

SOUTH GIPPSLAND SHIRE COUNCIL

Council Meeting Agenda

Wednesday 21 October 2026



Council Chambers, Leongatha
Commencing at 2:00 PM



*South Gippsland
Shire Council*

OUR COUNCIL PLAN VISION STATEMENT

Our South Gippsland community is connected, resilient and empowered. We value our unique townships, our rural and coastal landscapes, while balancing growth.

A prosperous region, we draw strength from: visitor experience, emerging and creative industries, our agricultural sector and natural environment. We lead with purpose, are forward thinking, and deliver consolidated and sustainable services for our community.

The Council Agenda relates to the following Strategic Objectives of the Council Plan 2025-2029.



Leading with Integrity



Developing a Sustainable Future



Empowering Communities

SOUTH GIPPSLAND SHIRE COUNCIL

Notice is hereby given that Council Meeting of the
South Gippsland Shire Council will be held on Wednesday 21 October 2026
in the Council Chambers, Leongatha, commencing at 2:00pm

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Allison Jones
Chief Executive Officer

Privacy Statement

Council is required to keep minutes of each Council meeting. The minutes contain details of proceedings which may include personal information about community members disclosed as part of presentations, submissions and questions. The minutes of Council meetings are a public record and can be inspected by members of the public.

1. PRELIMINARY MATTERS

1.1. LIVE-STREAMING COUNCIL MEETING DISCLAIMER

This Council Meeting is being streamed live, recorded and published in accordance with Council's *Live Streaming in Council Meetings Policy*.

Access to the live stream through Council's Internet is an option to view the 'open' component of a Council Meeting. Link to the Live Stream on Council's website: [Live Streaming | Live Streaming | South Gippsland Shire Council](#)

The Chair and/or the CEO have the discretion and authority at any time to direct the termination or interruption of live streaming. Such direction will only be given in exceptional circumstances where deemed relevant. Circumstances may include instances where the content of debate is considered misleading, defamatory or potentially inappropriate to be published.

Today's Meeting is being streamed live as well as recorded and published on Council's website.

Thank you

1.2. WELCOME TO THE COUNCIL MEETING

Public Questions

In accordance with Council's *Governance Rules*, clause 57.6 the submission of agenda public questions has now closed. Questions must be received by Council, 24 hours prior to the commencement of the Council Meeting. Questions received within 24 hours of the commencement of the Meeting will be considered at the next Council Meeting.

1.3. OPENING PRAYER

As we gather here from diverse backgrounds and beliefs, may we hold privilege with good care and trust. As we deliberate and discuss, may we be wise in our discernment, fair in our decisions and visionary in our planning. May we be guided by our common goal of a strong and united South Gippsland.

1.4. ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS

We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.

1.5. APOLOGIES

1.6. CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the South Gippsland Shire Council Meeting held on 16 September 2026 in the Council Chambers, Leongatha be confirmed.

1.7. DECLARATION OF CONFLICTS OF INTEREST FOR COUNCILLORS

The *Local Government Act 2020* (the Act), Division 2 sets out the requirements relating to declaring a Conflict of Interest. Disclosure of a conflict of interest in respect of a matter to be considered at a Council Meeting is required under section 130(1)(a) and specifically applies to a relevant person being a Councillor, member of a delegated committee who is not a Councillor and a member of Council staff.

Council's Governance Rules, Chapter 5 – Clause 2 - Disclosure of a Conflict of Interest at a Council Meeting sets out the prescribed manner required to disclose a conflict of interest at South Gippsland Shire Council.

Council's Governance Rules require a Councillor and/or staff member who has a conflict of interest in a matter being considered at a Council Meeting to announce before the matter is considered and disclose this in a written notice to the Chief Executive Officer. The details included in the disclosure, explain the nature of the conflict of interest, whether it is classified as general or material (s.127 and s.128), the name of the relevant person(s) and their relationship to them.

Failure to comply with disclosures of conflict of interest (s.130) may be subject to penalty points and/or other disciplinary measures depending on the nature of the conflict.

The *Local Government Act 2020* can be accessed from the Victorian Legislation and Parliamentary documents website at www.legislation.vic.gov.au.

Council's Governance Rules can be accessed from [Council's Policies](#) webpage.

1.8. DECLARATION OF CONFLICTS OF INTEREST FOR STAFF

The *Local Government Act 2020* (the Act), Division 2 sets out the requirements relating to declaring a Conflict of Interest. Disclosure of a conflict of interest in respect of a matter to be considered at a Council Meeting is required under section 130(1)(a) and specifically applies to a relevant person being a Councillor, member of a delegated committee who is not a Councillor and a member of Council staff.

Council's *Governance Rules, Chapter 5, clause 6, 7 and 8* sets the prescribed manner required for staff to disclose a conflict of interest when:

- Preparing Reports for Meetings
- Exercise of Delegated Power
- Exercise of a Statutory Function

Council staff must immediately upon becoming aware of a conflict of interest provide a written notice to the Chief Executive Officer disclosing the conflict of interest, explain the nature of the conflict and how it will be managed. Upon becoming aware and declaring a conflict of interest, a staff member may not exercise a power or perform a function in the matter. All prepared reports will record that staff member(s) have considered a conflict of interest and include if any, the details of a disclosure.

Failure to comply with disclosures of conflict of interest (s.130) may be subject to penalty points and/or other disciplinary measures depending on the nature of the conflict.

The *Local Government Act 2020* can be accessed from the Victorian Legislation and Parliamentary documents website at www.legislation.vic.gov.au.

Council's *Governance Rules* can be accessed from [Council's Policies](#) webpage.

2. AGENDA PUBLIC QUESTIONS

2.1. PETITIONS AND JOINT LETTERS

Petitions and Joint Letters are written requests that have been signed by a number of community members. According to the *Governance Rules Division 9 - clause 58 – Petitions and Joint Letters*, members of the community may submit a valid petition or joint letter to a Councillor or to Council addressed to the Chief Executive Officer.

The Councillor presenting the petition or joint letter is responsible for ensuring that they are familiar with the contents and purpose of the petition or joint letter and that it does not contain language disrespectful to Council.

The requirements of the lead petitioner are detailed in the *Governance Rules*, available on Council's website.

2.2. ANSWERS TO PREVIOUS AGENDA PUBLIC QUESTIONS ON NOTICE

Answers to previous questions taken on notice at a former Council Meeting, may be included in the Minutes of this Meeting or alternatively responded to as a customer request inline with Council's *Customer Service Charter and Governance Rules*, available on Council's website.

Background material submitted with a question will not be recorded in the Council Meeting minutes.

2.3. SUBMITTED AGENDA PUBLIC QUESTIONS

All community member questions for Council Meetings are to be written and submitted 24 hours prior to the commencement of a Council Meeting to allow time for a response to be prepared. Reasonable efforts will be made to answer pre-submitted questions at the Meeting. Any question received after the closing time of 24 hours prior to the commencement of a Council Meeting, will be held over to the next scheduled Council Meeting.

When further time is required to prepare an answer, questions may be taken-on-notice and responses will be included in the minutes of the next Council Meeting or alternatively responded to as a customer request in line with Council's *Customer Service Charter* and *Governance Rules*, available on Council's website.

At the Meeting, the person submitting the question(s) may have the option to read out their question(s) and will be recorded in the minutes. Questions may not be allowed where the question(s) is deemed to be:

- is not relevant to any Council agenda topic
- relates to a matter outside the duties, functions and powers of Council;
- is defamatory, indecent, abusive, offensive, irrelevant, trivial or objectionable in language or substance;
- deals with a subject matter already publicly answered; or is repetitious or vexatious questions from the same *Questioner*;
- is aimed at embarrassing a Councillor or a member of Council staff;
- relates to personnel matters; personal hardship of any resident or ratepayer;
- industrial matters; contractual matters; proposed developments; legal advice; law enforcement matters; or
- relates to confidential information as defined under the Act; or
- relates to matters affecting the security of Council property;
- is illegible, vague, not make sense or not be a question;
- relates to council business information and operational matters not specific to Council meeting agenda topics; and/or
- relates to any other matter which Council considers would prejudice Council or any person

A person may submit up to three (3) questions, this includes a combined total of three (3) questions for related parties or groups. The total word count of all questions submitted is to be 200 words or fewer. Background material submitted with a question will not be read out or recorded in the Council Meeting minutes.

The CEO, in consultation with the Mayor, may decide not to refer a question to a Council Meeting if there is a more appropriate way to respond. Questions and responses may be read out by the Chair or a nominated Councillor or Council staff.

Public question time in the agenda will not exceed 15 minutes in duration, unless extended by a further 15 minutes by a resolution of Council.

3. NOTICES OF MOTION AND/OR RESCISSION

3.0. NIL

4. URGENT BUSINESS

Normally no motion should be debated by Councillors unless the matter is already included as an item on the Agenda. However, in some circumstances it is possible to raise urgent motions.

Council's *Governance Rules 2020, clause 23 - Urgent Business*, allows for where a situation has not been provided for under the *Governance Rules*, the Council may determine the matter by resolution. Established practice has provided for urgent motions to be raised at Council provided the matter cannot be dealt with at the next Council Meeting or by Officers under delegation.

It is necessary for the Councillor wishing to raise a matter of urgent business to raise a motion similar to the following:

'That consideration of (the issue) be dealt with as a matter of urgent business and Councillor....be allowed a 'short period' to indicate the reason(s) why the matter should be considered as a matter of urgent business.' If the Chairperson accepts the motion as meeting the urgent business criteria, normal meeting procedures in Council's *Governance Rules 2020, clause 23* will apply.

If the motion to accept the item as a matter of urgent business is passed by Council, the motion relating to the specific issue can then be put and debated in the normal way.

5. COUNCIL REPORTS

5.1. 2025/26 ANNUAL REPORT

Directorate:	Strategy and Integrity
Department:	Governance and Integrity

Council Plan

Theme - Leading with Integrity

The 2025/26 Annual Report finalises Council's reporting against the 2025/26 Report of Operations, Financial Statements and Performance Statement. The Annual Report provides an overview of Council's performance for the 2025/26 financial year and aligns with the Local Government Act 2020.

EXECUTIVE SUMMARY

The purpose of this report is to provide Council and the community with Council's audited financial and operational position as of 30 June 2026 in the 2025/26 Annual Report (**Attachment [5.1.1]**).

Following the 16 September 2026 Council Meeting, the Financial and Performance Statements (Statements) were signed and sent to the Victorian Auditor General's Office (VAGO) for certification. VAGO advised that there were no changes to the Financial and Performance Statements and VAGO certification has been updated.

RECOMMENDATION

That Council receives and endorses the South Gippsland Shire Council 2025/26 Annual Report (Attachment [5.1.1]) prepared in accordance with the *Local Government Act 2020*.

REPORT

Council has completed a highly successful financial year in 2025/26, the first year of the 2025-2029 Council Plan. The major highlights include:

- Financial and Performance Statements compliant and audited by VAGO well in advance of scheduled timeframes.
- 100 per cent of Council Plan Actions - Target Achieved (30 Actions); and
- 100 per cent of Measures of Success Indicators - Target Achieved (15 Indicators).
- Council delivered 42 capital works projects totally \$20.1M; including but not limited to:
 - Korumburra pedestrian link.

- Fish Creek streetscape works.
- Korumburra multi-sport facility.
- The emergency-preparedness generator for the Leongatha Council offices.
- Refurbishment of the Nerrena Cricket Club rooms.
- Markleys Road Bridge repair.
- Port Welshpool seawall repair.
- Korumburra skate park.
- Dumbalk North tennis court refurbishment.
- Van Cleef Reserve Venus Bay playground replacement.
- Local Government Service Performance Indicators received positive results and improvements in Community Health and Safety, Governance, Maternal and Child Health, Food Safety and Planning.

As required by the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*, Council must prepare an Annual Report for each financial year. The Annual Report provides an account of Council's operations, performance and financial position for the financial year and must be adopted by Council by 31 October (**Attachment [5.1.1]**).

The Annual Report must contain the following:

- Financial Statements (audited by VAGO);
- Performance Statement Indicators (audited by VAGO);
- Governance and Management Checklist, signed by Mayor and CEO;
- Report of Operations including a recap on key achievements against the *2025-2029 Council Plan* and 2025/26 Annual Actions and the *Local Government Performance Reporting Framework (LGPRF) Indicators* as outlined in Council's *2025/26 Annual Budget*; and
- A copy of the Victorian Auditor General's Office (VAGO) auditor's report for the Performance and Financial Statements.

These documents are presented to Council for endorsement (**Attachment [5.1.1]**).

Local Government Performance Reporting Framework (LGPRF) Indicators

Council's LGPRF indicators and results are reported under each Council Plan Theme in the Our Performance section, with comparisons to the previous three years. These results will also be published on the State Government's *Know Your Council* website.

As part of the Council's annual budget, Councils are required to set targets for the eight service and financial measures outlined below.

Service measures

- G2 - Governance – Consultation and engagement.
- SP2 - Statutory Planning – Service standard.
- R2 - Roads – Condition.
- WC5 - Waste management – Waste diversion.

Financial measures

- E2 - Financial efficiency – Expenditure level.
- S1 - Financial stability – Rates concentration.
- L1 - Financial liquidity – Working capital.
- O5 - Financial obligations – Asset renewal.

Governance Management Checklist

The Governance Management Checklist was endorsed at the 16 September 2026 Council Meeting and is consistent with the *Local Government (Planning and Reporting) Regulations 2020* and the Act. This has been certified by the Mayor and the CEO and included in the final *2025/26 Annual Report*.

CONSULTATION / COMMUNITY ENGAGEMENT

The Audit and Risk Committee met on 25 August 2026 to review the draft Financial and Performance Statements, as audited by Council's auditor, VAGO.

At the Council Meeting held on 16 September 2026, Council provided an in-principle approval of the Financial and Performance Statements for the year ended 30 June 2026.

Local Government Victoria annually provide the *Local Government Better Practice Guides* to support the preparation of the Annual Report. These guides have informed the structure and content of each section of the *2025/26 Annual Report* which will be published on Council's website, including the certification from VAGO.

RESOURCES / FINANCIAL VIABILITY

Costs associated with the publication of the Annual Report are covered within approved budget allocations. It is developed and designed in-house, with limited printing to keep the costs of publishing and printing as low as possible.

RISKS

Completion of the Annual Report along with certified Financial and Performance Statements is an annual legislative requirement of the *Local Government Act 2020*. To not complete the Annual Report and requirements would be a breach of ss.98 and 99 of the *Local Government Act 2020*.

STAFF DISCLOSURE

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

ATTACHMENTS

1. 2025/26 Annual Report - 21 October Council Meeting [5.1.1 - 162 pages]

REFERENCE DOCUMENTS

Council's Good Governance Framework

Pillar 8. Monitoring & Performance Review

Council Policy / Strategy / Plans

Documents are available on Council's website at the following [LINK](#).

Long-Term Financial Strategies

Annual Budget

Long Term Financial Plan

Legislative Provisions

Local Government (Governance and Integrity) Regulations 2020

Local Government Act 2020

Local Government Better Practice Guide – Preparing Council's Annual Report – 2025/26 Edition

Local Government Better Practice Guide – Annual Report – Report of Operations 2025/26 Edition

Local Government Better Practice Guide – Model Performance Statement 2025/26 Edition

Local Government Better Practice Guide – Performance Reporting Indicator Guide 2025/26

Regional, State and National Plan and Policies

Nil

SOUTH GIPPSLAND SHIRE COUNCIL

Annual Report 2025/26



Report for the year ending 30 June 2026



Acknowledgment of Country

We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.

Our Contact Information



9 Smith Street, Leongatha 3953



5662 9200



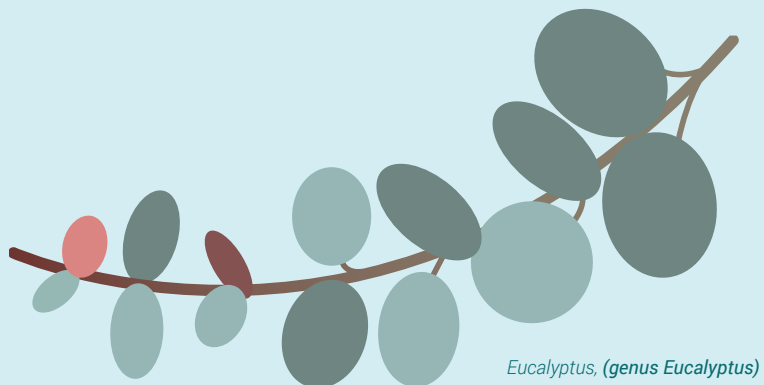
council@southgippsland.vic.gov.au



www.southgippsland.vic.gov.au



[www.facebook.com/
southgippslandshirecouncil](https://www.facebook.com/southgippslandshirecouncil)



Eucalyptus, (genus Eucalyptus)

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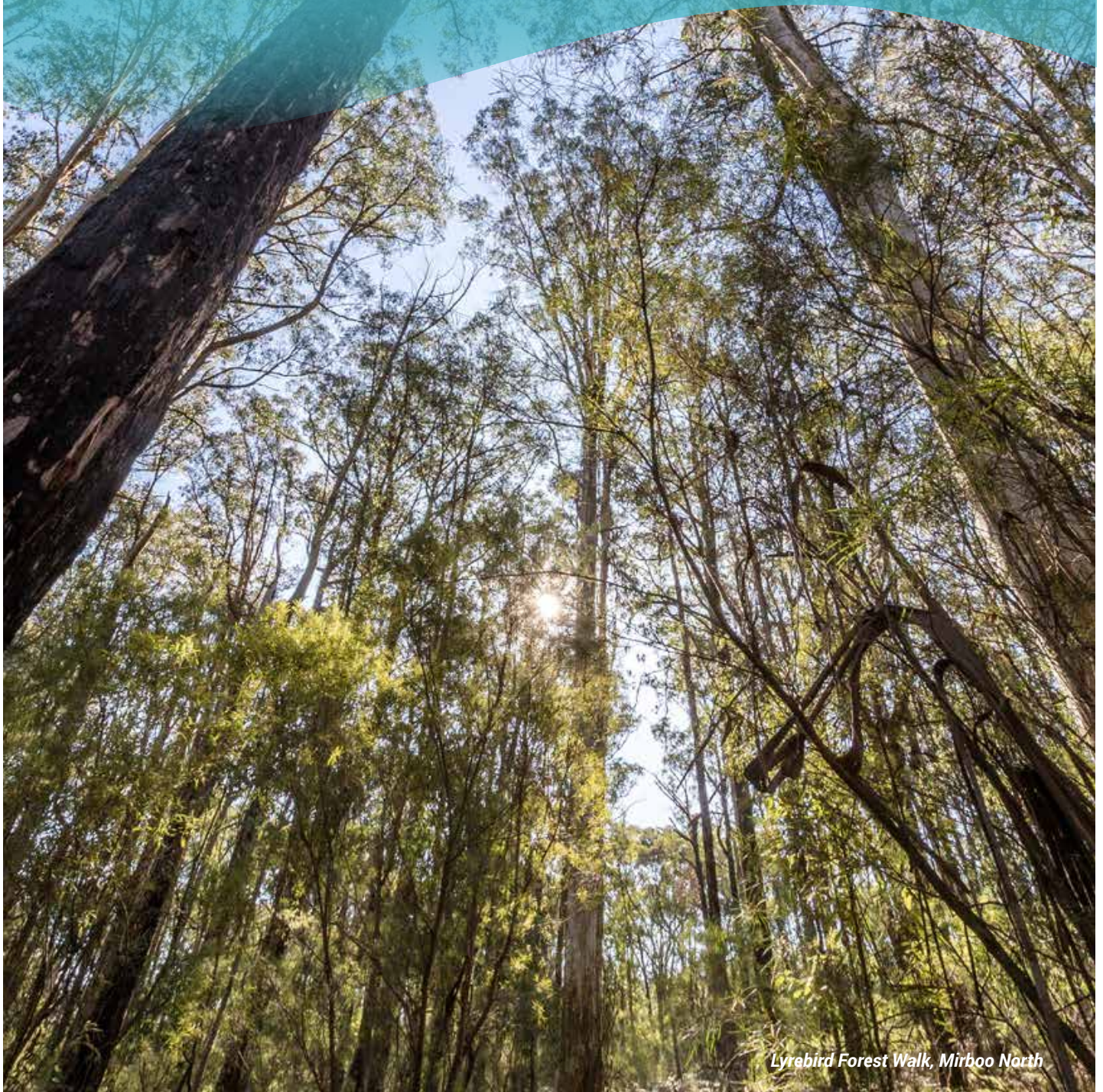
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OUR REGION

- ABOUT OUR ANNUAL REPORT
- ABOUT SOUTH GIPPSLAND
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Lyrebird Forest Walk, Mirboo North

About our Annual Report

South Gippsland Shire Council's 2025/26 Annual Report provides a comprehensive overview of the organisation's achievements, challenges, and performance over the past financial year. It highlights the breadth of Council's operations and the wide range of services and projects delivered to the South Gippsland community.

The 2025/26 Annual Report also reflects the significant progress made over the past 12 months—representing some of Council's strongest results in recent years.

This report forms a key part of Council's commitment to transparency and accountability, both to the community and in compliance with the *Local Government Act 2020*. In accordance with the Act, all councils are required to present their Annual Report at an open meeting of Council by 31 October each year.

How to Read the Report

South Gippsland Shire Council's 2025/26 Annual Report is divided into six key sections:

1. Report Overview

Provides context for the Annual Report and offers a snapshot of the Shire, highlighting key events and achievements from the past year.

2. Our Performance – An Overview

Includes a financial summary and details of Council's major capital works. It also reviews progress on the objectives outlined in the *2025–2029 Council Plan*.

3. Our Organisation

Presents an overview of Council's organisational structure, workforce, and internal operations.

4. Our Performance

Aligned with the themes of the Council Plan, this section outlines Council's performance across a wide range of services and activities. It includes a review of budget-funded services and results against legislated performance measures.

5. Our Governance

Details Council's governance framework, including legislative obligations, democratic processes, and internal governance practices. This section also includes required statutory disclosures under various pieces of legislation.

6. Financial Statements and Performance Statement

Prepared in accordance with the *Local Government Act 2020* and audited by the Victorian Auditor-General's Office (VAGO) and in line with the Local Government Victoria Performance Reporting Framework.

Our Vision Statement

Our South Gippsland community is connected, resilient and empowered. We value our unique townships, our rural and coastal landscapes, while balancing growth. A prosperous region, we draw strength from: visitor experience, emerging and creative industries, our agricultural sector and natural environment. We lead with purpose, are forward thinking, and deliver consolidated and sustainable services for our community.

Our Values

- Community and Outward Focussed
- Accountable
- Respectful
- Proactive
- Acting in the interests of the whole Shire

Outside In, Koonwarra

About South Gippsland

South Gippsland Shire Council is located in coastal south-eastern Victoria, approximately 100 kilometres south-east of Melbourne. The Shire has three wards: Tarwin Valley, Strzelecki, and Coastal Promontory.

Covering an area of 3,308 square kilometres, South Gippsland features agriculturally rich land that supports a strong agricultural sector, including dairy, beef, sheep, and vegetable production. Viticulture, commercial fishing, and a growing tourism industry also play key roles in the region's diverse economy.

South Gippsland is home to a number of iconic attractions, including the Port Welshpool Long Jetty, Cape Liptrap Coastal Park, the Great Southern Rail Trail, the Grand Ridge Rail Trail, Agnes Falls, and the world-renowned Wilsons Promontory National Park.

About us



31,109 residents live in South Gippsland.



12,234 people work in South Gippsland.



37,422 forecast population by 2046 in South Gippsland.



Population density of 9.4 people per square kilometre.



Almost half, or 49.2 per cent of the population is aged 50 or over.



824 kilometres of sealed roads.



1,275 kilometres of unsealed roads.



Our Economy

Over the past year, South Gippsland's economic output continued to grow, with local businesses demonstrating strong resilience and capability despite ongoing challenges, including cost of living and international economic pressures.

Drought conditions continued from the previous year for large parts of the Shire. This had an impact on the agricultural sector and related industries. These effects are likely to be better reflected in future economic data releases. Conflict in the Middle East contributed to a major rise in fuel and associated costs, which impacted widely across the economy.

Visitor spend in South Gippsland increased this financial year but was impacted by fuel costs during the later months. For the first eight months, prior to the Middle East conflict commencing, visitor spending was up 2.3 per cent up from the equivalent period the year before. From March to June 2026 visitor spending declined by 4.1 per cent from the same period the year before.

According to the latest figures from *REMPAN Economic Modelling and Planning System*, South Gippsland recorded:

- Annual economic output: almost \$5.5 billion;
- Gross Regional Product (GRP): \$2.6 billion.

These are notable given South Gippsland's relatively small population. Much of this growth continues to be through the agricultural sector.

The unemployment rate across Victoria increased over the past year. However, South Gippsland continues to outperform the state average, recording an unemployment rate of 2.6 per cent in March 2026 (Jobs and Skills Australia)— the lowest among all Gippsland local government areas and below the Victorian average of 4.6 per cent.

Local consumer spending over the 2025/26 financial year reached \$342 million. The highest-spending month was January 2026, with \$35.3 million in total expenditure. December 2025, marked the peak for local resident spending, with \$18.4 million (*Spendmapp data, provided by Geografia*).

South Gippsland also welcomed more than one million visitors during the year. Visitors contributed 43.4 per cent of all consumer spending across the Shire—a figure that exceeds 60 per cent in some smaller towns.

Local events, particularly those integrated with main street and town centre activity — such as the Loch Food and Wine Festival — continue to play a key role in driving visitor spending and supporting the broader regional economy. Their impact is especially significant in smaller towns, where visitor expenditure can account for the majority of local consumer spending.

Key Figures



\$5.5 billion annual economic output.



\$2.6 billion gross regional product.



2.6 per cent unemployment rate.
(Lower than the Victorian average of 4.6 per cent)



4,000 businesses.
(Including more agriculture, forestry and fishing businesses than any local government area in Victoria)



\$342 million local consumer spend of the financial year.



1.1 million visitors per year.

OUR COUNCILLORS

- MESSAGE FROM THE MAYOR
- OUR COUNCILLORS



Jumbunna Public Hall

Our Councillors

Councillors – Coastal Promontory Ward



Cr Steve Finlay

Elected: November 2024

☎ 0497 264 241

✉ Cr.steve.finlay@southgippsland.vic.gov.au



Cr Sarah Gilligan

Elected: November 2021

☎ 0484 921 547

✉ Cr.sarah.gilligan@southgippsland.vic.gov.au



Cr Scott Rae

Elected: November 2021

☎ 0484 929 738

✉ Cr.scott.rae@southgippsland.vic.gov.au

Councillors – Strzelecki Ward



Cr Nathan Hersey (Mayor)

Elected: November 2021

☎ 0458 974 564

✉ Cr.nathan.hersey@southgippsland.vic.gov.au



Cr Bron Beach

Elected: November 2024

☎ 0472 575 366

✉ Cr.bron.beach@southgippsland.vic.gov.au



Cr John Kennedy

Elected: November 2024

☎ 0488 265 692

✉ Cr.john.kennedy@southgippsland.vic.gov.au

Councillors – Tarwin Valley Ward



Cr John Schelling

Elected: November 2021

☎ 0418 595 346

✉ Cr.john.schelling@southgippsland.vic.gov.au



**Cr Brad Snell
(Deputy Mayor)**

Elected: November 2024

☎ 0455 070 113

✉ Cr.brad.snell@southgippsland.vic.gov.au



Cr Clare Williams

Elected: November 2021

☎ 0484 918 850

✉ Cr.clare.williams@southgippsland.vic.gov.au

Message from the Mayor

The 2025/26 financial year has been one of strong progress, thoughtful planning and continued investment in the future of South Gippsland.

As Mayor, I am proud to present this Annual Report, which demonstrates Council's commitment to delivering the priorities identified by our community through the *Council Plan 2025 to 2029*. Throughout the year, Council has remained focused on providing essential services, maintaining and improving infrastructure, supporting local communities and ensuring we remain financially responsible in an increasingly challenging environment.

One of the most significant achievements this year has been the continued implementation of our new Council Plan. Built around the themes of Leading with Integrity, Developing a Sustainable Future and Empowering Communities, the Plan provides a clear roadmap for the years ahead and reflects the aspirations shared with us by our community.

Council has continued to advocate strongly on behalf of South Gippsland, securing funding for important infrastructure projects while working constructively with both the Victorian and Australian Governments. We have also maintained a strong focus on long-term financial sustainability, ensuring we continue to invest responsibly in the assets and services our communities rely upon. Council is financially focused both on the now and also the future.

Council also continued to invest in critical infrastructure across the municipality. Major works completed during the year included the Korumburra and Fish Creek streetscape projects, road rehabilitation and resealing programs, landslip recovery works, improvements to the Great Southern Rail Trail and continued delivery of our capital works program.

This year has also seen important progress in planning for the future. Reviews of our Planning Scheme, Heritage Strategy, Economic Development Strategy, Visitor Economy Strategy, Paths and Trails Strategy and Community Engagement Strategy will help ensure South Gippsland continues to grow in a way that protects our unique character while supporting new opportunities.



Supporting our communities has remained at the heart of everything we do. Through our Community Grants Program, Live4Life partnership, community planning initiatives, emergency resilience work and investment in arts, culture and recreation, Council has continued to strengthen the wellbeing, resilience and connectedness of our towns.

I have been continually impressed by the dedication of South Gippsland's Councillors, who have approached every decision with a genuine commitment to achieving the best possible outcomes for our community. Their willingness to work collaboratively has been instrumental in the progress we have made throughout the year.

On behalf of Council, I thank Chief Executive Officer Allison Jones, the Executive Leadership Team and every member of Council staff for their professionalism, expertise and commitment to serving our community and remaining outward focused.

Finally, I would like to thank the people of South Gippsland. Your feedback, ideas and participation continue to shape the decisions we make and the future we are building together. I look forward to continuing this work as we deliver on the ambitions of our Council Plan and create an even stronger future for South Gippsland.

Cr Nathan Hersey

Mayor,
South Gippsland Shire Council

OUR ORGANISATION

- MESSAGE FROM THE CHIEF EXECUTIVE OFFICER
- OUR EXECUTIVE LEADERSHIP TEAM
- OUR ORGANISATIONAL STRUCTURE
- OUR PEOPLE



Message from the Chief Executive Officer

I am delighted to present South Gippsland Shire Council's 2025/26 Annual Report, my first after a full year in the role. This report highlights another year of outstanding organisational performance, responsible financial management and meaningful progress towards the objectives outlined in the *Council Plan 2025 to 2029*.

A significant focus this year has been strengthening the organisation for the future. We progressed strategic reviews of Council's building assets, service delivery, digital systems and community engagement methodology to ensure our services continue to meet community expectations while supporting long-term financial sustainability.

Council's financial position remains sound, providing confidence that we are managing community resources responsibly while continuing to invest in essential infrastructure and services. Strong financial stewardship ensures Council is well placed to respond to future opportunities and challenges.

None of these achievements would have been possible without the dedication and professionalism of our staff. Every day, our employees work across a diverse range of services that support our communities, often behind the scenes, and I thank them for their commitment to delivering positive outcomes for South Gippsland.

When I look at where we are now, I see an organisation with the right fundamentals in place. We have clarity of purpose. We have strong relationships. We have leaders at all levels who step in, not back. We have teams who act, not wait. These foundations matter – they will carry us through whatever challenges come next. And there will be challenges. But we've already shown that we can stay calm in uncertainty, adapt quickly and deliver with pride.



It is not just the officers who have worked hard over the past year. I also acknowledge the Mayor Cr Hersey, the Deputy Mayor Cr Snell and indeed all nine Councillors for their leadership, strategic direction and collaborative approach throughout the year.

Finally, I thank our community members, volunteers, businesses and partner organisations. Your ongoing efforts help us deliver better outcomes and ensures Council remains responsive to the needs and aspirations of all South Gippslanders.

As we look ahead, we remain committed to delivering the Council Plan, strengthening our organisation and continuing to build a sustainable, resilient and prosperous future for our community.

Allison Jones

Chief Executive Officer
South Gippsland Shire Council



Our Executive Leadership Team



Council appoints a Chief Executive Officer (CEO) to manage the day-to-day operations of South Gippsland Shire Council in accordance with the strategic directions outlined in the Council Plan. The CEO together with three Executive Directors and an Executive Manager, form an Executive Leadership Team that leads the organisation with support from department managers and employees.

During 2025, several appointments were made to Council's leadership team. Lucas Gardiner commenced as Executive Director Empowering Communities on 10 February, while David Fice, Michelle Jorgenson and Tony Peterson commenced as Executive Director Infrastructure Sustainability, Executive Manager Culture and Capability, and Executive Director Strategy and Integrity respectively, on 3 November 2025.





Allison Jones

Chief Executive Officer

Allison Jones is a distinguished senior executive in the local government sector known for her collaborative approach to leadership, and strong commitment to delivering positive outcomes for the community. With over 20 years of executive level experience she brings expertise in financial management, organisational performance, and service innovation.

Allison is recognised for her forward-thinking, delivering high quality outcomes, that are sustainable, on time and within budget. A strong advocate for continuous improvement, she fosters a culture of curiosity, accountability and excellence, empowering teams to be innovative and drive meaningful outcomes. Allison's dedication to supporting Council's vision is evident through her pursuit of transformational outcomes and innovative service and project delivery.

Throughout her career Allison has led across a diverse portfolio of services including Waste Services, Landfill, Airports, Customer Service, Planning, Local Laws, Information Technology, People and Culture, Tourism, Events, and Environmental Health. This wealth of experience provides a unique, organisation-wide perspective, enabling a connected, one team approach to delivering services and long-term community value.

Allison demonstrates a strong focus on strengthening organisational capability, ensuring Council is well positioned to respond to changing community expectations and future challenges.

Allison Jones was officially appointed as Chief Executive Officer of South Gippsland Shire Council on 2 June 2025.



Tony Peterson

Executive Director Strategy and Integrity

Areas of responsibility:

- Governance and Integrity
- Financial Strategy
- Regional Partnerships

Tony Peterson is a leader driven by a commitment to sound governance, financial stewardship and the long-term wellbeing of the South Gippsland community.

With over 30 years' of experience across private and local government sectors, Tony brings a strong foundation in infrastructure alongside expertise in financial strategy, organisational integrity and regional partnerships. He holds a Bachelor of Engineering (Civil), a Diploma of Project Management, a Masters in Business Administration, and is a graduate of LGPro's Emerging Leaders Program and Executive Leaders Program.

Tony understands that effective leadership extends beyond delivery, it requires a strong focus on financial sustainability, transparent governance, meaningful community engagement, and the ability to advocate for regional needs at every level. He is committed to building partnerships that position South Gippsland to capitalise on emerging economic opportunities, including the region's significant renewable energy activity, ensuring the community is well-placed to benefit from the transition to a sustainable economy.

Tony brings clarity, integrity and strategic financial management and stewardship to his advocacy on behalf of the communities he serves.



Lucas Gardiner

Executive Director Empowering Communities

Areas of responsibility:

- Community, Customer and Visitor
- Community Health and Safety
- Planning and Building Services

Lucas Gardiner is a committed leader who is passionate about partnering with community and business in pursuit of sustainable growth and development.

Lucas's strategic approach and passion for growing high performing teams enables him to connect people to the support networks and structures that help them to grow and prosper.

Lucas's current role is Executive Director Empowering Communities at South Gippsland Shire Council. Prior to this, Lucas was Manager Planning and Building Services at South Gippsland.

Lucas has a diverse background studying Urban and Regional Planning at Curtin University. Prior to his time at South Gippsland, Lucas was Manager Planning Services at Mornington Peninsula Shire Council.



David Fice

Executive Director Infrastructure Sustainability

Areas of responsibility:

- Open Space and Environment
- Infrastructure Delivery
- Infrastructure Planning
- Infrastructure Maintenance

David Fice is a senior leader driven by purpose and people, empowering teams to deliver essential infrastructure that enhances daily life across South Gippsland.

With over 16 years experience in both public and private sectors, he brings deep expertise in engineering, planning, design, and construction. His leadership spans infrastructure and operational services, open space and environment, large scale capital programs, and the management of major asset portfolios.

