section 157 System of Valuing Land

In raising rates, Council is required to use the valuation of the rateable property to levy rates. Section 157 (1) provides Council with the following options in terms of which valuation to apply:

- Site valuation
- Net Annual Value (NAV)
- Capital Improved Valuation (CIV) - as applied by Hepburn Shire Council

For the purposes of calculating the site value, net annual value or capital improved value of rateable land, a council must use the current valuations made in respect of the land under the *Valuation of Land Act 1960* by the Valuer-General.

4.3 Quantum of Rates and Charges

This plan outlines the principles and strategic framework that Council will use in calculating and distributing the rating burden to property owners, however, the quantum of rate and charges revenue will be determined in the annual Budget.

4.4 Local Government Rating System Review

The Victorian Government has undertaken reviews of the local government rating system with a view to ensuring a good system, and Council is committed to applying the following principles they outlined:

- Provide local governments with the autonomy to raise sufficient tax revenue to meet the needs and capacity of their community.
- Based on a proportion of the value of the property, i.e. higher valued properties usually contribute more in rates than lower valued properties in the same municipality.
- Simple to understand and allows for meaningful community engagement to make informed and transparent decisions about rate distribution and rating levels.
- Provides transparent and flexible ways for councils to treat ratepayers facing financial hardship fairly.
- Set out in primary legislation and is in line with the principles-based approach of the Local Government Act 2020.

4.5 Taxation Principles

The Victorian Government's *Local Government Better Practice Guide: Revenue and Rating Strategy 2014* states that when developing a rating strategy, in particular with reference to differential rates, the Council should give consideration to the following key good practice taxation principles:

- **Wealth Tax:** The “wealth tax” principle implies that the rates paid are dependent upon the value of a ratepayer’s real property and have no correlation to the individual ratepayer’s consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.
- **Equity:** Horizontal equity – ratepayers in similar situations should pay similar amounts of rates (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation). Vertical Equity – those who are better off should pay more rates than those worse off (the rationale applies for the use of progressive and proportional income taxation. It implies a “relativity” dimension to the fairness of the tax burden).
- **Efficiency:** Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by rates.
- **Simplicity:** How easily a rates system can be understood by ratepayers and the practicality and ease of administration.
- **Benefit:** The extent to which there is a nexus between consumption/benefit and the rate burden.
- **Capacity to pay:** The capacity of ratepayers or groups of ratepayers to pay rates.
- **Diversity:** The capacity of ratepayers within a group to pay rates.

The rating challenge for Council is therefore to determine how to balance competing considerations.

4.6 Rate Capping

The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For the 2024-25 financial year the FGRS cap was set at 2.75%. For the 2025-26 financial year it has been set at 3%. The cap applies to both general rates and municipal charges and is calculated based on Council’s average rates and charges.

From 2019 general revaluations of all properties have been undertaken on an annual basis. As a result, the actual rate increase for an individual rateable property may differ from the rate cap percentage due to changes in its valuation. Where the change in an individual property valuation is higher than the average for all rateable properties, the rate increase for that property may be greater than the cap. Where the change in the property valuation is lower than the average for all properties, the rate increase may be lower than the cap.

Council has applied for an increase to the State Government rate cap for the 2025-2026 financial year. In line with the 2024-2027 Financial Vision for Hepburn Shire Council an application has been made for a variation of 10 per cent, which is inclusive of the 3 per cent rate cap announced by the Minister for Local Government.

4.7 Minister Local Government's Waste Guidelines

Councils have the option of declaring a charge or an ad valorem rate (or a combination of both) for waste, recycling and/or resource recovery service and other prescribed services. Council have opted to declare a service charge.

A Service Charge (as opposed to a Service Rate based on property value) has been adopted for the purposes of waste, recycling and/or resource recovery services (commonly known as kerbside waste collection). It is deemed good practice considering there is a clear nexus between the amount levied on an occupancy and the cost of the service provided to the occupancy.

The Minister for Local Government on Thursday, 21 December 2023 released the Ministers' Good Practice Guidelines for Service Rates and Charges. These Good Practice Guidelines for Service Rates and Charges are made under Section 87 of the Local Government Act 2020. They set out what constitutes good practice by councils in the determination and declaration of Service Rates and Charges under Section 162 of the Local Government Act 1989 and any other matters related to compliance and accountability by councils.

The objectives of the Good Practice Guidelines are to ensure that Service Rates and Charges:

- are only used to recover the reasonable costs of providing a direct service to an occupancy;
- are calculated and declared in a fair and transparent manner; and
- are subject to public engagement in accordance with a council's Community Engagement Policy.

The only specified reasons for councils to raise Service Rates and Charges are:

- Waste, recycling or resource recovery services; and
- Any other service prescribed in regulations.

These Guidelines were originally to take effect from 1 March 2024, but with the appointment of a new Minister for Local Government, the guidelines are being reviewed. Waste Charges for the 2025/26 financial year will be set as part of the Budget process and will be based on Councils traditional cost structure.

- **Hepburn Working Together | Outcome 2 | Strategy 1 & 2**

5 Rates and Charges

Rates and charges are required by the *Local Government Act 1989, Section 158* and the Regulations to be disclosed in Council's annual budget.

Rates and charges are property taxes that allow the Council to raise revenue to fund essential public services to cater to their municipal population. Importantly, it is a taxation system that includes flexibility for councils to use different tools in its rating structure to accommodate issues of equity and to ensure fairness in rating for all ratepayers.

Property rates as an overall source of revenue will:

- Be reviewed annually;
- Not change dramatically from one year to the next; and
- Be sufficient to fund current expenditure commitments and deliverables outlined in the Council Plan, Budget, Financial Plan and Asset Plan.

Hepburn Shire Council has traditionally been a lower-rating Council than many other councils in Victoria. As per the Victorian Government's Know Your Council website, it notes that Council's average rates per property assessment for the 2023/24 financial year was \$1,700.66. This compares to \$1,733.69 for similar sized Councils and \$1,883.14 for all Victorian Councils. The table below from the Victorian Government Know Your Council Comparison illustrates Hepburn Shire Councils Average Rate per property assessment:

Council	2020/21	2021/22	2022/23	2023/24
Hepburn Shire Council	\$1,598.16	\$1,612.58	\$1,651.04	\$1,700.66
Small Shire average	\$1,722.85	\$1,737.42	\$1,755.69	\$1,733.69
All Council average	\$1,798.88	\$1,832.33	\$1,846.88	\$1,883.14

Further details on Council classifications can be found on: [Know Your Council comparison dashboard | vic.gov.au](https://www.vic.gov.au/know-your-council-comparison)

Finding / Recommendation –

Council resolution from adoption of Financial Vision – that Council notes that property-based taxation, such as Council rates, may not be the best taxation system to take into account ratepayers' capacity to pay and requests that the Mayor and Chief Executive Officer write to the State Government Minister for Local Government calling for a review of the Rating and Revenue systems of Victorian Councils.

5.1 Valuation Method

Legislation

Under Section 157 of the *Local Government Act 1989* a council may use the site value, net annual value or capital improved value system of valuation. For the purposes of calculating the site value, net annual value or capital improved value of rateable land, a council must use the current valuations made in respect of the land under the *Valuation of Land Act 1960* by the Valuer-General.

Policy

Hepburn Shire Council applies the Capital Improved Value (CIV) to all properties within the municipality to reflect the fully developed value of the property. CIV is the most commonly used valuation base by local government with over 90 percent of Victorian councils applying this methodology. Based on the value of both land and all improvements on the land, it is generally easily understood by ratepayers as it equates to the market value of the property.

Utilising CIV is a reasonably assumed price which a landowner may expect at the time of valuation, should they opt to sell the land to a genuine buyer under reasonable sale terms and conditions.

Impact of Revaluations

From 2019 changes made to the *Valuation of Land Act 1960* require property valuations to be undertaken by the Valuer General's Office on an annual basis as opposed to every two years which had previously been the case.

Key Points to be aware of:

- Property revaluations are undertaken annually and do not generate extra revenue for Council. Valuations can, however, have a significant impact on the rates that individual properties are allocated, as the total rates pool is redistributed based on the updated property values.
- Valuations are undertaken as of the 1st of January each year and will be in effect for the rates levied from the 1st of July.
- Ratepayers can object to their property valuation.

Finding / Recommendation –

The valuation method will be CIV (Capital Improved Value), with no change from previous plan.

5.2 Rates and Charges

Legislation

Under Section 155 of the *Local Government Act 1989*, a council may declare the following rates and charges on rateable land:

- General rates
- Municipal charges
- Service rates and charges
- Special rates and charges.

General Rates (Section 158) of the *Local Government Act 1989* stipulates:-

At least once within each financial year (by 30 June) a Council must declare:

- The amount which the Council intends to raise by general rates, municipal charges, service rates and charges; and
- Whether the general rates will be raised by the application of:
 - A uniform rate (Section 160);
 - Differential rates (Section 161);
 - Urban farm rates, farm rates or residential use rates (Section 161A).

Policy

The Council's current policy for rates and charges are set out in the following sections.

5.3 Differential Rates

Legislation

Under Section 158 of the *Local Government Act 1989*, a Council when declaring rates and charges must declare whether the general rates will be raised by the application of a uniform rate or differential rates. Differential rates allow Council to shift part of the rates levied from some groups of ratepayers to others, through different 'rates in the dollar' for each class of property.

Under Section 161 of the *Local Government Act 1989*, a Council may apply differential rates, provided it uses Capital Improved Value as its base for rating. If a Council declares a differential rate for any land, the Council must:

- Specify the objectives of the differential rate including a definition of the types or classes of land which are subject to the rate and a statement of the reasons for the use and level of that rate.
- Specify the characteristics of the land which are the criteria for declaring the differential rate.

A Council must have regard to any Ministerial guidelines before declaring a differential rate for any land. The Minister issued Guidelines in April 2013. These guidelines attempt to spell out clearly what types and classes of land may be considered for differentials and also those that are not appropriate for differentials or need to be "carefully considered".

The highest differential rate must be no more than four times the lowest differential rate.

When declaring differential rates, Council must explain the objectives of each rate which is to remain consistent with the equitable and efficient carrying out of Council's functions.

The advantages and disadvantages of a differential rate approach are as follows:

Advantages	Disadvantages
There is greater flexibility to distribute the rate burden between all classes of properties and	The justification of the differential rate can at times be difficult for the various groups to accept giving rise to queries and complaints

<p>therefore link rates with the ability to pay and reflecting the tax deductibility of rates for commercial and industrial premises.</p> <p>Differential rating allows Council to better reflect the investment required by Council to establish infrastructure to meet the needs of the commercial and industrial sector.</p> <p>Allows Council to reflect the unique circumstances of some rating categories where the application of a uniform rate may create an inequitable outcome (e.g. Farming enterprises).</p> <p>Allows Council discretion in the imposition of rates to facilitate and encourage appropriate development of its municipal district in the best interest of the community. (i.e. Vacant Commercial properties still attract the commercial differential rate)</p>	<p>where the differentials may seem to be excessive.</p> <p>Differential rates can be confusing to ratepayers, as they may have difficulty understanding the system. Some rating categories may feel they are unfavourably treated because they are paying a higher level of rates than other ratepayer groups.</p> <p>Differential rating involves a degree of administrative complexity as properties continually shift from one type to another (e.g. residential to commercial,) requiring Council to update its records. Ensuring the accuracy/integrity of Council's data base is critical to ensure that properties are correctly classified into their right category.</p> <p>Council may not achieve the objectives it aims for through differential rating. For example, Council may set its differential rate objectives to levy a higher rate on land not developed, however it may be difficult to prove whether the rate achieves those objectives.</p>
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Hepburn Shire Council levies general rates via Differential Rates to acknowledge the diversity of the individual property and uses across the municipality.

Council recognises the need to review the differential rates as the need arises.

Policy and Charges

The Hepburn Shire Council rating structure comprises nine differential rates. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the *Local Government Act 1989*, and the *Ministerial Guidelines for Differential Rating 2013*. The formula for calculating General Rates, excluding any additional charges, arrears or additional supplementary rates is:

Property Valuation (Capital Improved Value) x **Rate in the Dollar** (Differential Rate Type).

The definition of each differential rate is set out in Appendix A. Details of the types/classes of land and the level of rate applicable to each differential is as follows:

Differential Rate Category	Rate Category Ratio (Level)
Residential	1.00
Commercial	1.16
Mixed Use	1.16
Industrial	1.16
Farm	0.65
Vacant Land (Township)	1.25
Vacant Land (Other)	1.00
Trust for Nature	0.50
Recreational	0.50

Finding / Recommendation –

There are no changes to rating differentials proposed in the Revenue and Rating Plan 2025-29

5.4 Municipal Charge

Legislation

A municipal charge may be levied (*Local Government Act 1989* Section 158) on all rateable properties within a municipality “to cover some of the administrative costs of the Council”. The legislation is not definitive on what comprises administrative costs and does not require Council to specify what is covered by the charge.

The application of a municipal charge represents a choice to raise a portion of the rates by a flat fee for all properties, rather than the sole use of the Capital Improved Value method. Under the *Local Government Act 1989*, Section 159 a council’s total revenue from municipal charge in a financial year must not exceed 20 percent of the combined sum total of the Council’s total revenue from the municipal charge and the revenue from general rates (total rates).

The municipal charge applies equally to all properties and is based on the recovery of a fixed cost of providing administrative services irrespective of valuation.

The argument against a municipal charge is that the charge is regressive in nature and would result in lower-valued properties paying higher overall rates and charges than they do at present. The equity objective in levying rates against property values is lost in a municipal charge as it is levied uniformly across all assessments.

Policy and Charges

Council does not levy a municipal charge due to its regressive nature, in that it impacts lower-valued properties which have a lesser capacity to pay.

A municipal charge is regressive in nature, impacting lower value properties which are likely to have a reduced capacity to pay. As part of future Rating Strategy reviews, council will consider all options to achieve the most equitable distribution of the rates burden, including the option of a municipal charge should it be deemed suitable.

Finding / Recommendation –

There is no introduction of a Municipal Charge proposed in the Revenue and Rating Plan 2025-29

5.5 Service Rates and Charges

Policy and Charges

The Council has the following service rates and charges:

- Kerbside landfill – township (120L) - fortnightly
- Kerbside landfill – rural (140L) - fortnightly
- Kerbside mixed recycling (240L) - fortnightly
- Kerbside food and garden organics (120L) - weekly
- Kerbside landfill – commercial (240L) - weekly
- Waste management improved charge
- Waste management unimproved charge

Council's policy regarding service rates and charges for waste disposal is that the costs of the waste services are fully recovered. Services and costing structures will be reviewed on an ongoing basis.

○ **Future Hepburn I Outcome 2 I Strategy 5**

Finding / Recommendation –

There are no proposed changes to the type of service charges proposed in the Revenue and Rating Plan 2025-29. Council will review waste service charges when the Minister Local Governments issues updated guidelines.

Finding / Recommendation –

Council will undertake a review of the kerbside food and garden organics service following its 12-months implementation, with a report presented to Council in early 2025-26.

5.6 Special Rates and Charges

Legislation

The *Local Government Act 1989* recognises that councils need help to provide improved infrastructure for their local communities. The Act allows councils to pass on the cost of capital infrastructure to the owner of a property that generally receives a unique benefit from the construction works. The purposes for which special rates and special charges may be used include road construction, kerb and channelling, footpath provision, drainage, and other capital improvement projects.

Under Section 163 of the *Local Government Act 1989*, a Council council may declare a special rate or charge for the purposes of:

- Defraying any expenses; or
- Repaying (with interest) any advance made to or debt incurred or loan raised by the Council.

Policy

Special rates and charges schemes are raised in accordance with the requirements of the *Local Government Act 1989*.

Council will look at applying special rates and charges to reduce the burden on the ratepayer as well as implementing a user pays system to assist the interested party reaching the desired outcome

Finding / Recommendation –

Councillors will receive a briefing paper that considers the possible options for special rate and charge schemes, including for possible road upgrades.

5.7 Payment of Rates and Charges

Legislation

Pursuant to Section 167 of the *Local Government Act 1989*, Council must allow rates and charges to be paid in four instalments. Council may also allow rates and charges to be paid in a lump sum.

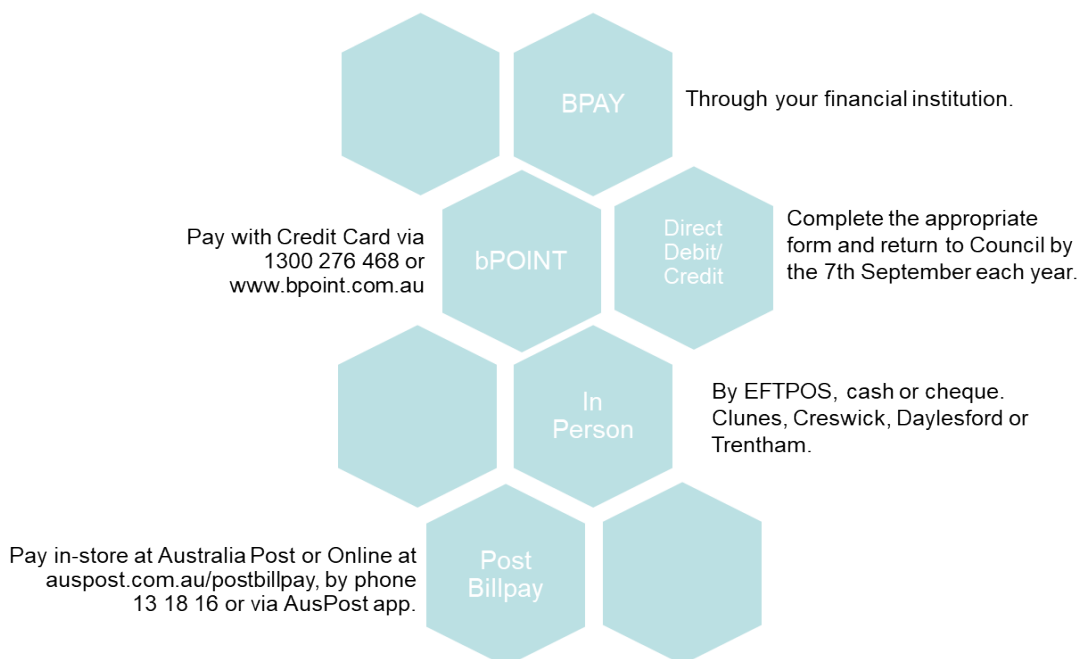
Policy

In accordance with Section 167 of the *Local Government Act 1989*, ratepayers have the option of paying rates and charges by way of four instalments. Payments are due on the prescribed dates below:

- **First Instalment:** 30 September
- **Second Instalment:** 30 November
- **Third Instalment:** 28 February
- **Fourth Instalment:** 31 May

Under Section 168 of the *Local Government Act 1989*, a council may also provide incentives for prompt payment. At this point in time Council does not offer incentive for early payment of rates.

Council offers a range of payment options including:



Interest on Arrears and Overdue Rates

There is a disincentive for late payments to council. Ratepayers who neglect to pay their rates or charges at the time they fall due may incur interest per the Local Government Act 2020 Section 120. The penalty interest percentage rate on Rates is fixed under section 2 of the Penalty Interest Rates Act 1983 as applied on 1st of July each year.

Per the Revenue Collection and Financial Hardship 2021 Policy 6 (C) Council require a ratepayer to pay penalty interest on Rates:

- (a) Which the ratepayer is liable to pay
- (b) Which have not been paid by the applicable due date

Penalty interest is calculated and charged from the date on which the Rates payment was due and will continue to accrue until the Rates are paid.

Council is willing to work with ratepayers who are proactive in resolving their outstanding balances.

Finding / Recommendation –

There are no proposed changes to payment timeframes in this plan.

- **Hepburn Working Together | Outcome 1 | Strategy 1**

5.8 Rebates and Concessions

Legislation

Under Section 169 of the *Local Government Act 1989*, a Council may grant a rebate or concession in relation to any rate or charge to:

- Assist the proper development of the municipal district; or
- Preserve buildings or places in the municipal district which are of historical or environmental interest; or
- Restore or maintain buildings or places of historical, environmental, architectural or scientific importance in the municipal district; or
- Assist the proper development of part of the municipal district.

A Council resolution granting a rebate or concession must specify the benefit to the community as a whole resulting from the rebate or concession.

Policy

Ratepayers who hold an eligible pensioner concession card may be entitled to receive a State Government-funded concession on their rates and charges for their principal place of residence. The pensioner concession is set at half the rates and charges levied up to a maximum amount and is fully funded by the State Government. Eligible pensioners are also entitled to receive a concession on the Fire Services Property Levy in the sum of \$50.

Ratepayers who are eligible to receive the pensioner concession, are also eligible to receive an additional concession to accommodate the financial difficulties experienced by pensioners. The additional pensioner concession is set at \$21.00 and is fully funded by Council. It should be noted that an additional pensioner concession is offered by few Victorian Councils. Hepburn Shire has offered a pensioner concession since 2013 and currently costs Council \$35,000 per annum. The rebate will rise to \$42.00 subject to a successful rate cap application.

Finding / Recommendation –

Given the successful rate cap variation, Councils additional pension concession will increase to \$42 (from \$21).

5.9 Deferrals and Waivers

Legislation

Under Section 170 of the *Local Government Act 1989*, a council may defer in whole or in part any rate or charge if the payment would cause hardship to the person.

Section 171 of the *Local Government Act 1989*, a council may waive the whole or part of any rate or charge or interest in relation to:

- An eligible recipient
- Any other class of persons determined by the Council for the purpose of waiving rates or charges on the grounds of financial hardship.

Policy

Council has a Revenue Collection and Hardship Policy designed to provide financial relief for rates and other debts. Ratepayers experiencing financial hardship, or those who would face hardship by paying the full amount of rates and charges, can apply for a payment arrangement initially or proceed to hardship policies by deferring the payment of rates, charges, and interest. Consideration will also be given to waiving current and future interest charges. As part of the hardship application process, the Council may refer ratepayers to a financial counsellor. The Council strives to work collaboratively with ratepayers to resolve any outstanding balances.

5.10 Financial Hardship

It is acknowledged that various ratepayers may experience financial hardship for a range of reasons. Meeting rate obligations is just one of many challenges that may be faced, which is why the Council has defined the financial hardship provisions available to our ratepaying community, as documented in the Revenue Collection and Financial Hardship Policy.

Ratepayers experiencing financial hardship may apply for assistance and be referred to a financial counsellor. The counsellor will work with the ratepayer to review their entire financial situation and make a recommendation to the Council regarding their capacity to maintain a payment arrangement or suggest a deferral.

5.11 Non-Payment of Rates by Required Dates

Where a ratepayer fails to meet their obligation to pay rates and charges in accordance with the legislative or Council offered payment dates, penalty interest may be applied. This is in accordance with the legislative framework, where an account may be referred to Council's appointed Debt Collection Agency.

Further information regarding the actions Council may take to collect outstanding Rates and Charges can be found in Council's Revenue Collection and Financial Hardship Policy.

Penalty Interest

Section 172 of the *Local Government Act 1989* enables Council to charge interest on unpaid rates and charges. The interest rate applied is fixed under Section 2 of the Penalty Interest Rates Act 1983, which is determined by the Minister and published by notice in the Government Gazette.

Debt Recovery

Council makes every effort to contact ratepayers at their correct registered mail address, but it is the ratepayers' responsibility to properly advise Council of their contact details. The *Local Government Act 1989* Section 230 and 231 requires both the vendor and buyer of property, or their agents (e.g. solicitors and or conveyancers), to notify Council by way of notice of acquisition and a notice of disposition of an interest in land. If an account becomes overdue, Council will proceed with actions as detailed in the Revenue Collection and Financial Hardship Policy.

Payment Arrangement

Council offers payment arrangements under the Local Government Act 1989 Section 171B to eligible ratepayers and debtors to assist in resolving outstanding balances.

Payment arrangements are useful for eligible applicants to ensure penalty interest is not accrued on overdue balances and make the outstanding balance more manageable.

New State Government Hardship Guidelines

Guidelines for rate payment, hardship, and payment arrangements are expected from the Minister Local Government in 2025/26.

Finding / Recommendation –

Council to review its processes and policies in relations to rate payments, hardship and payment arrangements in line with Government guidelines, when they are released.

Victorian Government Levies

Council has legislative requirements to collect levies and taxes on behalf of the State Government.

Such charges include the landfill levy, which is incorporated in the calculation of waste service charges and the Fire Services Property Levy, which once legislated will be renamed the Emergency Services and Volunteers Fund from 1 July 2025.

The Fire Services Property Levy will be renamed the Emergency Services and Volunteers Fund effective from 1 July 2025. The new levy is expanded to fund the State Emergency Service, Tripple Zero Victoria, the State Control Centre, Forest Fire Management Victoria and Emergency Recovery Victoria.

Short Stay Levy

At this point in time Council has not sought to introduce a Short Stay Levy or Local Law considering the Victoria State Government have opted to recently introduce a Short Stay Levy facilitated through the State Revenue Office. Council will review the impact of the State Government before any further fee or regulation of short stay accommodation occurs.

Vacant Residential Land Tax

From 1 January 2025, Vacant Residential Land Tax (VRLT) applies to residential land anywhere in Victoria if the land is vacant in the preceding calendar year. This means that if you own residential land anywhere in Victoria that was vacant in 2024, you may be liable for VRLT in 2025. This may affect properties under the Short Stay Levy and is serviced by the State Revenue Office.

6 Fees and Charges

Fees and charges consist of statutory fees and fines and user fees. Statutory fees and fines relate mainly to those levied in accordance with legislation and include animal registrations,

Public Health and Wellbeing Act 2008 registrations and parking fines. User fees relate to the recovery of service delivery costs through the charging of fees to users of the Council's services. The use of leisure, entertainment and other community facilities, and the provision of human services such as childcare and home and community care services all represent user fees.

6.1 Pricing Policy

The Council has developed a Fees and Charges Schedule that provides guidance for its approach in setting appropriate levels of fees and charges. This schedule applies to all fees and charges that are listed in the Fees and Charges Schedule, which is published in the Annual Budget. The policy seeks to ensure that the following key service performance principles under Section 106 of the Act are met:

- Services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community
- Services should be accessible to the members of the municipal community for whom the services are intended
- Quality and costs standards for services set by the Council should provide good value to the municipal community.

The Council must also comply with the government's Competitive Neutrality Policy for significant business activities it provides and adjust service prices to neutralise any competitive advantages when competing with the private sector.

6.2 Statutory Fees and Fines

Policy

Statutory fees and fines are those which the Council collects under the direction of legislation or other government directives. The rates used for statutory fees and fines are advised by the state government department responsible for the corresponding services or legislation, and the Council has limited discretion in applying these fees.

Fees and Fines

A summary of statutory fees and fines by major service area is as follows:

- Planning
- Registrations
- Infringements
- Permits

Penalty and fee units are used in Victoria's Acts and Regulations to describe the amount of a fine or a fee.

Council collaborates with council advocacy bodies such as Finance Professionals, Municipal

Finding / Recommendation –

Council will collaborate with advocacy bodies to request State Government undertake reviews and make adjustment to statutory fees and fine to improve the alignment between costs and revenue.

Association of Victoria and the Revenue Management Association to advocate for reviews into funding levels.

6.3 User Fees

Policy

For user fees not regulated by statute, Council determines the extent of cost recovery on a particular service consistent with the level of both individual and collective benefit that the service provides and in line with the community's expectations. The three types of non-statutory pricing are as follows:

Market Price	Price based on the benchmarked competitive prices of alternate suppliers. In general, this represents full cost recovery plus an allowance for profit.
Full Cost Recovery Price	Price based on recovering all direct and indirect costs incurred by council. This pricing is used in particular where a service provided by council benefits individual customers specifically, rather than the community as a whole.
Subsidised Price	Price based on less than full cost of that service and range from full subsidies (i.e. The Council provides the service free of charge) to partial subsidies, where the Council provides the service to the user with a discount.

The schedule of Fees and Charges in the Budget includes around 360 individual fees and charges which are reviewed annually as part of the Budget process. The Financial Plan has user fees increasing at a rate of 4.50 per cent per annum.

User Fees

Hepburn Shire Council provides a range of services, for which users pay a fee or charge which covers at least part of the cost of supply. The level of some fees and charges are statutorily set, however many are at the discretion of Council. Legislation provided for local governments to levy fees and charges. User fees and charges are those that Council will charge for the delivery of services and use of community infrastructure.

Examples of user fees and charges include:

- Waste management fees
- Leases and facility hire fees

- Building fees

Finding / Recommendation –

As Council undertakes Service Reviews, review the user fees and charges with an aim to benchmark Councils cost base, compare against other Councils and actively look for new fee types.

- **Hepburn Working Together | Outcome 2 | Strategy 3**

7 Other Revenue Sources

Other revenue sources that Council uses to fund services and facilities include government grants, contributions and other revenue.

7.1 Government Grants

Policy

Grant revenue represents income usually received from other levels of government. Some grants are singular and attached to the delivery of specific projects, whilst others can be of a recurrent nature and may or may not be linked to the delivery of projects.

The Council pro-actively advocates to other levels of government for grant funding support to deliver important infrastructure and service outcomes for the community. The Council demonstrates strong advocacy and may use its own funds to leverage higher grant funding and maximise external funding opportunities. Council recognises Government Grants as an area to prioritise for community benefit.

As part of the Financial Vision 2024-2027 Council will adopt the creation of a 'grant funding reserve' which will mean funds will be available to allocate to government grant applications as 'matching' funds.

When preparing its financial plan, the Council considers its project proposal pipeline, advocacy priorities, upcoming grant program opportunities, and co-funding options to determine what grants to apply for. The Council will only apply for and accept external funding if it is consistent with the Community Vision and does not lead to the distortion of Council Plan priorities. Grant assumptions are then clearly detailed in the Council's budget document. No project that is reliant on grant funding will proceed until a signed funding agreement is in place.

Government Grants

A summary of government grants by type is as follows.

Operating

- Financial assistance grants
- Libraries
- Maternal and child health
- Emergency
- Information technology
- School crossings
- Recreation
- Transport
- Waste and environment
- Youth

Capital

- Roads to recovery
- Community infrastructure
- Recreation
- Buildings
- Tourism
- Waste and environment

○ Hepburn Life I Outcome 2 I Strategy 2

Finding / Recommendation –

Include a 'Grant Funding Reserve', as noted and discussed as part of the development of Councils Financial Vision, to support Council's co-contribution towards grant funding opportunities.

7.2 Contributions

Policy

Contributions represent funds received by the Council, usually from non-government sources, and are often linked to projects. Contributions can be made to the Council in the form of either cash payments or physical assets. Contributions are always linked to a planning or funding agreement and the Council will not undertake any work on a contribution-funded project until a signed agreement outlining the contribution details is in place. Contributions linked to developments can be received well before any expenditure occurs. In this situation, the funds are identified and held separately in a reserve for the specific works identified in the agreements.

Types of Contributions

A summary of contributions by type is as follows.

- Open spaces fund – when land is subdivided, a contribution is made towards public open space by providing land, making a monetary contribution or a combination of both. Consideration will be given to how other councils levy the open spaces fund.
- Infrastructure / Developer contributions - All development creates increased demand on infrastructure like roads, footpaths and stormwater drains, through planning scheme amendments increased financial (or in-kind) contributions could be considered.
- Community group contributions to projects.

Finding / Recommendation –

Consider expanding Councils approach to and the application of developer contributions in conjunction with the work to be completed to implement Future Hepburn.

7.3 Other Revenue

Policy

Hepburn Shire Council earns other sources of revenue from sale of assets, leases and licensing, interest on investments and interest on rate arrears. The amount of revenue earned from these sources fluctuates from year-to-year, such as level of cash and investments, and outstanding rates and charges balances.

Finding / Recommendation –

Council resolution from adoption of Financial Vision – that Council continues to explore options that diversifies funding sources by exploring partnerships and other models with values-aligned organisations, and additionally, examines opportunities for shared service models with neighbouring councils and other entities to increase operational efficiency.

Sale of Assets

Under the Disposal and Acquisition of Land Policy 93 (C) Council responds to the needs of the community by selling surplus land and strategically acquiring additional properties. The Disposal and Acquisition of Land Policy provides a framework to guide decision making in relation to the sale and acquisition of land.

Hepburn Shire Council manages an extensive property portfolio. Council owned land is a valuable public asset, and it is essential that it is used to maximise the social, environmental, and economic benefits to the Hepburn Shire community. All property considered for disposal will undergo an evaluation based on both financial and community benefit factors. Existing holdings or strategic acquisitions must meet existing needs, new identified needs or adopted strategies. To enhance community benefit opportunities for the alternative use of property (including asset realisation) will be investigated. Regular reviews of asset holdings will be conducted to identify opportunities for asset realisation and consolidation.

Finding / Recommendation –

Council will actively review its Land and Buildings to review possible properties for sale, subject to community engagement.

Finding / Recommendation –

Council resolution from adoption of Financial Vision – that Council continues to explore the leasing or sale, of available land, if any, to obtain social benefits (including social and affordable housing land use opportunities) and/or financial returns for Hepburn Shire, ensuring compliance with Councils acquisition and disposal of land policy.

Leasing and Licensing

Hepburn Shire Council provides a range of assets for use by the public, community groups and other organisations to contribute to the achievement of Council's strategic objectives and desired service delivery. Sources of income may be received from leasing and licensing arrangements managed through Hepburn Shire Council's Leases and Licences Policy 09 (C).

The Policy applies to all Council-managed assets, including Council-owned, Crown Land (where Council is the appointed Committee of Management) and any other land Council has control over, where an occupancy agreement is to be offered to a community group or other organisation. The Policy outlines what occupancy agreements are covered.

