



Special Meeting of Council

Agenda

Wednesday 29 October 2025
Kinglake West Hall
1055 Whittlesea-Kinglake Rd, Kinglake West
3:30 PM

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1 ACKNOWLEDGEMENT OF COUNTRY AND COUNCILLORS' PLEDGE

1.1 Acknowledgement of Country

The meeting will be opened with the Mayor reading the following on behalf of the Murrindindi Shire Council:

“Murrindindi Shire Council is proud to acknowledge the Taungurung and Wurundjeri people as the traditional custodians of the land we now call Murrindindi Shire.

We pay our respects to their Elders past, present and emerging, who are the keepers of history, traditions, knowledge and culture of this land.”

1.2 Councillors' Pledge

“The Councillors, democratically elected to represent our community as the Murrindindi Shire Council, are committed to working together in the best interests of the people who live in our municipality, those who conduct business here and those who visit.”

2 PROCEDURAL MATTERS

2.1 Privacy Note

This public meeting is being streamed live via our Facebook page and website. A recording of the meeting along with the official Minutes of the meeting will also be published on our website.

2.2 Apologies and Request for Planned Leave

2.3 Disclosure of Interest or Conflict of Interest

In accordance with section 130 (1)(a) of the *Local Government Act 2020* Councillors are required to disclose any “conflict of interest” in respect of a matter to be considered at a Council Meeting.

Disclosure must occur immediately before the matter is considered or discussed.

3 REPORTS - PEOPLE & CORPORATE PERFORMANCE GROUP

3.1 Adoption of Murrindindi Shire Council Annual Report 2024-25

Department	Governance and Risk
Approved by	Michael Chesworth, Director People and Corporate Performance
Presenter	Damien Gallagher, Mayor
Portfolio	Integrity, Finance and Resilience
Purpose	For Decision
Attachment(s)	1. Annual Report 2024 2025 V2 [3.1.1 - 138 pages]

Executive Summary

This report was deferred from the 22 October 2025 Council Meeting as the final audit report from the Victorian Auditor General's Office (VAGO) had not been received in time for the meeting.

The Murrindindi Shire Council Annual Report 2024/25 outlines Council's progress over the past financial year in delivering the Strategic Objectives of the Council Plan 2021–25, the Annual Budget 2024/25, the Capital Works Program, and other key achievements. Performance against the Council Plan's Strategic Direction Key Indicators is satisfactory, and measures within the Annual Priority Action Plan remain strong.

The copy of the Annual Report attached to the agenda includes the draft Annual Performance Statements and Financial Statements which were endorsed by Council on 8 October 2025. Once the VAGO report is received, it will be incorporated into the attached version of the Annual Report.

RECOMMENDATION

That Council approve the Murrindindi Shire Council Annual Report 2024/25, noting that the Financial and Performance Statements will be incorporated once the Victorian Auditor General's (VAGO) review is complete.

Background

Council must prepare an annual report, which complies with the *Local Government Act 2020* (Part 4 – Division 3 - Reporting) and contains the following:

- A Report of Council operations including Council Plan progress and major initiatives identified in the budget
- The Local Government Performance Reporting Framework (LGPRF)
- Governance Checklist
- Audited performance and financial statement; and
- A copy of the auditor's report on the performance and financial statements.

Council approved the Performance and Financial Statements on 8 October 2025 and these are now awaiting formal endorsement from the Victorian Auditor-General's Office (VAGO). Once endorsed, the statements will be incorporated into the Annual Report, along with a copy of the auditor's report.

Discussion

The Annual Report 2024/25 provides a comprehensive overview of Council's performance and achievements. It includes results from the Local Government Performance Reporting Framework, Annual Financial Statements, and strategic indicators. The report also highlights Council's advocacy efforts to secure State and Federal government support for essential services and infrastructure - ensuring our community has the resources it needs to thrive. In summary, Council:

Delivered:

- Eildon Reserve Re-development
- Multiple bridge maintenance and replacement works
- Drainage works in Long Gully Rd, Flowerdale; and
- Rail Trail art installations.