A Registered Professional Engineer, David has completed industry leadership programs with IPWEA and LGPro, and holds multiple Bachelor degrees in Civil and Infrastructure Engineering, Communications, and Information Technology.

His breadth of experience ensures the delivery of infrastructure that enriches everyday life, strengthens community, and supports long-term financial sustainability.



Michelle Jorgensen

Executive Manager Culture and Capability

Areas of responsibility:

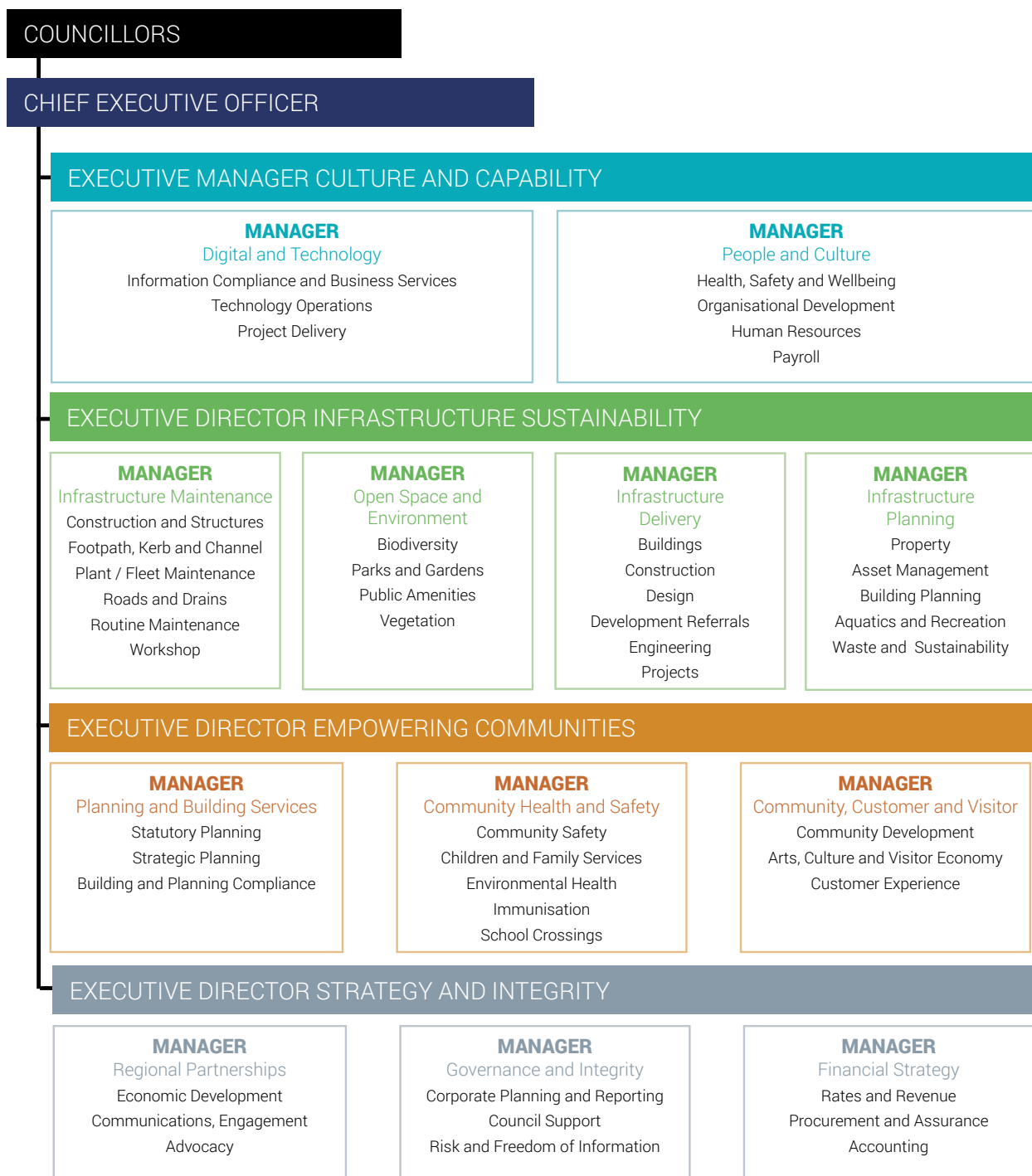
- Business Improvement
- Digital and Technology
- People and Culture

Michelle Jorgensen is a strategic and people centred executive, with over 15 years of leadership experience across people and culture, strategy, and organisational transformation. As Executive Manager, Culture and Capability, Michelle leads the People and Culture, and Digital and Technology portfolios.

Michelle is recognised for her strengths in team dynamics and organisational development and her commitment to fostering collaborative, inclusive workplace environments. Her leadership has shaped key initiatives in employee engagement, organisational innovation and prudent financial management. She brings a strategic, humanistic approach to fostering a culture of innovation and continuous growth.

Michelle's cross-sector experience, from retail and operations to local government, underpins her ability to lead across diverse organisational landscapes, enabling her to deliver meaningful, sustainable outcomes for the organisation.

Council Organisational Chart



Our People

South Gippsland Shire Council continued to invest in its people, culture and organisational capability throughout 2025/26. With a focus on leadership, wellbeing, safety, workforce planning and inclusion, Council strengthened its workforce to support the delivery of services to the community.

Organisational Restructure

As part of ensuring Council has a strong workforce that is well positioned to serve our community, three organisational realignments were undertaken during 2025/26 following the appointment of Chief Executive Officer, Allison Jones in June 2025.

The Executive Leadership Team structure was redesigned into functional areas that match the Council Plan themes: Infrastructure Sustainability, Empowering Communities, Strategy and Integrity, and Culture and Capability, led by three Executive Directors and an Executive Manager (Culture and Capability).

Organisational Development

South Gippsland Shire Council continued to invest in organisational capability, leadership development and workforce sustainability through:

- Establishing a leadership and development framework that integrates Council's values, leadership expectations and performance and development approach.
- Delivering leadership, mentoring and career development programs to support capability building, succession planning and internal talent pathways.
- Providing capability development opportunities focused on wellbeing, psychological safety, respectful behaviours, cultural awareness and leadership effectiveness.

- Working collaboratively with sector, community and Traditional Owner organisations, including Local Government Professionals, Gippsland Community Leadership Program, Gippsland Women's Health, The Men's Project and Bunurong Land Council Aboriginal Corporation, to deliver leadership, wellbeing, inclusion and cultural capability initiatives.
- Supporting ongoing professional development through study assistance, networking and professional learning opportunities.



Health, Safety and Wellbeing

South Gippsland Shire Council remains committed to providing a safe, healthy and supportive workplace for employees, contractors, volunteers and all others who may be affected by Council's operations. Throughout 2025/26, Council continued to strengthen its health, safety and wellbeing framework through proactive risk management, employee engagement and a strong commitment to continuous improvement.

Increased reporting of incidents, hazards and near misses demonstrated growing workforce engagement and greater confidence in identifying and reporting workplace risks. Lagging safety performance indicators like Lost Time Injury (LTI) Medical Treatment Injuries (MTI) and First Aid Injuries (FAI) remained low and comparable with similar Victorian local government organisations.

The increase in reporting has provided valuable insight into emerging risks and opportunities for prevention, enabling more targeted interventions and supporting evidence-based continuous improvement.

Key initiatives delivered during the year included:

- Embedding the principles of psychological safety, hazard management and wellbeing into leadership development across the organisation.
- An organisational Psychological Safety Survey conducted to establish baseline measures and inform future workplace wellbeing and psychosocial risk initiatives.
- Proactive identification, assessment and management of workplace health and safety hazards and risks.
- Maintenance of safe and healthy workplaces through active consultation and engagement with employees, contractors, and volunteers.
- Completion of post-incident reviews to identify contributing factors, implement corrective actions, and prevent recurrence through improved work practices and risk controls.
- Sharing lessons learned from incidents and risk assessments to support continuous organisational improvement.
- Delivering training and professional development in health and safety, legislative compliance, wellbeing and risk management.
- Promoting employee wellbeing through Council's Employee Assistance Program and a range of wellbeing initiatives and support services.

Enterprise Agreement

The *South Gippsland Shire Council Enterprise Agreement 2022* has a nominal expiry date of 30 June 2026. Negotiations between management representatives, unions and employee representatives commenced in May 2026 for a new agreement.



R.U. OK Day 2025

Equal Opportunity Employment Program

South Gippsland Shire Council is an equal opportunity employer committed to providing a workplace that is inclusive, respectful and free from discrimination, harassment, bullying and violence. Council is committed to ensuring that all employees, volunteers and contractors are treated with dignity, courtesy and respect and are supported to work in a positive and safe environment.

Council values workforce diversity and is committed to the fair and equitable application of its policies, practices and procedures. Employment-related decisions are based on merit, and all employees are provided with equal access to employment, development and career opportunities.

Council adopts a proactive approach to prevent discrimination through training, policy development, equal employment opportunity initiatives and the support provided by our trained Contact Officers.

Council's ongoing Equal Opportunity Employment Program focuses on prevention and includes:

- Applying merit and equity principles in recruitment, selection and succession planning.
- Providing flexible work arrangements to support employee wellbeing and work-life balance.
- Fostering a workplace culture that does not condone discrimination, harassment, bullying or violence.
- Promoting awareness of employee rights, responsibilities and expected standards of behaviour through policies, training and education.

Council regularly reviews its policies, procedures and practices relating to equal opportunity, discrimination, bullying and harassment to ensure employees understand their rights and responsibilities and have access to clear, confidential processes for raising concerns, making complaints and seeking support.

Workforce Planning, Recruitment & Career Development

Council continues to invest in strategic workforce planning to ensure it attracts, develops and retains a skilled, capable and diverse workforce. Throughout the year, Council strengthened initiatives that support leadership capability, employee development, succession planning and future workforce sustainability, while continuing to foster partnerships that promote careers in local government across the region.

This has been achieved through the following activities over the past 12 months:

- Establishment of Council's *Integrated People Framework* to strengthen workforce planning, succession planning and talent development, supporting employee growth, capability development and future workforce needs.
- Delivery of mentoring and career development workshops as part of Council's annual capability development program.
- Delivery of the People Essentials Leadership Program, including best-practice recruitment and attraction training to strengthen leadership capability and support consistent recruitment outcomes.
- Continued delivery of Council's scholarship and graduate placement program through a partnership with Federation University.
- Support for local secondary schools with mock interview training and career conversations for students in Years 10, 11 and 12.
- Participation in the annual Gippsland Jobs Expo and annual Careers Expo, promoting careers at Council and connecting with jobs and sharing pathways to employment in local government.
- Provision of apprenticeship, traineeship, student placement and undergraduate opportunities.
- Welcoming work experience students from secondary schools across South Gippsland into placements within multiple departments of Council throughout 2025 and 2026.
- Partnership with South Gippsland Bass Coast Local Learning and Employment Network, supporting education and employment pathways for young people.

Gender Equality and Prevention of Violence against Women

Council continued to meet its obligations under the *Gender Equality Act 2020* and progressed the actions outlined in its *Gender Equality Action Plan (GEAP) 2022 to 2026*.

During the reporting period, Council completed its GEAP Progress Report and Workplace Gender Audit, assessing performance against the seven workplace gender equality indicators.

Council also continued to undertake Gender Impact Assessments for new and substantially revised policies, programs and services with a direct and significant impact on the community.

Key achievements included:

- Embedding gender equality initiatives into workforce planning, leadership development, recruitment, remuneration and wellbeing frameworks.
- Strengthening governance and accountability through enhanced organisational development capability, executive sponsorship and improved workforce reporting.
- Conducting pay equity analysis and strengthening oversight of remuneration and recruitment practices.
- Continuing to promote flexible work arrangements and parental leave provisions to better support employees of all genders.
- Delivering Gender Equality, Respect in the Workplace, Leading Gender Equity and Responding to Disclosures training across the organisation.
- Improving workforce data collection and reporting to support evidence-based decision making and monitoring of gender equality outcomes.
- Continuing regional partnerships to deliver Active Bystander training and support the prevention of violence against women across Gippsland.

Council also aligned GEAP implementation with broader organisational priorities including workforce sustainability, safety, wellbeing and governance improvement, helping to embed gender equality as a core part of Council's business.

Learnings from the current GEAP have informed the development of Council's next *GEAP 2026-2030*, which will focus on targeted, evidence-based actions to support ongoing progress in workforce participation, leadership representation, flexible work and inclusive decision-making.



Walk Against Violence 2025

Our People

Council's workforce plays a vital role in delivering the diverse range of services that support the South Gippsland community. As at 30 June 2026, Council employed 356 people (headcount) across a variety of full-time, part-time and casual roles, representing 276.53 full-time equivalent (FTE) positions. This includes 7 employees on extended leave at the time of reporting. These positions were filled with fixed term appointments (back fill), representing a short term increase in reported FTE.

Headcount represents the total number of people employed by Council, including full-time, part-time, casual, temporary employees, and employees on long-term leave such as parental leave. FTE (Full Time Equivalent) converts the total contracted hours across the workforce into the equivalent number of full-time positions based on a standard 38-hour work week, including the substantive hours of employees on approved long-term leave.

A summary of employee headcount and FTE is provided in Tables 1 and 2.

Table 1. South Gippsland Shire Council Employment by Organisational Structure

Employment Type	Workforce Headcount						Full Time Equivalent Hours
	Office of the CEO	Culture and Capability	Strategy and Integrity	Infrastructure Sustainability	Empowering Communities	Total	Total 2025/26
Full Time (FT)							
Female	2	17	20	18	35	92	92.00
Male	0	13	4	106	14	137	137.00
Total	2	30	24	124	49	229	229.00
Part Time (PT)							
Female	0	2	8	4	39	53	27.71
Male	0	3	0	9	10	22	12.44
Total	0	5	8	13	49	75	40.15
Casual							
Female	0	12	1	2	25	40	5.24
Male	0	5	0	1	6	12	2.14
Total	0	17	1	3	31	52	7.38
Total Overall	2	52	33	140	129	356	276.53

Table 2. South Gippsland Shire Council Employment by Classification and Gender

Employment Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	All other FTE	Total FTE
Ongoing Full Time (FT)										
Female	0.00	1.00	4.00	9.00	13.00	31.00	9.00	15.00	10.00	92.00
Male	0.00	1.00	48.00	16.00	18.00	15.00	17.00	14.00	8.00	137.00
Total	0.00	2.00	52.00	25.00	31.00	46.00	26.00	29.00	18.00	229.00
Ongoing Part Time (PT)										
Female	2.90	0.00	0.20	6.13	4.15	4.80	6.53	3.00	0.00	27.71
Male	2.49	0.00	3.26	2.09	1.20	1.80	1.00	0.60	0.00	12.44
Total	5.39	0.00	3.46	8.22	5.35	6.60	7.53	3.60	0.00	40.15
Casual										
Female	0.58	0.00	0.97	2.36	0.00	0.08	1.25	0.00	0.00	5.24
Male	0.36	0.00	0.82	0.72	0.00	0.00	0.00	0.24	0.00	2.14
Total	0.94	0.00	1.79	3.08	0.00	0.08	1.25	0.24	0.00	7.38
Total Overall	6.4	2.0	57.3	36.3	36.4	52.7	34.8	32.8	18.0	276.53

REPORT OVERVIEW

- FINANCIAL OVERVIEW
- DESCRIPTION OF OPERATIONS
- CAPITAL WORKS
- COMMUNITY GRANTS

Tarwin River wetlands, Koonwarra

Financial Overview

Detailed information relating to South Gippsland Shire Council's financial performance is included in the Annual Financial Report and Performance Statement included at the end of this report.

Operating Position

South Gippsland Shire Council's 2025/26 Comprehensive Income Statement highlights that Council returned a surplus of \$25.9 million (\$20.6 million surplus in 2024/25). It should be kept in mind that the surplus for the year is not a cash-based result but remains an accounting surplus which includes depreciation and excludes net asset revaluation increments.

A review of South Gippsland Shire Council's asset valuations led to a revaluation increment of \$64.6 million mainly in the value of Council's buildings, road and bridge assets leading to a Comprehensive Income Statement surplus of \$90.5 million.

Comprehensive Income Statement

Income

South Gippsland Shire Council's operating income for 2025/26 was \$105.1 million (\$106.6 million in 2024/25).

Major categories of income include:

- Rates and charges income – \$54.5 million
- Operating grants – \$21.7 million.
- Capital grants – \$16.1 million.

Expenditure

Total operating expenditure for 2025/26 including depreciation was \$79.2 million (\$86 million in 2024/25).

Major categories of expenditure include:

- Employee costs (\$31.3 million). Employee and labour costs including salary on-costs such as WorkCover premium, provision for employee entitlements and South Gippsland Shire Council's superannuation contributions on behalf of employees.

- Materials and services (\$24.6 million). Included in this category are the following major costs relating to:
 - Materials – \$4.0 million.
 - Waste contract expenditure – \$5.6 million.
 - Contractors – \$4.2 million.
- Depreciation (\$15.8 million). This reflects the reduction in the value of assets due to wear and tear and obsolescence. It has no impact on the cash position of South Gippsland Shire Council. Cash flow is impacted only at the time of purchase and sale of assets.

Balance Sheet

This discloses South Gippsland Shire Council's net worth and clearly defines what Council owns as assets and what it owes as liabilities. Assets and liabilities are further separated into current and non-current categories.

Current assets or current liabilities are those which will fall due in the next 12 months, or cannot be deferred for greater than 12 months.

Net assets or total equity represents Council's accumulated net worth and includes many infrastructure and community assets such as buildings, land, parks, roads and drains.

Property, infrastructure, plant and equipment is the largest component of Council's worth (\$950.7 million) and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up over many years.

Financial Sustainability Indicators

The following financial sustainability indicators are used by the Victorian Auditor General's Office (VAGO) to assess South Gippsland Shire Councils' financial sustainability risks.

Adjusted Underlying Result

The adjusted underlying result for 2025/26 of 11.76 per cent is above the target of 0.00 per cent.

The significant negative result in 2023/24 was due to timing of Council's Victorian Grants Commission payment. It had been normal practice to pay these grants in advance for the following year; however, this was not the case in 2023/24, and minimal amounts were received.

The other exception to the positive results is in 2021/22 which related to a significant cost for Natural Disaster events where related funding had not been received at year end.

Liquidity

The working capital ratio, which assesses South Gippsland Shire Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities.

Council's result of 307.19 per cent is an increase on the prior year result of 195.92 per cent working capital capacity. This indicator conveys that for every \$1 of current liability, Council has \$3.07 in current assets.

This is an indicator of a sound financial position and is above the expected target of 150 per cent with a five-year average of 256.15 per cent.

Figure 1: Adjusted Underlying Result

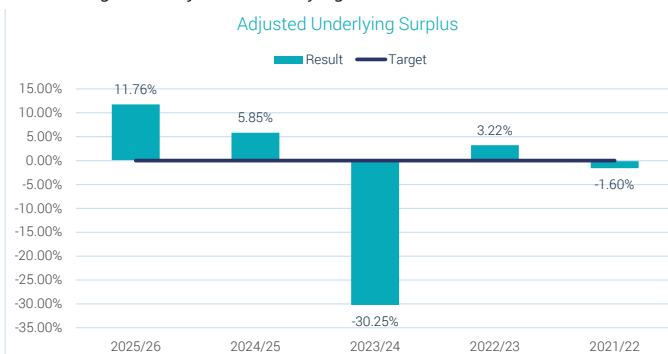
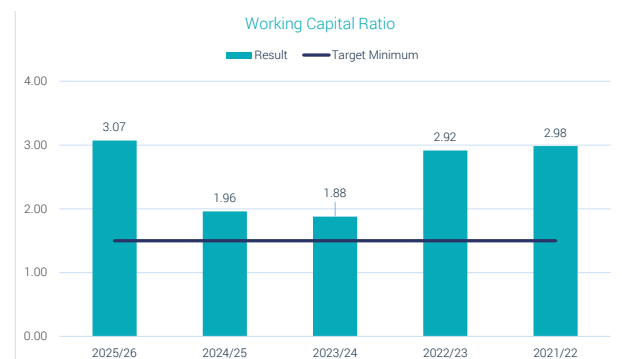


Figure 2: Working Capital Ratio



Obligations

South Gippsland Shire Council's borrowings are related to the draw-down of loan facilities through Treasury Corporation Victoria, the draw-downs were completed in June 2025.

The Community Infrastructure and Community Sports Infrastructure Loan Schemes were a Victorian Government initiative which allowed local government organisations to access low interest government-guaranteed loans in order to deliver infrastructure projects.

South Gippsland Shire Council was successful in obtaining funds to assist in the delivery of the Korumburra Streetscape, Korumburra Community Hub and the redevelopment of the Mirboo North Pool.

Council utilises borrowings on such significant capital projects to ensure the intergenerational equity of the community in that the benefit of these assets is paid for by the people using them.

Despite that, South Gippsland Shire Council remains in a very healthy financial position as indicated in Figure 3. This financial measure demonstrates Council's ability to pay the principal and interest on its borrowings when they are due from the funds it generates.

In calculating this ratio, own-sourced revenue is used rather than total revenue, because it does not include grants or contributions. At 40 per cent or lower, the Victorian Auditor General rates this risk as low and there is no concern over the ability to repay debt from own-source revenue.

Asset Renewal

South Gippsland Shire Council aims to ensure it can maintain its infrastructure assets at the expected levels, while also continuing to deliver the services needed by the community.

Council invested \$18.8 million in asset renewal in 2025/26 (\$33.0 million in 2024/25).

Council's capital replacement ratio compares the rate of spending on infrastructure, property plant and equipment with its depreciation (Figure 4). Ratios of higher than 1:1 indicate that spending is faster than the depreciation rate. Council's five-year average of 2.08 exceeds the Victorian Auditor General's target of 1.5, which indicates there is a low risk of insufficient spending on asset renewal if this rate is maintained.

Council's Asset Renewal ratio for 2025/26 is below the target due to lower capital spending during the year, but an increase in depreciation due to higher asset values.

Figure 3: Indebtedness Ratio

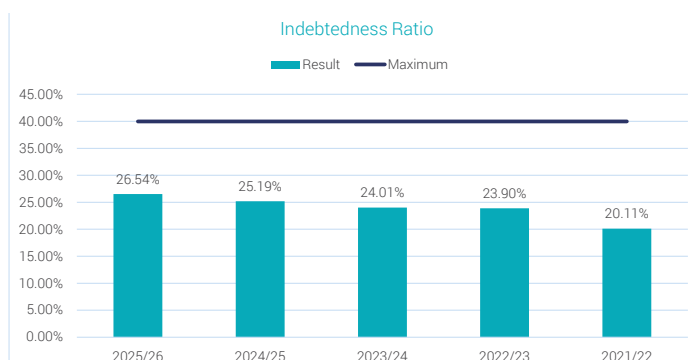
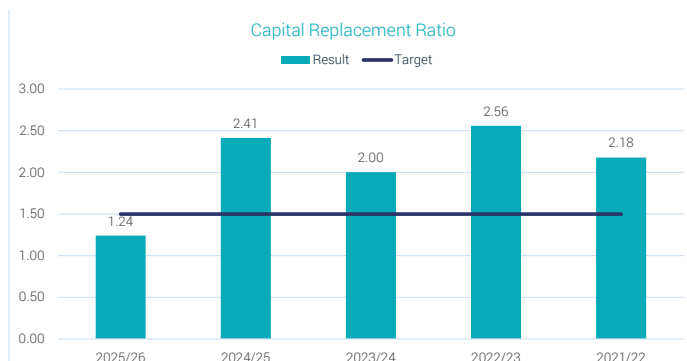


Figure 4: Capital Replacement Ratio



Description of Operations

South Gippsland Shire Council delivers more than 100 services for the South Gippsland community including but not limited to:

- Children and family services;
- Youth programs;
- Sealed and gravel road maintenance;
- Open space and recreation services;
- Waste management;
- Business support;
- Land-use planning; and
- Customer service.

These services are delivered within our Good Governance Framework and in accordance with Council's Long-Term Financial Plan.

South Gippsland Shire Council's vision, themes and actions are outlined in the *Council Plan 2025-2029* and supported by the *2025/26 Annual Budget*. Each of the objectives are measured by a set of performance indicators.

Council operates in accordance with the *Local Government Act 2020* and in line with other Victorian and Commonwealth legislation.

Economic Factors

The increasing costs of inflation on materials and services coupled with escalating capital works costs continue to challenge South Gippsland Shire Council to find more efficient ways to deliver services within the rate-capped environment.

Council's underlying operating result has significantly improved compared to last year, due to 80 per cent of the 2026/27 Financial Assistance Grants Commission Funding payment being paid early in 2025/26.

Major Changes

Following the appointment of Chief Executive Officer Allison Jones on 2 June 2025, a new Executive Leadership Team was formally appointed in November 2025. The new leadership structure was established to support the delivery of the key themes and objectives outlined in the Council Plan.

Major Achievements

South Gippsland Shire Council delivered \$20.1 million of capital works projects during 2025/26.

Projects delivered this financial year included:

- Korumburra pedestrian link.
- Fish Creek streetscape works.
- Korumburra multi-sport facility.
- The emergency-preparedness generator for the Leongatha Council offices.
- Refurbishment of the Nerrena Cricket Club rooms.
- Markleys Road Bridge repair.
- Port Welshpool seawall repair.
- Korumburra skate park.
- Dumbalk North tennis court refurbishment.
- Van Cleef Reserve Venus Bay playground replacement.

Forty two projects were completed over the year.



Capital Works

South Gippsland Shire Council delivered a large capital works program in 2025/26. A total of 42 projects were successfully delivered and an additional four were on-track at the end of the financial year.

Status as at 30 June 2026 Project Count

On Track	4
Behind Schedule	5
Completed	42

Completed Road and Civil Projects

Korumburra Pedestrian Link

Fish Creek Streetscape

Mardan Road Rehabilitation

Koonwarra Inverloch Road Rehabilitation

Road Reseal Program

Port Welshpool Seawall Restoration

Road Reseal Preparation Program

Kerb & Channel Renewal Program

Road Resheet Program

Drainage Rehabilitation Program

Bridge Rehabilitation Program

Walkerville Transfer Station Retaining Wall

Drainage Improvements Sunnyside Park Loch

Clarkes Road Landslip Repair

Longstaffs Road Landslip Repair Site 1

Longstaffs Road Landslip Repair Site 2

Markleys Road Bridge Repair

Completed Building Projects

Leongatha Main Officer Generator

Community Response Vehicle Provision

Woodleigh Platform Renewal - Coal Creek

Korumburra Community Hub Audio Visual Installation

Welshpool Coach Stop Shelters

Leongatha Depot Shed Roof Replacement

Koonwarra Landfill Site Office Replacement

Welshpool Kinder Refurbishments

Leongatha Courthouse External Refurbishment

Port Welshpool Museum Repainting

Leongatha Memorial Hall Cloak Room Floor Replacement

Baromi Centre Refurbishment

Venus Bay Community Centre Wastewater Replacement

Nerrena Cricket External Wall Refurbishment

Completed Recreation Projects

Great Southern Rail Trail Signage

Korumburra Rail Precinct Heritage Interpretation

Korumburra Recreation Reserve - Multi-Sports Nets

Korumburra Skate Park

Korumburra Pool Wet Deck Replacement

Korumburra Pool Entrance Refurbishment

Old Venus Bay Skatepark Decommissioning

Fish Creek Tennis Court Refurbishment

Dumbalk North Tennis Court Refurbishment

Van Cleef Reserve Playground Replacement

Silkstone Road Playground Replacement

Community Grants

The Community Grants Program provides funding between \$1,000 and \$10,000 to community organisations across South Gippsland. The Program supports projects that enhance the quality of life, heritage, recreation and cultural opportunities for the broader South Gippsland community.

Community Grants Program

Organisation	Project Details	Area	Approved Funding
Loch Memorial Reserve Incorporated	Gazebo repaint	Loch	\$2,650.00
Opportunity Lochs	Kitchen renovations	Loch	\$4,031.00
Poowong & District Amateur Basketball Association	Stadium kiosk and entrance	Poowong	\$8,350.00
Bena Public Hall Incorporated	Replacement guttering and down pipe works	Bena	\$6,400.00
Jumping Horse Club	Korumburra Chique Show	South Gippsland	\$5,280.00
Korumburra Amateur Swimming & Life Saving Club Incorporated	New Pool Thermal Blanket	Korumburra	\$3,935.00
Poowong Recreation Committee Incorporated	New oval and surrounds mower	Poowong	\$10,000.00
Loch Public Hall	Celebrating Loch and Districts 150 years of settlement	Loch	\$4,152.00
Prom Coast Centre's for Children	A Welcoming Space	Foster	\$10,000.00
Foster Football and Netball Club	Canteen refurbishment	Foster	\$4,713.00
(it's no) drama	coLAB Inclusive Arts Event	South Gippsland	\$10,000.00
Korumburra Agricultural & Pastoral Society & Korumburra Bena Football Netball Club	Seating at Korumburra Showgrounds	Korumburra	\$3,089.00
Korumburra RSL Sub-Branch	Installation of picture rails for RSL Hall	Korumburra	\$1,700.00
South Gippsland Brass Band	Strike Up the Band!! Purchase of instruments	Leongatha	\$2,322.00
Friends of Mossvale Park	Mossvale Park Master Plan (Stage 1)	Berry's Creek	\$10,000.00
Koonwarra Mechanics Institute	Painting the Koonwarra Community Hall	Koonwarra	\$9,050.00
Mount Eccles Mechanics Institute	Mt Eccles Hall Main Roof Replacement of Iron and Roof repairs	Mount Eccles	\$10,000.00
Outtrim Hall and Recreation Reserve	Purchase and Install Audio Visual System	Outtrim	\$5,000.00
Foster and District Agricultural and Pastoral Society	International Back-to-Back Wool Challenge at the 2026 Foster Show	Foster	\$1,072.00

Organisation	Project Details	Area	Approved Funding
South Gippsland Swimming Association	Semi-automatic Timing System	South Gippsland	\$4,975.00
Jumping Horse Club	Precision in Motion: Real-Time Accurate Timing Gear for Fairer Competition That Will Inspire and Last for the Next Decade	South Gippsland	\$3,795.00
Poowong Community Consultative Committee	The Reincarnation of the Poowong Pioneer Pack Horse	Poowong	\$10,000.00
Tarwin Landcare Group	Pest to Plate - deer control and consumption	Tarwin Lower	\$10,000.00
Poowong Recreation Reserve Committee	New Master Plan	Poowong	\$5,445.00
Leongatha Golf Club	Leongatha Golf Club - Strategic Plan development and implementation	Leongatha	\$10,000.00
Loch Community Development Association	Loch Village Community Resilience Hub	Loch	\$2,364.00
Korumburra Women's Shed & Gallery	Making Community Space for the Korumburra Women's Shed and Gallery	Korumburra	\$10,000.00
Lions Club of Strzelecki	Keep it Green - replacement mower	Loch	\$4,000.00
Fish Creek Memorial Hall	Energy efficient window and floor treatment	Fish Creek	\$5,000.00
Jeetho Hall	Outdoor seating	Jeetho	\$1,895.00
Lyrebird Arts Council	Lyrebird Production Audio Equipment Upgrade	Meeniyan	\$2,642.00
Pearl Park Music Festival 2027	Pearl Park Music Festival 2027	Foster	\$6,600.00
Meeniyan Golf Club	Irrigation Consulting Project at Meeniyan Golf Club	Meeniyan	\$10,000.00
Little Kin Music	Early Years Family Music and Movement Program - Little Kin Music	Foster	\$6,600.00
Lions Club of Leongatha	New Catering Trailer, (Safety and equipment upgrade)	Leongatha	\$10,000.00
Mirboo Country Development Incorporated	Improvements for the Baromi Centre	Mirboo North	\$2,500.00
South Gippsland Dance Eisteddfod	SGDE 2026 Taking dance to the next level	South Gippsland	\$3,000.00
South Coast Board Riders Club	Boards for Kids	Sandy Point	\$2,818.00
Nerrena Hall Committee of Management	Refurbishment of Nerrena Public Hall	Nerrena	\$10,000.00
Leongatha Gymnastics Club	A permanent home for Leongatha Gymnastics Club	Leongatha	\$7,500.00
		Total	\$240,878

2025/26 Small Grants Program

The Small Grants Program opens on the first day and closes on the last day of each month. They are assessed and announced by the close of the following month. Small Grants provide a maximum of \$1,000 at any time. Organisations may only receive two Small Grants per calendar year.

Organisation	Project Details	Area	Approved Funding
Dumbalk Progress Association	The Curse of Dumbalk	Dumbalk	\$1,000.00
Leongatha Horticultural Society Incorporated	Seniors Week Entertainment Special	Leongatha	\$800.00
Toora Community Action Team	Toora Christmas Eve Party	Toora	\$500.00
Prom Coast U3A	Seniors Festival	Foster	\$1,000.00
Committee For Gippsland	The Disaster Resilience Project	Venus Bay	\$1,000.00
Manna Gum Community House	Foster Community Plan	Foster	\$1,000.00
Leongatha Angling Club	Fish restock Hull's Dam	Leongatha	\$500.00
Sandy Point Art Show	Sandy Point Art Show	Sandy Point	\$400.00
Loch Community Development Association	Loch 150 Years Special Edition Newsletter	Loch	\$878.00
Outtrim Hall and Recreation Reserve	Replacement of Outtrim Community Noticeboard	Outtrim	\$999.49
VICSES Leongatha Unit	Leongatha SES Daytime Responder Recruitment Campaign	Leongatha	\$910.00
Toora Community Hall and Library Inc.	CROPFEST +	Toora	\$1,000.00
Foster Bowls Club	Purchase a new greens sprayer	Foster	\$1,000.00
Loch Nyora Landcare group	Christmas In The Village event	Loch	\$500.00
Art Connect South Gippsland	Art Connect South Gippsland Open Studios	South Gippsland	\$1,000.00
Meeniyan & District Historical Society Inc	Recording History	Meeniyan	\$600.00
South Gippsland Radio 3MFM	Outside Broadcast Equipment	South Gippsland	\$900.00
Tarwin Lower Primary School Centenary Celebration	Tarwin Lower Primary School Centenary Celebration	Tarwin Lower	\$917.00
Yanakie Progress Association	Beyond the Badge	Yanakie	\$1,000.00

Organisation	Project Details	Area	Approved Funding
The Friends of the Mirboo North Swimming Pool Incorporated	Community Lunch accessibility and social connectedness	Mirboo North	\$400.00
Leongatha Historical Society	The Leongatha Memorial Hall Centenary Commemoration	Leongatha	\$900.00
One-for-All Abilities Incorporated	One team-One Community: Basketball uniforms for Inclusive Sports	Leongatha	\$1,000.00
Leongatha Horticulture Society Incorporated	Attend markets and use equipment at shows	Leongatha	\$200.00
Leongatha South Progress Association	Community BBQ and outdoor movie night	Leongatha South	\$825.00
Milpara Community House	Stamp and Coin Fair event	Korumburra	\$585.00
Manna Gum Community House	Community Kids Music and Movement Pilot Program Phase 2	Foster	\$1,000.00
Leongatha Town Scorpions Cricket Club	Under 11s Club gear	Leongatha	\$994.86
Sandy Point Community Centre	Annual Community Appreciation Day	Sandy Point	\$300.00
Leongatha Motorcycle Club Incorporated	Defibrillator purchase	Leongatha	\$1,000.00
Jumping Horse Club Incorporated	Technology upgrade	South Gippsland	\$500.00
Mirboo Country Development Inc	Christmas in The Boo event	Mirboo North	\$300.00
BooFIIT	Kids Martial Arts Gi's for BooFIIT Youth Program	Mirboo North	\$500.00
Fish Creek Tea Cosy Festival Committee	Fish Creek Tea Cosy Festival - Student Printmaking Workshops	Fish Creek	\$1,000.00
BooFIIT	Living Strong – Healthy Ageing, Strength and Balance Program	Mirboo North	\$1,000.00
Allambee South Landcare	Weeds workshop	Allambee South	\$660.00
		Total	\$27,069.35

2025/26 Emergency Grant Program

The Emergency Grant Program provides funding of up to \$5,000 for projects that require immediate funding. Applications are generally assessed within two weeks.

