



HEPBURN SHIRE COUNCIL
ORDINARY MEETING OF COUNCIL
PUBLIC AGENDA

Tuesday 23 September 2025

Council Chamber
24 Vincent Street Daylesford

6:00PM

A LIVE STREAM OF THE MEETING CAN BE VIEWED
VIA [COUNCIL'S YOUTUBE CHANNEL](#)

AGENDA

Tuesday 23 September 2025

Council Chamber

24 Vincent Street Daylesford

Commencing at 6:00PM

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BRADLEY THOMAS

CHIEF EXECUTIVE OFFICER

Tuesday 23 September 2025

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 26 August 2025 (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.

Some questions of an operational nature may be responded to through usual administrative procedure. Separate forums and Council processes are provided for deputations or for making submissions to Council.

Questions received may be taken on notice but formal responses will be provided to the questioners directly. These responses will also be read out and included within the minutes of the next Ordinary Meeting of Council to make them publicly available to all.

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

6.1.1 REA LANDS PUBLIC PARK - JOINT LETTER

INTRODUCTION

The joint letter, in relation to Rea Lands Public Park, was received on 12 September 2025 and has 117 valid signatures.

The joint letter reads:

“We, the undersigned, respectfully respond to the following motion passed at the 29 July 2025 Council meeting:

“Request the Chief Executive Officer prepare a briefing report for Councillors with the history of the Rea Lands Reserve being bequeathed to Council and for further investigation whether this site could be considered for sale or other use by Council.”

We ask that Council affirm Rea Lands as a community reserve held in perpetuity, and take steps to ensure its long-term protection as a site of public, ecological, and historical significance.

In support of this request we have drafted the following motion for Councillors to consider putting before Council at its next meeting:

“That Council recognises that the land at 42 Raglan Street Daylesford, known as ‘Rea Lands Public Park’, was bequeathed in 1982 to the citizens of Daylesford for their use and benefit by a former local Shire Councillor and Shire President, Constance Bessie Rea (Betty Rea). Accordingly, in honour of this generous bequest, Council formally resolves that:

(i) the land be held in perpetuity as a Council asset on behalf of the community for their use and benefit

(ii) the land will remain known as ‘Rea Lands Public Park’ in perpetuity

(iii) the land be re-zoned as a Public Park and Recreation Reserve or PPRZ”

RECOMMENDATION

That Council:

- 1. Receives the joint letter;*
- 2. Refers the matter to be considered at item 10.1 Notice of Motion of tonight’s agenda; and,*
- 3. Provides a written response to the Friends of Rea Lands following tonight’s Council Meeting.*

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 Mayor will respond on behalf of Council.

7 OFFICER REPORTS

7.1 GLENLYON RECREATION RESERVE PAVILION REDEVELOPMENT PROJECT – PROJECT ADVISORY GROUP UPDATE

DIRECTOR INFRASTRUCTURE AND DELIVERY

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

ATTACHMENTS

- Nil

OFFICER'S RECOMMENDATION

That Council:

- 1. Acknowledges the work done and the recommendations provided by the Project Advisory Group;*
- 2. Varies the scope of the Glenlyon Recreation Reserve Pavilion Redevelopment project to be renovation and renewal of the existing pavilion instead of construction of a new pavilion;*
- 3. Investigates varying the current project funding agreement with the Federal Government to allow the funds to be used for the varied scope of work; and,*
- 4. Develops a funding strategy for the design and delivery of the varied scope of work.*

EXECUTIVE SUMMARY

The purpose of this report is to address the resolutions made at the 16 September 2024 Ordinary Council Meeting.

Since that time, a Project Advisory Group was formed, met on four occasions to discuss community facility options at Glenlyon Recreation Reserve and recommended a preferred option.

Officers completed due diligence on the preferred option to provide context to the proposed resolutions.

BACKGROUND

At the 16 September 2024 Ordinary Council Meeting, the following resolutions were made in relation to the next steps of the project:

- *Notes that further investigation and community consultation needs to be done before any decision can be made about the siting of a new pavilion at either the current or a new site;*
- *Establishes a Project Advisory Group (similar to the Daylesford Community Facilities PAG) to consult on this project including representation from relevant stakeholder/user groups and the wider community;*
- *Consults with the Project Advisory Group on the future of the existing pavilion; and,*
- *Requires a further decision by Council to determine whether to progress with a new pavilion, other facility options, and at which locations.*

KEY ISSUES

Project Advisory Group

Officers undertook a process to establish a PAG with representation from different user groups of the Glenlyon Recreation Reserve and members of the broader Glenlyon community. The PAG had 11 members and met on four occasions across April to June 2025. The program of meetings was designed to address the following themes, explore opportunities and conclude with an agreed proposal for the future of a community facility at Glenlyon Recreation Reserve. The four meetings were focused on the following:

- Glenlyon Recreation Reserve planning controls framework
- Renovation of the existing pavilion
- Construction and siting of a new pavilion
- Resolve on a future proposal – renovation versus new construction

At the conclusion of the fourth meeting, the PAG were unanimous in their recommendation that renovation of the existing pavilion was preferable to construction of a new pavilion at a different location within the reserve.

Proposed Renovation Scope

To accompany a recommendation from the PAG to renovate the existing pavilion, officers sought preliminary input from relevant consultants to scope and cost a renovation project that would comply with planning and building controls. The following scope is reflective of PAG feedback gathered during the second PAG meeting.

- Demolish DDA toilet and provide new DDA toilet/shower, storage and secondary exit in a new extension to the pavilion
- Replace roofing, gutters and downpipes and install roof insulation
- Extend roof over BBQ
- Replace weatherboards and install wall insulation with an allowance for repair/replacement of timber studs as required

- Replace asbestos containing internal wall linings
- Replace windows and server hatch, retaining heritage style
- Refurbish kitchen
- Refurbish existing male/female toilets

A cost plan has been prepared on the documented scope that indicates the total project cost to be approximately \$1.3M (excl. GST). This figure is inclusive of design costs, project management and contingency.

Planning and Building Controls

The proposal to renovate the existing pavilion takes into consideration the planning and building controls that apply to the Glenlyon Recreation Reserve.

The site is subject to a heritage overlay (HO), environmental significance overlay (ESO1 and ESO2) and a bushfire management overlay (BMO). A planning permit is not triggered for these overlays if the following is complied with -

- HO: Internal changes are not controlled
- HO: Like for like repair and maintenance of external façade or other building features
- HO: New works/demolition of existing
- ESO1, ESO2: New septic tank and protection of the mineral springs
- BMO: An alteration or extension that is less than 10 percent of the gross floor area of the existing building (building permit may be required)

This proposal to make internal improvements, repair/replace weatherboards and windows does not trigger the requirement for a planning permit under the HO. The extension has been designed sympathetically to the original form of the building. Preliminary internal planning advice is that this approach would be endorsed under the HO.

Due to no increase in patronage and number of toilets, it is not proposed to modify/upgrade the septic system, therefore not triggering a planning permit under the ESO1. The septic system is operating without reported issues. This would be reviewed again if the project progresses. A renovation on the site of the existing pavilion does not trigger a planning permit under the ESO2.

The size of the documented extension is a 10% increase on the original gross floor area. An extension of the existing pavilion does not trigger a planning permit under the BMO.

A building permit will be required for the extension.

Consultant Input – Flood Modelling

Flood modelling for a 1 in 100-year flood (a flood that has a probability of occurring once every 100 years) was completed for a pavilion in the current location and two other potential locations to the southside of the racecourse.

At the site of the existing pavilion, the modelling indicates a 1 in 100-year flood would result in a depth of inundation of 220mm and a recommended finished floor level of 540mm. As the existing pavilion cannot be raised, the proposed renovations would take measures to make the building more flood resilient. These would include application of sarking to the external walls, design of the kitchen to locate appliances above 540mm where possible, utilising stainless steel as opposed to cabinetry below 540mm and locating electrical cables and outlets above 540mm.

Consultant Input – Civil and Structural Engineer

A consulting civil and structural engineer visited the site and provided a visual inspection report that indicated that whilst the pavilion is ageing and has been subject to intermittent flood damage and deterioration, that the building condition was reasonably sound. The DDA toilet was noted to be in worse condition than the main building. The report notes that with remedial works, the effective lifespan of the building could be extended.

Consultant Input – Bushfire Hazard Identification Assessment

A Bushfire Hazard Identification Assessment (BHIA) was completed for the scenario of constructing a new pavilion on the site of the existing pavilion. The conclusion of this assessment was the construction would need to comply with a Bushfire Attack Level (BAL) of 40 and would require vegetation to be cleared within 60m of the site. These requirements would not be supported at planning permit application stage by Council or the CFA as a referral authority. Other potential construction sites within the reserve may have less stringent bushfire design requirements and would require further investigation.

This advice shaped PAG discussions as other potential construction sites would not meet the needs of the varying user groups.

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

Expenditure to complete renovation proposal	
Refurbishment and building works	\$619,055
External works	\$52,500
Net construction cost	\$671,555
ESD initiatives	\$10,073
Design	\$75,000
Design contingency (10%)	\$67,156
Escalation to commencement (mid 2026)	\$26,862
Escalation to completion (early 2027)	\$13,431
Total contract sum	\$864,077
Contingency (30%)	\$259,223
Project management (20%)	\$172,815
Total end project cost	\$1,296,116

Expenditure to date on the project is \$118,487.

Federal funding of \$500,000 is attached to the project to contribute to the design and construction of a new community pavilion. No funds have been received to date. The first payment would be made on achieving the milestone of completing the final design. To change to a renovation scope will require a scope variation with the funding partner. The funding partner has been approached to comment on the likelihood of a scope variation being accepted.

It is also noted that the Glenlyon Recreation Reserve is also recognised as a formal Mineral Spring Reserve. Accordingly, any financial contribution towards to the project by Council is able to be drawn from the Mineral Springs Financial Reserve managed as the balance of the financial reserve permits.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The members of the PAG were chosen to be representative of the community and to allow deeper involvement in the engagement process.

The names of the PAG were shared on Participate Hepburn and social media to allow community members a point of contact to engage with the project. The members of the PAG were encouraged to share project updates within their networks and raise awareness of the project.

RISK AND GOVERNANCE IMPLICATIONS

Renovation of an existing, aging facility presents the risk of latent conditions requiring additional budget to rectify or a reduction in scope to address the impact to budget. A building inspection has been completed by a civil and structural engineer that indicates that the facility is in reasonable condition. The proposed renovation scope addresses the parts of the building fabric that require renewal.

Project risks are recorded in a risk register with mitigation strategies identified. The risk register will be reviewed on a monthly basis throughout the project.

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

ENVIRONMENTAL SUSTAINABILITY

Renovation of the existing pavilion will allow reuse of building fabric that has remaining useful life to improve sustainability outcomes for the project.

GENDER IMPACT ASSESSMENT

A Gender Impact Assessment has been completed for the masterplan, and includes consideration of the pavilion, including:

- Adopt universal design requirements to remove barriers that traditionally prevent the inclusion of female and gender-diverse people
- Provision of amenities within any new community pavilion of accessible unisex toilets, shower and baby change table
- Safety lighting as part of the new community pavilion.

The recommended scope of works to renew the existing pavilion does not trigger the need for a separate GIA, although wherever possible the above approaches would be employed.

