

LATROBE CITY COUNCIL

Annual Report

2025/2026



Latrobe City Council acknowledges that it operates on the traditional land of the Brayakaulung people of the Gunaikurnai nation and pays respect to their Elders past and present.

Why do we have an Annual Report?

Under the *Local Government Act 2020*, Councils are required to report to the community on a variety of topics covering Council operations, performance and finances.

How to obtain a copy of this report

A copy of this report can be found on the Latrobe City Council website **latrobe.vic.gov.au/annualreport** or a printed version can be viewed at any one of our libraries or service centres.

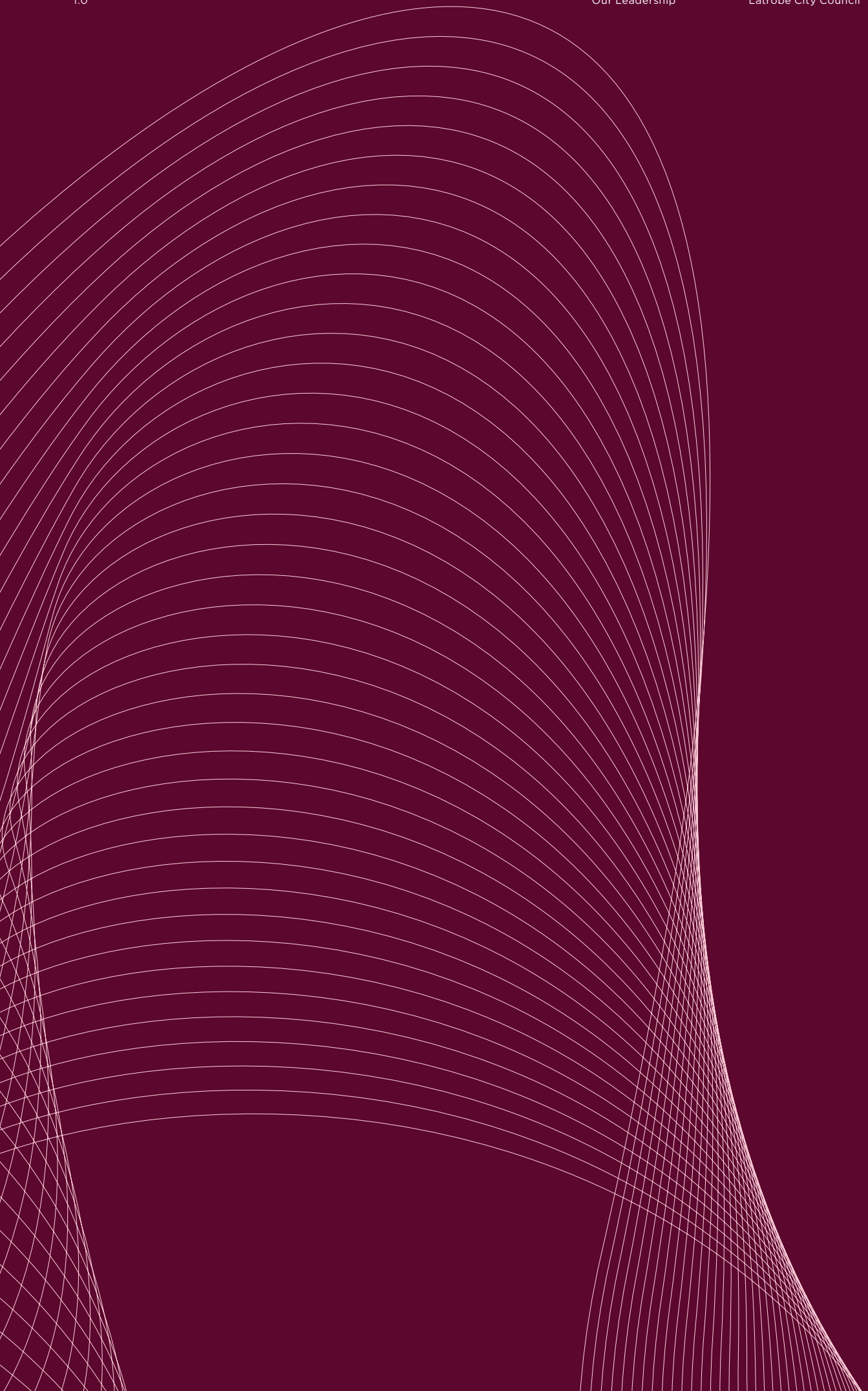
To obtain this information in languages other than English, or in other formats, phone Latrobe City Council on **1300 367 700**