Finding / Recommendation –

In 2025/26 Council officers prepare a briefing for Councillors that reviews the implementation of the Leases and Licences policy to ensure compliance is fast-tracked across the shire.

Interest on Investments

Hepburn Shire Council receives interest on funds managed as part of its investment portfolio, where funds are held in advance of expenditure, or for special purposes. The investment portfolio is managed per Council's Treasury Management Policy 50 (C), which seeks to provide maximum returns for ratepayers with consideration of an acceptable risk.

- **Future Hepburn | Outcome 2 | Strategy 4**
See also: Asset Plan 2025-2034

APPENDIX A: Differential Rate Definitions

Residential Land

Definition	Residential Land is land, which is used solely for residential purposes and the balance of land defined by exception to the general rate.
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	100 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the financial year

Commercial Land

Definition	Commercial land is land, which is used solely for commercial purposes. Includes rateable land which is used for short term accommodation which does not qualify as Residential under the Residential Tenancies Act 1997 characterised by stays of greater than 60 days and the existence of a tenancy agreement to which the Residential Tenancy Act 1997 applies.
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	116 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the financial year

Industrial Land

Definition	Industrial Land is land, which is used solely for industrial purposes.
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	116 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the financial year

Mixed Use Land

Definition	Mixed Use Land is land, which is not used solely for residential, commercial, industrial, farm land or recreational land but is a combination of residential and at least one other category.
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	116 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the financial year

Farm Land

Definition	Farm Land is land, which is identified and defined as farmland and which is used solely for the purpose of farming as defined in section 2(1) of the Valuation of Land Act 1960 and is deemed to be a property for primary production purposes as accepted by the Australian Taxation Office
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	65 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the financial year

Vacant Land (township)

Definition	Vacant Land (township) is land within township boundaries, which does not form part of a commercial, industrial, farming enterprise or recreational purpose or upon which a residence is erected
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	125 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	Not applicable

Vacant Land (other)

Definition	Vacant Land (other) is land, which does not form part of a commercial, industrial, farming enterprise or recreational purpose or upon which a residence is erected and doesn't meet the definition of Vacant Land (township)
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	100 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	Not applicable

Trust for Nature Land

Definition	Trust for Nature Land is land, which has a Trust for Nature Covenant applying to the land. A Trust for Nature Covenant enables the permanent protection of significant areas of natural bush land.
Objectives	<p>The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Hepburn Shire Council, including (but not limited to) the:</p> <ul style="list-style-type: none"> • Construction and maintenance of infrastructure assets. • Development and provision of health and community services. • Provision of general support services <p>It is also to encourage landowners to voluntarily place conservation covenants on their land</p>
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land.</p> <p>The vacant land affected by this rate is that which is zoned residential under the Hepburn Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by this rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	50 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the financial year

Recreational Land

Definition	Cultural and Recreational Land is land as defined under the Cultural and Recreational Lands Act 1963
Objectives	The objective of the rate is to recognise the large contribution that these community organisations and the volunteers make to the Municipality in the provision of sporting, cultural and recreational activities
Characteristics	Is cultural and recreational land and: <ul style="list-style-type: none"> • Occupied by a body which exists for cultural or recreational purposes and applies its profits in promoting the furthering of this purpose • Owned by the body, by the Crown or by Council • Not agricultural showgrounds
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	The money raised by this rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land
Level of rate	50 per cent of the general rate
Use of land	Is any use permitted under the Hepburn Shire Planning Scheme
Geographic location	This rate is applicable to land within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the financial year

APPENDIX B: Council Plan Structure

Domain: Hepburn Life	
Outcome 1	“Connected communities that are resilient, adaptable, and empowered - able to respond to and recover from climate-related impacts, emergencies, and other community challenges.”
Strategies	<ol style="list-style-type: none"> 1. Enhance community preparedness and resilience for changing conditions through community partnerships, education, support and advocacy. 2. Work with partners to ensure timely and coordinated access to essential resources and services during and post-emergencies to preserve the safety and recovery of all residents. 3. Enhance community preparedness and resilience for changing conditions through community partnerships, education, support and advocacy. 4. Work with partners to ensure timely and coordinated access to essential resources and services during and post-emergencies to preserve the safety and recovery of all residents.
Outcome 2	“A healthy and inclusive community, where all people regardless of background or stage of life have the opportunity to participate and thrive.”
Strategies	<ol style="list-style-type: none"> 1. Provide access to, and support local formal and informal recreation opportunities to increase diversity of participation, promote wellbeing and nurture social connections <ol style="list-style-type: none"> a. Municipal Public Health and Wellbeing priority: Improving Active Living 2. Work with communities and partners to deliver and advocate for equitable, inclusive access to programs and resources that support wellbeing across all life stages <ol style="list-style-type: none"> a. Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing 3. Actively involve First Nations voices, perspectives, and leadership to shape Council policies and initiatives, empowering self-determination and promoting reconciliation through decision-making, education, and community engagement. <ol style="list-style-type: none"> a. Innovate: Reconciliation Action Plan 2025-2027 4. Maintain public spaces, gardens and recreational areas, fostering environments that encourage physical activity, relaxation and community connection.
Outcome 3	“An informed and engaged community.”
Strategies	<ol style="list-style-type: none"> 1. Provide timely, accurate information through a variety of platforms, ensuring all residents are informed and have the ability to participate in Council activities and decision making through a variety of accessible platforms. <ol style="list-style-type: none"> a. Details can be found within our Community Engagement Policy 2. Facilitate and promote safe, collaborative and welcoming community places, spaces and initiatives that promote social connection and volunteerism.

Domain: Future Hepburn	
Outcome 1	“Preserve the unique character of our towns and communities, plan for future growth and protect our productive rural landscape.”
Strategies	<ol style="list-style-type: none"> 1. Encourage development and design that prioritises the wellbeing of the community, enhances township character, protects heritage and elevates environmentally sustainable development. <ol style="list-style-type: none"> a. Future Hepburn Structure Plans Objective: Urban design 2. Strive for access to diverse, affordable and sustainable housing options that enhance security and quality of life for residents

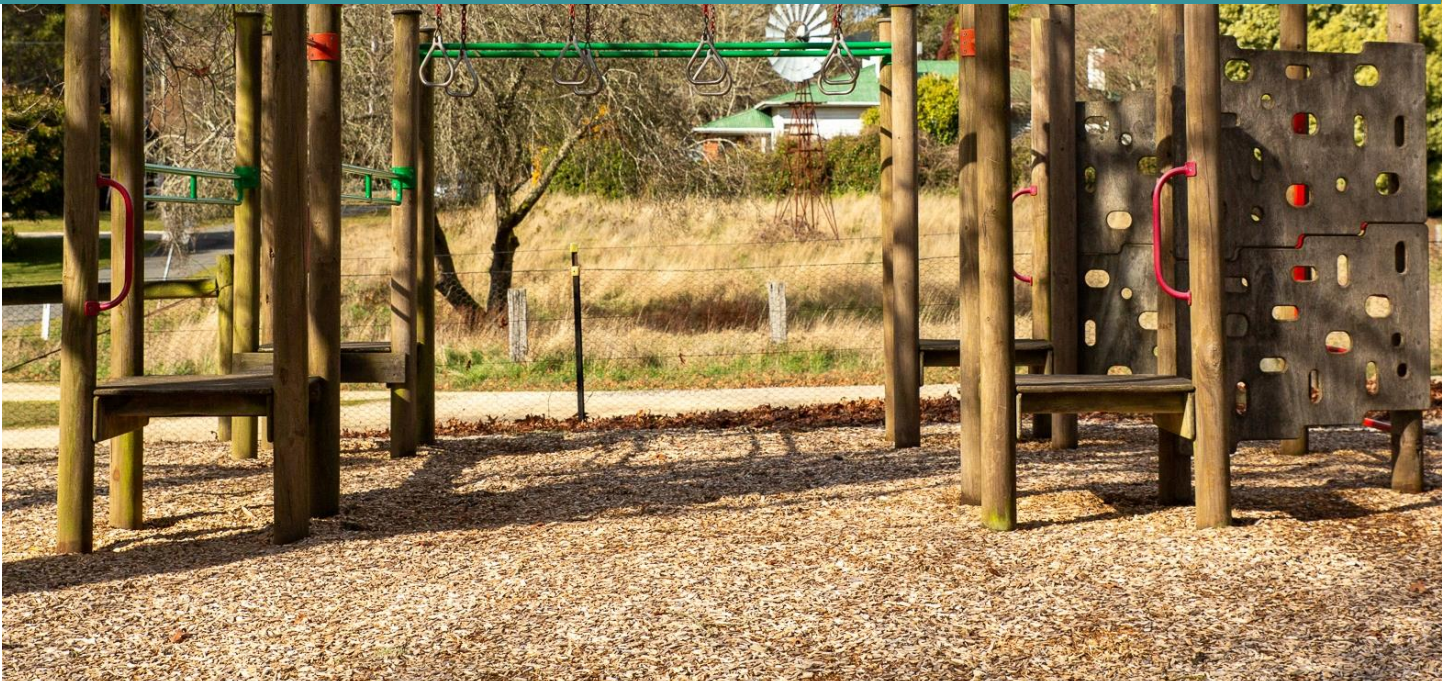
	<ul style="list-style-type: none"> a. Future Hepburn Structure Plans Objective: Housing 3. Facilitate diverse, safe, and accessible public and active transport and movement options that support connection within towns and to surrounding areas for all ages and abilities <ul style="list-style-type: none"> a. Future Hepburn Structure Plans Objective: Movement and access 4. Protect and enhance productive agricultural land, significant landscapes, biodiversity and water catchments <ul style="list-style-type: none"> a. Rural Hepburn Strategy Principle <p>Sustainable Hepburn Objective: Biodiversity and Natural Environment</p>
Outcome 2	“Responsible management of infrastructure and environment to support wellbeing now and for future generations.”
Strategies	<ul style="list-style-type: none"> 1. Deliver capital renewal programs that align with long-term planning and priorities, and are adaptive to community needs <ul style="list-style-type: none"> a. Long-term planning can be found in our Asset Plan 2025-2034 2. Advocate and plan for capital projects and ensure that all planning and infrastructure decisions consider long-term impacts on community and the environment. 3. Provide inclusive, adaptable community infrastructure that strengthens local connections, adapts to changing climates, and incorporates high-quality design principles. <ul style="list-style-type: none"> a. Future Hepburn Objective: Community and cultural infrastructure 4. Review and manage a portfolio of assets that is financially responsible <ul style="list-style-type: none"> a. Our asset portfolio including the health of our assets can be found in our Asset Plan 2025-2034 5. Prioritise sustainable waste, resource management and circular economy to ensure a clean, safe and liveable environment <ul style="list-style-type: none"> a. Sustainable Hepburn Objective: Low waste
Outcome 3	“A dynamic, vibrant, and resilient economic environment”.
Strategies	<ul style="list-style-type: none"> 1. Enable a thriving and diverse local economy by supporting local business, industry growth, retention and attraction of businesses and jobs. 2. Strengthen the visitor economy by collaborating with partners to elevate experiences, drive visitation and dispersal across the Shire. 3. Support a year-round calendar of diverse and inclusive events that attract visitors and deliver significant social, cultural and economic benefits to our community.

Domain: Hepburn Working Together	
Outcome 1	“Future focused services that are easy to use and inclusive”.
Strategies	<ul style="list-style-type: none"> 1. Design and deliver services that are accessible, consistent and responsive to community needs, ensuring a smooth experience that supports community. 2. Foster continuous improvement across Council operations by using data, feedback and innovation to optimise service delivery models to ensure services align with the evolving needs of the community 3. Integrate principles of climate mitigation, violence prevention, gender equity, and inclusion into Council processes and policies to create a safer and more equitable community <ul style="list-style-type: none"> a. Sustainable Hepburn Objectives: Beyond Zero Emissions and Climate Resilience
Outcome 2	“Maintain corporate governance to enable good Council decision making and to ensure long-term financial viability.”

Strategies	<ol style="list-style-type: none"> 1. Maintain compliance with relevant legislation, uphold strong governance and project management frameworks that support transparent, accountable decision-making for the benefit of the community. 2. Ensure clear and transparent financial decision making and strengthen reporting to build public trust and ensure accountability in Council's financial performance. <ol style="list-style-type: none"> a. Hepburn Shire's financial planning can be found in our Long-term Financial Plan 2025-2034 and Financial Vision 2024-2027 3. Actively pursue alternative revenue opportunities
Outcome 3	"An engaged, safe, and skillful workforce".
Strategies	<ol style="list-style-type: none"> 1. Ensure an engaged workforce, the promotes a positive workplace culture, recognises employees for their contributions and delivers positive outcomes for community. 2. Ensure a safe and healthy work environment that actively supports the wellbeing of all employees. 3. Develop our employees' capabilities to ensure we attract and retain talent.



Hepburn
SHIRE COUNCIL



Asset Plan 2025-2035

May 2025

Acknowledgement of Country

Hepburn Shire Council acknowledges the Dja Dja Wurrung as the Traditional Owners of the lands and waters on which we live and work.

On these lands, Djaara have performed age-old ceremonies of celebration, initiation and renewal.

We recognise their resilience through dispossession, and it is a testament to their continuing culture and tradition, which is strong and thriving.

We also acknowledge the neighbouring Traditional Owners, the Wurundjeri to our south-east and the Wadawurrung to our south-west and pay our respect to all Aboriginal peoples, their culture, and lore.

We acknowledge their living culture and the unique role they play in the life of this region.

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Introduction

Hepburn Shire Council manages public assets with a total replacement value of over \$500m, for the benefit of its community. As our Shire grows and changes, our existing infrastructure ages and demands change for services.

To determine what we can afford, we must understand how population growth and challenges like climate change impact long term maintenance and renewal. As assets degrade and community expectations change, we must balance economic, social, cultural and environmental factors, all within a finite budget.

This ensures our assets support the services and amenities that our community needs both now and in the future, providing sustainable benefits for all residents.

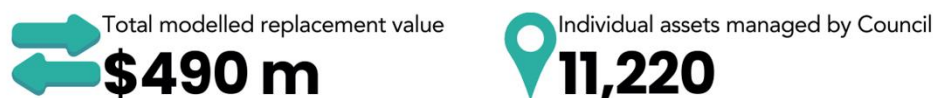
For the purpose of this plan, 'assets' refers to the portfolio of public assets that Council is responsible for managing, grouped as follows:

- Bridges and major culverts
- Buildings and structures
- Recreation and open space
- Roads, paths and kerb
- Water and drainage



Our assets on a page

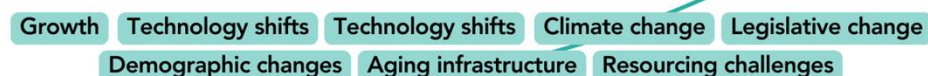
Our asset story | delivering our key services



Health check



Our future



Our assets



Our plan

- ☐ Long-term decision making
- ☐ Optimising available funding
- ☐ Transparency in allocating funding
- ☐ Balancing community needs with responsible spending
- ☐ Prioritising renewal over new and upgrade
- ☐ Responsible financial planning
- ☐ Strategic improvement initiatives

Figure 1. Our asset story – Converted to text version available in Appendix 3.

Overview

The purpose of the plan

The purpose of this Asset Plan is to outline Hepburn Shire Council's commitment to best practice asset management and provide principles for sound asset investment decision making.

The Asset Plan provides a comprehensive strategy for managing public assets over the next decade and beyond, ensuring sustainable stewardship for current and future generations. It is a public facing document which informs the community on how Council will manage assets to achieve the Community Vision.

‘An inclusive rural community located in the Dja Dja Wurrung Country where all people are valued, partnerships are fostered, environment is protected, diversity is supported, and innovation embraced.’

The plan details how we will optimise capital and maintenance requirements, balance new assets and growth, with current infrastructure, to deliver services in line with evolving community needs and expectations.

Our aim is to support consistent, evidence-based decision-making, engage community and Council is asset management performance reporting, improve links between costs and levels of service, articulate our challenges and risks – all of which will result in more informed community engagement and best use of Council assets, in the interests of the community.

The Asset Plan addresses the challenges of balancing economic, social, cultural and environmental factors, within a finite budget.

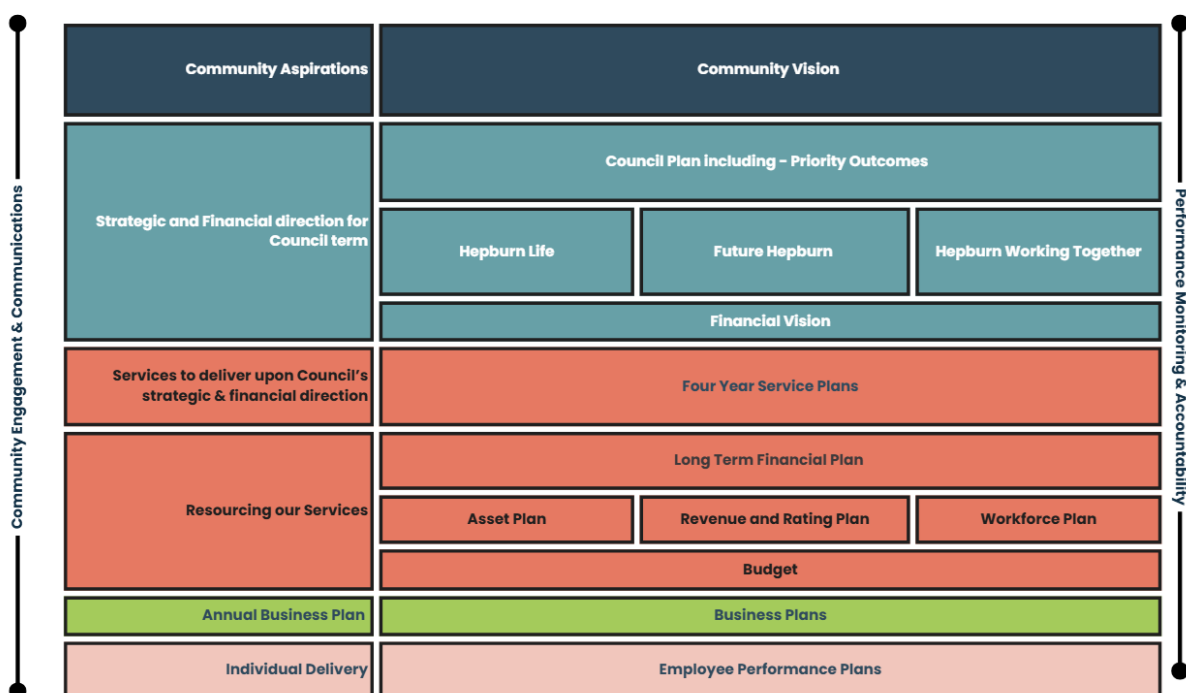
The plan provides expenditure forecasts that will guide future maintenance and renewal programs, and the delivery of capital projects, impacting long-term financial planning and annual budgets.

Council's Financial Vision, Financial Plan and this Asset Plan are developed on the following financial principles:

- Capital investment will prioritise and focus on the renewal, management, and maintenance of existing assets.
- A ‘grant funding reserve’ will be created and funded to support the Council’s co-contribution towards grant funding aimed at community infrastructure.
- Council will continue to plan appropriately for larger, generational infrastructure, noting that funding of these assets would be considered on a case-by-case basis and will likely require significant government grant funding.

Integrated Strategic Planning and Reporting Framework

The Integrated Planning and Reporting Framework sets out the range of strategic documents Council is required to adopt under the *Local Government Act 2020*. The framework sets out Hepburn Shire’s integrated approach to planning, monitoring, and performance reporting.



Layer	Description	Documents
Community aspirations	Community aspirations are set out in our Community Vision.	Community Vision

Strategic direction	The strategic and financial direction and priorities across the Council term.	Council Plan and Financial Plan
Council services	Services that will deliver upon Council's strategic and financial priorities.	Service Catalogue and Service Map
Resourcing	How we will resource our services to deliver Council's strategic and financial priorities.	Financial Plan, Asset Plan, Workplace Plan and Annual Budget
Annual business plan	The projects and initiatives funded through the annual budget, which will deliver on Council's strategic and financial priorities.	Annual Plan
Individual delivery	Budget that will deliver on Council's strategic and financial priorities. Individual employee plans that align our Council officer's role and responsibilities to Council's strategic and financial priorities.	Employee Performance Plans

What is asset management?

A systematic approach to guide the planning and design, creation and acquisition, maintenance and operations, renewal, and rationalisation and disposal of assets to balance available funds with community needs and service delivery.

Why is asset management important?

Our community expects assets to be provided to a standard that ensures public safety, amenity and accessibility, and to support the delivery of quality services and programs. Over time, our community needs and expectations change, with demographics, climate and technology constantly evolving.

We need to balance delivering what our community needs and expects with what we can afford. With a finite budget for investment in assets, a planned and measured

approach to asset management is necessary to ensure long-term outcomes and a fiscally prudent financial plan.

‘We are focused on making well-informed decisions by using the data available to us and really listening to our community. Being open, accountable and always looking for ways to do better are key to how we work.’

Cr Don Henderson, Mayor

‘We are creating a long-term investment plan, to ensure our assets meet the needs of the current and future community, and support the delivery of the key services that our people rely on.’

Bradley Thomas, *CEO*



Strategic context

Links with Council Plan

The Council Plan provides the strategic framework that guides Council's planning and decision-making over the current Council term. It sets a clear direction for how the Council will work towards delivering long-term community aspirations while responding to current priorities and challenges.

The framework of the Council Plan is structured around five key components:

- **Community Vision:** a long-term vision that outlines the aspirations of the Hepburn Shire community.
- **Domains:** broad areas outlining the strategic direction and priorities across the Council term.
- **Outcomes:** the outcomes Council is seeking to achieve across the Council term, reflecting the change or benefit to community, environment or organisation.
- **Strategies:** key approaches, actions and initiatives that will drive progress towards achieving the outcomes. These strategies guide projects, policies, decision making and the budget across the Council term
- **Indicators:** How we will monitor progress across the Council term in achieving the outcomes.

Each element of the Council Plan plays a vital role in shaping the future of the Shire. Together, they provide a roadmap for meaningful action and measurable progress.

The Council Plan 2025-29 is developed around three domains and nine strategies. The Domains and Strategies are included below:

Hepburn Life

Outcomes



- 1 Connected communities that are resilient, adaptable, and empowered - able to respond to and recover from climate-related impacts, emergencies, and other community challenges.
- 2 A healthy and inclusive community, where all people regardless of background or life stage have the opportunity to participate and thrive.
- 3 An informed and engaged community.

Future Hepburn

Outcomes



- 1 Preserve the unique character of our towns and communities, plan for future growth and protect our productive rural landscape.
- 2 Responsible management of infrastructure and environment to support wellbeing now and for future generations.
- 3 A dynamic, vibrant and resilient economic environment.

Hepburn working together

Outcomes



- 1 Future-focused services that are easy to use and inclusive.
- 2 Maintain corporate governance to enable good Council decision making and to ensure long-term financial viability.
- 3 A dynamic, vibrant and resilient economic environment.

The Asset Plan links across all focus areas but is particularly aligned with the strategy **responsible management of infrastructure and environment to support wellbeing now and for future generations**, which includes the following:

- Deliver capital renewal programs that align with long-term planning and priorities and are adaptive to community needs.
- Advocate and plan for capital projects and ensure that all planning and infrastructure decisions consider long-term impacts on community and the environment.
- Provide inclusive, adaptable community infrastructure that strengthens local connections, adapts to changing climates, and incorporates high-quality design principles.

- Review and manage a portfolio of assets that is financially responsible.

Asset management planning

To ensure we get the best possible return on our asset spending, we take a lifecycle approach to asset management that considers the costs of an asset over its useful life – that is, from the time a new asset is built or acquired, to the time it is replaced or disposed of. This approach allows us to get the most out of our assets by meeting agreed levels of service in the most cost-effective way.

Council's asset management practices are also governed internally by the Asset Management Policy and supporting documents. The process is further supported by enablers such as technology, data, processes and people, and is informed by key corporate and strategic documents. Council's Asset Management Framework is outlined below.

<Add infographic here, summarising the Asset Management Framework>

Lifecycle approach to asset management

1. Planning and design

Identifying community requirements, assessing options, and developing asset solutions that align with long-term service goals and other factors such as sustainability, equity, accessibility, maintenance and operational costs.

2. Creation and acquisition

Assets are constructed, purchased, or otherwise acquired to meet planned service requirements and support community infrastructure. Alternative service delivery or strategic partnerships should also be considered in the early lifecycle phases.

3. Maintenance and operation

Assets are actively used to deliver services with ongoing maintenance to ensure they remain safe, functional and cost effective. A program of proactive inspections, maintenance and servicing is undertaken to minimise ongoing costs and risk, and to better understand the changing state of our assets.

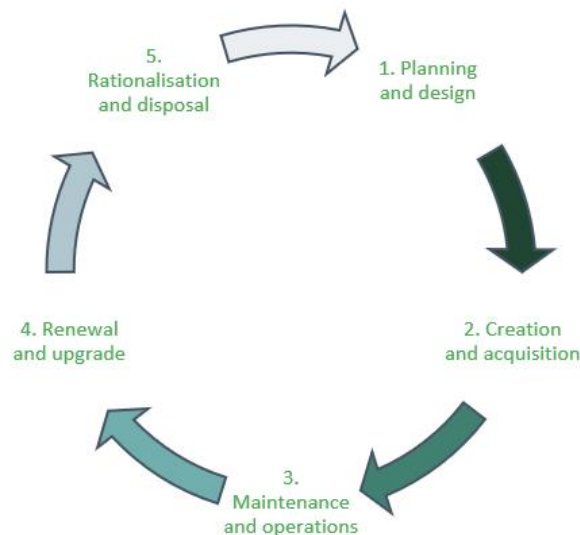
4. Renewal and upgrade

Once they have reached their intervention state – that is, that they no longer support the required level of service delivery – existing assets are refurbished, replaced or enhanced to extend their life, improve performance, or meet changing service demands.

5. Rationalisation and disposal

Assets that are no longer needed, are underperforming, or are beyond repair are decommissioned, sold, or repurposed to optimise value and reduce costs.

<Add infographic here, summarising the asset lifecycle>



Our community's role

Asset plan engagement

We are committed to transparent decision-making and actively involve the community in shaping the services and assets that support Hepburn Shire now and into the future. In line with the Local Government Act 2020, we seek community feedback at key points in our planning processes.

To support this, Council launched the *Hepburn Together* initiative to update the Community Vision, Financial and Asset Plans, and develop a new four-year Council Plan. Delivered in partnership with Conversation Co, the initiative included four community workshops held between March and April 2025, one with a primary focus on asset management and Council's Asset Plan.

A Deliberative Engagement Panel was appointed, representing the diversity in the Hepburn community. The panel met and workshopped a range of asset management scenarios and provided their views and feedback.

A broader online survey was also conducted, with responses received from 301 community members.

Our engagement commitment

These guiding principles are applied at each point in our asset management planning process, in line with our commitment to **a best practice approach to community engagement and Council's Community Engagement Policy**.

Hepburn Shire promises to:

- Ensure community access to engagement processes is as broad as possible
- Use simple and clear language when we communicate
- Actively listen without judgement to what people say
- Respect diverse views and request mutual respect between all parties
- Value the creativity and expertise of the community in our decision making and problem solving
- Ensure all contributions are recorded

- Report back to the community on what we heard
- Base the engagement framework on community recommendations to the greatest extent possible
- Provide feedback on where input has not been incorporated into the outcome and explain the reasons for our decision
- Measure and assess the effectiveness of our community engagement practices and commit to ongoing continuous improvement and innovation

There are many opportunities **for members of the community to inform and influence decisions about our assets and services, including:**

- Annual community satisfaction survey
- Annual budget consultation and public exhibition processes
- Specific project or strategy consultation processes
- Council meetings
- Community forums
- Digital platforms
- Customer service requests (multiple channels)

Community engagement outcomes

As part of the deliberation workshops, the community panel was asked to participate in various activities and responded to a series of questions relating to asset management. These same questions were replicated in the wider community survey.

The detailed results can be viewed on Council's Participate Hepburn page, however the key themes have been summarised below.

<Add infographic here, summarising the engagement outcomes>

- Most respondents supported reducing some services to improve others.
- The majority would like to see Council build in line with best practice, considering environmental and sustainability factors, rather than using the most

cost-effective method. Some responses supported a mix of both methods, however there was little support for prioritising cost savings over best practice.

- Most supported investing in assets where it is needed, rather than evenly across the Shire, with some preferring a mix of both methods.
- Most supported a mix of prioritising assets that are used by many people, with assets that support specific activities, even if they are only used by a few.
- The majority agreed that Council should prioritise its existing assets, and that it should only consider building new assets if one or more of the following applied:
 - There was significant grant funding available.
 - The new build led to a reduction in ongoing costs.
 - The new asset would support the delivery of multiple existing services.
 - The new asset fills an asset gap or service need.
- A range of principles should be considered when rationalising assets, with the major consideration being that the asset is not fit for purpose and/or renewal could be cost prohibitive.
- The top five assets ranked as most important were:
 - Sealed roads
 - Passive parks
 - Unsealed roads
 - Footpaths
 - Trees

How we manage our assets

Our assets support our services

Our assets—both natural and built, old and new—are essential to the services and quality of life in our community. They support safe, vibrant places to live, work, and play. As these assets age or become outdated, we must carefully manage resources to maintain them, ensuring they continue to benefit current and future generations while supporting long-term financial sustainability.

What assets are covered in this plan?

For the purpose of this plan, ‘assets’ refers to the portfolio of public assets that Council is responsible for managing. The table below provides an overview of those assets, grouped according to their services and functions for ease of management.

<i>Bridges & Major Culverts</i>	<i>Buildings & Structures</i>	<i>Recreation & Open Space</i>	<i>Roads, Paths & Kerb</i>	<i>Water & Drainage</i>
Structures that facilitate the flow of vehicular or pedestrian traffic over an obstruction such as a road or body of water.	The locations that provide safe, functional and accessible spaces to support the delivery of recreational, cultural or social activities.	The locations and environments we frequent while enjoying the natural surroundings or engaging in recreational activities.	The infrastructure needed for movement, within and between our townships and beyond, whether by vehicle, bike or as a pedestrian.	The infrastructure we need to direct stormwater run-off, mitigate flooding and improve water quality.
Includes road bridges, pedestrian bridges, jetties, boardwalks, and major culverts.	Includes community centres, municipal offices, libraries, preschools, sports pavilions and other buildings that house	Includes elements located within parks and open space areas such as garden beds, fences, playgrounds, sporting fields, playing	Includes sealed roads, unsealed roads, carparks, footpaths and shared paths, trails, kerb and channel.	Includes pits, pipes, major channels, culverts, end walls, and gross pollutant traps.

	community services, public toilets, sheds and shelters.	surfaces, lighting, irrigation, and aquatics.		
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Levels of service

Our levels of service are defined by our expectation of the standards at which an asset needs to perform. This considers Technical Levels of Service (i.e., performance-based standards set by asset engineers and asset managers), Community Levels of Service (i.e., service standards that are in line with community expectations) and Legislative Requirements (i.e., mandatory compliance standards set by laws, regulations or industry codes). We define our service levels with respect to asset health (condition), utilisation and criticality of the service.

Asset condition

Council undertakes a program of proactive inspections for assets, typically between 3 and 5 years for all asset classes, and apply a 1 to 5 rating system (IPWEA, 2015) as shown below.

<Add infographic here, summarising the condition rating system>

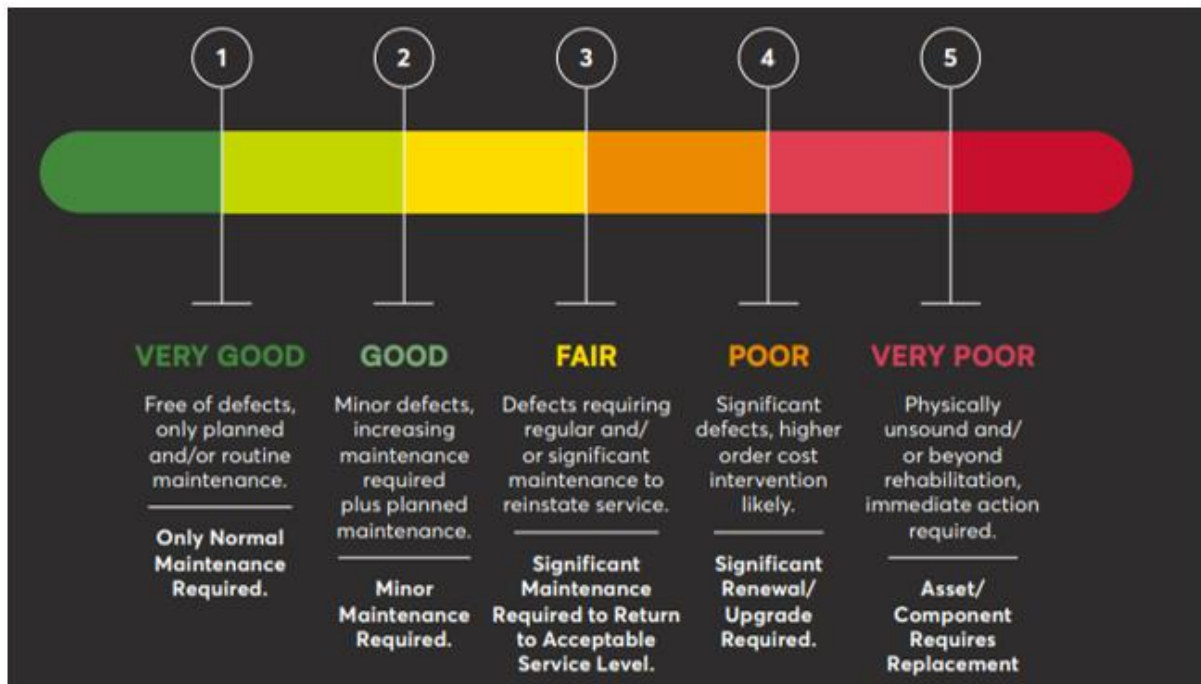


Figure: Asset Condition Assessment Rating Scale

The state of our assets

Asset health is a measure of the remaining useful life of each asset portfolio. The below provides an overview of the current health by asset class for Hepburn's assets, based on the data currently available.