Provided services including:

- Aquatic facilities that enabled 112,140 people to visit our four Shire pools
- Library membership for 2,551 community members
- Maternal and Child Health Support Services; and
- DindiLink, which connected 448 people to practical, emotional and social support services.

Supported:

- 72 community groups through \$147,491 in grant funding
- Yea Wetlands (Kayigai) Trail Construction in partnership with the Yea Wetlands Discovery Center Inc.
- Volunteers through our Annual Volunteer Awards; and
- 74 community events.

Engaged with community on:

- The four-bin system – circular economy
- Yea Structure Plan
- Alexandra Development Plan
- Council's road services through the Council Road Advisory Group
- Boundary Creek Open Space Plan
- Council Plan 2025-2029
- Road Management Plan
- Molesworth and District Community Planning
- Draft Annual Budget 2025/26
- Key Worker Housing Project
- Rural Roadside Environment
- Kerbside Waste and Recycling Services Policy
- Draft Economic Development Strategy
- Draft Access in Sport Policy
- Murrindindi Shire Planning Scheme Review; and
- Eildon Pondage Masterplan and related plans.

Advocated on 42 important issues including:

- Regional worker accommodation fund
- Kinglake Memorial Reserve Oval upgrade

- Continuation of Red Cross Patient Transport
- Future of the Highlands Forrest
- Breakaway Bridge replacement funding shortfall
- Mobile Network Hardening Program to improve communication tower resilience
- Health care for regional women
- Sleep and settling programs for our youngest community members
- Multiple road safety projects
- Local development strategies for farm, health and aged care services
- Naturally Cooler Murrindindi Project increasing urban trees
- Environment and sustainability issues
- Local Government Funding and Services Delivery; and
- The State Government's Emergency Services Volunteer Fund.

Council Plan/Strategies/Policies

This report supports the *Transparent Governance and Authentic Engagement* Strategy to continuously improve our approach to governance, compliance and reporting.

Relevant Legislation

Section 98 of the *Local Government Act 2020* requires Council to prepare an Annual Report in respect to each financial year. Section 100 of the Act states that the Mayor must report on the implementation of the Council Plan by presenting the annual report at a Council meeting open to the public.

Financial and Risk Implications

The Annual Report 2024/25 includes the audited Financial Report and Performance Statements for the 2024/25 financial year which were approved by Council on 8 October 2025.

During 2024/25, the Audit & Risk Committee noted a deterioration in Council's financial sustainability indicators and an increased financial risk rating. This was primarily due to continuing underlying operating deficits and reliance on one-off revenue sources. The Committee highlighted the need for continued focus on long-term financial planning, asset rationalisation, and advocacy for a fairer funding model to support sustainable service delivery.

Conflict of Interest

No conflict of interests were declared by Council officers in relation to this report.

Community, Stakeholder and Communication Consultation

External community or stakeholder consultation was not applicable.

3.2 Adoption of Financial Plan 2025-2035

Department	Business Services
Approved by	Michael Chesworth, Director People and Corporate Performance
Presenter	Cr Paul Hildebrand
Portfolio	Integrity, Finance and Resilience
Purpose	For Decision
Attachment(s)	1. Long Term Financial Plan 2025-35 [3.2.1 - 31 pages]

Executive Summary

The Financial Plan 2025–2035 outlines Murrindindi Shire Council's 10-year strategy to ensure financial sustainability while delivering essential services and infrastructure. Aligned with the Council Plan 2025–2029 and other strategic documents, it meets legislative requirements under Section 91 of the Local Government Act 2020.

The Plan highlights significant financial challenges for Council over the 10-year outlook, including persistent underlying operating deficits, insufficient rate and grant income, and declining liquidity. These issues stem largely from the need to fund overdue asset renewals and upgrades, which cannot be deferred further without compromising safety and service delivery.

To address these pressures, the Plan identifies three key interventions that would make the most positive difference to the financial outlook. These include

- seeking a government exemption to raise rates above the cap,
- securing substantially increased government financial assistance, and
- debt funding for short-life assets.

The Plan also outlines internal cost management actions and service and infrastructure reviews, developed in partnership with the community.