7.2 DJUWANG BARING PRECINCT TRAFFIC MANAGEMENT PLAN

DIRECTOR INFRASTRUCTURE AND DELIVERY

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

ATTACHMENTS

1. Djuwang Baring Precinct - Traffic Management Plan [7.2.1 - 49 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Receives the Traffic Management Plan for the Djuwang Baring Precinct noting the unintended impacts on the local community following the successful opening of the trails in 2024;*
2. *Resolves to carry forward \$600,000 of the construction project underspend from the 2024/2025 budget, for the purpose of implementing the following:*
 - a. *Sealing of St Georges Lake Road;*
 - b. *Realignment of the intersection at St Georges Lake Road and Lees Street;*
 - c. *Installation of speed humps and associated infrastructure along St Georges Lake Road;*
 - d. *A review of the posted speed limit of St Georges Lake Road;*
 - e. *Implementation of relevant signage in accordance with the plan;*
 - f. *Implementation of the Hammon Park pick up area, on a trial basis, to support professional shuttling operations; and,*
 - g. *Completion of the Melbourne Road crossing and pedestrian bridge as part of the agreed Djuwang Baring Project scope.*
3. *Requests officers pursue an application to the Safer Local Roads and Infrastructure Program for the above works, to reduce Council's capital contribution required, and/or expand the scope of works to incorporate other priority items from the plan;*

4. *Supports the removal of the temporary traffic management treatments including water filled barriers, signage and parking restrictions, as the above outcomes are delivered; and,*
5. *Refers other priorities within the plan to future budget considerations and/or other grant funding opportunities.*

EXECUTIVE SUMMARY

Following the successful opening of the Djuwang Baring trails network, a number of unintended traffic impacts have been experienced within the nearby residential areas.

In response, Council commissioned a traffic engineering firm to undertake an independent assessment of the area and prepare a Traffic Management Plan (TMP) for the precinct.

This report provides an overview of the background, draft plan and proposed treatments, along with a recommended implementation and funding strategy.

BACKGROUND

In early 2023, Council, in partnership with a range of key stakeholders and community groups, commenced construction of the Djuwang Baring all-abilities mountain bike trail network in Creswick.

The delivery of the 60km of trails aimed to enhance tourism and provide economic benefits to the township, promote participation in outdoor recreation and support cultural engagement.

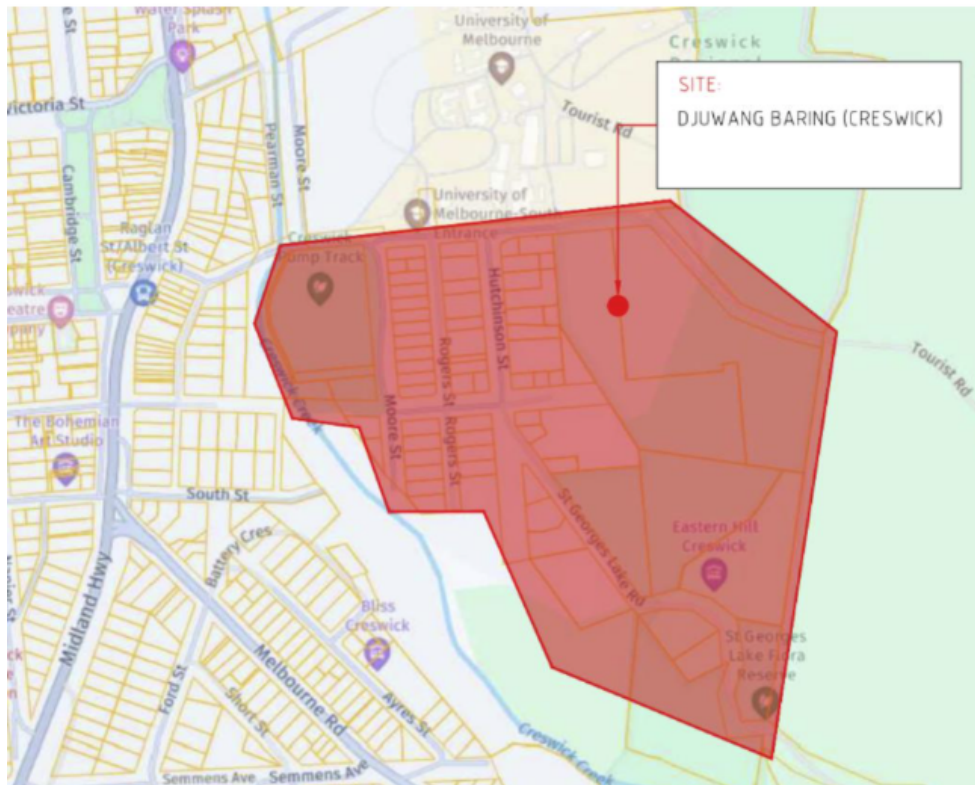
Since officially opening the second and final stage in November 2024, the trails network has been widely embraced by riders and has seen a significant boost in local business activity, however the influx of visitors to the site has resulted in some unintended impacts on the nearby residential area.

KEY ISSUES

Post opening, a number of concerns have been highlighted by the community, namely:

- **Increased traffic volume** including local, non-local and commercial vehicles
- **Dust and amenity issues** along unsealed roads used for parking and/or trail access
- **Parking pressure** during peak periods
- **Pedestrian safety risks** along the shared connections between the trails, parking and Hammon Park areas

In response to the issues raised, Council engaged an experienced traffic engineering firm to undertake an assessment of the affected area (outlined below) and prepare a Precinct Traffic Management Plan focussing on assessing the issues identified in the context of the broader area and providing prioritised treatment options for consideration. The development of the plan included an onsite assessment, review of existing conditions, use, and traffic data at key locations.



Community Engagement

Following the development of a draft TMP, community engagement was undertaken, to ascertain the level of support, or otherwise, for the treatments proposed and provide general feedback on the plan.

The engagement was undertaken between 25 June and 13 July, and included the following activities:

- **Participate Hepburn** engagement page where information was available and submissions could be made via the online survey platform
- **Social media** promotions of the engagement
- **Direct letterbox drop** to the study area
- **Community drop-in session** in Creswick, where hard copy feedback could also be provided.

The community drop-in session was attended by approximately 20 residents who had the opportunity to view and discuss the plan in detail and ask questions of the

traffic engineers or relevant senior Council staff. Several Councillors also attended the session.

Over 25 individual submissions were made to the plan, with the key themes including (but not limited to):

- Support for treatments recommended including those associated with St Georges Lake Road, the increase in formalised parking and pedestrian connections, traffic calming on Moore Street and a shuttle pick-up area located at Hammon Park
- That parking along Moore Street should be relocated to the west side
- That pedestrian connections along Moore Street and St Georges Lake Road should be included in the plan
- Limited support for, or objection to, the continuation of current parking arrangements along St Georges Lake Road, gating access at the top of Water Street or parking being located on the east side of Moore Street

As a result of the feedback, several updates have been made to the plan which is attached to this report.

Prioritised Treatment Recommendations

The table below provides a summary of the recommended treatments, timing, estimated cost and funding opportunity, with further detail outlined in the attached TMP. Each intervention considers safety and amenity impact, and the list has been developed based on the technical assessment coupled with the community input.

It is important to note that costs are indicative only and subject to confirmation as part of the pre-planning and detailed design phase for each treatment.

Similarly, the drawings provided in the plan are concept only and subject to detailed design, which will further assess the viability of delivery. There may be adjustments to the final outcomes required including the exact locations, layouts, materials etc in order for construction to be achieved.

If supported, and with consideration to the survey, design and procurement processes required, it is expected that the short-term outcomes noted below would be able to be delivered in the second half of this financial year.

<i>Short Term Outcomes (fund immediately)</i>		
Treatment	Cost estimate	Funding
Upgrade St Georges Lake Road to a sealed surface	\$300,000	Proposed carry forward funds from 2024/2025 construction project, in addition to
Realign St Georges Lake Road intersection		
Install speed humps and associated infrastructure (eg. lighting) along St Georges Lake Road		

Undertake a speed limit review on St Georges Lake Road		seeking grant funding
Implement relevant signage across the precinct in accordance with the plan		
Establish a pick-up zone on Moore Street for commercial shuttling, on a trial basis		
Total	\$300,000	

Medium Term Outcomes		
Treatment	Cost estimate	Funding
Construct new parking along Moore Street (west side)	TBC	Refer to future annual budget processes for consideration and seek grant funding where appropriate. Consider interim outcomes such as gravel parking areas in lieu or sealed, to support earlier delivery.
Implement no stopping restrictions along Moore Street (east side)		
Establish a pick-up zone on Moore Street for commercial shuttling (permanent solution once trialled)		
Implement a 10km/h shared zone at Hammon Park		
Formalise overflow parking and wayfinding signage at Northcott Park		
Construct a connecting path along St Georges Lake Road		
Ongoing monitoring and enforcement of parking restrictions		
Install access gates at Arboretum Road		
Install access gate at Water Street for permitted shuttling		

Long Term Outcomes		
Treatment	Cost estimate	Funding
Construct a roundabout at the intersection of Moore and Lees Street	TBC	Consider only following an assessment of the impact of the short- and medium-term outcomes, or if significant grant funding is available.
Upgrade Rogers Street to a sealed surface		
Install street lighting and speed humps in various locations		
Upgrades to Hammon Park car park		

Prohibiting or Restricting Vehicle Access

The use of public roads for the purpose of bike carrying or shuttling is a legal and permitted use of the road network under current transport regulations. Council acknowledges concerns regarding the impacts of this activity in certain local areas, however it is important to note that it does not have the ability to prohibit this activity outright and further, implementing restrictions aimed at limiting bike shuttling would compromise essential access for service vehicles and emergency services. There are also potential impacts for local residents in placing restrictions such as load or size limits on those roads.

Conclusion

Whilst Djuwang Baring presents a fantastic opportunity for regional tourism, local business and supporting participation and active recreation, Council acknowledges that it is essential to balance patronage with residential amenity and safety. It is recognised that the TMP developed will not satisfy all submissions made as part of the engagement process, however seeks to manage traffic, dust, parking and pedestrian safety whilst providing the opportunity to implement a staged treatment approach, acknowledging the resources and funding available to Council.

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

To fund the immediate priorities outlined in the table above, it is recommended that Council carry forward \$600,000 of the project underspends from the trails construction, into 2025/2026. It is further recommended that grant funding be sought to supplement the budget for immediate works and/or reduce the need for capital investment by Council.

Adopting a diversified funding strategy, combining Council carry forwards and capital grant applications, will enable the delivery of these priority treatments to progress without reliance on additional budget allocation.

Medium- and long-term outcomes are recommended to be referred to Council's Long Term Capital Works Program for future funding consideration along with other priority projects across the Shire, and/or form the basis of capital grant opportunities as they arise. As such, there are no immediate financial impacts associated with supporting these treatments as future priorities.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The engagement undertaken to date has been outlined earlier in this report. Regular email updates have been provided to those who participated in this process, or prior community discussions on traffic issues. Following a resolution of Council, it is intended to provide an overview of the outcome to this group, as well as to the broader community via an update to Council's Participate Hepburn page and social media.

RISK AND GOVERNANCE IMPLICATIONS

The timely implementation of the short-term treatments is key to proactively managing foreseeable public liability and reputational risks associated with road safety, parking and amenity impacts to residents. A structured risk management approach supports transparent, evidence-based decision making, reinforcing public confidence, and delivering on the TMP supports Council's strategic goals for safe and accessible community infrastructure.