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01
Our Leadership



Message from the Mayor

This year has reminded us of something important - when times are tough, our community comes together.

Across Latrobe City, we have seen people supporting one another, lending a hand, volunteering their time, attending local events and finding ways to stay connected. It is this community spirit that helps us navigate challenges and continue moving forward together.

While many families, businesses and organisations have faced uncertainty, Council has remained focused on supporting our community and creating opportunities for the future. We know our region has never been one to sit back and wait for change to happen. Instead, we work together, build on our strengths and look for new opportunities that will help secure a strong future for Latrobe City.

Throughout the year, Council continued to speak up for our community and work with all levels of government to secure opportunities for Latrobe City. We have focused on attracting new jobs and supporting industries that will help our region grow into the future, including the Gippsland Logistics and Manufacturing Precinct (GLaMP) and Advanced Air Mobility (AAM). These initiatives are not about waiting for opportunity to arrive - they are about creating it. They support local manufacturers, attract investment, create jobs and help ensure industries can continue to grow and innovate here in Australia.

Our region has a proud history as an energy powerhouse. As industries continue to change, it is more important than ever that we have honest conversations about our future and work together to create new opportunities. Recent changes across the region have reinforced the need to diversify our economy, support existing businesses and attract new investment. We have the infrastructure, engineering expertise and skilled workforce needed to support emerging industries and help power Victoria for generations to come. By building on our strengths and embracing new opportunities, we can create a stronger and more resilient future for our community.

Community safety has also remained a priority. Council has continued to advocate for safer communities, invest in local infrastructure and work with partners to support the wellbeing of residents. Everyone deserves to feel safe and connected in their community, and this continues to be an important focus for Council.

There were also many times throughout the year that brought people together and gave us reason to celebrate. Events such as the International Rose Garden Festival Morwell, Shred Fest, the Volunteers Expo, Children's Expo and Business Festival showcased the energy, talent and community pride that exist across Latrobe City. These events not only support our local economy but strengthen the connections that make our community special.

As we close out the 2025/26 financial year, we also enter a period of change for Council, with a by-election to be held following the resignation of former Councillor Tracie Lund. We now look forward to welcoming a new councillor to the Council table and continuing to work together to deliver positive outcomes for our community.

I would like to thank my fellow Councillors, Council employees, community groups, volunteers, businesses and residents for their contribution throughout the year. The work that happens across our municipality every day demonstrates the resilience, generosity and determination that define Latrobe City. As we continue to navigate change and create new opportunities for the future, it is this collective commitment to our community that will help ensure Latrobe City remains a great place to live, work and invest.

While challenges remain, I am optimistic about our future. By continuing to work together, support one another and embrace new opportunities, we can build the community we want for ourselves and future generations.

Latrobe City has faced change before and emerged stronger because of the people who call this region home. I am confident that, together, we can continue to shape a positive future for our community.

Cr Sharon Gibson

Mayor
Latrobe City Council



Message from the CEO

2025/26 has been a year of delivery, advocacy and partnership for Latrobe City Council.

Throughout the year, Council has remained focused on delivering the priorities of the Council Plan and Municipal Public Health and Wellbeing Plan, while continuing to advocate for the investment needed to support our community and economy into the future.

Latrobe City continues to play an important role in Victoria's economic future. As our region navigates significant industrial and economic change, Council has worked to support local businesses, attract new investment and create opportunities for growth. Highlights included hosting the Gippsland New Energy Conference for a second consecutive year, launching the Invest Latrobe City campaign and delivering initiatives that strengthen our region's reputation as a destination for business, innovation and investment.