<Add infographic here, summarising asset health by class>

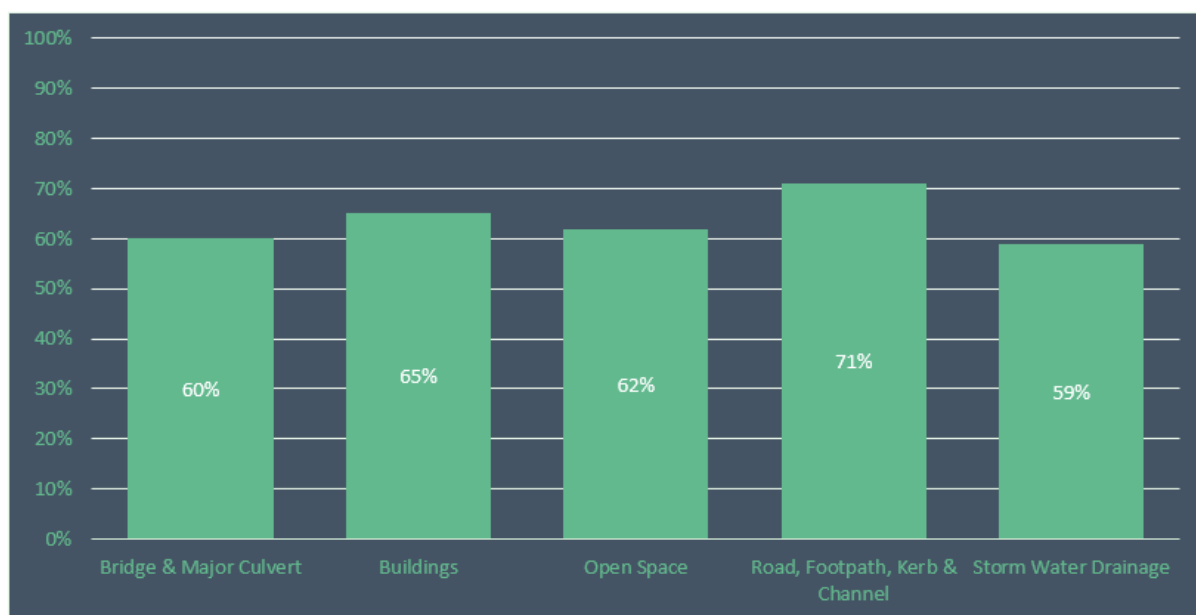


Figure: Asset Health (% Remaining Life) by Asset Class as at 30 June 2024

The overall health of Council's asset portfolio is 67%, which is above the national average of 65% (taken from the 2024 National State of the Assets Report by the Australian Local Government Association).

Within each asset class, there is a distribution of assets in very good, through to very poor condition. The current distribution is shown below.

<Add infographic here, summarising condition distribution by asset class>

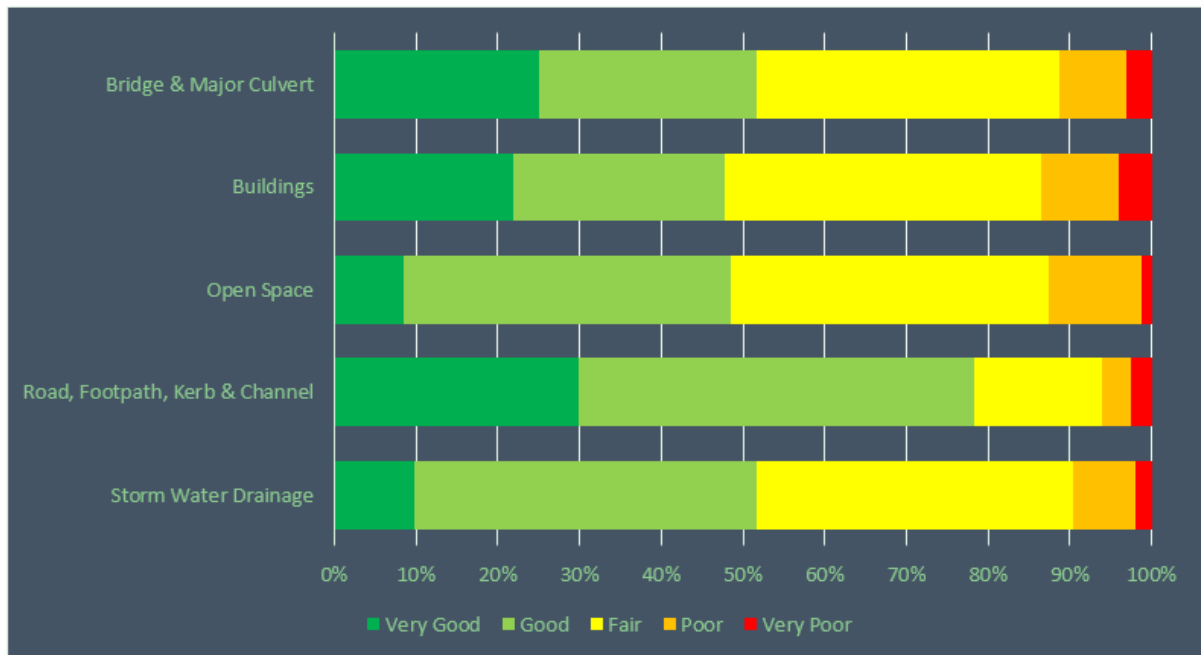


Figure: Condition distribution as a % of replacement cost as at 30 June 2024

The majority of Council assets are in Good or Very Good condition (63%). The percentage of assets in Poor or Very Poor condition is currently 9.5%. This is slightly higher than the national average of 8% (taken from the 2024 National State of the Assets Report by the Australian Local Government Association).

Funding for the future

To ensure responsible and sustainable stewardship of our assets, we are committed to balancing our community's needs and aspirations with what is affordable for ratepayers.

Making decisions about funding requires ongoing balancing of service levels, risk and the need to adequately maintain and renew assets. Our aim is to achieve long-term asset sustainability.

Integration with the Long-Term Financial Plan

The balance between maintaining and renewing our assets and accommodating funding for improvement and growth is a constant challenge – underfunding asset renewal can lead to lower levels of service, increased risk, and deferring important upgrades can result in assets that are no longer fit for purpose.

Maintaining integration between our Asset Plan and Long-Term Financial Plan is key to ensuring that future funding is allocated in a way that supports service delivery and effective asset management.

The funding requirements identified for each asset class have been allocated in Council's Long Term Financial Plan. Forecasts included in this Asset Plan for projected asset expenditure are consistent with our financial plan and cover the planned asset activities over the next ten years. This will require future monitoring and further analysis as new asset information becomes available, such as updated asset condition data. Where funding requirements change, this will be reflected in both this Asset Plan and the Long-Term Financial Plan.

Demand management

Forecasting future demand is essential in determining lifecycle management for assets. The management of Council assets is directly affected by both growth in the number of assets and growth in the resident as well as visiting populations. Drivers affecting asset demand include factors such as population change, changes in demographics, technological changes and environmental changes. Council's infrastructure assets must continue to serve both the needs of the local resident population as well as the needs of business industries, tourism, commuters and visitors.

Our asset investment strategies

Looking ahead to the next ten years, our approach is to be prudent in our investment decisions, using a holistic lifecycle approach, and prioritising asset renewal.

Investment in asset maintenance and renewal will be balanced by investment in new and upgraded assets when Council's investment can be leveraged against external funding opportunities or provide a substantial outcome.

Our asset investment strategies align with our asset management and financial planning principles. We aspire to:

- Optimise asset life through timely and effective intervention
- Continue to place a high priority on renewing our ageing assets
- Manage the impacts of growth and change by being strategic in how we plan for our future asset needs
- Comply with our obligations by actioning legislated standards in asset planning
- Provide affordable services by balancing community needs and aspirations with available resources
- Build resilient assets that not only deliver the best outcome for our community, but also the best outcome for the environment

Asset investment categories

For the purpose of this plan, our asset spending is categorised in a way that supports planning budgets and monitors how we spend money on assets and services.

Expenditure Type	Asset Management Activity	Description	Spend Type
Recurrent costs	Maintenance	Ongoing expenditure required to keep an asset performing at the required level of service.	Non-discretionary
Recurrent costs	Operating	Ongoing expenditure required to provide	Non-discretionary

		a service from/using an asset.	
Renewal costs	Renewal	Expenditure required to return the condition of an asset to near its original state.	Non-discretionary
Growth costs	Upgrade	Expenditure required to make improvements to an existing asset to enable a higher service level.	Discretionary
Growth costs	Expansion	Expenditure required to extend or expand an existing asset to provide a service to a new group of users at the standard currently as existing users.	Discretionary
Growth costs	New	Expenditure required to create a new asset, to provide a service that does not currently exist at this location.	Discretionary

Lifecycle Investment Profile

A detailed breakdown of what we expect to spend on each asset class over the next ten years is outlined within the individual class profiles further in this plan and are summarised across the portfolio in detail in Appendix 1.

The table below summarises the adopted 10-year expenditure by asset class for 2025-35.

Asset Class	Maintenance	Renewal	Total
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	\$'000	\$'000	\$'000
Bridges & Major Culverts	586	4,407	4,993
Buildings & Structures	5,437	12,671	18,108
Recreation & Open Space	25,028	9,066	34,094
Roads, Paths & Kerb	37,729	58,888	96,617
Water & Drainage	782	1,344	2,126
Total	69,562	86,376	155,938

Asset class details

Bridges and major culverts

<Add infographic here summarising details below>

Assets included: Road bridges, pedestrian bridges, jetties, boardwalks, and major culverts.

Level of confidence in our data: Medium-High

Our work involves:

Recurrent	Renewal	Growth
<ul style="list-style-type: none"> Maintenance and repair Operational servicing such as cleaning Safety, compliance and condition inspections 	<ul style="list-style-type: none"> Replacement of components to an equivalent current day standard 	<ul style="list-style-type: none"> Newly constructed or gifted assets (development) Widening and/or extension of existing

How is funding prioritised?

This funding is informed by strategic modelling that predicts the deterioration of our bridge assets and the impacts of various funding scenarios on future asset conditions. Other recurrent costs such as inspections and maintenance are determined by other policies and operational plans.

Detail on proposed future projects can be found in Council's annual and long-term Capital Works Programs.

How much do we plan to spend over the next ten years?

Projected expenditure (\$'000)											
Expenditure	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	Total
Recurrent	52	54	55	56	58	59	61	62	64	65	586
Renewal	276	236	1,077	248	255	261	267	1,218	281	288	4,407
Total	328	290	1,132	304	313	320	328	1,280	345	353	4,993

Table: Projected expenditure 2025-35.

Future challenges and opportunities

Population	Increased use	Environment	Legislation
<ul style="list-style-type: none"> Increased demand on bridges due to population and traffic growth 	<ul style="list-style-type: none"> Faster deterioration of bridges due to increased traffic, particularly heavy vehicles 	<ul style="list-style-type: none"> Increased damage due to extreme weather events Consideration of resilience in design 	<ul style="list-style-type: none"> Compliance with legislative requirements and adherence with safety standards Rapid advancement in safety standards

Buildings and structures

<Add infographic here summarising details below>

Assets included: Community centres, municipal officers, libraries, preschools, sports pavilions, public toilets, sheds and shelters.

Level of confidence in our data: Medium

Our work involves:

Recurrent	Renewal	Growth
<ul style="list-style-type: none"> • Maintenance and repair due to fault, failure or vandalism • Operational servicing such as cleaning • Safety, compliance and condition inspections 	<ul style="list-style-type: none"> • Major structural repairs • Replacement of components such as cladding or systems • Kitchen or bathroom replacement 	<ul style="list-style-type: none"> • Building extensions • Sustainability improvements • New building construction

How is funding prioritised?

This funding is informed by strategic modelling that predicts the deterioration of our building assets and the impacts of various funding scenarios on future asset conditions. Growth is driven by strategic objectives and external funding opportunities. Other recurrent costs such as inspections and maintenance are determined by other policies and operational plans.

Detail on proposed future projects can be found in Council's annual and long-term Capital Works Programs.

How much do we plan to spend over the next ten years?

Projected expenditure (\$'000)											
Expenditure	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	Total
Recurrent	485	497	510	523	536	549	563	577	591	606	5,437
Renewal	2,212	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249	1,280	12,671
Total	2,697	1,548	1,587	1,627	1,667	1,709	1,752	1,795	1,840	1,886	18,108

Table: Projected expenditure 2025-35.

Future challenges and opportunities

Population	Financial	Environment	Legislation
<ul style="list-style-type: none"> • The need to improve accessibility for all communities • The need to meet diverse and often competing demand for facilities 	<ul style="list-style-type: none"> • The need to maximise the use of existing facilities and manage assets that are surplus to need • Unplanned maintenance liability associated with facilities that community groups are no longer able to manage 	<ul style="list-style-type: none"> • Increased damage due to extreme weather events • Challenge of meeting net zero targets • Ageing infrastructure and heritage considerations 	<ul style="list-style-type: none"> • Compliance with legislative requirements and adherence with safety standards

Recreation and open space

<Add infographic here summarising details below>

Assets included: Garden beds, fences, playgrounds, sporting fields and playing surfaces, reserve lighting, irrigation, aquatics.

Level of confidence in our data: Low-Medium

Our work involves:

Recurrent	Renewal	Growth
<ul style="list-style-type: none"> Hazard and defect inspections Mowing, vegetation control and garden maintenance Litter collection and cleaning Graffiti removal 	<ul style="list-style-type: none"> Replacement of playground equipment, parks furniture, sporting assets such as goals Renovation of playing courts or fields 	<ul style="list-style-type: none"> Playing court extension Expansion of a playground Development of a park of reserve

How is funding prioritised?

This funding is informed by strategic modelling that predicts the deterioration of our open space assets and the impacts of various funding scenarios on future asset conditions. Growth is driven by strategic objectives, external funding opportunities and development. Other recurrent costs such as maintenance are determined by other policies and operational plans.

Detail on proposed future projects can be found in Council's annual and long-term Capital Works Programs.

How much do we plan to spend over the next ten years?

Projected expenditure (\$'000)											
Expenditure	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	Total
Recurrent	2,234	2,290	2,347	2,406	2,466	2,527	2,591	2,655	2,722	2,790	25,028
Renewal	1,439	594	501	761	586	1,034	753	1,411	981	1,006	9,066
Total	3,673	2,884	2,848	3,167	3,052	3,561	3,344	4,066	3,703	3,796	34,094

Table: Projected expenditure 2025-35.

Future challenges and opportunities

Population	Provision	Environment	Participation
<ul style="list-style-type: none"> Increased demand for open spaces within close proximity to where people live 	<ul style="list-style-type: none"> Increased expectation for the provision of more spaces 	<ul style="list-style-type: none"> Need to ensure future open space assets are designed to utilise sustainable materials and practices 	<ul style="list-style-type: none"> Increased demand for specific recreation facilities

Roads, paths and kerb

<Add infographic here summarising details below>

Assets included: Sealed roads, unsealed roads, car parks, footpaths and shared paths, trails, kerb and channel.

Level of confidence in our data: High

Our work involves:

Recurrent	Renewal	Growth
<ul style="list-style-type: none"> • Maintenance and repairs to roads such as patching potholes, crack sealing and path grinding • Operational servicing such as street sweeping, vegetation management and weed spraying • Routine grading of unsealed surfaces 	<ul style="list-style-type: none"> • Resurfacing of existing roads • Road reconstruction or major patching of road failures • Replacement of sections of existing pathways to an equivalent standard 	<ul style="list-style-type: none"> • New constructed and gifted assets by developers • Widening or duplication of existing roads • Traffic calming treatments such as construction of roundabouts, installation of speed humps, etc • Extension of existing pathway network to address gaps in connectivity

How is funding prioritised?

This funding is informed by strategic modelling that predicts the deterioration of our road assets and the impacts of various funding scenarios on future asset conditions. The model incorporates factors such as hierarchy, use, and criticality to ensure that most important assets are maintained at a high level of service, which helps reduce risk and improve safety for the community.

Growth is driven by strategic objectives, external funding opportunities and development. Other recurrent costs such as maintenance are determined by other policies and operational plans.

Detail on proposed future projects can be found in Council's annual and long-term Capital Works Programs.

How much do we plan to spend over the next ten years?

Projected expenditure (\$'000)											
Expenditure	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	Total
Recurrent	3,368	3,452	3,538	3,627	3,717	3,810	3,905	4,003	4,103	4,206	37,729
Renewal	6,589	5,034	4,783	5,646	4,888	5,061	5,239	6,623	7,438	7,587	58,888
Total	9,957	8,486	8,321	9,273	8,605	8,871	9,144	10,626	11,541	11,793	96,617

Table: Projected expenditure 2025-35.

Future challenges and opportunities

Population	Freight	Environment	Legislation
<ul style="list-style-type: none"> Increased demand on local roads and their connections with arterial networks due to population growth and increased dwelling density 	<ul style="list-style-type: none"> Increased deterioration of the road network due to increased heavy vehicle traffic 	<ul style="list-style-type: none"> Lack of availability of sustainable transport options, including public transport Increased damage to assets due to more frequent and extreme weather events Need to consider resilience in design 	<ul style="list-style-type: none"> The need to ensure compliance with current day legislation Need to meet the requirements of our Road Management Plan

Stormwater and drainage

<Add infographic here summarising details below>

Assets included: Pits, pipes, major channels, culverts, end walls, and gross pollutant traps.

Level of confidence in our data: **Medium**

Our work involves:

Recurrent	Renewal	Growth
<ul style="list-style-type: none"> Pit cleaning Pipe cleansing and removal of debris, sediment, etc. Removal of litter from gross pollutant traps Programmed inspections 	<ul style="list-style-type: none"> Replacement of pits and pipes 	<ul style="list-style-type: none"> Replacement of pipes to a higher hydraulic capacity Extension of the storm water drainage network Installation of storm water quality improvement devices, such as rain gardens, litter traps, etc. Storm water harvesting initiatives

How is funding prioritised?

This funding is informed by strategic modelling that predicts the deterioration of our water assets and the impact of various funding scenarios on future asset conditions. The model incorporates factors such as criticality to ensure that most important assets are maintained at a high level of service, which helps reduce risk across the network.

Growth is driven by strategic objectives, external funding opportunities and development. Other recurrent costs such as maintenance are determined by other policies and operational plans.

Detail on proposed future projects can be found in Council's annual and long-term Capital Works Programs.

How much do we plan to spend over the next ten years?

Projected expenditure (\$'000)											
Expenditure	'25	'26	'27	'28	'29	'30	'31	'32	'33	'34	Total

Recurrent	70	72	73	75	77	79	81	83	85	87	782
Renewal	320	103	106	108	111	114	116	119	122	125	1,344
Total	390	175	179	183	188	193	197	202	207	212	2,126

Table: Projected expenditure 2025-35.

Future challenges and opportunities

Development	Financial	Environment	Sustainability
<ul style="list-style-type: none"> The need to upgrade the capacity of our existing drainage network to mitigate flooding The need to implement storm water quality improvement initiatives to protect receiving waterways affected by continued urban consolidation 	<ul style="list-style-type: none"> The need to upgrade some of our older drainage assets that are currently under capacity to improve flood immunity The ability to fund the timely renewal and upgrade of drainage assets that are in poor condition 	<ul style="list-style-type: none"> The need to deal with more frequent and extreme flooding events The increase in rainfall intensity 	<ul style="list-style-type: none"> The increased need to provide infrastructure for the capture, treatment and reuse of storm water to enable us to make use of storm water run-off as a sustainable resource

Monitoring and improvement

Asset planning is not a set and forget process. It needs to be flexible to ensure our assets and services levels are responsive to change, can capitalise on emerging trends, and continue to meet agreed requirements as priorities change over time.

Plan review

This Asset Plan will be formally reviewed and updated every four years in line with the Local Government Act, to provide opportunities for the new Council to make any required adjustments.

Interim reviews may be undertaken to provide the opportunity to reflect improvements achieved, major financial decisions made, the impact of any external factors or changes to long-term capital works programs, to ensure the plan is responsive to our available financial resources over time.

Reporting

Reporting on service levels and other performance measures is undertaken as part of Council's Annual Report.

The following measures are included in the Council Plan 2024-29:

- Complete at least 85% of annual capital works projects (number of projects).
- Implementation of asset management improvement actions in accordance with Council's adopted Asset Plan.

Continuous improvement

The financial analysis and projections in this plan are based on existing data, processes, systems and standards. Council is committed to identifying ways to achieve more robust evidence base and to improving our practices to achieve this. Critical to this will be continued engagement with our community to establish optimised service levels that are affordable over the long term.

We acknowledge that significant annual expenditure is required to manage and maintain our existing infrastructure. This highlights the importance of maintaining high-level practices to ensure services are delivered economically and sustainably, and

Council is committed to continuously working to improve our knowledge, skills and operational practices in line with sector wide best practice.

An Asset Management Maturity Audit has been conducted to assess the current state of asset management at Hepburn Shire and identify any competency gaps. The improvement actions from this audit are outlined in Appendix 2.

Appendices

Appendix 1: Long Term Investment Plan (Maintenance and Renewal)

		Projected Recurrent Expenditure (\$'000)									
		Maintenance									
LTFP Group	Asset Class	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Infrastructure	Bridges & Major Culverts	52	54	55	56	58	59	61	62	64	65
Buildings	Buildings & Structures	485	497	510	523	536	549	563	577	591	606
Infrastructure	Recreation & Open Space	2,234	2,290	2,347	2,406	2,466	2,527	2,591	2,655	2,722	2,790
Infrastructure	Roads, Paths & Kerb	3,368	3,452	3,538	3,627	3,717	3,810	3,905	4,003	4,103	4,206
Infrastructure	Water & Drainage	70	72	73	75	77	79	81	83	85	87
TOTAL		6,209	6,365	6,523	6,687	6,854	7,024	7,201	7,380	7,565	7,754

		Projected Renewal Expenditure (\$'000)									
		Renewal									
LTFP Group	Asset Class	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Infrastructure	Bridges & Major Culverts	276	236	1,077	248	255	261	267	1,218	281	288
Buildings	Buildings & Structures	2,212	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249	1,280
Infrastructure	Recreation & Open Space	1,439	594	501	761	586	1,034	753	1,411	981	1,006
Infrastructure	Roads, Paths & Kerb	6,589	5,034	4,783	5,646	4,888	5,061	5,239	6,623	7,438	7,587
Infrastructure	Water & Drainage	320	103	106	108	111	114	116	119	122	125
TOTAL		10,836	7,018	7,544	7,867	6,971	7,630	7,564	10,589	10,071	10,286

Appendix 2: Asset Management Maturity Improvement Plan

Improvement Action Description	Success Criteria	Proposed Timeframe	Priority	
Update Council's Asset Plan as processes and data continue to be improved	<ul style="list-style-type: none"> The Asset Plan is a living document that remains current within at least one year 		Ongoing, formalised annually via the budget process	Medium
Implement an electronic Asset Management System (AMS), integrated with Council's finance system	<ul style="list-style-type: none"> An integrated AMS is implemented, functional and utilised The AMS is fully integrated with Council's finance system All existing data within spreadsheets is migrated to and managed within the AMS 	2025/26	Very high	
Establish and maintain a single source of truth for all asset data through integration of the Asset Management System, Council's Geographic Information System and Finance System	<ul style="list-style-type: none"> The AMS, financial system and GIS platforms are integrated, with a single source of truth endorsed for asset information Asset data is not being maintained in multiple systems and/or locations 	2025/26 – 2026/27	Very high	
Implement an electronic Maintenance Management System (MMS) with in-field capability	<ul style="list-style-type: none"> An MMS is implemented, functional and utilised for asset inspections, proactive and reactive maintenance works The system can be accessed and used in the field via mobile device 		2026/27 – 2027/28	High

Update Council's financial asset management policy, which provides guidance on financial transactions such as valuations/revaluations, capitalisation, useful lives, and includes a long-term condition assessment plan, covering all asset types	<ul style="list-style-type: none"> • Council has a documented approach to financial asset management • Data is managed in accordance with the relevant Accounting Standards • All assets are inspected on a cyclical basis • Council maintains and improves data relating to its assets (currency, accuracy, completeness) 	2026/27	Medium
Review and document Council's Asset Handover Process	<ul style="list-style-type: none"> • The asset handover workflow is reviewed, updated and documented as an end-to-end process • Staff are training in the process and use of any template documents 	2026/27	Medium
Prepare an evaluation guideline which outlines Council's process for prioritising future capital works (new, upgrade and renewal)	<ul style="list-style-type: none"> • The model currently used for capital works development is reviewed, updated and endorsed • The model is implemented as part of the capital program development process 	2025/26	High
Explore opportunities for collaboration with other Councils	<ul style="list-style-type: none"> • Opportunities for joint procurement are actively explored • Opportunities for information sharing are actively explored • Opportunities for sharing other resources are actively explored 	Ongoing	Medium

Appendix 3 Our Asset Story

Total modelled replacement value | \$490M

Individual assets managed by Council | 11,220K

Health Check

Renewal Investment | \$8.1M | *Projected average annual renewal allocation*

Asset value per rateable property | \$42.7K

Asset health | 67% | *Proportion of remaining life left in our assets*

Poor condition | 9.5% | *Proportion of assets in poor or very poor condition*

Our Future Ahead

- Growth
- Demographic changes
- Technology shift
- Aging infrastructure
- Climate change
- Resourcing challenges
- Legislative change

Our Assets

Bridges & Major Culverts (add icon) \$34M*

Buildings & Structures (add icon) \$168M*

Recreation & Open Space (add icon) \$21M*

Roads, Paths & Kerb (add icon) \$237M*

Water & Drainage (add icon) \$28M*

**Modelled replacement value*

Our Plan

- Long term decision making
- Balancing community need with responsible spending
- Optimising available funding
- Transparency in allocating funding
- Prioritising renewal against new and upgrade
- Responsible financial planning
- Strategic improvement initiative

Hepburn Together 2025-2029 Community Panel Outcomes Report

Hepburn Shire Council
April 2025

Prepared by

Conversation Co.

PUBLIC MINUTES - SPECIAL MEETING OF COUNCIL - 13 MAY 2025
ATTACHMENTS

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Prepared by Conversation Co

Conversation Co.

For Hepburn Shire Council

1. Introduction

From March-April 2025, the Hepburn Shire Council undertook a deliberation process to inform the development of the Community Vision, Council and Municipal Health and Wellbeing Plan 2025-2029, including engagement to inform the Asset Plan, Financial Plan and Revenue and Rating Plan.

This was the second time the Hepburn Shire community has been engaged to support the development of a Council's key strategic documents. Key plans developed and reviewed in the 2021 Hepburn Together consultation included the development of the Community Engagement Policy 2021, Community Vision 2031 and the Council Plan 2021-2025 including the Municipal Health and Wellbeing Plan.

1.1 Project overview

The *Local Government Act 2020* (the Act) requires councils to develop an integrated, long-term and transparent approach to planning organised around a ten-year Community Vision. In addition to the Vision, councils must prepare a:

- Council Plan (four-year outlook).
- Financial Plan (ten-year outlook).
- Asset Plan (ten-year outlook).
- Revenue and Rating Plan (four-year outlook).

In line with the Act, and *Hepburn Shire's Community Engagement Policy 2021* these strategic planning documents must be developed through a process of deliberative engagement.

This report presents the methodology and findings for the Hepburn Together 2025-2029 Community Panel.

1.2 Outcome of this process

The Hepburn Together Community Panel was asked to provide recommendations to Council to assist with the development of a new four-year Council Plan, including the Municipal Health and Wellbeing Plan (2025-29) and support the development of the Asset Plan (2022-32).

Panel members reflected on what was most valuable to the community and what they felt was Council's role for key service areas: Asset Management, Community Wellbeing, Environment, Waste and Sustainability and Economic Development. Panel members were presented with information about discretionary and non-discretionary services provided by Hepburn Shire Council and developed criteria to assist Council as it is reviewing each service. Panel members were also provided with the current Community Vision and invited to discuss its relevance and recommend minor tweaks or changes to the Vision statement to update it.

2. Process of Deliberation

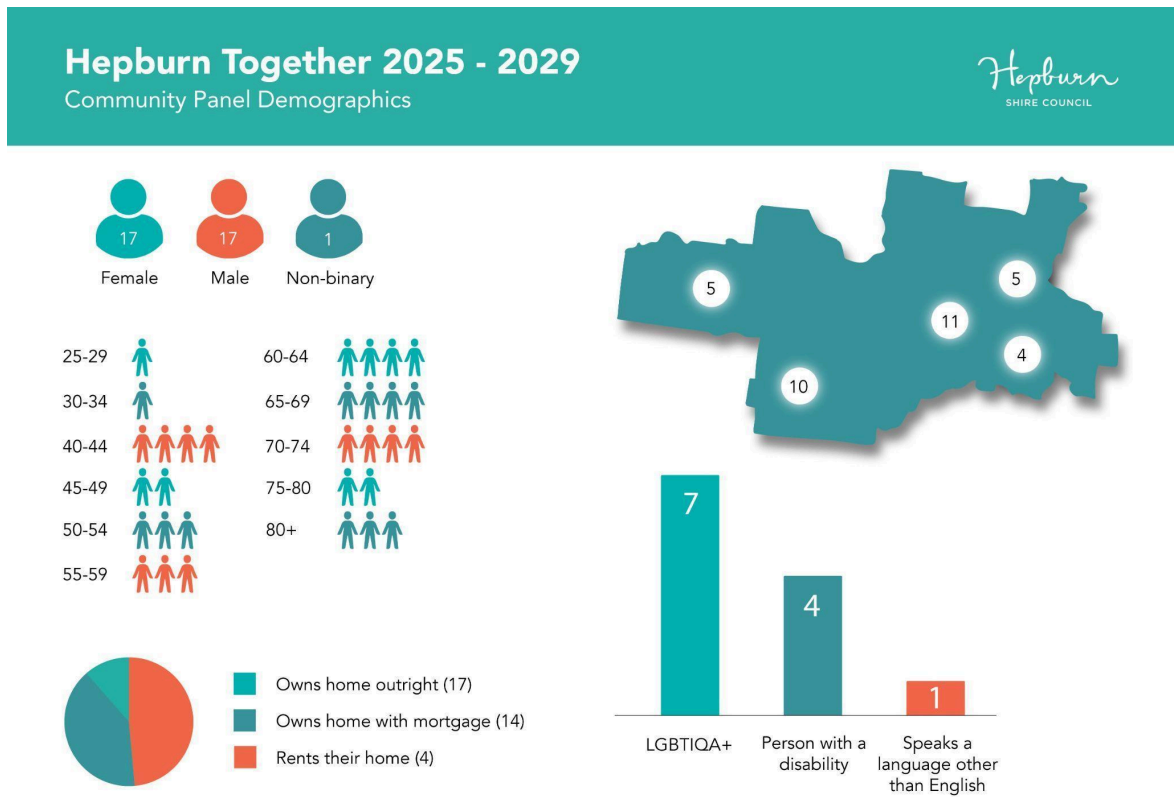
2.1 Recruitment and ongoing participation

Hepburn Shire Council delivered an expression of interest campaign which was extended to all residents within the Shire. This opportunity was hosted via the *Participate Hepburn* community engagement portal and was promoted online via Council’s corporate social media channels and via SMS message to Council’s database.

Panel members were recruited by Conversation Co to reflect the demographic makeup of the Hepburn Shire community using a stratified sampling approach. A total of 82 nominations were received, with 44 people recruited, however only 35 of those recruited accepted their position on the panel, due to unavailability for the sessions. Further panel members were not recruited as remaining expressions of interest could not produce a stratified sample needed for the demographic representation of the community.

Figure 1 shows the demographic makeup of the panel across age, gender, house tenure, location, and identification with demographic descriptors (Aboriginal and Torres Strait Islander, language spoken, disability and sexuality).

Figure 1. Demographic makeup of panel members



Ongoing participation in the panel process was supported through:

- **Members folder:** Panel members had access to an online folder which contained any background reading, or key information for each session (agendas, presentation) or session outputs (presentations, collated feedback).
- **Training in the use of online tools:** Panel members were provided with the opportunity to undertake Zoom training ahead of the online sessions.
- **Participation reminders:** Reminder SMS messages were sent to panel members from a text service prior to each workshop. Follow-up emails were sent between meetings with any updates or pre reading to be completed.
- **Materials sent out in advance:** Reading materials were provided to panel members in advance of each workshop to allow reading time.
- **Meeting absence grace:** Panel members were able to miss a meeting and remain in the Panel, as these workshops were run with separate content that did not rely on knowledge or participation from previous workshops.
- **Dedicated contact support:** Panel members were able to contact facilitators for support via phone and email. Facilitators also gave follow up phone calls to panel members who missed sessions or required additional support.
- **Flexible modes of feedback:** Panel members who missed a session were able to provide feedback via worksheets provided online, emailed to panel members who were apologies.
- **Creating accessible spaces for panel members:** Facilitators worked with panel members with specific needs to make specific adjustments and create safe, accessible spaces and materials to enable and support participation.