ENVIRONMENTAL SUSTAINABILITY

Dust suppression techniques such as road sealing, may offer long-term, cost-effective outcomes, reducing routine maintenance and minimising airborne particles which have an amenity impact on local residents. Beyond this, the full list of treatments recommended supports social and economic returns, encouraging active transport, participation and promoting healthier lifestyles.

GENDER IMPACT ASSESSMENT

A formal Gender Impact Assessment has not been conducted for this Traffic Management Plan as a requirement, however gender equity considerations will be embedded proactively throughout the pre-planning and design of the treatments recommended. This includes understanding the differing needs and safety concerns, applying inclusive design standards such as clear sightlines, accessible parking, safe and appropriate pedestrian pathways and ensuring that design options are evaluated for how they may benefit or disadvantage different sections of the community. This approach aligns with best practice in transport and infrastructure planning, promoting safe, inclusive and equitable public spaces.

7.3 SIGNATURE EVENTS FUNDING

DIRECTOR DEVELOPMENT AND COMMUNITY

In providing this advice to Council as the Coordinator Economic Development and Visitor Economy, I Bridgette O'Brien have no interests to disclose in this report.

ATTACHMENTS

- Nil

OFFICER'S RECOMMENDATION

That Council:

1. *Enters into a two-year Memorandum of Understanding (MOU) with ChillOut Festival, Clunes Booktown, the Great Trentham Spudfest and CresFest as outlined below:*
 - a) *Signature Event Support:*
 - *ChillOut Festival*
 - *two-year MOU*
 - *\$20,000 financial support per year*
 - *\$10,000 operational support per year*
 - *Clunes Booktown*
 - *two-year MOU*
 - *\$16,000 financial support per year*
 - *\$7,500 operational support per year*
 - *The Great Trentham Spudfest*
 - *two-year MOU*
 - *\$16,000 financial support per year*
 - *\$7,500 operational support per year*
 - b) *Regional Event Support:*
 - *CresFest*
 - *two-year MOU*
 - *\$5,000 financial support per year*
 - *\$5,000 operational support per year; and,*
2. *Notes that officers will continue to work closely with the organisers of CresFest to support them to aim to grow to meet the requirements for Signature Event level funding.*

EXECUTIVE SUMMARY

Clunes Booktown, the Great Trentham Spudfest, CresFest and ChillOut are all requesting continued Signature/Iconic event support. MOUs for these events expire in 2025 and organisers are seeking to negotiate new agreements with Council.

Officers have assessed the events against the funding framework criteria set out in the Events Strategy and are recommending levels of support for the four events that have previously received Signature Event support.

Officers are recommending that Clunes Booktown, the Great Trentham Spudfest and ChillOut be supported through the Signature/Iconic event category, and that CresFest be supported through the Regional Events category, in line with the strategy.

BACKGROUND

[Council's Event Strategy](#) aims to increase visitation, length of stay and expenditure within the region to position Hepburn Shire to be the Premier Regional Victoria Events destination. Whilst this strategy is due for review, Officers continue to be guided by the key pillars set out in this document until it is superseded by an updated version.

Council's Event Strategy acknowledges that events play a significant role in supporting the visitor economy and community wellbeing. In Hepburn Shire, events annually deliver \$15M in visitor expenditure, 128,000 overnight stays, 62 event days and 27 separate tourism events.

A key pillar in the strategy is to provide funding and operational support through Council's event funding framework, which identifies specific event categories, criteria and level of Council support.

The categories are Signature/Iconic Events, Regional Events and Local Community Events. A Memorandum of Understanding (MOU) between Council and event organisers is required for all Signature/Iconic and Regional Events.

The Signature/Iconic Event criteria includes established events of significant scale that:

- Attract more than 5000 attendees
- Have the capacity to attract intrastate and interstate visitation
- Have the capacity to drive overnight stays and/or increase visitor spend in the region
- Are part of the character and culture of the Hepburn Shire
- Must be reinvigorating itself and/or continually improving/enhancing the event.

Support available in this category includes financial support between \$5,000-\$20,000 and in-kind Council support to a maximum value of \$10,000. The maximum length of an MOU is five years.

The Regional Events criteria includes new or established events of medium to large scale, that:

- Attract more than 2500 attendees
- Have the capacity to attract intrastate visitation
- Have a minimum of one community group participating.

Support available in this category includes financial support between \$2,500-\$5,000 and in-kind Council support to a maximum of \$5,000. The maximum length of this MOU is three years.

The Local Community events funding is managed through the Community Grants process and is not being considered as part of this report.

KEY ISSUES

Each of the four events referred above has previously held a Signature Event MOU with Council, all of which expire this year. Event organisers are now seeking to negotiate new MOUs and all have requested a significant increase in support. The event funding in Council's 2025/2026 Budget has not increased.

Each event provides a post-event report and recommendations are based on the criteria set out in the Event Funding Framework. Consideration is given to previous economic impact data, ticket sales, length of stay and initiatives to grow events.

The four events seeking support are listed below with an overview of the events and the officer recommendation for future funding and MOUs.

ChillOut Festival

ChillOut Festival is Australia's longest running and biggest regional LGBTIQ+ Pride Festival. This is a culturally important and nationally significant event celebrated in the heart of Daylesford. In 2027 it will be the 30th anniversary of ChillOut.

In 2025: 25,000 including 17,350 ticket sales, 5500 parade attendees, 2500 people to other free events Opening Night for Community, Youth Muster, Grove of Gratitude, and a number of Sports events. The event ran from Thursday to Monday, with over 80% of surveyed people coming to the region for extended stay due to ChillOut. Over 70 % spent at least one night away from home and over 40% spent 3 nights away.

Officer recommendation: Continue maximum support as per event strategy.

Recommended MOU details:

- Two-year MOU
- \$20,000 financial support per year
- \$10,000 operational support per year

Clunes Booktown

Clunes Booktown transforms the picturesque township of Clunes celebrating all things books: author talks, panel discussions, the largest collection of rare, out-of-print and collectible books in Australia. The festival's international reputation attracts thousands of visitors to Clunes and the region. In 2027 it will be the 20th anniversary of Clunes Booktown.

In 2025: Over 10,000 ticket sales. Event ran from Friday night to Sunday night with 59.2% of people surveyed staying in the region overnight.

Officer recommendation: Support remains the same (and acknowledge significant traffic costs continue to be a challenge for the event). Recommended MOU details:

- Two-year MOU
- \$16,000 financial support per year
- \$7,500 operational support per year

The Great Trentham Spudfest

Spudfest is a unique event, held in line with the local potato season and the commencement of harvest-time. It is a festival that shines the 'Spudlight' on Trentham and involves a wide variety of activities.

In 2025: 17,517 attendees, event engaged ITESA Radar system which is a temporary people counter for events. Has grown to a two day event in 2025, Spudfest broke some records with finalised visitor numbers confirming 13,500 attendees at the Street Fair and 4,000 at Discovery Day (a significant increase from 2024, which was 8,000 in total). It should be noted that Officers are recommending the same support as Booktown, as while Spudfest had a larger number of attendees, it also had a lower percentage of visitors (21%) stayed overnight, affecting economic impact.

Officer recommendation: Increase the event support in line with Booktown as a Signature event. Recommended MOU details:

- Two-year MOU
- \$16,000 financial support per year
- \$7,500 operational support per year

CresFest

CresFest is a folk and roots music festival held in Creswick. It features contemporary folk and roots artists, and offers a variety of ways to participate, including workshops, busking, family events, and more. The festival is a celebration of music, arts, and culture, with performances across various venues in the town. The event commenced in 2022.

In 2025, 4753 participants were made up of 1,753 ticket sales, and an estimated additional 1200-1500 per day for free outdoor events. The event runs from Friday night to Sunday afternoon. 63% of those surveyed stayed in Creswick.

Officer recommendation: Support Cresfest at a Regional Event level, as for the second year in a row, the event attendance has not met the Signature Event criteria in the Events Strategy. This event remains a valued event on the shire's calendar deserving of Council's support.

- Two-year MOU
- \$5,000 financial support per year
- \$5,000 operational support per year

Officers will continue to work closely with the organisers of CresFest to support them to aim to grow to meet the requirements for Signature Event level funding.

Key Performance Indicators (KPIs)

The MOU requirements include a post-event report explaining how each event meets the criteria. All events must provide a post-event report where they demonstrate how they aimed to meet the following KPI's:

- Increase the number of attendees, particularly focusing on the intrastate and interstate markets.
- Increase the percentage of overnight visitors, the length of stay and daily visitor expenditure.
- Attract media coverage from intrastate, interstate and/or international media.
- Continue significant engagement of local community groups and businesses.
- Strengthen the brand of the event and the Hepburn Shire by building on partnerships with Visitor Economy Partners and Visit Victoria.
- Continue to align with the character and culture of the Hepburn Shire and the relevant strategies i.e. Council's Event Strategy.
- Year on year continue to reinvigorate, improve, grow and/or enhance the event.
- Produce a business plan incorporating an event marketing strategy.
- Produce an annual report incorporating a financial profit and loss statement for the event.
- Participate in an annual review with Council officers.
- Measures must be put in place to ensure each event is welcoming, inclusive and accessible to all (by referring to Council's Accessible Events Guide).
- Ensure that measures are put in place to minimise the impact each event has on the environment (for example, providing alternatives to single use plastics).
- Acknowledge the Dja Dja Wurrung, traditional owners of the land by including an Acknowledgement of Country or Welcome to Country into the event schedule.

COUNCIL POLICY AND LEGISLATIVE IMPLICATIONS

Council Plan 2025-2029

Future Hepburn

3. A dynamic, vibrant and resilient economic environment.

FINANCIAL IMPLICATIONS

The recommendations of this report can be accommodated in Council's existing 2025/2026 events budget allocation.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

In May, Council officers received support requests from each event for increased support. Officers will liaise with event organisers to advise them of the outcome of the event support for 2025/2026.

RISK AND GOVERNANCE IMPLICATIONS

With the challenges with increased cost to run events, volunteer numbers reducing and the cost of living, it is unknown what these impacts will have on future events.

Officers are working with Visit Victoria, our Visitor Economy Partners and operators to identify opportunities to support, evolve and deliver quality events within the Shire.

At this time officers anticipate events will be able to progress as planned however acknowledge that it is possible that these event organisers may need to reshape or change their event, which will mean that they may be challenged to meet their KPIs. If this occurs event organisers will be required to apply for an amendment to their MOU and Council officers will bring each individual amendment request back to Council for consideration.

ENVIRONMENTAL SUSTAINABILITY

It is a requirement of each event to put measures in place to minimise the impact the event has on the environment. The events also provide an economic benefit to local businesses and the region as well as providing both social and community group benefits and opportunities.

GENDER IMPACT ASSESSMENT

All events are gender inclusive; a KPI in the MOU is: *Measures must be put in place to ensure each event is welcoming, inclusive and accessible to all.*

7.4 ANNUAL FINANCIAL STATEMENTS AND PERFORMANCE REPORTING

DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Manager Financial Services, I Natalie Martin have no interests to disclose in this report.

