SHIRE COUNCIL

HEPBURN SHIRE COUNCIL
ORDINARY MEETING OF COUNCIL
PUBLIC AGENDA

Tuesday 22 September 2026

Council Chamber

24 Vincent Street Daylesford

6:00PM

A LIVE STREAM OF THE MEETING CAN BE VIEWED
VIA COUNCIL'S YOUTUBE CHANNEL

Hepburn SHIRE COUNCIL

AGENDA

Tuesday 22 September 2026

Council Chamber

24 Vincent Street Daylesford

Commencing at 6:00PM

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JANET DORE

INTERIM CHIEF EXECUTIVE OFFICER

Tuesday 22 September 2026

1 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

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.

2 OPENING OF MEETING

COUNCILLORS PRESENT:

OFFICERS PRESENT:

STATEMENT OF COMMITMENT

"WE THE COUNCILLORS OF HEPBURN SHIRE

DECLARE THAT WE WILL UNDERTAKE ON EVERY OCCASION

TO CARRY OUT OUR DUTIES IN THE BEST INTERESTS OF THE COMMUNITY

AND THAT OUR CONDUCT SHALL MAINTAIN THE STANDARDS OF THE CODE OF GOOD GOVERNANCE

SO THAT WE MAY FAITHFULLY REPRESENT AND UPHOLD THE TRUST PLACED IN THIS COUNCIL BY THE PEOPLE OF HEPBURN SHIRE"

3 APOLOGIES

4 DECLARATIONS OF CONFLICTS OF INTEREST

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Ordinary Meeting of Council held on 25 August 2026 (as previously circulated to Councillors) be confirmed.

6 PUBLIC PARTICIPATION TIME

This part of the Ordinary Meeting of Council allows for the tabling of petitions by Councillors and Officers and 30 minutes for the purposes of:

- Tabling petitions
- Responding to questions from members of our community
- Members of the community to address Council

Community members are invited to be involved in public participation time in accordance with Council's Governance Rules.

Individuals may submit written questions or requests to address Council to the Chief Executive Officer by 10:00am the day before the Council Meeting.

BEHAVIOUR AT COUNCIL MEETINGS

Council supports a welcoming, respectful and safe environment for members of the community to participate at Council Meetings regarding issues that are important to them. Council's Governance Rules sets out guidelines for the Mayor, Councillors, and community members on public participation in meetings. It reinforces the value of diversity in thinking, while being respectful of differing views, and the rights and reputation of others.

Under the Governance Rules, members of the public present at a Council Meeting must not be disruptive during the meeting.

Respectful behaviour includes:

- Being courteous when addressing Council during public participation time and directing all comments through the Chair
- Being quiet during proceedings
- Being respectful towards others present and respecting their right to their own views

Inappropriate behaviour includes:

- Interjecting or taking part in the debate
- Verbal abuse or harassment of a Councillor, member of staff, ratepayer or member of the public
- Threats of violence

6.1 PETITIONS

6.2 REQUESTS TO ADDRESS COUNCIL

Members of our community who have submitted a request in accordance with Council's Governance Rules will be heard.

6.3 PUBLIC QUESTIONS

The CEO will read questions received in accordance with Council's Governance Rules and the Deputy Mayor will respond on behalf of Council.

7 OFFICER REPORTS

7.1 LONG TERM FINANCIAL PLAN - INDEPENDENT REVIEW

DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Acting Director Performance and Transformation, I Justin Finlayson, have no interests to disclose in this report.

ATTACHMENTS

- Nil

OFFICER'S RECOMMENDATION

That Council:

1. *Notes that the Independent Review of Council's Long Term Financial Plan by Mr Mick Jaensch from Mik2 Consulting Services has commenced; and,*

2. *Endorses that the second part of this review take a more detailed look at how Council should apply its key financial sustainability assumptions in the development of its next Long Term Financial Plan, which will be scheduled to be completed in alignment with the 2027/28 Annual Budget process.*

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with a progress update on the independent review of Council's adopted Long Term Financial Plan (LTFP), being a major initiative of Council's 2026/27 Budget.

Council has engaged Mr Mick Jaensch from Mik2 Consulting Services to undertake an independent review of the LTFP including benchmarking against other like councils. Council has sought an immediate review of Council's current financial position and current financial health. The health assessment will be updated in early November when access to the comparative councils' 2025/26 financial results becomes available.

The first part independent review conclusions cover matters including:

- Overview
- Financial health assessment
- Robustness of future Long Term Financial Plan modelling
- Accumulated Surplus Position of Council

The second part of this review will be completed later in 2026 and take a more detailed look at how Council should apply its key financial levers in the development of its next Long Term Financial Plan, which will be scheduled to be completed in alignment with the 2027/28 Annual Budget process.

BACKGROUND

Council has engaged Mr Mick Jaensch from Mik2 Consulting Services to undertake an independent review of Council's LTFP including benchmarking against other like councils. The review has been sought in two parts.

Part A – Immediate review

Council has sought an immediate review of Council's current financial position and current financial health. This review was completed in time for information to be presented to the September Audit and Risk Committee and the 15 September Council Briefing.

The assessment is based on the Council's current long-term financial model which was used to produce the most recent long term financial plan and subsequently a more basic model that was applied to develop the 2026/27 Annual Budget.

The assessment further draws on the draft financial results for 2025/26 which at the time of writing were still being determined. The initial conclusions drawn rely upon the accuracy of the information provided in those models and draft financial statements.

Part B – Longer term review

The second part of this review will be completed later in 2026 and review Council's current financial strategies moving forward. It will inform a review of Councils future Long Term Financial Strategy which will be scheduled to be completed in alignment with the 2027/28 Annual Budget process.

KEY ISSUES

Like most Victorian small rural councils Hepburn has experienced significant financial sustainability pressures in recent years. Council has recognised its predicament and has actively made decisions based around managing this situation most notably by seeking to reduce its operational net costs and by seeking and implementing an increase to the rate base in 2025/26.

Initial independent review conclusions include, among others, that:

- Most Victorian councils are now either under financial strain, or their 10-year financial plans show a declining financial outlook. This result has been evidenced in recent Parliamentary inquiries into local government finances and by recent audits by the Victorian Auditor General's Office.
- Hepburn Shire Council is not different to this industry trend. Despite recent significant changes to increase rate revenue and reduce operational net costs, it remains under a fair amount of financial pressure moving forward.

- In the present financial health assessment, Hepburn generally is slightly below average in the small rural council grouping for many indicators but is far from the predicament faced by the lowest rating councils in the group.
- The key challenges that Council face includes low levels of cash, lower than average spending on asset renewal and upgrade, high outstanding rate debtors, low revenue levels due to low fees and grants and an operational net surplus below the average for the group.
- The review canvasses two methods to assess Council's accumulated financial position. The first is based on 'pure' cash funds and second and preferred method uses the balance sheet and focuses on Council's current asset position rather than pure cash.
- The balance sheet method which calculates whether Council's current assets are sufficient to cover its liabilities and reserve funds shows a much more moderate deficit of $1.3M. This is a more accurate representation of Council's true position on 30 June 2026, bearing in mind that Council will continue to be cash deficient until it can address its high outstanding rates debtors.
- The review contains an analysis of Council's underlying operating results which are forecast to remain in deficit between the $2.5-$3.0M per annum. The review discusses the implications of what an underlying deficit really means and whilst important, emphasises that the ongoing management of Council's accumulated financial position should take precedence over this measure.

The Part B review will occur in later 2026 and update the findings in this review and take a more detailed look at how Council should apply its key financial levers in the development of its next Long Term Financial Plan.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

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

FINANCIAL IMPLICATIONS

As noted most Victorian councils are experiencing financial strain. This is being reflected in either their current financial position or in the future financial forecasts for coming years which show cash positions declining and available funding for future capital reducing in real terms.

While the financial pressures faced are significant, there is no relief on the horizon for councils with the State Government continuing to push for further changes that have the potential to adversely impact on the financial sustainability of local government.

The next part of the independent review of Council's LTFP will occur in later 2026 and update the findings in this review and take a much more detailed look at how Council should apply its key financial levers in the development of its next Long Term Financial Plan.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

There are no community or stakeholder engagement implications associated with this report.

RISK AND GOVERNANCE IMPLICATIONS

Financial sustainability remains a key strategic risk for Council.

ENVIRONMENTAL SUSTAINABILITY

There are no sustainability implications associated with this report.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with this report.

7.2 UNPAID RATES AND CHARGES

DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Acting Director Performance and Transformation, I Justin Finlayson have no interests to disclose in this report.

ATTACHMENTS

- Nil

OFFICER'S RECOMMENDATION

That Council:

1. *Receives and notes the report regarding unpaid rates and charges;*
2. *Endorses next steps including working collaboratively with ratepayers to ensure amounts are paid through a respectful approach that supports community members who may be experiencing financial hardship through appropriate payment plans and tailored assistance; and,*
3. *Brings forward a review of its Revenue Collection and Financial Hardship Policy to the November Council Meeting, which is to be informed by community input.*

EXECUTIVE SUMMARY

The purpose of this report is to provide an update regarding the collection of unpaid rates and charges due to concerns raised regarding:

- The level of Council's unpaid rates;
- Its communication with those in arrears; and
- How Council intends to work collaboratively with ratepayers to ensure these amounts are paid through a respectful approach that supports community members who may be experiencing financial hardship through appropriate payment plans and tailored assistance.