2.2 Attendance

Table 1 outlines the attendance across each of the sessions. As to be expected there were some apologies for non-attendance due to personal circumstances (illness, caring for children, unscheduled work commitments). Contact was made with panel members who missed sessions to follow-up, offer support and encourage them to attend the remaining sessions.

There were also 5 withdrawals due to concerns around privacy, trust in the process and trust in Council as a result of two incidents:

- Removal of a recruited panel member, by Council, before session 1. Council took this action to ensure a safe environment for the panel members during the sessions. Since this created concern for a few panel members, a discussion was undertaken in session one to provide an opportunity for panel members to express their concerns. During this workshop three other panel members chose to withdraw from the process, citing a lack of trust in the process.
- Names of panel members residing in one township were shared by Council before the commencement of session 1. Panel members had concerns about the sharing of their private information. This matter was addressed by Council staff in session 2 and resulted in two withdrawals.

These circumstances impacted the demographic makeup of the panel, however there were still adequate attendees to continue with the process, with attending panel members generously contributing their time towards robust discussions.

Table 1: Number of Hepburn Community Panel Workshops

Date	Attendance
Session 1 : Thursday 20 March 2025	28
Session 2: Sunday 30 March 2025	19
Session 3: Thursday April 10, 2025	22
Session 4: Sunday April 13 2025	22

2.2 Workshop program

Delivery of the Hepburn Together deliberative process took place over four sessions.

Prior to attending these workshops, panel members were provided with detailed information to assist with their deliberations (detail provided in Section 2.3) During the workshops they were then asked to review the information presented by the presenters, ask any questions and discuss their ideas with other panel members. The key remit for this Hepburn Together process was *“Council needs to reduce \$2.6 million from its budget. Looking at discretionary services, we need to consider what is most valued and still needed in our community and what are the criteria under which Council could reduce or exit a service”*.

Workshop 1: Thursday 20 March; 6:00-8:30PM, online via Zoom.

The purpose of session 1 was to introduce participants to each other, the purpose for the deliberative process and give them an understanding of Council in the context of other levels of government. A significant portion of session 1 was spent discussing the removal of a participant who was initially recruited. Facilitators supported discussions between panel members and the CEO Bradley Thomas to answer questions and concerns about this process.

Key items in Workshop 1:

- Mayoral Welcome
- Group introductions and group working styles
- Presentation - Context Overview of tiers of government and Council's Role
- Presentation - Council's services and roles within this structure and service map
- Presentation - Management of Council's finances (Income and expenditure, Local Government financial levers)
- Purpose of deliberation and role of Panel Members
- Tips about how to participate in a deliberative process.

Workshop 2: Sunday 30 March, 10:00AM to 2:00PM, Trentham Mechanics Hall, 66 High St, Trentham

The purpose of session 2 was to consolidate the information presented in session 1 and take a detailed look at Asset Planning to inform the development of the Asset Plan. The session began with a presentation on integrated planning and Q&A session with CEO Bradley Thomas in which participant questions and queries surrounding the remit, Council's role in service delivery and the financial situation for Hepburn Shire.

Facilitators supported a group conversation to rebuild trust with Council and establish a working relationship for the panel going forward. This included discussions about the removal of a participant and subsequent withdrawals of other panel members and the sharing of private information of panel members by Councillors alongside the establishment of group agreements for behaviours and collaboration.

Key items in Workshop 2:

- Your questions answered from Workshop 1
- Working together to rebuild trust
- Presentation - Overview of integrated planning and Council Services
- Presentation - Overview of Asset Planning
- Group Activity: Review different asset management approaches and initiate their preferences for future management
- Group Activity: Level of support for an asset management approach balancing development of new assets vs. renewal and maintenance of existing assets. Participants were invited to discuss their preference and any justifications for their choice
- Group Activity: Criteria for the repurposing, removal or sale of a Council's assets
- Group Activity: Assets for renewal panel members were given a list of Council asset classes and asked to rank them in priority order for renewal

Session 3: Thursday 10 April 2025 6.00pm - 8.30 pm Online

The purpose of session three was to gain final feedback to inform the Asset Plan and create a framework for Council to use when making adjustments to service levels. This framework was developed and tested against a current service.

Key items in Workshop 3:

- Remaining asset management discussions. Final ranking of assets classes for renewal and level of support for management of assets on Mentimeter
- Presentation and activity to develop a service assessment framework for Council to use to assess whether Council might retain the service as is, simplify or reduce the service, do something differently or exit a service.
- Overview of the Communities Portfolio by Ben Grounds, Acting Manager Community and Economy, including question time

- Activity: Council's role in community wellbeing and what is most valuable and important to the community.
- Activity: Test the service assessment framework against Aquatics and discussions of Council's role in aquatics and what is most valuable and important to the community.

Session 4: Sunday 13 April 2025 10am - 2pm Creswick Senior Citizen's Clubrooms

The purpose of session four was to discuss Council's role in the delivery of services under two key portfolios: economic development and waste, environment and sustainability. The final segments of the workshop were spent reviewing the current Community Vision and writing the panel's report.

Key items in Session 4:

- Presentation of collated feedback from session 3
- Activity: prioritising criteria within service assessment framework
- Presentation and discussion Economic Development portfolio, Council's role and community value in local business support and events and tourism.
- Presentation and discussion on Community Vision, legislation and development of current Vision. Level of support for current Vision, additions or suggested changes
- Presentation and discussion on Waste, Environment and Sustainability, ranking of preferred waste management approaches and preferences.
- Activity: Write up the Panel Report and review sections written by other groups.
- Nomination to present Panel Report to Councillors

2.3 Provision of time and information

Panel members were presented with information sources at various intervals throughout the process. Table 2 outlines the information provided to participants and the point in the program at which the information was presented for discussion.

Table 2. Information provided to Community Panel members throughout the project

Information	Media	Point in the process	Detail included within document
Community Panel Member Handbook	PDF	Before meeting 1, at the time of panel selection	<ul style="list-style-type: none"> • Information about the process • What to expect at meetings • Declaring a conflict of interest • Social media use advice
Service Catalogue	PDF	Before meeting 1	Including a service Map which outlines how services align.
Community Vision 2021-2030 and Council Plan 2021-2025 including Municipal Health and Wellbeing Plan	PDF	Available in the online folder and emailed	The Council Plan sets out the four year vision for the city and the outcomes Council wants to achieve over that period.
Asset Plan	PDF	Available online folder and emailed	The purpose of the Asset Plan is to articulate how Council is going to manage its assets to meet the service delivery needs of the community. Including a ten-year financial forecast for operating and capital expenditures related to assets.

3. Key Findings

Following are the key findings as they relate to each key strategic document:

- Asset Plan
- Financial Plan
- Council and Wellbeing Plan
- Community Vision.

3.1 Asset Plan

Across sessions 1 and 2, panel members were presented with an introduction to Asset Planning including an overview of the Local Government Act requirements for asset planning, a summary of the current Asset Plan objectives and some of the key challenges for the asset management team at Hepburn Shire including: limited budget, ageing infrastructure and growth needs. Panel members were then presented with information on the different asset classes and the current and project state of these assets:

- Roads (including paths and kerb)
- Bridges (including major culverts)
- Recreation and open space
- Water and drainage
- Buildings and structures
- Explanation of asset lifecycles, costs, and renewal needs

There were a total of 23 participants in the group activities undertaken in person and online.

3.1.1 Approaches to Asset Management

In the first activity, participants, in pairs, were asked to consider various asset management approaches placed on slider scales around the room. Each pair was prompted to demonstrate where on the scale, they felt Council should invest for each of the following:

- Spread investment evenly across the Shire vs. Invest where it is needed the most
- Invest the most in assets that are used by many people vs. Invest in assets to support specific activities, even if only used by a few
- Renew and upgrade existing assets vs. Build new assets
- Maintain assets at the current service level vs. Reduce some services in order to improve others
- Maintain existing small, low use or single-purpose facilities vs. Transition to larger, multi-purpose facilities
- Build in line with best practice (environmental, sustainable etc) vs. Build in the most cost-effective way

- Partner with community to help manage facilities vs. Council manage all facilities

Panel members, in their pairs, were asked to come to a consensus on their preferred approaches, using one sticky dot per pair. Participants were encouraged to share their thinking behind their decisions in the form of free text comments.

The results of this exercise showed clear preferences for building in line with best practice, renewing and upgrading assets rather than building new and partnering with communities to manage assets rather than Council managing all facilities. Table 3 shows the breakdown of preferences for all approaches.

Table 3. Preferred approaches to asset management collated findings

Approach 1	v	Approach 2	Verbatim Comments
Build in line with best practice (n=10)	> (n= 2)	Build in the most cost effective way (n=0)	<i>"cost effective might be ok for some small assets - low value assets"</i> <i>"cost effective needs to be environmentally friendly"</i> <i>"reduced running costs doing best practice"</i> <i>"build once and do it properly"</i>
Renew and upgrade existing assets (n=9)	> (n=3)	Build new assets (n=1)	<i>"depends on asset if it can be multipurpose and revenue raising"</i> <i>"case by case basis"</i> <i>"build new = larger short term costs"</i> <i>"balance between both"</i> <i>"given current funding, use a renew what we have till we are in a better financial condition"</i> <i>"definitely no new assets not enough money, use existing assets"</i> <i>"depends on cost of upgrade"</i> <i>"assume its more cost effective to upgrade existing- helps retain character"</i> <i>"Where assets have social, environmental or heritage currency, focus on renewal and upgrading is best to maintain ongoing connection with cultural identity, and to deliver to community expectations and 'council respectability'".</i>

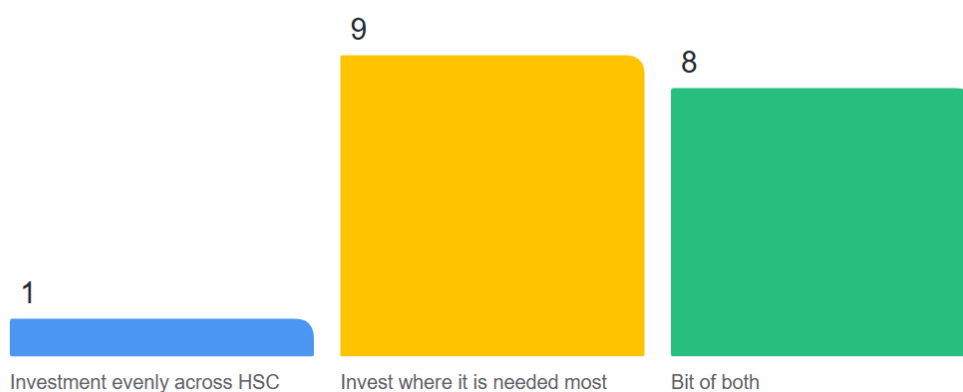
Partner with community to help manage facilities (n=9)	> (n=1)	Council manage all facilities (n=2)	<p><i>"Community to support facilities that it wants and needs. create ownership and good will"</i></p> <p><i>"Let groups to get grants outside of council to improve facilities for greater community use"</i></p> <p><i>"Create a sense of shared value and responsibility"</i></p> <p><i>"Rates are paid for council to manage facilities so they should manage them. Volunteer management puts onus on community who may lack skills and expertise"</i></p>
Invest where its needed most (n=8)	> (n=4)	Spread investment evenly across the Shire (n=0)	<p><i>"Small localities miss out"</i></p> <p><i>"Invest to meet agreed service level. i.e \$ to upgrade very poor to fair or higher"</i></p> <p><i>"Fairness matters but need is vital. As needed but along a spectrum that evolves over time"</i></p> <p><i>"How do we find out where it's needed? community liaison"</i></p>
Reduce some services in order to improve others (n=7)	> (n=1)	Maintain assets at the current service level (n=3)	<p><i>"Can some services come with a voluntary charge?"</i></p> <p><i>"Issues of isolation in small communities by maintaining their assets you maintain that community. I f we lose assets in small communities we will never get them back"</i></p> <p><i>"Better communications between management committees and council staff about what is acceptable level of maintenance"</i></p> <p><i>"We need to plan for the future, we are likely to have more extreme weather events and need to proactively protect our assets"</i></p>
Transition to larger multipurpose facilities (n=5)	= (n=3)	Maintain existing small, low use or single purpose facilities (n=4)	<p><i>"Small towns still need spaces even if the user level is lower"</i></p> <p><i>"Transport/ accessibility is an issue to rationalising. Needs to occur before we can lose small town facilities and transition to hubs"</i></p>

			<p><i>"Maintian but do not over maintain, Keep natural characteristic of the shire which are our draw card. there are enough multipurpose already"</i></p> <p><i>"Rationalise facilities but still consider needs of minority groups i.e. mobile library"</i></p>
Invest in assets used by the most people (n=7)	> (n=3)	Invest in assets to support specific activities even if only used by a few (n=2)	<p><i>"Be careful not to further entrench disadvantage"</i></p> <p><i>"For smaller groups looks at other ways to provide access to the assets, i.e transport, share assets, that its safe"</i></p> <p><i>"Majority is important but we should look at ways to share with those who use it in smaller numbers to be fair"</i></p>

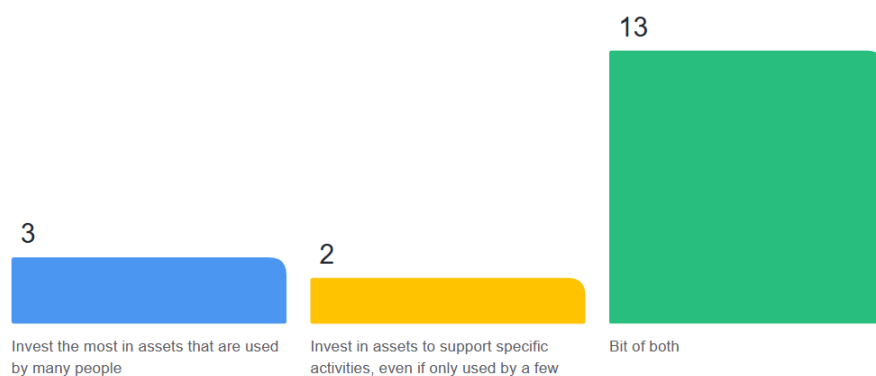
Data source: worksheets session 2, online worksheets session 2

In session 3, panel members were individually asked to choose which was their preferred option for each set of approaches. There was a total of 18 respondents to this set of questions. Figure 2a-2f show the findings of this consolidation.

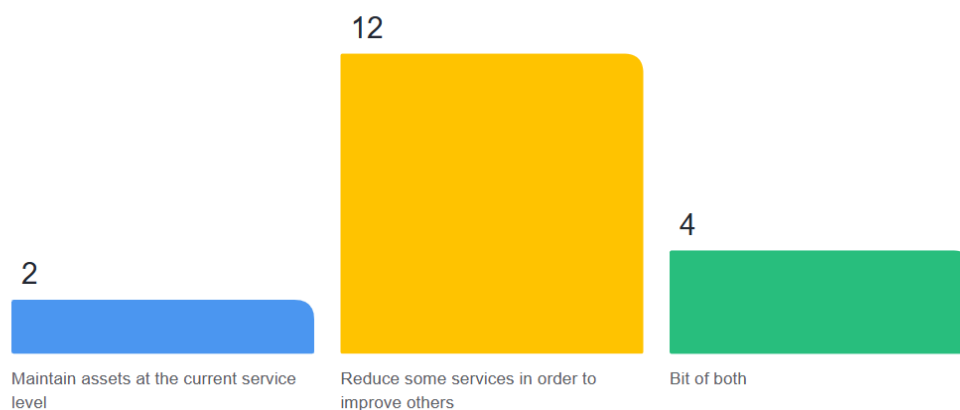
Figure 2a. Preferred asset investment approach



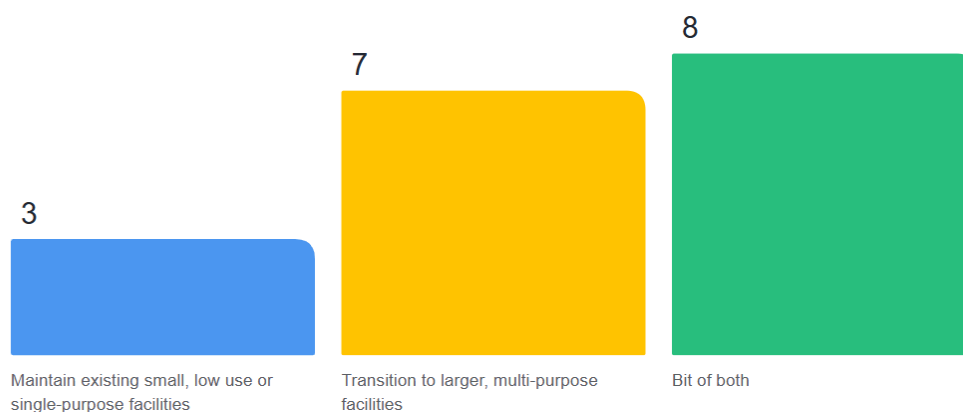
data source: Menti session 3

Figure 2b. Preferred utilisation approach

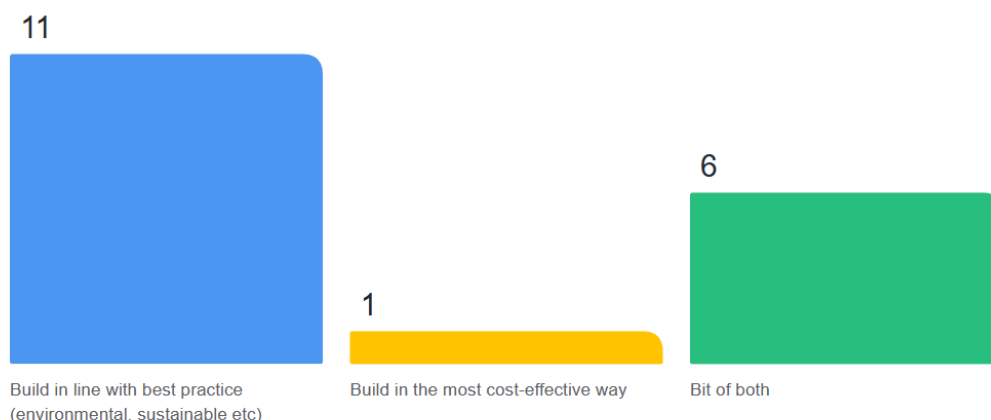
data source: Menti session 3

Figure 2c. Preferred service provision

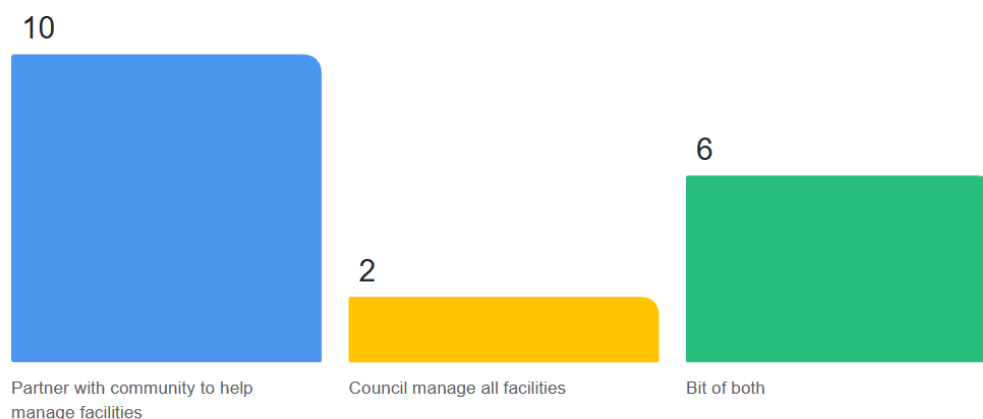
data source: Menti session 3

Figure 2d. Multi use versus single use assets

data source: Menti session 3

Figure 2e. Preferred build philosophy

data source: Menti session 3

Figure 2f. Preferred management approach

data source: Menti session 3

Focus on renewal

Participants were asked whether they supported the following statement: “We should only build new assets when one or more of the following applies:

- Significant capital grant funding is available
- Reduces operational costs
- Services or supports the delivery of multiple services
- Fills a needed gap in service or asset need.

There was a total of 23 participants for this exercise, divided across seven groups. All groups supported this statement apart from one group, who stated they support this with considerations, and another group who stated they neither agreed nor disagreed.

The key rationale behind those that supported this statement was:

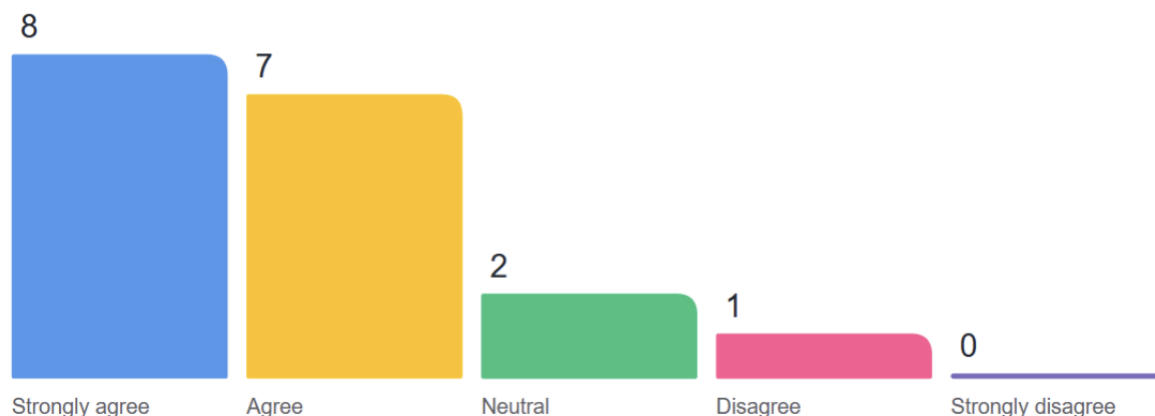
- Renew existing assets first – focus on use, accessibility, condition and sustainability before considering new builds.

- Only build new if it meets key criteria – fills a real gap, aligns with strategy, is grant-funded, and has a plan for ongoing costs.
- Prioritise multi-use, income-generating facilities – support community needs and long-term financial sustainability.
- Be realistic about costs – grant funding still requires Council investment; avoid projects that create ongoing financial strain.

Participants were asked to present their reasoning for their support for this statement. There was a total of 27 free text comments collected, from which some common themes emerged;

- Good community outcomes (n=6):
 - Focus on renewal and integration can have good outcomes for staff working together
 - Consider the needed gaps in line with strategy for community outcomes i.e. ‘women and girls in sport’
 - Focus on renewal presents good outcomes for protecting heritage value, history
 - Renew until asset no longer serves community health, wellbeing, accessibility
 - Reducing cost could risk good community outcomes
- Funding (n=6)
 - Build new if grants funding can support ongoing costs of maintenance
 - Recognising there are still costs to Council even when supported by grant funding
 - Look at opportunities for sponsor/user pays to cover the ongoing cost and in the long run pay for the asset
- Consider all principles as part of a matrix for decision making (n=5)
 - We should build new only when a number of these principles apply. One is not enough.
- Additional principles suggested (n=6):
 - Environmental benefit
 - Can the asset be a revenue earner?
 - Option to condense/consolidate assets
 - Protect heritage value, aesthetics, street scape
- Focus on renewal until an asset is no longer fit for purpose (n=2)
- This statement can apply easily to some assets but not others (n=2)
 - Difficult to apply to roads, drainage, bridges or any other infrastructure

The statement was then tested again through individual polling in session 3. There was a total of 18 respondents to this question, with majority support. Figure 3 presents the results.

Figure 3. Focus on renewal individual polling

data source: Menti session 3

3.1.2 Principles to rationalise assets

Panel members were asked the question; *'What justification would you need for a structure, facility or land to be removed, sold or repurposed?'* and were presented with some examples of principles including:

- No /low use
- Single service (can be merged with other space/users)
- Not classified as a having heritage values
- Not within Council's direct control (eg. DEECA)

Groups were given time to discuss these principles and asked to provide their own principles for why a structure, facility or land could be removed. Common principles suggested by the group to remove, replace or repurpose an asset:

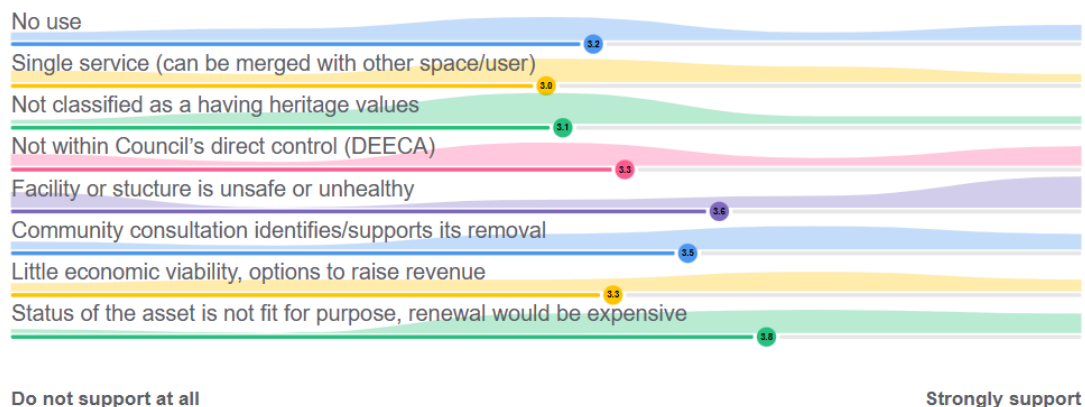
- Status of asset, fit for purpose, pose safety risks or cannot be renewed (n=9)
- Community value and consultation supports it (n=6)
- Economic viability - long term value, revenue raising (n=6)
- The asset does not have aesthetic, historic or heritage value (n=3)
- Clear ownership/responsibility of assets; Council, DEECA (n=2)

Common caveats for these principles were:

- No/ low use should be separated, low use could be a good thing/ service a community need (n=5)
- An asset cannot be removed/changed on the basis of one principle only. Principles should be used as a matrix/scorecard (n=2)
- Always consider repurposing to begin with (n=1)
- Consider partnering with community to take care of assets rather than DEECA for example (n=1)
- Consider substitutes for lost assets (n=1)

The principles, including some new principles suggested by the group were then tested again through individual polling in session 3. There was a total of 17 respondents to this question. Figure 4 presents the results.

Figure 4. Level of support for asset rationalisation principles



data source: Menti session 3

3.1.3 Priority of assets for renewal investment

Panel members were asked to rank in priority order a list of asset classes for renewal. There were a total of five groups who participated in this exercise. The five groups' lists are shown below in Table 4. Not all groups completed the activity due to limited time and discussions around ranking, with individuals having different priorities, highlighting the complexities for Council in prioritising competing asset needs.

Table 4: Priority ranking of assets for renewal

Group 1	Group 2	Group 3	Group 4	Group 5
Drainage	Footpaths	Passive parks	Unsealed roads	Drainage
Buildings	Drainage	Trees	Tracks/trails	Buildings
Trees	Unsealed roads	Drainage	Buildings	Sporting assets
Unsealed roads	Sealed roads	Footpaths	Drainage	Bridges
Bridges	Bridges	Sealed roads	Passive Parks	Track/trails
Structures	Sporting assets	Unsealed roads	Bridges	Trees
Tracks/trails	Playgrounds	Tacks/trails	Sealed roads	Passive parks
Sealed roads	Passive parks	Sporting assets	Structures	Footpaths

Footpaths	Tracks/trails	Playgrounds	Trees	Unsealed roads
Passive parks		Buildings	Playgrounds	Sealed roads
Playgrounds		Bridges	Sporting assets	Structures
Sporting assets		Structures	Footpaths	Playgrounds

3.2 Financial Plan

In session 3, panel members reviewed and developed criteria to guide Council and Councilors when considering changes to services. Participants were advised that the purpose of developing this framework will help guide Council during the decision-making process when determining whether to retain, simplify, modify, or exit a service.

The six criteria provided for discussion were:

- Level of community demand (is it changing?)
- Availability of other organisations to provide the service
- Costs are too high for Council to afford
- Consequences of not providing the service
- Skill levels of staff to provide the service (are other organisations better equipped?)
- New regulations making the service harder to provide

Panel members were divided into six groups, each assigned one criteria to evaluate. They were tasked with:

- Clarifying any questions or concerns about their assigned criteria
- Identifying the benefits and other considerations for each criteria
- Suggesting any additional criteria that may be important for decision-making

Table 5 shows verbatim feedback received across all six groups for each criterion.

Table 5: Service criteria

Criteria	Questions or concerns	Benefits/Considerations
Level of community demand (is it changing?)	How is the council interpreting the community's priorities in terms of this criteria? Demand may be decreasing but it might have a high value to the community, or vice versa, increasing but not be highly valued.	<ul style="list-style-type: none"> • Community need to understand the rationale for a change in service
Availability of other organisations to provide the service		<ul style="list-style-type: none"> • The organisation's experience. • Could they be better than what the council provide. • Need to have continued reviews to ensure that the service is being

		delivered as required/promised.
Costs are too high for Council to afford		<ul style="list-style-type: none"> • Save council money, extend relationships with other Shires. • Do the social benefits outweigh or make it worth continuing? Can it be provided via outsourcing?
Consequences of not providing the service		<ul style="list-style-type: none"> • Understanding the Risk matrix - how much impact there will be on the community” • Gets us thinking about: staff, impact on future need, community wellbeing, cohesion.
Skill levels of staff to provide the service (are other organisations better equipped?)	<p>How do we review skill levels of Council staff?</p> <p>How do we identify other groups with these skills?</p>	<ul style="list-style-type: none"> • Upskilling means social capital is kept in the Shire • Outsourcing, potential loss of social capital, brain drain
New regulations making the service harder to provide		<ul style="list-style-type: none"> • Trust in council to deliver services. • Can council compete with the private market?” • Does council need to deliver this service if there are others who can? • “How can Council ensure quality service?” • “Capacity for others to deliver services- (volunteerism low)”

Data source: Session 3 online worksheets

Panel members identified the following new criteria that should be used when reviewing service changes:

- Assessment and evaluation- Return on investment
- Future benefit
- Does the program or service align to values (safety, health, community)
- Can we identify a good partner to deliver a service; community group, social enterprise?

During Session 4, panel members participated in an activity where they were asked to allocate a total of 100 points across the existing criteria, as well as any newly suggested criteria from the previous session. This activity was designed to gauge the relative importance placed on each criteria by the group.

In a group discussion, the group noted that consequences of not providing this service was a clear leader, however the following criteria were all very closely scored. Discussions highlighted that the relevance and weight of certain criteria varied depending on the type of service being assessed, with some criteria considered more or less important based on specific service contexts. A total of 22 panel members participated in this activity. Figure 5 presents the results.

Figure 5. Criteria most important to consider for a service change



Data source: Menti session 4

3.2.1 Testing the criteria: pool activity

In session 3, participants were invited to test the framework developed, using Aquatics as an example. Participants were presented with the following information about Hepburn Shires Aquatics programs:

Aquatics manage operations of four pools, splash parks and facilities;

- Daylesford Outdoor Pool,
- Trentham Outdoor Pool,
- Clunes Outdoor Pool,
- Calembeen Park Toddlers Pool
- Creswick Splash Park.

The Sports and Recreation team manage the strategic development, operations, capital works, community education, awareness and promotion for Aquatics. The Aquatics season is open between December to March:

- 25,000 visitors annually
- Access to affordable and inclusive recreation facilities for everyone, including those with disabilities, seniors and children
- Costs \$2.64 out of every \$100 rates collected.
- 2% of recurring costs are recovered through user fees and charges, grants and other income.

Council's role in Aquatics

Participants were asked the question; *'What do you see as Council's role in aquatics?'*. There was a total of 19 responses to this question across the six groups.

The majority of respondents saw the role of Council as the direct provision of aquatics services and maintenance of these community assets (n=11) highlighting the importance of swimming lessons, active recreation and the cultural significance of swimming pools for regional communities.

"Delivering the service of running them".

"For the health and wellbeing of the community they should continue to provide this service".

Other panel members suggested ways to partner with others to deliver this service like: encouraging corporate sponsorship, staggered pricing for entry fees (n=6).

"Council's role should be limited especially when our financial situation is in distress"

"Options for memberships, squad training"

"Sponsorship of facilities - repco fast lane"

Two participants shared general comments about the need for swimming pools.

What is most valuable to the community

Participants were asked the question; *'What is most valuable and important to you and your community?'*. There was a total of 18 responses across the six groups.

Participants most commonly valued having accessible community facilities that provided recreation and leisure opportunities without barriers for all community members (n=8).

"No barriers for children/resident for facilities"

“Access to aquatic facilities for all towns”

Others (n=6) noted the importance of safety, health and wellbeing in having access to aquatic facilities.