ATTACHMENTS

1. Financial Overview 2024-2025 [7.4.1 - 2 pages]
2. Financial Statements 2024-2025 [7.4.2 - 49 pages]
3. Performance Statement 2024-2025 [7.4.3 - 12 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Receives, notes and adopts 'in-principle' the financial statements and performance statement for the year ended 30 June 2025;*
2. *Notes that minor changes may be made to the statements as recommended by the Auditors and that material changes will be reported to Councillors; and,*
3. *Notes that once the final statements have been certified and the independent auditor's reports are received from Victorian Auditor-General's Office (VAGO), they will form part of Council's Annual Report, which will be communicated to community and relevant stakeholders.*

EXECUTIVE SUMMARY

The Annual Financial Statements and Performance Statement are based on a model set of statements determined by the State Government and where appropriate Council has included additional disclosures.

These statements have received material audit clearance from VAGO and have been finalised to a stage where the draft statements are presented for Councillor consideration, as changes are expected to only be minimal.

Details of the report are included in the key issues section that details Council's performance during the 2024/2025 financial year.

The results of the 2024/2025 financial statements overall is pleasing. 2024/2025 was designed to be a year of financial stabilising while Council undertook the development of the Financial Vision, Council Plan and made tough decisions in the 2025/2026 budget. These statements provide the results and that has occurred.

BACKGROUND

Audit

Council officers prepared an initial draft set of statements for the year ended 30 June 2025. Crowe Australia, as Council's appointed external auditors, conducted an audit of the accounts between 11 August – 22 August 2025.

The Statements are presented by officers, and representatives from Crowe Australia have confirmed that a clean, unqualified audit opinion will be issued.

Financial Statements

The Annual Financial Report has been prepared in accordance with the Local Government Better Practice Guide, Model Financial Report, and the Local Government Better Practice Guide – Performance Reporting Template. The following statements are contained in the report:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cashflows
- Statement of Capital Works
- Notes to the Financial Statements
- Performance Statement

The financial statements provide information on current and prior year balances and other information as required by accounting standards, the *Local Government Act 2020* and Regulations.

The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures as developed by the Victorian Government under the performance reporting framework.

KEY ISSUES

Audit and Risk Committee

The Audit and Risk Committee met on Tuesday 2 September 2025, to provide their recommendations in relation to the draft financial and performance statements, which are noted below for consideration.

That the Audit and Risk Committee:

1. *Receives and notes the financial statements and performance statements for the year ended 30 June 2025 and, subject to no further material changes,*

recommends the performance statements and financial report to Council for adoption;

- 2. Notes that once the financial statements have been certified by the nominated Councillors and the independent auditors' reports received from VAGO, they will form part of Council's Annual Report which will be available on Council's website once adopted;*
- 3. A copy of the financial statements, management report and closing report will be circulated to members once available.*

Financial Statements

Like most local governments, Council is facing a challenging fiscal environment and has made difficult decisions for the 2024/2025 financial year to address its financial sustainability and rebalance its financial position amid rising economic costs and constrained revenue environment. Although rate capping has been in place for several years, the impact on rate revenue for small rural councils remains significant.

Council will need to continue to closely monitor its financial position and performance over the coming years to ensure it remains financially sustainable. Council adopted its Financial Vision on 10 September 2024 and implemented operational savings of \$1.5 million in 2024/2025.

Council has implemented additional operational efficiencies of \$2.53 million across the organisation as part of the adopted Budget 2025/2026, taking further steps to ensure Council's ongoing financial sustainability.

Timing of government grants, both operating and capital, has impacted on the financials presented.

Surplus / Deficit

The operating result for 2024/2025 was a deficit of \$189k – this is a significant improvement than in past years.

While it is common for councils to report a deficit, this does not always reflect the true financial performance and cash position of Council. The adopted budget for 2024/2025 anticipated a deficit of \$2.06 million, with the actual out-turn being influenced in the main by a higher non-cash depreciation charge and additional grants received compared to the original budget.

The 2024/2025 results for Council include several one-off items, which have had a minor impact on the operating result. The operating deficit would have increased slightly to \$424k considering the impact of storms, and if asset write off were not required.

2024/2025	2023/2024
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	\$'000	\$'000
Report Surplus / Deficit for the year	(189)	(9,881)
Add back loss on disposal of assets	141	1,910
Storm Income Received	(376)	(2,361)
Storm Expense incurred	-	1,202
Surplus / (Deficit) after removal of material one-off items	(424)	(9,130)

In previous years, the Federal Government pre-paid the majority of its annual funding (Financial Assistance Grants) for several financial years. However, in late 2023/2024, the Federal Government decided to return to paying funds in the year the grants relate to. This change meant that effectively no Financial Assistance Grants were paid for the 2023/2024 financial year thus increasing the deficit. In late 2024/2025, the Federal Government opted to return to pre-paying the Financial Assistance Grants, which diluted the final position for 2024/2025.

The underlying surplus/deficit can often be a better measure of Council's performance. Council's underlying result is a deficit, and although significantly impacted by the timing in the Financial Assistance Grants demonstrates a year-on-year trend of deficits. The underlying deficits and need for systemic change to the revenue and expenditure of Council is a key feature in the Financial Vision.

	2024/2025	2023/2024	2022/2023
	\$'000	\$'000	\$'000
Surplus / Deficit for the year	(189)	(9,881)	(2,594)
Less non-recurrent capital grants	(1,707)	(2,594)	(8,663)
Less capital monetary contributions	(430)	(753)	(1,100)
Less non-monetary contributions	(280)	(1,135)	-
Adjusted underlying Surplus / (Deficit)	(2,606)	(14,363)	(12,357)
Add back loss on disposal of assets	141	1,910	2,973
Add back Write off of WIP (Work in Progress)	-	-	1,693

Capital Projects not able to be capitalised	-	-	2,018
Storm Income Received	(376)	(2,361)	(5,046)
Storm Expense incurred	-	1,202	6,393
Underlying Surplus / (Deficit) after removal of material one-off items	(2,841)	(13,612)	(4,326)

The \$2.84 million underlying deficit is significant but needs to be read in context that the adopted budget 2024/2025 was an underlying deficit of \$3.93 million, and that Council's Financial Vision and adopted 2025/26 provides for surpluses into the future, demonstrating prudent financial management.

Income

Council receives income from a wide range of sources, including rates, user fees, statutory fees, grants, contributions, and other income. The total income received for 2024/2025 was \$45.27 million (\$39.18 million in 2023/2024) an increase of \$6.09 million or 15.5%.

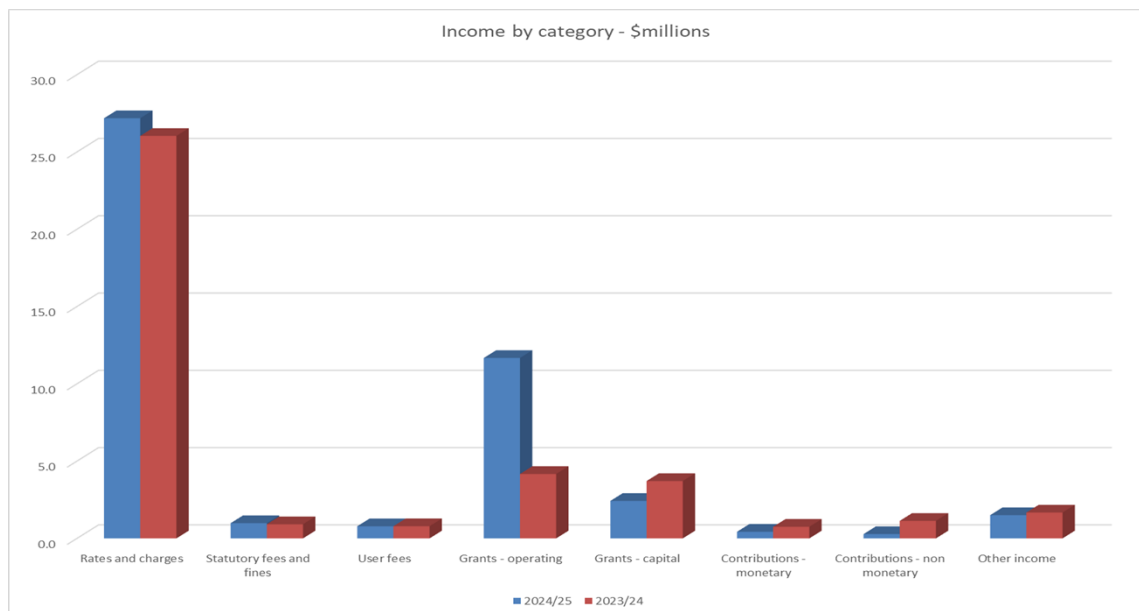
Traditional income categories of rates, fees and other income remained stable. However, there was an increase in operating grants due to the realignment of the financial assistance grants for the 2024/2025 year, along with an advanced payment of \$3.3 million from the 2025/2026 financial assistance grants received in 2024/2025. Note 3 of the financial statements provides a more detailed breakdown against prior year actual.

Explanation of key income movements include:

- Operating grants increased by \$7.5 million (179.9%) primarily due to the realignment of the financial assistance grants for 2024/2025, which meant no advanced payment was received in 2023/2024 (\$6.4 million for 2024/2025). This increase was further compounded by an advanced payment of \$3.3 million from the 2025/2026 financial assistance grants, received in 2024/2025. Additionally, the prior year included \$2.1 million in storm recovery income received in 2023/2024. These timing-specific issues do not impact on the on-going financial sustainability of Council.
- Capital grants decreased by \$1.3 million (34.6%) due to the timing of works being undertaken. Significant grant funding was received in the two prior years, and we expect further capital grant funding in 2025/2026 as projects are completed.
- Rates and charges increased \$1.1 million (4.4%) which is in line with the State Government rate cap, growth and increase in waste charges.

- User fees and charges, as well as statutory fees and fines, remained consistent with the 2023/2024 financial year.
- Contributions decreased by \$323k (42.9%), these are related to capital project delivery.
- Contributions non-monetary have been identified in 2024/2025 (\$280k) as a result of subdivisions of land and infrastructure across the Shire.
- Other income decreased by \$170k (10.2%) primarily due to a reduction in investment interest (\$100k), and commercial property rental income (\$149k). This was a result of the temporary closure of facilities and a decrease in cash balances available for investment.

The below graph provides the income categories with a comparison of the current year and prior year.



Council's income of \$45.27 million exceeded the adopted budget by \$4.56 million (11.3%). This was primarily due to the receipt of unbudgeted capital and operating grants totalling \$4.0 million, along with unbudgeted non-monetary contributions amounting to \$280k.

Note 2.1.1 provides analysis of current year performance against budget.

Expenses

Council's total operating expenditure including depreciation for 2024/2025 was \$45.46 million. Expenditure relates to the ongoing or operation costs to deliver services that benefit the community. Expenditure categories summarised below include employee costs, materials and services, depreciation, and other expenses.