BACKGROUND

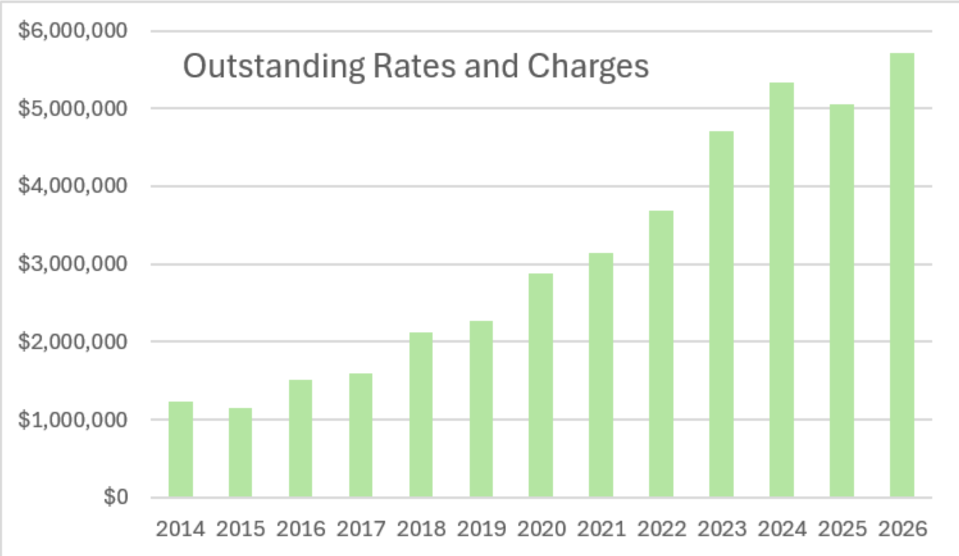
Council's collection of rates and charges is governed by the *Local Government Act 1989*, Ministerial Guidelines and Council Policy.

KEY ISSUES

Key issues outlined below include rates arrears, final reminder notice, legislative requirements, Council's Revenue Collection and Financial Hardship Policy, general rates arrears analysis and next steps.

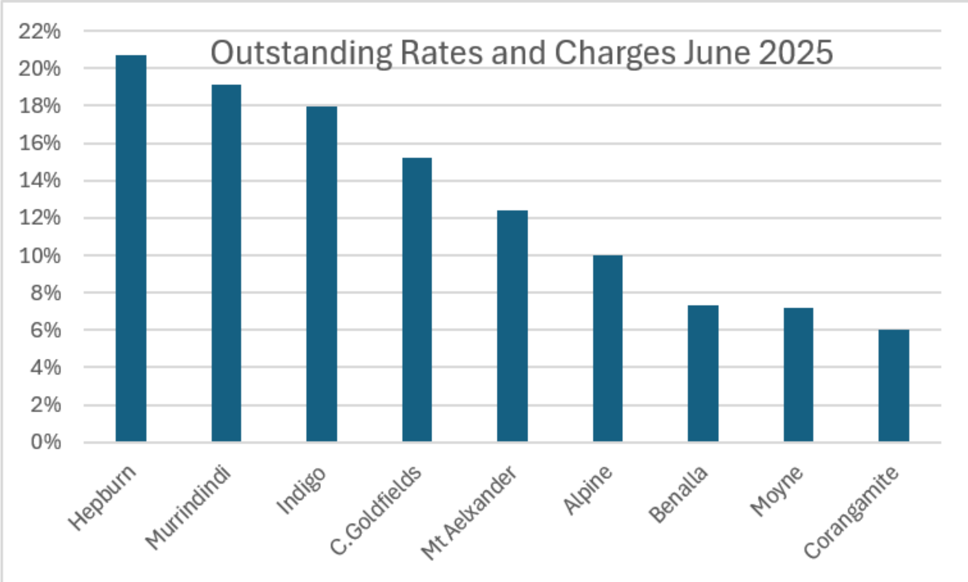
Rates arrears

Rates are Council's primary source of revenue and fund essential services and infrastructure for our community. Outstanding rates and charges have increased substantially over a number years from $1.2 million in 2015 to $5.7 million at 30 June 2026, as demonstrated by the graph below.



Factors contributing to this increase include the community impact of the cost of living and Council not commencing court action to recover unpaid amounts, where previous engagement attempts have been unsuccessful. The cashflow impact to Council is limiting the funds available to deliver services and maintain existing infrastructure, which will be further assessed as part of the preparation of Council's 2025/26 end of year financial results.

The growth in rates arrears of $670,000 during 2025/26 represents a collection rate of 97.7 per cent when compared to budgeted 2025/26 rates and charges income of $29 million. However, the accumulated balance of $5.7 million at 30 June 2026 represents 20 per cent of Council's annual rate income. A prior year comparison with other classified small rural councils based on published 2024/25 financial statements is provided by the graph below.



Final (reminder) notice

As in the previous year, Council engaged CollectAU as a service provider to manage the distribution of final reminder notices on behalf of Council for rates arrears to encourage payment and/or contact with Council, which resulted in additional $2 million being collected before the end of the financial year.

However, it is acknowledged that while issuing a final reminder notice before the end of financial year is a standard and appropriate step, issuing the notices on CollectAU's letterhead caused concern within the community as they were interpreted as debt collection final notices, with the potential to impact the property owners credit rating. This will be amended to ensure that going forward, reminder notices will be under Council's own letterhead.

Legislative requirements

The *Local Government Act 1989* restricts councils from commencing court action to recover outstanding rates and charges unless it has been at least 24 months since the person was notified in writing to pay the rate or charge of the arrears and was advised of the payment options available including deferrals and payment plans. Council's annual rate notice was amended in August 2025 to comply with this legislative requirement. This generally means there is a minimum of two years before court action could result in a recorded default impacting a ratepayer's credit rating.

If rates remain unpaid for three years with no arrangement, councils may seek court approval to sell the property to recover the debt.

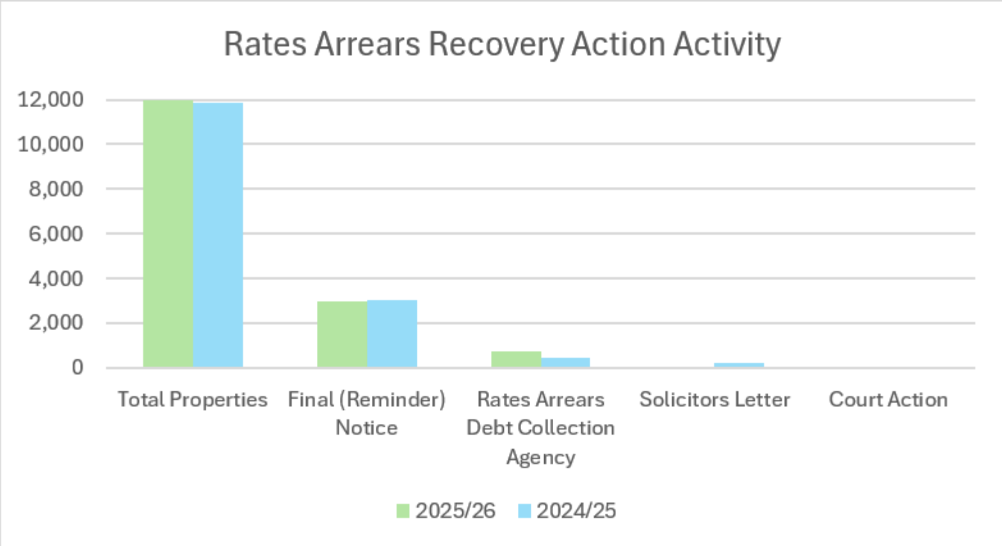
Ministerial Guidelines relating to Payment of Rates and Charges were issued in December 2025. In particular, the guidelines outline the meaning of hardship and financial hardship, together with the circumstances, processes and relevant considerations Councils must take into account when developing their policies for ratepayers experiencing hardship or financial hardship.

Council's Revenue Collection and Financial Hardship Policy

Council's policy (refer attached) which was last updated in May 2021 outlines the following debt recovery actions.

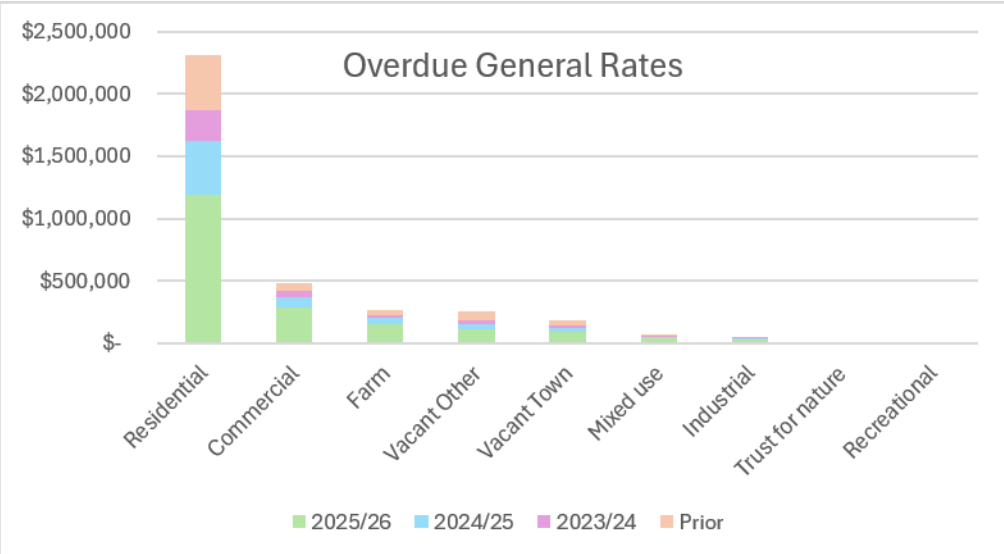
Debt Recovery Action	Comment	Volume
Reminder notice	Not issued as instalment notices act as a reminder	
Final (reminder) notice	Issued before the end of the financial year after final instalment due (for arrears >$200)	2,984 2025/26 (3,033 2024/25)
Rates arrears	Referred to debt collection agency after end of the financial year to engage with ratepayers regarding arrears	740 2025/26 (464 2024/25)
Solicitors letter/final notice	Demand issued by debt collection agency	Nil 2025/26 (211 2024/25)
Court action	By debt collection agency on Council's behalf, after 24 months notice of payment options including payment plans	Nil 2025/26

Council's debt recovery activity over the past two financial years as detailed in the table above, is also represented in the graph below compared to the total number of rateable properties.