Organisation	Project Details	Area	Approved Funding
Milpara Community House	Korumburra Men's Shed - Electrical Fit Out	Korumburra	\$5,000.00
Dumbalk North Tennis Club	Equipment replacement and upgrades	Dumbalk	\$1,552.00
Mirboo North Junior Basketball Association	Mirboo North Stadium Roof Repairs	Mirboo North	\$5,000.00
Leongatha Girl Guides	New reverse cycle air conditioner	Leongatha	\$2,250.00
Korumburra Agricultural & Pastoral Society & Korumburra Bena Football Netball Club	Traffic Management Plan – Korumburra Show	Korumburra	\$1,045.00
Koonwarra Recreation Reserve	Koonwarra Recreation Reserve - Play-ground mulch, seats and border	Koonwarra	\$5,000.00
Walter J. Tuck Reserve	Correcting soil structure	Mirboo North	\$3,628.00
Toora Community Hall and Library	Repair toilets	Toora	\$1,400.00
Total			\$24,875



Community Grants - February 2026

OUR PERFORMANCE

- OUR HIGHLIGHTS
- OUR PERFORMANCE AGAINST THE COUNCIL PLAN:
 - › Leading with Integrity
 - › Developing a Sustainable Future
 - › Empowering Communities



Highlights

A Year in Review

The 2025/26 financial year marked the beginning of a new chapter for South Gippsland Shire Council with work now being driven by the *2025 - 2029 Council Plan*. Guided by the themes of:

- Leading with Integrity;
- Developing a Sustainable Future; and
- Empowering Communities.

Council continued to deliver essential services, invest in community infrastructure and plan for the long-term future of the municipality.

Throughout the year, Council worked with residents, businesses, community organisations and government departments to deliver projects and initiatives that support a vibrant, sustainable and resilient South Gippsland.



Leading with Integrity

Strong leadership, sound governance and responsible financial management remained at the heart of Council's work throughout 2025/26. Council stayed committed to open decision-making, careful stewardship of community resources and continual improvement in how services were delivered.

The *2025-2026 Council Plan* was adopted in June 2025, however its implementation began this financial year. Developed through extensive community engagement, the Plan sets a clear four-year strategic direction and priorities that reflect the aspirations of South Gippsland's communities. Council also prepared the 2026/27 Budget through six strategic budget workshops, keeping future investment aligned with community priorities and long-term financial sustainability.

Council strengthened its advocacy role, working with the Victorian and Australian Governments to secure funding for local projects and to ensure South Gippsland's voice was heard on issues affecting regional communities. This work supported investment in transport, community infrastructure and disaster recovery, and positioned Council to pursue future opportunities.

Continuous improvement remained a priority. During the year Council commenced development of a *Sustainable Building Asset Management Strategy*, completed a review of non-Council assets and continued service reviews to improve efficiency and customer outcomes. Nineteen actions from the *Digital and Technology Roadmap* were completed, delivering improvements to internal systems, digital services and the customer experience.

Council also completed extensive consultation on a revised *Community Engagement Policy* and *Community Engagement Strategy*. These documents will guide how Council works with residents so that decisions continue to be informed by local knowledge, ideas and feedback.

Council maintained a strong financial position while continuing to invest in essential services and infrastructure. Financial sustainability indicators remained above target, reflecting disciplined financial management and readiness for future challenges.

Investment in community infrastructure continued through the capital works program. Key projects included completion of Fish Creek streetscape works, a new skate park and multi-use sports facility in Korumburra and road rehabilitation and resealing projects. These works contribute to safer roads, more accessible public spaces and stronger local communities.

Highlights

Leading with Integrity - Performance Indicators

Deliver at least 60 per cent of Council's Capital Works Program.



Delivered 93 per cent of the 2025/26 Capital Works Program of originally adopted budget which represents \$20.1M in renewed, expanded and upgraded community infrastructure.

Strong level of community satisfaction with our consultation and engagement.



Council's *2026 Community Satisfaction Survey* result for consultation and engagement increased to 49, up three points from 2025. This is comparative to Large Rural shires of 49 points and 53 points out of 100 for all Victorian Councils

Strong level of satisfaction with our lobbying on behalf of the community.



Council's *2026 Community Satisfaction Survey* result for lobbying increased to 47, up two points from 2025. This is comparative to Large Rural shires of 49 points and 54 points out of 100 for all Victorian Councils.

Positive trends in the Victorian Auditor General's ratings of Council's financial sustainability.



South Gippsland Shire Council monitors four key Financial Sustainability Ratios: Adjusted Underlying Surplus, Working Capital, Indebtedness, and Capital Replacement.

As at Quarter four for 2025/26, all four ratios are performing above target, reflecting strong financial management and a sound financial position for the organisation.

Maintain high levels of employee engagement at Council.



Council continues to demonstrate strong levels of engagement at Council. The *2026 Engagement and Wellbeing Survey* was delivered in June 2026. Results show engagement index is above the Local Councils Australia benchmark.

Developing a Sustainable Future

Council continued to invest in planning, environmental stewardship and economic development so that South Gippsland remains a prosperous, attractive and environmentally sustainable place to live, work and visit.

Planning for future growth was a significant priority. The Planning Scheme Review, Heritage Review and implementation of the *South Gippsland Coastal Strategy* will help Council balance development with protection of the Shire's environmental and cultural values. Work also continued on future township growth opportunities, including planning for Nyora.

Council worked with business, tourism and industry stakeholders to review the *Economic Development Strategy* and *Visitor Economy Strategy*. These reviews will identify opportunities to strengthen the local economy, encourage investment, support employment and enhance South Gippsland's reputation as a destination for visitors and new businesses.

A major achievement was preparation for Food Organics and Garden Organics (FOGO) collections from 1 July 2026. Extensive planning, community education and communication prepared households for the new service, which will reduce organic waste sent to landfill and support Victoria's circular economy.

Council continued to invest in the Great Southern Rail Trail. New interpretive signage was installed along the Koonwarra Biodiversity Walk, promotional activity encouraged higher visitor numbers, and work began on reviewing the *Paths and Trails Strategy* to guide future investment across the municipality.

Protecting South Gippsland's natural environment remained an ongoing priority. Council strengthened its partnership with Landcare through implementation of annual Memorandum of Understanding actions, including collaborative management of bush reserves and sections of the Great Southern Rail Trail. Planning commenced for a Biodiversity Forum, and Council supported community education initiatives such as the Rabbit Control Boot Camp.

To improve environmental outcomes on Council-managed roadsides, a dedicated Weed Education Officer was appointed to work with landholders and community members. Council also completed the review of the *Domestic Animal Management Plan*, providing a framework for responsible pet ownership and community safety.



Highlights

Developing a Sustainable Future - Performance Indicators

Increased waste diversion from landfill.



Communications were provided to community, including letters to residents, media release, local advertising and community engagement events and education program.

Maintained high levels of community satisfaction with waste services.



Monitoring of community satisfaction is an important indicator of a service that meets the needs of users and it continues to remain high, increasing from 59 to 61.

Business support events hosted regularly and well supported.



Council delivered a range of small business events and supported initiatives throughout 2025/26. Highlights included:

- Partnering with NEX Business Farming Wellness in Leongatha to provide one-on-one mentoring for small business owners and operators.
- Delivering the South Gippsland Jobs Expo, which attracted more than 300 participants.
- Coordinating a business breakfast to provide updates on emerging regional opportunities.
- Hosting the Small Business Bus in Leongatha to provide direct business support. Supporting the agricultural sector through the Victorian Government's Over the Farm Gate funding, including facilitation of the Parma with a Farmer event and a Farmers Day Out event held in Meeniyan.
- Hosting a Meet the Contractor event in Leongatha, which attracted more than 300 attendees.

Increased interaction with local businesses.



In 2025/26 through the Business Friendly Councils service, Council recorded:

- 370 business visits
- 246 business and general enquiries
- 14 permits lodged (Better Approvals)
- 14 pre-application meetings
- 16 film enquiries.

Increased visitation to the Great Southern Rail Trail website and social media.

The Great Southern Rail Trail website and social media channels have seen significant increases in visitation across the course of 2025/26.

Increased visitation to the Visit South Gippsland website.

Visitation to the South Gippsland website held steady, compared to the previous year which can be attributed to fewer events, and uncertainty around fuel costs.

Empowering Communities

Building healthy, connected and resilient communities remained central to Council's work throughout the year.

Council continued to strengthen relationships with Bunurong and Gunaikurnai Traditional Owners, working with local Reconciliation Groups and neighbouring Gippsland councils to share knowledge and develop Reconciliation Action Plans. Two Cultural Awareness training sessions were delivered for Council staff, building understanding and strengthening relationships with First Nations communities.

Supporting local volunteers and community organisations remained a priority. The Community Grants Program continued to assist groups delivering activities, events and projects that strengthen wellbeing. Work also progressed to establish a Resilient Communities Social Enterprise Incubator Grants Program, supporting community-led initiatives that build long-term resilience.

Council maintained its commitment to youth wellbeing through the Live4Life partnership. Successful advocacy secured additional funding from the Gardiner Foundation and the Primary Health Network, enabling continued delivery of youth mental health education and Teen Mental Health First Aid resources. Consultation on a new Youth Strategy gathered extensive input from Youth Council members and students across local secondary schools.

Community planning continued to strengthen local leadership and resilience. Community Plans were completed for Outtrim, Foster and Dumbalk, and Community Emergency Management Plans were reviewed for Mirboo North, Sandy Point, Venus Bay and Foster. Council also worked with neighbouring councils and Volunteering Gippsland to deliver grant-writing and volunteer recruitment training for community groups.

Council commenced an *Open Space Asset Management Plan* to guide future investment in parks, reserves and play spaces. An audit of V/Line bus stops identified opportunities to improve accessibility, safety and connectivity for public transport users.

Arts, culture and heritage continued to enrich community life. Following a competitive Expression of Interest process, artist Christabel Wigley was commissioned to deliver a major public artwork on the Great Southern Rail Trail.



Coal Creek Community Park and Museum hosted the exhibition TRACE: Sea Ghosts & Other Phenomena, and Council secured funding through the Victorian Government's Small Regional Presenters Program to support arts programming across the Shire. Live music, heritage activities and expanded community programming further strengthened Coal Creek's role as a cultural destination.

Together, these achievements reflect Council's commitment to communities where people feel connected, supported and empowered. Through investment in infrastructure, planning, environmental sustainability, community wellbeing and organisational excellence, South Gippsland Shire Council has continued to build strong foundations for the future while delivering meaningful outcomes for residents across the municipality.

Highlights

Empowering Communities - Performance Indicators

Strong level of community satisfaction.



Council's 2026 *Community Satisfaction Survey* result for overall performance increased to 48, up three points from 2025. This is comparative to Large Rural shires of 50 points and 57 points out of 100 for all Victorian Councils.

Strong result for decisions made in the interest of the community.



Council's 2026 *Community Satisfaction Survey* result for community decisions increased to 47, up two points from 2025. This is comparative to Large Rural shires of 47 points and 52 points out of 100 for all Victorian Councils

Youth activities held regularly and well supported (including community events, and meetings attended).



Young people across South Gippsland have participated in activities and events that have aimed to better support their connection to the community. Activities have been primarily determined by young people, with Youth Council, Youth Live4Life Crew and the Youth Parliament crew leading the way.

Strong levels of community organisations and groups supported through the delivery of the Community Grants Program.



Over 80 community groups and organisations across South Gippsland have benefited from the Community Grants Program across the year.

Live4Life Program well supported.



The Youth Live4Life Program has been well supported across the year, attracting funding from external agencies to support youth mental health. All schools across South Gippsland participate in the program allowing young people to receive teen mental health first aid training and positive mental health messaging.

Leading with Integrity

Objective: Good Governance and Financial Sustainability

This theme focuses on fostering transparency, accountability, and ethical leadership within Council. It aims to build trust within the community through clear, responsible decision-making and the upholding of high standards in governance. Key initiatives under this theme may include encouraging engagement, strengthening public accountability, and ensuring ethical practices in all aspects of Council operations.

The following comments review the performance of South Gippsland Shire Council against the 2025/26 Annual Actions of the *2025-2029 Council Plan* identified in the *2025/26 Budget*.

1.1 Implementing strategic reviews of Council's asset portfolio to strengthen community connections

Actions	Status	Comments
Commence development of a <i>Sustainable Building Asset Management Strategy</i> .	Complete	Development of a <i>Sustainable Building Asset Management Strategy</i> has commenced with a review of the building portfolio undertaken to better understand the needs of building occupiers and the broader community benefit. The review has also informed the development of draft principles to guide the future direction of the portfolio, with a focus on providing fit-for-purpose facilities and supporting long-term financial sustainability.
Undertake review of non-Council Assets.	Complete	A review of non-Council assets has been completed, with the findings considered in the development of the <i>2026/27 Annual Budget</i> .

1.2 Ensure Council's financial sustainability through prudent management and strategic planning

Actions	Status	Comments
Develop the <i>2026/27 Annual Budget</i> .	Complete	The <i>2026/27 Annual Budget</i> was adopted at the 17 June 2026 Council Meeting following two periods of community consultation. It places a strong emphasis on asset maintenance and renewal while also supporting several new initiatives and responding to current economic pressures, including instability in the Middle East and fluctuating fuel prices.

1.3 Build community confidence through transparent, inclusive and accountable governance practices

Actions	Status	Comments
Provide strategic support to the Audit and Risk Committee.	Complete	The Audit and Risk Committee was successfully supported throughout 2025/26, with agendas and minutes prepared for each meeting. Committee processes were also refined, while ongoing liaison with internal and external auditors helped ensure alignment with audit timelines and reporting requirements.

1.4 Ensure innovative service delivery in line with community aspirations

Actions	Status	Comments
Develop a program of service reviews to ensure the delivery of quality Council services.	Complete	Council completed three service reviews for the 2025/26 Financial Year. In addition to the reviews completed, a service review training program was delivered to the leadership team to support leaders in business improvement capability – equipping them with the ability to critically review services on a regular basis ensuring Council is optimising resources and providing efficient and effective delivery throughout the year.
Implement the 2025/26 actions from the <i>Digital and Technology Roadmap</i> .	Complete	<p>Council delivered a range of significant technology and business system improvements during 2025/26, including upgrades to financial and asset management systems and improvements to the security and stability of Council's operating system.</p> <p>Technology and connectivity were also enhanced across Council meeting and collaboration spaces, alongside improvements to mapping systems, inventory management and equipment.</p>

1.5 Continue to build trust and listen to our community using multiple communication methods and engagement

Actions	Status	Comments
Review Council's <i>Community Engagement Policy</i> and <i>Community Engagement Strategy</i> .	Complete	A new <i>Community Engagement Policy</i> and a new <i>Community Engagement Strategy</i> were adopted at the May 2026 Council Meeting. The documents establish a renewed framework for how Council will listen to, work with, and involve the community in decision-making over the next four years.

1.6 Partner with our community to advocate for our shared interests to the Victorian and Australian government

Actions	Status	Comments
Continue to develop and participate in advocacy campaigns and support Council's annual advocacy priorities.	Complete	<p>Council had significant advocacy success in 2025/26, welcoming funding for the planning and design of the Leongatha Heavy Vehicle Alternate Route Stage Two and upgrades to the Strzelecki Highway between Mirboo North and Leongatha.</p> <p>Other advocacy outcomes included securing funding for a fixed generator and emergency community support vehicle to increase emergency preparedness, as well as funding for a master plan for the Koonwarra Recreation Reserve.</p>

1.7 Maintain our assets (roads, buildings, recreation facilities, paths and trails) through responsible financial management

Actions	Status	Comments
Manage Council's road and asset maintenance in-line with Council's <i>Asset Plan</i> .	Complete	Council's roads and assets were successfully managed in-line with Council's <i>Asset Plan</i> .
Deliver Council's Capital Works Program.	Complete	<p>Delivery of the 2025/26 Capital Works Program was successful and significantly exceeded the target, with 93 per cent of the originally adopted budget delivered. This represents \$20.1M in renewed, expanded and upgraded community infrastructure.</p> <p>Key projects completed included: Korumburra Streetscape, Fish Creek Streetscape, Clarkes Road Hallston Landslip Repair, Great Southern Rail Trail Signage, Gravel Road Resheet Program, Korumburra Skatepark, Road Reseals and Rehabilitations, Port Welshpool Sea Wall Repairs and Korumburra Multi Sport Facility.</p>



Fish Creek Streetscape

Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
ROADS					
Satisfaction of use					
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x 100</i>	72	78	81	45	Very low numbers of requests over quarter three and even less in quarter four. Weather continues to be favourable, and Council have investigated the integrity of the data.
Condition					
Sealed local roads maintained to condition standards <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100</i>	100%	100%	100%	97%	A shire-wide condition survey of roads resulted in a minor decrease in the percentage of roads above the condition standard. Increased material costs contribute to a reduced amount of reseals completed each year.
Service cost					
Cost of sealed road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$83	\$86	\$123	\$79	The decrease in the cost of sealed local road reconstruction since last year is due to a majority of works being undertaken in the rural area, with reconstruction of pavements being a shallow-lift method than would be experienced in urban street environments.
Service cost					
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$4.94	\$6.07	\$6.24	\$5.53	The decrease in the cost of sealed local road resealing is mainly associated with the deferral of a number of individual projects due to high costs associated with the global energy issues at the time the program was delivered.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
Satisfaction Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</i>	39	37	33	36	Community satisfaction with sealed roads has continued to decrease, despite asset condition data indicating that sealed roads in the Shire are generally in a good state of repair and within nominated service levels. To help gain a clearer understanding of which roads are of most concern to residents, Council included an additional tailored question as part of the Community Satisfaction Survey. The question requested respondents to specify the local roads they were most concerned about. From the suggested roads mentioned, it was determined that many of the roads that are of greatest concern to residents are administered by the Department of Transport and not Council owned.
GOVERNANCE Transparency Council decisions made at meetings closed to the public <i>[Number of Council resolutions made at meetings of Council, or at a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x 100</i>	21%	17%	12%	11%	Council continued the trend in reducing the proportion of decisions made in closed Council meetings, from 12 per cent in the previous year to 11 per cent this year. While the total number of decisions made by Council increased by 37 per cent compared to the previous year, the number of decisions considered in closed session remained low. Of the 13 matters considered in closed session, 62 per cent related to personal information. The remaining matters involved private commercial information or information that could prejudice Council's position in commercial negotiations.
Consultation and Engagement Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i>	50	47	46	49	Council's community consultation and engagement score improved by three points compared with the previous year. The result reflects Council's continued commitment to providing opportunities for the South Gippsland community to have its say on key projects, policies and strategies. It also follows the introduction of new ways to connect with Council, including presentations to Council, Meet the Mayor meetings and quarterly drop-in sessions held across the Shire.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
Attendance Councillor attendance at council meetings <i>[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) x (Number of Councillors elected at the last Council general election)] x 100</i>	90%	91%	93%	91%	Council attendance was 91 per cent across 12 meetings and slightly lower to 2024/25. Of the absences recorded, requested leave of absence was approved for five of the seven meetings not attended by Councillors.
Service Cost Cost of elected representation <i>[Direct cost of governance service / Number of Councillors elected at the last Council general election]</i>	\$59,378	\$55,276	\$66,503	\$68,325	The increase to the cost of governance is 2.74 per cent. This is comparable to increases in inflation and also included additional costs for Councillor mandatory training.
Satisfaction Satisfaction with Council decisions <i>[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]</i>	54	46	45	47	Council's score improved by two points for community decisions compared to the previous year. It is comparable to the score for similarly sized large rural councils (47).



Developing a Sustainable Future

Objective: Environment, Growth and Economy

A commitment to long-term sustainability is at the heart of this theme, which focuses on preserving resources, protecting and enhancing our environment, and promoting responsible economic and social development.

The following comments review the performance of South Gippsland Shire Council against the 2025/26 Annual Actions of the *2025-2029 Council Plan* identified in the *2025/26 Budget*.

2.1 Provide clarity through our Planning Scheme in areas such as township boundaries, preservation of township identity and heritage, protection of agricultural land and identify areas for future growth including industrial land

Actions	Status	Comments
Commence Heritage Review in select townships.	Complete	A Heritage Review has commenced in select townships, with community consultation completed.
Initiate a review of Council's Planning Scheme.	Complete	A review of the Planning Scheme has been completed with the draft documents publicly exhibited for feedback.
Commence background reports to support the implementation of a Development Contributions Scheme for South Gippsland's growth areas.	Complete	A background report to support the implementation of a Development Contribution Scheme for South Gippsland growth areas has commenced.
Implement the annual action plan of the South Gippsland Coastal Strategy.	Complete	Actions under the Coastal Strategy are being delivered across multiple Council departments. Actions include the completion of the Venus Bay Saltmarsh Rehabilitation Project (November 2025), ongoing preparation of the Waratah Bay Coastal Hazard Assessment and exhibition of Amendment C135 to update flood controls in coastal areas.

2.2 Support business and industry in events and activities to drive economic growth in local communities and connect key tourism destinations to drive local spend and investment opportunities

Actions	Status	Comments
Commence review of the Economic Development and Visitor Economy Strategies and deliver initiatives in accordance with the action plan.	Complete	A review of the Economic Development Strategy was undertaken, with a Year Two action of the <i>Council Plan 2025 to 2029</i> being to "commence development of a new Economic Development and Visitor Economy Strategy". The new Strategy will aim to reflect the changing economic and visitor landscape and support future opportunities for the Shire.

2.3 Deliver waste management through collaboration with industry and government partners

Actions	Status	Comments
Provide community education in the lead-up to introducing a Food Organics Garden Organics waste service.	Complete	Council delivered an extensive community education campaign in the lead-up to the introduction of the Food Organics and Garden Organics (FOGO) collection service. This included direct mail to all properties receiving a kerbside service, the delivery of kitchen caddies with a detailed information brochure, attendance at community events, education sessions for schools and community groups, website information and FAQs, social media updates, and responses to community enquiries by phone, online and in writing.

2.4 Explore the potential of our path and trails, including the Great Southern Rail Trail, to enhance our visitor experience and increase awareness of this in our region

Actions	Status	Comments
Deliver actions from the <i>Great Southern Rail Trail Visitor Experience and Marketing Plan</i> .	Complete	A successful year of delivering actions from the <i>Great Southern Rail Trail Visitor Experience and Marketing Plan</i> culminated with the completion of the GSRT Passport Project, completion of public art installations in Korumburra and Koonwarra and new imagery assets developed for future use. Completion of the Koonwarra Biodiversity signage and promotional activity in areas outside of South Gippsland have also been highlight projects.
Commence a review of the <i>Paths and Trails Strategy</i> list and Footpath Programs list.	Complete	A review of the <i>Paths and Trails Strategy</i> has commenced, with project criteria and prioritisation a key focus.

2.5 Demonstrate Council's commitment to preserve, protect and enhance the natural environment across South Gippsland

Actions	Status	Comments
Support the annual actions of the <i>Landcare Memorandum of Understanding</i> .	Complete	Year Two Actions of the MOU have been achieved and will be reported through Landcare's 2025/26 Annual Report.

2.6 Develop an integrated land management approach including enhanced weed management on Council roads and explore alternatives to chemical treatments

Actions	Status	Comments
Increase the focus on the management of roadside weeds and partner with landowners to maximise impact.	Complete	A Weed Education Officer has commenced and will work through to December 2026, supporting landowners to improve weed management on their properties. This work will take a strategic approach that complements Council's roadside spraying program and supports broader biodiversity outcomes.

2.7 Support domestic animal management through community education and promoting collaboration to enhance responsible pet ownership and community safety

2.8 Support community initiatives to protect native wildlife

Actions	Status	Comments
Commence development of the Domestic Animal Management Plan.	Complete	The <i>2026 -2029 Domestic Animal Management Plan</i> was endorsed at the 10 December 2025 Council Meeting.

Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
ANIMAL MANAGEMENT					
Timeliness					
Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	2.84	3.42	5.52	7.82	The increase in the number of days taken to action requests is due to an increasingly higher number of animal management requests and periods of reduced resourcing.
Service standard					
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x 100</i>	47%	40%	36%	43%	The number of animals reclaimed has increased due to more owners coming forward.
Animals re-homed <i>[Number of unclaimed collected animals re-homed / Number of unclaimed collected animals] x 100</i>	52%	77%	83%	83%	The number of animals re-homed has increased slightly from 82.86 per cent to 83.17 per cent, due to an increase in rescue organisations holding agreements with Council.
Service cost					
Cost of animal management service per population <i>[Direct cost of the animal management service / Population]</i>	\$17.96	\$20.48	\$21.72	\$20.17	The cost of the animal management service has slightly decreased due to changes to service delivery.
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>	67%	100%	100%	100%	There was one animal management matter that was determined in court during this financial year.

Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
FOOD SAFETY					
Timeliness					
Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.38	1.75	1.75	1.27	Council has implemented significant procedural changes in this area to ensure food complaints are actioned promptly and appropriately.
Service standard					
Food safety assessments <i>[Number of registered Class 1 food premises and Class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100</i>	98%	100%	96%	100%	Results are within expected target range of 50 per cent to 120 per cent.
Food safety samples <i>[Number of food samples obtained / Required number of food samples] x 100</i>	New	102%	97%	95%	Results are within expected target range of 50 per cent to 100 per cent.
Service cost					
Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$516	\$365	\$840	\$581	<p>The increase in the number of registered food premises reflects changes implemented by the Department of Health in 2025 to the FoodTrader system and its reporting functionality. As a result, reporting now captures all registered food premises, including Class 1, Class 2, Class 3 and Class 4 premises.</p> <p>The decrease in cost is attributable to Council's improved ability to accurately identify and report on all registered food premises through the enhanced reporting functionality.</p>
Health and safety					
Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100</i>	99%	78%	100%	91%	Follow-up inspections for the reporting period achieved 90.91 per cent, with only nine inspections completed outside the target response time.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
STATUTORY PLANNING Timeliness Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	174	139	91	81	The Planning Department has achieved a significant and sustained improvement in the time taken to determine planning applications. The median determination time has reduced from 174 days in 2023 to 81 days in 2026, representing a reduction of more than 50 per cent. This improvement reflects the continued focus on strengthening the Statutory Planning Team, streamlining processes and implementing improved systems to support more timely decision-making.
Service standard Planning applications decided within required time-frames <i>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x 100</i>	25%	32%	53%	55%	The Planning Department continues to improve the proportion of planning applications determined within statutory timeframes through the implementation of improved systems and processes.
Service cost Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,944	\$3,612	\$3,280	\$3,253	The cost of statutory planning services remained consistent with the previous year. This reflects Council's continued focus on delivering an efficient and effective statutory planning service while maintaining service levels and managing available resources. Ongoing monitoring of service demand, application volumes and resourcing requirements will assist in informing future cost and performance targets.
Decision making Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside South Gippsland Shire Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100</i>	60%	60%	100%	25%	Three of the four VCAT decisions were set aside during the financial year. The small number of decisions means the result is highly influenced by individual cases, which primarily related to complex rural subdivision matters.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
WASTE COLLECTION Service standard Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000</i>	4	4	3	2	Improved contractor performance and better collection truck technology has lead to a decrease in this service indicator.
Service cost Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$165	\$173	\$174	\$198	Increase to kerbside garbage collection service costs due to increased landfill disposal costs (largely due to EPA Waste Levy increases).
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$80	\$85	\$73	\$73	Recycling collection costs have tracked very close to anticipated levels for this financial year.
Waste diversion Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100</i>	54%	53%	50%	50%	The kerbside waste diversion rate has declined slightly compared to previous years due to the introduction of the Victorian Government Container Deposit Scheme which has reduced the volume of recyclables collected through kerbside services. Changes to kerbside waste services commencing from July 2026 are expected to improve diversion rates from 2026/27.

Empowering Communities

Objective: Healthy, Connected and Inclusive

This theme emphasises strengthening local communities by providing the tools, resources, and support needed for individuals and groups to thrive. It focuses on fostering inclusion, enhancing access to services, and encouraging active community participation. The aim is to empower residents to take part in decision-making processes and create positive change within their neighbourhoods, and investing in local programs and services that support wellbeing and equity.

The following comments review the performance of South Gippsland Shire Council against the 2025/26 Annual Actions of the 2025-2029 Council Plan identified in the 2025/26 Budget.

3.1 Build a relationship with Traditional Custodians of South Gippsland to support our common environmental, cultural, social and economic objectives

Actions	Status	Comments
Continue to build relationships with Bunurong and Gunaikurnai people.	Complete	Significant progress in building relationships with Bunurong and Gunaikurnai people and promoting community reconciliation and action has been achieved in South Gippsland, with community events held in Foster for NAIDOC Week in July 2025 and Mirboo North for Reconciliation Week in 2026. Cultural Awareness Training, a meeting with the CEO of Bunurong Land Council, and the strengthening of networks across Council completed our actions for this year.

3.2 Partner, support and encourage volunteerism and celebrate our volunteers ongoing commitment

Actions	Status	Comments
Deliver the Community Grants Program to support volunteer organisations, including a one-off stream from 2025/26 that focuses on building community resilience.	Complete	South Gippsland Shire Council Community Grants Program, encompassing Small Grants, Emergency Grants and Community Grants was successfully implemented across the year, providing over \$292,000 to community organisations and projects across South Gippsland. A one off stream, Social Enterprise Incubator Program provided funding for four community organisations to develop business cases for proposed social enterprise to determine viability and value for the community.



3.3 Partner with youth and youth focussed organisation providers and industry to facilitate engagement and connection to community

Actions	Status	Comments
Deliver the Live4Life Program 2025/26, which provides mental health education and suicide prevention for young people in rural communities.	Complete	The South Gippsland Youth Live4Life Program was successfully implemented across six schools in South Gippsland, with young people in both junior and senior schools receiving Teen Mental Health First Aid Training. The active partnership group sourced additional funding to support delivery. Live4Life crew were supported to launch their positive mental health themes in their schools.
Commence development of the <i>Youth Strategy 2025-2029</i> .	Complete	Development of the South Gippsland <i>Youth Strategy</i> commenced, with engagement with young people in various activities across the year including visits to schools, community events, youth forum and participation in the Council Plan engagement.

3.4 Sustainably plan and design our open spaces to enable healthy lifestyles

Actions	Status	Comments
Commence development of an <i>Open Space Asset Management Plan</i> that will show how assets will be managed and maintained; including play spaces.	Complete	The <i>Open Space Asset Management Plan</i> is well underway and will be finalised in the next financial year.

3.6 Plan for connected communities through improved transport networks, arterial roads, footpaths and public and community transport options

Actions	Status	Comments
Review the amenity, accessibility, safety and connectivity of Council's supporting infrastructure at public transport bus stops.	Complete	<p>An infrastructure audit for V/Line coach stops has been completed, with key trends identified and submitted to the Department of Transport and Planning for consideration in their Yarram to Melbourne service review.</p> <p>Scoping and estimating for potential infrastructure upgrades has been developed in preparation for funding opportunities to be explored. New coach stop shelters have been installed in Welshpool using external funding.</p>

3.7 Enrich the lives of all community members through community and cultural events, skills development, creative industries, sport, recreation and performance spaces

Actions	Status	Comments
Implementation annual actions from the <i>Arts and Creative Industries Strategy</i> .	Complete	<p>The South Gippsland <i>Arts, Culture and Creative Industry Strategy</i> delivered a great year of arts activity across South Gippsland. Activities included a fantastic program of exhibitions in the Coal Creek Exhibition Space, closing with Bacchus featuring works from local artists inspired by the wine making process.</p> <p>Activities also included community art workshops and installations as part of the ArtCubes Program and varied performances at Small Halls. There were visiting artists completing murals with young people receiving mentoring and participating in workshops.</p>
Implement annual actions from the <i>Coal Creek Community Park and Museum Strategic Plan</i> .	Complete	<p>Coal Creek Community Park and Museum has had a year of consolidation and re-imagining, aimed at enhancing existing activity, and creating space that allows more creative activation. This has included externally led activity as a hire venue, refurbishment of the exhibition space, front retaining wall and station platform works, enhanced relationships with the Friends of Coal Creek group, and revitalisation of Heritage Days through the Coffee/Food Truck and costume use.</p>

3.5 Empower our communities to build community resilience in response to environmental challenges

3.8 Partner, support and encourage relationships with our community, including the development of community plans

Actions	Status	Comments
Continue supporting the development of Community Plans incorporating emergency resilience where applicable.	Complete	<p>Communities across South Gippsland have been supported to develop community plans and consider emergency resilience and preparedness in their communities. The roll out of the First 72 hour Program has been well received, and four community plan working groups have presented to Council to highlight the plans and aspirations of the communities they represent.</p>

Services: Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
AQUATIC FACILITIES Service standard Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities/ Number of Council aquatic facilities]</i>	0	0.50	0.33	1.33	Health officers at Council have introduced a new testing regime which has results in significantly more inspections being completed compared to previous years.
Utilisation Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Population]</i>	4.85	4.47	4.61	4.29	Attendance was lower (down 9,855 visits) at both outdoor pools and indoor leisure centre in this financial year.
Service cost Cost of aquatic facilities <i>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]</i>	\$10	\$12	\$11	\$12	Operational cost has increased by four per cent over the year however, lower attendances has resulted in greater increase to the net cost per user of aquatic facilities.



Toora Swimming Pool

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
LIBRARIES Resource Currency Recently purchased library collection <i>[Number of library collection items purchased in the last five years / Number of library collection items] x 100</i>	57%	58%	57%	61%	The variation for 2025/26 is due to the increase in items purchased and cost per item.
Service cost Cost of library service per population <i>[Direct cost of the library service / Population]</i>	\$41	\$43	\$46	\$47	The general cost of library services has slightly increased overall when compared to the municipal population. It is still within expected target range of \$10 to \$90.
Utilisation Loans per head of population <i>[Number of library collection item loans / Population]</i>	New	3.96	4.25	4.08	The slight decrease in loans per head of population is due to an increase to the municipal population and small decrease to the items loaned.
Participation Library Membership <i>[Number of registered library members / Population] x 100</i>	New	35%	36%	36%	The expected range is 20 to 40 per cent and the result was above Council's annual budget target of 35 per cent.
Library visits per head of population <i>[Number of library visits / Population]</i>	New	2.91	3.82	4.12	The expected range is two to six library visits. Council has seen a slight increase and the result was within normal range.



Korumbura Library

Local Government Service Performance Indicators					
Service / indicator / measure	Results 2023	Results 2024	Results 2025	Results 2026	Comments
MATERNAL AND CHILD HEALTH Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	100%	100%	100%	100%	Council continues to achieve a high level of engagement within the Maternal and Child Health Service with 100 per cent of infants enrolled in the service.
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$80	\$75	\$84	\$87	Council continues with their commitment to providing a high quality Maternal and Child Health Service. A slight increase of costs due to CPI increases and the MCH service is within the expected target range.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	73%	71%	72%	77%	Participation rates have increased to 77 per cent of all children (0-3.5 years old) who have engaged in the Maternal Child Health service which is a 7.17 per cent increase from the previous year.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	45%	77%	84%	75%	Council continue to make centres and appointments culturally appropriate and encourage Aboriginal Torres Strait Islander families to attend all Key Age and Stage appointments.
Satisfaction Participation in 4-week Key Ages and Stages visit [Number of 4-week Key Ages and Stages visits / Number of birth notifications received] x 100	89%	90%	103%	96%	The 4-week Key Age and Stage visit showed a slight decrease in participation; however participation rates are still within target range and remain high at 96 per cent.

SERVICES FUNDED



Hilda Falls, Loch

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Services Funded

The following statement provides information in relation to the services funded in the 2025/26 Budget.

Business Area	Description of Services Provided	Net Cost*
		Budget \$'000 (less) Actual \$'000 (Equals) Result \$'000
Office of the CEO	The Chief Executive Officer builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council.	\$531
		\$676
	The Chief Executive Officer is accountable for ensuring that Council's objectives are achieved through the allocation of appropriate resources, the provision of strategic policy, legal advice and the establishment of good governance practices.	(\$145)

Note: As part of the organisational restructure in November 2025, the Office of the CEO team moved reporting lines. Prior to the restructure, the Office of the CEO team was reported in the Regional Partnerships department. The \$145,000 increase above is due to this team now reporting directly to the CEO.