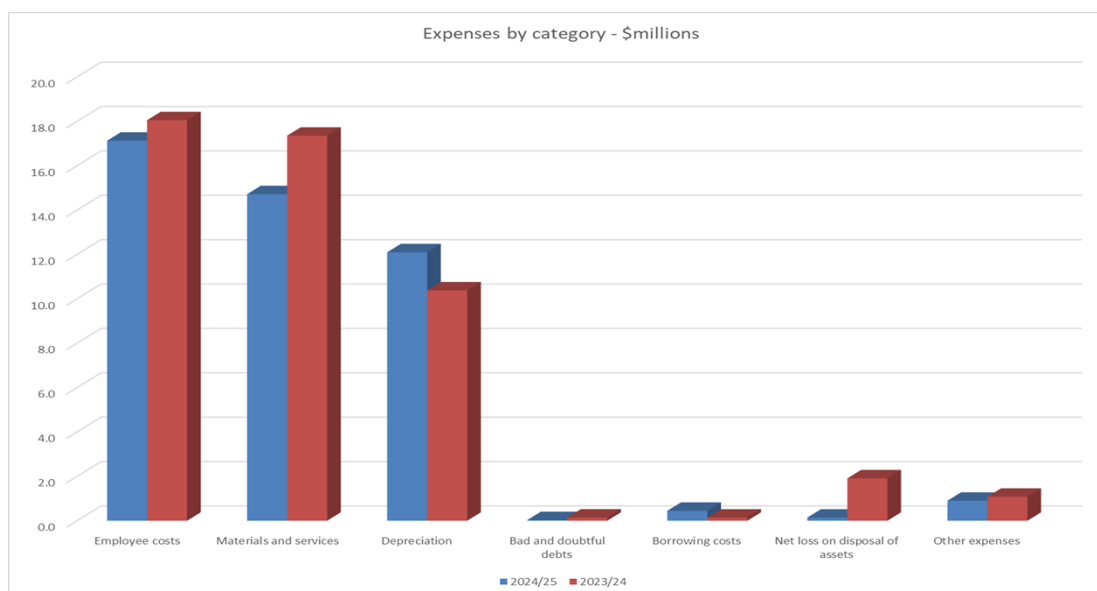
Total operational expenditure has decreased from the prior year \$49.06 million, a decrease of \$3.6 million (7.3%).

Explanation of key expenditure movements include:

- Employee costs decreased by \$925k (5.1%) which was anticipated and contributes to the targeted operational efficiencies totalling \$1.5 million identified by Council in the Financial Vision 2024–2027 report.
- Materials and services decreased by \$2.6 million (15.2%) due to a reduction in consultant fees (\$800k), storm recovery works (\$1.0 million) from the previous year, and other general material and services cost reductions (\$800k) as part of targeted operational service reductions.
- The loss on disposal of infrastructure assets renewed decreased compared to the previous year, which was significantly impacted by a comprehensive revaluation of these assets.
- Other expenses decreased by \$181k (16.7%), primarily due to a reduction in the funds allocated for community grants as part of the identified operational efficiencies.
- General savings were also identified (where possible) across the organisation given the Council's financial position.

Total operational expenditure exceeded the adopted budget by \$2.69 million (6.3%) due to additional depreciation expense resulting from increased capital expenditure and the impact of asset revaluations.

The below graph provides the expense categories with a comparison of the current year and previous year.



Capital Works

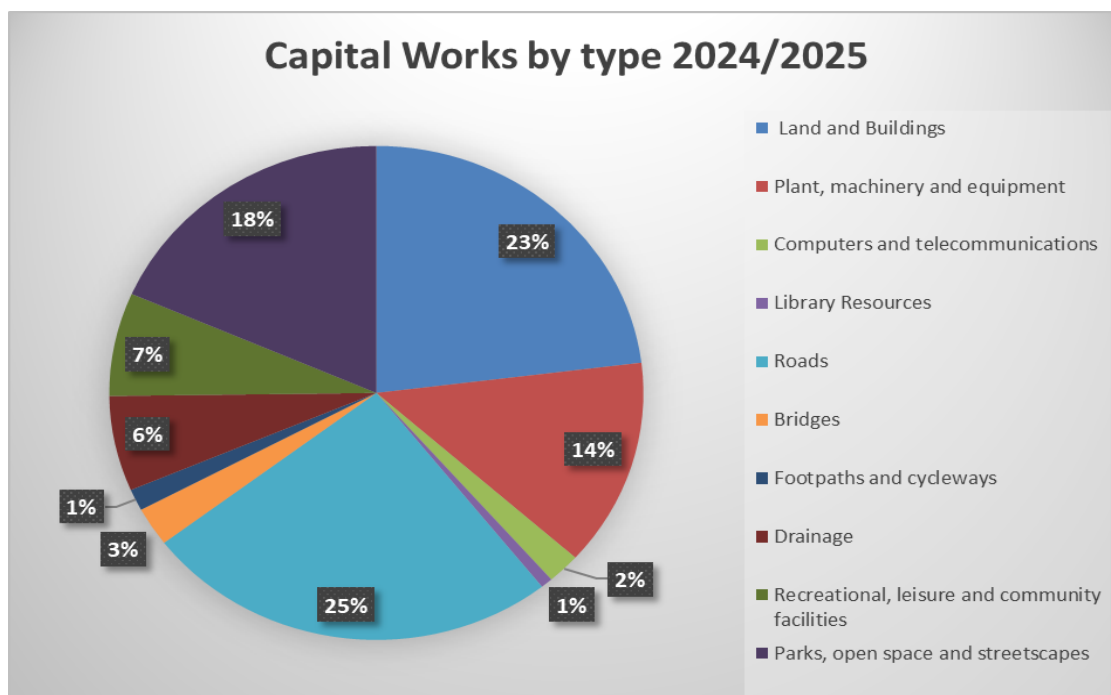
Throughout the financial year, Council delivered \$10.61 million in capital works, a decrease from \$16.77 million in 2023/2024. This reduction reflects Council's shift

towards a more sustainable, renewal-focused capital program, with several key projects either completed or significantly advanced in the previous financial year.

The primary areas of capital investment included buildings and improvements (Daylesford Town Hall), roads, and parks, open space and streetscapes (Djuwang Baring). The \$10.6 million spent exceeds the adopted budget of \$8.4 million for total capital works in 2024/2025. However, when including the carry-forward from 2023/2024, this results in an underspend of \$6.9 million (39.5%) against the amended budget.

An estimated \$6.5 million in capital works and \$1.1 million of special projects expenditure will be carried forward into 2025/2026 (\$9.9 million in 2023/2024), with the intention of completing these projects in 2025/2026. A separate carry-forward report will be presented to Council for adoption. Although a \$6.5 million carry-forward is a significant figure it does include \$3.05 million for one project (Wheelers Bridge Renewal) which is currently out to tender. Therefore, the vast majority of projects have been delivered within the financial year.

The following chart illustrates the value of each type of capital works expenditure delivered during 2024/2025.



Financial Sustainability

In 2024/2025 the Victorian Government capped overall rate increases at 2.75%. Council elected not to apply for an exemption to this rate cap and continued to

review operations throughout the year to ensure delivery of important services and best value for money for the community.

Reduced revenue and increasing costs mean that it is vital for Council to identify efficiencies and alternative funding opportunities to reduce the reliance of rate revenue – something that Council has indeed completed through the adoption of the Financial Vision, Council Plan and the 2025/26 Budget. Council relies heavily on support from State and Federal Governments to deliver key infrastructure projects and provide support for other important programs.

Hepburn Shire Council has faced substantial challenges over the past four years, including the impacts of natural disasters such as floods and storms, escalating material and project delivery costs, and financial pressures resulting from cost shifting by other levels of government.

In the 2024/2025 Budget, Council determined to implement reductions to operational budgets by \$1.50M, while seeking to minimise the impact on service delivery. These savings were achieved.

Key Sustainability Indicators

The Victorian Auditor General's Office (VAGO) issued a number of financial sustainability indicators which are used to compare all 79 councils. The below table provides Council's indicators for 2024/2025. These indicators should be considered collectively and are more useful when assessed over time as part of trend analysis.

Indicator	2024/25 Result	Risk Rating ¹	Formula	2023/24 Result	2025/26 Budget
Underlying result	-6%	High	Adjusted net surplus/ total underlying revenue	-41%	1.2%
Liquidity	1.73:1	Low	Current assets/ current liabilities	1.41:1	104:1
Indebtedness	42%	Medium	Non-current liabilities/ own-sourced revenue	31%	33%
Internal financing	285.3%	Low	Net operating cash flows/ net capital expenditure	1.7%	152%
Capital replacement	88%	High	Capital expenditure/ depreciation	162%	138%
Renewal gap	78%	Medium	Renewal and upgrade expenditure/ depreciation	75%	114%

Council's underlying result of negative 6% reflects the ongoing efforts to address medium to long-term financial sustainability, showing an improvement from the negative 41.39% in the previous year. The internal financing of 285% is significantly impacted by the timing of the Financial Assistance Grants and is higher than expected this year due to the advanced payment of the 2025/2026 grants.

The renewal gap has fallen below 100% due to the capital program delivering a high percentage of new assets. This is expected to rise above 100% in 2025/2026 as several carry-forward projects are completed. Moving forward, Council is committed to prioritising the renewal of assets.

It is encouraging that most indicators remain in the low to medium-risk rating category, and many have improved over recent years, and an overall low risk profile in 2025/2026.

Balance Sheet

Council has a stable balance sheet as detailed above in the VAGO indicators, and it has improved since June 2024. Many of the balance sheet line items remained similar, major changes are explained below.

- Cash and other financial assets (term deposits) totalled \$13.4 million as at 30 June 2025, which was an increase of \$5.7 million from the previous year. The increase was due to advanced receipt of the 2025/2026 financial assistance grants in 2024/2025. Further detail is provided in relation to Council's unrestricted cash assets in note 5.1.
- Non-current assets increased by \$24.5 million to a total valuation of \$509.2 million. This is a combination of full asset revaluation for drainage together with indexation of infrastructure assets \$25.9 million, capital work expenditure of \$10.6 million and \$12.1 million of depreciation. Officers will review the impact of the revaluation on depreciation charges for 2025/2026 and renewal needs as part of the mid-year budget review. Further detail is provided in relation to Council's property, plant, and infrastructure assets in note 6.1.
- Trade and other payables reduced by \$61k due to less creditor invoices being processed in June but not paid until July. This relates to timing only Council is paying all debts within its legislated timeframes.
- Unearned income/revenue increased by \$218k due to grants being received in the current year, however relate to the next financial year.
- Interest-bearing liabilities increased in total due to a new \$5.528 million loan being drawn down during the year.
- Reserves increased by \$25.9 million to a total of \$366.0 million. Most of this movement was due to the physical revaluation of Drainage, and the indexed revaluation of the infrastructure assets which is a non-cash transaction. Other reserves saw a minor increase of \$25k to \$6.03 million and reflect cash

backed reserves such as open space and the mineral springs reserve which are allocations of funding for future works.

Unrestricted cash assets – Council has cash and other financial assets (term deposits) that total \$13.56 million, however, it is important to note that the majority of these funds have intended allocations which are detailed below.

	<u>2024/2025</u>	<u>2023/2024</u>
Total Financial Assets (\$'000)	13,558	7,832
Council's cash and cash equivalents are subject to external restrictions		
Trust funds and deposits (Note 5.3)	(1,666)	(1,736)
Statutory Reserves (note 9.1(b))	(2,118)	(1,967)
Total unrestricted financial assets	9,775	4,129
Amounts allocated for specific future purposes by Council		
Cash held to fund carried forward works	(1,243)	(4,930)
Unexpended grants received (Note 3.4(c))	-	-
Discretionary reserves (9.1(b))	(3,911)	(4,037)
Total unrestricted financial assets	4,621	(4,838)
2024/2025 Grants commission received in advance	(3,332)	-
Total unrestricted and allocated financial assets	1,289	(4,838)

Net position – receivables / trade payables	3,229	3,556
Net unrestricted and allocated financial assets	4,518	(1,282)

The improvement in Council's unrestricted cash position is pleasing.