General rates arrears analysis

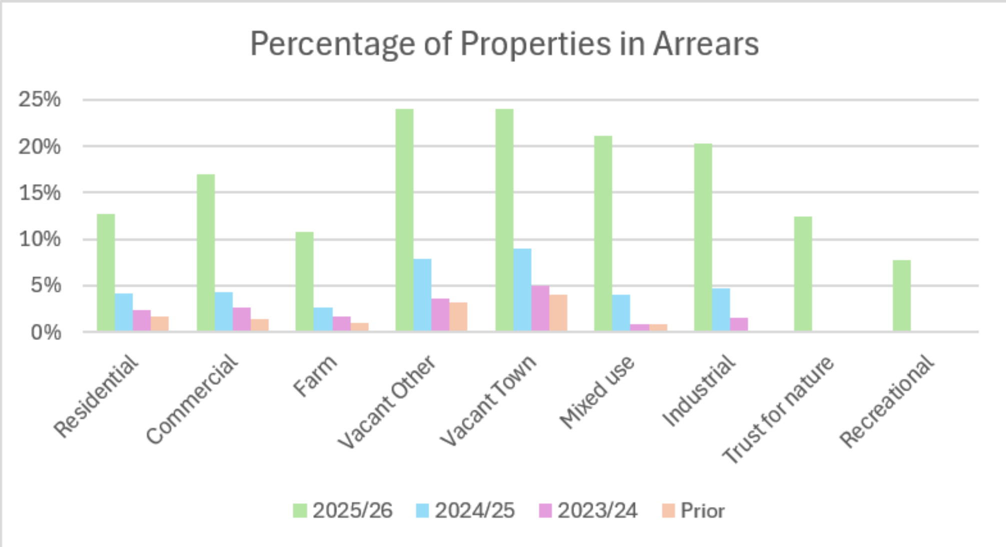
As indicated by the graph below, of the net $3.6 million in general rates arrears at 30 June 2026 owed by 1,726 properties the majority relates to residential properties being the majority of properties within the Shire. Of these properties with rates arrears 198 have an agreed payment arrangement in place and 45 have applied for hardship.



In terms of the ageing of general rates arrears:

- $1.9 million relates to 2025/26 (1,726 properties)
- $1 million (307 properties) is more than two years old (2023/24 or earlier)
    - Including $650,000 (213 properties) more than three years old (2022/23 or earlier)

The rates arrears balance by year compared to the total number of properties for each differential category is also provided below, noting a higher percentage of vacant properties.



Next steps

Planned next steps include:

- Working collaboratively with ratepayers to ensure these amounts are paid through a respectful approach that supports community members who may be experiencing financial hardship through appropriate payment plans and tailored assistance.
- Council completing a review of its Revenue Collection and Financial Hardship Policy to ensure hardship arrangements align with Ministerial Guidelines.
- Before the end of each financial year issuing Final Reminder Notices on Council letter head (rather than debt collection agency letter head).
- When the owner has failed to make payment as required following a Solicitors Demand Letter, considering the option of issuing a Mortgagee Letter requesting the lender to make payments on behalf of the owner.
- In future, commencing court action for properties who have been given 24 months notice including payment options available.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

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

FINANCIAL IMPLICATIONS

The level of unpaid rates and charges has a direct impact on the cash available to deliver Council services and infrastructure.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Council will undertake community consultation to inform the review of its Revenue Collection and Financial Hardship Policy.

RISK AND GOVERNANCE IMPLICATIONS

Risks associated with the collection of unpaid rates and charges include legislative compliance and financial sustainability which are addressed by Council Policy.

ENVIRONMENTAL SUSTAINABILITY

There are no sustainability implications associated with this report.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with this report.

7.3 JUNE QUARTER BUDGET REVIEW AND CARRY FORWARD REPORT

DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Acting Director Performance and Transformation, I Justin Finlayson have no interests to disclose in this report.

ATTACHMENTS

1. June Quarter Budget Review Statements [**7.3.1** - 4 pages]
2. Proposed 2025/26 Carry Forward Project Budgets [**7.3.2** - 2 pages]
3. 2025/26 Capital Works Expenditure by Project [**7.3.3** - 3 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Receives and notes the comparison of Council's unaudited financial results compared to budget for the 2025/26 financial year; and,*

2. *Approves the carry forward project budget amendments for the 2026/27 financial year per the report.*

EXECUTIVE SUMMARY

This report provides a high-level review of Council's 2025/26 unaudited financial results compared to budget and proposed carry forward project budgets from the 2025/26 to be expended during the 2026/27 financial year.

The decisions Council has made have improved the operating result, however, the year-end position also highlights pressure on available cash, driven particularly by receivables and the extent to which existing cash is restricted or already allocated.

This report summarises Council's current draft actual results compared to budget including:

1. Underlying unfavourable operating deficit of $3 million, due to increased depreciation expense.

2. Capital Works expenditure of $10 million compared to $15 million budget.

3. Proposed Carry Forward project budgets of $6 million, including $3 million grant funding.

4. Balance Sheet analysis compared to budget, including receivables being $7 million more than budgeted, including unpaid rates and government grants.

5. Cash assets of $12 million, while $6 million more than budgeted, there is a $6 million overallocation due to a higher level of receivables than budgeted.

Council's projected financial performance and cash position for the 2026/27 financial year will be further considered as part of the September Quarter Budget Review, which is scheduled to be presented to Council in November 2026.

The September Quarter Budget Review will include a revision of receivables and reserve forecasts, updated depreciation expense forecasts and a review of capital works timing so that available cash is sufficient to cover internal allocations.

BACKGROUND

Council's draft financial results are subject to audit which is scheduled to be completed for consideration by a special meeting of the Audit and Risk Committee on Tuesday 13 October before being presented to a meeting of Council on 27 October 2026.

Budgets are developed each year using the information and assumptions available at the time. It is common practice to carry forward unexpended project budgets into the new financial year to enable the completion of committed projects.

KEY ISSUES

Surplus / Deficit compared to Budget

Council's draft underlying operating result is a deficit of $3 million (excluding the timing of Financial Assistance Grants). This result is due to increased depreciation expense compared to budget.

Council's total income was more than budget by $10 million due to the $5.5 million advanced receipt of Financial Assistance Grants and also non-cash income of $5.5 million for the recognition of bridge assets.

Council's total operating expenses were $4 million more than budgeted, mainly due to depreciation expense being $3 million more than budget.

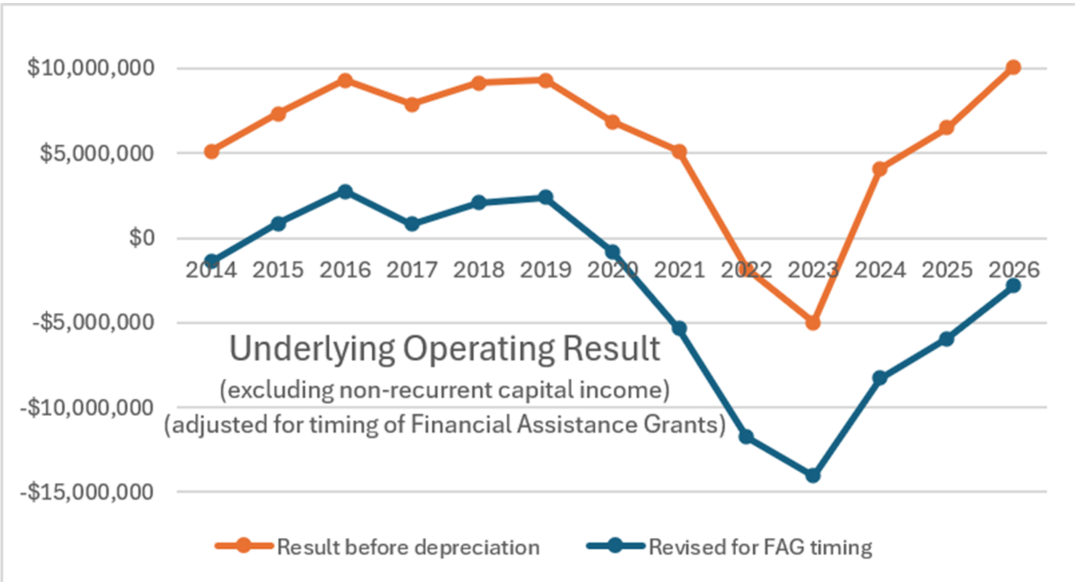
A summary of Council's 2025/26 operating result compared to budget is provided below.

	Budget	**Actual**	**Variance**
	$’000	$’000	$’000
Total Income	44,267	54,319	10,052
Total Expenses	(41,967)	(46,417)	(4,450)
Reported Surplus for the year	**2,300**	**7,902**	**5,602**
Less non-recurrent capital grants	(4,865)	(2,323)	2,542
Less capital contributions	(270)	(6,207)	5,937

Adjusted underlying Surplus / (Deficit)	(2,835)	(628)	2,207
2026/27 Financial Assistance Grant received in advance in 2025/26	-	(5,535)	(5,535)
2025/26 Financial Assistance Grant received in advance 2024/25	**3,332**	3323	(9)
Underlying Surplus / (Deficit) updated for Financial Assistance Grant timing	**497**	**(2,840)**	**(3,337)**
Add back Depreciation expense	9,473	12,577	3,104
Add back Infrastructure disposals	-	327	327
Underlying Surplus before Depreciation	**9,970**	**10,064**	**94**

It is important to recognise the significant increase in depreciation expense in recent years due to the increasing cost to renew community infrastructure.

As demonstrated by the chart below, Council's underlying operating result has improved by approximately $3 million. Before non-cash depreciation expense, the 2025/26 result is a cash surplus of $10 million; however, after depreciation, Council still records an underlying operating deficit of $3 million.



Capital Works compared to Budget

As summarised below Council delivered $10 million of Capital Works expenditure during 2025/26 compared to the approved budget of $15 million which included carry forward budgets from the prior year. Actual works included $4.2 million on roads, bridges and footpaths and $1.8 million on recreation and open space assets.