“Meeting the future need for aquatic facilities (as global climate changes)”

“A place for school sports - and for kids to learn to swim (big safety issue)”

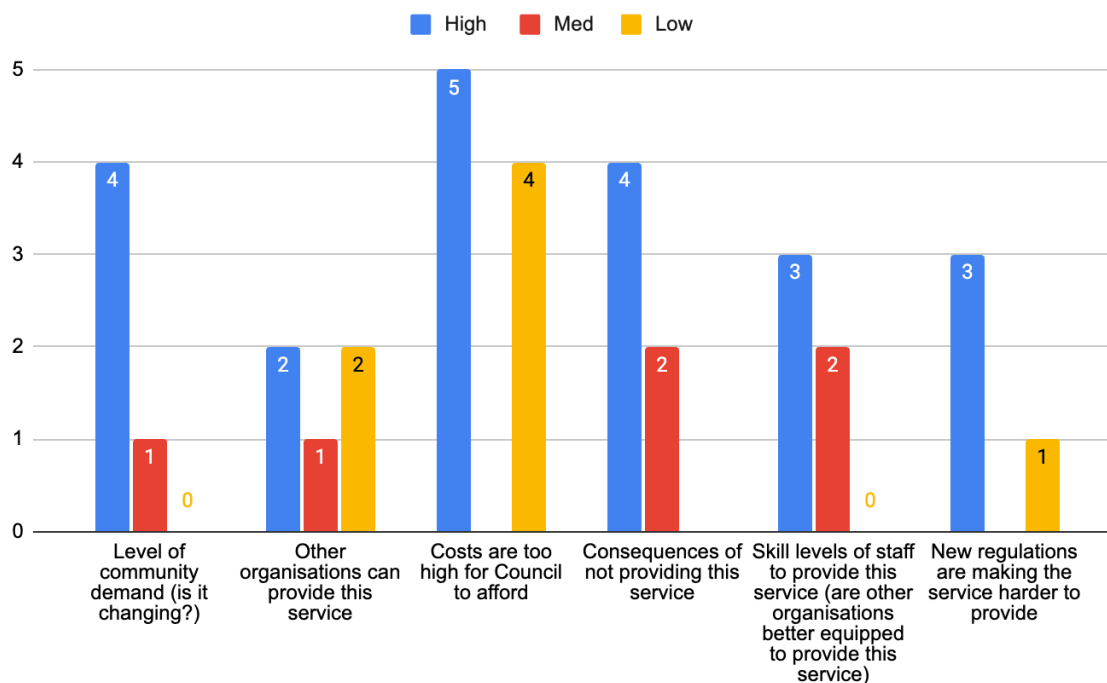
Panel members also valued the cultural aspects of having aquatics facilities in regional towns (n=5).

“Heritage and future legacy of the region”

“Places which we meet such as parks, bbqs, town halls, and gardens, to celebrate our region and culture”

Participants were then presented with the criteria developed in the previous activity, and invited to identify ‘What criteria are the most important for Council to consider when they make service changes to aquatics’. Participants were able to indicate: Low, Medium or High importance for each criteria in the matrix and were able to provide additional comments about the reasons for their assessment. Figure 6 presents the level of importance indicated for each of the criteria across the six groups.

Figure 6. Level of importance for each criteria- Aquatics



‘Consequences of not providing the service’ and ‘Level of community demand’ were understood as the most important criteria for assessing aquatics in which participants highlighted the consequences as “Safety aspects for community” and “Significant to health and wellbeing and safety” alongside suggestions to “consider demand times” and

“even if demand is low, consideration of the per capita usage is needed in small towns”. Panel members were more divided on the level of importance of ‘Cost’ and ‘New regulations making it harder to provide’ with participants suggesting that costs should not outweigh other factors and consider passing some cost onto the consumer.

Generally, participants reflected that having a uniform set of criteria to apply to a variety of different services is challenging and that specific services require unique criteria in order to assess their service levels.

Three groups also suggested additional criteria in order assess aquatics including:

*“Available outside normal/staffed hours - self responsible for safety. Warm for laps
Where is external funding available for water safety & staying healthy”*

“Climate Change - temperature will get hotter and hotter”

“Operating hours - for different demographic groups”

3.3 Council and Wellbeing Plan

The following sections present the findings from discussions about service portfolios related to community wellbeing, economic development, waste, environment and sustainability undertaken in Session 3 and 4.

3.3.1 Community Wellbeing

Panel members were asked to consider what they see as Council’s role and what is most valuable and important to them and their community when thinking about community wellbeing. Panel members were broken into six small groups to discuss community wellbeing.

Panel members identified a range of priorities that contribute to strong, healthy, and connected communities. They emphasised the importance of affordable and secure housing, inclusive planning processes, access to essential services, and the preservation of green spaces. Community facilities, such as libraries, pools, and neighbourhood houses, play a vital role in social connection and reducing isolation. Key suggestions included:

- Belonging and social connection - building social inclusion, sense of belonging through local festivals, knowing neighbours, welcoming new residents (n=10)
- Community infrastructure - libraries, halls, senior citizens centres, pool, sports grounds (n=8)
- Health and Safety for all - access to healthcare for all, safety in public and residential areas (n=5)
- Housing - affordable and secure housing, balance between permanent vs short stay accommodation (n=4)
- Accessibility - footpaths and maintained roadsides for walkability (n=3)
- Environment - Green and natural spaces (n=2)

- Activities for all - family, youth, older residents (n=2)
- Education - local schools and transport options for children in rural areas (n=1)

Data source: online worksheets

Panel members highlighted that Council's role in community wellbeing must be adaptable and grounded in trust, transparency, and collaboration. Key responsibilities include ensuring fair access to shared spaces, maintaining quality in outsourced services, supporting community led initiatives, and enabling connections between groups and external funding bodies. Protecting local character and empowering communities to express their needs were also seen as important. Key suggestions included:

Advocate (n=3)

- Advocate for housing, schools, and local transport
- Promote diverse health services and alternative therapies
- Push for better use of existing facilities (e.g., Creswick Campus as a school)

Facilitator (n=7)

- Support sports clubs to seek infrastructure funding
- Connect community groups with grant funders (e.g., SRV)
- Host Newcomers sessions, involve groups and community reps
- Encourage participation through local events and outreach (e.g., market stalls)

Partner (n=6)

- Work with YMCA or similar to manage pools sustainably
- Partner with locals to deliver services/community goals (eg. waste)
- Enable collaboration between councils (e.g., shared waste management)
- Empower the community to articulate and act on aspirations

Provider (n=3)

- Continue delivering key community wellbeing services through rates
- Maintain direct control of council assets to ensure access and equity
- Provide accessible spaces (e.g., community halls, sports grounds)

Funder of Major Projects (n=3)

- Fund essential infrastructure (e.g., accessible community buildings)
- Recognise funding should be strategic and not always ongoing – sustainability focus
- Might be impractical and unsustainable as a role for Council

Regulator (n=5)

- Ensure outsourced services are appropriately delivered
- Manage planning, zoning, permits fairly and efficiently
- Uphold equity in access and inclusion through fair regulations

Communicate and engage with community (n=7)

- The relationship of council to community is a fundamental principle and requires trust and working together.
- Making the community understand the limitations provide - managing expectations
- Listen to the community and act - put policies in place to make it happen

Data source: online worksheets

3.3.2 Economic development

Panel members were asked to consider what they see as Council's role and what is most valuable and important to them and their community in two areas of economic development: tourism and events, and local business development. Panel members were advised that economic development projects and tourism projects were not mutually exclusive activities undertaken by Council and that both areas are connected. Six table groups participated, with three groups working on each area.

Local Business Development

Panel members saw Council's role as vital in creating a supportive environment for local business success. They highlighted the importance of Council acting as a facilitator, connector, and advocate, helping to reduce barriers, promote local enterprise, and maintain the character of business precincts. Council was also seen as having a role in supporting sustainable development, improving access to resources, and enabling local employment. Key suggestions included:

Compliance and Regulation

- Streamline requirements to make it easier for businesses to comply with local, state, and federal regulations
- Reduce permit fees, particularly for home-based businesses
- Avoid implementing planning changes that affect businesses without prior consultation

Promotion and Visibility

- Promote local businesses or ensure promotion is supported through relevant channels
- Host forums that support small business, including topics such as health, wellbeing, and resilience
- Invite local business owners as guest speakers to promote their work and share community benefits

Facilitation and Connection

- Support the formation and activity of traders' associations
- Act as a conduit to other government services—such as grants, policy advice, and networking opportunities
- Work closely with businesses to help them meet regulatory requirements

Sustainability and Amenity

- Encourage and support ecologically sustainable business development
- Maintain the ambience and character of business areas, incorporating community ideas

Business Attraction and Employment

- Attract new businesses that offer local job opportunities for both young people and mature workers

This feedback reinforces the view that Council should play an enabling role; supporting, connecting, and advocating for the local business community.

Panel members identified a range of values and priorities that they believe should guide local business development. Their feedback reflected a strong desire to ensure economic growth aligns with community character, environmental principles, and long-term sustainability. Maintaining the balance between the needs of locals and the expectations of visitors was seen as important key themes are listed below.

Community Character and Values

- Economic development should reflect local values, heritage, and community identity.
- Planning and development must prioritise the preservation of local amenity, environment, and heritage.
- There is a need to balance the interests of long-term residents and short-term visitors.

Supportive Planning and Responsiveness

- Timely and prioritised planning responses are essential for local businesses to thrive.
- Business development should be guided by community established values and sustainability principles.

Local Employment and Affordability

- Affordable shopping and services are important to support local residents.
- Economic strategies should aim to attract and retain staff within the Shire, with affordable housing as a key enabler.
- Local employment opportunities that support the local economy and maintain the area's aesthetic and community values are important.

Experience Based and Sustainable Business Models

- Support for businesses that contribute to tourism while reflecting local character and enhancing the visitor experience.
- 'Pick your own' farms were seen as a valuable model that benefits both farmers and locals by reducing costs and offering hands on experiences.

Extended Business Offerings

- Enabling longer trading hours was identified as a way to improve local economic activity and better meet community needs.

Data source: worksheets

Overall, the panel expressed a strong preference for economic development that is rooted in community values, respects the local environment and heritage, and delivers sustainable, locally beneficial outcomes.

Tourism and Events

Panel members emphasised that Council has a key role in supporting tourism and events in a way that strengthens local business while respecting the region's identity, environment, and agricultural base. They highlighted the need for balanced, mindful support that ensures tourism does not overshadow other industries or community values. Key suggestions are listed below.

Practical and Financial Support

- Provide more generous in-kind support for community-run events by reducing fees and charges.
- Offer support through sponsorships, grants, small loans, and access to venues and infrastructure.
- Support not-for-profit events through advocacy, promotion, facilitation, and access to Council resources.

Promotion and Communication

- Promote local events and tourism opportunities outside the Shire to attract visitors.
- Improve advertising and communication around events and activities.
- Provide clear, accessible information and guidance for event organisers.

Balanced and Sustainable Approach

- Act as a promoter of mindful, balanced tourism that enhances local businesses without compromising the natural landscape, waterways, or agricultural community.
- Be cautious of rezoning decisions that may impact agricultural land or shift focus away from primary industries.
- Ensure a balanced approach to supporting both tourism and non-tourism-based businesses.

Health, Safety, and Compliance

- Provide assistance with understanding and meeting health and safety regulations.
- Ensure that venues and event operations meet all necessary standards.

Overall, the panel encouraged Council to be an enabler and advocate for tourism and events that are community led, environmentally sensitive, and inclusive of all business sectors.

Panel members expressed that tourism and events are central to the Shire's identity, economy, and community life. There was strong support for preserving the region's unique cultural offerings and natural environment, while ensuring tourism benefits local businesses and residents alike. A balance between economic development and community led values was seen as essential. Key themes are listed below.

Cultural Identity and Community Connection

- Celebrate and support the uniqueness of local festivals, such as the Swiss Italian Festival.
- Ensure community events are led by the community and reflect local culture and history.
- Provide opportunities for people to gather and share time together through events and spaces.
- Value cultural uniqueness in festivals and events as a key part of the region's character

Support for Local Business and Economic Sustainability

- Keep tourist numbers high, as tourism is the Shire's largest economic driver and job creator.
- Smaller towns rely on additional visitors to support local services, especially mid week.
- Encourage ongoing support for local businesses and community run events.
- Balance support between local business and tourism interests.
- Consider inviting external events and businesses to boost the local economy, when aligned with community values.

Council's Role in Event and Tourism Support

- Ensure Council actively supports and advocates for local festivals and events.
- Be proactive in retaining significant events (e.g. Photo Biennale) and preventing them from relocating elsewhere.
- Identify and involve commercial business communities in discussions and planning.
- Provide more support for events held in smaller communities across the Shire.

Challenges and Opportunities

- Acknowledge that staffing shortages are affecting local businesses, driven in part by housing costs and availability.
- Support the maintenance of facilities, recreational areas, and trails which serve both locals and visitors.
- Preserve the natural and farming landscapes, as well as water and mineral springs, which are part of the region's identity.
- Consider both heritage and future needs when making economic and tourism related decisions.

Data source: worksheets

Overall, panel members called for a thoughtful, inclusive approach to tourism and events, one that enhances economic opportunity while preserving the distinct values and identity of the Hepburn Shire community.

3.3.3 Sustainability, waste and environment

During session four, Council presented to the panel an overview of sustainability, waste and environment, including the Sustainable Hepburn 2022-2026 Strategy and the key objectives. Panel members were asked what their preferred approach to waste services were and were presented with four options to rank in order of preference through Mentimeter. A total of 22 panel members participated in this activity. Figure 7 lists their preferred approaches in weighted priority order.

Figure 7. Preferred approach to waste services



Data source: Menti panel day 4

Panel members were asked to provide a reason for their response. Many expressed that the current waste service system is already too complex and difficult to manage, with particular frustration around overfull red bins and the limited impact of FOGO for those who compost at home. They emphasised that if waste systems are not easy to use, participation rates and correct usage will be impacted.

Protecting the environment, reducing landfill, and achieving long term sustainability were seen as the most important goals. Panel members strongly believe waste services must be cost effective, simple, and focused on a circular economy rather than creating more bins or processes. There was strong concern about the cost and necessity of the new kerbside glass bin, with several suggesting better partnerships with the Container Deposit Scheme (CDS Vic West) to avoid duplication and unnecessary expenses.

Community led efforts to divert waste were highlighted as highly valuable but not adequately recognised or supported. Overall, panel members called for a waste service approach that is environmentally sustainable, easy to use, cost conscious, and better

acknowledges existing community contributions. Key rationale of their preference included:

- System simplicity and ease of use
- Focus on reducing waste and recycling more effectively
- Environmental sustainability and protecting the planet
- Cost effectiveness of waste services
- Support for a circular economy model
- Partnerships with the Container Deposit Scheme (CDS)
- Recognition and support for community led waste efforts
- Equity in access to waste services
- Alternative collection models (e.g., group points)

Data source: Menti Day 4

Panel members were then asked to consider if there are any other approaches Council could consider. Panel members want stronger emphasis on recycling opportunities and better support for managing waste like pest weeds and hard plastics. Many suggested council form partnerships with neighbouring councils and programs like CDS West Vic, to create more regional, cross municipal waste solutions. There is concern about the kerbside glass bin rollout, with calls to advocate for changes now that the Container Deposit Scheme is active. Panel members asked for clearer, more detailed recycling information, and better ways to support recycling items that are harder to process. Key suggestions included:

- Greater recycling opportunities and clearer guidance
- Regional partnerships for waste management
- Partnering with CDS West Vic
- Review and advocate against mandatory kerbside glass bins
- Glass collection still needed for items not eligible for CDS
- Support for recycling hard plastics and offering tip vouchers
- Promote circular economy across municipal boundaries
- Advocacy to expand Container Deposit Scheme to include wine and spirit bottles
- More specific and accessible recycling information (e.g., online database)
- Options for managing pest weeds

Data source: Menti panel day 4

Panel members, in their pairs, were asked to come to a consensus on their preferred approaches, using one sticky dot per pair. Participants were encouraged to share their thinking behind their decisions in the form of free text comments. Table 6 and 7 presents these findings. The two options presented were:

- Council is required to remove glass from mixed recycling by 2027. What would be the best approach for separating glass? Kerbside glass collection vs Drop off/collection points (separate from CDS)
- What should Council's future approach to waste services be? Stick to mandated waste services only vs Actively support Circular Economy programs (partner, funder, coordinator)

Table 6: Feedback on the two approaches presented to separate glass

Approach 1	v	Approach 2
Kerbside glass collection n=3	< n=1	Drop off/collection points (separate from CDS) n=7
Comments		
<p>User friendly</p> <ul style="list-style-type: none"> • “Kerbside is more user friendly” • “Not everyone can physically go to a drop off point.” <p>Recycling glass considerations</p> <ul style="list-style-type: none"> • “Recycling needs to be updated process for broken glass (bottles)” • “If it makes better use, more community uptake, more recycling” 		<p>Community education and behaviour</p> <ul style="list-style-type: none"> • “People are lazy at home – needs community education.” • “Take a bag of glass bottles to a collection point when you are going to town anyway.” <p>Partnerships and smarter solutions</p> <ul style="list-style-type: none"> • “Explore partnerships with CDS West Vic to identify and collect and \$ opportunities.” • Use CDS sites for glass drop-off: “Can we use the sites of CDS to also have a glass drop off?” <p>Cost effectiveness</p> <ul style="list-style-type: none"> • “The new kerbside glass bin will be a huge unnecessary cost to council when an effective waste management stream exists within CDS.” • “Pilot option with CDS Vic/Bottlecycler etc prior to committing to deploy kerbside glass collection” • “It could take months to fill a bin with glass, then too heavy for some people to manage.” <p>Focus on reducing waste and recycling opportunities</p> <ul style="list-style-type: none"> • “Reducing waste and recycling is most important.” • “Recycle glass into bitumen inputs.”

		System simplicity and ease of use "If the system is not easy to use, people will not participate properly." "We already find the three bins onerous."
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Data source: worksheets Day 4

Overall, there was much stronger support for drop off/collection points (n=7) compared to kerbside collection (n=3) with one group sitting right in the middle. There is strong support for glass drop off and collection points, particularly by using existing CDS sites and creating additional local options at tips and shopping centres. Many residents prefer drop off over kerbside collection, noting that it could "take months to fill a bin with glass," making bins "too heavy for some people to manage," and that "we don't want more bins" due to cost and practicality concerns. Drop off is seen as more cost effective for council, more flexible for residents who can "take a bag of glass bottles to a collection point when going to town". There is also recognition that any new system must account for "necessitous needs" like disability and ageing, ensuring access and equity in service design.

The second activity presented for the group to discuss was Council's future approach to waste services, with the two options being stick to mandated waste services only vs actively supporting circular economy approaches.

Table 7: What should Council's future approach to waste services be?

Approach 1	v	Approach 2
Stick to mandated waste services only (n= 1)	<	Actively support Circular Economy programs (partner, funder, coordinator) (n=9)
Comments		
Delivering core services well <ul style="list-style-type: none"> "Got to get waste services delivered right." "Do the minimum well and appropriately." "Need to do more than just the bare minimum." Efficiency and Value in Additional Services		Commitment to circular economy <ul style="list-style-type: none"> "Actively supporting circular waste is not always achievable, but when possible, it is the best option." "We have surpassed the old ways." "It is the future — moving away from just mandated services."

<ul style="list-style-type: none"> • "Make sure any additional services work and are efficient." • "Extra circular economy activities should be partnered with Council grouping but not fund the big stuff — low cost/high impact, look at partners." 	<p>Empower the community</p> <ul style="list-style-type: none"> • "Empower community provide cultural and financial incentives"
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Data source: worksheets Day 4

Overall, there was much stronger support for Council to actively support circular economy programs (n=9) rather than stick to mandated waste services only (n=1). Panel members felt Council must focus on delivering core waste services effectively, ensuring that even the basic requirements are met with quality and consistency. At the same time, there is strong support for embracing the circular economy, recognising it as a forward thinking approach that goes beyond traditional waste management.

Any additional circular economy initiatives should prioritise efficiency and value, focusing on low cost, high impact activities and seeking partnerships rather than Council solely funding major projects.

Panel members were asked to consider what Council's role in circular economy might be, rather than fund it panel members thought Council could take the lead on promotion, education, partnerships, facilitation and advocacy. Some examples included:

- Education programs on sustainability and circular economy for all age groups
- Partnerships with road construction groups to reuse materials like glass
- Improved access to compost, tip shops, and upcycling/refit workshops
- Strong promotion of reuse over single use; ban single use coffee cups and problematic packaging
- Partnerships with other Shires and organisations like TOMRA Cleanaway (CDS Vic) and Hepburn Energy
- Repurposing sites to support circular economy initiatives (e.g., repair cafes, upcycling hubs)
- Explore income opportunities through products like biochar
- Provide tip vouchers to community groups that support community to reuse.
- Encourage and support circular economy small business start ups and through leasing sites to circular economy businesses

Data source: Worksheets Day 4

3.4. Community Vision review

As part of the Hepburn Together 2025-2029 Community Panel, panel members were asked to review the existing Community Vision Statement. A Community Vision is the key guiding framework for all of Council's strategies and decision making processes.

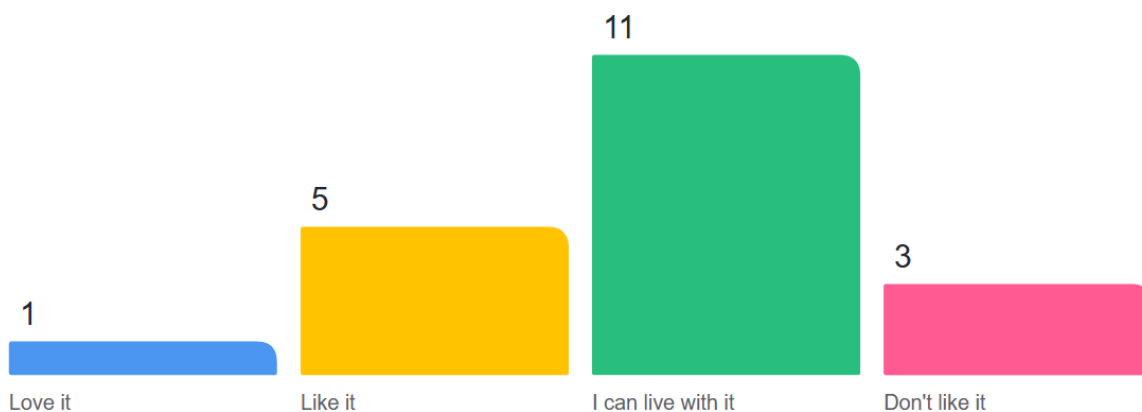
The Hepburn Shire Community Vision 2021-2031 was developed by the Hepburn Shire community in 2021 during a range of community engagement activities involving a broad cross section of the local population.

The current Community Vision is:

Hepburn Shire - an inclusive rural community located in Dja Dja Wurrung country where all people are valued, partnerships are fostered, environment is protected, diversity supported, and innovation embraced.

Panel members were asked to rate their level of support for the current Community Vision. A total of 20 panel members participated in this activity. The majority of panel members who participated voted that they 'can live with it' as shown in Figure 8.

Figure 8: Level of support for the current Community Vision.



Data source: Menti Day 4

Panel members had small group conversations to discuss if there is anything important missing from this statement and had the opportunity to write their response into Menti as well as on worksheets provided. Table 8 outlines the suggested changes as well as explanations for the suggested changes.

Table 8: Suggested changes to the current Community Vision

Original / Current Text	Suggested Change	Explanation / Reason
People are valued	People's welfare is supported, including the provision of affordable housing	Clarifies the intent and addresses housing needs directly

People are valued	People are valued and supported	Enhances meaning and shows active support
People are valued	People are equally valued	Emphasises fairness and inclusion
Inclusive rural communities	Diverse rural communities	Better reflects differences in people and place
Djaara Country	on not in Djaara Country (encompassing all mobs)	Djarra Country to include all other mobs
country	Country	Capitalised to respect Aboriginal terminology
Environment is protected	Environment and biodiversity are protected	Highlights importance of ecological systems
Environment is protected	Land and waters are protected	Better reflects assets such as Hepburn Springs
Diversity is supported	Diversity is supported and townships are individually supported	Recognises unique needs of different towns
(No mention of history)	Innovation and history are embraced	Acknowledges past and supports progress
(No mention of farming/agriculture)	Farming and agricultural traditions are supported	Needs farming and agriculture reflected
Partnerships are fostered	Relationships are nurtured / Community and Council work together	More human centred and less corporate language
Partnerships are fostered	Fostered with community groups, businesses, and Traditional Owners	Makes intent of “partnerships” clearer
Innovation embraced	Innovation is fostered / nurtured	Softer, more community-driven language
(No specific statement on support)	Council supports community groups and	Recognises Council’s enabling role

	creates opportunities for all	
(No specific statement on equity)	Equity and fairness are upheld	Ensures social justice is embedded in vision
(No mention of working together)	Community and Council are working together	Reinforces collaboration and shared ownership
(No mention of social capital)	Social connection, neighbourliness, and local belonging are valued	Reflects strong community values
(No mention of cultural diversity)	Diverse lifestyles and cultural expressions are embraced	Emphasises inclusive, multicultural identity
	None	'The statement is thorough and absolute & does not need to be changed'

Data source: Menti, worksheets Day 4

4. Evaluation

4.1 Panel Member evaluation

Panel members were asked questions before and after their experience on the panel. Completion of the pre and post panel surveys was optional, with 22 panel members completing the pre survey and 8 completing the post survey. It is important to note that not all panel members completed all questions in the pre and post-survey.

Panel members previous experience

Panel members were asked if they had ever contributed to a Hepburn Shire Council consultation before. A total of 12 people had not participated in previous consultation with several participating in various consultation activities as shown in Table 9.

Table 9: Participation in previous consultations

Consultation activity	Number of people
This is my first consultation experience with Hepburn Shire	12
I have attended a Hepburn Shire Council Meeting (to speak or listen)	10
I have provided feedback on a project (online, email, letter, phone call)	7
I have sent in a submission or signed a petition	11
I have been involved in a planning permit process (applicant or objector)	7
I have been a member of another Council committee or advisory group	4
I have attended a consultation workshop or community meeting	8

Data source: Menti Day 1

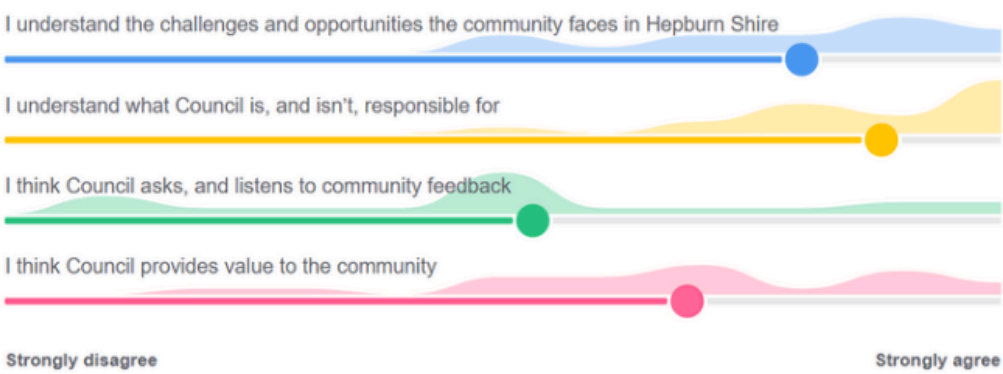
Panel members were asked if they had contributed to a Hepburn Shire Council consultation in any other way, with some responding they had been on the Vision (project) for Glenlyon, through Council meetings, attending listening posts, creating a town survey and speaking with people in the community.

Panel members trust and understanding of Council

Participants were asked to demonstrate their level of agreement with a series of statements relating to their understanding of Council and Council process and their trust in Council. Figure 9 and 10 show the pre participation and post participation responses. A noticeable increase was seen when panel members were asked if they understood the

challenges and opportunities the community faces in Hepburn Shire. This trend carried on through subsequent statements.

Figure 9: Pre-participation responses to statements about Hepburn Shire



Data source Menti Day 1

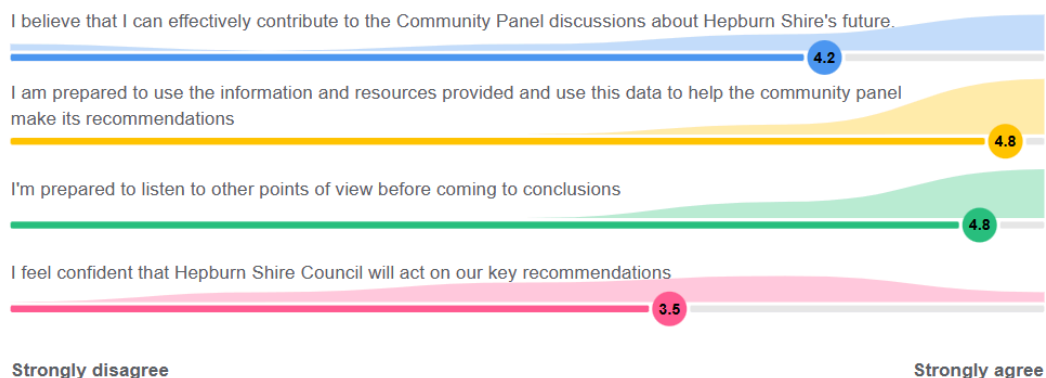
Figure 10: Post-participation responses to statements about Hepburn Shire



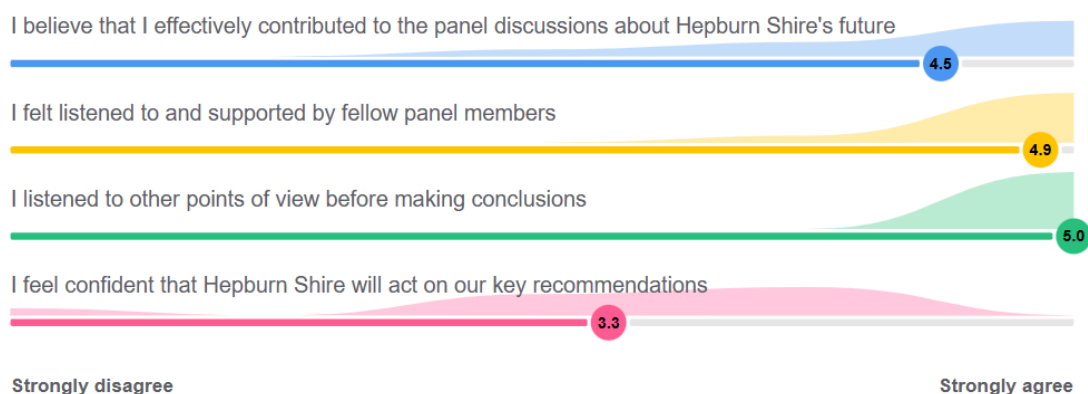
Data source Menti Day 4

Panel members were asked to demonstrate their level of agreement with a series of statements relating to how they feel about their involvement in the Hepburn Together Panel. Figure 11 and 12 show the pre participation and post participation responses.

Once again there is an increase in the level of agreement with the statements with an exception to the last statement 'I feel confident that Hepburn Shire Council will act on our key recommendations' which dropped slightly from 3.5 to 3.3.

Figure 11: Pre-participation response to involvement in Hepburn Together Panel

Data source Menti Day 1

Figure 12: Post-participation response to involvement in Hepburn Together Panel

Data source Menti Day 4

After the final session, panel members were asked to select their level of agreement with statements about the facilitation on the panel. Panel members agreed that the facilitators managed the process well, kept people to time and managed the louder voices in the room while supporting the quieter voice in the room. See Figure 13.

Figure 13: Facilitation of Panel

Data source Menti Day 4

Panel members had the opportunity to provide any other feedback on the deliberative panel process. Following are verbatim comments grouped by theme.

Participation and representation

There were concerns raised about the low number of participants and the lack of younger community members.

- "Disappointing that the panel shrank and didn't attract younger community members."
- "Would have been good if there were the proper quantity of community participants present, -25 only. CEO did not resolve the early issue satisfactorily, for some participants who walked out, to return."
- *"I hope that you all do the same process with the youth in the community and try to capture that under 18 voice."*
- *"I think it was well done. I was disappointed that people left early, or stopped attending as it abrogated their responsibilities. But the rest of us tried hard and everyone did a very good job."*

Council and Councillor involvement

Panel members reported they would like greater time with Councillors in the process for the Councillors to hear the discussions.

- *"It was a good attempt but council officers seem defensive when hearing input or answering questions (unless it is in agreement with what council is already doing). (The panel facilitators not though)."*
- *"Better if more time with the councillors. Not just 20 minutes over lunch. Would be good if councillors were more a part of the process at least for one session to hear the community discussions."*

General reflections on the process

Panel members provided overall feedback on the process.

- *"Overall the sessions were conducted with a cooperative spirit and ample opportunity provided for individuals to comment."*
- *"The data given (say, on assets) was very interesting."*
- *"It was good to get the reminders about the next meeting."*
- *"Was super happy with the level of respect in the rooms. Loved differences of opinions & deliberations."*
- *"Great experience."*
- *"Council and facilitators certainly conducted the process graciously, but the funneling of topics and input was so strong."*

Improvements

Panel members made suggestions on improvements to the process.

- *“More time needed at the end of Session 4 to review other group’s input on their written reports.”*
- *“Would be good if more time for actual discussion amongst all panel members when some raised topics were of wide interest or concern. Perhaps 5 other topics overall that panel members could discuss.”*
- *“Could have included a section on ideas to raise money rather than just consider which services might be cut.”*
- *“I think it would help to better explain our role, the expectations of what we are making and an understanding of how it will be used.”*

4.2 Process recommendations by facilitator

Facilitation of a deliberation process differs greatly from a traditional engagement process, as noted within Hepburn Shire Council’s Community Engagement Policy (2021) deliberative engagement is a more in depth engagement that “harnesses the community’s creativity and expertise to unearth community priorities and solutions”. As such, facilitators put forward the following advice aligned to Council’s policy to improve future deliberation processes:

Define the community’s role

- Additional staff and leadership engagement to determine key engagement questions and more importantly how panel feedback would be used to inform development of key strategic documents and their level of influence.