While a positive unrestricted cash balance as at 30 June 2025 a low positive unrestricted cash balance is budgeted for in 2025/2026 and projected in future years, Council will need to (and is) carefully manage this in the short term. Council has adopted the 10-year Financial Plan 2025-2034 that is a strategic indicator and has a focus on the long-term financial sustainability of Council.

The positive unrestricted cash position is not unexpected and is slightly higher than what has been forecast into the Budget 2025/2026.

- The Budget 2025/2026 forecasts an unrestricted cash position of positive \$505,000.
- The final position of 2024/2025, including carry-forwards and adjustments requires to be reviewed to determine its impact on Council's unrestricted cash position in 2025/2026 financial year.
- The positive unrestricted cash position is being partly impacted by lower receivables than previously. A concerted effort to implement positive engagement campaigns to recover outstanding debt has been a main focus in 2024/2025. There has been an increase in outstanding debts being paid, and we expect this trend to continue in 2025/2026 with an increased focus by the Financial Services team. This is important to transfer receivables to cash, given our cashflow position.

Performance Reporting

Attached is the current performance statement, which details a set of audited results against State Government prescribed performance indicators and measures.

Most indicators have remained stable over the past twelve months. Key points from a selection of these indicators are detailed below, with the full report attached, including commentary on the performance indicators.

Sustainable Capacity

The construction and renewal of infrastructure assets have increased the value of all infrastructure controlled by Council. The growing proportion of infrastructure relative to the population demonstrates Council's commitment to improving and accurately recording infrastructure. Infrastructure per capita has increased by 5.2% from the previous year, reaching \$25,206.04.

The expenses incurred by Council per capita have decreased by 8.2% this year due to operational efficiencies implemented for 2024/2025. This improvement is further highlighted by the previous year's storm-related expenditures. These operational efficiencies will continue into 2025/2026 as Council addresses its long-term financial sustainability.

The workforce turnover, based on the number of permanent resignations and terminations, shows a slight decrease from 23.4% to 22.4%. The unplanned employee turnover rate, which reflects resignations where employees transitioned to a new workplace, was 15.73%. Although the overall employee turnover rate is higher than preferred, it remains consistent with the industry average for a small rural shire and highlights the challenges faced by small rural councils in recruiting and retaining suitably qualified individuals.

Service Performance

With the introduction of the organics service in 2023/2024, and the change in general garbage collection frequency from weekly to fortnightly, waste diversion from landfill has increased to 51.99%, compared to 37.72% in the previous year.

Library participation rates remained steady at 27.91% this year, based on the number of registered members per population. With upcoming campaigns to boost membership and the introduction of Open Libraries in 2025/2026, we expect these results to improve and continue to show positive trends.

The improvement in planning applications decided within the required 60-day timeframe is marginal, increasing from 17.86% last year to 26.47% this year. Officers acknowledge that this is not ideal and falls short of our target. The turnover of staff in key roles over the past 18 months, along with several ongoing complex planning enforcement and VCAT matters, has led to a challenging backlog of planning applications. However, the percentage of applications decided within the 60 statutory days is steadily improving as vacancies are filled and targeted process improvements continue to be implemented.

Financial Performance

The measure of liquidity is one reflection of Council's current financial position. The higher assets relative to liabilities shows Council is able to settle its liabilities with a ratio of 1.73:1. The increase from prior years reflects the current financial position as Council adjusts for the advanced receipt of the 2025/2026 Financial Assistance Grants in addition to the annual allocation of the 2024/2025 grants. No advanced payment was received in 2023/2024.

Interest bearing loans as a percentage of rate revenue increased this year as a new loan of \$5.528 million was drawn down for major capital projects.

Non-current liabilities as a percentage of Council's revenue from rates and fees have increased from 30.71% to 42.44% due to a prior commitment to draw down a new loan this year. This result indicates that Council is well within its capacity to meet its loan repayment obligations.

Overall, the financial performance results are within the anticipated range and demonstrate a positive trend towards achieving Council's long-term financial sustainability goals.

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.

Under Section 98 of the *Local Government Act 2020*:

1. A Council must prepare an annual report in respect of each financial year.
2. An annual report must contain the following:
 - a) A report of operations of the Council;
 - b) An audited performance statement;
 - c) Audited financial statements;
 - d) A copy of the auditor's report on the performance statement;
 - e) A copy of the auditor's report on the financial statements under Part 3 of the *Audit Act 1994*;
 - f) Any other matter required by the regulations.

Under Section 99 of the *Local Government Act 2020*:

3. The Council must ensure that the performance statement and financial statements, in their final form after any changes recommended or agreed by the auditor have been made, are certified in accordance with the regulations by -
 - a) 2 Councillors authorised by the Council for the purpose of this subsection.
 - b) Any other persons prescribed by the regulations for the purposes of this subsection.

FINANCIAL IMPLICATIONS

As noted under Key Issues.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Once the final statements have been certified by the nominated Councillors and the independent auditor's report has been received from VAGO, they will form part of Council's Annual Report. Appropriate communication of Council's financial performance and results will be undertaken including media release, inclusion in Hepburn Life and reports placed on Council's website.

RISK AND GOVERNANCE IMPLICATIONS

Generally, the financial performance results remain within the expected range.

Council has identified the strategic risk of Financial Sustainability as a 'failure to maintain our long-term financial sustainability to deliver on our business objectives', with the current residual risk identified as 'High'. A control to bring the risk into tolerance includes the adoption of a Financial Vision to support the 10-year Financial Plan. These documents have been adopted by Council in September 2024 and June 2025 respectively.

ENVIRONMENTAL SUSTAINABILITY

There are no sustainability implications associated with this report.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with this report.

7.5 ANNUAL REPORT 2024/2025 AND COUNCIL PLAN 2021-2025 COMPLETION REPORT CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Communications Officer, I Maria Abate have no interests to disclose in this report.

ATTACHMENTS

1. Annual Report 2024/2025 [7.5.1 - 124 pages]
2. Council Plan 2021-2025 Completion Report [7.5.2 - 55 pages]
3. Council Plan status by focus area [7.5.3 - 3 pages]

OFFICER'S RECOMMENDATION

That Council:

1. *Receives, notes and adopts the Annual Report 2024/2025, noting that the financial and performance statements will be incorporated;*
2. *Requests the Chief Executive Officer to ensure that the adoption of the Annual Report, and its inclusions are adequately communicated to community and other stakeholders; and,*
3. *Authorises the Chief Executive Officer to make minor administrative changes to the documents as required.*

EXECUTIVE SUMMARY

The annual report serves as a critical accountability and transparency tool for local government. It provides a comprehensive overview of a council's performance over the financial year, measuring achievements against the goals and objectives outlined in the Council Plan, Annual Plans, Budget and Local Government Performance Reporting Framework. Through detailed reporting on financial performance, service delivery, and community outcomes, the annual report ensures that Councillors, residents and stakeholders are informed about progress being made toward strategic priorities.

The separate Council Plan attachment provides the same information in a format that may be easier to read, and provides details on the progress against the previous Council Plan 2021–2025.

Once the final Annual Financial Statements and Performance Statement have been approved in principle by Council and signed by the nominated Councillors and the Chief Executive Officer, these documents will form part of Council's Annual Report.

BACKGROUND

Council Plan 2021-2025

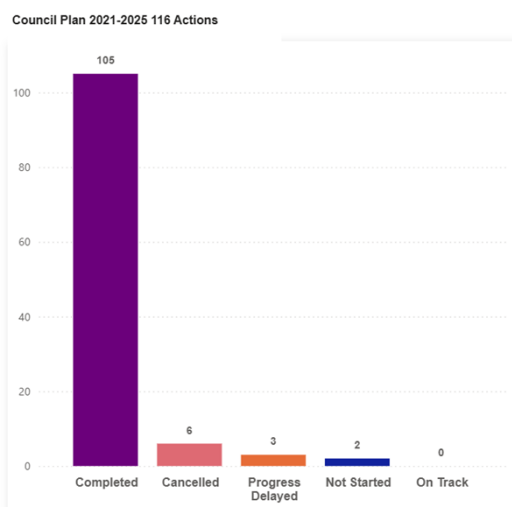
While the organisation has worked diligently and with strong intent to deliver on the actions and initiatives outlined in the four-year Council Plan, it is acknowledged that over the course of the four years, some actions were not fully delivered or finalised due to evolving priorities, unforeseen challenges, or changes in context. However, given unplanned and unexpected events the progress on the Council Plan is most pleasing and should be celebrated.

With the conclusion of the current Council Plan, there will be no further formal reporting on these incomplete actions. Instead, our focus will shift to the new Council Plan, with future reporting aligned to its strategic direction, the annual budget, and the resources available. Any outstanding actions will be considered within the scope of the new plan and prioritised accordingly.

Council Plan 2021-2025 Completion Report

The report details the 116 actions in the Council Plan:

- **Completed: 105 actions completed.** Representing **90.6%** of our commitments
- **On Track: 0 actions**
- **Cancelled: 6 actions** Representing **5.1%**,
- **Not Started: 2 actions** Representing **1.7%**
- **Progress Delayed: 3 actions** Representing **2.7%**



Over 90% completion of actions from the Council Plan 2021-2025 is most pleasing.

Council Plan 2025-2029

Council adopted its new Council Plan 2025-2029 in June 2025, establishing the strategic direction for the next four years. Notably, there are considerable continuities between the current plan and its predecessor. Additionally, ongoing reporting and communication to Councillors and the community on the progress of strategies, action plans, masterplans, and other projects initiated during the previous Council term remains in effect.

Annual Report

The preparation and publication of an annual report is a requirement under the *Local Government Act 2020* which mandates that councils must prepare and adopt an annual report each year. The purpose of this requirement is to promote local democracy by enabling communities to assess the effectiveness of their council's decisions and activities. It also supports continuous improvement by highlighting areas of success and identifying opportunities for better performance.

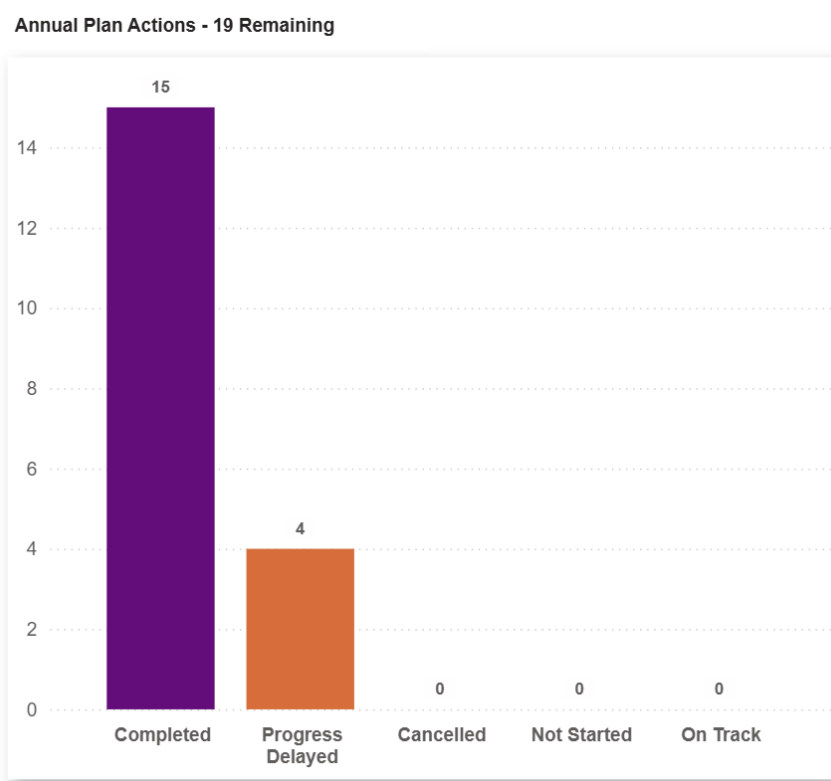
The information contained in this report complies with the Legislative requirement as per the Integrated Strategic Planning and Reporting Framework (*Local Government Act 2020*).