	Budget	Actual	Variance
	$'000	$'000	$'000
Property	2,999	1,852	(1,147)
Plant and Equipment	2,053	1,663	(390)
Infrastructure	10,388	6,225	(4,163)
Total Capital Works	**15,441**	**9,740**	**(5,701)**

Capital Works expenditure was $5.7 million less than budgeted which included:

- $2,000,000 Road Safety Improvements Program (grant funded)
- $425,000 IT Renewal Program
- $401,000 Daylesford Town Hall Renewal
- $359,000 Creswick Trails Construction
- $314,000 Cambridge Street Creswick Kerb and Channel Renewal
- $220,000 Trentham Sportsground Cricket Net Renewal
- $189,000 Trentham, Drummond and Clunes Sports Court Remediation
- $185,000 Clunes Flood Study
- $184,000 Daylesford Town Hall – Municipal Office Upgrade design
- $174,000 Chanters Lane Road Rehabilitation
- $146,000 Daylesford Community Facilities design
- $137,000 Hepburn Springs Pedestrian Bridge Renewal
- $131,000 Pool Building Renewal Works
- $126,000 Minor Capital Works Program (Bridges)
- $126,000 Hepburn Mineral Springs Reserve Lighting Renewal
- $101,000 Kierces Road Clunes Reconstruction
- $469,000 Balance of other net project budget variations

Proposed Carry Foward Project Budgets

A review of capital and operating projects has been conducted to determine the necessary expenses and income to be carried forward to enable project completion.

	Expense Budget	Income Budget	Net Budget
	$'000	$'000	$'000
Capital works project budgets – 26 projects	$5,059	($2,346)	$2,713
Unexpended capital grants received - 4 projects	$268	($318)	($50)
Special operating projects – 5 projects	$375	-	$375
Unexpended operating grants - 6 projects	$426	($426)	-
Total Carry Forward Project Budgets	**$6,128**	**($3,090)**	**$3,038**

The $3 million net cost of proposed carry forward project budgets include:

- $425,000 ICT Renewal Program
- $401,000 Daylesford Town Hall Refurbishment
- $356,000 Old Melbourne Road Pedestrian Crossing
- $314,000 Cambridge Street Kerb and Channel Renewal
- $314,000 Future Hepburn Settlement Strategy operating project budget
- $202,000 Daylesford Town Hall Municipal Office Upgrade (Design)
- $173,000 Chanters Lane and Pearson Road Reconstruction
- $146,000 Daylesford Community Facilities Detailed Design
- $137,000 Hepburn Mineral Springs Pedestrian Bridge Renewal
- $131,000 Pool Facilities Renewal Program
- $126,000 Minor Capital Works Program (Bridges)
- $126,000 Hepburn Mineral Springs Reserve Lighting Renewal
- $187,000 Balance other project carry forward net budgets

These unexpended funds were quarantined as internally restricted cash allocations as at 30 June 2026 and will be expended during the 2026/27 financial year.

Balance Sheet compared to Budget

A summary of Council's Balance Sheet compared to budget is provided below.

	Budget	Actual	Variance
	$'000	$'000	$'000
Current Assets	9,349	22,915	13,566
Non-Current Assets	495,206	548,310	53,104
Total Assets	**504,554**	**571,225**	**66,671**
Current Liabilities	8,967	10,959	1,992
Non-Current Liabilities	10,537	10,817	280
Total Liabilities	**19,504**	**21,776**	**2,272**

A summary of balance sheet variances compared to budget is provided below.

- Current Assets – greater than budget due to cash $5.9 million, rates receivable $4 million, accrued income $1.5 million and other debtors $1 million.
- Non-Current Assets – greater than budget due to infrastructure revaluation cost increases.
- Current Liabilities – greater than budget due to unexpended grant income $1.2 million and creditors $1 million.

Cash Assets compared to Budget

At 30 June 2026, while Council held $12.2 million in cash and term deposits, it is important to note that $7.7 million were subject to external restrictions. The balance of $4.5 million have intended allocations including Financial Assistance Grants received in advance, unexpended capital works funding and discretionary reserves, leaving an overallocation of $5.9 million, as summarised by the table below. This unfavourable variance to budget is mainly due to a higher level of receivables compared to budget including unpaid rates and government capital grants.

Council's externally restricted cash, including statutory reserves, remains separately identified. The issue is that the cash not subject to external restriction is insufficient to fully cover all of Council's internal allocations, including grants received in advance, carried-forward works and discretionary reserves. This creates a negative unallocated cash position.

	Budget	Actual	Variance
	$'000	**$'000**	**$'000**
Total Cash Assets	**6,198**	**12,150**	**5,952**
Less externally restricted cash			
Trust Funds and Deposits	(1,736)	(1,655)	81
Open Space Recreation Statutory Reserve	(1,379)	(2,117)	(738)
Waste Management Statutory Reserve	(1,109)	(2,159)	(1,050)
Mineral Springs Statutory Reserve	-	(553)	(553)
Contract Liabilities	-	(1,194)	(1,194)
Cash Assets not subject to external restrictions	**1,974**	**4,473**	**2,499**
Less internal allocations			
Financial Assistance Grants in advance	-	(5,535)	(5,535)
Carried Forward Works Funding	-	(2,370)	(2,370)
Discretionary reserves	(1,536)	(2,452)	(916)
Unallocated Cash Assets	**438**	**(5,884)**	**(6,322)**

The June 2026 unallocated cash position is impacted by higher receivables than budgeted, including rate debtors. A concerted effort to implement positive engagement campaigns to recover outstanding amounts has been a continued focus in 2025/26. This is important to fund budgeted renewal works, some of which will likely need to be deferred to achieve a positive unallocated cash balance.

Council's unallocated cash position will be further reviewed as part of the September Quarter Budget Review, which is scheduled to be presented to Council in November 2026.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

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

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

FINANCIAL IMPLICATIONS

Council's projected financial performance and cash position for the 2026/27 financial year will be further considered as part of the September Quarter Budget Review, which is scheduled to be presented to Council in November 2026.

The September Quarter Budget Review will include a revision of receivables and reserve forecasts, updated depreciation expense forecasts and a review of capital works timing so that available cash is sufficient to fully cover internal allocations.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

There are no community or stakeholder engagement implications associated with this report.

RISK AND GOVERNANCE IMPLICATIONS

Financial sustainability remains a key strategic risk for Council.

ENVIRONMENTAL SUSTAINABILITY

There are no sustainability implications associated with this report.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with the preparation of this report.

7.4 AWARD OF CONTRACT - HEPBU.RFT2026.109 GLENLYON PAVILION STAGE ONE CONSTRUCTION

DIRECTOR INFRASTRUCTURE AND DELIVERY

In providing this advice to Council as the Project Manager, I Alison Breach have no interests to disclose in this report.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Report - Request For Tenders Evaluation - HEPBU.RFT2026.109 - Glenlyon Pavilion Redevelopment - Stage 1 [**7.4.1** - 5 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Awards contract number HEPBU.RFT2026.109 for the fixed lump sum of $336,022 (excl. GST) to Fairbrother Pty Ltd;*

2. *Approves Council officers to make variations to the contract within officer delegations and approved budgets;*

3. *Authorises the Chief Executive Officer to execute the contract documents on behalf of Council; and,*

4. *Resolves that the attached Tender evaluation report remains confidential.*

EXECUTIVE SUMMARY

The Glenlyon Recreation Reserve pavilion requires renovation to meet current needs, increase use and access, and to maintain the condition of the asset.

The completed design for renewal and upgrade works has been divided into delivery stages, with this contract being specific to stage 1 works. This stage is funded by an Australian Government grant.

A standard public tender process was undertaken in line with Council's procurement policy. The recommended tender response for Stage 1 works was submitted by Fairbrother Pty Ltd for $336,022 (excl. GST). The scoped works are supported by prior community engagement.

BACKGROUND

The Australian Government funded works at the pavilion through a $500,000 *Investing in our Communities* grant.

Initial feasibility work determined that renewal of the existing building in a flood resilient manner is the best approach to the provision of facilities at the reserve.

Design work for renovations of the existing pavilion were completed in 2025/2026 which identified approximately $1.3M of works that could be delivered in several stages.

Stage 1 deliverables for this contract include:

- refurbishment of the internal male/female toilets
- refurbishment of the kitchen
- new weatherboards
- electrical works
- replacement of internal linings
- painting

Future stages will involve demolishing the external non-compliant toilet and constructing a new extension with DDA toilet/shower, cleaners room storage, second entry/exit, barbecue area, DDA parking space and other building improvement works. A planning permit has been issued for this, and works will be dependent on future funding availability. One option for this future funding is the Mineral Springs Financial Reserve.

KEY ISSUES

Tender Process

Contract HEPBU.RFT2026.109 - Glenlyon Recreation Reserve Pavilion Redevelopment was publicly advertised with four submissions received.

Each submission was evaluated by a panel and scored against the following criteria:

Criteria	Weighting
Criterion One - Price	27.5%
Criterion Two - Capability	25%
Criterion Three - Capacity	20%
Criterion Four - Occupation Health & Safety	10%
Criterion Five - Local Content	7.5%
Criterion Six - Demonstration of Sustainable Procurement	10%
SUBTOTAL	100%

The preferred tenderer was the most price-competitive, as well as having extensive relevant experience in this type of work.

If awarded, the works would begin in October 2026 and expected to be complete in February 2027.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

Hepburn Life
3. An informed and engaged community.

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

FINANCIAL IMPLICATIONS

The full renovation design, and stage 1 construction works, are funded by the *Investing in our Communities* grant.

Item	Cost (excl. GST)
Prior planning and design work	$95,914
Construction contract	$336,022
Project management and Contingency	$68,064
Total	$500,000

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Extensive engagement has been carried out with the Project Advisory Group (PAG), whose input has helped to shape the project. The PAG comprised of community representatives of both clubs and users of the reserves, as well as broader local community. The PAG's role was to represent and feed community needs into the design process, as well as keep users and broader community informed of the project through the members connections.