Iterative process

- Seeking broad input from the community to provide participants with insight into community views and priorities to allow panel members to understand wider community sentiment.

Informed

- Provision of data and information to assist panel members to understand the financial position of Council and any key outcomes of each service area.
- Supplementing panel members’ knowledge, through swift follow up of questions about Council’s operations between meetings.
- Preparation of presentations and allowance for internal subject matter experts to attend sessions to speak to larger service groups (community, environment etc). As demonstrated by the Asset Planning team which provided context for panel members to make informed decisions about asset management and future planning.

Recruitment and ongoing panel member membership

- When using an 'opt in' expression of interest process to recruit panel members, ensure there is adequate communication of the opportunity so the recruiter has a diverse demographic group to select from (particularly young people, and people identifying as Aboriginal and Torres Strait Islander).
- Consider including a question to understand what support participants need to participate for example 'Do you require any assistance or have any specific needs to attend sessions?' As we later uncovered hearing impairments that affected a participant's involvement in session 4.

5. Panel Member Report

During the last panel session, panel members were tasked with writing their own panel report to present the findings of the process to Council and a summary of the groups' recommendations. Panel members were split into seven groups and each group was allocated a different section of the report to write:

- Group 1 - Session 1 - Introduction and key questions
- Group 2 - Session 2 - Assets
- Group 3 - Session 3- Communities
- Group 4 - Session 4 - Economic Development
- Group 5- Session 4 - Environment, Sustainability and Waste
- Group 6- Session 4 - Community Vision Check in
- Group 7- Session 4 - Conclusion and Process improvements

Panel members spent the first half of the session completing their section of the report and then were given time to review other groups' work and other sections of the report. Summary information was provided in each of the sections to report back the findings of the work for those sessions. For sections of the report that were completed in session 4, panel members were provided with the raw data from group activities. The panel member report was circulated to all participants after session 4 via email on April 23 2025 and panel members were provided with the opportunity to provide feedback. See Appendix 1 for the Community Panel members report.

6. Appendices

Appendix 1. Community Panel members report



Hepburn Together Council and Wellbeing Plan 2025-29 Community Panel Report

**Prepared by the Hepburn Shire Community Panel
April, 2025**

Note* All participant verbatim work is indicated in blue, consultant summaries and other information is in black.

Group 1

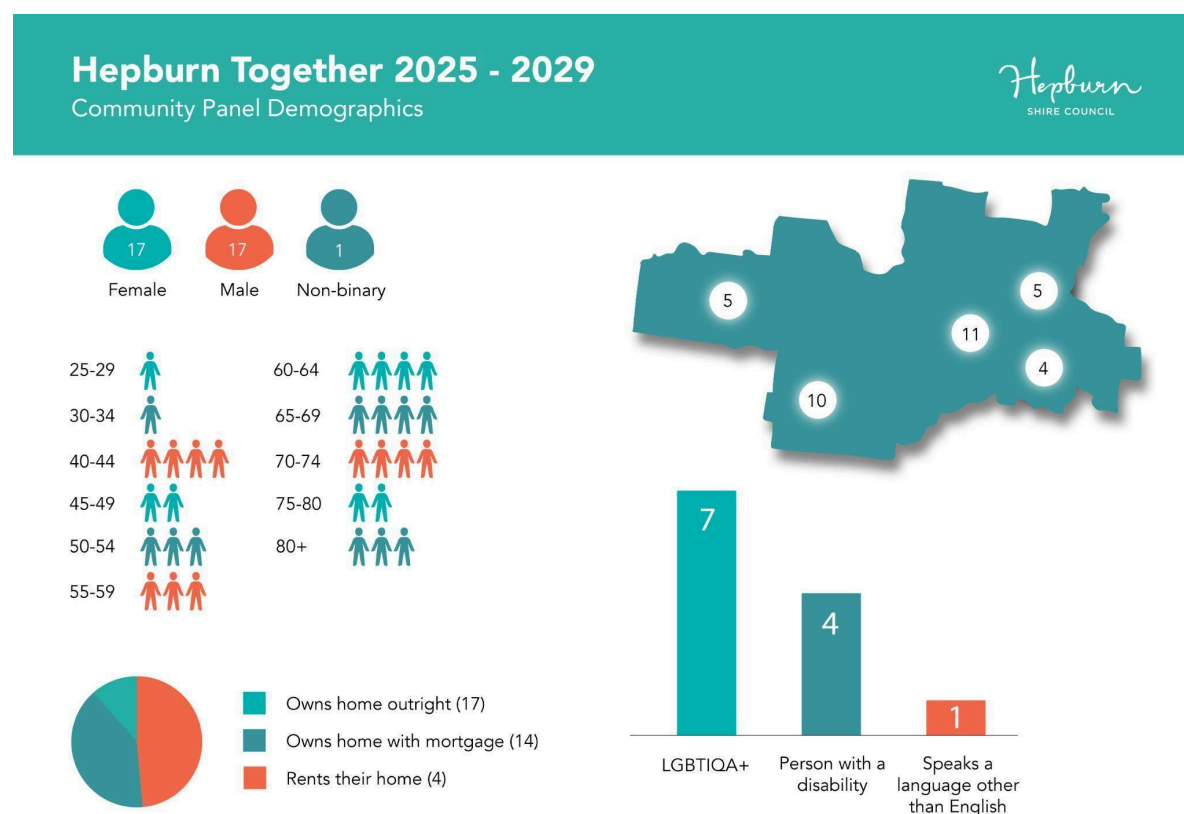
Introduction & Session 1 Key questions

Overall remit for the panel:

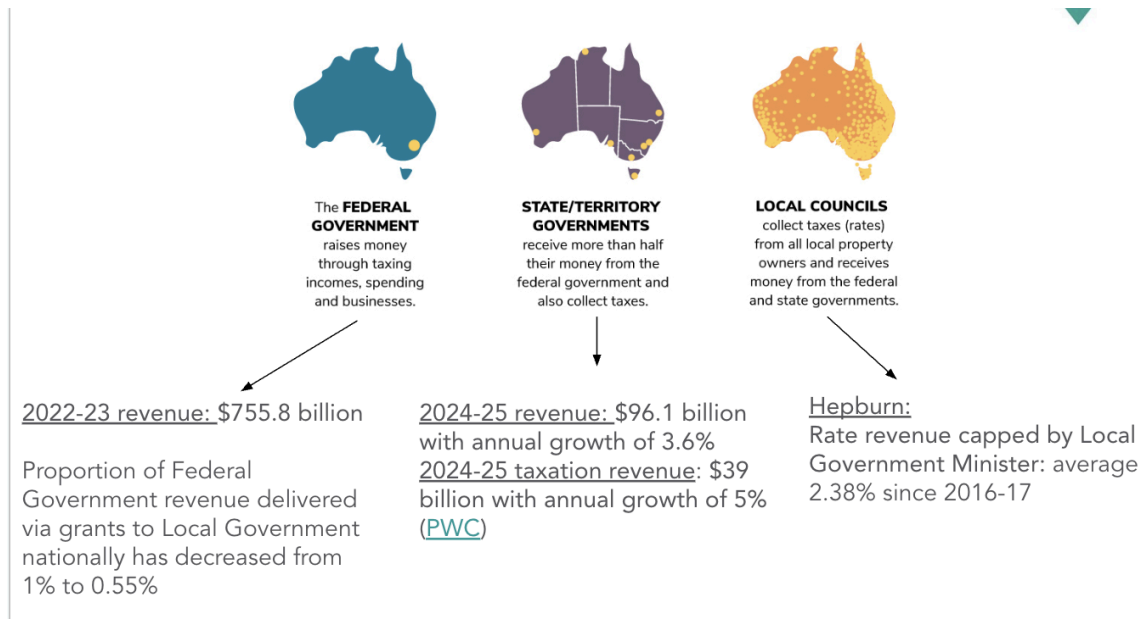
Council needs to reduce \$2.6 million from its budget. Looking at discretionary services, we need to consider what is most valued and still needed in our community and what is the criteria under which Council could reduce or exit a service.

Panel composition

The community panel was made up of 30 members of the Hepburn Shire community



Introduction to Council



On day 1, the panel was presented with financial information, which identified a gap of \$4M annually across 10 years (\$40M) for Hepburn Shire

Levers available to Hepburn Shire:

1. Increase revenue: rates
2. Increase Revenue: other fees, fines and grants
3. Decrease Operational costs: service delivery
4. Decrease Capital works: generational infrastructure
5. Increase borrowing
6. Increase asset sales

GROUP 1 ACTIVITY:

Please write a few sentences about how you felt about being selected to participate on this panel. Some words around why people chose to participate.

What was something new that you learned about Council structure or services?

Please write a sentence or two to summarise the findings or key questions of the panel for this day.

"- Pleased to be selected & given an opportunity to contribute.

-Good to play a part in Councils decision making (X2)

-Wanted to join so I can help with compassionate decision making

- Breaking down the barrier between Council and community

- Wanted my voice to be heard

- Disappointed in the exclusion of some

- Didn't realise that Council managed so many services
- A lot of services provided that are bureaucratic but don't offer anything to the community
- First day was focussed on [the] financial state of Council and its need to reduce costs and spending, but this hasn't really been revisited since.
- Rather than the focus on cost savings, I thought that this process would focus on the enhancement of the community.
- Surprise at the lack of youth voice as part of the panel. Key voices missing in the discussion.
- Thought going through my head as to whether this is just a legislated 'tick the box' exercise. Will any of this be listened to?
- Disappointed about the membership being altered.
- How does Council and community rebuild trust? "

Group 2

Session 2: Asset Management

1. Asset management approaches top preferences:

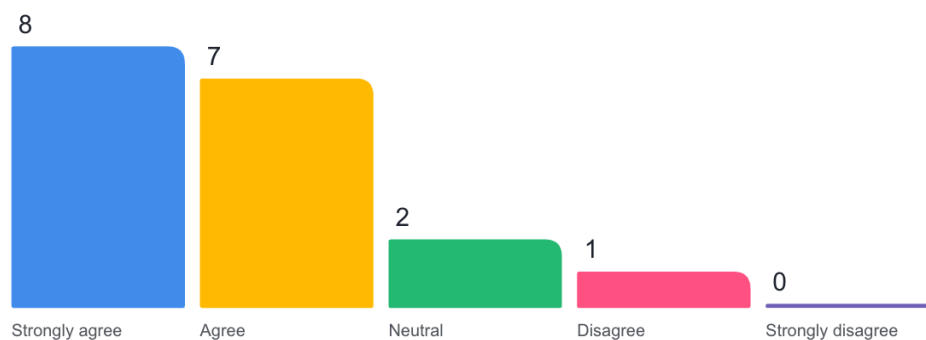
- Invest where it's needed most
- Build in line with best practice (environmental, sustainable)
- Partner with community to help manage facilities
- Renew and upgrade existing assets
- Reduce some services in order to improve others

2. Focus on renewal: The group showed consensus in supporting this statement:

We should only build new assets when one or more of the following applies:

- Significant grant funding,
- Reduces operational costs,
- Services or supports the delivery of multiservices,
- fills a needed gap in service or asset need.

On the condition that we consider a number of criteria/reasons to remove an asset (not just one)

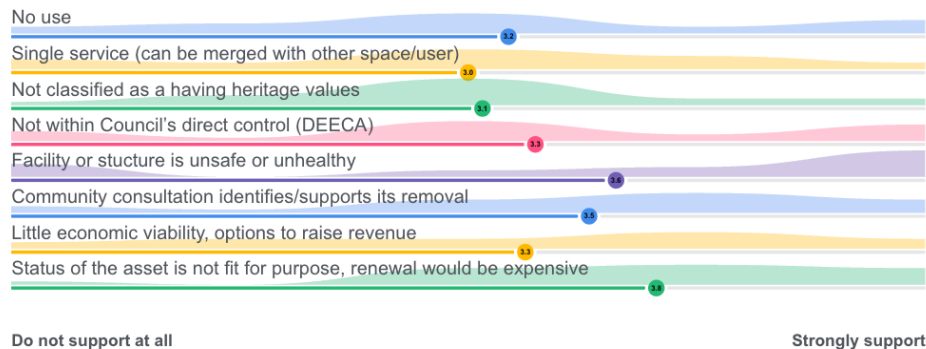


3. Rationalising assets: Some common principles suggested by the group to remove, replace or repurpose an asset were:

- Community value and consultation supports it
- Economic viability - long term value, revenue raising
- Clear ownership/responsibility of assets; Council, DEECA
- Status of asset, fit for purpose, pose safety risks or cannot be renewed.

The main caveats for rationalising assets using principles were:

- An asset cannot be removed/changed on the basis of one principle only. Principles should be used as a matrix/scorecard.
- Always consider repurposing to begin with.
- No/ low use should be separated, low use could be a good thing/ service a community need



The average ranking of asset priorities across the group was:

1. Drainage
2. Trees
3. Buildings
4. Unsealed roads
5. Tracks / trails
6. Bridges
7. Passive parks
8. Sealed roads
9. Footpaths
10. Structures
11. Sporting assets
12. Playgrounds

GROUP 2 ACTIVITY:

Please write a sentence or two to summarise the findings and recommendations of the panel for this day.

- "Drainage is a large issue for Hepburn Shire, with very destructive floods in November 2010, Jan and Feb 2011 and 2022.
- Trees in the creeks and tributaries are an issue with flooding, but the Shire has not replaced any canopy trees to improve diversity of the Shire, and provide shady streets.
- Buildings need to be maintained, the cost of replacement is too high in the current financial climate.
- Unsealed Roads/Tracks and trails need to be maintained for safety, this includes maintaining road verges for walking, and building new footpaths for better connections around townships.
- There is a feeling that the Shire has good and sufficient sporting assets. If any more/upgrades are required, seek funding via state gov grants rather than Council funding.
- Buildings: there is a large consensus that facilities may need to be consolidated into multipurpose facilities, where practical, while considering accessibility.
- Passive parks: the Shire needs more e.g. Dog parks".

Group 3

Session 3: Community

Community Wellbeing - What is most valued/important?

- Low cost Housing - affordable and secure housing, balance between permanent vs short stay accommodation
- Accessibility - footpaths and maintained roadsides for walkability
- Belonging and social connection - building social inclusion, sense of belonging through local festivals, knowing neighbours, welcoming new residents
- Health - access to healthcare for all
- Safety - public and residential areas
- Environment - Green and natural spaces
- Community infrastructure - libraries, halls, senior citizens centres, pool, sports grounds
- Education - local schools and transport options for children in rural areas
- Activities for all - family, youth, older residents

Council's role in Community Wellbeing

Council's role should be adaptable based on community need

Advocate

- Advocate for housing, schools, and local transport
- Promote diverse health services and alternative therapies
- Push for better use of existing facilities (e.g., Creswick Campus as a school)
- Facilitator
- Support sports clubs to seek infrastructure funding
- Connect community groups with grant funders (e.g., SRV)
- Host Newcomers sessions, involve groups and community reps
- Encourage participation through local events and outreach (e.g., market stalls)

Partner

- Work with YMCA or similar to manage pools sustainably
- Partner with locals to deliver services/community goals (eg.waste)
- Enable collaboration between councils (e.g., shared waste management)
- Empower the community to articulate and act on aspirations

Provider

- Continue delivering key community wellbeing services through rates
- Maintain direct control of council assets to ensure access and equity
- Provide accessible spaces (e.g., community halls, sports grounds)
-

Funder of Major Projects

- Fund essential infrastructure (e.g., accessible community buildings)
- Recognise funding should be strategic and not always ongoing – sustainability focus
- Might be impractical and unsustainable as a role for Council

Regulator

- Ensure outsourced services are appropriately delivered
- Manage planning, zoning, permits fairly and efficiently
- Uphold equity in access and inclusion through fair regulations

GROUP 3 ACTIVITY: Please write a sentence or two to summarise the findings and recommendations of the panel for this day.

“Accept the 9 introductory points of what the community values.

Empower the community ...

i/ Increased support for community-led organisations

ii/ Support Council leveraging assets and partnerships to provide housing for different people. This

supports businesses and community.

Recommend Council reviews its role in providing services through a balanced lens of cost and impact.

Open to partnering with others to deliver services. Preferencing community org, social ent' over for profit orgs

Prioritise local business where possible in providing Council-related services

*Help communities to identify its plans and aspirations and empower the community to act and run them. Facilitate the community to lead itself.
Support the points under the different roles”.*

Group 4

Session 4: Economic development

Panel members were presented with the raw data and worksheets to collate and refer to from previous activities in session 4.

GROUP ACTIVITY:

Please write a sentence or two to summarise the findings and recommendations of the panel for this day.

“Local business development

Values

We value a balance of economic development and support that takes into consideration the needs of short and long term residents, and small and large business, and respects our heritage, land and waste. Our values include principles of affordability and sustainability and the vision of our town is reflected in our economy.

Council role

Making it easier for a diversity of business, to sustainability grow via promotion and facilitation, in ways that align with our community vision and protect cultural and environmental legacies.

Tourism and Events

Values

We value the unique cultural nature of our small towns, agriculture and natural resources (land, water and ecology). We have a balance tourism, local business and agriculture. We support local events and business but also invite external businesses and events to our towns. There values ensure we time and spaces to gather as a community.

Council Role

To act as a supporter and promoter of a balanced and mindful approach to sustainable tourism that utilises the locally-driven events and businesses while not compromising the natural land, waterways and springs and agriculture”.

Group 5

Session 4: Environment, sustainability and waste

Panel members were presented with the raw data and worksheets to collate and refer to from previous activities in session 4.

GROUP ACTIVITY:

Please write a sentence or two to summarise the findings and recommendations of the panel for this day.

“Overall there is very strong support for Circular Economy Programs.

The preference for continuing with mandated services, would only be on the basis that Circular Waste measures may not be achievable. There was a definite recognition of a move away from mandated services, where the new services are proven to be more efficient and purposeful.

Kerbside glass collection had some support on the following grounds:

Kerbside collection can be more user friendly and provide a service where some people cannot go to a drop off point.

However the consensus is a separate drop off point for glass or drop off points are preferred as it would less costly to Council. and an alternative efficient glass collection system already exists with the CDs that is zero cost to Council”.

Group 6

Session 4: Community Vision

Check in

The panel was asked; are there any minor tweaks you would like to recommend to ensure it is relevant?

Current Community Vision statement

“Hepburn Shire – an inclusive rural community located in Dja Dja Wurrung country where all people are valued, partnerships are fostered, environment is protected, diversity supported, and innovation embraced”.

Panel members were presented with the raw data and worksheets to collate and refer to from previous activities in session 4.

GROUP ACTIVITY:

Please write a sentence or two to summarise the findings and recommendations of the panel for this day.

“The additions suggested by the groups were:

‘Dja Dja Wurrung to Djaara as it incorporates all mobs’

Capitalising Country (to reflect Djaara understanding of Country)

Community and Council are committed to working together

Our part is acknowledged, honoured & valued

The Vision needs to refer to the history of the Shire e.g 'and innovation and local history embraced'

Need something to do with farming/agriculture, not recognised in this statement.

Two groups responded by making larger scale suggestions/or reflective edits to the community vision statement which were not tested across the broader group, and did not receive group consensus:

"Hepburn Shire- a diverse rural community community where all people are valued equally, relationships are nurtured land water and environment is protected, economic diversity supported and innovation fostered"

Provide support to community groups and create opportunities for all.

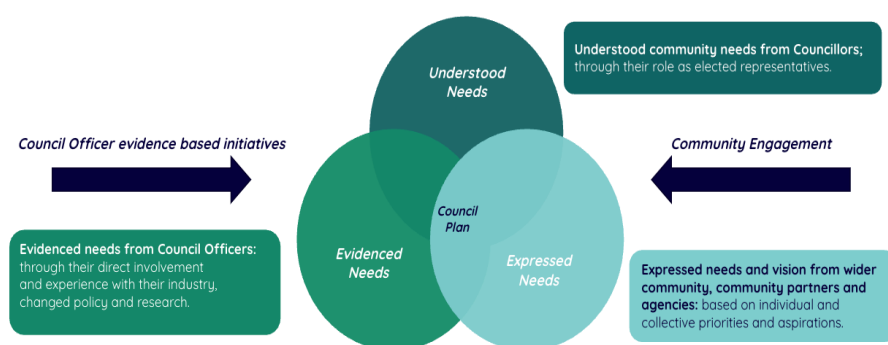
Some participants chose to share more general comments including reflections on where we are in terms of the Community Vision. People shared questions on the clarity of the statement and gave feedback that the Vision was "meaningless jargon".

Group 7

Session 4: Conclusion and process recommendations

In accordance with the Local Government Act 2020, the Hepburn Together community panel participated in a process to give community feedback to inform the direction of Council's strategic documents including the Council Plan (2025-29), Municipal Public Health and Wellbeing Plan (2025-29), Asset Management Plan and the Financial Plan.





Council's promise to the Hepburn Shire community is to 'work with you to articulate, refine and unearth solutions for our local priorities. We will consider advice and recommendations to the maximum extent possible'

The next step for this process are:

- Review feedback from the broad community survey
- Drafting the Council Plan using community, staff and Councillor feedback
- Public Exhibition of the draft document

GROUP ACTIVITY:

What were the group's key recommendations for Council to consider in their development of the Council Plan 2025-29?

How would you like Council to consider your recommendations?

Please state the groups' process recommendations for Council and consultants to consider for future deliberative projects.

Prompts to think about:

- How do you feel about the process you've undertaken?
 - What do you think were the strengths of the deliberative approach?
 - Are there any things you would do differently?
 - Would you recommend participating in processes like this to others?
-
- *"The panel had a missed opportunity due to the panel demographic changing from the beginnings as people chose to withdraw. -First session should have been face to face.*
 - *-Inclusive, conversational sharing of ideas and information, sharing of slides with meaningful data e.g state of asset, projected state.*
 - *[Service] Catalogue was too data intensive, good for some participants.*
 - *Face to face is better*
 - *Broader conversation on asset management*
 - *Didn't directly address that remit of saving 2.6 million*
 - *The voice of youth is missing and Daylesford college, not the source of input (real incentive to participate)*
 - *The use technology and capacity was a barrier- maybe facilitators could be available 5.45 before a start at 6.15*
 - *We would encourage others to participate in something like this.*
 - *We want to see what is included, is adopted and monitored and communicated and transparent and be provided with a timeline. Transparent.*
 - *Ratepayers and panel members don't understand rates capping.*
 - *My hearing difficulties were not taken into account*
 - *Remit should have been about advising council on tools/decision making framework to achieve saving.*
 - *Remit narrow, not addressing trust between council and community to build acceptance of challenges facing the Shire".*



Your feedback and alignment with the Draft Council Plan 2025-2029

We have listened to our community and have welcomed their feedback

The following slides detail how our Draft Council Plan aligns with the priorities of the Hepburn Shire community.

Community feedback and alignment with the Council Plan – Community & Wellbeing

Engagement Method	Wellbeing		Council Plan		
	Community Health & Wellbeing Priorities	How we have responded	Domain	Outcome	Strategy
Community Survey	1. Mental wellbeing and being socially connected to family / friends and neighbours.	Improving mental wellbeing is a priority area selected through our Municipal Public Health and Wellbeing Plan (incorporated into Council Plan).	Hepburn Life	Outcome 2:	Strategy 1: Municipal Public Health and Wellbeing priority: <i>Improving Active Living</i>
				Outcome 2:	Strategy 2: Public Health and Wellbeing priority: <i>Improving Mental Wellbeing</i>
				Outcome 2:	Strategy 3: Innovate: Reconciliation Action Plan 2025-2027
	2. Keeping physically active and being able to walk/cycle to work, school activities.	Increasing active living is a priority area selected through our Municipal Public Health and Wellbeing Plan (incorporated into Council Plan).	Hepburn Life	Outcome 2	Strategy 4
			Future Hepburn	Outcome 1	Strategy 3: Future Hepburn Structure Plans Objective: <i>Movement and access</i>
	3. Being able to access healthy / affordable food	Priority has been given to improving mental wellbeing and keeping physically active through our Municipal Health and Wellbeing Priorities. Although health eating is not a designated priority area (with only two) it is still an important response and Council will support actions where resources allow – including through the implementation of our Rural Strategy that is designed to protect agriculture land.	Hepburn Life	Outcome 2	Strategy 2
Future Hepburn			Outcome 1	Strategy 4	
Deliberative Engagement Panel	1. Low-cost Housing - affordable and secure housing, balance between permanent vs short stay accommodation	Through our adopted Future Hepburn Structure Plans, a key objective is to strive for affordable housing across the Shire.	Future Hepburn	Outcome 1	Strategy: 2 Future Hepburn Structure Plans Objective: Housing
	2. Accessibility - footpaths and maintained roadsides for walkability	<ul style="list-style-type: none">Improvement in movement and access is an objective within our adopted Future Hepburn Structure Plans.Footpath asset information including health and service levels can be found in our Asset Plan 2025-2034Council will complete its Integrated Transport Strategy in 2025/26, and has included the following indicator in the Council Plan (100% of actions achieved in the Integrated Transport Strategy per adopted timelines)	Hepburn Life	Outcome 2	Strategy 4:
				Outcome 1	Strategy: 3 Future Hepburn Structure Plans Objective: Movement and access
	3. Belonging and social connection - building social inclusion, sense of belonging through local festivals, knowing neighbours, welcoming new residents	<ul style="list-style-type: none">Improving mental wellbeing is a priority area selected through our Municipal Public Health and Wellbeing Plan (incorporated into Council Plan)	Hepburn Life	Outcome 2:	Strategy 1: Municipal Public Health and Wellbeing priority: <i>Improving Active Living</i>
				Outcome 2	Strategy 2: Public Health and Wellbeing priority: <i>Improving Mental Wellbeing</i>
				Outcome 2:	Strategy 2:

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Community feedback and alignment with the Draft ► Council Plan – Service Groupings & Delivery

Engagement Method	Priority Services and Council Delivery	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Provision of services for older people	Through the Municipal Public Health and Wellbeing priority: 1. Improving Mental Wellbeing & Municipal Public Health and Wellbeing priority: 2.Improving Active Living we will support the ongoing wellbeing of older people in the community. Future Hepburn Structure Plans Objective: Housing Future Hepburn Structure Plans Objective: Movement and access. Council continues to fund resources to assist in the implementation of its Positive Aging Strategy.	Hepburn Life	Outcome 2	Strategy 1, 2 & 4 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing Municipal Public Health and Wellbeing priority: Improving Active Living
				Outcome 3	Strategy 1 & 2
			Future Hepburn	Outcome 1	Strategy 2 & 3 Future Hepburn Structure Plans Objective: Housing Future Hepburn Structure Plans Objective: Movement and access
	2. Focus on community health and wellbeing through events and programs	Working with community and partners to deliver programs and resources supporting our community's health and wellbeing.	Hepburn Life	Outcome 2	Strategy 2 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing
				Outcome 3	Strategy 1 & 2
	3. Provision of youth services	We will work with communities and partners to deliver and advocate for equitable, inclusive access to programs and resources that support wellbeing at all life stages.	Hepburn Life	Outcome 2	Strategy 2 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing
			Hepburn Life	Outcome 3	Strategy 1 & 2 Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing.
Deliberative Engagement Panel	1. Empower the community Increased support for community-led organisations. Support Council leveraging assets and partnerships to provide housing for different people. This supports businesses and community.	We are committed to working with communities and partners to deliver and advocate for equitable, inclusive access to programs and resources that support wellbeing. Municipal Public Health and Wellbeing priority: Improving Mental Wellbeing.	Hepburn Life	Outcome 2	Strategy 2
	2. Recommend Council reviews its role in providing services through a balanced lens of cost and impact.	We understand the importance of designing and delivering services that are responsive to community needs and aligned with our budget. We will continue to aim to improve our operations using data, feedback and innovation to optimise service delivery models.	Hepburn Working Together	Outcome 1	Strategy 1 & 2
	3. Open to partnering with others to deliver services. Preferring community organisations, social entities over for profit organisations.	We will foster continuous improvement across Council operations by using data, feedback and innovation to optimise service delivery models, ensuring services align with the evolving needs of the community.	Hepburn Working Together	Outcome 1	Strategy 1 & 2

Your feedback and alignment with the Draft Council Plan – Assets & Infrastructure

Engagement Method	Priority Services and Council Delivery	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Sealed Roads	The maintenance of our sealed roads is detailed in our Asset Plan 2025-2034 along with Future Hepburn Structure Plans Objective: Movement and access Significant investment into road funding is included across the Financial Plan, Budget and Asset Plan.	Future Hepburn	Outcome 1	Strategy 3 Future Hepburn Structure Plans Objective: Movement and access
				Outcome 2	Strategy 1 Long-term planning can be found in our Asset Plan 2025-2034
				Outcome 3	Strategy 4 Our asset portfolio including the health of our assets can be found in our Asset Plan 2025-2034
	2. Passive Parks such as botanical gardens	Maintaining our public spaces, gardens and recreational areas are a priority area under both Hepburn Life and Future Hepburn and are also aligned with the Asset Plan 2025-2034.	Hepburn Life	Outcome 2	Strategy 4
			Future Hepburn	Outcome 2	Strategy 1, 2 & 3 Asset Plan 2025-2034
	3. Footpaths	Facilitating diverse, safe, and accessible public and active transport and movement options that support connection within towns and to surrounding areas for all ages and abilities is supported in Future Hepburn. Council will complete its Integrated Transport Strategy in 2025/26	Future Hepburn	Outcome 1	Strategy 3 Future Hepburn Structure Plans Objective: Movement & Access
			Future Hepburn	Outcome 2	Strategy 1 & 3 Future Hepburn Objective: Community and cultural infrastructure
Deliberative Engagement Panel	1. Drainage - Drainage is a large issue for Hepburn Shire, with very destructive floods in November 2010, Jan and Feb 2011 and 2022.	Drainage is a priority in the Asset Plan 2025-2034.	Future Hepburn	Outcome 2	Strategy 1,2 & 3 Asset Plan 2025-2034 Future Hepburn Objective: Community and cultural infrastructure
	2. Trees in Creeks - Trees in the creeks and tributaries are an issue with flooding	It is a priority of Hepburn Life to enhance community preparedness and resilience for changing conditions through community partnerships, education, support and advocacy.	Hepburn Life	Outcome 1	Strategy 1
	3. Shire has not replaced any canopy trees to improve diversity of the Shire and provide shady streets.	The Asset Plan 2025-2034 & Future Hepburn Outcome 2 & Future Hepburn Objective: Community and cultural infrastructure Provide inclusive, adaptable community infrastructure that strengthens local connections, adapts to changing climates.	Future Hepburn	Outcome 2	Strategy 1,2 & 3 Asset Plan 2025-2034 Future Hepburn Objective: Community and cultural infrastructure
	3. Buildings Maintained	Future Hepburn, the Asset Plan 2025-2034, the Long-Term Financial Plan & Budget 2025-2026 all prioritise and detail recommendations for the ongoing review of Council buildings.	Future Hepburn	Outcome 2	Strategies 1,2,3 & 4 Asset Plan Long-Term Financial Plan Budget 2025-2026

Your feedback, and alignment with the Draft Council Plan – Environment, Sustainability & Waste

Engagement Method	Priorities	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Collection of Kerbside Waste	The prioritisation of sustainable waste, resource management and circular economy to ensure a clean, safe and liveable environment is a key strategy in Future Hepburn and Sustainable Hepburn Objective: Low waste Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly	Future Hepburn	Outcome 2	Strategy 5 Sustainable Hepburn Objective: Low waste Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly
	2. Protection of the region's biodiversity	Protect and enhancing the productive agricultural land, significant landscapes, biodiversity, natural environment and waterways is prioritised in Future Hepburn, Outcome 1., along with Sustainable Hepburn Objective: Biodiversity and Natural Environment	Future Hepburn	Outcome 1	Strategy 4 Rural Hepburn Strategy Principle Sustainable Hepburn Objective: Biodiversity and Natural Environment
	3. Provision of transfer station services	This will form a focus in Future Hepburn Outcome 2, Strategy 5 and incorporated into Sustainable Hepburn Objective: Low waste	Future Hepburn	Outcome 2	Strategy 5 Sustainable Hepburn Objective: Low waste
Deliberative Engagement Panel – Group 5 / Session 4	1. Protecting the environment, reducing landfill, and achieving long term sustainability were seen as the most important goals. Panel members strongly believe waste services must be cost effective, simple, and focused on a circular economy rather than creating more bins or processes.	The prioritisation of sustainable waste, resource management and circular economy to ensure a clean, safe and liveable environment is a key strategy in Future Hepburn and Sustainable Hepburn Objective: Low waste Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly	Future Hepburn	Outcome 2	Strategy 5 Sustainable Hepburn Objective: Low waste
	2. Kerbside glass collection had some support on the following grounds: Kerbside collection can be more user friendly and provide a service where some people cannot go to a drop off point.	Future Hepburn, Outcome 2, Strategy 5 and Sustainable Hepburn Objective: Low waste relate to this issue. Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly and Council is undertaking an evaluation of the FOGO given its 12-month implementation.	Future Hepburn	Outcome 2	Strategy 5 Sustainable Hepburn Objective: Low waste Also, note that glass collection will be a legislated requirement, Council will review and respond accordingly

Your feedback, and alignment with the Draft Council Plan – Economic Development & Tourism

Engagement Method	Priorities	How we have responded	Council Plan		
			Domain	Outcome	Strategy
Community Survey	1. Assistance to businesses with permits and other requirements	<ul style="list-style-type: none"> We have prioritised future focused services that are easy to use and inclusive as part of Hepburn Working Together. 	Hepburn Working Together	Outcome 1	Strategy 1 & 2
			Future Hepburn	Outcome 3	Strategy 1
	2. Business Development through grants, education and training	<ul style="list-style-type: none"> A focus of Future Hepburn is a dynamic, vibrant, and resilient economic environment, enabling a thriving and diverse local economy by supporting local business, industry growth, retention and attraction of businesses and jobs. 	Future Hepburn	Outcome 3	Strategy 1
			Hepburn Working Together	Outcome 1	Strategy 1 & 2
	3. Promotion of investment opportunities in the Shire	<ul style="list-style-type: none"> Our priority of a dynamic, vibrant, and resilient economic environment. 	Future Hepburn	Outcome 3	Strategy 1 & 2
Deliberative Engagement Panel – Group 4 / Session 4	4. Promotion of the Shire as a tourist destination	<ul style="list-style-type: none"> A priority of strengthening the visitor economy by collaborating with partners to elevate experiences, drive sustainable visitation and dispersal across the Shire whilst also supporting a year-round calendar of events that deliver significant social, cultural and economic benefits to our community. 	Future Hepburn	Outcome 3	Strategy 2 & 3
	1. Economic Development Council can make it easier for a diversity of businesses, to sustainably grow via promotion and facilitation, in ways that align with our community vision and protect cultural and environmental legacies.	<ul style="list-style-type: none"> We have prioritised future focused services that are easy to use and inclusive as part of Hepburn Working Together while Future Hepburn prioritises the preservation of the unique character of our towns and communities when planning for future growth and protection of our productive rural landscape. 	Hepburn Working Together	Outcome 1	Strategy 1 & 2
			Future Hepburn	Outcome 1	Strategy 1 & 4 Future Hepburn Structure Plans Objective: Urban design Rural Hepburn Strategy Principle Sustainable Hepburn Objective: Biodiversity and Natural Environment
			Future Hepburn	Outcome 3	Strategy 1
	2. Tourism and Events Council to act as a supporter and promoter of a balanced and mindful approach to sustainable tourism that utilises the locally-driven events and businesses while not compromising the natural land, waterways and springs and agriculture.	<ul style="list-style-type: none"> A strategy of Future Hepburn's outcome 3 is to strengthen the visitor economy by collaborating with partners to elevate experiences, drive sustainable visitation and dispersal across the Shire. Our second strategy 2 supports a year-round calendar of diverse and inclusive events that attract locals and visitors and deliver significant social, cultural and economic benefits to our community. 	Future Hepburn	Outcome 3	Strategy 2 & 3



Hepburn Shire Council

Decision on application for a higher cap 2025–26

12 May 2025

Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities, and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

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Summary

Hepburn Shire Council (Hepburn) has applied to the Essential Services Commission (the commission) for a higher cap of 10 per cent for the 2025–26 financial year. This is 7 percentage points above the 3 per cent rate cap set by the Minister for Local Government. Hepburn estimates the proposed higher cap would generate \$1,361,000 of extra revenue above the minister's cap in 2025–26, which equates to an average increase of approximately \$2.20 per rateable assessment per week or \$114.50 per assessment for the 2025–26 financial year.¹

We have approved Hepburn's proposed higher cap of 10 per cent for the 2025–26 financial year

The financial information presented in the application and in Hepburn's Financial Vision indicate that the council is currently in an unsustainable financial position and has a financial need for the proposed higher cap. The proposed higher cap is a key element of Hepburn's long-term financial strategy, as outlined in its Financial Vision, and it has indicated its forthcoming Council Plan and other planning documents will be consistent with this.