The report updates our stakeholders on the progress of all actions.

Remaining Annual Plan Actions 2022/2023 and 2023/2024

The annual report document also details the status of the 19 remaining actions that were carried over from previous years. Of the nineteen actions, 15 have been completed and four are at the status of progress delayed as of 30 June 2025. This has been included in the annual report as part of our ongoing commitment to transparency and accountability. These 19 actions are not included in the 116 actions documented in the Council Plan 2021-2025 or the overall status percentage breakdown.

Figure 1.0



KEY ISSUES

Officers have ensured that the statutory requirements for the annual report content are met.

Attached is a visual representation of each of the five focus areas, the status of each action within their respective focus area. The second page provides an overview of all Council Plan actions along with the remaining outstanding Annual Plan actions from 2023/2024.

Annual Report

The Annual Report of Operations is comprised of six sections:

1) Introduction

Details the Community Vision, Plan and introductions from Mayor and CEO

2) Year in review

Provides a summary of highlights and key events from each month

3) Our Shire

Demographic details of our shire

4) Our people

Details about the staffing component of the organisation

5) Performance

Detail of how we are progressing against the Council Plan LG Model Sector Performance Report results (formally Know Your Council or LGPRF)

6) Governance

Governance, financial and statutory information – noting that the financial and performance statements in whole have been placed on our website following their adoption at the September Council meeting and sign off by VAGO.

7) Financial summary

The Financial summary provides a high-level overview of the Council's financial performance and position for the financial year 2024/25. This section is designed to give readers a clear and accessible summary of the council's financial activities. The full audited financial statements will be available on Council's website.

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

Budget is available for the design, layout and printing of the Annual Report and the Council Plan 2021-2025 Completion Report.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Once adopted, the Annual Report will be uploaded to our website and shared with the community via social media and a media release. Articles announcing its adoption will also be included in other communications channels, including community newsletters and Hepburn Life, and a copy will be provided to Local MPs and the Minister Local Government.

RISK AND GOVERNANCE IMPLICATIONS

Council has a statutory obligation under the *Local Government Act 2020* to include prescribed content in the Annual Report. The Annual Report presented by officers exceeds the minimum requirement of disclosures.

ENVIRONMENTAL SUSTAINABILITY

The report follows the 'Overarching governance principles' in section 9 of the *Local Government Act 2020* for the promotion of economic, social and environmental sustainability of the municipality. This is achieved through the regular monitoring and reporting of the organisation's performance to ensure sustainable outcomes for Council.

GENDER IMPACT ASSESSMENT

There are no gender equity implications associated with this report. However, it is noted that programs and services that are presented in this report will be subject to Gender Impact Assessments at the business unit level.

7.6 2024/2025 FINANCE CARRY FORWARD REPORT

DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Manager Financial Services, I Natalie Martin have no interests to disclose in this report.

ATTACHMENTS

1. Table 1 - Carry Forward Capital Projects from 2024-2025 [**7.6.1** - 1 page]
2. Table 2 - Carry Forward Special Operating Projects from 2024-2025 [**7.6.2** - 1 page]

OFFICER'S RECOMMENDATION

That Council:

1. *Approves the amended capital works and special projects program per tables 1 and 2 for the 2025/2026 financial year; and,*
2. *Approves the amendments to the 2025/2026 adopted budget per the report.*

EXECUTIVE SUMMARY

This report provides Council with a review of the proposed carry forward projects from the 2024/2025 Capital Works Program and Special Operating Projects, in accordance with the year-end Financial Statements and seeks approval for their continuation into the 2025/2026 financial year.

In the 2024/2025 financial year, the Capital Works Program successfully delivered \$10.76 million across 52 projects. This included major initiatives such as Djuwang Baring, Daylesford Town Hall Renewal Phase 1, and the Victoria Park Oval and Netball Lighting. Additionally, Council completed \$1.68 million worth of Special Operating Projects. This represents a significant financial commitment by Council in delivering these projects.

Due to economic challenges such as cost escalation, supply chain shortages, and contractor availability, the Capital Works and Special Operating Programs have been reviewed to identify projects that are either in progress or yet to start. Officers have identified 41 projects (21 Capital Works Projects and 20 Special Operating Projects) that require carry forward expenses into the 2025/2026 financial year, totalling \$7.59 million. Additionally, \$6.25 million in income will be carried forward. There is sufficient cash funding available as of 30 June 2025 to complete these projects.

The report includes a separate section on budget adjustments that require to be considered in relation to the adopted budget for 2025/2026.

BACKGROUND

Budgets are developed each year using the most relevant information and assumptions available at the time. It is common practice that a number of projects remain unfinished as at 30 June 2025 and need to be a 'carry-forward' into the new financial year to be completed.

KEY ISSUES

A comprehensive review of all capital and special operating projects has been conducted to determine the necessary expenses and income to be carried over for project completion.

This review utilised the best available information and the unaudited final dollar values for 2024/2025 at the time.

Additionally, the report addresses proposed changes to several projects and budget items included in the adopted 2025/2026 budget.

Summary of Carry Forward Adjustments to the 2025/2026 Budget

Description	Budget	Refer to
Capital works project expenditure carried forward from 2024/2025 – 21 projects	\$6.51M	Table 1
Capital works project income carried forward from 2024/2025 – 17 projects	\$5.57M	Table 1
Special operating projects expenditure carried forward from 2024/2025 – 20 projects	\$1.08M	Table 2
Special operating projects income carried forward from 2024/2025 – 14 projects	\$0.68M	Table 2

Details are provided in the attachments.

The net cash impact of the carry-forwards (\$1.34 million) is covered by the closing position as at 30 June 2025. The estimated unrestricted cash position as at 30 June 2026 for the purposes of this report, remains at \$0.44 million per the adopted 2025/2026 budget. A detailed review of the position in June 2026 will be conducted as part of the continued process to complete the statutory accounts, and the mid-year budget review.

Amendments to 2025/2026 adopted budget

As some project expenditure has been incurred and income received during 2024/2025 for initiatives that were originally allocated to the 2025/2026 financial

year, it is necessary to update the 2025/2026 budget figures accordingly. The following changes are proposed as amendments to the adopted 2025/2026 budget:

1. Financial Assistance Grants

The final confirmed budget allocation for 2025/2026 is \$6,625,881, which is \$27,689 less than the originally adopted amount. The following amendments have been made to the adopted budget:

- 2025/2026 income of \$3,331,844 million received in advance in 2024/25;
- Reduction of \$27,689 based on final confirmed allocation;
- Budget reduction from \$6,653,570 to \$3,294,037;
- Net reduction of \$3,359,533.

2. Hepburn Bathhouse – Ceiling Remediation

A total of \$770,000 in capital funding was allocated for the 2025/2026 financial year. Remediation works got underway during the last quarter of 2024/2025. The adopted budget for 2025/2026 has been amended as follows:

- Expenditure incurred of \$668,610 in 2024/2025;
- Budget reduction from \$770,000 to \$101,390;
- Net reduction of \$668,610.

3. Hepburn Bathhouse – Lift Modernisation

A capital allocation of \$224,000 was designated for the 2025/2026 financial year. Project works began in the final quarter of 2024/2025. Updates have been made to the adopted 2025/2026 budget:

- Expenditure incurred of \$50,880 in 2024/2025;
- 2025/2026 budget reduction from \$224,000 to \$173,120;
- Net reduction of \$50,880.

4. Hard Courts Renewal Program

An allocation of \$242,000 in capital funding has been approved for the 2025/2026 financial year to resurface sports courts. Remediation work began in the final quarter of 2024/2025. Amendments to the adopted budget for 2025/2026:

- Expenditure incurred of \$15,570 in 2024/2025;
- 2025/2026 budget reduction from \$242,000 to \$226,430;
- Net reduction of \$15,570.

5. Pool Building Renewal Works Program

There is an allocation of \$88,000 in capital funding for the 2025/2026 financial year to support remediation works ahead of the upcoming pool season. The preliminary cost estimates for these works total \$234,000 for the 2025/2026 financial year.

Currently, the budget for this program stands at \$173,330, which includes the adopted 2025/2026 budget and carry-forward funds from 2024/2025. This results in a funding gap of \$60,670, which is being sought as an increase to the 2025/2026 budget allocation.

- Net increase of \$60,670.

It should be noted that the Clunes Toddler Pool requires full replacement, which will not be undertaken prior to the 2025/2026 season, so this is excluded from planned renewal works.

Summary of movements to 2025/2026 adopted budget

Project Name	Movement Expense	Movement Income
Financial Assistance Grants		(\$3,359,533)
Hepburn Bathhouse – Ceiling Remediation	(\$668,610)	
Hepburn Bathhouse – Lift Modernisation	(\$50,880)	
Hard Court Renewals Program	(\$15,570)	
Pool Building Renewal Works	\$60,670	
Net Movement to 2025/2026 Budget	(\$674,390)	(\$3,359,533)

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

The project budget review incorporates changes to Council's 2025/2026 budget to identify the consolidated financial implications of all known and reported variances.

Council has a commitment to those projects where an existing funding allocation has been made in 2024/2025, and this funding allocation will be carried forward to allow the completion of the projects in 2025/2026 budget year.

Reporting on the project of these carry-forward projects will form part of the 2025/2026 budget and quarterly financial reporting provided to Council.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The review of the Capital Works Program and Special Operating Projects has been undertaken by officers with consideration for impacts on community expectations and needs. Outcome of this review will be communicated appropriately to the Hepburn Shire community.

RISK AND GOVERNANCE IMPLICATIONS

There are risks in the management of community expectations and Council's reputation. Officers will mitigate risks and implications through effective communications with community and external funders.

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

ENVIRONMENTAL SUSTAINABILITY

There are no sustainability implications associated with this report.

GENDER IMPACT ASSESSMENT

A Gender Impact Assessment (GIA) was undertaken on the adopted budget.

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

DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Coordinator Governance, I Dannielle Kraak have no interests to disclose in this report.

ATTACHMENTS

1. S5 Instrument of Delegation Council to CEO - Draft [7.7.1 - 4 pages]
2. S6 Instrument of Delegation Council to Council Staff - Draft [7.7.2 - 112 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:*
 - a. *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;*
 - b. *The instrument comes into force immediately upon this resolution being made and is to be signed by the Chief Executive Officer and the Mayor;*
 - c. *On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked; and,*
 - d. *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.*
2. *In the exercise of the powers conferred by the legislation referred to in the attached instrument of delegation, resolves that:*
 - a. *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;*

- b. *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;*
 - c. *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,*
3. *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 (S5) and Instrument of Delegation to Members of Council Staff (S6) were executed on 29 April 2025.