The PAG met multiple times over the life of the design phase. The current delivery approach is supported by the PAG. Timing of works with key events has formed part of the community engagement.

Communications will be undertaken through the construction phase, informing users about the works and any impacts. Part of this will include close liaison with event organisers to minimise any disruptions.

RISK AND GOVERNANCE IMPLICATIONS

A risk assessment has been undertaken as part of project scoping for this work. Key risks include sufficient budget in relation to market pricing, managing the impact of works to users, and weather delays to the construction period. These are all managed with measures including budget contingency, high-quality costed designs, good community engagement, and timing of works.

ENVIRONMENTAL SUSTAINABILITY

Sustainability was a criteria used to evaluate tender submissions.

GENDER IMPACT ASSESSMENT

A GIA has been carried out as part of the planning of this work.

A range of design elements will achieve inclusive outcomes, including increased accessibility of the structure, improvements to the male/female toilets and a unisex DDA toilet (future stage).

7.5 AWARD OF CONTRACT - HEPBU.RFT2026.OP.01 - SUPPLY OF A MOTOR GRADER

DIRECTOR INFRASTRUCTURE AND DELIVERY

In providing this advice to Council as the Coordinator Works, I Matt Grant-Allan have no interests to disclose in this report.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Tender Evaluation Report [**7.5.1** - 5 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Awards Contract HEPBU.RFT2026.OP.01 to William Adams Pty Ltd for the lump sum price of $516,000 (excluding GST);*

2. *Declines the supplier trade-in offer of $145,000 (excluding GST) noting that the existing grader will be disposed by auction to maximise the financial return;*

3. *Authorises the Chief Executive Officer to finalise and execute the contract documents on behalf of Council; and,*

4. *Resolves that the attached Tender Evaluation Report remain confidential.*

EXECUTIVE SUMMARY

- Council's 2026/27 Plant Replacement Program includes the renewal of an existing grader at a total budget of $520,000 (excluding GST).
- Following a public tender and evaluation process, Council approval is sought to award Contract HEPBU.RFT2026.OP.01 – Supply of a Motor Grader to William Adams for a Caterpillar motor grader at a cost of $516,000 (excluding GST).
- The Caterpillar grader was ranked highest overall and is recommended based on its operational performance, safety, productivity and whole-of-life (including operating, maintenance and resale) value and is within the existing budget allocation.

BACKGROUND

Council's 2026/27 Plant Replacement Program includes funding of $520,000, excluding GST, to replace the existing motor grader used by the Daylesford Works team for unsealed road and shoulder maintenance and construction.

A public Request for Tender, HEPBU.RFT2026.OP.01 – Supply of a Motor Grader, was released in July 2026, with three compliant submissions received. The submissions were assessed against price, capability, capacity, Occupational Health and Safety, local content and sustainability criteria.

Council's grader operators also tested the proposed machines as part of the evaluation process. The Caterpillar grader achieved the highest overall evaluation ranking based on its operational performance, safety features, productivity and whole-of-life value.

KEY ISSUES

The tender evaluation panel independently assessed each compliant submission against the approved evaluation framework, with the weighted scores aggregated to determine the final ranking.

Although not the lowest priced submission, the Caterpillar grader was assessed as providing superior whole-of-life value when purchase price, parts and maintenance costs, fuel consumption, productivity and resale value were considered. Council's operators highly rated the Caterpillar based on its operational performance, cabin comfort, visibility and safety.

Disposal options for the existing grader were assessed as part of the evaluation. Supplier trade-in offers ranged from $145,000 to $150,000, while two auction houses provided conservative estimates of $160,000 to $180,000. Auction disposal is therefore recommended to maximise Council's financial return.

Long-term leasing was also considered however, given the year-round use and estimated annual leasing costs, outright purchase represents the most suitable and cost-effective option.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

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

FINANCIAL IMPLICATIONS

Funding of $520,000 (excluding GST) is allocated within Council's 2026/27 Plant Replacement Program with the recommended tender price within budget. Disposal of the existing grader by auction is conservatively estimated to return between $160,000 and $180,000 (excluding GST).

COMMUNITY AND STAKEHOLDER ENGAGEMENT

There are no community or stakeholder engagement implications associated with this report.

RISK AND GOVERNANCE IMPLICATIONS

Through the development of a clear specification and undertaking a thorough tender process, it is considered that any financial risks or risks associated with Occupational Health and Safety or supply have been mitigated. Officers will work with the successful tenderer to ensure a smooth transition of the fleet to Council, including delivery, disposal of existing, training, inductions etc.

ENVIRONMENTAL SUSTAINABILITY

There is no sustainability implications associated with the recommendation within this report.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with this report.

7.6 AWARD OF CONTRACT - HEPBU.RFT2026.E8 - ST GEORGES LAKE ROAD UPGRADES

DIRECTOR INFRASTRUCTURE AND DELIVERY

In providing this advice to Council as the Manager Operations, I Lace Daniel have no interests to disclose in this report.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Tender Evaluation Report [**7.6.1** - 6 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Awards Contract HEPBU.RFT2026.E8 St Georges Lake Road Upgrades to Butler Excavations Pty Ltd for the lump sum amount of $411,538 (excluding GST);*

2. *Refers the works associated with the speed humps and lighting to a future budget process, pending an assessment of post-construction traffic conditions;*

3. *Approves Council officers to make variations to the contract within officer delegations and approved budgets;*

4. *Notes the total estimated expenditure associated with the project and approves funding of the balance through a drawdown of the 2027/28 Roads to Recovery funding allocations, up to an amount of $215,112 and updates the 2026/27 Annual Budget to reflect the additional income;*

5. *Authorises the Chief Executive Officer to execute the contract documents on behalf of Council; and,*

6. *Resolves that the attached Tender Evaluation Report remain confidential.*

EXECUTIVE SUMMARY

- Acknowledging the unintended impacts of the success of the Djuwang Baring trails network Council undertook a community engagement process and developed a Hammon Park Precinct Traffic Management Plan (PTMP) outlining a range of safety and amenity improvements for the area.
- In September 2025, Council adopted the PTMP and endorsed the delivery of a number of outcomes including upgrades on St Georges Lake Road (SGLR), Creswick.
- Following a planning and design process, a public tender process was undertaken between 30 April and 21 May 2026 for the SGLR upgrades. Eleven

submissions were received and an assessment was undertaken by the Tender Evaluation Panel in accordance with Council's Procurement Policy.
- Following the evaluation and tender clarifications, Butler Excavations Pty Ltd achieved the highest overall ranking and is the preferred tenderer.
- The estimated expenditure exceeds the available project budget, and in developing this report, officers have considered a range of options for value management in order to continue to deliver an outcome for residents considering the impact on cost, deliverability, safety, amenity, permissions and ongoing maintenance requirement.
- Officers recommend deferring the implementation of traffic calming devices and associated works to a future budget process, pending an assessment of the post construction traffic conditions, resulting in an estimated budget shortfall of $215,112, based on the reduced scope.
- Considering the funding options available, officers recommend that the project proceed with an adjusted scope and the shortfall to be funded through a drawdown on future years Roads to Recovery allocation. This approach enables delivery of the project while maintaining Council's commitment to implementing the priority works identified within the PTMP.
- Approval of the recommendation will enable progression of works, with a target construction period of October-December 2026.

BACKGROUND

The Djuwang Baring trails network has become a significant recreational and tourism asset for the Creswick area. Following the opening of the facility, Council received feedback regarding increased traffic volume, vehicle speed and behaviour, dust generation and parking impacts on surrounding roads. These concerns prompted preparation of the Djuwang Baring PTMP.

In September 2025, Council adopted the PTMP and approved a carry forward of $600,000 of underspends from the original project budget, to deliver a range of outcomes including:

- Upgrades to St Georges Lake Road:
    - Road sealing
    - Realignment of the Lees Street intersection
    - Installation of speed humps and associated infrastructure
    - Review of the posted speed limit
    - Review of existing signage
- Construction of a trial pick-up area for Hammon Park commercial shuttling operations, and
- Installation of a crossing on Old Melbourne Road and pedestrian bridge works associated with the original construction project scope.

Council also resolved to pursue external grant funding opportunities. Applications through the Safer Local Roads and Streets Program and Safer Local Roads and Infrastructure Program have been submitted and were unsuccessful.

Of the carry forward funds, after delivering other items and completing the design and tender process for SGLR, approximately $275,157 remains for the delivery of works associated with these upgrades.

KEY ISSUES

Procurement Process

A tender for upgrades on SGLR was conducted between 30 April and 21 May 2026 and 11 submissions were received. The Tender Evaluation Panel met and assessed submissions in line with the evaluation criteria, including price, capability, capacity, Occupational Health and Safety, local content and sustainability.

Following evaluation and clarifications, Butler Excavations Pty Ltd achieved the highest ranking and is the preferred supplier.

Scope and Delivery Options

Officers have assessed a number of options to address the identified project funding shortfall, as outlined below.

Option	Consideration
Proceed with current scope and fund shortfall	Achieves full safety, amenity and traffic outcomes. Requires increased investment by Council.
Defer the project and seek external grant funding	Delays community benefits, increases overall delivery cost (inflation), prolongs disruption. Allows for additional investment to be sourced externally.
Cancel the project	Doesn't deliver on Council's acknowledgement of the issue or commitment to a resolution, prolongs disruption to residents. All risks remain.
Defer the implementation of traffic calming (speed humps) and associated works (lighting and signage)	Potential reduction of impact and weakening of traffic and road safety outcomes. An external Road Safety Assessment has calculated this risk as tolerable, indicating a minimal increase from low to low-medium based on the current use.
Reduce traffic calming (eg. halve the number of speed humps) and associated works	Potential reduction of overall impact on driver behaviour for a more minimal cost saving.
Install solar lighting rather than direct connection	Ongoing maintenance responsibility (including vandalism) would sit with Council rather than Powercor. Some unknowns also exists due to canopy coverage. More minimal cost saving.