Services Funded

The following statement provides information in relation to the services funded in the 2025/26 Budget.

Business Area	Description of Services Provided	Net Cost*
		Budget \$'000 (less) Actual \$'000 (Equals) Result \$'000
Culture and Capability Directorate	The Culture and Capability Directorate provides services including: <ul style="list-style-type: none"> • People and Culture; and • Digital and Technology. 	\$173 \$0
		<hr/> \$173
People and Culture	The People and Culture team strive for a safe, healthy and high performing workplace, in which our people can grow both personally and professionally. It manages recruitment, workplace relations and industrial relations; gender equity, diversity and inclusion; organisational learning and development; occupational health, safety and wellbeing; human resources and performance management; workers compensation and return to work management; and payroll.	\$2,786 \$2,422
		<hr/> \$364
Digital Technology	The Digital and Technology team works across all areas of Council to provide cost-effective technology and services. It aims to deliver quality service to the community and provide contemporary tools for organisation to operate efficiently. The team consists of Information Systems, Information Management, and Innovation.	\$3,363 \$3,701
		<hr/> (\$388)

Note: In November 2025, an organisational realignment established the new Culture & Capability Directorate. Prior to this change, People and Culture and Digital Technology were reported within the Performance & Innovation Directorate.

Business Area	Description of Services Provided	Net Cost*
		Budget \$'000
		(less) Actual \$'000
		(Equals) Result \$'000
Strategy and Integrity Directorate	The Strategy and Integrity Directorate provides services including:	\$408
	• Financial Strategy;	\$434
	• Governance and Integrity; and	
	• Regional Partnerships.	<hr/> (\$26)
Financial Strategy	The Financial Strategy team delivers financial planning, budget management, legislative compliance, rates and valuation services and internal support to departments, teams and individuals in relation to finance functions.	\$2,435
		\$2,903
	The team is also responsible for contract management, insurance, internal auditing, regulatory compliance, tendering, disaster recovery funding and reporting to the Audit and Risk Committee.	<hr/> (\$468)
Governance and Integrity	The Governance and Integrity team provides support for Council Meetings, briefings and hearings and is responsible for corporate planning, monitoring and reporting including development of the Community Vision, Council Plan and Annual Report. It leads policy review and provides governance reform support, including requirements of the <i>Local Government Act 2020</i> .	\$1,528
		\$1,349
	This team is also responsible for Freedom of Information and Risk Management.	<hr/> \$179
Regional Partnerships	The Regional Partnerships team leads the development and implementation of key Council strategies and policies related to Economic Development, Communications, Engagement and Advocacy. The team aims to connect and engages with key stakeholders across the community, business and government.	\$1,592
		\$1,461
		<hr/> \$131

Note: In July 2025, reporting of Libraries Management moved to Empowering Communities Management. In November 2025, an Organisational realignment renamed the Performance & Innovation Directorate to the Strategy & Integrity Directorate. Prior to this change, Regional Partnerships was reported within the Office of the CEO. As part of the organisational changes, the budget for the Office of the CEO team, previously reported within Regional Partnerships, remained within the Office of the CEO.

Business Area	Description of Services Provided	Net Cost*
		Budget \$'000
		(less) Actual \$'000
		(equals) Result \$'000
Infrastructure Sustainability Directorate	The Infrastructure Sustainability Directorate provides services including:	\$433
	• Infrastructure Planning;	\$409
	• Infrastructure Delivery;	
	• Infrastructure Maintenance; and	\$24
Infrastructure Delivery	The Infrastructure Delivery team delivers Council's civil and building maintenance programs, and community infrastructure works. This includes the delivery of associated services such as civil design, building maintenance, and oversight of engineering for developments in accordance with the service levels for development referrals.	\$3,519
		\$4,335
		(\$816)
Infrastructure Planning	The Infrastructure Planning team is responsible for the planning and managing of South Gippsland Shire Council assets to enable Council services to be delivered in an effective and efficient manner. This team also encompasses waste management services, sustainability services, aquatic facilities and sport and recreation.	\$7,975
		\$9,048
		(\$1,073)
Infrastructure Maintenance	The Infrastructure Maintenance team provides a safe and trafficable road network by maintaining Council's roads and associated road infrastructure asset network as per Council's relevant <i>Asset Management Plans</i> and adopted <i>Road Management Plan</i> . The network of assets includes unsealed and sealed roads, drainage, storm water, bridges, culverts, footpaths, gabion, and rock-wall formations. The department delivers part of the Capital Works Program, including the Fleet and Plant Replacement Program. The rapid response and after-hours call out service ensures the safety of Council's roads and associated road infrastructure assets, sits within this department. The Operational Support and Plant and Fleet teams also support the Open Space and Environment Department.	\$7,931
		\$8,332
		(\$401)
Open Space and Environment	The Open Space and Environment team manages recreational and public areas in the form of open space, natural and foreshore bush reserves, and parks and gardens. It includes grass mowing, garden maintenance and planting, urban/ rural tree maintenance, public amenities and BBQ cleaning, playground replacement, landscape structure maintenance, rural roadside vegetation maintenance, urban fire hazard slashing, Great Southern Rail Trail maintenance, and control of roadside weeds to improve biodiversity outcomes.	\$6,120
		\$6,084
		\$36

Note: In November 2025, an organisational realignment renamed the Sustainable Infrastructure Directorate to Infrastructure Sustainability Directorate.

Business Area	Description of Services Provided	Net Cost*
		Budget \$'000
		(less) Actual \$'000
		(Equals) Result \$'000
Empowering Communities Directorate	Empowering Communities Directorate provides services including:	\$2,095
	• Community, Customer and Visitor;	\$2,051
	• Planning and Building Services;	
	• Community Health and Safety; and	
	• Libraries Management.	\$44
Community, Customer and Visitor	The Community, Customer and Visitor team provides a wide variety of community-focused services that lead Council's functions in community strengthening, tourism, events, advocacy, arts and culture and social planning.	\$3,821
		\$3,496
		\$325



Business Area	Description of Services Provided	Net Cost*
		Budget \$'000
		(less) Actual \$'000
		(Equals) Result \$'000
Community Health and Safety	The Community Health and Safety team delivers essential, efficient and responsive services that enhance the health, safety and wellbeing of communities, families, children and individuals in South Gippsland.	\$1,948
		\$1,870
		<hr/>
		\$78
Planning and Building Services	<p>The Planning Services team undertakes strategic planning to prepare long-term land use planning policies and planning schemes, aligned to Victorian Government requirements, to address a range of environmental, economic and social matters. It supports community members to ensure their development needs align with these policies and planning schemes through their planning permits.</p> <p>This team also includes Strategic Planning which produces land use and development policy for Council and processes amendment and other applications under the <i>Planning and Environment Act 1987</i> and the <i>Subdivision Act 1988</i> mainly to rezone land. It also undertakes Town Structure Planning, Open Space Planning, Rural Planning and a wide range of issues related to rural and regional planning.</p> <p>The Building and Planning Compliance team serves the community by promoting compliance with various Acts and Regulations which exist to ensure that the community are safe when occupying buildings and that the general public adhere to applicable legislative requirements with respect to land use objectives. The team operates in accordance with the <i>Building Act</i> and the <i>Planning and Environment Act</i>.</p>	\$1,900
		\$1,717
		<hr/>
		\$183

Note: In November 2025, an organisational realignment renamed the Future Communities Directorate to the Empowering Communities Directorate. Libraries Management was previously reported under Performance & Innovation Management and is now reported under Empowering Communities Management.

OUR GOVERNANCE

- GOVERNANCE INFORMATION
- STATUTORY INFORMATION
- GOVERNANCE AND MANAGEMENT CHECKLIST



Port Franklin

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Governance Information

Legislation

South Gippsland Shire Council is constituted under the *Local Government Act 2020 (the Act)*. The Act establishes the functions and powers of Victorian councils, enabling them to govern and deliver services that support the wellbeing, order and good governance of Council's municipal districts.

Participation with Council

Council conducted an extensive review this year to better understand how community members can engage with Council. Following the review, Council introduced four ways for the community to engage with Councillors:

- Monthly Meet the Mayor sessions;
- Monthly expression of interest to present to Council;
- Quarterly Ward Focus Days for Councillors; and
- Quarterly Connect with Councillor drop-in sessions.

Community members are encouraged to register an Expression of Interest via Council's website for the option that best suits their needs. These opportunities provide additional ways for the community to discuss matters that concern them and raise updates on local priorities with Councillors. They also allow Councillors to ask questions and gain a further understanding of the topics being presented.

Council holds Ward Focus Days on the fourth Wednesday of the quarter. These days create opportunities for community members or community groups to meet with Councillors and show them projects in their local areas and talk about matters they wish to share with Councillors in an informal setting without Council staff present.

Council also continues to welcome community attendance and participation at Council Meetings and supports community input into decision-making processes of Council.

Community members can submit up to three questions relating to items on the meeting agenda for each Council Meeting. Question time is held during a meeting that is open to the public and community members may also choose to read their questions aloud at the meeting.

There are many opportunities for the community to engage with Council, including speaking directly with Councillors, provide feedback on Council plans and strategies, participating in consultation activities or contacting Councillors or Council directly.

Council Meetings

South Gippsland Shire Council's formal decision-making processes are conducted through monthly scheduled and occasional additional Council meetings. Council Meetings are generally held on the third Wednesday of each month and are open to the public. These meetings are live-streamed from Council's website.

Council meetings, Special Committees and the election of the Mayor and Deputy Mayor are governed by the adopted *Governance Rules*. South Gippsland Shire Council delegates its administrative decision-making to the Chief Executive Officer, and under some specific pieces of legislation, directly to staff. Council also delegates decision-making for specific facilities/reserves to the community through Community Asset Committees. The Chief Executive Officer has the authority to sub-delegate decision-making to staff. These delegations are regularly reviewed and are exercised in accordance with adopted Council policies and relevant legislation.

Meetings are held in an open manner, only closing parts of some meetings to consider confidential matters or other exceptions as designated under section 66 and section 3(1) of the *Local Government Act 2020*.

Attendance at Meetings

Councillor	Council Meetings Attended
Current Council Term Councillors	
Councillor Bron Beach	10 of 12 meetings
Councillor Steve Finlay	11 of 12 meetings
Councillor Sarah Gilligan <i>Deputy Mayor until November 2025</i>	10 of 12 meetings
Councillor Nathan Hersey <i>Mayor from November 2025</i>	12 of 12 meetings
Councillor John Kennedy	11 of 12 meetings
Councillor Scott Rae	11 of 12 meetings
Councillor John Schelling <i>Mayor until November 2025.</i>	11 of 12 meetings
Councillor Brad Snell <i>Deputy Mayor from November 2025.</i>	12 of 12 meetings
Councillor Clare Williams	10 of 12 meetings

Delegated Committees

No delegated committees were held in the period 2025 to 2026 as there were no delegated committees created under section 63 of the *Local Government Act 2020*.



Community Asset Committees

South Gippsland Shire Council's Community Asset Committees are formed under section 65 of the *Local Government Act 2020* to manage a range of community facilities and assets on the community's behalf, and make an important and valued contribution to community life in South Gippsland. These committees have limited delegations, including minor financial delegations for site-specific facilities and areas of responsibility.

The following table contains a list of all Community Asset Committees established by Council that are in operation and the purpose for which each was established.

The establishment of a new Community Asset Committee to manage the new Meeniyah Hub facility was endorsed by Council at the February 2026 Council Meeting. The Meeniyah Hub Community Asset Committee will begin managing the Meeniyah Hub from the 1 July 2026.

Community Asset Committees	Purpose of the Committee
Sandy Point Community Centre and TP Taylor Reserve Community Asset Committee	To manage the Sandy Point Community Centre and TP Taylor Reserve.
Dumbalk Hall Community Asset Committee	To manage the Dumbalk Hall.
Foster Stockyard Gallery Community Asset Committee	To manage the Foster Stockyard Gallery.
Mirboo North Hall Community Asset Committee	To manage the Mirboo North Hall.
Meeniyah Sports Stadium Community Asset Committee	To manage the Meeniyah Sports Stadium.
Allambee South Community Hall Community Asset Committee	To manage the Allambee South Community Hall.
John Terrill Memorial Park and Fish Creek Recreation Reserve Community Asset Committee	To manage the John Terrill Memorial Park and Fish Creek Recreation Reserve.
Foster War Memorial Arts Centre and Senior Citizens Centre	To manage the Foster War Memorial Arts Centre and Senior Citizens Centre.
Korumburra Recreation Reserve Community Asset Committee	To manage the Korumburra Recreation Reserve.
Foster Showgrounds Community Asset Committee	To manage the Foster Showgrounds.
Walter J. Tuck Reserve Community Asset Committee	To manage the Walter J. Tuck Reserve.
Port Welshpool and District Maritime Museum Community Asset Committee	To manage the Port Welshpool and District Maritime Museum Community Asset Committee.

Model Councillor Code of Conduct and Internal Resolution Procedures

Section 140 of the *Local Government Act 2020* requires all Councillors to observe the Model Councillor Code of Conduct (Model Code) as prescribed in Schedule 1 of the *Local Government (Governance and Integrity) Regulations 2020*. The Model Code of Conduct sets out individual standards of conduct expected to be observed by a Councillor when performing their role.

To further support Councillors to resolve any alleged breaches of the Model Code, a requirement was added to the Act and the *Local Government (Governance and Integrity) Regulations 2020* to adopt an Internal Resolution Procedure.

Council's Internal Resolution Procedure was adopted at the 21 May 2025 Council Meeting and is published on Council's website and aims to support Councillors in their role.

Conflicts of Interest

Councillors are elected by residents and ratepayers to act in the best interests of the community. Being a Councillor requires personal interests to be set aside so decisions can be made impartially. When Council delegates its powers to a Council officer or Committee of Council, the officer and committee, also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability of the Mayor and Councillors as the Council, Committees of Council or officers to act in the public interest.

A conflict of interest exists even if no improper act results from it. Declaration of a conflict of interest is a standard agenda item for all Council, committee and briefing meetings.

Council has comprehensive procedures in place to accommodate the disclosure of a conflict of interest. In general, the declaration is made in a particular way, captured in writing and then the individual, steps aside from the relevant decision-making process, or exercise of the public duty. A register is maintained to record all disclosed conflicts of interest for Councillors and employees.

During 2025/26, there were 16 conflict of interest declarations by Councillors at Council meetings.



Councillor Remuneration and Expenses

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duties. Throughout this financial year, South Gippsland Shire Council has covered the mandatory remuneration and reimbursement expenses for Mayor, Deputy Mayor and Councillor allowances and reimbursements of expenses.

The Victorian Independent Remuneration Tribunal (VIRT) makes determinations on a regular basis to set the allowances to be paid to the Mayor, Deputy Mayor and Councillors. This can be found on the VIRT website. The *Councillor Support and Expenditure Policy*, was reviewed and adopted by Council at the 21 August 2024 Council Meeting. The Policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Councillors to enable them to conduct their duties. This Policy is available on Council's website. The following table contains a summary of Councillor expenses for 2025/26 with each category explained on the next page:

Councillor Allowances	Allowance inc. Superannuation	Travel and Vehicle Expenses	Conference, Training and Development	Other	Total
Councillors of current Term					
Councillor Bron Beach	\$35,050	-	\$375	\$170	\$35,595
Councillor Steve Finlay	\$35,050	\$389	\$1,562	\$478	\$37,479
Councillor Sarah Gilligan <i>Deputy Mayor until November 2025</i>	\$43,918	\$8,934	\$11,328	\$208	\$64,388
Councillor Nathan Hersey <i>Mayor from November 2025</i>	\$87,183	\$14,885	\$14,681	\$320	\$117,069
Councillor John Kennedy	\$35,050	-	\$375	\$170	\$35,595
Councillor Scott Rae	\$35,245	\$5,962	\$2,101	\$160	\$43,468
Councillor John Schelling <i>Mayor until November 2025</i>	\$65,977	\$2,041	\$6,502	\$307	\$74,827
Councillor Brad Snell <i>Deputy Mayor from November 2025</i>	\$49,790	\$7,194	\$5,431	\$170	\$62,585
Councillor Clare Williams	\$35,050	\$1,712	\$946	\$70	\$37,778

Expense Categories

- **Allowances including Superannuation.**
 - To support their service to South Gippsland Shire Council, the Mayor, Deputy Mayor and Councillors each receive an allowance, including the required superannuation contribution. This is also inclusive of a remote area travel allowance.
- **Travel/Childcare Reimbursements and Vehicle Expenses.**
 - Council's *Councillor Support and Expenditure Policy* adopted on 21 August 2024, provides for the reimbursement of travel costs, depreciation, insurance and/or use of private vehicles and childcare while conducting Council business. Councillors use of private vehicles is at the prescribed Australian Tax Office rate of reimbursement. Reimbursements also include parking fees and public transport costs. One Councillor has the use of a Council-supplied vehicle.
- **Advocacy, Training and Development.**
 - This category covers costs associated with the Mayor and Councillors attendance at professional development courses and conferences. Advocacy costs are also covered in this category and refer to costs associated with Councillors attending meetings on behalf of Council. These costs include airfares, parking, accommodation, meals (where applicable) and subscription fees.
- **Other Expenses.**
 - Council provides access to materials, printing, stationery, subscriptions, memberships, uniforms, mobile telephone and other resources to assist Councillors to fulfil their roles. These costs include various usage of these resources throughout the year.

Candlelight Vigil 2026



Audit and Risk Management Framework

South Gippsland Shire Council has implemented a number of statutory and better-practice items to strengthen its management framework. Having a strong governance and management framework supports better decision-making by Council.

The *Local Government Act 2020* requires Council to undertake an assessment of its governance against the prescribed Governance and Management Checklist and include this in its Report of Operations in the Annual Report. The following items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee is an independent Advisory Committee of Council, which is established to oversee and monitor Council's effectiveness in carrying out its responsibilities for accountable financial management, corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment.

Section 54 of the *Local Government Act 2020* requires Council to prepare and approve an Audit and Risk Committee Charter, which was last adopted at the 15 February 2023 Council Meeting.

Committee Membership

The Audit and Risk Committee Charter requires the Committee to have three independent members who may serve a maximum of two consecutive terms of three years, subject to satisfactory performance. Two independent members (Mr Mick Jaensch and Ms Marilyn Kearney) were re-appointed for their second three-year terms in February 2026. Jennifer Johanson was appointed to her second three-year term on 22 November 2024.

The Audit and Risk Committee Charter requires the Committee to have two Councillor members. The current Councillor members are Councillor Sarah Gilligan, whose second-term commenced in November 2025 and Councillor Bron Beach who commenced her first-term in November 2025.

Councillor Steve Finlay completed his tenure in November 2025.

Independent member Marilyn Kearney was appointed as the Committee Chair on 19 February 2026.

Attendees	2025/26 Meetings Attended
Independent Members	
Ms Jennifer Johanson	3 of 4 meetings
Mr Mick Jaensch	4 of 4 meetings
Ms Marilyn Kearney	4 of 4 meetings
Council Members	
Councillor Sarah Gilligan	4 of 4 meetings
Councillor Steve Finlay	1 of 1 meetings
Councillor Bron Beach	2 of 3 meetings
Ex-Officio Members	
Councillor Nathan Hersey (Mayor)	2 of 3 meetings
Councillor John Schelling (Mayor)	1 of 1 meetings
Auditors	
Victorian Auditor General Office representative	4 of 4 meetings
Crowe (Internal Audit Provider)	4 of 4 meetings

Internal Audit

South Gippsland Shire Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to Crowe, an independent accounting and advisory firm, who were appointed on 18 May 2022 following a public tender, for an initial term of four years, which concluded on 1 July 2026. The option to extend the contract was exercised, and the extension has been granted until 1 June 2027.

A risk-based Internal Audit Program is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers:

- Council's Risk Management Framework;
- Council Plan;
- The impact of any change on operations, systems or the business environment;
- Prior audit outcomes; and
- Management input.

The Internal Audit Program is reviewed and approved by the Audit and Risk Committee annually. The internal auditor attends each Audit and Risk Committee meeting to report on the status of the Internal Audit Program, which consists of an update on the implementation of audit recommendations and presenting findings of completed reviews. The responsible Executive Director for each area reviewed attends the Audit and Risk Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to the responsible manager and tracked in Council's Internal Audit Action Plan.

The Internal Audit Program for 2025/26 was completed with the following reviews conducted:

- Contract Management;
- Climate Change; and
- Food Act and Wastewater Management.

In addition to the above, Internal Audit reports were presented to the Audit and Risk Committee in 2025/26:

- Asset Management;
- Tree Management; and
- OHS – Employees and Contractors.

External Audit

South Gippsland Shire Council is externally audited each financial year. For the 2025/26 financial year, the annual external audit of Council's Financial Statement and Performance Statement was conducted by the Victorian Auditor-General's Office (VAGO). VAGO representatives attended all Audit and Risk Committee Meetings to present the audit plan, external audit management letter and Independent Audit Report.

Risk Management

Council remains committed to effective risk management to support informed decision-making, strong governance and the sustainable delivery of services to our community. The *Risk Management Policy* and *Risk Management Framework* establish Council's approach to identifying, assessing, managing and monitoring risk across the organisation and support the achievement of Council's objectives.

During the year, Council continued to strengthen and embed its risk management practices through the implementation of an updated *Risk Management Framework* and *Risk Management Policy*. Risk management is integrated into governance, planning, decision making and operational processes, promoting a positive risk aware culture and supporting organisational resilience. Council's approach is aligned with *AS ISO 31000:2018 Risk Management – Guidelines*.

Statutory Information

The following information is provided in accordance with legislative and other requirements applying to South Gippsland Shire Council.

Documents Available for Public Inspection

In accordance with section 57(1) of the *Local Government Act 2020*, Council is required to adopt and maintain a *Public Transparency Policy*. Council must provide a summary of the information which is publicly available under its Transparency Policy.

South Gippsland Shire Council's *Public Transparency Policy* has been endorsed since July 2020. Council undertook a review of this Policy and at the time of writing this Annual Report it was on schedule to be presented at the 15 July 2026 Council Meeting for endorsement and community consultation.

A list of documents available for inspection under the various Acts Council is subject to, can be found in Council's Part II Statement in accordance with section 7 of the *Freedom of Information Act 1982*, which is available on Council's website.

Procurement

South Gippsland Shire Council adopted a *Procurement Policy* on 16 July 2025 to comply with sections 108 and 109 of the *Local Government Act 2020*. The Policy sets out the processes and procedures that apply to the purchase of goods and services, while ensuring our commitment to guiding principles apply to each procurement. Council must review its *Procurement Policy* at least once during each four-year term of Council.

In the 2025/26 financial year, 21 tenders were advertised which comprised of eighteen (18) public tenders and two (2) Request for Closed Tenders.

Contracts

In accordance with South Gippsland Shire Council's *Procurement Policy* adopted on the 16 July 2025 and as required by section 108 of the *Local Government Act 2020*, Council followed the Policy for Request for Tenders, Request for Quotes and Expression of Interests.

Unless an exclusion applied under the *Procurement Policy*, the formal competitive procurement processes were followed for any contracts over the amount of \$250,000 (ex GST) – Council's public tender threshold under the *Procurement Policy* – and the closed tender competitive process was followed for contracts under \$249,999 (ex GST) and above \$50,000 (ex GST).

In the 2025/26 financial year 21 tenders, from both public and closed tender thresholds, 18 proceeded to awarded contracts with a further three pending contracts at the end of this financial year.

Contracts awarded by Council can be found on Council's website.



Showing Support

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, South Gippsland Shire Council is required to prepare a *Disability Action Plan*, and must report on its implementation in the Annual Report.

The *Disability Action Plan 2018-2021* was adopted at the 30 May 2018 Council Meeting. The Disability Action Plan outlines Council's approach to building a more inclusive community and to meet both Council's obligations and community aspirations in doing so.

In 2025/26, a Draft Plan was developed to guide Council's ongoing efforts to embed accessibility and inclusion across its operations and decision-making between 2026 and 2030. The Draft Plan was informed by engagement and lived experience perspectives of the Access and Inclusion Advisory Committee and was exhibited for community feedback from 21 May 2026 to 22 June 2026.

As part of Council's ongoing commitment to fostering inclusivity, at the time of writing this Annual Report, the Plan was proposed to be renamed from the *Disability Action Plan* to the *Access and Inclusion Action Plan* to better reflect its broader focus and was scheduled to be received by Council for endorsement on 19 August 2026.

The *Municipal Public Health and Wellbeing Plan 2025-2029* which was endorsed at the 18 June 2025 Council Meeting, includes actions which support access and inclusion. An Action Plan to support the implementation of the *Municipal Public Health and Wellbeing Plan 2025-2029* has been developed in partnership with stakeholders, including the Access and Inclusion Advisory Committee

Domestic Animal Management Plan

In accordance with section 68A of the *Domestic Animals Act 1994*, South Gippsland Shire Council is required to prepare a *Domestic Animal Management Plan* at four-yearly intervals and evaluate its implementation in the Annual Report.

The *Domestic Animal Management Plan 2026-2029* was adopted at the 10 December 2025 Council Meeting and outlines the services, programs and policies established to address the administration of the *Domestic Animals Act 1994* and the management of dog and cat issues in the community.

Actions that have been completed or that are conducted on an ongoing basis are outlined below:

- 'Lifetime tags' for animal identification.
- Lost/found dogs and cats advertised on Council's social media platforms.
- Animal registration database used to identify unregistered Domestic Animal Businesses.
- Menacing, dangerous and restricted dog breed legislation actively enforced.
- Training register maintained for individual officers.
- Officers attend required training and networking sessions annually.
- Officers provided with access to relevant external agency sites and databases.
- Implementation of South Gippsland Shire Pets Facebook page.
- Animal registration renewal door-knocking program completed annually.
- Domestic Animal Businesses audited annually.
- Dangerous dog housing inspections are completed annually.
- Online new animal registrations through e-pathway.
- Direct adoptions via Council's animal shelter through Pet Rescue and own social media advertising successfully.
- Serious dog attack prosecutions with successful outcomes for Council and the community.
- Cat trapping program continues, with additional traps purchased to target large colony properties.
- New registration categories introduced to support re-homing and animal welfare.
- Responsible pet ownership packs for all owners reclaiming animals from the pound.
- Adoption packs for all animals being directly adopted from Council's animal shelter.
- Continue to expand our 84Y agreement network to get more animals in to rescue.
- Combined investigations with RSPCA for welfare concerns.

Food Act Ministerial Directions

In accordance with section 7E(6) of the *Food Act 1984*, if a Council, or the Chief Executive Officer of a Council, is given a direction under subsection (1), a copy of the direction must be published in the Annual Report required to be published by the Council under section 98 of the *Local Government Act 2020*.

No such ministerial directions were received by South Gippsland Shire Council during this financial year.

Road Act Ministerial Directions

In accordance with section 22 of the *Road Management Act 2004*, South Gippsland Shire Council must publish a copy or summary of any ministerial direction in its Annual Report.

No such ministerial directions were received by Council during this financial year.

Freedom of Information

The *Freedom of Information Act 1982 (FOI Act)* provides the community with a right of access to documents held by South Gippsland Shire Council. Access to some documents may be limited where exemptions apply under the FOI Act.

Under section 17 of the *Freedom of Information Act 1982*, a request for access to documents must:

- Be in writing;
- Provide sufficient information to enable Council to identify the documents being sought; and
- Be accompanied by the prescribed application fee.

Requests for documents held by Council should be addressed to the Freedom of Information Officer and may be submitted by post, email or in person at Council's Customer Service Centre.

Council processed a total of 15 Freedom of Information applications in 2025/26. One was carried over from the previous year, and four were carried into the next financial year 2026/27.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a Council's Annual Report.

A total of \$431,766 in developer contributions were paid in 2025/26.

National Competition Policy

South Gippsland Shire Council adheres to a *National Competition Policy*. To the best of its knowledge Council has not undertaken any anti-competitive behaviour and has complied with the requirements of the policy during 2025/26.

Public Interest Disclosure

A Council must include in their Annual Report information about how to access procedures established by the Council under Part 9 of the *Public Interest Disclosures Act 2012*.

It provides a way for people to make a disclosure of improper conduct and detrimental action by Councillors and Council employees. It is required by Council to provide certain information about the number and types of protected disclosure complaints investigated during the financial year.

South Gippsland Shire Council takes seriously its responsibilities to those persons who may make a disclosure about improper conduct. Council has established guidelines to ensure the confidentiality of the identity of the person making the disclosure, and their welfare is protected, and has established a system for matters of improper conduct to be investigated.

As per section 70(1)(b) of *Public Interest Disclosures Act 2012*, during the 2025/26 financial year Council's officers appointed to receive disclosures to which the Public Interest Disclosure Guidelines apply. Council referred three disclosures to the Independent Broad-based Anti-Corruption Commission for assessment.

Governance and Management Checklist

The following are the results in the prescribed form of South Gippsland Shire Council's assessment against the prescribed Governance and Management Checklist. Unless otherwise stated 'the Act' refers to the *Local Government Act 2020*.

Item No.	Governance and Management Items	Assessment
1	Community Engagement Policy Policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest.	Adopted in accordance with section 55 of the Act. <i>Communication and Engagement Policy.</i> Date of Adoption: 20 May 2026
2	Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community.	<i>Community Engagement Strategy 2026-2029.</i> Date of Adoption: 20 May 2026
3	Financial Plan Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years.	Adopted in accordance with section 91 of the Act. <i>2026/27 Budget - including Financial Plan 2026/27-2035/36.</i> Date of Adoption: 17 June 2026
4	Asset Plan Plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.	Adopted in accordance with section 92 of the Act. <i>Asset Plan 2025-2035.</i> Date of Adoption: 18 June 2025
5	Revenue and Rating Plan Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges.	Adopted in accordance with section 93 of the Act. <i>Revenue and Rating Plan 2025-2029.</i> Date of Adoption: 18 June 2025
6	Annual Budget Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required.	Adopted in accordance with section 94 of the Act. <i>2026/27 Budget - including Financial Plan 2026/27-2035/36.</i> Date of Adoption: 17 June 2026
7	Risk Policy Policy outlining Council's commitment and approach to minimising the risks to Council's operations.	<i>Risk Management Policy.</i> Date of Adoption: 24 February 2021
8	Fraud Policy Policy outlining Council's commitment and approach to minimising the risk of fraud.	<i>Fraud and Corrupt Conduct Policy.</i> Date of Adoption: 19 May 2021 A review of the <i>Fraud and Corrupt Conduct Policy</i> was on schedule to be presented at the 15 July 2026 Council Meeting for endorsement at the time of writing this Annual Report.
9	Municipal Emergency Management Planning Council's participation in meetings of the Municipal Emergency Management Planning Committee (MEMPC).	Municipal Emergency Management Planning meetings attended by one or more representatives of Council (other than the chairperson) during the financial year. Date of MEMPC meetings attended: • 26 August 2025 • 25 November 2025 • 24 February 2026 • 26 May 2026

Item No.	Governance and Management Items	Assessment
10	Procurement Policy Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council.	Adopted in accordance with sections 108 and 109 of the Act. <i>Procurement Policy.</i> Date of Adoption: 16 July 2025
11	Business Continuity Plan Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.	The Business Continuity Plans were endorsed by the Audit and Risk Committee. Date of Endorsement: 13 December 2022
12	Disaster Recovery Plan Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.	<i>Disaster Recovery Plan.</i> Audit and Risk Committee: 5 December 2023
13	Complaint Policy Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.	Established in accordance with section 107 of the Act. <i>Complaint Handling Policy.</i> Date of Commencement: 23 December 2021
14	Workforce Plan Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.	Established in accordance with section 46 of the Act. <i>Workforce Management Strategy 2022 - 2026.</i> Date of Commencement: March 2022
15	Payment of Rates and Charges Hardship Policy Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.	<i>Hardship Policy.</i> Date of Adoption: 17 June 2026
16	Risk Management Framework Framework outlining Council's approach to managing risks to Council's operations.	Risk Management Framework Developed in accordance with <i>International Risk Management Standard AS/NZS ISO 31000: 2009.</i> Date of Adoption: 24 February 2021
17	Audit and Risk Committee Advisory committee of Council under section 53 and section 54 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide oversight on internal and external audit functions.	Audit and Risk Committee established in accordance with section 53 of the Act. Date of Establishment: 26 August 2020 South Gippsland Shire Council's <i>Audit and Risk Committee Charter</i> was adopted by Council on 20 August 2025 in accordance with section 54 of the Act Date of Adoption: 20 August 2025
18	Internal Audit Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.	Internal Auditor engaged. Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. This function is outsourced to Crowe, who were appointed on 18 May 2022 following a public tender, for an initial term of four years, which concluded on 1 July 2026. Council opted into a one year extension and concludes on 2 June 2027.

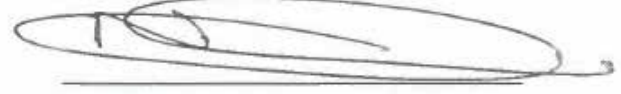
Item No.	Government and Management Items	Assessment
19	Performance Reporting Framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act.	Performance Reporting Framework is set out in the <i>Council Plan 2025-2029</i> and the <i>2025/26 Annual Budget</i> . Date of framework: 18 June 2025
20	Council Plan Reporting Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.	<i>Council Plan 2025-2029</i> . Date of Adoption: 18 June 2025 Date of Framework: 26 June 2024 Council Plan and Annual Plan reporting is provided in Council's quarterly <i>Organisational Performance Reports</i> . Date of reports: <ul style="list-style-type: none"> 26 November 2025 18 February 2026 20 May 2026
21	Quarterly Budget Reports Quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variation.	Reports presented to Council in accordance with section 97 of the Act. Financial reporting is provided in Council's quarterly <i>Organisational Performance Reports</i> . Date reports presented: <ul style="list-style-type: none"> 2025/26 first quarter report: adopted 26 November 2025 2025/26 second quarter report: adopted 18 February 2026 2025/26 third quarter report: adopted 20 May 2026
22	Risk Reports Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.	Risk Management Reports presented to Audit and Risk Committee: <ul style="list-style-type: none"> 19 August 2025 2 December 2025 17 March 2026 16 June 2026
23	Performance Reporting Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act.	The <i>Council Plan 2025-2029</i> including the 2025/26 Annual Actions, Budget and Strategic Objectives are reported in Council's quarterly <i>Organisational Performance Reports</i> as follows: <ul style="list-style-type: none"> 2025/26 first quarter report: adopted 26 November 2025 2025/26 second quarter report: adopted 18 February 2026 2025/26 third quarter report: adopted 20 May 2026
24	Annual Report Annual report under sections 98, 99 and 100 of the Act to the community containing a report of operations and audited financial and performance statements.	Presented at a Council Meeting in accordance with section 100 of the Act. Date of presentation: 15 October 2025 <i>The Annual Financial and Performance Statements were endorsed at the 17 September 2025 Council Meeting. An unqualified opinion was received from the Victoria Auditor-General's Office and the certificate was included in the 2024/25 Annual Report and endorsed at the 15 October 2025 Council Meeting and published on Council's website.</i>
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Item No.	Government and Management Items	Assessment
25	<p>Councillor Code of Conduct</p> <p>Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.</p>	<p>From 26 October 2024, the <i>Local Government Act 2020</i> requires all Councillors to observe the Model Councillor Code of Conduct which replaces the previous statutory requirements for Councils to develop their own Councillor Code of Conduct.</p> <p>Council adopted the <i>Internal Resolution Procedure</i> at the 21 May 2025 Council Meeting as part of the changes made to the <i>Local Government Act 2020</i> and <i>Local Government (Governance and Integrity) Regulations 2020</i>.</p> <p>Date of Adoption: 21 May 2025</p>
26	<p>Delegations</p> <p>Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act.</p>	<p>The delegations were reviewed in accordance with section 11(7) of the Act and a register kept in accordance with section 11(8) and 47(7) of the Act.</p> <p>The delegations were signed by the CEO on:</p> <ul style="list-style-type: none"> • Council to CEO (S5) - 20 August 2025. • Council to Staff (S6) - 17 June 2026 • Sub-delegation by CEO to Staff (S7) – 10 March 2026 • Sub-delegation by CEO to Staff (S7A) – CEO to staff - Miscellaneous Delegations – 16 March 2026 • Municipal Building Surveyor to Staff (S12) - 9 December 2026 • CEO Powers, Duties and Functions to Staff (S13) - 17 February 2026 • Sub-delegation by CEO Powers, Duties and Functions to Staff (S13A) - 10 June 2020 • CEO to Staff (VICSmart Applications) under the <i>Planning and Environment Act 1987</i> (S14) - 2 March 2026 • CEO to Staff (Bushfire Reconstruction Application under the <i>Planning and Environment Act 1987</i>) (S16) - 2 March 2026 • CEO to Staff under the <i>Child Wellbeing and Safety Act 2005</i> (S20a) – 12 March 2026
27	<p>Meeting procedures</p> <p>Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees.</p>	<p>Adopted in accordance with section 60 of the Act. <i>Governance Rules (C82)</i>.</p> <p>Date of Adoption: 10 December 2025</p>

I certify that this information presents fairly the status of Council's governance and management arrangements.