The revised instruments reflect staffing changes in the organisation, along with legislative changes and amendments.

These Instruments will be authorised by the CEO and the Mayor once the above Instruments have been considered by Council.

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.

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*
- *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 2025*
- *Planning and Environment Regulations 2015*
- *Planning and Environment (Fees) Regulations 2016*
- *Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2024*
- *Road Management (General) Regulations 2016*
- *Road Management (Works and Infrastructure) Regulations 2015*

Schedule 18 - 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 – authorisation 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

Schedule 17 – authorisation from the CEO to Council Staff related to the *Oaths and Affirmation Act 2018*

KEY ISSUES

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

The Instrument is based upon the Maddocks template and continues the delegations approved in July 2025, with a slight adjustment reflecting legislative changes amending wording in this instrument from ‘fire services property levy’ to ‘emergency services and volunteers funding levy.’ This is listed as an exclusion within the CEO financial delegation, to allow the state process of levy collection to be transferred in accordance with Council’s new obligations if in excess of CEO limitations set.

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 2025. This revision has also been updated to include recent position changes across the organisation.

The Instrument has been revised incorporating 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.

The revised instrument is attached. In summary, the legislative changes to the revised Instrument of Delegation are:

The following changes have been made to the S6:

- Replaced the Cemeteries and Crematoria Regulations 2015 with the Cemeteries and Crematoria Regulations 2025 which came into operation on 15 June 2025;
- Inserted additional powers implied from the *Planning and Environment Act 1987*, which are not derived from any specific provisions.

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 Instruments 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 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 INSTRUMENTS OF APPOINTMENT TO AUTHORISED OFFICERS UNDER THE PLANNING AND ENVIRONMENT ACT 1987 & ENVIRONMENT PROTECTION ACT 2017 DIRECTOR PERFORMANCE AND TRANSFORMATION

In providing this advice to Council as the Coordinator Governance, I Dannielle Kraak have no interests to disclose in this report.

ATTACHMENTS

1. S11A Instrument of Appointment and Authorisation - Planning and Environment Act 1987 - Draft [7.8.1 - 1 page]
2. S11B Instrument of Appointment and Authorisation under the Environmental Protection Act 2017 - Draft [7.8.2 - 1 page]

OFFICER'S RECOMMENDATION

That Council:

1. *In the exercise of the powers conferred by s 147(4) of the Planning and Environment Act 1987, resolves that:*
 - a. *The members of Council staff referred to in the instrument attached be appointed and authorised as set out in the instrument.*
 - b. *The instrument comes into force immediately it is signed by Council's Chief Executive Officer, and remains in force until Council determines to vary or revoke it.*
2. *In the exercise of the power conferred by s 242(2) of the Environment Protection Act 2017 and the Instrument of Delegation of the Environment Protection Authority under the Act dated 4 June 2021, resolves that:*
 - a. *The members of Council staff referred to in the instrument attached be appointed and authorised as set out in the instrument.*
 - b. *The instrument comes into force immediately it is signed by Council's Chief Executive Officer, and remains in force until Council determines to vary or revoke it.*

EXECUTIVE SUMMARY

The appointment of authorised officers enables appropriate staff within the organisation to administer and enforce various Acts, Regulations or Council local laws in accordance with the powers granted to them under legislation or a local law.

The instruments are being updated to reflect staffing changes.

BACKGROUND

Instruments of Appointment and Authorisation empower relevant staff to exercise the powers granted to authorised officers by legislation, regulations or a local law.

The Instruments of Appointment and Authorisation prepared for Council's consideration are based on advice from the Maddocks Authorisations and Delegations Service.

Whilst the appointment and authorisation of authorised officers under other relevant legislation is executed by the Chief Executive Officer under delegation, Maddocks recommend that officers enforcing the *Planning and Environment Act 1987* and the *Environment Protection Act 2017* be authorised by Council resolution.

Maddocks recommends that Council to execute the appointment and authorisation of authorised under the *Planning and Environment Act 1987* and the *Environment Protection Act 2017* because these Acts place limitations on what powers can be sub-delegated, so by delegating direct from Council, the risk of decisions being challenged on the basis that the delegation was not appropriate is mitigated.

The instruments have been prepared following consultation with the internal departments of Council and have been recently updated to reflect staffing changes. Powers are delegated to individuals, not positions.

The Instruments of Appointment to Authorised Officers that do not relate to the *Planning and Environment Act 1987* and the *Environment Protection Act 2017* will be executed by the Chief Executive Officer as per legislation.

KEY ISSUES

Planning and Environment Act 1987

There are no legislative changes to the authorisation under the *Planning and Environment Act 1987*. The instrument has been updated in line with staff appointments.

Environment Protection Act 2017

There are no legislative changes to the authorisation under the *Environment Protection Act 2017*. The instrument has been updated in line with staff appointments.

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

There are no financial implications associated with this report.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Council subscribes to the Maddocks Authorisations and Delegations Service, and relevant advice has been considered in the preparation of this report.

For transparency purposes, Council is required to prepare a register of Instruments of Appointment to Authorised Officers and Delegations on Council's website.

RISK AND GOVERNANCE IMPLICATIONS

Instruments of authorisations allow the business of Council to continue and operate effectively.

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 COUNCILLOR AND CEO REPORTS

8.1 MAYOR'S REPORT

Councillor Don Henderson

8.2 COUNCILLOR REPORTS

Councillor Tony Clark

Councillor Shirley Cornish

Councillor Tim Drylie

Councillor Lesley Hewitt

Councillor Pat Hockey

Councillors, I have had a very full month with everyday issues being raised by folk I meet in the supermarket and the streets of the shire. Likewise, I have been fortunate enough to be on the receiving end of gratitude from the community for jobs completed by the works team. I can't tell you how thrilled folk are when a worry or safety concern is seen to within a few days. For the overwhelming majority, roads, rates and rubbish are their primary concern. I must convey a particular thanks to the team responsible for renovating the bin cabinets in Clunes. It's remarkable the extent to which a coat of paint and a spit and polish has lifted the whole street.

I must also say I was delighted to be present at the launch of Words in Winter and the Swiss Italian Fiesta both held in Hepburn Springs in the last week of August. I couldn't have received a warmer reception and gratitude for the support the shire provides. The former drew a very large crowd and was a warm and entertaining event. The latter was smaller, but great fun and I felt the deep resonances into the history of those families who arrived here and have left many legacies.

This month has also seen my attendance at various events and responsibilities including the Clunes Museum meeting, the Clunes Bottle Museum meeting and the junior player awards at the Clunes Football and Netball club as well as the launch of the Smeaton Bowls season later that same day. Along with other councillors I attended the end-of-season get-together at the Creswick Soccer grounds and was interested to find there a large number of Clunes families. An important community facility with a large catchment of players without a doubt.

During the course of the month I had frequent cause to consider the scale of the shortfall in repair and replacement funds sought at a local government level across the country. I would put the ask conservatively nationwide at \$150 billion plus over the next ten years. Clearly this is not being budgeted for and some adjustments are inevitable. In this respect I suspect Hepburn Shire is the canary in the coal mine so to speak and I commend the organisation for moving quickly to rein in expenditure.

Councillor Brian Hood

RECOMMENDATION

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

8.3 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

Trentham was named Top Tiny Tourism Town for Australia, becoming the first town or city in Victoria to receive the gold award at the Australian awards.

Acknowledgment is given to the Trentham community and businesses for contributing to its reputation as a amazing place to work and visit. This award will bring additional visitors and benefits to Trentham, and the surrounding region. The Council's Economic Development team coordinated the partnership with Destination Central Victoria and local businesses to prepare and submit the application. officers role in collaborating with others played a significant part in this achievement.

Council has formally expressed its strong opposition to the Western Renewables Link Project (WRL) through a detailed submission to the Environmental Effects Statement (attached). The Council sincerely thanks the dedicated group of community members who have met regularly over the past five years, providing valuable insight into the project and its potential impacts. Council will ensure representation at the upcoming hearing.

Council is preparing the Domestic Animal Management Plan (DAMP) 2025-2029 over the next three months and invites community feedback. For more information, please visit our website. [Domestic Animal Management Plan | Participate Hepburn](#).

Tonight's Council meeting will consider the adoption of the Annual Report 2024-25. I would like to express my appreciation to staff and Councillors for their contributions over the past year. The report outlines a range of achievements throughout the organisation and community, reflecting our ongoing commitment to delivering positive outcomes for our community. Thank you.

The Annual Report serves not only as a record of what we have accomplished but also as a testament to our shared dedication and vision for the future. Through the collaborative efforts of officers, councillors and community, we have navigated challenges, seized opportunities, and continued to build a stronger, more resilient community. As we move forward, let us all remain focused on high quality decision making and customer service fostering innovation, inclusiveness, and positivity in every aspect of our work, ensuring that these achievements set the foundation for even greater success in years to come.

RECOMMENDATION

That Council receives and notes the Chief Executive Officer's Report for September 2025.

9 NOTICES OF MOTION

9.1 MANAGEMENT OF 42 RAGLAN STREET DAYLESFORD (REA LANDS PUBLIC PARK)

The Notice of Motion was put forward by Cr Brian Hood on 10 September 2025, was received and is in accordance with the Council's Governance rules and has been accepted by the Chief Executive Officer.

MOTION AS PROPOSED

That Council:

1. *Notes that the 29 July 2025 Council Meeting moved the following resolution – “Requests the Chief Executive Officer prepare a briefing report for Councillors with the history of “Rea Lands Reserve” 42 Raglan Street, Daylesford being bequeathed to Council, and for further investigation whether this site could be considered for sale or other use by Council.”*
2. *Acknowledges that the land at 42 Raglan Street Daylesford, known as ‘Rea Lands Public Park’, was generously bequeathed in 1982 to the citizens of Daylesford for their use and benefit by a former local Shire Councillor and Shire President, Constance Bessie Rea (Betty Rea).*
3. *Requests officers to include in their report additional information that would:*
 - *Investigate how the land could be held in perpetuity as a Council asset on behalf of the community for their use and benefit;*
 - *Consider how the land could remain to be known as ‘Rea Lands Public Park’ in perpetuity; and*
 - *Provide information on the process to re-zone the land as a Public Park and Recreation Reserve (PPRZ).*

10 ITEMS OF URGENT BUSINESS

11 CONFIDENTIAL ITEMS

11.1 CLOSURE OF MEETING TO MEMBERS OF THE PUBLIC

Pursuant to section 66(1) of the *Local Government Act 2020* (the Act) Council or delegated committee must keep a meeting open to the public unless the Council or delegated committee considers it necessary to close the meeting to the public because a circumstance specified in subsection (2) applies.

The circumstances detailed in section 66(2) of the Act are:

- a) the meeting is to consider confidential information; or
- b) security reasons; or
- c) it is necessary to do so to enable the meeting to proceed in an orderly manner.

RECOMMENDATION

That in accordance with sections 66(1) and 66(2)(a) of the Local Government Act 2020, the meeting to be closed to members of the public for the consideration of the following confidential items:

1.1. CEO EMPLOYMENT AND REMUNERATION COMMITTEE

Because it is personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs;

The ground applies because it relates to the employment and contract of the Chief Executive Officer.

12 CLOSE OF MEETING