Reduce pavement stabilisation depth	Increases risk of pavement issues and increased maintenance effort.
Reduce the length and/or width of the seal	Ongoing amenity (dust) and maintenance issues remain on unsealed sections. Closing the road at an earlier point (eg. the last property entrance) would trigger the requirement to construct of a new compliant vehicle turn-around which would extend outside of the existing road area and trigger significant permissions (cultural heritage, LUAA, works within a Flora & Fauna Reserve). Reduction in width only will have minor cost impact but will increase maintenance requirement.
Remove kerb and drainage elements	Design does not address reported drainage issues. Increased excavation would subsequently be required to formalise the swale drain, potentially triggering further permissions.

Following an assessment of the above, with consideration to cost savings, deliverability, safety, amenity, permissions and ongoing maintenance requirement, it is officers recommendation that the implementation of traffic calming devices and associated works, be deferred to a future year's budget, pending as assessment of post-construction traffic conditions. This approach is supported by an independent Road Safety Audit.

Further value management including reviewing any minor design and delivery efficiencies will be pursued as the project progresses, as is standard practice.

As part of the project, a number of other items will be progressed to support safety outcomes and discourage informal shuttling along SGLR including a formal request for a reduction of the posted speed limit, review of the roadside and wider precinct signage and increased promotion of Hammon Park as the formal trail head.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

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

FINANCIAL IMPLICATIONS

The recommended contract value is $411,538 (excl GST).

Based on the recommended reduced scope, the estimated remaining expenditure exceeds the available project budget, leaving a shortfall of $215,112 compared to the available funds.

Funding options have been explored which include deferring the project and seeking additional grant funding, however it is noted that the current tender price would no longer be valid if works were to be deferred and the future market is unknown with project costs likely to be higher in the future.

Officers therefore recommend funding the shortfall by drawing down on Council's 2027/28 Roads to Recovery allocation in 2026/27, in order to proceed with awarding the current tender. It is noted that the longer-term impact of this funding option is a reduction in the overall roads program in 2027/28 of up to $215,112.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The SGLR upgrades form part of the implementation of the Djuwang Baring PTMP, which was developed through community engagement and consultation activities.

Local residents have been regularly updated regarding project progress, design development and procurement through email communications.

Should the construction contract be awarded, Officers and/or the successful tenderer will continue engagement including:

- Notification to unsuccessful tenderers (email)
- Regular updates to residents (email)
- Notification of works prior to commencement and during construction (email, letterbox drop, online media)
- Engagement with service authorities (as appropriate)

RISK AND GOVERNANCE IMPLICATIONS

Failure to award the contract would delay implementation of Council's adopted PTMP initiatives and will result in continued community concerns regarding traffic, dust, speed and road safety within the precinct.

The procurement process has been conducted in accordance with Council's procurement policy requirements, ensuring fairness, transparency and value for money.

ENVIRONMENTAL SUSTAINABILITY

A small number of trees require removal to facilitate the works. Council has undertaken the required environmental assessments and due diligence to minimise vegetation impacts and will work with residents around planting screenings, preserving and relocating existing vegetation where possible. Two trees have been identified as having a high environmental value and are subject to a permit exemption application on road safety grounds. A due diligence report has confirmed that a Cultural Heritage Management Plan is not required and advice from DJARRA confirms that the works form an Advisory Activity only.

GENDER IMPACT ASSESSMENT

The proposed contract award relates to the delivery of civil infrastructure works. The proposal is not expected to have a differential impact on people based on gender and no specific gender equity implications have been identified through assessment.

7.7 REVISION OF INSTRUMENTS OF DELEGATION FROM COUNCIL TO THE CEO (S5) AND COUNCIL TO COUNCIL STAFF (S6)

DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Governance Advisor, I Catherine Nurse have no interests to disclose in this report.

ATTACHMENTS

1. S5 - Instrument of Delegation - Council to CEO - XX Month 2026 - Draft [**7.7.1** - 4 pages]
2. S6 - Instrument of Delegation - Council to Council Staff - XX Month 2026 - Draft [**7.7.2** - 120 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *In the exercise of the power conferred by s 11(1)(b) of the Local Government Act 2020 (the Act), resolves that:*
2. *There be delegated to the person holding the position, or acting in or performing the duties, of Chief Executive Officer the powers, duties and functions set out in the attached Instrument of Delegation to the Chief Executive Officer, subject to the conditions and limitations specified in that Instrument;*
3. *The instrument comes into force immediately upon this resolution being made and is to be signed by the Chief Executive Officer and the Mayor;*
4. *On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked; and,*
5. *The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.*
6. *In the exercise of the powers conferred by the legislation referred to in the attached instrument of delegation, resolves that:*
7. *There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached Instrument of Delegation to members of Council staff, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument;*

8. *The instrument comes into force immediately upon resolution of Council and is to be signed by the Council's Chief Executive Officer and the Mayor;*

9. *On the coming into force of the instrument all previous delegations to members of Council staff (other than the Chief Executive Officer) are revoked; and,*

10. *The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.*

EXECUTIVE SUMMARY

Instruments of Delegation represent the formal delegation of powers by Council under the *Local Government Act 2020* (the Act) and enable the business of Council to be carried out efficiently and in line with Council approved policies.

The previous Instrument of Delegation to the CEO and the Instrument of Delegation to Members of Council Staff were executed on 28 April 2026.

The revised instruments reflect staffing changes in the organisation, along with legislative changes and amendments suggested by Maddocks as part of their continual review processes.

BACKGROUND

Instruments of Delegation represent the formal delegation of powers by Council. Section 11(1)(b) of the *Local Government Act 2020* (the Act) provides for a Council to delegate powers, duties and functions to its CEO under the Act or any other Act, other than certain specified powers.

Delegations enable the business of Council to be carried out effectively, in line with Council approved policies and are assigned to positions within Council, rather than to staff individually. When executing powers under delegation, staff are also limited and bound by Council policies and procedures.

Section 11 of the Act specifies a number of powers, duties and functions that must be specified through Instruments of Delegation, along with a number of exclusions to what can be delegated to the CEO:

(1) A Council may by instrument of delegation delegate to—

> *(a) the members of a delegated committee; or*
>
> *(b) the Chief Executive Officer— any power, duty or function of a Council under this Act or any other Act other than a power, duty or function specified in subsection (2).*

(2) The following are specified for the purposes of subsection (1)—

(a) the power of delegation;

(b) the power to elect a Mayor or Deputy Mayor;

(c) the power to grant a reasonable request for leave under section 35;

(d) subject to subsection (3), the power to appoint the Chief Executive Officer, whether on a permanent or acting basis;

(e) the power to make any decision in relation to the employment, dismissal or removal of the Chief Executive Officer;

(f) the power to approve or amend the Council Plan;

(g) the power to adopt or amend any policy that the Council is required to adopt under this Act;

(h) the power to adopt or amend the Governance Rules;

(i) the power to appoint the chair or the members to a delegated committee;

(j) the power to make, amend or revoke a local law;

(k) the power to approve the budget or revised budget;

(l) the power to borrow money;

(m) subject to section 181H(1)(b) of the Local Government Act 1989, the power to declare general rates, municipal charges, service rates and charges and special rates and charges;

(n) any power, duty or function prescribed by the regulations for the purposes of this subsection.

The current Instrument of Delegation to the Chief Executive Officer and Instrument of Delegation to Members of Council Staff were executed on 28 April 2026.

Council subscribes to the Maddocks Authorisations and Delegations Service, which provides advice regarding legislative amendments and template instruments which are then tailored to organisational requirements. Maddocks have informed Council about the legislative changes that affect the powers, duties and functions of Council.

The following table provides an overview of Council's Instruments of Delegation, what powers are delegated, and what approval is required:

Delegation from Council *Require resolution of Council* **Schedule 5** – Delegation from Council to the CEO under the *Local Government Act 2020* *Includes delegations required and excluded under the Local Government Act 2020*

Schedule 6 – Delegation from Council to Council Staff under various Acts

Powers are delegated direct to officers under the following Acts:

- *Cemeteries and Crematoria Act 2003*
- *Domestic Animals Act 1994*
- *Environment Protection Act 1970*
- *Food Act 1984*
- *Heritage Act 2017*
- *Local Government Act 1989*
- *Planning and Environment Act 1987*
- *Residential Tenancies Act 1997*
- *Road Management Act 2004*
- *Cemeteries and Crematoria Regulations 2015*
- *Planning and Environment Regulations 2015*
- *Planning and Environment (Fees) Regulations 2016*
- *Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2020*
- *Road Management (General) Regulations 2016*
- *Road Management (Works and Infrastructure) Regulations 2015*

Schedule 18 - New Instrument of Delegation Environment Protection Authority powers from Council to members of Council staff

Allows authorised officer to exercise powers held by the Environment Protection Authority under the Environment Protection Act 2017, specifically relating to:

- *onsite wastewater management systems with a design or actual flow rate of sewage not exceeding 5000 litres on any day; and*
- *noise from the construction, demolition or removal of residential premises.*

Delegation from the CEO

To be determined by the CEO

Schedule 7 – Sub-delegation from the CEO to Council Staff under various Acts

Powers, as delegated to the CEO by Council or under various Acts, are sub-delegated to Council Staff under various Acts and through administrative powers.

Schedule 13 – delegation directly from the CEO to Council Staff under various Acts

Schedule 14 – delegation from the CEO to Council Staff related to VicSmart applications

Schedule 15 – delegation from the CEO to Council Staff related to Freedom of Information Processing

Schedule 16 – delegation from the CEO to Council Staff related to bushfire reconstruction

KEY ISSUES

Instrument of Delegation to Chief Executive Officer (S5) – to be adopted by Council

There are no legislative changes advised by Maddocks for this instrument. The Instrument is based upon the Maddocks template, and continues the delegations approved in April 2026.