Council commits to ongoing community engagement to refine financial objectives and explore new revenue opportunities and asset rationalisation strategies. The Plan emphasises a shared responsibility between Council, community, and government to overcome systemic funding inequities affecting small rural councils.

RECOMMENDATION

That Council adopt the Murrindindi Shire Council Financial Plan 2025-2035

Background

The Financial Plan 2025-2035 sets out a strategic 10-year projection of Murrindindi Shire Council's financial resources and position. It is designed to give effect to the Council Plan 2025-2029 and other integrated strategic documents, including the Asset Plan 2025-2035 and Rating Plan.

The Financial Plan outlines the financial sustainability challenges facing Council and the actions required to responsibly meet these challenges, and provide for a more resilient and sustainable financial position over the next decade. The document meets the requirements of Section 91 of the Local Government Act 2020, which mandates a publicly available Financial Plan covering at least the next 10 financial years. Council is committed to reviewing and updating this Plan regularly to maintain alignment with evolving strategic priorities, annual budgets and performance outcomes.

Discussion

The Financial Plan builds on the recently adopted Asset Plan 2025-2035 and recognises that Council can no longer postpone or defer necessary asset renewal and upgrade expenditure if it is to continue delivering safe and necessary services and infrastructure to the Murrindindi community.

Funding these asset requirements, however, will significantly affect Council's financial position over the next decade, as evidenced by:

- An adjusted underlying operating result remaining in deficit throughout the Plan
- Insufficient internally generated rate and grant income to fund asset expenditure for each year of the planning period
- Liquidity and unrestricted cash indicators falling below sustainable levels.

This unfavorable financial outlook reflects the impact of servicing interest-bearing loans required to fund the projected cashflow shortfalls and the necessary capital expenditure program.

To reverse this unfavourable financial projection, significant interventions are needed. The three most critical to securing Council's future financial sustainability are:

- Consideration of an exemption to enable Council to raise rates above the rate cap early in the life of the Plan
- A substantial increase in government financial assistance to recognise the lack of alternative own source revenue options for Council and limits on the capacity of the community to contribute more, and
- Debt funding of Council's short life assets.

The financial plan provides a financial sustainability roadmap which outlines internal actions being taken by Council in partnership with the community to manage costs and review service priorities. It also sets out the role of other levels of government including essential funding reforms to address the systemic inequities facing small rural councils.

Following Council's adoption of the Financial Plan, it is intended to continue engagement with the community to further review and refine the financial objectives in the Plan, to address the financial sustainability challenges. This will include a further deliberative engagement panel to advise Council on priorities for asset consolidation and rationalisation as part of a broader strategy to strengthen Council's financial position and ensure resources are aligned with community priorities.

Council Plan/Strategies/Policies

This report supports the *Sustainable Infrastructure and Financial Management* Strategy to strengthen Council's approach to asset planning, risk management and long-term financial strategy.

Relevant Legislation

Section 91 of the Local Government Act 2020 requires councils to develop a Financial Plan with at least a 10 year outlook. The Plan is required to be developed in accordance with deliberative engagement practices and must be adopted by 31 October in the year following a Council election.

Financial and Risk Implications

The implications associated with the financial challenges facing Council over the next 10 years are outlined in the Financial Plan. From a risk perspective, the financial outlook highlights a significant threat to Council's financial viability associated with declining liquidity and increasing debt servicing requirements. There remains a strong case for action to address these financial risks that involve a shared responsibility by Council, in partnership with the community, and through reform of government financial assistance arrangements.

Conflict of Interest

There were no conflicts of interest declared by Council officers in relation to the matters contained in this report.

Community, Stakeholder and Communication Consultation

Council undertook an extensive community engagement program from July 2024 to June 2025, which directly informed the redevelopment and refinement of its key strategic documents including the Council Plan 2025-2029, Community Vision 2025-2035, Asset Plan 2025-2035 and this Financial Plan 2025-2035.

This consultation program included online community preference surveys, feedback on discussion papers and draft strategies, pop-up intercept interviews, community workshops and a deliberative engagement panel appointed to focus specifically on the development of service-level and financial priorities driving Council's approach to asset management.