Allison Jones
Chief Executive Officer
Date: 16 September 2026



Cr Nathan Hersey
Mayor
Date: 16 September 2026

Performance Statement



Long Jetty, Port Welshpool

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Certification of the Performance Statement

for the year ended 30 June 2026

In my opinion, the accompanying Performance Statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



Taryn Macfarlane CPA
Principal Accounting Officer
Date: 16 September 2026

In our opinion, the accompanying Performance Statement of the South Gippsland Shire Council for the year ended 30 June 2026 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

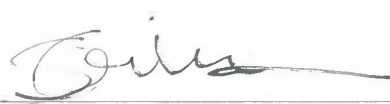
The Performance Statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the Performance Statement to be misleading or inaccurate.

We have been authorised by the Council and the *Local Government (Planning and Reporting) Regulations 2020* to certify this Performance Statement in its final form.



Cr Nathan Hersey
Mayor
Date: 16 September 2026



Cr Sarah Gilligan
Councillor (Audit and Risk Committee Member)
Date: 16 September 2026



Allison Jones
Chief Executive Officer
Date: 16 September 2026



Independent Auditor's Report

To the Councillors of South Gippsland Shire Council

Opinion	<p>I have audited the accompanying performance statement of South Gippsland Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2026 • service performance indicators for the year ended 30 June 2026 • financial performance indicators for the year ended 30 June 2026 • sustainable capacity indicators for the year ended 30 June 2026 • notes to the accounts • certification of the performance statement. <p>In my opinion, the performance statement of South Gippsland Shire Council in respect of the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
23 September 2026



Travis Derricott
as delegate for the Auditor-General of Victoria

Section 1. Description of Municipality

South Gippsland Shire Council is located in coastal south eastern Victoria, approximately 100 kilometres south-east of Melbourne. It is comprised of three wards: Tarwin Valley, Strzelecki and Coastal Promontory.

South Gippsland spans 3,308 square kilometres of agriculturally rich land which is used for dairy, beef, sheep and vegetable production. Viticulture, fishing and tourism also contribute significantly to the local economy.

Key attractions include the Port Welshpool Long Jetty, Cape Liptrap Coastal Park, Coal Creek Community Park and Museum, the Great Southern Rall Trail, the Grand Ridge Rall Trail, beaches, villages and, of course, the iconic Wilsons Promontory National Park.

Section 2. Service performance indicators

for the year ended 30 June 2026

Service	Results					Comments
	2023	2024	2025	2026		
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities						Attendances were lower at both outdoor pools and indoor leisure centre over this financial year.
Utilisation						
Utilisation of aquatic facilities	4.85	4.47	4.61	N/A	4.29	
[Number of visits to aquatic facilities / Municipal population]						
Animal Management						There was one animal management matter that was determined in court during this financial year.
Health and safety						
Animal management prosecutions	67%	100%	100%	N/A	100%	
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100						
Food Safety						Follow-up inspections for the reporting period achieved 90.91 per cent, with only nine inspections completed outside the target response time.
Health and safety						
Critical and major non-compliance outcome notifications	98.51%	78.26%	100%	N/A	90.91%	
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100						
*N/A - Not Applicable						

Service	Results					Comments
	2023	2024	2025	2026		
	Actual	Actual	Actual	Target as per budget	Actual	
Governance Satisfaction <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	50	47	46	47	49	Council's community consultation and engagement score improved by three points compared with the previous year. The result reflects Council's continued commitment to providing opportunities for the South Gippsland community to have its say on key projects, policies and strategies. It also follows the introduction of new ways to connect with Council, including presentations to Council, Meet the Mayor meetings and quarterly drop-in sessions held across the Shire.
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x 100	N/A	34.63%	35.96%	N/A	35.99%	The expected range is 20 to 40 per cent and the result was above Council's annual budget target of 35 per cent.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	73.13%	71.40%	71.97%	N/A	77.13%	Participation rates have increased to 77 per cent of all children (0-3.5 years old) who have engaged in the Maternal Child Health service which is a 7.17 per cent increase from the previous year.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	45.45%	77.36%	84.13%	N/A	74.63%	Council continue to make centres and appointments culturally appropriate and encourage Aboriginal and Torres Strait Islander families to attend all Key Age and Stage appointments.
*N/A - Not Applicable						

Service	2023	2024	Results		2026	Comments
	Actual	Actual	2025 Actual	Target as per budget		
Roads Condition <i>Sealed local roads below the the intervention level</i> (Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	99.95%	99.83%	99.95%	95.00%	97.37%	A shire-wide condition survey of roads resulted in a minor decrease in the percentage of roads above the condition standard. Increased costs of materials used in road resealing has contributed to a reduced amount of reseals completed each year.
Statutory Planning Service standard <i>Planning applications decided within the relevant required time</i> (Percentage of planning application decisions made within the relevant required time)	25.27%	32.24%	53.27%	42.00%	55.12%	The Planning Department continues to improve the proportion of planning applications determined within statutory timeframes through the implementation of improved systems and processes.
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	53.61%	52.55%	50.00%	50.00%	50.43%	The kerbside waste diversion rate has declined slightly compared to previous years due to the introduction of the Victorian Government Container Deposit Scheme which has reduced the volume of recyclables collected through kerbside services. Changes to kerbside waste services commencing from July 2026 are expected to improve diversion rates from 2026/27.

Section 3. Financial performance indicators

for the year ended 30 June 2026

Service	Results									Comments
	2023	2024	2025	2026		2027	2028	2029	2030	
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency Expenditure Level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,636.38	\$4,400.65	\$4,193.83	\$3,636.00	\$3,853.00	\$3,873.14	\$3,818.67	\$3,924.07	\$3,974.99	Expenses per property assessment have decreased from the elevated levels experienced over the previous two years. Those results were driven by significant natural disaster recovery costs following events in February and August 2024. Despite this improvement, the 2025/26 result remained above target, primarily due to higher-than-budgeted depreciation and asset disposal costs.
Revenue Level <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$2,073.71	\$2,218.59	\$2,282.46	N/A	\$2,355.09	\$2,419.65	\$2,468.66	\$2,518.66	\$2,569.66	Average rate per property assessment remains in line with the applied rate cap.
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	291.57%	187.69%	195.92%	158.00%	307.19%	210.81%	222.49%	243.25%	280.40%	Working capital is significantly higher than both target and the prior year, primarily due to the receipt of disaster recovery funding relating to expenses incurred in prior years.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	6.31%	-42.56%	-46.24%	N/A	-30.82%	-3.59%	-7.22%	-9.26%	-10.50%	Improvement in result is due to a decrease in carried forward capital works as of 30 June 2026, which increased unrestricted cash.

Service	Results									Comments
	2023	2024	2025	2026		2027	2028	2029	2030	
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Obligations										
Loans and borrowings										
<i>Loans and borrowings compared to rates</i>	19.16%	16.32%	19.60%	N/A	16.64%	13.60%	11.03%	8.43%	5.91%	The decrease in this measure relates to scheduled repayments of loans during 2025/26.
[Interest bearing loans and borrowings / Rate revenue] x 100										
<i>Loans and borrowings repayments compared to rates</i>	1.59%	2.13%	2.23%	N/A	2.66%	2.66%	2.62%	2.55%	2.48%	The increase in this measure relates to a full year of repayments on loans for the Korumburra streetscape, as the loan proceeds were received partway through 2024/25.
[Interest and principal repayments on interest bearing loans and borrowings / rate revenue] x 100										
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i>	23.90%	24.01%	25.79%	N/A	26.54%	19.62%	17.23%	14.77%	12.69%	Non-current liabilities compared to own source revenue is consistent with the prior year.
[Non-current liabilities /Own source revenue] x 100										
Asset renewal and upgrade										
<i>Asset renewal and upgrade compared to depreciation</i>	255.90%	200.20%	241.45%	160.00%	124.08%	157.20%	155.27%	119.92%	108.71%	The decrease in this measure compared to the previous year is due to lower renewal and upgrade capital works completed in 2025/26, as well as higher depreciation. The variation compared to the target is largely due to higher depreciation.
[Asset renewal and asset upgrade expense / Asset depreciation] x 100										

Service	Results									Comments
	2023	2024	2025	2026		2027	2028	2029	2030	
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	3.22%	-30.25%	5.85%	N/A	11.76%	6.66%	9.19%	8.30%	8.80%	The underlying result has continued to increase compared to the negative result in 2023/24. The lower underlying results in the previous two years was driven by significant natural disaster recovery costs following events in February and August 2024. The 2025/26 underlying result has also improved compared to 2022/23 driven by an increase in rates and charges and operating grants.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100	61.04%	73.61%	57.50%	65.81%	60.70%	65.95%	65.86%	66.02%	66.12%	Rates compared to adjusted underlying revenue is consistent with the prior year and lower compared to the target due to an increase in operating grant revenue compared to the budget.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.27%	0.29%	0.30%	N/A	0.32%	0.33%	0.33%	0.34%	0.35%	Rates compared to property values are consistent with the prior year.

Section 4. Sustainable capacity indicators

for the year ended 30 June 2026

Service	Results				Comments
	2023	2024	2025	2026	
	Actual	Actual	Actual	Actual	
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$2,489.05	\$2,914.97	\$2,773.13	\$2,546.21	Expenses per head of municipal population have decreased from the elevated levels experienced over the previous two years. Those results were driven by significant natural disaster recovery costs following events in February and August 2024.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$21,154.95	\$23,367.94	\$24,799.63	\$27,971.23	Asset unit rates have increased in value because of construction costs and costs of materials used in infrastructure. Indexation and revaluations were performed across infrastructure asset classes as a result.
Population density per length of road [Municipal population / Kilometres of local roads]	14.62	14.76	14.68	14.68	This indicator remained largely unchanged.
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,831.49	\$1,962.37	\$1,944.59	\$2,036.55	Own-source revenue per head of municipal population is consistent with the prior year.
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$602.22	\$142.36	\$756.85	\$728.28	Recurrent grants per head of municipal population is consistent with the prior year.

Service	Results				Comments
	2023 Actual	2024 Actual	2025 Actual	2026 Actual	
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	5.00	5.00	Relative socio-economic disadvantage is in line with the prior year.
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	9.6%	13.7%	16.5%	9.0%	Employee turnover has reduced due to stabilisation of the workforce and a decrease in involuntary separations. Unlike the previous year, there were no dismissals, contributing to the lower overall turnover rate.

Section 5. Notes to the accounts

5.1 Basis of preparation

South Gippsland Shire Council is required to prepare and include a Performance Statement within its annual report. The Performance Statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This Statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the Performance Statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The Performance Statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the Performance Statement includes the target budget for the current year and the results forecast for the period 2026/27 to 2029/30 by the Council's Financial Plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds relevant to each indicator and measure. Explanations have not been provided for variations below the materiality thresholds, unless the variance is considered to be material because of its nature.

5.2 Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a Council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by Council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Annual Financial Statements



Tarwin River, Tarwin Lower

South Gippsland Shire Council

2025-26 Financial Report

Annual Financial Report

for the year ended 30 June 2026

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South Gippsland Shire Council

2025-26 Financial Report

Annual Financial Report

for the year ended 30 June 2026

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Content Overview

These financial statements are General Purpose Financial Statements for South Gippsland Shire Council.

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on 16 September 2026.
Council has the power to amend and reissue these financial statements.

South Gippsland Shire Council

2025-26 Financial Report

Annual Financial Report

for the year ended 30 June 2026

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Taryn Macfarlane, CPA
Principal Accounting Officer
Dated: 16 September 2026

In our opinion, the accompanying financial statements present fairly the financial transactions of the South Gippsland Shire Council for the year ended 30 June 2026 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Cr Nathan Hersey
Mayor
Dated: 16 September 2026



Cr Sarah Gilligan
Councillor (Audit and Risk Committee Member)
Dated: 16 September 2026



Allison Jones
Chief Executive Officer
Dated: 16 September 2026



Independent Auditor's Report

To the Councillors of South Gippsland Shire Council

Opinion	<p>I have audited the financial report of South Gippsland Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2026 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
23 September 2026


 Travis Derricott
as delegate for the Auditor-General of Victoria

South Gippsland Shire Council

2025-26 Financial Report

Comprehensive Income Statement

for the year ended 30 June 2026

	Note	2026 \$ '000	2025 \$ '000
Income / Revenue			
Rates and charges	3.1	54,485	52,539
Statutory fees and fines	3.2	1,075	977
User fees	3.3	5,600	4,731
Grants - operating	3.4	21,748	27,615
Grants - capital	3.4	16,057	9,956
Contributions - monetary	3.5	1,129	630
Contributions - non-monetary	3.5	2,797	6,689
Net gain on disposal of property, plant and equipment	3.6	—	11
Other income	3.7	2,195	2,067
Found assets	3.8	—	1,423
Total income / revenue		105,086	106,638
Expenses			
Employee costs	4.1	31,298	30,987
Materials and services	4.2	24,557	31,517
Depreciation	6.1	15,753	13,723
Amortisation - Intangible assets		356	—
Depreciation - Right of use assets		92	92
Allowance for expected credit losses		(1)	(13)
Borrowing costs		215	161
Finance Costs - Leases		2	4
Net loss on disposal of property, plant and equipment	3.6	898	—
Net loss on disposal of infrastructure	4.4	2,503	6,267
Fair value decrement on investment properties	6.2	32	—
Other expenses	4.3	3,505	3,290
Total expenses		79,210	86,028
Surplus/(deficit) for the year		25,876	20,610
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	64,647	18,339
Total items which will not be reclassified subsequently to the operating result		64,647	18,339
Total other comprehensive income		64,647	18,339
Total comprehensive result		90,523	38,949

The above comprehensive income statement should be read in conjunction with the accompanying notes.

South Gippsland Shire Council

2025-26 Financial Report

Balance Sheet

as at 30 June 2026

	Note	2026 \$ '000	2025 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	6,182	6,869
Trade and other receivables	5.1	11,576	10,257
Other financial assets	5.1	36,336	13,322
Inventories	5.2	183	208
Prepayments	5.2	995	673
Total current assets		55,272	31,329
Non-current assets			
Property, infrastructure, plant and equipment	6.1	950,736	883,617
Investment property	6.2	825	857
Intangible assets	5.2	2,848	—
Right-of-use assets		85	177
Total non-current assets		954,494	884,651
Total assets		1,009,766	915,980
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,879	3,159
Trust funds and deposits	5.3	3,451	2,821
Contract and other liabilities	5.3	2,134	1,170
Provisions	5.5	8,166	7,511
Interest-bearing liabilities	5.4	1,276	1,236
Lease liabilities		87	94
Total current liabilities		17,993	15,991
Non-current liabilities			
Provisions	5.5	9,029	6,406
Interest-bearing liabilities	5.4	7,788	9,063
Lease liabilities		—	87
Total non-current liabilities		16,817	15,556
Total liabilities		34,810	31,547
Net assets		974,956	884,433
Equity			
Accumulated surplus		282,813	271,898
Reserves	9.1	692,143	612,535
Total Equity		974,956	884,433

The above balance sheet should be read in conjunction with the accompanying notes.

South Gippsland Shire Council

2025-26 Financial Report

Statement of Changes in Equity
for the year ended 30 June 2026

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2026					
Balance at beginning of the financial year		884,433	271,898	600,483	12,052
Surplus/(deficit) for the year		25,876	25,876	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	64,647	–	64,647	–
Other comprehensive income		64,647	–	64,647	–
Total comprehensive income		90,523	25,876	64,647	–
Transfers to other reserves	9.1	–	(21,579)	–	21,579
Transfers from other reserves	9.1	–	6,618	–	(6,618)
Balance at end of the financial year		974,956	282,813	665,130	27,013
2025					
Balance at beginning of the financial year		845,484	261,785	582,144	1,555
Surplus/(deficit) for the year		20,610	20,610	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	18,339	–	18,339	–
Other comprehensive income		18,339	–	18,339	–
Total comprehensive income		38,949	20,610	18,339	–
Transfers to other reserves	9.1	–	(10,519)	–	10,519
Transfers from other reserves	9.1	–	22	–	(22)
Balance at end of the financial year		884,433	271,898	600,483	12,052

The above statement of changes in equity should be read in conjunction with the accompanying notes.

South Gippsland Shire Council

2025-26 Financial Report

Statement of Cash Flows

for the year ended 30 June 2026

	Note	2026 Inflows/ (Outflows) \$ '000	2025 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		54,218	51,306
Statutory fees and fines		1,075	977
User fees		6,160	5,204
Grants - operating		21,748	27,497
Grants - capital		17,021	9,594
Contributions - monetary		1,129	630
Interest received		1,103	608
Trust funds and deposits taken		981	805
Other receipts		223	154
Net GST refund		3,732	6,118
Employee costs		(30,716)	(31,164)
Materials and services		(29,537)	(40,448)
Trust funds and deposits repaid		(351)	(418)
Other payments		(3,992)	(3,494)
Net cash provided by/(used in) operating activities	9.2	42,794	27,369
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(20,090)	(34,685)
Proceeds from sale of property, infrastructure, plant and equipment		1,167	757
Payments for term deposits		(78,665)	(42,655)
Redemption of term deposits		55,653	45,659
Net cash provided by/(used in) investing activities		(41,935)	(30,924)
Cash flows from financing activities			
Finance costs		(215)	(161)
Proceeds from borrowings		–	3,022
Repayment of borrowings		(1,235)	(1,012)
Interest paid - lease liability		(2)	(4)
Repayment of lease liabilities		(94)	(92)
Net cash flow provided by/(used in) financing activities		(1,546)	1,753
Net Increase (decrease) in cash and cash equivalents		(687)	(1,802)
Cash and cash equivalents at the beginning of the financial year		6,869	8,671
Cash and cash equivalents at the end of the financial year		6,182	6,869

The above statement of cash flows should be read in conjunction with the accompanying notes.

South Gippsland Shire Council

2025-26 Financial Report

Statement of Capital Works

for the year ended 30 June 2026

	Note	2026 \$ '000	2025 \$ '000
Property			
Buildings		1,073	2,746
Heritage buildings		135	(2)
Total buildings		1,208	2,744
Total property		1,208	2,744
Plant and equipment			
Plant, machinery and equipment		2,369	3,037
Computers and telecommunications		829	494
Total plant and equipment		3,198	3,531
Infrastructure			
Roads		10,545	17,355
Bridges		1,076	244
Major culverts		(3)	105
Footpaths and cycleways		294	624
Drainage		338	333
Kerb & channel		157	390
Recreational, leisure and community facilities		2,090	760
Car parks		10	15
Waste management		313	2,102
Parks, open space and streetscapes		414	6,266
Waterway infrastructure		158	24
Other infrastructure		292	192
Total infrastructure		15,684	28,410
Total capital works expenditure	6.1	20,090	34,685
Represented by:			
New asset expenditure		216	54
Asset renewal expenditure		18,767	33,017
Asset expansion expenditure		328	1,497
Asset upgrade expenditure		779	117
Total capital works expenditure		20,090	34,685

The above statement of capital works should be read in conjunction with the accompanying notes.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Overview

Introduction

The South Gippsland Shire Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate. The Council's main office is located at 9 Smith Street, Leongatha.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1.)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1.).
- the determination of employee provisions (refer to Note 5.5.).
- the determination of landfill provisions (refer to Note 5.5.)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.6)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Overview (continued)

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

1.2 Impact of emergencies and natural disasters

During 2025–26, emergencies and natural disasters impacted Council's operations. Council identified the following significant financial impacts:

- Additional revenue – \$1.92 million in operating grants were received in 2025-26 from disaster recovery funding arrangements for costs incurred prior to 2025-26 and \$9.41 million in capital grants were received in 2025-26 for reconstruction of essential public assets for costs incurred in 2025-26 and prior.
- Additional costs – No additional costs were incurred in materials and services or employee costs in relation to emergencies or natural disasters in 2025-26. \$1.34 million of capital works were incurred for reconstruction of essential public assets.

Disaster recovery funding is recognised when Council has incurred eligible expenditure and considers recovery to be sufficiently certain, having regard to the applicable funding arrangements, eligibility requirements, supporting documentation and claim approval processes. Council has assessed the operating and capital classification of the funding based on the nature of the underlying expenditure and projects.

Council also considered whether disaster-affected assets required derecognition, impairment, reassessment of useful lives or changes to residual values. Any asset derecognition arising from reconstruction and replacement works has been recognised in the financial statements.

1.3 Impacts of other external events

Council has considered ongoing external events that have contributed to volatility in international markets, disrupted global supply chains and increased inflationary pressure, including the risk that they may cause significant changes in the carrying values of assets and liabilities in the next financial year, and has concluded that there is no material impact on the 2025-26 financial report that requires additional disclosure.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of greater of 5 percent and \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income / Revenue and expenditure

	Budget 2026 \$ '000	Actual 2026 \$ '000	Variance \$ '000	Variance %	Ref
Income / Revenue					
Rates and charges	54,453	54,485	32	0%	
Statutory fees and fines	1,056	1,075	19	2%	
User fees	5,555	5,600	45	1%	
Grants - operating	14,056	21,748	7,692	55%	1
Grants - capital	6,980	16,057	9,077	130%	2
Contributions - monetary	919	1,129	210	23%	3
Contributions - non monetary	452	2,797	2,345	519%	4
Other income	2,161	2,195	34	2%	
Total income / revenue	85,632	105,086	19,454	23%	
Expenses					
Employee costs	32,311	31,298	1,013	3%	
Materials and services	25,093	24,557	536	2%	
Depreciation	13,557	15,753	(2,196)	(16)%	5
Amortisation - intangible assets	—	356	(356)	(100)%	6
Depreciation - right of use assets	92	92	—	0%	
Allowance for impairment losses	—	(1)	1	(100)%	
Borrowing costs	220	215	5	2%	
Finance costs - leases	2	2	—	0%	
Net loss on disposal of property, plant and equipment	—	898	(898)	(100)%	7
Fair value decrement on investment properties	—	32	(32)	(100)%	
Net loss on disposal of infrastructure	—	2,503	(2,503)	(100)%	8
Other expenses	3,212	3,505	(293)	(9)%	
Total expenses	74,487	79,210	(4,723)	(6)%	
Surplus/(deficit) for the year	11,145	25,876	14,731	132%	

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	Operating grants received are higher than budgeted due to the Victorian Grants Commission providing 80% of the 2026-27 Financial Assistance Grant allocation in 2025-26 on top of the remaining 50% of the 2025-26 allocation (an increase of \$4.9 million over budget), as well as \$1.9 million received relating to disaster relief funding.
2.	Capital grants received are higher than budgeted due to \$9.1 million received relating to disaster relief funding.
3.	Monetary contributions received are higher than budgeted due to contributions to capital received for Great Southern Rail Trail (\$0.09 million) and Korumburra Recreation Reserve (\$0.04 million)
4.	Non-monetary contributions include assets gifted on the completion of three different developments. Council takes a conservative approach when budgeting for these contributions.
5.	Higher depreciation than budgeted is due to an increase in property and infrastructure values subsequent to the original budget being prepared due to revaluations and indexations applied as of 30 June 2025.
6.	Amortisation of intangible assets is higher than budgeted due to the recognition of the airspace of the new Cell 5 of the Koonwarra Landfill in 2025-26.
7.	Loss on disposal of property, plant and equipment is due to the disposal of the assets of the Waratah Bay Caravan Park where Council is no longer the Committee of Management, therefore no proceeds of sale to offset the disposal.
8.	Infrastructure asset disposals are as a result of renewing or upgrading property and infrastructure, these are not included in the original budget.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2026 \$ '000	Actual 2026 \$ '000	Variance \$ '000	Variance %	Ref
Property					
Buildings	2,038	1,073	(965)	(47)%	1
Heritage buildings	153	135	(18)	(12)%	
Total buildings	2,191	1,208	(983)	(45)%	
Total property	2,191	1,208	(983)	(45)%	
Plant and equipment					
Plant, machinery and equipment	2,448	2,369	(79)	(3)%	
Computers and telecommunications	760	829	69	9%	
Total plant and equipment	3,208	3,198	(10)	0%	
Infrastructure					
Roads	11,812	10,545	(1,267)	(11)%	2
Bridges	2,202	1,076	(1,126)	(51)%	3
Major culverts	—	(3)	(3)	100%	
Footpaths and cycleways	81	294	213	263%	4
Drainage	250	338	88	35%	
Kerb & channel	150	157	7	5%	
Recreational, leisure and community facilities	1,522	2,090	568	37%	5
Car parks	—	10	10	100%	
Waste management	240	313	73	30%	
Parks, open space and streetscapes	—	414	414	100%	6
Waterway infrastructure	—	158	158	100%	7
Other infrastructure	—	292	292	100%	8
Total infrastructure	16,257	15,684	(573)	(4)%	
Total capital works expenditure	21,656	20,090	(1,566)	(7)%	
Represented by:					
New asset expenditure	—	216	216	100%	
Asset renewal expenditure	19,826	18,767	(1,059)	(5)%	
Asset expansion expenditure	—	328	328	100%	
Asset upgrade expenditure	1,830	779	(1,051)	(57)%	
Total capital works expenditure	21,656	20,090	(1,566)	(7)%	

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Explanation

Ref	
1.	Capital works on buildings are under budget largely due to \$0.53 million budgeted on community centres carried forward to the reserve for the Mirboo North Railway Station Refurbishment project.
2.	Capital works on roads are under budget due to \$1.5 million sealed rehabilitation works on Bridge Street, Korumburra delayed and carried forward to 2026-27 due to the global energy unrest and \$1.4 million works on Simons Lane, Leongatha realignment delayed to 2026-27 due to extended design and investigation requirements. The underspend is offset by \$0.98 million spent on landslips due to previous storm events.
3.	Original budget of \$1.1 million for Bass Valley Road Bridges carried forward to 2026-27 due to permitting delays.
4.	Footpaths and cycleway spend is above original budget due to \$0.27 million carried forward from 2024-25 for the Great Southern Rail Trail signage project.
5.	Recreational, leisure and community facilities works are above original budget due to \$0.41 on the Korumburra Skate Park carried forward from 2024-25.
6.	Parks, open space and streetscape works relate to Korumburra Commercial Streetscape and Leongatha & Korumburra Railway Station Precincts projects carried forward from 2024-25.
7.	Waterway infrastructure works relate to the Seawalls Restoration Program project in Port Welshpool carried forward from 2024-25.
8.	Other infrastructure largely relates to works related to the AusNet Energy Resilience Community Fund project carried forward from 2024-25.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

CEO Directorate

Chief Executive Office

The Office of the Chief Executive Officer builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council.

Strategy & Integrity Directorate

Strategy & Integrity Management

The Strategy & Integrity Directorate provides services to the organisation, including:

- Financial Strategy;
- Governance; and
- Regional Partnerships

Financial Strategy

The Financial Strategy Department is dedicated to delivering comprehensive financial planning and effective budget management, ensures accurate rates and valuation services, oversees insurance, coordinates disaster funding arrangements and manages procurement and tendering processes. It's commitment extends to coordinating internal audits and the Audit and Risk Committee, ensuring regulatory and legislative compliance, and providing robust financial support to all departments, teams, and individuals within the organisation. The Department is driven by three key teams being the Accounting, Rates and Revenue and Procurement and Assurance teams.

Governance

The Governance Department delivers services from the Council Business team to the community, Councillors and staff. It provides support for Council meetings, briefings and hearings, corporate planning, monitoring and reporting, including development of the Council Plan and Annual Report. It leads policy review and provides reform support including the Local Government Act. Additionally, the Governance Department coordinate the handling of freedom of information requests, risk management and road naming.

Regional Partnerships

The Regional Partnerships Department leads the development and implementation of key Council Strategies and Policies related to Economic Development and Communications and Advocacy service areas while connecting and engaging with key stakeholders across the community, business and government.

Culture and Capability Directorate

Culture and Capability Management

The Culture and Capability Directorate provides services including:

- Digital & Technology; and
- People and Culture

Digital & Technology

The Digital & Technology Department work across all areas of Council to provide cost-effective technology and services. It aims to deliver the best quality services to the Community and provide contemporary tools for staff to operate efficiently. The team consists of Business Improvement including Privacy, Corporate Information Management, and Information Technology.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.2 Analysis of Council results by program (continued)

People & Culture

The People & Culture Department strive for a safe, healthy and high performing workplace, in which our people can grow both personally and professionally. It manages recruitment, workplace relations and industrial relations, gender equity & diversity and inclusion, organisational learning & development, occupational health, safety & wellbeing, human resources & performance management, workers compensation and return to work management and payroll.

Infrastructure Sustainability Directorate

Infrastructure Sustainability Management

The Infrastructure Sustainability Directorate provides services including:

- Infrastructure Delivery;
- Infrastructure Maintenance;
- Infrastructure Planning; and
- Open Space & Environment

Infrastructure Delivery

The Infrastructure Delivery Department delivers Council's civil and building capital works program, building maintenance programs, and community infrastructure works. This includes the delivery of associated services such as civil design, building maintenance, and oversight of engineering for developments in accordance with the service levels for development referrals.

Infrastructure Maintenance

The Infrastructure Maintenance Department provides a safe and trafficable road network by maintaining Council and associated gravel and sealed roads, and road infrastructure assets including roads, drainage, bridges, culverts, footpaths, and waterway assets. It delivers construction projects and provides a rapid response and afterhours call out service to maintain Council's roads and associated road infrastructure assets.

Infrastructure Planning

The Infrastructure Planning Department is responsible for the planning and managing of Council Assets to enable Council services to be delivered in an effective and efficient manner. This also encompasses waste management services, sustainability services, and sport and recreation.

Open Space & Environment

The Open Space & Environment Department manages recreational and public areas in the form of open space, natural and foreshore bush reserves, and parks and gardens. It includes grass mowing, garden maintenance and planting, urban / rural tree maintenance, public amenities and BBQ cleaning, playground replacement, landscape structure maintenance, rural roadside vegetation maintenance, urban fire hazard slashing, Great Southern Rail Trail maintenance, and control of roadside weeds to improve biodiversity outcomes.

Empowering Communities Directorate

Empowering Communities Management

The Empowering Communities Directorate provides services including:

- Visitor, Community and Culture;
- Planning & Building Services; and
- Community Health & Safety

The Director of Empowering Communities is also a Library Board liaison and the budget for Empowering Communities Management includes Council's annual contribution.

Visitor, Community and Culture

The Visitor, Community & Culture Department provides a wide variety of community-focused services that lead Council's functions in community strengthening, tourism, events, advocacy, arts and culture, social planning and emergency management.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.2 Analysis of Council results by program (continued)

Planning & Building Services

The Planning & Building Services Department undertakes strategic planning to prepare long-term landuse planning policies and planning schemes, aligned to State Government requirements, to address a range of environments, economic and social matters. It supports community members to ensure their development needs align with these policies and planning schemes through their planning permits.

Community Health & Safety

The Community Health & Safety Department provides services to the community including animal management, building/planning enforcement, fire prevention, local laws development/ enforcement, litter prevention, permits for places of public entertainment, parking control, registration of food, health and accommodation premises, report and consent applications for new buildings, school crossings and wastewater. It also supports, connects, engages and advocates for communities, children and families and individuals in South Gippsland with Children and Family Services, Community Strengthening, Regional Assessment Service and Social Planning.

Emergency Events, Major Projects & Corporate Directorate***Emergency Events, Major Projects & Corporate***

The Emergency Events, Major Projects & Corporate Department includes revenue and expenditure relating to emergency events, including natural disaster grant funding and associated costs, major projects and corporate activities that are not attributable to Council's other service areas. These items are reported separately to provide greater transparency and to reflect the financial performance of Council's operational programmes.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2.2 Analysis of Council results by program (continued)

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2026					
Chief Executive Office	—	417	(417)	—	—
Strategy & Integrity Management	—	322	(322)	—	—
Financial Strategy	61,451	3,623	57,828	11,156	59,028
Governance	49	1,402	(1,353)	—	—
Regional Partnerships	35	1,375	(1,340)	20	—
Culture and Capability Management	—	134	(134)	—	—
Digital & Technology	—	2,975	(2,975)	—	1,365
People & Culture	106	2,432	(2,326)	—	—
Infrastructure Sustainability Management	—	339	(339)	—	—
Infrastructure Delivery	9,571	3,563	6,008	8,915	—
Infrastructure Maintenance	7,101	8,846	(1,745)	6,762	11,870
Infrastructure Planning	10,496	12,770	(2,274)	7	937,503
Open Space & Environment	206	4,691	(4,485)	127	—
Empowering Communities Management	—	2,002	(2,002)	—	—
Visitor, Community and Culture	362	3,576	(3,214)	322	—
Planning & Building Services	1,303	2,274	(971)	5	—
Community Health & Safety	2,065	3,233	(1,168)	1,197	—
Emergency Events, Major Projects & Corporate	12,341	25,236	(12,895)	9,294	—
Total functions and activities	105,086	79,210	25,876	37,805	1,009,766
2025					
Chief Executive Office	—	307	(307)	—	—
Strategy & Integrity Management	—	1,939	(1,939)	—	—
Financial Strategy	69,549	29,870	39,679	13,851	31,329
Governance	23	1,365	(1,342)	—	—
Regional Partnerships	261	1,458	(1,197)	259	—
Culture and Capability Management	—	—	—	—	—
Digital & Technology	—	3,244	(3,244)	—	876
People & Culture	135	2,074	(1,939)	—	—
Infrastructure Sustainability Management	—	333	(333)	—	—
Infrastructure Delivery	6,795	4,159	2,636	6,377	—
Infrastructure Maintenance	8,422	11,518	(3,096)	7,358	11,706
Infrastructure Planning	9,533	12,501	(2,968)	77	872,069
Open Space & Environment	162	4,903	(4,741)	125	—
Empowering Communities Management	—	322	(322)	—	—
Visitor, Community and Culture	8,238	6,803	1,435	8,118	—
Planning & Building Services	1,492	2,072	(580)	245	—
Community Health & Safety	2,028	3,160	(1,132)	1,161	—
Emergency Events, Major Projects & Corporate	—	—	—	—	—
Total functions and activities	106,638	86,028	20,610	37,571	915,980

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services

	2026 \$ '000	2025 \$ '000
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3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the land value plus buildings and other improvements.

The valuation base used to calculate general rates for 2025/26 was \$17,084 million (2024/25: \$17,583 million).