Instrument of Delegation to Members of Staff (S6) – to be adopted by Council

The revised Instrument of Delegation to Members of Council staff is based upon the previous Instrument considered by Council in April 2026. This revision has also been updated to include recent position changes across the organisation.

The Instrument has been revised to take into account recent legislative changes and to provide further clarity on officer powers.

Amendments to the delegated powers, duties and functions in the revised Instrument of Delegation to Members of Council Staff are largely administrative in nature and will not result in any significant changes to current practices.

Amendments have been made to this instrument to reflect changes to the following Acts and Regulations:

- *Food Act 1984*
- *Road Management (General) Regulations 2026*
- *Road Management (Works and Infrastructure) Regulations 2026*
- *Planning and Environment Interim Regulations 2026*
- *Road Management Act 2004*
- *Planning and Environment Act 1987*

Instruments of Delegation to be authorised by the CEO

The following instruments will be authorised by the CEO once Council has considered the Instrument of Delegation to the CEO.

Section 47 of the 2020 Act provides the CEO the power to sub-delegate any powers, duties or functions that has been delegated to them to members of Council staff. These powers, duties or functions may be delegated to a named person or to the holder of a specified position.

Instrument of Sub-Delegation by CEO (S7)

The revised Instrument of Delegation to Members of Council staff is based upon the previous Instrument considered by Council in April 2026. This revision has also been updated to include recent position changes across the organisation and recent legislative changes and to provide further clarity on officer powers.

Amendments have been made to this instrument to reflect changes to the following Acts and Regulations:

- *Building Act 1993*
- *Child Wellbeing and Safety Act 2005*
- *Circular Economy (Waste Reduction and Recycling) Act 2021*
- *Education and Care Services National Law Act 2021*
- *Electricity Safety (Electric Line Clearance) Interim Regulations 2025*
- *Food Act 1984*
- *Environment Protection Act 2017*
- *Infringements Act 2006*
- *Public Health and Wellbeing Act 2008*
- *Tobacco Act 1987*
- *Transport (Compliance and Miscellaneous) Act 1983*

Instrument of Delegation by CEO of CEO powers, duties and functions to Members of Council Staff (S13)

This instrument allows the CEO to delegate powers, duties and functions existing under all Victorian legislation. This differs to the Instrument of Sub-Delegation by CEO (S7) in that it does not relate to *Council* powers, duties and functions, but those vested in the CEO personally.

Amendments have been made to this instrument to reflect changes to the following Acts:

- *Child Wellbeing and Safety Act 2005*
- *Food Act 1984*

Instrument of Delegation by CEO for VicSmart Applications and Future Homes Applications under the Planning and Environment Act 1987 (S14)

Amendments have been made to this instrument to reflect changes to the *Planning and Environment Interim Regulations 2026.*

Instrument of Delegation by CEO for Bushfire Reconstruction (S16)

Amendments have been made to this instrument to reflect changes to the *Planning and Environment Act 1987* and the *Planning and Environment Interim Regulations 2026.*

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

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

Amendments to the delegated powers, duties, and functions in the revised Instrument of Delegation to Members of Council Staff are administrative in nature and will not result in any significant changes to current practices.

It is noted that the instruments provide that a power, duty, or function may only be exercised in accordance with adopted policies.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The revised Instruments of Delegation have been prepared based on current advice provided by Council's solicitor Maddocks.

Consultation has occurred with Managers, Coordinators, and relevant staff during the preparation of the revised Instruments of Delegation to ensure that appropriate staff delegates have been nominated.

RISK AND GOVERNANCE IMPLICATIONS

Reviewing Council's delegations ensures Council continues to comply with its obligations under various Acts and Regulations and enables the business of Council to be carried out efficiently.

If the Council did not delegate duties, powers, and functions to members of Council staff and enable the CEO to do the same, Council would not be able to manage the volume of work and decisions that are effectively carried out by officers every day.

Appropriate conferring of powers to positions within Council also enables decisions that are made on a day-to-day basis to be compliant and reduce the opportunity to be challenged from an authorising environment perspective.

ENVIRONMENTAL SUSTAINABILITY

There are no sustainability implications associated with this report.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with this report.

7.8 ANNUAL REPORT TO COUNCIL ON THE ACTIVITIES AND PERFORMANCE OF COMMUNITY ASSET COMMITTEES 2025/2026

CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Governance Advisor, I Catherine Nurse have no interests to disclose in this report

ATTACHMENTS

1. Creswick Museum Community Asset Committee Annual Report to Council [**7.8.1** - 7 pages]
2. Dean Recreation Reserve and Tennis Courts Community Asset Committee Annual Report to Council [**7.8.2** - 7 pages]
3. Drummond Hall Community Asset Committee Annual Report to Council [**7.8.3** - 7 pages]
4. Glenlyon Recreation Reserve Community Asset Committee Annual Report to Council [**7.8.4** - 7 pages]
5. Lee Medlyn Home of Bottles Community Asset Committee Annual Report to Council [**7.8.5** - 9 pages]
6. Lyonville Hall Community Asset Committee Annual Report to Council [**7.8.6** - 7 pages]
7. CONFIDENTIAL REDACTED - Audited Financial Report - Creswick Museum Community Asset Committee - 2024/2025 [**7.8.7** - 3 pages]
8. CONFIDENTIAL REDACTED - Audited Financial Report - Drummond Hall Community Asset Committee - 2024/2025 [**7.8.8** - 2 pages]
9. CONFIDENTIAL REDACTED - Audited Financial Report - Glenlyon Recreation Reserve Community Asset Committee - 2024/2025 [**7.8.9** - 1 page]
10. CONFIDENTIAL REDACTED - Audited Financial Report - Lee Medlyn Home of Bottles Community Asset Committee - 2024/2025 [**7.8.10** - 3 pages]
11. CONFIDENTIAL REDACTED - Audited Financial Report - Lyonville Hall Community Asset Committee - 2024/2025 [**7.8.11** - 7 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Receives and notes the report on the operations of Council's Community Asset Committees as required in line with obligations set out in Local Government Act 2020; and,*

2. *Thanks Committee members for their efforts and achievements throughout the year.*

EXECUTIVE SUMMARY

Under the *Local Government Act 2020*, the CEO is required to submit a report to Council each year on the activities and performance of Community Asset Committees.

Annual Reports provided by Council's Community Asset Committees are attached.

Input has also been provided from across Council, including the Facilities, Sport and Active Recreation, Healthy Communities, Grants and Governance teams.

BACKGROUND

A Community Asset Committee is a committee established by Council, with members appointed by the CEO, for the purposes of managing a community asset in a municipal district (s65(2)).

Council has six Community Asset Committees:

- Creswick Museum Community Asset Committee
- Dean Recreation Reserve and Tennis Courts Community Asset Committee
- Drummond Hall and Tennis Courts Community Asset Committee
- Glenlyon Recreation Reserve Community Asset Committee
- Lee Medlyn Home of Bottles Community Asset Committee
- Lyonville Recreation Reserve Community Asset Committee

KEY ISSUES

This annual report covers the February 2025-January 2026 period. Delays were incurred in receiving required information from some Committees, however all Committee submissions have now been received.

Creswick Museum Community Asset Committee

Purpose of the Committee

The Committee has operational oversight of the Creswick Museum, the former Infant Welfare Centre, Cambridge Street, Creswick and the Museum Collection including, but not limited to, the following:

- Dr. E.J. Semmens Collection;
- Lindsay Family Collection;
- T.G. Moyle Collection;
- W. Tibbits Collection;
- Victor Litherland Collection;
- Creswick Council Chamber Collection;
- H.H. Pearce Collection;
- Sir Alexander and Lady Peacock Collection;
- H. Burkitt Collection;
- The New Australasian No. 2 Mine Disaster Collection;
- Alexander T Evans Collection;

- Jean Baker Collection; and
- Heather Lay Collection
- (being collections held in trust for Creswick & District residents)

The Committee also manages opening the museum to the public, undertakes research on request, manages inventory of the collection and acquisition of the new items for the collection, and arranging loan of items from other collections to make them available to the community. The Committee also manages a group of volunteers who staff the Museum and support the work of the Committee.

Governance

The Committee was first established in 1997 as a Special Committee of Council under the *Local Government Act 1989*. The current Instrument of Delegation was authorised by the CEO on 24 August 2024. The Committee was established under the *Local Government Act 2020*.

The Committee is required to have at least seven voting members under its Instrument of Delegation, with a current membership of six. Overall, the Committee is diligent in operating in line with the terms of their Instrument and regularly files minutes and financial returns as required.

The Committee held $24,704.87 in cash reserves at 30 June 2025 per the audited financial report.

Relevant Plans and Strategies

Arts and Culture Strategy was adopted at the 8 June 2024 Ordinary Council Meeting. This strategy has been reviewed due to the restructure of the organisation in June 2025. The strategy is being actioned with a revised timeframe, and reduced services.

Maintenance and Improvements

A storage area attached to the Town Hall and Museum has been upgraded and dedicated to the Museum for use.

Renewal of a boiler servicing the heating, and replacement of a glass window were small maintenance items completed.

Community Engagement

Council's Reconciliation and Culture Officer continues to support the Community Asset Committee on the management of the Creswick Museum Collection.

Dean Recreation Reserve and Tennis Courts Community Asset Committee

Purpose of Committee

The Committee has operational oversight of the Dean Recreation Reserve and Tennis Courts including the soccer pitches, pavilion, toilet block and storage shed, tennis courts, shelter and fencing.

Governance

The Committee was first established in 1997 as a Special Committee of Council under the *Local Government Act 1989.* The current Instrument of Delegation was authorised by the CEO on 24 August 2024. The Committee was established under the *Local Government Act 2020.*

The Committee is required to have at least five voting members under its Instrument of Delegation, with a current membership of nine.

The Committee is currently meeting quarterly and has filed minutes for its meetings over the past 12 months.

The Committee's annual financial audits for the 2023/2024 and 2025/2026 financial years have not yet been provided to Council. The Committee has approximately $32, 114 in cash reserves, as reported in their submission attached to this report and supporting bank statement provided; officers note that this amount has not been audited. The Committee has been reminded of its obligation under their Instrument of Delegation to provide key documents including audited financial records to Council.