There is evidence Hepburn has already limited its capital expenditure to renewals and reduced its operating expenses and will make further ongoing reductions in its 2025–26 budget. There is also evidence that it has considered all alternative ways of generating additional revenue and will leverage these to the extent possible in achieving the further \$2.53 million of operational savings or additional revenue required. Although the higher cap will improve Hepburn's financial position, the application states it will still likely require significant government grant funding for new assets or upgrade capital projects going forward.²

Without a higher cap, to achieve its financial sustainability goals, Hepburn would need to cut a further \$1.36 million from its operating expenditure, which would be in addition to the \$4.04 million it has cut or is planning to cut in 2024–25 and 2025–26.³ The application demonstrates that Hepburn has considered the trade-off between increasing rates (through the 10 per cent higher cap) and further service reductions and determined that service levels would fall below a level that was acceptable to its community if it did not apply for a higher cap. This decision was informed by engagement with its community.

¹ The additional \$1.36 million in rates revenue will increase Hepburn's forecast total revenue by 3.34 per cent. Hepburn Shire Council, *Higher cap information template 2025–26*, March 2025.

² Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 35.

³ The \$4.04 million reduction in ongoing operating expenditure (comprising \$1.5 million in 2024–25 and \$2.53 million in 2025–26) represents a 12 per cent reduction in Hepburn's annual operating expenditure from 2025–26. Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 4.

Even with the higher cap, Hepburn will still need to do further work to reach and maintain a financially sustainable position that will enable it to achieve sustainable outcomes in the delivery of services and critical infrastructure in the long-term interests of their communities.

Hepburn's proactive approach to its long-term planning and its willingness to be transparent with its community about its financial position should make it easier to undertake this task.

1. Background

Under the Fair Go Rates system, established under the *Local Government Act 1989* (the Act), councils must limit their average rate increase to a cap set by the Minister for Local Government. The minister set a 3 per cent rate cap for the 2025–26 financial year.

Councils wishing to increase their average rate by more than the minister's cap must get approval from the Essential Services Commission. We assess each council's application and can either approve, approve in part or not approve the higher cap proposed by the council. We may also approve an alternative higher cap, as long as this is not higher than the higher cap proposed by the council. Councils can apply for higher caps for up to four years in the same application.

1.1 Our assessment approach

In assessing whether a higher cap is appropriate, we will have regard to the matters specified in an application (see Box 1.1) and the statutory purposes of the Fair Go Rates system (see Box 1.2).⁴ We will also consider a council's compliance with previous years' rate caps and any directions we have given in relation to the application.⁵ Our integrated approach to assessing whether a higher cap is appropriate is shown in the diagram in Appendix A and our guidance for councils provides further detail.⁶

Having regard to the statutory purposes of the Fair Go Rates system, we generally only consider a higher cap appropriate where a council can demonstrate a long-term funding need that justifies a higher cap, and that the higher cap promotes the long-term interests of ratepayers and the community. We assess this based on the application as a whole, including the responses to all six legislative matters.

We consider whether the application demonstrates that sustainable outcomes in service delivery and critical infrastructure will be achieved by approving a higher cap and how this is in the long-term interests of ratepayers and the community. This may include matters relating to value for money, net impact on ratepayers, ratepayer and community views and outcomes (including relating to services, service levels and infrastructure).

⁴ *Local Government Act 1989* Section 185E(3) and (6); and see section 10E(7) of the *Essential Services Commission Act 2001* which requires the commission to promote the purposes of Part 8A of the *Local Government Act 1989*.

⁵ *Local Government Act 1989* Section 185E(6)(b) and (c).

⁶ Essential Services Commission 2024, *Fair Go Rates system – Applying for a higher cap: Guidance for councils 2025–26*, December.

Box 1.1 Six legislative matters an application for a higher cap must specify

- a proposed higher cap for each specified financial year (**‘Proposed higher cap’**)
- the reasons for which the council seeks the higher cap (**‘Reasons’**)
- how the views of ratepayers and the community have been taken into account in proposing the higher cap (**‘Engagement’**)
- how the higher cap is an efficient use of council resources and represents value for money (**‘Efficiency and value for money’**)
- whether consideration has been given to reprioritising proposed expenditure and alternative funding options and why those options are not adequate (**‘Alternative funding and offsets’**)
- that the assumptions and proposals in the application are consistent with the council’s long-term strategy and financial management policies set out in the council’s planning documents and annual budget (**‘Long-term planning’**).

Source: Section 185E(3) *Local Government Act 1989*.

Box 1.2 Purposes of the Fair Go Rates system

The **statutory purposes** of the Fair Go Rates system are:

- to promote the long-term interests of ratepayers and the community in relation to sustainable outcomes in the delivery of services and critical infrastructure, and
- to ensure that a council has the financial capacity to perform its duties and functions and exercise its powers.

Source: Section 185A *Local Government Act 1989*.

1.2 Our guidance to councils

Each year, we publish guidance to help councils plan for and make higher cap applications.⁷ This guidance aims to help councils understand our approach when assessing applications, including:

- the purpose of specifying the information in each legislative matter
- our general and specific expectations for each matter

⁷ Essential Services Commission 2024, *Fair Go Rates system – Applying for a higher cap: Guidance for councils 2025–26*, December.

- the supporting documents that councils could provide in relation to each matter.

While our guidance provides information in general terms about how applications will be assessed, each application is assessed on a case-by-case basis with regard to relevant factors and the unique circumstances of the applicant council.

1.3 Submissions

The Fair Go Rates system does not prescribe a process for how we should consider submissions from interested parties. Instead, the framework anticipates that councils will engage with their communities before applying and demonstrate in their applications how they have considered those views.

However, because we recognise that interested parties may still want to share their views on a council's application with us, we published Hepburn's application and supporting material on our website and invited submissions. We asked that submissions focus on the matters we must have regard to in our assessment. Submissions were open for 30 days. We received 24 submissions. Unless confidentiality was requested, these are available on our website.

Some of the issues raised in submissions fall outside what we must consider in assessing a higher cap application. We must assess applications based on specific legislative matters and the statutory purposes of the Fair Go Rates system. We do this based on information contained in the application or provided in support of the application. We also consider relevant matters raised in submissions. The key themes raised in submissions, and our responses are summarised below:

- **Cost of living pressures and lack of affordability for a rate rise within the shire.** This included a lack of support for a higher cap and calls for Hepburn to adjust its rate in the dollar for investment properties, holiday homes and agricultural land to better reflect capacity to pay. We understand that Hepburn will be engaging with its community prior to adopting a new Revenue and Rating Plan.⁸ We expect Hepburn to have considered ratepayer affordability issues in making the application and to take a proactive approach to supporting ratepayers experiencing vulnerability. We note that Hepburn has an existing Revenue Collection and Financial Hardship Policy setting out how it will assist people who are unable to pay rates, fees and debts because they are experiencing financial hardship, and is proposing to double its current pensioner rebate if the higher cap is approved.⁹ We would also expect Hepburn to take a proactive approach to supporting ratepayers facing affordability issues. We are satisfied that

⁸ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 32.

⁹ Hepburn Shire Council, *Revenue Collection and Financial Hardship 2021*, May 2021; Hepburn Shire Council, *Response to request for information*, April 2025, p. 24.

Hepburn has demonstrated a need for a higher cap and that it has adequately considered the trade-offs between increasing rates, service cuts and its financial position (see section 3.1).

- **Poor financial management practices of council (both past and present).** This included concerns about the council making poor decisions (for example, the redevelopment of the Rex theatre), not operating within its means, and spending on consultancies and non-essential capital projects. In assessing the need for a higher cap, we looked at what Hepburn has done to manage its financial need. We must consider the information that is in front of us, based on the council's current circumstances and we don't revisit previous council decisions. We are satisfied that Hepburn has appropriate policies and processes in place to ensure the efficiency and value for money of its spending going forward (see section 3.2).
- **Inadequate community engagement on the proposed higher cap.** This included concerns about:
 - low community awareness of council engagement
 - poor communication around the decision to apply
 - leading survey questions
 - consultation fatigue with other major engagement projects occurring at the same time.

How Hepburn engaged with its community and ratepayers is a key part of our assessment (see section 3.3). We are satisfied that Hepburn made reasonable efforts and has genuinely attempted to engage with its community on its financial position and matters relevant to the application and has had regard to community views in making the application.

2. What did the council apply for and why?

Hepburn applied for a higher cap of 10 per cent for the 2025–26 financial year.

Hepburn's 'primary driver for [the higher cap application] is council's inability to fund essential services within the current cap'.¹⁰

The application outlines how the higher cap would help Hepburn address a projected annual cash shortfall of \$4 million from the 2025–26 financial year. This shortfall was identified in Hepburn's 2024–25 Budget and later highlighted in the Financial Vision that it adopted in September 2024.

The application lists what Hepburn sees as the key contributors to its financial challenges, including:

- impacts from natural disasters and covid
- high inflation driving up capital and operating costs
- annual rate caps well below CPI
- an ambitious 2021–25 Council Plan
- delivery of several key large intergenerational capital projects.¹¹

Rates account for over 60 per cent of Hepburn's revenue and the application states that with a historically low-rate base, council has not been 'able to generate the income [it needs] to deliver the services that [its] community needs and expects, whilst maintaining and renewing community assets to the level required'.¹²

Hepburn has noted that its application for a higher cap has been made only after considering:

- alternative revenue streams (which are limited for a small rural council)
- borrowing funds
- significantly reducing capital works
- reducing services
- analysing its property portfolio.¹³

¹⁰ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 1.

¹¹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, pp. 1–2.

¹² Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 10.

¹³ Hepburn Shire Council, *Response to request for information*, April 2025, p. 18.

Hepburn's application and its responses to our request for information are available on our website (www.esc.vic.gov.au). Appendix B shows our communications with Hepburn during the assessment period.

3. How we reached our decision

As required under the Fair Go Rates system, we considered the following matters in reaching our decision:¹⁴

- the statutory purposes of the Fair Go Rates system
- the six legislative matters that the council is required to address in its application
- the council's compliance history in relation to previous rate caps
- the council's compliance with any directions we have given in relation to its application.

Appendix C summarises how Hepburn addressed each of the legislative matters in its application and supporting documents.

We took an integrated assessment approach to considering the six legislative matters and the statutory purposes when assessing whether a higher cap was appropriate. These considerations were framed in terms of four questions:

- Is there an underlying financial need (including consideration of the **Proposed higher cap** and the **Reasons** for which it is required)?
- Has the council taken steps to manage the financial need (including consideration of **Efficiency and value for money**, and **Alternative funding and offsets**)?
- Have ratepayer and community views been taken into account (including consideration of **Engagement**)?
- Are plans, policies and processes in place consistent with a need for a higher cap (including consideration of **Long-term planning**)?

We also asked the following two questions:

- Does the council have a satisfactory rate cap compliance history?
- Has the council complied with our directions?

Our consideration of these questions led us to a conclusion about the appropriateness of a higher cap and whether there is a long-term funding need that justifies a higher cap, and whether the higher cap promotes the long-term interests of ratepayers and the community. Our overall

¹⁴ *Local Government Act 1989* Section 185E(6). If we consider a higher cap is appropriate, we may make a special Order.

assessment approach is consistent with our published guidance for councils (which sets out our assessment approach in further detail).¹⁵

To inform our assessment, we obtained independent advice from consultants CT Management. This advice is published on our website and provides technical analysis on Hepburn's financial sustainability.

3.1 Is there an underlying financial need?

Hepburn's key financial performance indicators (including its adjusted underlying result, working capital ratio, asset renewal ratio and unrestricted cash) show a decline in the council's financial sustainability over recent years.¹⁶

Although the \$1.5 million of operational savings Hepburn included in its 2024–25 budget has improved its forecast operating position and adjusted underlying result for 2024–25, the financial indicators show that Hepburn is forecast to remain in an unsustainable financial position.¹⁷

Hepburn has recognised the unsustainable nature of its financial position, and its Financial Vision maps out a path to financial sustainability. The Financial Vision outlines how the council will address a projected \$4 million shortfall starting from 2025–26 through two main strategies:

- \$1.36 million in additional rates revenue from the proposed higher cap
- \$2.53 million in operational savings or increased revenue from non-rates sources.

However, Hepburn has confirmed that it remains committed to the objectives set out in its Financial Vision and, if its proposed higher cap is not approved, will seek to address the full \$4 million shortfall through operational savings or additional revenue.¹⁸

For the purposes of our assessment, we have considered what Hepburn's financial position would look like if we did not approve the higher cap and it did not find an additional \$1.36 million in savings on top of the planned \$2.53 million.¹⁹ That is, we looked at what Hepburn's financial position would be like if it was \$1.36 million short of addressing the cash shortfall.

¹⁵ Essential Services Commission 2024, *Fair Go Rates system – applying for a higher cap: Guidance for councils 2025–26*, December.

¹⁶ 'Performance Reporting', Local Government Victoria, accessed 14 April 2025, <https://www.localgovernment.vic.gov.au/strengthening-councils/performance-reporting>.

¹⁷ Hepburn Shire Council, *Higher cap information template 2025–26*, March 2025.

¹⁸ Hepburn Shire Council, *Response to request for information*, April 2025, p. 4.

¹⁹ These are the forecasts under the 'without higher cap' scenario that Hepburn has included in the LTFP sheet of the higher cap information template (the financial model) provided as part of its application. The projections provided in the financial model (under both the 'with higher cap' and 'without higher cap' scenarios) reflect the \$2.53 million in operational reductions in 2025–26 that Hepburn has committed to in its Financial Vision.

The forecasts provided by Hepburn indicate it would remain financially unsustainable over the long term, with most indicators falling well below the council's performance targets (see Appendix D):²⁰

- adjusted underlying results would remain below –2.5 per cent for the next 6 years, averaging –3 per cent over the 10-year forecast period
- working capital ratios would decline, reaching below 60 per cent from 2028–29 to 2030–31, averaging 81 per cent over the 10-year period
- asset renewal ratios would stay below 100 per cent, averaging 81 per cent over the 10-year period
- unrestricted cash ratios would remain negative, averaging –45.7 per cent over the 10-year period.²¹

We observe that the long-term projections indicate some improvement in the financial indicators in the final years of the 10-year forecast period as current debt is repaid and cash reserves are restored. This is reflective of other steps the council is taking to improve its financial position (see section 3.2). However, even with these improvements, most indicators would remain below Hepburn's target levels at the end of the 10-year forecasts (see Appendix D).²²

The application indicates that obtaining approval of a higher cap for 2025–26 is a key lever in enabling the council to achieve the objectives outlined in its Financial Vision:²³

- ensuring sufficient cash reserves to sustain service delivery
- building a financial buffer to respond to unforeseen emergencies
- establishing a reserve in the long-term for matching government grants to fund new intergenerational assets and upgrade projects.

²⁰ Hepburn Shire Council, *Higher cap information template 2025–26*, March 2025; See: Hepburn Shire Council, *Response to request for information*, April 2025, p. 2. Hepburn's performance targets are outlined in Appendix D, together with an explanation of how these align with the target performance ranges that were historically included within the Local Government Performance Reporting Framework.

²¹ We note that Hepburn uses a different definition of 'unrestricted cash' to that used in the Local Government Performance Reporting Framework (excluding non-discretionary reserves in addition to trust funds and deposits, and statutory reserves). For comparison, we recalculated the unrestricted cash ratio based on the reporting framework definition and found that the indicator would still remain below the target range. Hepburn outlined its definition of unrestricted cash on page 22 of its Financial Vision.

²² We note that council is currently reviewing its asset needs as part of preparing its 2025–34 Asset Plan, and the renewal expenditure included in these forecasts may underestimate the amount needed to maintain the health of council's assets at an appropriate level. If renewal expenditure were increased without additional funding, it may take longer for the financial indicators to improve.

²³ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 17.

These objectives reflect Hepburn's focus on improving its unrestricted cash position to a positive figure.²⁴

If the proposed higher cap is approved, and Hepburn can address the full \$4 million shortfall, its key financial indicators are forecast to stabilise over the short to medium term and improve over the longer term (after current debt is repaid). With the proposed higher cap, Hepburn forecasts its unrestricted cash balance will be positive from 2026–27, enabling allocations to a grant matching reserve to commence in 2026–27 and asset renewal funding to increase in the later years of the long-term forecast.²⁵ The council would also be in a better position to borrow funds and obtain grants to fund new and upgrade capital projects.

As outlined above, if the proposed higher cap is not approved, Hepburn notes that it will need to find an additional ongoing \$1.36 million of savings from its operating budget, which it states 'would be detrimental to [its] community [as] some services will need to be stopped'.²⁶

There is evidence Hepburn has considered the trade-offs between higher rates and service delivery, stating 'while we acknowledge the potential burden on ratepayers that a higher rate cap represents, we have balanced this against the compounding negative impact of further service cuts on our community's quality of life if a higher cap is not approved'.²⁷

Based on our analysis outlined above, we consider that Hepburn is currently in an unsustainable financial position and has a financial need for the proposed higher cap.

3.2 Has the council taken steps to manage the financial need?

Hepburn has taken significant steps over the last two years to improve its financial sustainability, announcing in its 2023–24 Budget that it would undertake a broad review of its service offerings and a full review of its 2021–31 (10-year) Long-Term Financial Plan.²⁸ As part of this review, the council considered the financial levers available to it to improve its financial position before including in its 2024–25 Budget:²⁹

- a \$1.5 million reduction in operating expenditure, through operational efficiencies with minimum service impacts

²⁴ Hepburn Shire Council, *Response to request for information*, April 2025, p. 2.

²⁵ Hepburn Shire Council, *Higher cap information template 2025–26*, March 2025.

²⁶ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 31.

²⁷ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 4.

²⁸ Hepburn Shire Council 2023, *Final Budget 2023–24*, p. 5.

²⁹ Hepburn Shire Council 2024, *Final Budget 2024–25*, pp. 6–7.

- new borrowings of \$5.53 million to support the delivery of capital projects and provide upgraded and new infrastructure for the community
- a reprioritisation of the council's capital works program to focus on the delivery of previous commitments and asset renewal.

Hepburn's 2024–25 Budget also quantified its long-term financial challenges, identifying a need for an additional \$4 million in permanent savings or increased revenue from the 2025–26 financial year. Following the budget, Hepburn engaged with its community to prepare a revised Long-Term Financial Plan and financial strategy, adopting its Financial Vision in September 2024.³⁰

Hepburn's Financial Vision outlines how the council plans to use the remaining levers available to it, including:³¹

- seeking approval of an application for a 10 per cent higher cap in the 2025–26 financial year, generating \$1.36 million in additional rates revenue
- achieving \$2.53 million in further operational savings, service changes and additional revenue opportunities
- actively seeking state and federal government funding for new assets, with the creation of a grant matching reserve with funds available to allocate to grant applications as 'matching funds'.

While Hepburn's Financial Vision and its application indicate that the council will continue to look for additional revenue opportunities (including increases in user fees and charges, rental income and asset sales), we acknowledge that these alternative revenue streams are constrained and unlikely to have a material impact on Hepburn's ongoing revenue shortfall.

Hepburn has also demonstrated its willingness to borrow funds to support its capital program. While its capacity to borrow further funds to address the current shortfall is limited due to its cash position, future borrowing to fund large inter-generational assets is an appropriate strategy included within Hepburn's Financial Vision. With revenue from a higher cap, Hepburn will be able to build its cash reserves and be in a better position in the future to both match grants and borrow funds to upgrade or build new assets.

In its report on Hepburn's financial position, CT Management observed that the council could have partially alleviated its cash shortfall by extending the period of each of its current loans by

³⁰ Hepburn Shire Council, *Financial Vision 2024–2027*, September 2024.

³¹ The amounts of \$1.36 million and \$2.53 million are updates on the estimates that were included in the modelling when the Financial Vision was released. The Financial Vision referred to \$1.56 million in additional rates revenue and \$2.44 million in operational savings and/or additional revenue opportunities. Hepburn Shire Council, *Financial Vision 2024–2027*, September 2024, pp. 3 and 14.

5 years.³² This is something Hepburn could still consider to reduce the service impacts of finding the \$2.53 million of operational savings or additional revenue needed in the 2025–26 budget. However, we note community feedback both through the Financial Vision engagement and in submissions to us that the repayment of debt should be prioritised.

The application and supporting material show Hepburn has been transparent with its community about its financial challenges, the services it delivers (including costs), and its path to financial sustainability. The development of a detailed service catalogue to inform ratepayers and community members about the council's service offerings has and should continue to facilitate meaningful dialogue about community and ratepayers' service preferences, willingness to pay and associated trade-offs. Further, Hepburn's commitment to implementing a program of service reviews, combined with regular reviews of its service catalogue, will help ensure that services continue to be delivered efficiently and offer value for money to ratepayers and community members.³³

We have received some submissions from community members and ratepayers expressing concerns about the council's expenditure, including past mismanagement of capital projects and misalignment with community preferences. In recent media releases, Hepburn has acknowledged its past failures and outlined steps it's taken to address past shortcomings.³⁴ Based on our assessment, there is evidence that Hepburn has appropriate policies and processes in place to ensure the efficiency and value for money of its capital spending. We note that while the current budget includes planning work for major capital projects, the council has indicated this work is unlikely to proceed unless grant funding is secured.³⁵

We consider that Hepburn either has taken, or is currently taking, sufficient steps to manage its financial position. It has reprioritised its expenditure, improved the efficiency of its expenditure, considered alternative funding options and considered the long-term interests of its community in determining the appropriate balance between the higher cap and operational savings.

Even with the higher cap and \$2.53 million of operational savings or additional revenue, council will still likely require significant government grant funding for new or upgrade capital projects going forward.

³² CT Management Group, *Hepburn Shire Council Higher Rate Cap Assessment*, April 2025.

³³ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, pp. 26 and 34.

³⁴ Hepburn Shire Council, 'Statement by the Mayor, Councillors and Chief Executive Officer', Daylesford, 25 March 2025; Hepburn Shire Council, 'Hepburn Shire Council; 'Leaked report on Hepburn Hub at The Rex Project'', Daylesford, 17 March 2025.

³⁵ Hepburn Shire Council, *Response to request for information*, April 2025, pp. 5–6.

3.3 Have ratepayer and community views been taken into account?

Hepburn engaged with its community in the development of its Financial Vision. While this engagement was not specific to the higher cap application, it did seek community views on relevant key issues including the trade-off between rate increases and operational savings, service preferences, service levels, asset maintenance and funding of capital works.³⁶

The engagement program for the Financial Vision had clear goals that were consistently communicated, and it was promoted in a range of ways that were designed to reach a wide audience of community members and both resident and non-resident ratepayers.

The main engagement activity was a survey, which could be completed online or in hard copy format. This survey sought responses to broad questions regarding the financial levers and strategies Hepburn was considering and allowed respondents to enter free text. The survey format and questions were appropriate to inform the high-level decisions being made in the development of Hepburn's Financial Vision.

Survey participants were given information about Hepburn's financial position and advised that the council was seeking to find an additional \$4 million in long-term savings and/or revenue. The council outlined how it had explored all financial levers available to it and how a higher cap would support its ability to deliver projects and maintain services. This information is consistent with the information in Hepburn's application. Hepburn also developed a detailed service catalogue to help ensure responses relating to service preferences were informed.

An engagement report containing survey results was presented to councillors to inform the development of Hepburn's Financial Vision, including the appropriate balance between rate increases and operational savings. Although the engagement report did not show majority support for the 10 per cent higher cap sought by Hepburn (7 per cent above the minister's cap), it did indicate the majority of respondents were open to a higher cap (of varying percentages).

In response to our request for further information, Hepburn advised that the Financial Vision engagement report had been an input to the decision-making process but was not the sole factor. We note that the council's decision to apply for a higher cap of 10 per cent (inclusive of the minister's cap) rather than the recommendation of council staff for a higher cap of 10 per cent plus the minister's cap, was due to the council's consideration of all factors including ratepayers' capacity to pay and community sentiment.³⁷

³⁶ Hepburn Shire Council, *Financial Vision Survey*, July 2024.

³⁷ Hepburn Shire Council, *Response to request for information*, April 2025, p. 17.

During the Financial Vision engagement and in submissions to us, ratepayers raised concerns about their ability to pay and the impact a higher cap might have on top of current cost of living pressures. In response to our request for further information, Hepburn confirmed it had considered deferring the application or spreading the rate increase over multiple years, but its decision to apply for a single-year higher cap in 2025-26 was driven by its poor unrestricted cash position combined with its desire to provide clarity on its financial position and approach going in to the 2024 council elections.³⁸

We received a number of submissions that were critical of Hepburn's engagement, raising questions about the clarity, effectiveness or reach of the council's messaging and engagement, with some submitters stating they had been unaware of Hepburn's Financial Vision survey.

We acknowledge that not all interested parties are satisfied with the engagement undertaken, and that a focus on the Future Hepburn consultation that occurred around the same time may have impacted some people's awareness or capacity to engage on the Financial Vision.³⁹ However, given the time and resources available and Hepburn's financial constraints, we consider the engagement was appropriate. We also note that Hepburn currently has a deliberative engagement process underway to determine the savings reductions and priorities going forward.⁴⁰

Many of the submissions we received suggested there was a lack of awareness or understanding in the community about the outcomes of the council's engagement on the Financial Vision. Given this, we consider Hepburn could have done more to tell its ratepayers and community about the outcomes of its engagement, how feedback was taken into account, about the different levers of its financial strategy and about further opportunities to engage on service delivery as part of the council plan.

Nevertheless, there is evidence that Hepburn made reasonable, genuine efforts to engage with its community on its financial position and matters relevant to the application and has had regard to community views when deciding to apply.

³⁸ Hepburn Shire Council, *Response to request for information*, April 2025, p. 23.

³⁹ Future Hepburn was a suite of major projects encompassing five Township Structure Plans, 'Rural Hepburn: Agricultural Land and Rural Settlement Strategy, and the Integrated Transport Strategy, which were developed to guide future growth and appropriate development in the shire. Community feedback on draft Town Structure Plans and Rural Hepburn was open between 1 May and 26 June 2024. Hepburn Shire Council, *Participate Hepburn: Future Hepburn*.

⁴⁰ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 24.

3.4 Are plans, policies and processes in place consistent with a need for a higher cap?

The reasons for Hepburn's higher cap application and the assumptions that underpin it are consistent with the council's current long-term planning.

Hepburn's legislated long-term planning documents from 2021 and 2022 (Council Plan, 10-year Financial Plan, Asset Plan and Revenue and Rating Plan) show that ongoing financial sustainability has been a key issue for the council. Hepburn detailed low rating income, the financial impacts of Covid, natural disaster recovery costs, an ambitious 2021–25 Council Plan and several large intergenerational capital projects as leading contributors to its current financial position.⁴¹

In its 2023–24 budget, Hepburn announced a review of its long-term financial plan, which led to the adoption of its 2024–27 Financial Vision. The Financial Vision aims to ensure Hepburn's long-term financial sustainability by providing strategic direction to the council around the provision of services, priorities and projects while operating within the council's financial constraints.⁴²

Hepburn's decision to apply for a higher cap of 10 per cent for the 2025–26 financial year is consistent with its long-term planning outlined in its Financial Vision.

By developing its Financial Vision ahead of the planning cycle currently underway, Hepburn has been transparent with its community about its financial situation and been able to have important conversations to ensure the next tranche of plans is principally concerned with financial sustainability, and focuses on the services that are most important to the community.

The application outlines how Hepburn is aiming to bring forward the adoption of its new Council Plan, Asset Plan, Long-term Financial Plan, and Revenue and Rating Plan to occur at the same time as it adopts its 2025–26 budget to ensure alignment with the strategies outlined in its Financial Vision and reflected in its application.⁴³

Based on the information provided by Hepburn, the proposed higher cap is a key element of its long-term financial strategy, as outlined in its Financial Vision, and it has indicated its forthcoming Council Plan and other planning documents will be consistent with this.

⁴¹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, pp. 1–2.

⁴² Hepburn Shire Council, *Financial Vision 2024–2027*, September 2024, pp. 4–5.

⁴³ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 24.

3.5 Does the council have a satisfactory rate cap compliance history?

Hepburn has not applied for a higher cap in the past and has complied with the rate cap set by the Minister for Local Government in each year since the Fair Go Rates system was introduced.

3.6 Has the council complied with our directions?

The commission did not issue any formal directions in relation to Hepburn's application.

The application was submitted in the manner and form set out in our published guidance.⁴⁴

Hepburn also provided us with information considered relevant to the application (consistent with our guidance) and complied with all requests for further information.

3.7 Our decision

In accordance with section 185E(6), the commission is satisfied that the higher cap proposed by Hepburn Shire Council is appropriate having regard to:

- the six legislative matters specified in section 185E(3) of the Act
- whether the directions given under section 185E(5) have been complied with
- the council's compliance history in relation to previous rate caps
- the statutory purposes of the Fair Go Rates system.

The commission has decided to make a special Order for a higher cap of 10 per cent (comprising the 3 per cent average rate cap set by the minister plus an additional 7 percentage points) for the 2025–26 financial year.

⁴⁴ Essential Services Commission 2024, *Fair Go Rates system – Applying for a higher cap: Guidance for councils 2025–26*, December.

Appendix A: Our integrated assessment approach

Legislative purpose and ESC objectives	Financial capacity of council to perform its duties and functions and exercise its powers s 185A(b)					Long-term interests of ratepayers and community relating to sustainable outcomes in services and infrastructure. s 185A(a)					
What should be demonstrated	Long-term funding need consistent with long-term interests of the ratepayers and community for sustainable outcomes in services and infrastructure.										
Key questions	1. Is there an underlying financial need?					2. Has the council taken steps to manage the financial need?		3. Have ratepayer and community views been taken into account?		4. Are the plans, policies and processes in place consistent with a long-term funding need?	
Legislative matters	Proposed higher cap and reasons specified s 185E(3)(a)–(b)					Efficiency, value for money s 185E(3)(d)	Alternative funding and offsets s 185E(3)(e)	Engagement s 185E(3)(c)		Long-term planning s 185E(3)(f) s 185E(3)(c)–(e)	
How it can be demonstrated	LGPRF Financial indicators (historical and projected) particularly the Adjusted Underlying Result	LGPRF Financial indicators (historical and projected) and VAGO historical performance	Higher cap information template	Relevant asset management plans if applying for renewal, upgrade or expansion	Relevant service level data if applying to increase services or improve service levels	Records of efforts to: reduce costs, align services with community's views, dispose of unwanted assets, ensure effective procurement and tendering	Evidence that council has explored other options such as alternative funding or service delivery and reasons why higher cap is most appropriate. This should include consideration of ratepayer affordability.	How the council engaged with community and what information was provided	How the council took account of views and dealt with unmet expectations	Need for higher cap consistently demonstrated in council long-term plans, including financial plans, council plan, asset management plan, revenue & rating plan.	