General rates	48,257	46,578
Waste management charge	5,394	5,100
Supplementary rates and rate adjustments	159	242
Interest on rates and charges	358	341
Revenue in lieu of rates	295	278
Cultural and recreational	22	—
Total rates and charges	54,485	52,539

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2025, and the valuation will be first applied in the rating year commencing 1 July 2025.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Land information certificates	50	42
Local laws	36	46
Building and planning compliance	231	222
Statutory planning	430	476
Supervision fees	180	54
Waste water	78	94
Other	70	43
Total statutory fees and fines	1,075	977

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

Aged and health services	275	204
Local Laws	465	484
Waste management services	4,604	3,878
Electric vehicle chargers	122	45
Other fees and charges	134	120
Total user fees	5,600	4,731

User fees by timing of revenue recognition

User fees recognised at a point in time	5,600	4,731
Total user fees	5,600	4,731

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	22,575	26,946
State funded grants	15,230	10,625
Total grants received	37,805	37,571
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	17,654	19,185
Immunisation	5	1
Recurrent - State Government		
Family and children	445	458
School crossing supervisors	89	86
Community health	7	9
Immunisation	14	11
Maternal and child health	588	597
Other	39	32
Total recurrent operating grants	18,841	20,379
Non-recurrent - Commonwealth Government		
Natural Disasters	24	35
Other	10	10
Non-recurrent - State Government		
Community health	9	–
Youth Services	42	60
Maternal and child health	24	–
Fire Services Levy Administration	238	57
Sustainability	108	244
Community Building	143	168
Natural Disasters	2,154	6,195
Recreation & Leisure	108	256
Strategic Planning	–	175
Community Safety	7	15
Other	40	21
Total non-recurrent operating grants	2,907	7,236
Total operating grants	21,748	27,615

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	3,815	3,100
Total recurrent capital grants	3,815	3,100
<i>Non-recurrent - Commonwealth Government</i>		
Roads	174	3,649
Bridges	214	—
Other Structures	679	966
<i>Non-recurrent - State Government</i>		
Roads	9,180	1,544
Buildings	900	—
Other Structures	898	448
Recreation	172	—
Plant and equipment	25	249
Total non-recurrent capital grants	12,242	6,856
Total capital grants	16,057	9,956

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
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(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	17,654	19,185
Specific purpose grants to acquire non-financial assets	16,057	10,205
Other specific purpose grants	4,094	8,081

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants to fund major projects	—	100
	37,805	37,571

(d) Unspent grants received on condition that they be spent in a specific manner:**Operating**

Balance at start of year	1,741	936
Received during the financial year and remained unspent at balance date	766	1,272
Received in prior years and spent during the financial year	(998)	(467)
Balance at year end	1,509	1,741

Capital

Balance at start of year	344	1,142
Received during the financial year and remained unspent at balance date	1,961	344
Received in prior years and spent during the financial year	(344)	(1,142)
Balance at year end	1,961	344

Unspent grants are determined and disclosed on a cash basis.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
3.5 Contributions		
Monetary contributions		
Operating	849	605
Capital	280	25
Total monetary contributions	1,129	630
Non-monetary contributions		
Non-monetary	2,797	6,689
Total non-monetary contributions	2,797	6,689
Total contributions	3,926	7,319

Contributions of non-monetary assets were received in relation to the following asset classes.

Roads	872	693
Bridges	–	262
Footpaths	499	4,400
Drainage	1,143	935
Off street car parks	69	–
Kerb & channels	214	303
Other infrastructure	–	96
Total non-monetary contributions	2,797	6,689

Monetary and non-monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Funding for the delivery of our services (continued)

	2026 \$ '000	2025 \$ '000
3.6 Net gain/(loss) on disposal of property, plant and equipment		
Property, plant and equipment		
Proceeds of sale	1,167	757
Written down value of assets disposed	(2,065)	(746)
Total net gain/(loss) on disposal of property, plant and equipment	(898)	11
Total net gain/(loss) on disposal of property, plant and equipment	(898)	11

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest	1,103	792
Investment property rental	146	170
Other rent	109	109
Fuel tax credits	135	151
Workcover reimbursements	105	135
Other reimbursements	403	464
Other	194	246
Total other income	2,195	2,067

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

3.8 Found Assets

Found assets were recorded in the following asset classes.

Property	–	1,423
Total found assets	–	1,423

Found assets are recorded when discovered by Council during maintenance, capital works or as part of the valuation process.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 4. The cost of delivering services

	2026 \$ '000	2025 \$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries	27,228	27,401
WorkCover	719	532
Superannuation	3,310	3,015
Fringe benefits tax	41	39
Total employee costs	31,298	30,987
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	40	46
	40	46
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,198	1,202
Employer contributions - other funds	2,072	1,767
	3,270	2,969
Total superannuation costs	3,310	3,015

Contributions made exclude amounts accrued at balance date.

Accumulation

Contributions to the Fund's accumulation category are paid at the Superannuation Guarantee (SG) rate.

Defined Benefit

Council makes employer contributions to the Fund's Defined Benefit category for 3 employees consistent with the SG rate.

In the event the Fund Actuary determines there is a shortfall in the financial position, Council will be required to make an employer contribution to cover the shortfall. There is no call expected as of 30 June 2026.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 4. The cost of delivering services (continued)

	2026 \$ '000	2025 \$ '000
4.2 Materials and services		
Waste Management	5,585	5,459
Contractors General	4,150	5,259
Materials General	4,033	6,163
State levies	2,413	1,921
Leisure Centre Operations	1,448	1,415
Insurance Premiums	1,410	1,375
Software Maintenance	1,218	1,422
Fuel & Oils	1,093	840
Consultancies and projects	915	1,441
Utilities	899	864
Training expenses	553	512
Legal Fees	496	312
Advertising & Promotion Costs	366	298
Subscriptions, affiliations and conferences	265	257
Plant & Equipment Registrations	160	162
Leases & Rentals	84	87
Gippsland Group Training / Labour Hire	30	184
Natural disasters	—	3,011
Major project - Korumburra Showgrounds Changerooms	—	423
Other Major Projects	—	136
Landfill Rehabilitation	(561)	(24)
Total materials and services	24,557	31,517

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Other expenses

Library contributions	1,665	1,617
Community & Sporting grants	974	960
Bank Fees & Charges	147	142
Councillors' allowances	449	363
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	92	106
Auditors' remuneration - Internal Audit	81	81
Other	97	21
Total other expenses	3,505	3,290

4.4 Net loss on disposal of Infrastructure

Infrastructure

Net loss on disposal of Infrastructure	2,503	6,267
Net loss on disposal of infrastructure	2,503	6,267

Infrastructure assets are disposed primarily as a result of renewal, replacement or upgrade works. As these assets are not sold, no proceeds are received. The carrying amount of the disposed asset components is recognised as a loss on disposal.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations

	2026 \$ '000	2025 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash at bank and on hand	2,336	2,531
Money market call accounts	3,846	4,338
Total current cash and cash equivalents	6,182	6,869
Total cash and cash equivalents	6,182	6,869
(b) Other financial assets		
Current		
Term deposits	36,336	13,322
Total current other financial assets	36,336	13,322
Total other financial assets	36,336	13,322
Total cash and cash equivalents and other financial assets	42,518	20,191

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	6,370	6,103
Net GST receivable	578	636
<i>Non-statutory receivables</i>		
Other debtors	4,629	3,520
Allowance for expected credit loss - other debtors	(1)	(2)
Total current trade and other receivables	11,576	10,257
Total trade and other receivables	11,576	10,257

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
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5.2 Non-financial assets

(a) Inventories

Current

Inventories held for distribution	183	208
Total current inventories	183	208

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Current

Prepayments	995	673
Total current other assets	995	673

(c) Intangible assets

Non-Current

Landfill air space	2,848	—
Total non-current intangible assets	2,848	—

	Landfill Air Space \$ '000
--	----------------------------------

Gross Carrying Amount

Balance at 1 July 2025	—
Other additions	3,204
Balance at 30 June 2026	3,204

Accumulated amortisation and impairment

Balance at 1 July 2025	—
Amortisation expense	356
Balance at 30 June 2026	356

Net book value at 30 June 2025

Net book value at 30 June 2026	2,848
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Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	835	749
Accrued expenses	2,044	2,410
Total current trade and other payables	2,879	3,159
(b) Trust funds and deposits		
Current		
Refundable deposits from tender contracts	582	717
Emergency Services and Volunteers Fund	1,781	1,194
Retention amounts	624	461
Other refundable deposits	464	449
Total current trust funds and deposits	3,451	2,821
(c) Contract and other liabilities		
Contract liabilities		
Current		
Other liabilities		
Current		
Deferred capital grants	2,134	1,170
Total current other liabilities	2,134	1,170
Total current contract and other liabilities	2,134	1,170

Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of major projects. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Other liabilities

Grant funding was received from various funding bodies to support the construction of various building and infrastructure assets. Grant funding is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the assets. As such, Council has deferred recognition of a portion of the grant funding received as a liability for outstanding obligations.

Purpose and nature of items

Emergency Services and Volunteers Fund - Council is the collection agent for Emergency Services and Volunteers Fund on behalf of the State Government. Council remits amounts collected on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Other refundable deposits - Other deposits held in trust.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
5.4 Interest-bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	1,276	1,236
Total current interest-bearing liabilities	1,276	1,236
Non-current		
Treasury Corporation of Victoria borrowings - secured	7,788	9,063
Total non-current interest-bearing liabilities	7,788	9,063
Total	9,064	10,299

Borrowings are secured against rate income.

a) The maturity profile for Council's borrowings is:

Not later than one year	1,276	1,236
Later than one year and not later than five years	5,307	5,353
Later than five years	2,481	3,710
Total	9,064	10,299

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

In classifying borrowings as current or non-current Council considers whether at balance date it has the right to defer settlement of the liability for at least twelve months after the reporting period. Council's loan arrangements include covenants based on Council's financial performance and position at the end of the reporting period. These covenants are assessed for compliance after the reporting period based on specified financial ratios.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.5 Provisions			
2026			
Balance at the beginning of the financial year	7,949	5,968	13,917
Additional provisions	3,158	2,959	6,117
Amounts used	(2,427)	(107)	(2,534)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(95)	(210)	(305)
Balance at the end of the financial year	8,585	8,610	17,195
Provisions			
Provisions - current	7,760	406	8,166
Provisions - non-current	825	8,204	9,029
Total Provisions	8,585	8,610	17,195
2025			
Balance at the beginning of the financial year	8,074	5,991	14,065
Additional provisions	2,272	55	2,327
Amounts used	(2,421)	(119)	(2,540)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	24	41	65
Balance at the end of the financial year	7,949	5,968	13,917
Provisions			
Provisions - current	7,324	187	7,511
Provisions - non-current	625	5,781	6,406
Total Provisions	7,949	5,968	13,917

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,084	1,899
Purchased leave	186	192
Rostered days	273	281
Long service leave	910	815
	3,453	3,187
Current provisions expected to be wholly settled after 12 months		
Annual leave	891	932
Long service leave	3,416	3,205
	4,307	4,137
Total current employee provisions	7,760	7,324
Non-Current		
Long service leave	825	625
Total Non-Current Employee Provisions	825	625
Aggregate Carrying Amount of Employee Provisions:		
Current	7,760	7,324
Non-current	825	625
Total Aggregate Carrying Amount of Employee Provisions	8,585	7,949

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- discount rate	4.84%	4.30%
- index rate	4.00%	3.30%

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	2026 \$ '000	2025 \$ '000
(b) Landfill restoration		
Current		
Current	406	187
Total current	406	187
Non-current		
Non-current	8,204	5,781
Total non-current	8,204	5,781
Total	8,610	5,968

Council is obligated to restore Koonwarra and Foster landfill sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate	5.71%	4.70%
- index rate	3.55%	3.40%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2026.

Bank overdraft	500	500
Credit card facilities	350	350
Treasury Corporation of Victoria facilities	9,064	10,299
Total Facilities	9,914	11,149
Used facilities	9,072	10,352
Used facilities	9,072	10,352
Unused facilities	842	797

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2026					
Operating					
Construction Contracts	651	—	—	—	651
General Materials & Services	2,464	4	37	—	2,505
Other	149	—	—	—	149
Kerbside Garbage	716	—	—	—	716
Maintenance Contracts	650	40	—	—	690
Software	414	27	—	—	441
Transfer Stations	462	—	—	—	462
Workcover	3	—	—	—	3
Total	5,509	71	37	—	5,617
Capital					
Buildings	1,351	—	—	—	1,351
Other	663	—	—	—	663
Parks, open space & streetscapes	143	—	—	—	143
Plant, machinery and equipment	594	—	—	—	594
Recreation & leisure	56	—	—	—	56
Roads	2,538	—	—	—	2,538
Bridges	78	—	—	—	78
Total	5,423	—	—	—	5,423

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Investing in and financing our operations (continued)

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2025					
Operating					
General Materials & Services	5,880	108	50	—	6,038
Kerbside Garbage	1,946	—	—	—	1,946
Maintenance Contracts	38	—	—	—	38
Software	457	—	—	—	457
Transfer Stations	725	725	1,147	—	2,597
Workcover	8	—	—	—	8
Total	9,054	833	1,197	—	11,084
Capital					
Buildings	646	—	—	—	646
Other	106	—	—	—	106
Computers and telecomms	90	—	—	—	90
Kerb & channel	2	—	—	—	2
Parks, open space & streetscapes	1,395	—	—	—	1,395
Plant, machinery and equipment	690	—	—	—	690
Recreation & leisure	430	—	—	—	430
Roads	3,836	—	—	—	3,836
Waste management	327	—	—	—	327
Total	7,522	—	—	—	7,522
				2026	2025
				\$ '000	\$ '000

(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 15 years. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	190	190
Later than one year and not later than five years	498	535
Later than five years	447	535
Total	1,135	1,260

South Gippsland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2025 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2026 \$ '000
Property	230,866	—	—	(10,286)	(3,210)	(1,570)	—	(1,269)	214,531
Plant and equipment	12,582	—	—	—	(2,148)	(496)	—	3,000	12,938
Infrastructure	601,126	—	2,797	74,933	(10,395)	(2,501)	—	34,842	700,802
Work in progress	39,043	20,090	—	—	—	—	(95)	(36,573)	22,465
Total	883,617	20,090	2,797	64,647	(15,753)	(4,567)	(95)	—	950,736

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	3,691	1,208	(95)	(377)	4,427
Plant and equipment	88	3,198	—	(3,000)	286
Infrastructure	35,264	15,684	—	(33,196)	17,752
Total	39,043	20,090	(95)	(36,573)	22,465

South Gippsland Shire Council

Notes to the Financial Statements
for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land under roads \$ '000	Land non specialised \$ '000	Total land and land improve- ments \$ '000	Heritage buildings \$ '000	Buildings specialised \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property									
At fair value 1 July 2025	76,986	32,346	4,951	114,283	8,696	161,531	170,227	3,691	288,201
Accumulated depreciation at 1 July 2025	—	—	—	—	(3,687)	(49,957)	(53,644)	—	(53,644)
	76,986	32,346	4,951	114,283	5,009	111,574	116,583	3,691	234,557
Movements in fair value									
Additions	—	—	—	—	—	—	—	1,208	1,208
Revaluation	—	1,410	—	1,410	850	9,823	10,673	—	12,083
Disposal	(940)	—	(630)	(1,570)	—	—	—	—	(1,570)
Write-off	—	—	—	—	—	—	—	(95)	(95)
Transfers	215	—	—	215	46	(1,748)	(1,702)	(377)	(1,864)
	(725)	1,410	(630)	55	896	8,075	8,971	736	9,762
Movements in accumulated depreciation									
Depreciation and amortisation	—	—	—	—	(166)	(3,044)	(3,210)	—	(3,210)
Accumulated depreciation on revaluation	—	—	—	—	(2,338)	(20,031)	(22,369)	—	(22,369)
Transfers	—	—	—	—	—	218	218	—	218
	—	—	—	—	(2,504)	(22,857)	(25,361)	—	(25,361)
At fair value 30 June 2026	76,261	33,756	4,321	114,338	9,592	169,607	179,199	4,427	297,964
Accumulated depreciation at 30 June 2026	—	—	—	—	(6,191)	(72,815)	(79,006)	—	(79,006)
Carrying amount	76,261	33,756	4,321	114,338	3,401	96,792	100,193	4,427	218,958

Prior period reclassification: Buildings previously classified as non-specialised have been reclassified to specialised buildings as they are specialised in nature and valued using the current replacement cost approach. At 1 July 2025, gross carrying value of \$161.531 million and accumulated depreciation of \$49.957 million (net carrying amount \$111.574 million) were reclassified. This correction affects classification within Note 6.1 only and has no impact on the Balance Sheet.

South Gippsland Shire Council

Notes to the Financial Statements
for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment						
At cost 1 July 2025	19,402	162	6,448	26,012	88	26,100
Accumulated depreciation at 1 July 2025	(7,696)	(162)	(5,572)	(13,430)	–	(13,430)
	11,706	–	876	12,582	88	12,670
Movements in cost						
Additions	–	–	–	–	3,198	3,198
Disposal	(1,533)	–	–	(1,533)	–	(1,533)
Transfers	2,372	–	628	3,000	(3,000)	–
	839	–	628	1,467	198	1,665
Movements in accumulated depreciation						
Depreciation and amortisation	(1,712)	–	(436)	(2,148)	–	(2,148)
Accumulated depreciation of disposals	1,037	–	–	1,037	–	1,037
	(675)	–	(436)	(1,111)	–	(1,111)
At cost 30 June 2026	20,241	162	7,076	27,479	286	27,765
Accumulated depreciation at 30 June 2026	(8,371)	(162)	(6,008)	(14,541)	–	(14,541)
Carrying amount	11,870	–	1,068	12,938	286	13,224

Plant and equipment are carried at historical cost.

South Gippsland Shire Council

Notes to the Financial Statements for the year ended 30 June 2026

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Major culverts \$ '000	Footpaths and cycleways \$ '000	Kerb & channel \$ '000	Off street car parks \$ '000	Drainage \$ '000	Waterway infra- structure \$ '000	Land Stabilisation \$ '000	Waste management \$ '000	Recreation \$ '000	Other infra- structure \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure															
At fair value 1 July 2025	491,365	89,882	24,471	34,191	38,697	11,443	66,197	12,480	5,875	4,424	39,376	26,669	845,070	35,264	880,334
Accumulated depreciation at 1 July 2025	(92,483)	(31,134)	(7,556)	(8,963)	(10,366)	(3,690)	(29,349)	(7,423)	(1,810)	(3,705)	(32,915)	(14,550)	(243,944)	–	(243,944)
	398,882	58,748	16,915	25,228	28,331	7,753	36,848	5,057	4,065	719	6,461	12,119	601,126	35,264	636,390
Movements in fair value															
Additions	–	–	–	–	–	–	–	–	–	–	–	–	–	15,684	15,684
Contributions	872	–	–	500	214	69	1,142	–	–	–	–	–	2,797	–	2,797
Revaluation	59,596	2,606	710	3,508	3,903	1,553	57,798	352	921	–	(3,239)	3,518	131,226	–	131,226
Disposal	(1,918)	(120)	–	(708)	(553)	(192)	(112)	–	(142)	(2,455)	–	–	(6,200)	–	(6,200)
Transfers	6,317	2,276	624	2,920	1,417	1,618	1,285	–	1,949	4,568	(12,179)	24,265	35,060	(33,196)	1,864
	64,867	4,762	1,334	6,220	4,981	3,048	60,113	352	2,728	2,113	(15,418)	27,783	162,883	(17,512)	145,371
Movements in accumulated depreciation															
Depreciation and amortisation	(4,825)	(888)	(231)	(740)	(327)	(185)	(565)	(111)	(167)	(484)	(553)	(1,319)	(10,395)	–	(10,395)
Accumulated depreciation of disposals	707	69	–	191	172	28	57	–	20	2,455	–	–	3,699	–	3,699
Accumulated depreciation on revaluation	(11,536)	(916)	(222)	(904)	(1,032)	(462)	(45,992)	(213)	(235)	–	7,506	(2,287)	(56,293)	–	(56,293)
Transfers	469	(397)	(61)	–	–	–	(11)	–	–	–	13,848	(14,066)	(218)	–	(218)
	(15,185)	(2,132)	(514)	(1,453)	(1,187)	(619)	(46,511)	(324)	(382)	1,971	20,801	(17,672)	(63,207)	–	(63,207)
At fair value 30 June 2026	556,232	94,644	25,804	40,409	43,678	14,491	126,311	12,833	8,604	6,537	23,959	54,451	1,007,953	17,752	1,025,705
Accumulated depreciation at 30 June 2026	(107,668)	(33,266)	(8,069)	(10,414)	(11,553)	(4,309)	(75,861)	(7,748)	(2,193)	(1,734)	(12,115)	(32,221)	(307,151)	–	(307,151)
Carrying amount	448,564	61,378	17,735	29,995	32,125	10,182	50,450	5,085	6,411	4,803	11,844	22,230	700,802	17,752	718,554

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

Acquisition

Initial measurement

Council initially measures its property, infrastructure, plant and equipment assets at cost. The cost of an acquired asset is the fair value of the consideration that Council has provided at the date of acquisition plus any incidental costs attributable to the acquisition.

Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer to Note 8.4 for more information on how Council measures fair value.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period years	Threshold Limit \$ '000
Asset recognition thresholds and depreciation periods		
Land and land improvements		
Land	-	-
Land improvements	-	10
Buildings		
Heritage buildings	100 years	15
Buildings	20 to 50 years	15
Building and leasehold improvements	20 to 50 years	15
Plant and Equipment		
Plant, machinery and equipment	1 to 25 years	-
Fixtures, fittings and furniture	1 to 5 years	15
Computers, software and telecommunications	1 to 5 years	15
Infrastructure		
Roads - pavements and substructure	130 years	-
Roads - seals	15 to 25 years	-
Roads - formation and earthworks	0	-
Roads - kerb and channel	120 years	15
Bridges	100 years	15
Major culverts	120 years	15
Footpath and cycleways	90 years	15
Off street car parks pavement	130 years	15
Off street car parks seal	20 years	15
Drainage	120 years	15
Waterway infrastructure	60 to 120 years	15
Land stabilisation	60 years	15
Waste management	4 to 50 years	15
Other structures	10 to 40 years	15
Recreation	25 to 75 years	-
Intangible assets		
Landfill air space	Useful life of the landfill cell	-
Right-of-use assets		
Building	3 years	10

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer Josh Kilgour, FAPI Member No. 62746, as of 31 December 2024. Valuation of buildings was undertaken by a qualified independent valuer Ashay Prabhu MIE(Aust) CPEng, NPER : Membership 1102199, as of 30 June 2026. The valuation of land and buildings is at fair value, being market value based on highest and best use, where current use is assumed to be the highest and best use. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy (Note 8.4) as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of last revaluation	Type of Current Valuation
Land	–	4,320	–	Dec/24	Revaluation
Specialised land	–	–	76,261	Dec/24	Revaluation
Land Under Roads	–	–	33,756	Jun/26	Revaluation
Heritage buildings	–	–	3,402	Jun/26	Revaluation
Buildings	–	–	96,792	Jun/26	Revaluation
Total	–	4,320	210,211		

Valuation of Infrastructure

The fair value of infrastructure assets other than drainage that have been revalued, has been determined in accordance with a revaluation undertaken by independent valuer Ashay Prabhu MIE(Aust) CPEng, NPER: Membership 1102199. The fair value of drainage assets as of 30 June 2026 has been determined based on an independent valuation undertaken by Ben Roden, ASA, of Insight Valuations.

The date and type of the current valuation is detailed in the following table. For asset classes not revalued in the current year, an index based valuation was conducted based on Rawlinson's Australian Construction Handbook.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy (Note 8.4) as at 30 June 2026 are as follows:

	Level 1	Level 2	Level 3	Date of last revaluation	Type of Current Valuation
Roads	—	—	448,564	Jun/25	Indexed Jun/26
Bridges	—	—	61,378	Jun/23	Indexed Jun/26
Major culverts	—	—	17,735	Jun/23	Indexed Jun/26
Footpaths and cycleways	—	—	29,995	Jun/25	Indexed Jun/26
Kerb & channel	—	—	32,125	Jun/25	Indexed Jun/26
Off street car parks	—	—	10,182	Jun/25	Indexed Jun/26
Drainage	—	—	50,450	Jun/26	Revaluation
Waterway Infrastructure	—	—	5,085	Jun/23	Indexed Jun/26
Land stabilisation	—	—	6,411	Jun/23	Indexed Jun/26
Waste management	—	—	4,803	N/A	
Recreation	—	—	11,844	Jun/26	Revaluation
Other Infrastructure	—	—	22,230	Jun/23	Indexed Jun/26
Total	—	—	700,802		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 0% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$749 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$109 to \$15,217 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 4 years to 130 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2026 \$ '000	2025 \$ '000
Reconciliation of specialised land		
Land under roads	33,756	32,346
Parks and reserves	76,261	76,986
Total specialised land	110,017	109,332

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Assets we manage (continued)

6.2 Investment property

	2026 \$ '000	2025 \$ '000
Balance at beginning of financial year	857	857
Fair value decrement	(32)	—
Balance at end of financial year	825	857

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined as of 18 May 2026 in accordance with an independent valuation by Joshua Kilgour, FAPI: Member No. 62746 who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of South Gippsland Shire Council. The Councillors, Chief Executive Officer and Directors are deemed KMP.

Details of KMP at any time during the year are:

Councillors	Councillor Nathan Hersey (Mayor from 19 November 2025) Councillor Brad Snell (Deputy Mayor from 19 November 2025) Councillor John Schelling (Mayor to 19 November 2025) Councillor Sarah Gilligan (Deputy Mayor to 19 November 2025) Councillor Steve Finlay Councillor Scott Rae Councillor Bron Beach Councillor John Kennedy Councillor Clare Williams
Chief Executive Officer and other Key Management Personnel	Chief Executive Officer - Allison Jones Director Sustainable Infrastructure - Tony Peterson (to 1 November 2025) Executive Director Empowering Communities - Lucas Gardiner Executive Director Infrastructure Sustainability - David Fice (from 2 November 2025) Executive Director Strategy & Integrity - Tony Peterson (from 2 November 2025) Executive Manager Culture & Capability - Michelle Jorgensen (from 2 November 2025) Acting Director Performance & Innovation - Michelle Jorgensen (to 1 November 2025) Director Strategy & Partnerships - Christian Stefani (to 1 November 2025)

	2026 No.	2025 No.
Total Number of Councillors	9	13
Total of Chief Executive Officer and other Key Management Personnel	6	7
Total Number of Key Management Personnel	15	20

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2026 \$ '000	2025 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,632	1,412
Other long-term employee benefits	28	26
Post-employment benefits	194	160
Total	1,854	1,598

	2026 No.	2025 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	—	4
\$20,000 - \$29,999	—	4
\$30,000 - \$39,999	5	2
\$40,000 - \$49,999	2	2
\$60,000 - \$69,999	1	—
\$70,000 - \$79,999	—	1
\$80,000 - \$89,999	2	2
\$100,000 - \$109,999	—	1
\$170,000 - \$179,999	—	1
\$180,000 - \$189,999	1	—
\$220,000 - \$229,999	—	1
\$230,000 - \$239,999	1	—
\$270,000 - \$279,999	1	2
\$280,000 - \$289,999	1	—
\$360,000 - \$369,999	1	—
Total	15	20

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships (continued)

	2026 No.	2025 No.
The number of other senior staff are shown below in their relevant income bands:		
Income Range:		
\$180,000 - \$189,999	–	1
\$190,000 - \$199,999	1	5
\$200,000 - \$209,999	7	1
\$210,000 - \$219,999	2	–
Total	10	7

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

	2026 \$ '000	2025 \$ '000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,812	1,191
Other long-term employee benefits	44	31
Post-employment benefits	218	143
Termination benefits	–	–
Total	2,074	1,365

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. People and relationships (continued)

	2026 \$ '000	2025 \$ '000
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7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties:

Employee remuneration under normal employment terms	67	34
Total paid for sales of goods & services from BJ's Earthmoving	994	2,976

A Councillor has disclosed a business interest with BJ's Earthmoving, of which there were 27 transactions during the current period for contractor services.
All transactions are in line with normal commercial practice.
Transactions were made on standard terms through an open tender process. The Councillor with the business interest in the related party was not present during meetings and did not vote during the open tender process.

(b) Outstanding balances with related parties

Included in trade and other payables is \$2,157 (2025 - \$Nil) owing to related parties for purchase of goods & services.

(c) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party was \$29,628 (2025 - \$1.0 million) in relation to BJ's Earthmoving.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Council.

At 30 June 2025, Council disclosed contingent assets relating to claims under the Disaster Recovery Funding Arrangements for costs incurred in responding to and recovering from significant storm events. At that date, claims totalling \$2.684 million were undergoing formal assessment and a further \$9.1 million of eligible costs had not yet been submitted for assessment. During 2025-26, Council progressed the assessment and submission of these claims and recognised grant income where the relevant eligibility requirements were satisfied and recovery was considered sufficiently certain.

As at 30 June 2026, Council had no material contingent assets relating to these disaster recovery claims.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability

Council's contingent liabilities as at 30 June 2026 relate to its participation in the defined benefit category of the Local Authorities Superannuation Fund, as disclosed below.

Superannuation

Council has obligations under a defined benefit superannuation scheme for employees within the defined benefit category of the Local Authorities Superannuation Fund (the Fund) that may result in the need to make additional contributions to the scheme.

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

(c) Performance Guarantees

Council has the following bank guarantees with Commonwealth Bank of Australia for contract performance and security deposits.

Description	Favouree	Amount
Security Deposit Guarantee	Environment Protection Authority	\$451,296
Total		\$451,296

8.2 Australian Accounting Standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period. Council assesses the impact of these new standards.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

The Australian Accounting Standards Board (AASB) has issued *AASB 18 Presentation and Disclosure in Financial Statements*. When applicable AASB 18 supersedes AASB 101 *Presentation of Financial Statements*. AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. It is expected to result in presentation and disclosure changes, primarily to Council's Comprehensive Income Statement. AASB 18 is expected to first apply to Council for the 2028-29 financial year.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and TCV borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c). Based on prior-period data and Council's current assessment of risk, the exposure relating to financial guarantees is considered insignificant.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 4.2%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair Value Hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 *Fair Value Measurement* aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. For assets where Council adopts a current replacement cost approach to determine fair value, Council considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Managing uncertainties (continued)

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis at least every 5 years, or earlier if a material movement is identified. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets, other than property and infrastructure assets measured at fair value to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

The impairment policy above does not apply to Council's property, infrastructure, specialised buildings and other non-current physical assets subsequently measured at fair value. These are primarily non-cash generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity. Their recoverable amount is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2026			
Property			
Land and land improvements	69,409	–	69,409
Land under roads	15,722	1,410	17,132
Heritage buildings	4,991	(1,488)	3,503
Buildings - specialised	94,468	(10,208)	84,260
	184,590	(10,286)	174,304
Plant and equipment			
Plant machinery and equipment	386	–	386
	386	–	386
Infrastructure			
Roads	299,005	48,060	347,065
Bridges	45,431	1,690	47,121
Footpaths and cycleways	3,513	2,604	6,117
Drainage	18,032	11,806	29,838
Recreational, leisure and community facilities	1,581	4,267	5,848
Offstreet car parks	6,243	1,091	7,334
Major culverts	13,755	488	14,243
Kerb & channel	20,815	2,871	23,686
Waterway Infrastructure	1,523	139	1,662
Land Stabilisation	533	686	1,219
Other infrastructure	5,076	1,231	6,307
	415,507	74,933	490,440
Total asset revaluation reserves	600,483	64,647	665,130

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
2025			
Property			
Land and land improvements	78,200	(8,791)	69,409
Land under roads	15,722	–	15,722
Heritage buildings	4,508	483	4,991
Buildings Specialised	83,578	10,890	94,468
	182,008	2,582	184,590
Plant and equipment			
Plant machinery and equipment	386	–	386
	386	–	386
Infrastructure			
Roads	294,763	4,242	299,005
Bridges	40,163	5,268	45,431
Footpaths and cycleways	8,267	(4,754)	3,513
Drainage	15,320	2,712	18,032
Recreational, leisure and community facilities	1,048	533	1,581
Offstreet car parks	2,530	3,713	6,243
Major culverts	12,238	1,517	13,755
Kerb & channel	19,993	822	20,815
Waterway Infrastructure	1,069	454	1,523
Land Stabilisation	284	249	533
Other infrastructure	4,075	1,001	5,076
	399,750	15,757	415,507
Total asset revaluation reserves	582,144	18,339	600,483

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2026				
Restricted reserves				
Public Open Space	868	244	—	1,112
Development Contributions	593	432	—	1,025
Total restricted reserves	1,461	676	—	2,137
Discretionary reserves				
Corner Inlet Reserve	6	—	—	6
Venus Bay Surf Life Saving Club	150	—	—	150
Carry Forward Projects	3,502	1,800	—	5,302
Unexpended Grants	6,618	11,187	(6,618)	11,187
Asset Development	303	3,638	—	3,941
Renewable Energy	12	78	—	90
General Reserve	—	4,200	—	4,200
Total discretionary reserves	10,591	20,903	(6,618)	24,876
Total Other reserves	12,052	21,579	(6,618)	27,013
2025				
Restricted reserves				
Public Open Space	624	244	—	868
Development Contributions	355	238	—	593
Total restricted reserves	979	482	—	1,461
Discretionary reserves				
Corner Inlet Reserve	6	—	—	6
Venus Bay Surf Life Saving Club	150	—	—	150
Carry Forward Projects	420	3,082	—	3,502
Unexpended Grants	—	6,618	—	6,618
Asset Development	—	325	(22)	303
Renewable Energy	—	12	—	12
Total discretionary reserves	576	10,037	(22)	10,591
Total Other reserves	1,555	10,519	(22)	12,052

A number of the reserves disclosed in this note represent funds that have been set aside by Council and are supported by cash and investment balances held by Council. These reserves have been established for specific purposes and are intended to be applied in accordance with Council resolutions, funding agreements, statutory requirements or other identified commitments. The existence of a reserve does not necessarily indicate that a separate bank account or investment is maintained for that reserve.

Public Open Space

Statutory reserve to be used for the future development of land for public purposes.

Development Contributions

Funds held from the collection of development contribution levy income to be expended on infrastructure projects in line with the requirements of the Development Contribution Plan.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

Caravan Parks Reserve

Reserve created for future funding of Caravan Parks projects

Corner Inlet Reserve

Reserve for maintenance of a seawall to protect private lands from flooding.

Venus Bay Surf Life Saving Club

Reserve to hold funds from a community capital works allocation to allow the club time to attract further funding from other agencies

Carry Forward Projects

Funds held from unexpended projects at the completion of a financial year. Reserve funds are to be applied to carried forward projects expected to be completed in a future financial year.

Unexpended Grants

Funds held from grant monies, to be expended in future financial years, and not recognised in the Balance Sheet as 'Grants in Advance' at the end of each financial year. External restrictions may or may not apply in line with individual funding agreements.

Asset Development

Funds set aside for contingency planning purposes as well as for contribution to future major projects.

Renewable Energy

Funds held to develop, support and maintain sustainable energy programs.

General Reserve

Funds set aside to provide for future operational and capital requirements, unforeseen expenditure, and other priorities as determined by Council.

South Gippsland Shire Council

2025-26 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Other matters (continued)

	2026 \$ '000	2025 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	25,876	20,610
Non-cash adjustments:		
Depreciation/amortisation	16,201	13,815
(Profit)/loss on disposal of property, infrastructure, plant and equipment	898	(11)
Fair value adjustments for investment property	32	—
Contributions - Non-monetary assets	(2,797)	(6,689)
Amounts disclosed in financing activities	217	165
Found assets	—	(1,423)
Intangible Assets	(3,204)	—
Disposal of infrastructure assets	2,595	6,265
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,319)	(2,595)
(Increase)/decrease in inventories	25	88
(Increase)/decrease in prepayments	(322)	(91)
Increase/(decrease) in trade and other payables	(280)	(2,464)
Increase/(decrease) in employee entitlements	635	(125)
Increase/(decrease) in trust funds and deposits	630	387
(Decrease)/increase in contract and other liabilities	964	(539)
Increase/(decrease) in landfill provision	2,643	(24)
Net cash provided by/(used in) operating activities	42,794	27,369

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2025-26 year.

SOUTH GIPPSLAND SHIRE COUNCIL

9 Smith Street (Private Bag 4) Leongatha VIC 3953
Phone: 5662 9200 Fax: 5662 3754
Email: council@southgippsland.vic.gov.au
Website: www.southgippsland.vic.gov.au
Facebook: www.facebook.com/southgippslandshirecouncil



5.2. PLANNING SCHEME REVIEW

Directorate:	Empowering Communities
Department:	Planning and Building Services

Council Plan

Theme - Developing a Sustainable Future

Provide clarity through our Planning Scheme in areas such as township boundaries, preservation of township identity and heritage, protection of agricultural land and identify areas for future growth including industrial land.