Relevant Plans and Strategies

- Nil

Maintenance and Improvements

The annual electrical audit was completed in October 2025, resulting in two external floodlights being replaced.

Community Engagement

Officers continue to liaise with the Dean Recreation Reserve Community Asset Committee to facilitate the exploration of future funding opportunities for the Reserve's existing sport and recreation infrastructure.

Drummond Hall and Tennis Courts Community Asset Committee

Purpose of Committee

The Committee has operational oversight of the Drummond Hall consisting of Drummond Hall, including timber building, brick toilet block and tennis courts.

Governance

The Committee was first established in 1997 as a Special Committee of Council when it was established under the *Local Government Act 1989*. The current Instrument of Delegation was authorised by the CEO on 24 August 2024. The Committee was established under the *Local Government Act 2020.*

The Committee is required to have at least five voting members under its Instrument of Delegation, with a current membership of six.

The Committee is diligent in operating in line with the terms of the Instrument and regularly files minutes and financial returns as required.

The Committee held $3,220.25 in cash reserves at 30 June 2025 per the audited financial report.

Relevant Plans and Strategies

- Nil

Maintenance and Improvements

Hardfloor repair, sanding and polishing as well as renewal and upgrade from space heaters to two dedicated split systems and a small repair to doors were conducted. Remedial works to the public toilets, and doors to stop draught will form part of Councils 2026/27 building renewal program.

Painting both internally and externally was an element raised by the Asset Committee with contributory resources and or funding to be reviewed and resolved.

Community Engagement

Sport and Recreation officers continue to liaise with the Drummond Hall Community Asset Committee in relation to the Hall's free public access tennis court facility.

Glenlyon Recreation Reserve Community Asset Committee

Purpose of Committee

The Committee has operational oversight of the Glenlyon Recreation Reserve.

Governance

The Committee was first established in 1997 as a Special Committee of Council when established under the *Local Government Act 1989*. The current Instrument of Delegation was authorised by the CEO on 2 August 2024. The Committee was established under the *Local Government Act 2020*.

The Committee is required to have at least five voting members under its Instrument of Delegation, with a current membership of seven.

The Committee regularly files minutes and financial returns as required.

The Committee held $26706.69 in cash reserves at 30 June 2025 per the audited financial report.

Relevant Plans and Strategies

- Glenlyon Recreation Reserve Masterplan (2024)

Maintenance and Improvements

Council provided assistance with cleaning and making sure the septic system was ready for the Glenlyon Sports Day, 1 January 2026.

Community Engagement

Officers continue to liaise with the Glenlyon Recreation Reserve Community Asset Committee on matters relating to the facilities and community access and use of the Reserve.

Lee Medlyn Home of Bottles Community Asset Committee

Purpose of Committee

The Committee has operational oversight of the Lee Medlyn Home of Bottles consisting of the Former School Building, Factory and Public Toilet Block at 70 Bailey Street, Clunes and the Lee Medlyn Home of Bottles Collection including, but not limited to, the following:

- Lee Medlyn Bottle Collection
- Eberhard Factory (soft drink display), and
- other collectables and displays currently at the Home of Bottles, and as the committee obtains.

The Committee also manages opening the museum to the public, acquisition of the new items for the collection, and arranging loan of items from other collections to make them available to the Hepburn Shire community.

Governance

The Committee was first established in 1997 as a Special Committee of Council when established under the *Local Government Act 1989.* The current Instrument of Delegation was authorised by the CEO on 24 August 2024. The Committee was established under the *Local Government Act 2020*.

The Committee is required to have at least seven voting members under its Instrument of Delegation, with a current membership of seven.

The Committee meets monthly and is diligent in operating in line with the terms of their Instrument and regularly files minutes and financial returns as required.

The Committee held $9600.97 in cash reserves at 30 June 2025 per the audited financial report.

Relevant Plans and Strategies

- *Arts and Culture Strategy 2024.*

Maintenance and Improvements

The 2025/26 capital works program includes funding to undertake works related to safety and reduce immediate risk. Areas of focus include the sawtooth windows, lintel and glazing replacement. This incorporates advice and reports received from consultants in relation to building movement reported in mid 2025 by the Asset Committee.

Community Engagement

Council is working with the Committee to support management of the collection.

Lyonville Hall Community Asset Committee

Purpose of Committee

The Committee has operational oversight of the Lyonville Hall consisting of a timber hall, outside toilets and reserve land.

Governance

The Committee was first established in 1997 as a Special Committee of Council when it was established under the *Local Government Act 1989.* The current Instrument of Delegation was authorised by the CEO on 9 September 2024. The Committee was established under the *Local Government Act 2020*.

The Committee is required to have at least five voting members under its Instrument of Delegation, with a current membership of seven.

The Committee is currently meeting monthly and has regularly filed minutes and financial statements as required.

The Committee held $140,543.70 in cash reserves at 30 June 2025 per the audited financial report.

Relevant Plans and Strategies

Nil.

Maintenance and Improvements

Council has assisted the Committee with advice on public toilet renewal in relation to plans and services connection to the septic system.

Community Engagement

In June 2024, the Lyonville Community Asset Committee was successful in receiving $50,000 in funding from the Tiny Towns Fund to undertake improvement works to the exterior of the hall and surrounding garden area. As the project progressed, Sport and Recreation Project Officers continued to provide ongoing assistance to the Lyonville Hall Community Asset Committee for the grant reporting and acquittal under the auspicing arrangement with Engineering Services officers supporting the Committee to successfully deliver the works. The Lyonville Hall Landscaping Project was completed in February 2026, with the project delivered in partnership with the Victorian Government.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

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

Arts and Culture Strategy 2024

Glenlyon Recreation Reserve Masterplan

FINANCIAL IMPLICATIONS

Most Committees continue to struggle with financial sustainability, and Council is working with Committees to explore options for improving financial sustainability.

Council's Community Asset Committees are empowered to manage their own fees and fee waivers under their Instruments of Delegation for facility bookings. As the committees are reliant on hire fees as a source of income, it can be difficult to provide their facilities free of charge. To address this, Council provides the following Community Asset Committees with an annual stipend of $500:

- Dean Recreation Reserve and Tennis Courts Community Asset Committee
- Drummond Hall Community Asset Committee
- Glenlyon Recreation Reserve Community Asset Committee
- Lyonville Hall Community Asset Committee

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Engagement has been undertaken with the Council staff regularly working with and supporting Community Asset Committees throughout their functions. As support to these Committees stretches across many functions within Council, a collaborative approach in the preparation of the report was taken.

The Committees are invited to provide a report to Council.

RISK AND GOVERNANCE IMPLICATIONS

During the preparation of this Annual Report, a number of governance issues were identified, such as:

- Some committees not arranging their annual financial audit in the required timeframe,
- Some committees not providing their submission to this Annual Report in the required timeframe, and
- Some committees not providing copies of their minutes to Council.

Officers have contacted the relevant Committees to remind them of their requirements under their Instrument of Delegation and provide guidance on rectifying these issues.

Officers are also establishing a manual to assist all Community Asset Committees for consistency, governing of processes and templates.

ENVIRONMENTAL SUSTAINABILITY

There are no sustainability implications associated with this report.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with this report.

8 ITEMS OF URGENT BUSINESS

9 COUNCILLOR AND CEO REPORTS

9.1 MAYOR'S REPORT

Councillor Tony Clark

9.2 COUNCILLOR REPORTS

Councillor Lesley Hewitt

Councillor Pat Hockey

Councillor Brian Hood

Councillor Shirley Cornish

Councillor Tim Drylie

Councillor Don Henderson

RECOMMENDATION

That Council receives and notes the Mayor’s and Councillors’ reports.

9.3 CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer Report informs Council and the community of current issues, initiatives and projects undertaken across Council.

CHIEF EXECUTIVE OFFICER UPDATE

This report summarises matters the Interim CEO has dealt with over the past month.

There have been several meetings with community groups and individuals across the Shire which presented the opportunity to listen and share information. At each meeting the approach has been to convey the restoration of governance and the impending review by an independent expert of Council's long term financial position. That review is reported separately on this agenda.

Regional Forum meetings have been attended, and several state government officers have been introduced, most of whom are new to their positions in various departments.

The former Office of Local Government is now part of a Government Services Section in the Department of Energy, Environment and Climate Action (DEECA) and it is not yet clear what level of capacity and expertise is available compared to the previous service.

As the changes to the *Local Government Act 2020*, which includes closing the loophole exposed by the actions against Hepburn Shire Councillors and the former CEO, have not yet been passed by Parliament, the support for the local government sector appears diminished. The caretaker period is imminent (3 November 2026) and government activity could be restricted for some time, depending on the election results.

More uncertainty about the Western Renewables Link is imposed by the Planning Minister's decision to approve and the Premier's decision to review the project costs.

Advocacy work by Council and regional partners is vital in the lead up to the election. Meetings with Vic Grid and several groups were cancelled at short notice just before the announcement. A coordinated approach will be necessary, further information will be provided to Council as work progresses.

Visits to all customer service and office sites have occurred and consideration of future office accommodation options are underway in preliminary form. My intention is to provide an outline strategy to the next CEO which will facilitate consideration by Council at an appropriate time. Asset realisations in accord with existing Council resolutions are necessary to enable any future change, and while these are overdue, they can be progressed without further delay.

The recent incident with the rate notices is regrettable and unacceptable for our community. An investigation is underway but initial indications are about issues with the contracted supplier.

Two key projects are underway arising from Council's budget discussions earlier this year - first is a comprehensive review of all policies and procedures to identify compliance and relevance, second is research to identify additional sources of revenue for Council. Regular updates will be provided to Council. The latter project is reinforced by the Independent Review of Financial Sustainability also on this agenda.

RECOMMENDATION

That Council receives and notes the Chief Executive Officer's Report for September 2026.

10 CLOSE OF MEETING