Appendix B: Summary of communications with Hepburn Shire Council

Hepburn Shire Council (Hepburn) submitted its application for a higher cap on 6 March 2025. In response to its application, we sought additional information from the council. Hepburn's application and its responses to our requests for further information can be found on our website.

Table B1 Communications between Hepburn and the commission

Date (2025)	Nature of communication
6 March	Hepburn submitted its application
6 March	ESC sponsoring commissioner sent letter of introduction to Hepburn
11 March	Hepburn sought clarification on whether it could correct typing errors and submit an updated version of its application document (statement addressing the legislative matters)
18 March	We provided clarification of the likely timing of the commission's decision, and arranged a visit by the sponsoring commissioner
19 March	Hepburn resubmitted its application (statement addressing legislative matters)
26 March	We issued Hepburn a request for further information (RFI)
26 March	Hepburn sought clarification of the purpose and any specific issues to be discussed during sponsoring commissioner visit to Hepburn
28 March	We sent an additional information request to Hepburn
28 March	Hepburn confirmed receipt of our RFI
1 April	Sponsoring commissioner, ESC staff visited Hepburn
10 April	Hepburn sent a partial response to our RFI
11 April	Hepburn sent a response to our RFI
17 April	We advised likely delay of the commission's decision and followed up on information missing from Hepburn's response to our RFI
17 April	Hepburn provided further confidential information in response to our RFI
24 April	We sent a further request for information
28 April	Hepburn provided further confidential information in response to our RFI

Appendix C: Summary of legislative matters

This appendix summarises how Hepburn Shire Council (Hepburn) addressed each of the legislative matters in its application and supporting documents.

185E(3)(a) — proposed higher cap

Hepburn applied for a higher cap of 10 per cent for the 2025–26 financial year. This is 7 percentage points above the rate cap set by the Minister for Local Government. The application indicates that the proposed higher cap would generate \$1,361,000 more in rate revenue in 2025–26 than would be generated through the minister’s cap alone.⁴⁵ This represents, on average, an additional \$114.53 per rateable assessment in 2025–26.⁴⁶

185E(3)(b) — reason(s) for which the council seeks the higher cap

The application states ‘the primary driver for [the higher cap application] is council’s inability to fund essential services within the current cap’.⁴⁷ It further notes that the application is necessary to ensure compliance with ‘the council’s obligation under the *Local Government Act 2020*’ to ‘ensure long-term financial sustainability’.⁴⁸

The application lists a range of factors that have impacted the council’s financial position over the long term, including:⁴⁹

- a heavy reliance on revenue from rates and government grants, with limited alternate income streams
- a relatively small and dispersed population with no major town as its centre, resulting in duplication of services and costs
- the council’s low-rate base (with average rates ranking the council 60 out of 79 in 2024).

The application states that Hepburn’s financial position has been further impacted by the following in recent years:

- ‘State Government rate cap well below costs and CPI
- natural disasters – approximately \$3.5 million unbudgeted cost to council

⁴⁵ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 1.

⁴⁶ Hepburn Shire Council, *Higher cap information template 2025–26*, March 2025.

⁴⁷ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 1.

⁴⁸ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 1.

⁴⁹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 1.

- Covid pandemic
- significant increase to construction (buildings and roads in particular)
- ambitious Council Plan 2021–25 – particularly in strategic planning to ensure appropriate housing and land protection into the future
- growing legislative requirements
- delivery of a number of key large, intergenerational capital projects (10-years plus planning) – [which] have come at increased cost and resulted in significant borrowings to finalise'.⁵⁰

The application states the council has 'a rapidly declining underlying result, a forecast negative unrestricted cash position and the consequent need to significantly increase revenue or decrease expenditure over the coming years'.⁵¹ The application further notes that without a higher cap, the council would have negative unrestricted cash every year for the next 10 years, and that the extremely low forecast cash levels in June 2031 would mean the council was insolvent.⁵²

The application describes how the council's Audit and Risk Committee has identified a high residual risk for council's financial sustainability strategic risk 'failure to maintain [council's] long-term financial sustainability to deliver on [its] business objectives'. To respond to this risk, Hepburn adopted its Financial Vision in September 2024.⁵³ This Financial Vision commits the council to addressing a \$4 million shortfall through a range of measures, including an application for a higher cap (to raise \$1.36 million in additional rates revenue) and \$2.53 million of additional operational savings or revenue from non-rates sources.⁵⁴

The application states, 'if the higher cap is not approved, [the council] will need to cut back further on [its] operating and capital budgets', noting that 'any further reductions will impact the equitable access to services across [its] communities'.⁵⁵

185E(3)(c) — how the views of ratepayers and the community have been taken into account in proposing the higher cap

The application outlines how the council undertook relevant engagement during the development of its Financial Vision.⁵⁶ Hepburn provided copies of the associated Engagement Plan and

⁵⁰ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, pp. 1–2.

⁵¹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 10.

⁵² Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 16.

⁵³ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 13.

⁵⁴ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, pp. 16–17; Hepburn Shire Council, *Financial Vision 2024–2027*, September 2024, p. 4.

⁵⁵ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 17.

⁵⁶ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, pp. 18–25.

Communications Plan and stated these had been ‘developed and followed in line with council’s Community Engagement Policy’ available on its website.⁵⁷

The primary form of engagement was a survey, which was promoted using a range of methods including an e-newsletter, the council’s website, social media, posters and newspaper advertisements and articles. Hepburn provided copies of advertisements and promotional material either as attachments to its submission or in response to our request for information.⁵⁸ The council supported participation in the survey through in-person drop-in sessions across the shire and engagement stations at its libraries and the Daylesford customer service centre.⁵⁹ 315 responses were received across 2.5 weeks.⁶⁰

Hepburn attached relevant documents and information about the engagement to its application, including copies of the survey and contextual information provided to respondents. The contextual information included relevant background about Hepburn’s financial situation and the steps it had taken or was taking to ensure its long-term financial viability.⁶¹

Respondents were shown how Hepburn’s \$4 million cash shortfall could be met through various combinations of rate increases (higher caps) and operational savings. The survey sought their views at a high level on the appropriate balance between these options.⁶²

The survey also sought information about respondents’ use of services and service preferences, and asked about their willingness to pay for upgrades to community assets. To help inform responses, the council released a service catalogue, which described its current services and outlined the associated costs, resources and funding sources.⁶³

The application refers to the Financial Vision Engagement Report, which was considered by councillors in the development of the Financial Vision and included in the agenda of the 10 September 2024 special council meeting where the Financial Vision was adopted.

The application notes that there had ‘not been significant negative feedback to the decision made by council [to apply for a 10 per cent higher cap]’ and that ‘all Councillors who re-stood at the

⁵⁷ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 18.

⁵⁸ Copies of these promotional materials are available on [our website](#).

⁵⁹ *The Local – Council News*, 27 June 2024 (provided as Appendix 2 in Hepburn Shire Council, *Response to request for information*).

⁶⁰ Hepburn Shire Council, *Financial Vision – Engagement Report*, August 2024, p. 3.

⁶¹ Hepburn Shire Council, *Financial Vision Survey*, July 2024.

⁶² Hepburn Shire Council, *Financial Vision Survey*, July 2024.

⁶³ Hepburn Shire Council, *Service catalogue 2024-2025*.

[October council elections] were re-elected to council even following their decision to adopt the Financial Vision and apply for the [higher cap]'.⁶⁴

Hepburn is now nearing completion of a more in-depth engagement exercise to inform the development of its major strategic plans for this council term, including the 2025–29 Council Plan and the 2025–35 Financial Plan. This engagement has included the formation of a deliberative panel to help the council identify and refine its objectives and priorities prior to gaining feedback on draft documents from the wider community.⁶⁵

185E(3)(d) — how the higher cap is an efficient use of council resources and represents value for money

The application outlines how Hepburn's 2024–25 budget incorporates \$1.5 million of ongoing operational savings, including from reductions in staff training and development, communication grants, swimming pool and library opening hours, and the use of external expertise.⁶⁶ These savings represent a 4.5 per cent reduction in operating expenditure and a 5.1 per cent reduction in staff numbers.⁶⁷ To achieve these savings, Hepburn examined every service to identify potential efficiencies and considered community preferences obtained during engagement on the 2021–25 Council Plan.⁶⁸

The application indicates that when it adopted the Financial Vision in September 2024, the council resolved to identify a further \$2.53 million in ongoing operational savings or new revenue opportunities in the 2025–26 budget.⁶⁹ This is a further 7.6 per cent of Hepburn's operating expenditure.⁷⁰ The application notes these savings and any associated service reductions will be informed by Hepburn's engagement activities, including its engagement on the 2021–25 Council Plan, the Financial Vision and the 2025–29 Council Plan.⁷¹

⁶⁴ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 24.

⁶⁵ 'Participate Hepburn: Hepburn Together 2025-29', Hepburn Shire Council, accessed 28 April 2025, <https://participate.hepburn.vic.gov.au/hepburn-together-2025-2029>.

⁶⁶ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 27.

⁶⁷ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 27.

⁶⁸ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 26; Hepburn Shire Council, *Response to request for information*, April 2025, p. 16.

⁶⁹ In the Financial Vision and council meeting minutes, this was an amount of \$2.44 million. Since the Financial Vision was adopted in September 2024, Hepburn has revised its forecasts and has updated this figure to \$2.53 million.

⁷⁰ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 4.

⁷¹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 24; Hepburn Shire Council, *Response to request for information*, April 2025, p. 16.

The application states that if \$2.53 million of operational savings is found in 2025-26, 'council will have reduced its operational expenditure permanently by \$4.04 million or 12 per cent annually' from 2025-26 onwards.⁷²

The application states that 'any further reductions to service levels [beyond those already included in the forecasts] would impact the equitable access to services across [the shire's] communities'.⁷³ It also notes that any further reduction in capital spending would significantly impact the council's asset renewal gap.⁷⁴

The application also outlines how Hepburn continues to look at its internal operations to achieve efficiencies and find savings, including through a 'dollars and sense' staff suggestions initiative, alternative delivery models and potential opportunities for shared service arrangements with neighbouring councils.⁷⁵

The application includes a list of service reviews Hepburn is currently undertaking and notes that the council commenced an ongoing program of service reviews in the 2024–25 financial year.⁷⁶ The application states these reviews are being based on the service performance principles in the Local Government Act 2020 to ensure '[council] limit[s] the impact to [its] community while also maintaining good value'.⁷⁷

In response to our request for information about the efficiency and value for money of its capital spending, council advised it:

- has a Project Management Framework, 'which is designed to ensure appropriate governance, oversight and reporting exists on capital projects to ensure efficiency and value for [its] communities'
- has a Procurement Policy, which 'ensures that council's contracting, purchasing and contract management activities achieves demonstrable value for money'
- was 'part-way through implementing an Enterprise Project Management Office'.⁷⁸

⁷² Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 34.

⁷³ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 17.

⁷⁴ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 17.

⁷⁵ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 28. Council recently announced it had commenced an arrangement with Mount Alexander Shire Council to consolidate its building services team into a shared service arrangement servicing both shires.

⁷⁶ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 26.

⁷⁷ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 26.

⁷⁸ Hepburn Shire Council, *Response to request for information*, April 2025, pp. 20-21.

Hepburn also noted that ‘all projects need to demonstrate their alignment with the Council Plan, which is currently being developed in conjunction with the community’.⁷⁹

185E(3)(e) — whether consideration has been given to reprioritising proposed expenditures and alternative funding options and why those options are not adequate

The application outlines how Hepburn has reprioritised its capital expenditure in line with its Financial Vision, effectively limiting forecast capital expenditure over the next 10 years to asset renewal works.⁸⁰ The application notes that funding of new upgrades or new generational assets ‘would be considered on a case-by-case basis and will likely require significant government grant funding’ in conjunction with future built up reserves and borrowings.⁸¹

The application notes that, as a small rural council, Hepburn is heavily reliant on rates revenue and grant funding, with limited alternative sources of revenue. The application outlines the alternative funding options that Hepburn has considered and why the council considers these are insufficient:⁸²

- **Borrowing** – Hepburn has secured new borrowings of \$15.93 million over the last five financial years, including a new \$5.53 million loan as part of its 2024–25 budget. Its forecast indebtedness ratio for 2024–25 is 42 per cent, which the application notes is in the Victorian Auditor–General’s Office’s medium risk category (40 to 60 per cent).⁸³ The forward projections included in the application include no new debt, with the application noting ‘council’s tight cash environment constrains the scope of any new borrowings and council’s capacity to service them’.⁸⁴ In response to our request for information, Hepburn advised ‘debt funding will be considered for capital expenditure, where appropriate in specific project funding plans, but will not be used to fund operational activities’.⁸⁵
- **Asset sales** – The application notes that Hepburn has limited assets available for potential disposal as most of the land and buildings it controls are not owned by the council. In response to our request for information, Hepburn advised that any asset sales would take some time to

⁷⁹ Hepburn Shire Council, *Response to request for information*, April 2025, p. 21.

⁸⁰ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 3.

⁸¹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 35.

⁸² Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, pp. 31–37.

⁸³ While the Victorian Auditor–General’s Office no longer uses target bands in its annual audit reports, these remain a useful guide when looking at the financial indicators.

⁸⁴ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 36.

⁸⁵ Hepburn Shire Council, *Response to request for information*, April 2025, p. 23.

complete, are subject to community consultation and would only yield one-off gains that are unlikely to have a material impact on its cash position.⁸⁶

- **User fees and charges** – Revenue estimates provided by Hepburn indicate that user fees and charges will account for just 3.6 per cent of Hepburn’s revenue in 2024–25, with the majority of these being either statutory fees and fines (which are set by the state government) or related to waste management.⁸⁷ The application notes that Hepburn will continue to explore opportunities to increase user fees where appropriate, but this is unlikely to materially improve the council’s financial position. It also notes that Hepburn will consider introducing new fees as part of its service reviews, but the revenue generated would have to offset any additional expenditure associated with collection.⁸⁸
- **Government grants** – The application states that ‘council will continue to pursue government grant funding and advocate for the funding of key projects’.⁸⁹ However, the application notes that the council’s reduced ability to provide matching funds may affect its ability to secure future grants. For this reason, Hepburn has committed to establishing a reserve fund for grant matching, allocating part of the revenue obtained as a result of the higher cap to this fund from 2026–27 onwards.⁹⁰

The application states that the council acknowledges the impact a higher cap would have on ratepayers and outlines the council’s resolution to double its current pensioner rebate from \$21 to \$42 for eligible pensioners.⁹¹ This rebate is in addition to the state government rebate under the Pensioner Rate Remission scheme.⁹²

⁸⁶ Hepburn Shire Council, *Response to request for information*, April 2025, p. 22.

⁸⁷ Hepburn Shire Council, *Higher cap information template*, March 2025; Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 32.

⁸⁸ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 33.

⁸⁹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 33.

⁹⁰ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 33.

⁹¹ Hepburn Shire Council, *Response to request for information*, April 2025, p. 24; Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 30.

⁹² Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 23.

185E(3)(f) — that the assumptions and proposals in the application are consistent with the council's long-term strategy and financial management policies set out in the council's planning documents and annual budget

Hepburn provided the following supporting documents with its application:⁹³

- Financial Vision 2024–27
- Council Plan 2021–25
- Community Vision 2021–31
- Financial Plan 2021–31
- Asset Plan 2022–32
- 2024–25 Budget
- 2023–24 Annual Report
- Revenue and Rating Plan 2021–25.

The application explains that Hepburn's Financial Vision 2024–27 was developed as 'a pre-cursor to the development of the Council Plan 2025–2029 and updated Financial Plan 2025–2034'.⁹⁴ It 'sets out a clear and financially responsible plan to ensure [the council's] long-term planning remains aligned with and delivers on [Hepburn's] Community Vision while operating within current financial constraints'.⁹⁵

The application lists the objectives of the Financial Vision as:

- 'Ensure that cash reserves are sufficient to sustain service delivery for the community and to fulfill [the council's] obligations
- Strive to have an amount of unallocated cash to provide a buffer so that [council] can adequately respond to any unforeseen emergencies
- In the long-term, establish a reserve that can provide matching funds for grants received from other tiers of government to deliver for future generations.'⁹⁶

⁹³ These documents are available on [our website](#).

⁹⁴ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 4.

⁹⁵ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 4.

⁹⁶ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 17.

Key features of the Financial Vision include:⁹⁷

- an application for a 10 per cent higher cap for the 2025–26 financial year
- an analysis of all services offered by the council to identify an estimated \$2.44 million of operational savings and/or new revenue opportunities needed to realise the Financial Vision⁹⁸
- the prioritisation of funding for asset renewal, with capital works expenditure effectively limited to renewal works
- the creation of a ‘grant funding reserve’ to ensure funds will be available to allocate to government grant applications as ‘matching’ funds
- repayment of debt and no anticipated new debt in the short to medium term.

The 10-year forecasts of revenue, expenditure and the key financial indicators outlined in the application and accompanying financial model are consistent with those in the Financial Vision.

The application outlines how Hepburn is aiming to bring forward the adoption of its 2025–29 Council Plan, 2025–34 Asset Plan, 2025–34 Financial Plan, and 2025–29 Revenue and Rating Plan to occur at the same time as it adopts its 2025–26 budget to ensure alignment.⁹⁹

⁹⁷ Hepburn Shire Council, *Financial Vision 2024–2027*, September 2024, pp. 4–5; Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 3.

⁹⁸ Since the Financial Vision was adopted in September 2024, Hepburn has revised its forecasts and has updated this figure to \$2.53 million.

⁹⁹ Hepburn Shire Council, *Higher cap application 2025–26*, March 2025, p. 24.

Appendix D: Financial indicators

This Appendix shows the key financial indicators under the two different forecast scenarios included in the financial model submitted with Hepburn's application:¹⁰⁰

- 'with higher cap' – the financial indicators reflect an additional \$1.36 million in rates revenue in 2025-26 included in the forecasts¹⁰¹
- 'without higher cap' – the financial indicators reflect forecasts of rate revenue based on the minister's cap.¹⁰²

Both scenarios reflect a \$2.53 million reduction in operational expenditure in 2025-26 (and ongoing), which Hepburn has committed to in its Financial Vision.

In examining Hepburn's financial position under the two different scenarios, we have looked at five key financial indicators that are included in the Local Government Performance Reporting Framework (the framework).¹⁰³

The framework previously specified targets for each indicator. Councils are now required to set their own targets. These previous framework targets remain a useful guide when examining a council's financial performance. Hepburn indicated that it has adopted these target ranges and aims to operate within the target ranges included under each of the figures below.¹⁰⁴ The Victorian Auditor-General's Office (VAGO) also previously used target bands as part of its local government audits. Hepburn's targets for each indicator sit within the previous VAGO low risk band.

Adjusted underlying result

The adjusted underlying result is defined as the adjusted underlying surplus (or deficit) as a percentage of adjusted underlying revenue, where:

- adjusted underlying surplus is adjusted underlying revenue less total expenditure

¹⁰⁰ Hepburn Shire Council, *Higher cap information template 2025–26*, March 2025.

¹⁰¹ The higher cap will result in a permanent increase to the rate base.

¹⁰² While we note Hepburn's commitment to find an additional \$1.36 million in operational savings or additional non-rates revenue if we did not approve a higher cap, for the purposes of our assessment Hepburn has based its 'without higher cap' forecasts in its financial model on a hypothetical scenario where it did not receive additional rates revenue, nor did it achieve the equivalent amount (\$1.36 million) in operational savings or additional non-rates revenue.

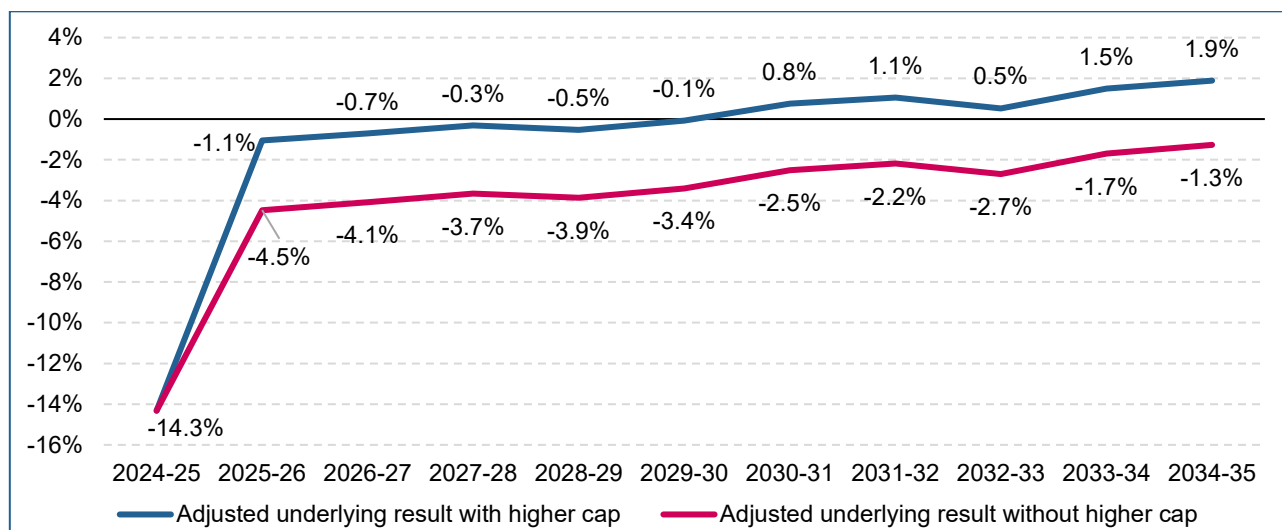
¹⁰³ See <https://www.localgovernment.vic.gov.au/strengthening-councils/performance-reporting> for more details.

¹⁰⁴ Hepburn Shire Council, *Response to request for information*, April 2025, p. 2.

- adjusted underlying revenue is total income less non recurrent capital grants used to fund capital expenditure, non-monetary asset contributions and other contributions to fund capital expenditure.

Hepburn has indicated a target range of between 0 per cent and 10 per cent for this indicator.¹⁰⁵ The previous framework target for this indicator was a result greater than 0.

Figure D1 Hepburn's forecast adjusted underlying result

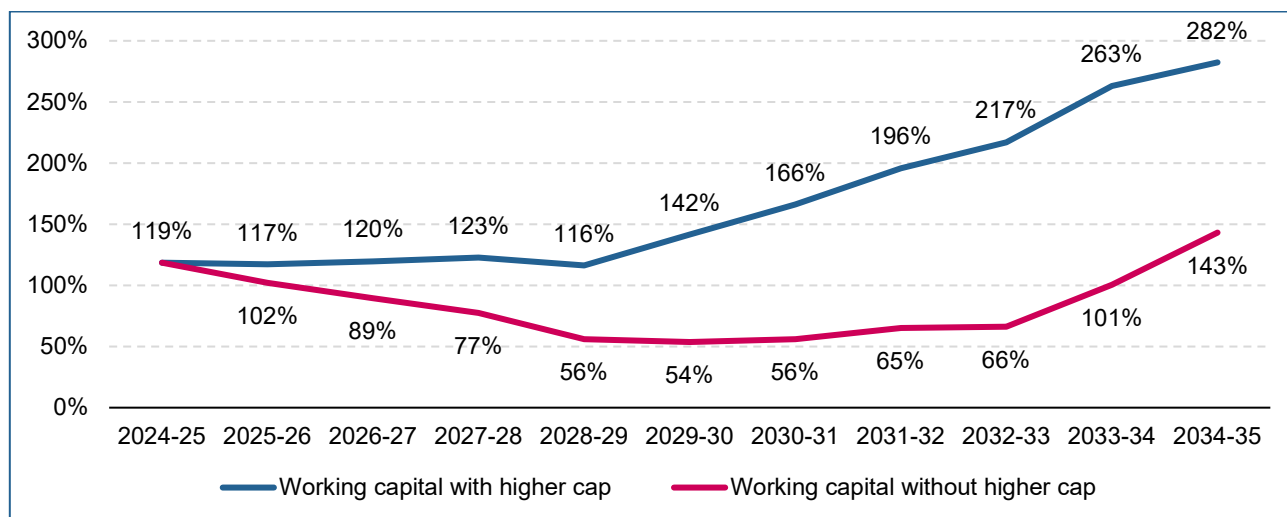


Working capital ratio

The working capital ratio is defined as current assets as a percentage of current liabilities. Hepburn considers a ratio in the range between 100 per cent and 150 per cent is adequate.¹⁰⁶ The previous framework target for this indicator was between 120 per cent and 200 per cent.

¹⁰⁵ Hepburn Shire Council, *Response to request for information*, April 2025, p. 2.

¹⁰⁶ Hepburn Shire Council, *Financial Vision 2024–2027*, September 2024, p. 20.

Figure D2 Hepburn's forecast working capital ratio

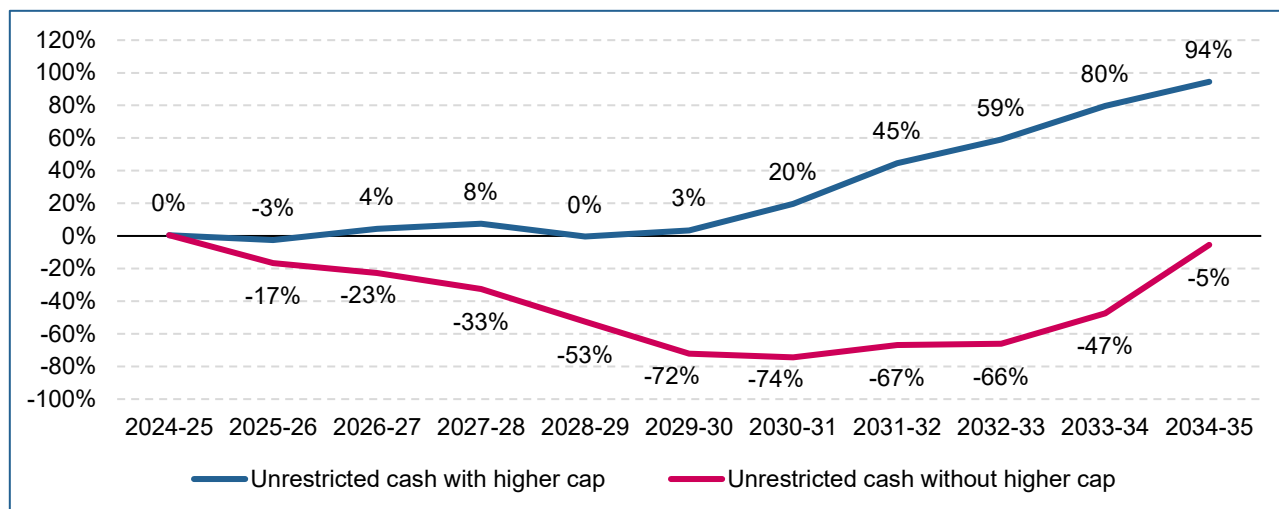
Unrestricted cash ratio

Hepburn defines the unrestricted cash ratio as 'unrestricted cash as a percentage of current liabilities' where:

- unrestricted cash is all cash and cash equivalents, less trust funds and deposits, statutory and non-statutory reserves, cash held to fund carry forward capital works, and conditional grants unspent.¹⁰⁷
- current liabilities are obligations or liabilities that are due to be settled or paid within one year.

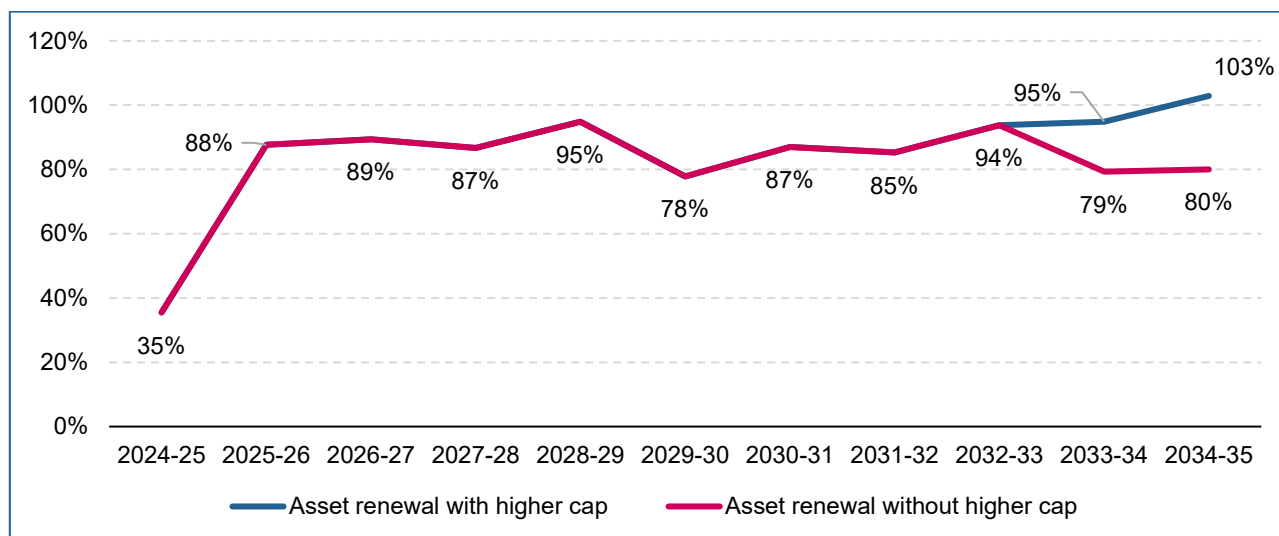
Hepburn has adopted a target range of between 50 per cent and 100 per cent for this indicator. The previous framework target for this indicator was between 50 per cent and 100 per cent.

¹⁰⁷ We note that Hepburn has also excluded non-discretionary reserves from its calculations of unrestricted cash.

Figure D3 Hepburn's forecast unrestricted cash ratio

Asset renewal ratio

The asset renewal ratio is defined as asset renewal and upgrade expenditure as a percentage of depreciation. In its 2024–25 Council Budget, Hepburn notes that ‘a percentage greater than 100 per cent indicates there is a lesser risk of insufficient spending on council’s asset base’.¹⁰⁸ The previous framework target for this indicator was between 90 per cent and 110 per cent.

Figure D4 Hepburn's forecast asset renewal ratio

¹⁰⁸ Hepburn Shire Council 2024, *Final Budget 2024–25*, p. 57.

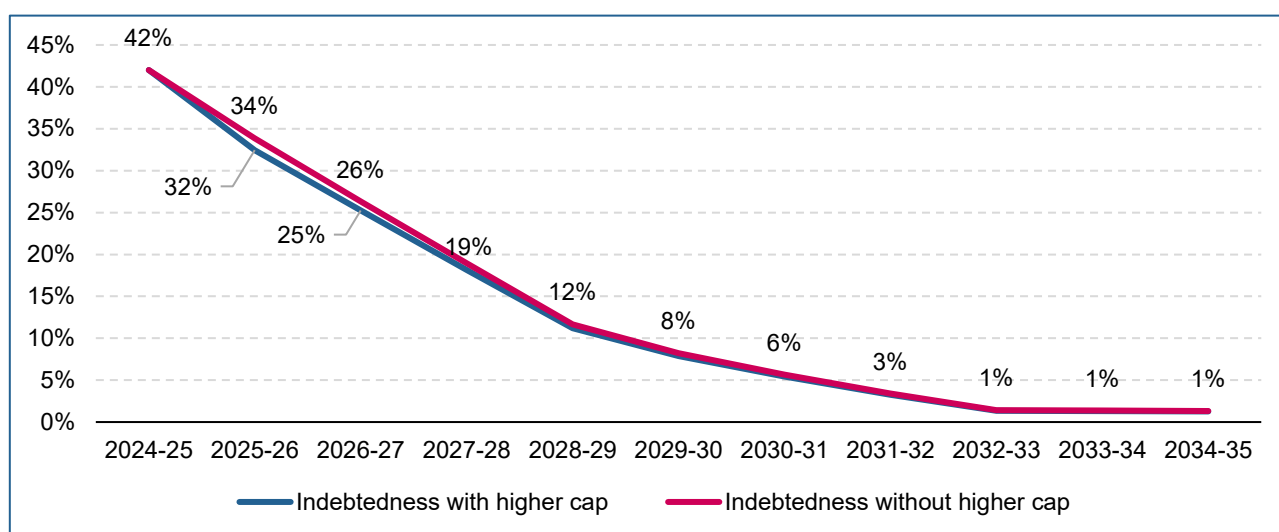
Indebtedness ratio

The indebtedness ratio is defined as non-current liabilities as a percentage of own source revenue where:

- non-current liabilities are those that are not due for settlement within 12 months after the reporting period
- own source revenue is rates and charges plus user fees, statutory fees and fines and other minor revenues.

Hepburn has indicated a target range of between 0 per cent and 40 per cent for this indicator.¹⁰⁹ The previous framework target for this indicator was between 10 per cent and 40 per cent.

Figure D5 Hepburn's forecast indebtedness ratio



¹⁰⁹ Hepburn Shire Council, *Response to request for information*, April 2025, p. 2.