EXECUTIVE SUMMARY

The purpose of this report is to present the South Gippsland Planning Scheme Review Report (the Report) to Council for adoption (**Attachment [5.2.1]**). If adopted, the Report will be submitted to the Minister for Planning in accordance with section 12B of the *Planning and Environment Act 1987* (the Act).

The Review found that the South Gippsland Planning Scheme is generally sound and provides a robust policy framework for planning decision-making. It also identified opportunities to improve the effectiveness and efficiency of the Planning Scheme, including correcting anomalies, improving the clarity and consistency of planning provisions, progressing priority strategic planning projects, and advocating to State Government on matters requiring broader planning system changes.

The Review also considered Clause 74.02 – *Further Strategic Work*, which identifies strategic planning projects proposed for investigation during the next four-year review cycle. These priorities will help inform Council's future strategic planning program and will be progressed subject to Council priorities, available resources and funding.

RECOMMENDATION

That Council:

- 1. Adopts the South Gippsland Planning Scheme Review Report June 2026 (the Report) (Attachment [5.2.1]);**
- 2. Submits the Report to the Minister for Planning in accordance with Section 12B of the *Planning and Environment Act 1987*;**
- 3. Prepares a planning scheme amendment generally in accordance with the marked-up ordinance in Appendix 1 (Attachment [5.2.2]) of the Report (Attachment [5.2.1]) to incorporate the majority of the policy neutral changes identified in Chapter 5 of the Report to align the ordinance with**

the Ministerial Direction on the Form and Content of Planning Schemes, except those that delete objectives from overlays;

- 4. Notes the list of strategic planning issues included in the Schedule to Clause 74.02 - Further Strategic Work at Appendix 2 of the Report (Attachment [5.2.1]) and the need for their continued consideration and progression from Council subject to available resources and funding;**
- 5. Adopts the Engagement Report - Planning Scheme Review 2026 (Attachment [5.2.3]; and**
- 6. Thanks community members who participated in the community engagement process from 30 June 2026 to 26 July 2026 to inform the Planning Scheme Review.**

REPORT

Council, as the Planning Authority for the South Gippsland Planning Scheme, is required to review the Planning Scheme every four years in accordance with section 12B of the *Planning and Environment Act 1987* (the Act).

Council's previous review was completed in 2023, with its findings subsequently incorporated into the Planning Scheme through Amendment C129sgip, which was approved in October 2024. The shorter period between reviews reflects the timing of the special Council elections held in 2021 following the appointment of Council administrators.

Given the relatively short period since the previous review was completed, the current Review has found that the Planning Scheme is generally sound and provides a robust policy basis for planning decision-making. The Review has nevertheless identified opportunities to improve the effectiveness, consistency and clarity of the Planning Scheme.

These include updating zone and overlay schedules to better align with the Ministerial Direction on the Form and Content of Planning Schemes, correcting anomalies and improving the clarity and consistency of existing provisions. A number of overlay schedules have also been identified for further review where provisions could be streamlined, redundant requirements removed or wording clarified.

The proposed planning scheme amendment provisions (refer **Attachment [5.2.1]**) primarily comprise changes considered to be policy neutral. These changes are intended to improve the operation, consistency and presentation of the Planning Scheme without changing the underlying policy intent or materially affecting how planning decisions are made.

The Review also identified some proposed changes that may have broader implications for landowners, the community or Council as the Responsible Authority. In particular, changes involving the removal or amendment of objectives within Environmental Significance Overlays, Design and Development Overlays and Significant Landscape Overlays require further consideration before they can be progressed as policy-neutral changes.

Where appropriate, these provisions may be reworded or simplified to meet current form and content requirements while retaining their intended purpose. Matters requiring further strategic consideration may be brought back to Council for further investigation and consideration as separate planning projects.

The Review has also identified the following strategic planning priorities for investigation over the next four years:

- Review the Environmental Significance Overlays (ESOs) and the Significant Landscape Overlays (SLOs) to determine the effectiveness of these controls and the administrative burden generated by minor works applications being triggered by the overlays.
- Review the Rural Land Use policies within the Planning Policy Framework and Council's strategic policy direction for housing outside of settlements and within rural and remote areas and determine if an updated Rural Land Use Strategy is required to introduce these changes.
- Resolve coastal planning policy approaches and responses, as per the recommendations of the adopted Coastal Strategy.
- Review the implications of the Victorian Government's housing targets and housing capacity within the Shire, particularly in terms of growth planning for Nyora.
- Review the ability to streamline the application assessment processes for the Statutory Planning team to achieve parity with State average assessment timeframes within the next four years.

If adopted, the Planning Scheme Review will be forwarded to the Minister for Planning in accordance with section 12B of the Act.

Council will then prepare a planning scheme amendment generally in accordance with the marked-up ordinance (refer **Attachment [5.2.2]**) to incorporate the policy-neutral changes identified in the Review and update Clause 74.02 – *Further Strategic Work*. This will ensure the Planning Scheme remains current and provides a clear framework for Council's future strategic planning program.

Any changes that extend beyond a policy-neutral amendment will require further strategic justification and evidence to support the proposed changes. Depending on the nature and scope of those changes, additional public consultation and consideration by an independent planning panel may be required. Such work would have associated budget and resourcing implications and would be subject to a further Council resolution before any amendment is prepared.

CONSULTATION / COMMUNITY ENGAGEMENT

Extensive consultation was undertaken with key stakeholders, including government agencies, referral authorities, utility service providers and Registered Aboriginal Parties.

The Review was subsequently made available for public comment for four weeks in July 2026. A total of 21 responses were received, comprising 17 survey

responses and four written submissions. Responses to the matters raised through the consultation process are provided in **Attachment [5.2.3]**.

The key themes raised through consultation are generally reflected in the Review's recommendations for future strategic work, where they fall within the scope of a Planning Scheme Review. These include strengthening rural land use policies, reviewing environmental and landscape overlays, and considering approaches to managing growth while maintaining the established character and setting of the Shire.

Matters not within the scope of the Review, including privately led or site-specific rezoning requests, civil or property matters, and issues already addressed through State planning provisions, have not been progressed as part of this Review.

RESOURCES / FINANCIAL VIABILITY

The Planning Scheme Review has been funded by a State Government grant.

At this stage, no dedicated Council budget has been committed to implementing the broader recommendations arising from the Review.

In the absence of dedicated funding, implementation of the Review recommendations is likely to initially focus on policy-neutral changes that can be incorporated into the Planning Scheme without requiring additional public consultation or referral to an independent planning panel.

If policy-positive changes are proposed as part of the implementation amendment, further strategic work, resourcing and consultation may be required. An additional Council resolution would also be required before progressing those changes.

RISKS

Failure to undertake identified corrections and improvements to the planning scheme may reduce the efficiency, clarity and effectiveness of the South Gippsland Planning Scheme and may result in outdated or inconsistent planning provisions remaining in operation.

There is also a risk that, without ongoing commitment and appropriate resourcing, the strategic planning matters identified through the Review may not progress within the four-year review period.

STAFF DISCLOSURE

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

ATTACHMENTS

Due to file size limitations, attachments for this item are available in a separate document accompanying this agenda.

1. South Gippsland Planning Scheme Review Report June 2026 [5.2.1 - 144 pages]
2. South Gippsland Planning Scheme Review - Planning Ordinance with Track Changes [5.2.2 - 345 pages]
3. South Gippsland Planning Scheme Review - Community Engagement Report - October 2026 [5.2.3 - 10 pages]

REFERENCE DOCUMENTS

Council's Good Governance Framework

Pillar 1. Direction & Leadership

Council Policy / Strategy / Plans

Documents are available on Council's website at the following [LINK](#).

Council Plan 2025-2029

Legislative Provisions

Planning and Environment Act 1987

Regional, State and National Plan and Policies

Nil

5.3. AUDIT AND RISK COMMITTEE - 16 JUNE 2026 MINUTES

Directorate:	Strategy and Integrity
Department:	Financial Strategy

Council Plan

Objective - Leading with Integrity

Council's risk management and governance is strengthened by effectively monitoring and reporting on the activities and advice provided by the Audit and Risk Committee.

EXECUTIVE SUMMARY

The minutes of the Audit and Risk Committee meeting held on 16 June 2026 (refer to **Attachment [5.3.1]**) are provided to Council for noting.) are provided to Council for noting.

Audit and Risk Committee members at the meeting included:

- Ms Marilyn Kearney (Audit and Risk Committee Chair)
- Ms Jen Johanson
- Mr Mick Jaensch
- Cr Sarah Gilligan (Council member)
- Cr Bron Beach (Council member)
- Cr Nathan Hersey (Mayor) (Ex-officio Council Member)

RECOMMENDATION

That Council receives and notes the Audit and Risk Committee Minutes – 16 June 2026 (Attachment [5.3.1]).

REPORT

The matters considered by the Audit and Risk Committee at the 16 June 2026 meeting are contained in **Attachment [5.3.1]**.

CONSULTATION / COMMUNITY ENGAGEMENT

The Audit and Risk Committee Minutes for 16 June 2026 (**Attachment [5.3.1]**) have been presented to the Audit and Risk Committee for feedback and were formally accepted by the Audit and Risk Committee at the 25 August 2026 Meeting.

RESOURCES / FINANCIAL VIABILITY

Budget allowances for Council's three Independent Audit and Risk Committee Members' attendance fees are included within Council's current and forward budgets.

RISKS

Council must establish an Audit and Risk Committee under section 53 of the *Local Government Act 2020*. The Committee supports Council in discharging its oversight responsibilities as set out in the Audit and Risk Committee Charter, including risk management.

STAFF DISCLOSURE

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

ATTACHMENTS

1. Audit and Risk Committee Minutes - June 2026 [5.3.1 - 15 pages]

REFERENCE DOCUMENTS

Council's Good Governance Framework

Pillar 7. Risk & Compliance

Council Policy / Strategy / Plans

Documents are available on Council's website at the following [LINK](#).

Audit and Risk Committee Charter (C08)

Legislative Provisions

Local Government Act 2020

Regional, State and National Plan and Policies

Nil

SOUTH GIPPSLAND SHIRE COUNCIL

Audit & Risk Committee Draft Minutes

16 June 2026

Virtual Online Meeting

Commencing at 9:00 AM



*South Gippsland
Shire Council*

Come for the beauty, Stay for the lifestyle

Committee will provide advice and recommendations to the Council, contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of financial management, risk management, internal controls and governance processes within Council. This includes oversight responsibilities of monitoring, reviewing, endorsing and advising related to:

- **Financial and Performance Reporting**
- **Strategic Risk Management**
- **Fraud prevention systems and control**
- **Maintenance of a sound internal control environment**

Reviewing Council's performance with regard to compliance with its policies and legislative and regulatory requirements.

Ensuring that Council's policies and procedures comply with the overarching Governance Principles, the Local Government Act and regulations and any Ministerial Directions.

Audit & Risk Committee Confidentiality

Closed Information – not in public interest to be released

The Chief Executive Officer designates Audit & Risk Committee Minutes, Agendas and associated documents (attachments) as 'internal working documents – not to be released without prior Executive approval' in accordance with Council's *Public Transparency Policy (C75)* and is classified as closed (or confidential) information.

The grounds for designation have been made as the information is in draft form and may cause unnecessary confusion if released prior to any formal decision made, or provided by third party suppliers that have contractual rights associated with the information.

Open (Public) Information – not confidential

The Chief Executive Officer designates that the following agenda items and related documents and associated attachments as open (public) information and are not confidential.

Agenda Items:

- Nil

Minutes of the Meeting

The Chief Executive Officer has designated the Minutes of this meeting held on 16 June 2026 as confidential, until they are made public in the Agenda of the next Council Meeting, which is anticipated to be 16th September 2026.



Allison Jones,

Chief Executive Officer

AUDIT & RISK COMMITTEE MINUTES

Date	16 June 2026	Location	Virtual Online Meeting
Time	9:00 AM		

Attendees	Ms Marilyn Kearney (Audit and Risk Committee Chair) Ms Jen Johanson Mr Mick Jaensch Cr Sarah Gilligan Cr Bron Beach
Ex-officio Member	Cr Nathan Hersey (Mayor)
Support Staff	Allison Jones, Chief Executive Officer, Michelle Jorgensen, Executive Manager Culture and Capability; Tony Peterson, Executive Director Strategy and Integrity; Lucas Gardiner, Executive Director Empowering Communities; David Fice Executive Director Infrastructure Sustainability; Taryn Macfarlane, Manager Financial Strategy; Rhys Matulis, Manager Governance and Integrity; Stephanie Pettau, Coordinator Accounting; Philippa Lloyd, Executive Assistant Strategy and Integrity; Dilini Fernando, Finance Systems & Business Partner
Internal Audit	Crowe Australasia: Andrew Zavitsanos
External Audit	Victorian Auditor General's Office: Chris Wong, Audit Manager, Local Government, Misha Abrahams, Audit Engagement Team Leader (both attended until 10.17am)
Disclosure of Interest	<i>All officers involved in the preparation of this agenda have considered and determined that they do not have a conflict of interest in the matter.</i>

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Allison Jones

Chief Executive Officer

1. IN CAMERA - CONFIDENTIAL AUDIT & RISK REPORTS

1.1. IN CAMERA COMMITTEE ONLY

In-Camera Committee attendance

1.2. IN CAMERA COMMITTEE WITH CEO

In-Camera Committee and Chief Executive Officer attendance

1.3. IN CAMERA EXTERNAL AUDITORS

In-Camera Committee and external auditor attendance

2. PRELIMINARY MATTERS

2.1. WELCOME

2.2. ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.

2.3. ATTENDEES

Attendees	As noted above at page 4, with the exception of the apologies noted at 2.4.
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2.4. APOLOGIES

Apologies	Cr Nathan Hersey (Mayor)
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2.5. DECLARATION OF CONFLICTS OF INTEREST OR DUTIESMs Marilyn Kearney

- Chair – Audit and Risk Committee – Maribyrnong City Council
- Independent Member – Audit and Risk Committee – Merri Bek City Council
- Independent Member – Audit and Risk Committee – Mitchell Shire Council
- Chair – Audit and Risk Committee – Horsham Rural City Council
- Chair – Audit and Risk Committee – Banyule City Council
- Co-Chair – Moonah House, Women’s Community Shelters MPS – Mornington Peninsula

Ms Jen Johanson

- Chair – Audit and Risk Committee – Hume City Council
- Chair – Audit and Risk Committee – Brimbank City Council
- Chair – Audit & Risk Committee – City of Melbourne
- Chair - Finance Risk and Audit Committee - Education Services Australia
- Board Member – Education Services Australia
- Chair – Audit Committee - Generation Life
- Board Member, and Member of Risk Committee and Remuneration and Nominations Committee – Generation Life
- Chair – Audit Committee – Bank First
- Board Member, and Member of Risk Committee – Bank First

Mr Mick Jaensch

- Director – MIK2 Consulting Services
- Independent Member – Audit and Risk Committee – Bayside City Council
- Chair – Audit and Risk Committee – City of Greater Geelong
- Independent Member – Audit and Risk Committee – Brimbank City Council
- Independent Member – Audit and Risk Committee – Knox City Council
- Independent Member – Audit and Risk Committee – City of Casey

2.6. CONFIRMATION OF MINUTES AND ACTIONS ARISING FROM PREVIOUS MINUTES

Discussion:

The Committee noted that the Minutes of the 2 December 2025 Audit and Risk Committee meeting were reported to Council at the 15 April 2026 Council Meeting.

The Committee noted and confirmed the draft Audit and Risk Committee Meeting Minutes of 17 March 2026.

The Committee noted the progress on the Audit and Risk Committee Action Items.

Actions:

Nil.

3. AUDIT REPORTS

3.1. VAGO STATUS REPORT

Discussion:

The Committee welcomed Misha Abrahams from VAGO as an observer, who may also participate in future meetings.

The Committee received and noted the VAGO Status Report. VAGO advised that due to the commencement of the interim audit the previous day, the Interim Management Letter for item 3.3 will be circulated out of session, with no significant findings anticipated.

VAGO provided an update on future planned performance audits and welcomed sector input.

Actions:

VAGO to forward contacts to management for input to future performance audits.

3.2. EXTERNAL AUDIT OPEN ACTION ITEMS UPDATE

Discussion:

The Committee received and noted there were no External Audit Open Action Items.

Actions:

Nil

3.3. EXTERNAL AUDIT REPORT - UPDATE ON INTERIM VISIT

Discussion:

VAGO advised the audit is underway and progressing well. Interim management letter will be circulated out of session.

Actions:

Nil

3.4. REVIEW INTERNAL AUDIT REPORTS (AS REQUIRED)

Discussion:

The internal auditor provided an update on current and upcoming internal audits.

Actions:

Nil

3.5. INTERNAL AUDIT OPEN ACTION ITEMS UPDATE

Discussion:

Management introduced the report and advised the Committee that management has developed an Internal Audit Program procedure including an escalation process.

The Committee suggested a future Internal Audit focus on Internal Audit outcomes, assessing whether action items are completed with the intended effect. Suggested scope includes a sample of audits, their governance processes, and a review of outstanding actions for ongoing relevance.

Actions:

Schedule Internal Audit Outcomes review.

4. FINANCIAL AND PERFORMANCE REPORTS

4.1. FINANCIAL SUSTAINABILITY- LONG TERM FINANCIAL PLANNING

Discussion:

Management highlighted that several actions have progressed. The Financial Sustainability Strategy scope is ready to present to Council, and management thanked the Committee members for their prompt and valuable input to the scoping process.

The Committee discussed their view of the Strategy as a principles-based document sitting above the 10-year financial plan with principles that align to identified needs. The Committee is looking forward to seeing the draft Financial Sustainability strategy.

Actions:

Nil

4.2. ORGANISATIONAL AND FINANCIAL PERFORMANCE REPORT - 1 JULY 2025 TO 31 MARCH 2026Discussion:

Management provided an overview of Council actions to be completed and projected year-end position.

The Committee congratulated Council on having a notable improvement in contingent funding in Reserve.

Management noted the estimated Financial Assistance Grant payments for 2026/27 have been received and the basis for movements will be confirmed by the Victorian Grants Commission in August 2026. The Committee asked for an update to be shared with the Committee at the next opportunity.

Actions:

Management to provide an update to the committee on the basis for Financial Assistance Grant movements.

4.3. FINANCIAL YEAR END STRATEGY REPORTDiscussion:

The Committee received and noted this report.

Actions:

Nil

4.4. ASSET VALUATIONS REPORT - BEFORE BALANCE DATE REVIEWDiscussion:

Management introduced the report and confirmed that at the time of writing the report there was limited valuation report data available. The valuation approach and impacts will be provided to the Committee to support a pre-balance date review. VAGO confirmed they are very happy with the approach being taken by management.

Actions:

Management to provide a valuation update to the committee out of session, prior to the August meeting.

5. GOVERNANCE AND COMPLIANCE REPORTS

5.1. COMPLIANCE REPORT

Discussion:

Management updated the Committee on the activities during the last quarter and are encouraged that there are signs of a positive culture around identification and reporting of compliance activities. General updates will continue to be provided to the Committee.

Actions:

Nil

5.2. REVIEW REIMBURSEMENT OF EXPENSES OF COUNCILLORS AND MEMBERS OF A DELEGATED COMMITTEE

Discussion:

The report was taken as read. Management reported that the process is working well and adherence to the Policy is appropriately monitored.

Actions:

Nil

5.3. REPORT ON COUNCILLOR & EMPLOYEE GIFTS, BENEFITS & HOSPITALITY

Discussion:

Management noted the evidence of growing awareness among staff of the requirement to decline and report offers of gifts.

Actions:

Nil

5.4. ASSURANCE MAP REPORT

Discussion:

Management introduced the original intention of this Report and noted that the intentions for the Assurance Map Report are now being met through other reports.

The Report was taken as read.

Actions:

Remove the Assurance Map Report from the Audit and Risk Committee Workplan.

6. RISK REPORTS

6.1. QUARTERLY RISK MANAGEMENT REPORT

Discussion:

Management overviewed the Risk Management Activity over the quarter and reported that our risk processes are working well as evidenced by the organisational-wide response to the current fuel situation. The Committee Chair commended management on reaching out to update the Chair on the broader implications of this issue at the time the crisis commenced, following the previous ARC meeting.

Actions:

Nil

6.2. INSURANCE CLAIMS AND PROGRAM UPDATE REPORT

Discussion:

Management advised that insurance premiums are expected to remain stable. The report was taken as read.

Actions:

Nil

6.3. POLICY REVIEWS (OR CIRCULATED OUT OF SESSION)

Discussion:

Management outlined plans to report on the overarching framework for policy review, development, and compliance. The Committee supported this direction and welcomed visibility of the framework, including where policies have been amalgamated or revoked, and offered to provide feedback as reporting is refined. The Committee also noted that the current practice of reviewing policies out of session is working well.

Actions:

Nil

7. GENERAL BUSINESS AND COMMITTEE REPORTS

7.1. DIRECTORATE REPORT - INFRASTRUCTURE SUSTAINABILITY

Discussion:

The Executive Director Infrastructure Sustainability tabled a presentation to the Committee, summarising the Directorate's areas of responsibility and overviewed the key strategic activity being undertaken. The presentation overviewed activities to mitigate risk across our large Asset portfolio and managing immediate and emerging risks related to fuel volatility.

The Committee commended South Gippsland Shire Council on their response and approach to the fuel crisis as one of the better approaches they have seen.

Actions:

Nil

7.2. ARC WORK PLAN

Discussion:

This report was taken as read.

Actions:

Nil

7.3. BI-ANNUAL CHAIR REPORT

Discussion:

This report was taken as read.

Actions:

Nil

7.4. REVIEW AUDIT AND RISK COMMITTEE MEETING PERFORMANCE

Discussion:

The Committee is satisfied with the meeting performance.

Actions:

Nil

8. OTHER BUSINESS

Other Business items for discussion - Update on Enterprise Agreement 2026.

Discussion:

The Executive Manager Culture and Capability provided an update on the Enterprise Agreement process.

The Committee congratulated management on the progress to date and would like to continue to receive updates.

Actions:

Updates to be provided as the process evolves.

9. MEETING CLOSED

NEXT MEETING

The next Audit & Risk Committee Meeting is scheduled to be held on 25th August 2026 at Korumburra Hub.

The meeting concluded at 11:17 am.

5.4. POLICY REVIEW: CUSTOMER COMPLAINT HANDLING POLICY (C106)

Directorate:	Empowering Communities
Department:	Community, Customer and Visitor

Council Plan

Theme - Leading with Integrity

Providing clear and consistent guidelines and a framework for customers to make complaints strengthens trust and communication with the community.

EXECUTIVE SUMMARY

The purpose of this report is for Council to consider endorsement of a revised *Customer Complaint Handling Policy (C106)* and approve its designation from an internal to a Council Policy.

RECOMMENDATION

That Council adopts the Customer Complaint Handling Policy 2026 (C106) (Attachment [5.4.1]) and designates it as a South Gippsland Shire Council Policy.

REPORT

The purpose of the *Customer Complaint Handling Policy (C106)* (the Policy) (**Attachment [5.4.1]**) is to provide a clear framework that:

- Supports customers to raise concerns around:
 - The quality of an action, decision or service provided by Council employees, volunteers or Council contractors;
 - A delay by a Council employee, volunteer or contractor in taking an action, making a decision or delivering a service;
 - A policy or decision made by the Council, Council employee, volunteer or contractor; and,
- Supports Council staff to categorise, consider and respond to customer complaints.

The Policy has been developed with consideration to the Victorian Ombudsman's *Councils and Complaints – A Good Practice Guide 2nd Edition (July 2021)*.

Proposed Amendments

The existing Policy (**Attachment [5.4.2]**) is designated a Chief Executive Officer Policy. This category of Policy is primarily internal facing, aimed at supporting

Council officers to conduct their duties. This report proposes redesignating the Policy to a Council Policy, to align it with other externally facing policies.

The primary changes to the revised Policy include:

- Inclusion of Section 5 – Specific Matters - this section provides information and advice to customers where the nature of their complaint may sit outside of standard reporting lines and require alternate pathways to resolution.
- Inclusion of Section 6 – Unreasonable Complaints - this section provides information and advice to customers on what may constitute unreasonable behaviour, and what actions Council may take if behaviour or conduct raises health, safety, resource or equity issues.
- Updated language to support customers who may experience access and inclusion barriers to make complaints.

CONSULTATION / COMMUNITY ENGAGEMENT

The Draft Policy has been reviewed by the Staff Consultative Committee, relevant internal teams delivering customer facing services and the Executive Leadership Team.

Council is required to have a Complaints Policy (s.107, *Local Government Act 2020*) and the Policy has been developed with consideration to the Victorian Ombudsman – *Councils and complaints, a good practice guide (2nd Edition)*. Council is not obliged under the Act to consult with the community prior to adopting or amending the Policy but does consider feedback provided by customers navigating the complaint process to review its processes.

RESOURCES / FINANCIAL VIABILITY

Nil

RISKS

Council is required to have a Complaints Policy (s.107, *Local Government Act 2020*). A reviewed Customer Complaints Handling Policy ensures Council can support customers to voice concerns and have an understanding of how those concerns will be managed and responded to.

STAFF DISCLOSURE

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

ATTACHMENTS

Attachments are available on Council's website at the following [LINK](#).

1. Customer Complaint Handling Policy (C106) - 21 October Council Meeting [5.4.1 - 9 pages]
2. Customer Complaint Handling Policy (CE73) - Previous Version - December 2021 [5.4.2 - 8 pages]

REFERENCE DOCUMENTS

Council's Good Governance Framework

Pillar 4. Structure, Systems & Policies

Pillar 5. Communications & Community Engagement

Council Policy / Strategy / Plans

Documents are available on Council's website at the following [LINK](#).

Complaint Handling Policy (CE73)

Legislative Provisions

Local Government Act 2020

Regional, State and National Plan and Policies

Nil

SOUTH GIPPSLAND SHIRE COUNCIL

COUNCIL POLICY



CUSTOMER COMPLAINT HANDLING POLICY

Policy No.	C106	Adoption Date:	Council Meeting <Date>	
Directorate:	Empowering Communities	Department:	Community, Customer & Visitor	
Revision Date:	<Date 2030>			
GOOD GOVERNANCE FRAMEWORK – OVERARCHING PRINCIPLES				
Supporting Pillar:	Pillar 1. Direction & Leadership Pillar 2. Culture & Behaviour Pillar 3. Decision Making Pillar 4. Structure, Systems & Policies Pillar 5. Communications & Community Engagement			
Link to Pillar:	This Policy aims to provide Customers, Council employees, Council volunteers, Council contractors and Councillors with a clear understanding of how complaints will be processed and managed.			

1. PURPOSE

- 1.1. The purpose of the *Customer Complaint Handling* (the Policy) is to provide a clear framework for how Council categorises, considers and responds to customer complaints.
- 1.2. This Policy has been developed to support community members to raise concerns and provide confidence that Council will be responsive, transparent and independent when handling complaints.
- 1.3. The Policy has been developed in line with the Victorian Ombudsman's *Councils and Complaints – A Good Practice Guide 2nd Edition (July 2021)*.

2. SCOPE

- 2.1. The Policy applies to all complaints made by members of the public - our customers - about Council services, Council employees and volunteers, Council contractors and decisions made at Council meetings.
- 2.2. The Policy does not apply to complaints about individual Councillors. Complaints relating to Councillors are addressed in the Councillor Code of Conduct.

3. POLICY PRINCIPLES

- 3.1. Council values community feedback and we encourage people to contact us when they have a problem with our services, actions, decisions, and policies. We are committed to:
 - 3.1.1. Ensuring members of the public can easily make complaints;
 - 3.1.2. Responding to, and acting to, resolve complaints as quickly as possible;

- 3.1.3. Learning from complaints to improve our services; and;
- 3.1.4. Assessing and treating every complaint we receive on its merits, through clear and consistent processes.

COMPLAINT TYPES

General Complaint

- 3.2. A complaint includes communication (verbal or written) to Council which expresses dissatisfaction about:
 - 3.2.1. The quality of an action, decision or service provided by Council employees, volunteers or Council contractors.
 - 3.2.2. A delay by a Council employee, volunteer or contractor in taking an action, making a decision or delivering a service.
 - 3.2.3. A policy or decision or action made by Council, Council employee, volunteer or contractor.

Service Request

- 3.3. A service request is not generally considered a complaint. One way to distinguish between a service request and a general complaint is to consider if the request is:
 - 3.3.1. Requesting something additional or new (service request).
 - 3.3.2. Reporting what is believed to be a failing or mistake (complaint).
 - 3.3.3. A complaint about Council's response to a service request (complaint).
- 3.4. Where a communication contains both a service request and a complaint, Council will appropriately record and address both aspects.

Statutory Complaints

- 3.5. Complaints that allege a breach of legislation need to be dealt with carefully and should in all cases be requested in writing and directed to the Manager or Executive Director of the service area.

Competitive Neutrality Complaints

- 3.6. A person or business may make a complaint if they consider that Council has failed to undertake competitive neutrality measures. Council's annual reporting outlines whether any competitive neutrality complaints were made to Council during the financial year.

Third-Party Complaints

- 3.7. A third-party complaint refers to a complaint received by Council which does not relate to Council operations. For example, a complaint made by a resident about a neighbourhood disturbance. Where possible, Council will advise the complainant how they can best resolve/direct their issue.

SPECIFIC MATTERS

- 3.8. Certain types of complaints are subject to different treatment than that outlined in the Policy. These types of complaints are generally treated differently as the standard reporting lines within Council do not apply.

- 3.9. Complaints of this nature will be acknowledged within 10 business days as per Council's *Customer Service Charter*, and the complainant notified of the specific process that these complaints are required to follow.
- 3.10. Council maintains procedures for the management of specific matters, which include relevant statutory requirements.
- 3.11. Specific matters include complaints that involve the following;
- 3.11.1. about individual Councillors;
 - 3.11.2. received by Councillors;
 - 3.11.3. about the Chief Executive Officer;
 - 3.11.4. about decisions made at constituted Council meetings;
 - 3.11.5. otherwise subject to statutory review;
 - 3.11.6. about contractors;
 - 3.11.7. regarding a claim;
 - 3.11.8. regarding a breach of the Information Privacy Principles;
 - 3.11.9. regarding a breach of the Health Privacy Principles;
 - 3.11.10. about fraud, corruption or improper conduct;
 - 3.11.11. about named Council employees or volunteers;
 - 3.11.12. about a named Executive Director;
 - 3.11.13. about child safety or wellbeing concerns; and
 - 3.11.14. by children and young people other than child safety and wellbeing complaints.

UNREASONABLE COMPLAINTS

- 3.12. Council understands that generally people who make complaints are disappointed and may be angry because they may have been impacted through no fault of their own. Others may feel they have been treated unfairly or disproportionately without reasonable explanation or may have been given incorrect information or advice that they relied on. Many people who make complaints engage productively with the systems, processes and people with whom they are interacting. Sometimes however a person's behaviour is or becomes unreasonable.
- 3.13. Council does not expect its employees, Councillors, volunteers or contractors to tolerate behaviour that is offensive, abusive, threatening, harassing or consumes disproportionate resources. Council may change the way we communicate with customers where their behaviour or conduct raises health, safety, resource or equity issues for employees involved in the complaints process.
- 3.14. These changes may include:
- 3.14.1. **Who you can contact** - in some cases it may be appropriate to restrict access to a single employee (a case manager). This employee will manage the complaint(s) and the customers' interactions. This will ensure customers are dealt with consistently and effectively and will minimise the chances for misunderstandings or contradictions.

- 3.14.2. **What you can raise** - if a customer is unreasonable and persists with issues that have already been comprehensively considered and/or reviewed in line with this policy, restrictions may be applied to the issues/matters you can raise with us.
- 3.14.3. **When and how you can have contact** - a customer's telephone, written or face-to-face contact with us may place an unreasonable demand on time or resources because it affects the health, safety and security of employees and it may also be behaviour that is persistently rude, threatening, abusive or aggressive. We may limit when or how a customer can interact with us.
- 3.14.4. **Access to services or facilities** - Council reserves the right to deny access to services or facilities offered by Council if a customers' behaviour causes unacceptable health and safety risk to other customers, Council employees or contractors.

3.15. In all cases we will advise the customer of the actions we will take and the reasons for our decisions.

MISCONDUCT OR ILLEGALITY

- 3.16. Some complaints will extend beyond a customer's general dissatisfaction with Council and may involve accusations of misconduct or alleged illegal activity.
- 3.17. Complaints claiming criminal activity by an Officer, Councillor or to Council property will be assigned to the appropriate Manager for investigation and reported to Victoria Police, where necessary. If the matter is posing a risk to the community, it will be advised that the complainant go directly to Victoria Police.
- 3.18. Council will follow the principles of transparency and accountability. Disclosures which reveal corrupt, improper conduct or conduct involving a risk to public safety or the environment may need to be treated as a Protected Disclosure.

COMPLAINT PROCESS

3.19. Any member of the public can make a complaint. Complaints can be made by:

- **Telephone:** Customer Service Team: (03) 5662 9200 (after hours calls will be directed to Council's after-hours service).
- **Online:** www.southgippsland.vic.gov.au via our complaints form located in the Contact Us section of Council's website.
- **Email:** council@southgippsland.vic.gov.au.
- **Mail:** South Gippsland Shire Council, Private Bag 4, Leongatha VIC 3953.
- **In Person:** South Gippsland Shire Council offices, 9 Smith Street, Leongatha.

3.20. Information to include when making a complaint:

- **Name and contact details:** while you can remain anonymous this may limit how Council responds to you.
- **Identify the action, decision, service or policy:** you wish to make a complaint about and why you are dissatisfied.

- **Give relevant details:** such as dates, times, location or reference numbers, and documents that support your complaint.
 - The outcome you are seeking by making your complaint.
 - Whether you have any communication needs.
- 3.21. We are committed to ensuring our complaints process is accessible to everyone. Please tell us if you have specific communication needs or barriers, and we will endeavour to assist you. Services available to assist include:
- 3.21.1. Using an assistance service such as an interpreter or TTY (Teletype) or RTT (Real Time Text).
- 3.21.2. Talking with you if you have trouble reading or writing.
- 3.21.3. Communicating with another person acting on your behalf if you cannot make the complaint yourself.
- 3.22. When a complaint is submitted to Council, the customer will be provided with a request number. Council aims to record and acknowledge your complaint within ten business days. The complaint will be assessed and triaged and more information may be requested to best respond and action your complaint.
- 3.23. After this initial assessment, Council may:
- 3.23.1. Take direct action to resolve your complaint; or
- 3.23.2. Refer your complaint to the relevant team or Manager for investigation; or
- 3.23.3. Decline to deal with your complaint if you have a right to statutory review of your complaint through the relevant external body.
- 3.24. Council takes a four-tiered approach to complaint handling as follows:
- 3.24.1. **Frontline resolution:** Where possible, Council will attempt to resolve the complaint at the time you make your first contact.
- 3.24.2. **Investigation, if required:** If Council cannot resolve your complaint quickly it will be referred to the relevant team or Manager to investigate, and a contact name will be provided. Council aim to complete investigations within 28 calendar days and will inform of any delays beyond this. Council will inform you of the outcome and provide an explanation for this outcome.
- 3.24.3. **Internal review:** If you are dissatisfied with the decision and how it has been responded to, a request for an internal review can be made. The internal review will be conducted within 28 calendar days from receipt of the internal review request. The review will be conducted by a Council officer who has not had any prior involvement in your complaint.
- 3.24.4. **External review:** If the complaint is still unable to be resolved, you can seek support from an external body to resolve the complaint. You can request an external review from the following organisations.

Complaint	External Review Contacts
Actions or decisions of a Council, Council employees, volunteers and contractors.	Victorian Ombudsman www.ombudsman.vic.gov.au

Complaint	External Review Contacts
This includes failure to consider human rights or failure to act compatibly with a human right under the Charter of Human Rights and Responsibilities Act 2006 (Vic)	
Breaches of the Local Government Act 2020	Local Government Inspectorate www.lgi.vic.gov.au
Breach of Privacy Complaint about freedom of information application	Office of the Victorian Information Commission www.ovic.vic.gov.au
Corruption or public interest disclosure (whistleblower) complaints	Independent Broad based Anti-corruption Commission www.ibac.vic.gov.au
Discrimination	Victorian Human Rights and Equal Opportunity Commission www.humanrights.vic.gov.au
Council Elections	Victorian Electoral Commission www.vec.vic.gov.au

WHAT WE DO WITH COMPLAINT INFORMATION AND DATA

- 3.25. Complaints from people who use or are affected by Council services provide valuable data and insights.
- 3.26. Council regularly analyses and reviews complaint data to identify trends, training needs and potential issues that require further attention. Information is often used to develop solutions that improve service delivery.
- 3.27. Council is open and transparent about complaints received, and the actions taken to resolve them. Our complaint data is published in Council's Annual Report which is available on our website.
- 3.28. Council keeps personal information secure. Council use personal information to respond to the complaint and to improve services that relate to the complaint.
- 3.29. Where Council publishes complaint data, personal information is removed.
- 3.30. Anonymity - Council understands that community members may have a valid reason for not wanting to disclose their identity. Council accepts and will respond to anonymous complaints - provided enough information to respond is provided. If the complaint does not provide enough information to respond directly council will record and analyse the complaint for service improvement.

4. RISK ASSESSMENT

This Policy mitigates Council's risks as described below:

People

- 4.1. The Policy aims to provide Council employees, volunteers, Councillors and Customers with a clear understanding of how complaints will be handled and processed. It provides clear expectations for people.

Reputational

- 4.2. The Policy provides Council with a framework to conduct Complaint Handling with an open, transparent and consistent approach.

Financial

- 4.3. The Policy mitigates risk of inconsistent or incorrect handling of complaints which could result in legal action and associated costs.

Governance

- 4.4. The Policy outlines and refers to relevant legislation that intersects with the Customer Complaint Handling process. This Policy was informed by the *Victorian Ombudsman's Councils and Complaints – a Good Practice Guide (July 2021)*.

Business Continuity

- 4.5. Noncompliance with the Policy risks Council not handling complaints consistently, in an open and transparent manner, and not treating everyone involved fairly and objectively. There is also the risk of missing an opportunity for continuous improvement.

5. IMPLEMENTATION STATEMENT**Human Rights Charter**

- 5.1. This Policy has considered the Charter of *Human Rights and Responsibilities Act 2006*.

Gender Equality

- 5.2. This Policy has considered the *Gender Equality Act 2020* in its development.

Roles and Responsibilities

- 5.3. Council is committed to providing a high-quality service to its community members. All Council employees, Councillors and Council contractors are responsible for understanding and contributing to our complaints process and abiding by Council's *Employee Code of Conduct (CE20)*.

Role	Responsibilities
Chief Executive Officer	<ul style="list-style-type: none"> Promoting positive behaviours and practices Victorian Ombudsman's Councils and Complaints – A Good Practice Guide (2021) relating to enabling, responding to and learning from complaints. Reviewing and publishing complaint data.
Senior Leaders and Managers	<ul style="list-style-type: none"> Recruiting, training and empowering staff to resolve complaints promptly and in accordance with the Council's policies and procedures. Managing conflicts of interest in the complaint process. Reporting on and identifying improvements from complaint data and feedback. Supporting staff who deal with complaints.
All Council Employees	<ul style="list-style-type: none"> Familiarising themselves with this Policy and the Council's complaint process. Assisting members of the public to make a complaint.

	<ul style="list-style-type: none"> Treating members of the public respectfully and professionally.
Councillors	<ul style="list-style-type: none"> Familiarising themselves with this Policy and the Council's complaint process. Referring complaints to Council employees to be dealt with in accordance with our processes.
Contractors	<ul style="list-style-type: none"> Familiarising themselves with this Policy and the Council's complaint process. Cooperating with the Council's complaint handling processes.
Community Members	<ul style="list-style-type: none"> Community Members have a responsibility to conduct themselves in an appropriate manner with courtesy and respect to Council staff and Councillors who are dealing with their enquiry.

6. MONITORING, EVALUATION AND REVIEW

6.1. This Policy will be reviewed and adopted by Council on a four-year cycle.

6.2. Policies may be reviewed earlier than a four-year cycle if legislative provisions, Industry or organisation requirements change.

7. REFERENCE DOCUMENTS

Legislative Provisions	Charter of Human Rights and Responsibilities Act 2006 Freedom of Information Act 1982 Gender Equality Act 2020 Independent Broad-based Anti-corruption Commission Act 2011 Local Government Act 1989 Local Government Act 2020 Occupational Health and Safety Act 2004 Protected Disclosure Act 2012 Privacy and Data Protection Act 2014
Council Supporting Documents	Model Code of Conduct Employee Code of Conduct (CE20) Customer Service Charter
Related External Documents (<i>optional</i>)	Victorian Ombudsman's Councils and Complaints – a Good Practice Guide (July 2021)

8. DEFINITIONS

Complaint	A formal expression of dissatisfaction with a specific action or service by Council, including the failure to comply with the Customer Service Charter, policies or applicable legislation.
Complainant	Person or entity affected by the action or inaction of Council.
Feedback	Positive or negative reactions or comments about a product, service or experience.
First Point of Contact	Person or department serving as the focal point of information for the community.
Frontline Staff	Contact person who the complainant deals with to express their complaint.

Reasonable	A complaint (or complainant) would not be reasonable if its nature is overly frequent, and/or raises substantial health, safety, equity or resource issues for Council, Council Staff or any community members.
Council Operations	Refers to all Council services, activities, processes, policies, buildings, employees and contractors.
Protected Disclosure	A specific class of Compliant (governed by the Protected Disclosure Act 2012) that requires a high level of confidentiality and protection of the complainant.
Request for Service	Refers to a request by a customer for a particular Council service.
Third Party	Refers to any person, activity or object not connected in any way with Council.

9. REVISION HISTORY

Approved By	Approval Date	Sections Modified	CM9 Ref#
<i>ELT Meeting</i>	<i>ELT Meeting 22 February 2018</i>	<i>New Policy</i>	<i>D2146618</i>
<i>ELT Meeting</i>	<i>ELT Meeting 23 December 2021</i>	<i>Review</i>	<i>D12233821</i>
<i>Council Meeting</i>	<i><Date></i>	<i>Major review of Policy and transitioned from an Internal CEO Policy to a Council Policy</i>	<i><Ref></i>

10. ATTACHMENT SUMMARY

Nil

SOUTH GIPPSLAND SHIRE COUNCIL

CHIEF EXECUTIVE POLICY



COMPLAINT HANDLING POLICY

Policy No.	CE73	Adoption Date:	ELT Meeting 23 December 2021
Revision Date:	December 2025		
Directorate:	Performance & Innovation	Department:	Customer, Communications & Advocacy
Kerryn Ellis Chief Executive Officer			
GOOD GOVERNANCE FRAMEWORK – OVERARCHING PRINCIPLES			
Supporting Pillar:	Pillar 4 - Structure, Systems & Policies		
Link to Pillar:	This Policy aims to provide Council Staff, Contractors, Councillors and Customers with a clear understanding of how complaints will be handled and processed. It provides clear expectations for people.		

1. PURPOSE

- 1.1. The purpose of the *Complaint Handling Policy (CE73)* (the Policy) is to outline the framework for how Council determines and deals with customer complaints.
- 1.2. Council is committed to providing excellent service and maintaining a good relationship with all members of our community. Community members have the right to make a complaint and Council welcomes and encourages feedback. The Policy aims to ensure that community members are able to raise their concerns easily and that they have confidence that Council will be responsive, handle complaints in an open and transparent manner and remain independent at all times.
- 1.3. This Policy is based on the *Victorian Ombudsman's Councils and Complaints – A Good Practice Guide (July 2021)*.

2. SCOPE

- 2.1. This Policy applies to all complaints from members of the public about Council services, Council staff and volunteers, Council contractors and decisions made at Council Meetings.
- 2.2. This Policy does not apply to complaints about individual Councillors.



3. POLICY PRINCIPLES

- 3.1. Council values community feedback and we encourage people to contact us when they have a problem with our services, actions, decisions, and policies.
- 3.2. We are committed to:
 - 3.2.1. Ensuring members of the public can easily make complaints;
 - 3.2.2. Responding to, and acting to, resolve complaints as quickly as possible;
 - 3.2.3. Learning from complaints to improve our services; and
 - 3.2.4. Assessing and treating every complaint we receive on its merits, through clear and consistent processes.

General complaint

- 3.3. A complaint includes a communication (verbal or written) to the Council which expresses dissatisfaction about:
 - 3.3.1. The quality of an action, decision or service provided by Council staff or Council contractor.
 - 3.3.2. A delay by Council staff or a Council contractor in taking an action, making a decision or delivering a service.
 - 3.3.3. A policy or decision made by the Council, Council staff or a Council contractor.

Statutory Complaints

- 3.4. Complaints that allege a breach of legislation need to be dealt with carefully and should in all cases be requested in writing and directed to the Manager or Director of the service area.

Competitive Neutrality Complaints

- 3.5. A person or business may make a complaint if they consider that Council has failed to undertake competitive neutrality measures. Council's annual reporting outlines whether any competitive neutrality complaints were made to Council during the financial year.

Third Party Complaints

- 3.6. A third-party complaint refers to a complaint received by Council which does not relate to Council operations. For example: a complaint made by a resident about a neighbourhood disturbance.
- 3.7. Where possible, Council will advise the complainant how they can best resolve/direct their issue.

Complaints against Councillors

- 3.8. This Policy does not relate to complaints about individual Councillors. Councillor conduct is dealt with under Part VI of the *Local Government Act 2020*.



- 3.9. A complaint against a Councillor is to be referred to the Mayor and Chief Executive Officer (CEO). A Complaint against the Mayor is to be referred to the Deputy Mayor and CEO.
- 3.10. If the complaint is reasonable, the CEO and appropriate Manager will investigate and may request more information. The complaint may need to be reported to an external agency or considered in accordance with appropriate legislation.
- 3.11. The CEO, Mayor or Deputy Mayor and appropriate Manager will inform the concerned Councillor and may meet with them to assist their investigation.

Misconduct or illegality

- 3.12. Some complaints will extend beyond a customer's general dissatisfaction with Council and may involve accusations of misconduct or alleged illegal activity.
- 3.13. Complaints claiming criminal activity by an Officer, Councillor or to Council property will be assigned to the appropriate Manager for investigation and reported to Victoria Police, where necessary. If the matter is posing a risk to the community, it will be advised that the complaint go directly to Victoria Police.
- 3.14. Council will follow the principles of transparency and accountability. Disclosures, which reveal corrupt, improper conduct, or conduct involving a risk to public safety or the environment; may need to be treated as a Protected Disclosure.

A Service Request is not a complaint

- 3.15. A service request is not a complaint. One way to distinguish between the two is to consider if the customer is:
 - 3.15.1. Requesting something additional or new (service request).
 - 3.15.2. Reporting what they believe to be a failing or mistake (complaint).
 - 3.15.3. Complaining about Council's response to a service request (complaint).
- 3.16. In order to make this distinction, we may need to ask the customer questions to determine if they would like to make a complaint, request a service, or do both. Here are some examples:
 - 3.16.1. You haven't sent out my rates notice (complaining that Council didn't provide a service)
 - 3.16.2. Can you tell me when my next rates payment is due? (service request)

4. PROCEDURE

How to Make a Complaint

- 4.1. Any member of the public can make a complaint. Complaints can be made by:
 - 4.1.1. **Telephone:** Customer Service Team - 03 5662 9200 (after hours calls will be directed to Council's after-hours service)



- 4.1.2. **Online:** www.southgippsland.vic.gov.au – via our complaints form located in Contact Us
- 4.1.3. **Email:** council@southgippsland.vic.gov.au
- 4.1.4. **Mail:** South Gippsland Shire Council, Private Bag 4, Leongatha VIC 3953
- 4.1.5. **In Person:** South Gippsland Shire Council Office at 9 Smith Street, Leongatha.
- 4.2. Information that is helpful to include in a complaint:
 - 4.2.1. Name and contact details, you can remain anonymous; however, this may limit how Council responds to you.
 - 4.2.2. Identify the action, decision, service or policy you are complaining about and why you are dissatisfied.
 - 4.2.3. Give relevant details, such as dates, times, location or reference numbers, and documents that support your complaint.
 - 4.2.4. The outcome you seeking from making your complaint.
 - 4.2.5. Whether you have any communication needs.
- 4.3. We are committed to ensuring our complaints process is accessible to everyone. Tell us if you have specific communication needs or barriers, and we can assist you by:
 - 4.3.1. Using an assistance service, such as an interpreter or TTY.
 - 4.3.2. Talking with you if you have trouble reading or writing.
 - 4.3.3. Communication with another person acting on your behalf if you cannot make the complaint yourself.

Complaints Process

- 4.4. When a complaint is submitted to Council, the complainant will be provided with a request number. Council aims to record and acknowledge your complaint within ten business days. The complaint will be assessed and triaged, more information may be requested in order to best respond and action your complaint.
- 4.5. After this initial assessment, Council may:
 - 4.5.1. Take direct action to resolve your complaint.
 - 4.5.2. Refer your complaint to the relevant team or Manager for investigation.
 - 4.5.3. Decline to deal with your complaint if you have the right to a statutory review of your complaint (such as a right to appeal to VCAT).
- 4.6. Council takes a four- tiered approach to complaint handling as follows:
 - 4.6.1. **Frontline resolution:** Where possible, Council will attempt to resolve the complaint at the time you make first contact. For example, Council may be able to record your complaint and provide you with the service request, such as arranging for your bin to be collected (if this was your complaint).



- 4.6.2. **Investigation, if required:** If Council cannot resolve your complaint quickly it will be referred to the relevant team or Manager to investigate, and a contact name will be provided. Council aim to complete investigations within 28 calendar days, and will inform of any delays beyond this. Council will inform the outcome and provide an explanation for this outcome.
- 4.6.3. **Internal review:** If you are dissatisfied with the decision and how it has been responded, a request for an internal review can be made. The internal review will be conducted within 28 calendar days from receipt of the internal review request. The review will be conducted by a senior Council officer who has not had any prior involvement in your complaint.
- 4.6.4. **External review:** If the complaint is still unable to be resolved, you can seek support from an external body to resolve the complaint. You can request an external review from the following organisations:

Complaint	External Review Contacts
Actions or decisions of a Council, Council Staff and contractors This includes failure to consider human rights or failure to act compatibly with a human right under the <i>Charter of Human Rights and Responsibilities Act 2006 (Vic)</i>	Victorian Ombudsman www.ombudsman.vic.gov.au
Breaches of the <i>Local Government Act 2020</i>	Local Government Inspectorate www.lgi.vic.gov.au
Breach of Privacy Complaint about freedom of information application	Office of the Victorian Information Commission www.ovic.vic.gov.au
Corruption or public interest disclosure (whistleblower) complaints	Independent Broad-based Anti-corruption Commission www.ibac.vic.gov.au
Discrimination	Victorian Human Rights and Equal Opportunity Commission www.humanrights.vic.gov.au
Council Elections	Victorian Electoral Commission www.vec.vic.gov.au

How Council learns from complaints and report on them

- 4.7. Complaints from people who use or who are affected by Council services provide valuable feedback.
- 4.8. Council regularly analyse and review complaint data to identify trends, training needs and potential issues that deserve further attention. The information is used to come up with solutions about how to improve services.



- 4.9. Council are open and transparent about complaints received, and the actions taken to resolve them. Our complaint data is published in Council's Annual Report, which is available on our website.

Complainant Privacy

- 4.10. Council keep personal information secure. Council use personal information to respond to the complaint and to improve services that relate to the complaint.
- 4.11. Where Council publish complaint data, personal information is removed.

Anonymous Complaints

- 4.12. Council understands that community members may have a valid reason for not wanting to disclose their identity. Council accepts and will respond to anonymous complaints, provided that enough information is included in the complaint.
- 4.13. Council is unable to respond to a complaint if the complainant does not disclose their identity and contact details. Council will; however, record and analyse the complaint for service improvement.

5. RISK ASSESSMENT

This Policy mitigates Council's risks as described below:

People

- 5.1. This Policy aims to provide Council Staff, Contractors, Councillors and Customers with a clear understanding of how complaints will be handled and processed. It provides clear expectations for people.

Reputational

- 5.2. This Policy provides council with a framework to conduct Complaint Handling with an open, transparent and consistent approach.

Financial

- 5.3. This Policy mitigates risk of inconsistent or incorrect handling of complaints which could result in legal action and associated costs.

Governance

- 5.4. This Policy outlines and refers to relevant legislation that intersects with the Complaint Handling process. This Policy was informed by the *Victorian Ombudsman's Councils and Complaints – A Good Practice Guide (July 2021)*.

6. IMPLEMENTATION STATEMENT

Human Rights Charter

- 6.1. This Policy has considered the *Charter of Human Rights and Responsibilities Act 2006* in its development.

Gender Equality

- 6.2. This Policy has considered the *Gender Equality Act 2020* in its development.



Roles and Responsibilities

- 6.3. Council is committed to providing a high-quality service to its community members. All Council Staff, Councillors and Council contractors are responsible for understanding and contributing to our complaints process, and abiding by our Code of Conduct.

Role	Responsibilities
Chief Executive Officer	<ul style="list-style-type: none"> Promoting positive behaviours and practices relating to enabling, responding to and learning from complaints. Supporting service improvements that arise from complaints. Reviewing and publishing complaint data.
Senior Leaders and Managers	<ul style="list-style-type: none"> Recruiting, training and empowering staff to resolve complaints promptly and in accordance with the Council's policies and procedures. Managing conflicts of interest in the complaint process. Reporting on and identifying improvements from complaint data and feedback. Supporting staff who deal with complaints.
All Council Staff	<ul style="list-style-type: none"> Familiarising themselves with this Policy and the Council's complaint process. Assisting members of the public to make a complaint. Treating members of the public respectfully and professionally.
Councillors	<ul style="list-style-type: none"> Familiarising themselves with this Policy and the Council's complaint process. Referring complaints to Council staff to be dealt with in accordance with our processes.
Contractors	<ul style="list-style-type: none"> Familiarising themselves with this Policy and the Council's complaint process. Cooperating with the Council's complaint handling processes.
Community Members	<ul style="list-style-type: none"> Community Members have a responsibility to conduct themselves in an appropriate manner with courtesy and respect to Council staff and Councillors who are dealing with their enquiry.

Non-compliance with this Policy

- 6.4. Non-compliance with this Policy risks Council not handling complaints consistently, in an open and transparent manner, and not treating everyone involved fairly and objectively. There is also the risk of missing an opportunity for continuous improvement.

7. MONITORING, EVALUATION AND REVIEW

- 7.1. This Policy will be reviewed and adopted by Council on a four-year cycle.

Complaint Handling Policy (CE73)

Adoption Date: ELT Meeting 23 December 2021

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8. REFERENCE DOCUMENTS

Legislative Provisions	<i>Charter of Human Rights and Responsibilities Act 2006</i> <i>Gender Equality Act 2020</i> <i>Freedom of Information Act 1982</i> <i>Independent Broad-based Anti-corruption Commission Act 2011</i> <i>Local Government Act 1989</i> <i>Local Government Act 2020</i> <i>Occupational Health and Safety Act 2004</i> <i>Protected Disclosure Act 2012</i> <i>Privacy and Data Protection Act 2014</i>
Council Supporting Documents	Councillor Code of Conduct (C14) Staff Code of Conduct (CE20) Customer Service Charter

9. DEFINITIONS

Complaint	A formal expression of dissatisfaction with a specific action or service by Council, including the failure to comply with the Customer Service Charter, policies or applicable legislation.
Complainant	Person or entity affected by the action or inaction of Council.
Feedback	Positive or negative reactions or comments about a product, service or experience.
First Point of Contact	Person or department serving as the focal point of information for the community.
Frontline Staff	Contact person who the complainant deals with to express their complaint.
Reasonable	A complaint (or complainant) would not be reasonable if its nature is overly frequent, and/or raises substantial health, safety, equity or resource issues for Council, Council Staff or any community members.
Council Operations	Refers to all Council services, activities, processes, policies, buildings, employees and contractors.
Customer/s	Any party that contacts Council.
Protected Disclosure	A specific class of Compliant (governed by the <i>Protected Disclosure Act 2012</i>) that requires a high level of confidentiality and protection of the complainant.
Request for Service	Refers to a request by a customer for a particular Council service.
Third Party	Refers to any person, activity or object not connected in any way with Council.

10. REVISION HISTORY

Version	Approved By	Approval Date	Sections Modified	CM9 Ref#
1.0	ELT Meeting	22 February 2018	New Policy	D2146618
1.1	ELT Meeting	23 December 2021	Review	D12233821

5.5. INSTRUMENT OF DELEGATION - S6 COUNCIL TO MEMBERS OF STAFF - JUNE 2026 - COMMUNITY HEALTH AND SAFETY

Directorate:	Strategy and Integrity
Department:	Governance and Integrity

Council Plan

Objective - Leading with Integrity

Council's governance is strengthened by maintaining currency in the delegations and authorisations to Officers, so they can undertake the functions they are required to perform on behalf of Council.

EXECUTIVE SUMMARY

The purpose of this report is to recommend that Council adopts an updated S6 Instrument of Delegation - Council to Members of Staff – October 2026 (**Attachment [5.5.1]**).

RECOMMENDATION

That Council resolves that, in the exercise of the powers conferred by s.11(1) of the *Local Government Act 2020* and the other legislation referred to in the attached S6 Instrument of Delegation - Council to Members of Staff (Attachment [5.5.1]**):**

- 1. Members of Council staff holding, acting in or performing the duties of the officers or positions referred to in (**Attachment [5.5.1]**) be delegated with the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument of Delegation;**
- 2. The Chief Executive Officer is authorised to sign the S6 Instrument of Delegation (**Attachment [5.5.1]**), to come into force immediately upon signing;**
- 3. Upon this Instrument of Delegation (**Attachment [5.5.1]**) coming into force, all previous delegations from Council to members of Council staff (other than the Instrument of Delegation to the Chief Executive Officer) are revoked; and**
- 4. The duties and functions set out in the Instrument of Delegation (**Attachment [5.5.1]**) must be performed by Council officers delegated to do so, and the powers set out in the Instrument of Delegation must be executed by them, in accordance with any guidelines or policies that Council may adopt.**

REPORT

The allocation of delegations to the Chief Executive Officer (CEO) or other employees contributes to the effective functioning of Council. It is important to update delegations to reflect changes in personnel / legislation and improvements recommended by legal advisors to ensure decisions made are valid.

The S6 Instrument of Delegation - Council to Members of Staff – October 2026 (**Attachment [5.5.1]**) has been reviewed and updated to reflect revised Council officer positions in line with the organisational changes in the Community Health and Safety Services.

It is a requirement under the Act that Council endorse the updated S6 Instrument of Delegation - Council to Members of Staff (**Attachment [5.5.1]**) by resolution of Council.

The current version of the Instrument of Delegation has been in place since 16 September 2026 and will be revoked as per Part 3 of the above recommendation.

CONSULTATION / COMMUNITY ENGAGEMENT

Nil

RESOURCES / FINANCIAL VIABILITY

Nil

RISKS

Failure to update an Instrument of Delegation could result in the decisions of delegated Officers being declared invalid or unenforceable.

STAFF DISCLOSURE

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

ATTACHMENTS

Due to file size limitations, attachments for this item are available in a separate document accompanying this agenda.

1. S 6 - Instrument of Delegation - Members of Staff - 21 October 2026 [**5.5.1** - 249 pages]

REFERENCE DOCUMENTS

Council's Good Governance Framework

Pillar 7. Risk & Compliance

Council Policy / Strategy / Plans

Documents are available on Council's website at the following [LINK](#).

Governance Rules (C82)

Legislative Provisions

Local Government Act 2020

Regional, State and National Plan and Policies

Nil

5.6. SUMMARY OF STRATEGIC BRIEFINGS FROM 1 AUGUST 2026 TO 31 AUGUST 2026

Directorate:	Strategy and Integrity
Department:	Governance and Integrity

Council Plan

Theme - Leading with Integrity

Council's transparency and governance is strengthened by regularly reporting on summaries of briefings held that assist Council to make informed decisions in Council Meetings on behalf of the community.

EXECUTIVE SUMMARY

The purpose of this report to Council is to provide a summary of the information presented to Councillors between 1 August 2026 and 31 August 2026.

This aligns with the principles of the *Local Government Act 2020* and supports transparency around Council decisions and actions.

RECOMMENDATION

That Council receives and notes this report, the Summary of Strategic Briefings from 1 August 2026 to 31 August 2026.

REPORT

Meeting Title	Details
Wednesday 5 August 2026	
Audit and Risk Committee Biannual Chair Report – January to June 2026	<p>Councillor Attending</p> <p>John Schelling, Sarah Gilligan, Brad Snell, Clare Williams, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay</p> <p>Apology: Nil Conflict of Interest: Nil</p>
Planning – Monthly Briefing – August 2026	<p>Councillor Attending</p> <p>John Schelling, Sarah Gilligan, Brad Snell, Clare Williams, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay</p> <p>Apology: Nil</p>

	Conflict of Interest: Nil
Commercial Lease Update	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Clare Williams, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Nil Conflict of Interest: Nil
2025/26 Capital Works Program including Proposed 2026/27 Carry Forwards	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Clare Williams Conflict of Interest: Clare Williams
2027 Advocacy Priorities Workshop One	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Clare Williams Conflict of Interest: Nil
Expression of Interest to Present to Council <ul style="list-style-type: none"> • Arts Advisory Committee Activities Presentation • RSL Leongatha Update 	Councillor Attending John Schelling, Brad Snell, Bron Beach, Nathan Hersey, Scott Rae and Steve Finlay Apology: Clare Williams, Sarah Gilligan, John Kennedy Conflict of Interest: Nil
Wednesday 12 August 2026	
DEECA Coastal Funding Update	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Clare Williams, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Nil Conflict of Interest: Nil

Aquatics Discussion	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Clare Williams, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Nil Conflict of Interest: Nil
Parking Infringement Fees	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Clare Williams Conflict of Interest: Nil
Policy Review Update: Suite of Governance Policies	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Clare Williams Conflict of Interest: Nil
Local Government Amendment Bill – Stronger Communities 2026 Update	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Clare Williams Conflict of Interest: Nil
Wednesday 19 August 2026	
2027 Advocacy Priorities Workshop Two	Councillor Attending John Schelling, Sarah Gilligan, Brad Snell, Clare Williams, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay Apology: Nil Conflict of Interest: Nil
Youth Program – Annual Highlights	Councillor Attending

	<p>John Schelling, Sarah Gilligan, Brad Snell, Clare Williams, Bron Beach, Nathan Hersey, Scott Rae, John Kennedy and Steve Finlay</p> <p>Apology: Nil</p> <p>Conflict of Interest: Nil</p>
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STAFF DISCLOSURE

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

ATTACHMENTS

Nil

REFERENCE DOCUMENTS

Council's Good Governance Framework

Pillar 3. Decision Making

Council Policy / Strategy / Plans

Documents are available on Council's website at the following [LINK](#).

Public Transparency Policy (C75)

Legislative Provisions

Local Government Act 2020

5.7. DOCUMENTS SEALED, CONTRACTS VARIED, AWARDED OR EXTENDED BY THE CEO - 1 AUGUST 2026 - 31 AUGUST 2026

Directorate:	Strategy and Integrity
Department:	Governance and Integrity

Council Plan

Theme - Leading with Integrity

Council's transparency of financial decisions made and overall financial sustainability is strengthened by regularly reporting on documents sealed, contracts awarded, varied or extended under the CEO's delegation.

EXECUTIVE SUMMARY

The purpose of this report to Council is to document the following actions undertaken by the Chief Executive Officer (CEO) which occurred during the period 1 August 2026 to 31 August 2026. Council's *Procurement Policy (C32)*, *General Local Law 2024* and *Planning and Environment Act 1987* requires the CEO to report to Council any of the following actions undertaken to the next appropriate Meeting:

- Documents sealed;
- Contracts awarded by Council after a public tender process;
- Contracts awarded after a public tender process within the CEO's delegation; and
- Contract variations approved by the CEO above contingency.

RECOMMENDATION

That Council receives and notes this report Documents Sealed, Contracts Varied, Awarded or Extended by CEO from 1 August 2026 to 31 August 2026 being:

1. Documents Sealed

- a. Nil

2. Contracts awarded by Council after a public tender process:

- a. Nil

3. Contracts awarded after a public tender process within the CEO's delegation:

- a. **CON/470 for the Design and Construction of Pedestrian Bridge RTB0001 on Great Southern Rail Trail awarded to Jarvis Norwood**

Constructions Pty Ltd for a Lump Sum of \$405,000 ex GST, signed by CEO 7 August 2026.

- b. CON/469 for the Panel of Suppliers for Wet Hire Plant and Equipment awarded on a Schedule of Rates basis to:**
 - i. CON/469-A – EcoProjects Australia Pty Ltd, signed by CEO 11 August 2026;**
 - ii. CON/469-B - ACE Earthmoving (Victoria) Pty Ltd, signed by CEO 10 August 2026;**
 - iii. CON/469-C - Zurma Building Group Pty Ltd, trading as Zurma EarthworX, signed by CEO 11 August 2026;**
 - iv. CON/469-D - Gator's Contracting Pty Ltd, signed by CEO 13 August 2026;**
 - v. CON/469-E - Hugh Patrick Pty Ltd, trading as BJs Earthmoving, signed by CEO 6 August 2026;**
 - vi. CON/469-F – David Harris Earthmoving Pty Ltd, signed by CEO 10 August 2026;**
 - vii. CON/469-G – KR & SL Whyte, trading as Whyte's Earthmoving, signed by CEO 10 August 2026;**
 - viii. CON/469-H – Dowel Earthworks Pty Ltd, signed by CEO 11 August 2026;**
 - ix. CON/469-I – G&K Newton, signed by CEO 10 August 2026;**
 - x. CON/469-J - C & D Earthworks Pty Ltd, signed by CEO 7 August 2026; and**
 - xi. CON/469-K – Pipe Doctor Australia Pty Ltd, signed by CEO 24 August 2026.**
 - c. CON/459 for the Provision of Microsoft Licensing, awarded to Crayon Australia Pty Ltd for an annual lump of \$322,250 ex GST, plus Schedule of Rates items, signed by CEO 21 August 2026.**
- 4. Contract variations approved by the CEO above contingency:**
- a. Nil**
- 5. Contract Extensions approved by the CEO:**
- a. Nil**

REPORT

Under the *Local Government Act 2020* (the Act), section 14 states that each Council is a body corporate with perpetual succession; and must have a common seal. Sealing a document makes it an official document of Council as a corporate body. Documents that require sealing include agreements, leases or any other contractual or legally binding document that binds Council to another party.

Use of the *General Local Law 2024*, Part 5 - Administration, clause 65 – Common Seal of Council, states that if the Chief Executive Officer (CEO) uses the Common Seal in a manner described by sub-clause (5), this means on the authority of a Council resolution, then Council must be advised of such use on a regular basis.

In accordance with the *General Local Law 2024*, Part 5 - Administration, clause 65 (6), the following are presented to Council as documents sealed during the period from 1 August 2026 - 31 August 2026.

Documents Sealed

1. Documents Sealed under *General Local Law 2024*

- a. Nil.

Section 173 Agreements are prepared in accordance with section 173 of the *Planning and Environment Act 1987*, allowing Council to enter into agreements relating to the use or development of land, conditions to which the land be used or developed or any matter that relates to planning or planning schemes in Victoria. Section 174 of the *Planning and Environment Act 1987* requires that such an agreement be under seal and must bind the owner to the covenants specified in the agreement.

In accordance with the Instrument of Delegation and *Planning and Environment Act 1987*, the following are presented to Council as documents sealed during the period from 1 August 2026 to 31 August 2026.

2. Documents Sealed under Planning and Environment Act 1987

- a. Nil

Contracts Awarded, Varied or Extended

In accordance with Council's Procurement Policy, where contracts are awarded after public tender, they are to be reported publicly. Where contracts above the CEO's delegation are varied or extended, they are required to be reported to the next practicable Council Meeting.

3. Contracts awarded by Council after a public tender process:

- a. Nil

4. Contracts awarded after a public tender process within the CEO's delegation:

- a. CON/470 for the Design and Construction of Pedestrian Bridge RTB0001 on Great Southern Rail Trail awarded to Jarvis Norwood Constructions Pty Ltd for a Lump Sum of \$405,000 ex GST, signed by CEO 7 August 2026.
 - b. CON/469 for the Panel of Suppliers for Wet Hire Plant and Equipment awarded on a Schedule of Rates basis to:
 - i. CON/469-A – EcoProjects Australia Pty Ltd, signed by CEO 11 August 2026;
 - ii. CON/469-B - ACE Earthmoving (Victoria) Pty Ltd, signed by CEO 10 August 2026;
 - iii. CON/469-C - Zurma Building Group Pty Ltd, trading as Zurma EarthworX, signed by CEO 11 August 2026;
 - iv. CON/469-D - Gator's Contracting Pty Ltd, signed by CEO 13 August 2026;
 - v. CON/469-E - Hugh Patrick Pty Ltd, trading as BJs Earthmoving, signed by CEO 6 August 2026;
 - vi. CON/469-F – David Harris Earthmoving Pty Ltd, signed by CEO 10 August 2026;
 - vii. CON/469-G – KR & SL Whyte, trading as Whyte's Earthmoving, signed by CEO 10 August 2026;
 - viii. CON/469-H – Dowel Earthworks Pty Ltd, signed by CEO 11 August 2026;
 - ix. CON/469-I – G&K Newton, signed by CEO 10 August 2026;
 - x. CON/469-J - C & D Earthworks Pty Ltd, signed by CEO 7 August 2026; and
 - xi. CON/469-K – Pipe Doctor Australia Pty Ltd, signed by CEO 24 August 2026.
 - c. CON/459 for the Provision of Microsoft Licensing, awarded to Crayon Australia Pty Ltd for an annual lump of \$322,250 ex GST, plus Schedule of Rates items, signed by CEO 21 August 2026.
5. Contract variations approved by the CEO above contingency:
- a. Nil
6. Contract Extensions approved by the CEO:
- a. Nil

STAFF DISCLOSURE

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

ATTACHMENTS

NIL

REFERENCE DOCUMENTS

Council's Good Governance Framework

Pillar 3. Decision Making

Council Policy / Strategy / Plans

Documents are available on Council's website at the following [LINK](#).

General Local Law 2024

Governance Rules (C82)

Procurement Policy (C32)

Legislative Provisions

Local Government Act 1989

Local Government Act 2020

Planning and Environment Act 1987

6. COUNCILLOR REPORTS

6.1. COUNCILLOR REPORTS

6.2. REQUESTS FOR LEAVE OF ABSENCE

6.3. COUNCILLOR UPDATES

7. CLOSED SESSION

The *Local Government Act 2020* (the Act), section 66 provides that if a council or delegated committee determines that a meeting is to be closed to the public to consider confidential information, the Council or delegated committee must record in the minutes of the meeting that are available for public inspection –

- a) the ground or grounds for determining to close the meeting to the public by reference to the grounds specified in the definition of **confidential information** in section 3(1); and
- b) an explanation of why the specified ground or grounds applied.

The Act defines **confidential information** in s.3(1)(a)-(l), and includes information that may prejudice or impact; commercial negotiations, the security of Council, land use planning, law enforcement, legal privilege, personal information, private commercial information, confidential meeting information, internal arbitration, Councillor conduct panel information and information specified under s.77 of the previous *Local Government Act 1989*.

Once confidential information has been considered and decided in a closed session of a Council Meeting, a further resolution to resume open Council is required.

Nil

8. MEETING CLOSED

NEXT MEETING

The next Council Meeting open to the public will be held on Wednesday, 18 November 2026 commencing at 2:00pm in the Council Chambers, Leongatha.