At the same time, we have continued to invest in the infrastructure and facilities that support community wellbeing and participation. During the year, important milestones were achieved across several major projects, including upgrades to sporting and recreation facilities, improvements to community infrastructure, and the completion of the Traralgon Recreation Reserve Multiuse Pavilion - a major milestone in the Traralgon Flood Recovery. These investments are helping to create safer, more accessible and connected communities across Latrobe City.

Council has also remained committed to supporting community wellbeing through a broad range of programs, services and events. From the Children's Expo and Volunteer Expo to community grants, festivals, cultural programs and sporting events, these initiatives have brought people together, strengthened local connections and enhanced quality of life for residents.

I am pleased that Council has achieved these outcomes while maintaining a strong focus on responsible financial management. Careful stewardship of community resources has enabled us to continue delivering services, investing in infrastructure and supporting local community groups and projects that make a difference.

None of this work is achieved in isolation. It relies on collaboration across all levels of government, community organisations, businesses and residents. I would like to thank the Mayor and Councillors for their leadership and commitment throughout the year, and acknowledge the dedication of Council staff who work every day to deliver services and outcomes for our community.

I also extend my sincere thanks to the many volunteers, community leaders, sporting clubs, neighbourhood groups and local organisations who contribute so much to the wellbeing and vibrancy of Latrobe City. Their efforts help build the strong and connected community we are proud to be part of.

While challenges remain, Latrobe City's future is filled with opportunity. By continuing to work together, invest in our strengths and plan for the future, we are well positioned to support economic growth, strengthen our communities and create lasting benefits for current and future generations.



Steven Piasente

Chief Executive Officer
Latrobe City Council



Your Council Representatives

Latrobe City Council is comprised of nine wards, each represented by one councillor:

- Boola Boola Ward
- Budgeree Ward
- Jeeralang Ward
- Loy Yang Ward
- Moe Ward
- Morwell River Ward
- Newborough Ward
- Tyers Ward
- Yallourn Ward





Your Councillors

Councillors for the 2024 – 2028 term are:



Mayor
Sharon Gibson

Newborough Ward

P: 0429 338 762
E: sharon.gibson@latrobe.vic.gov.au

Cr Sharon Gibson was first elected in 2008.
Cr Gibson was Mayor in 2013 and 2021.



Councillor
Adele Pugsley

Moe Ward

P: 0482 662 318
E: adele.pugsley@latrobe.vic.gov.au

Cr Adele Pugsley was first elected in November 2024.



Deputy Mayor
Dale Harriman

Loy Yang Ward

P: 0419 399 093
E: dale.harriman@latrobe.vic.gov.au

Cr Dale Harriman was first elected in 2011.
Cr Harriman was Mayor in 2014 and 2024.



Councillor
Tracie Lund

Morwell River Ward

P: 0437 977 130
E: tracie.lund@latrobe.vic.gov.au

Cr Tracie Lund was first elected in November 2020.
Cr Tracie Lund resigned effective 16 March 2026.



Councillor
David Barnes

Boola Boola Ward

P: 0474 749 681
E: david.barnes@latrobe.vic.gov.au

Cr David Barnes was first elected in November 2024.



Councillor
Darren Howe

Tyers Ward

P: 0429 113 015
E: darren.howe@latrobe.vic.gov.au

Cr Darren Howe was first elected in November 2016
Cr Howe was Mayor in 2023..



Councillor
Leanne Potter

Budgeree Ward

P: 0488 078 744
E: leanne.potter@latrobe.vic.gov.au

Cr Leanne Potter was first elected in November 2024.



Councillor
Steph Morgan

Yallourn Ward

P: 0428 419 291
E:steph.morgan@latrobe.vic.gov.au

Cr Steph Morgan was first elected in November 2024.



Councillor
Joanne Campbell

Jeeralang Ward

P: 0400 635 996
E: joanne.campbell@latrobe.vic.gov.au

Cr Joanne Campbell was first elected in November 2024.

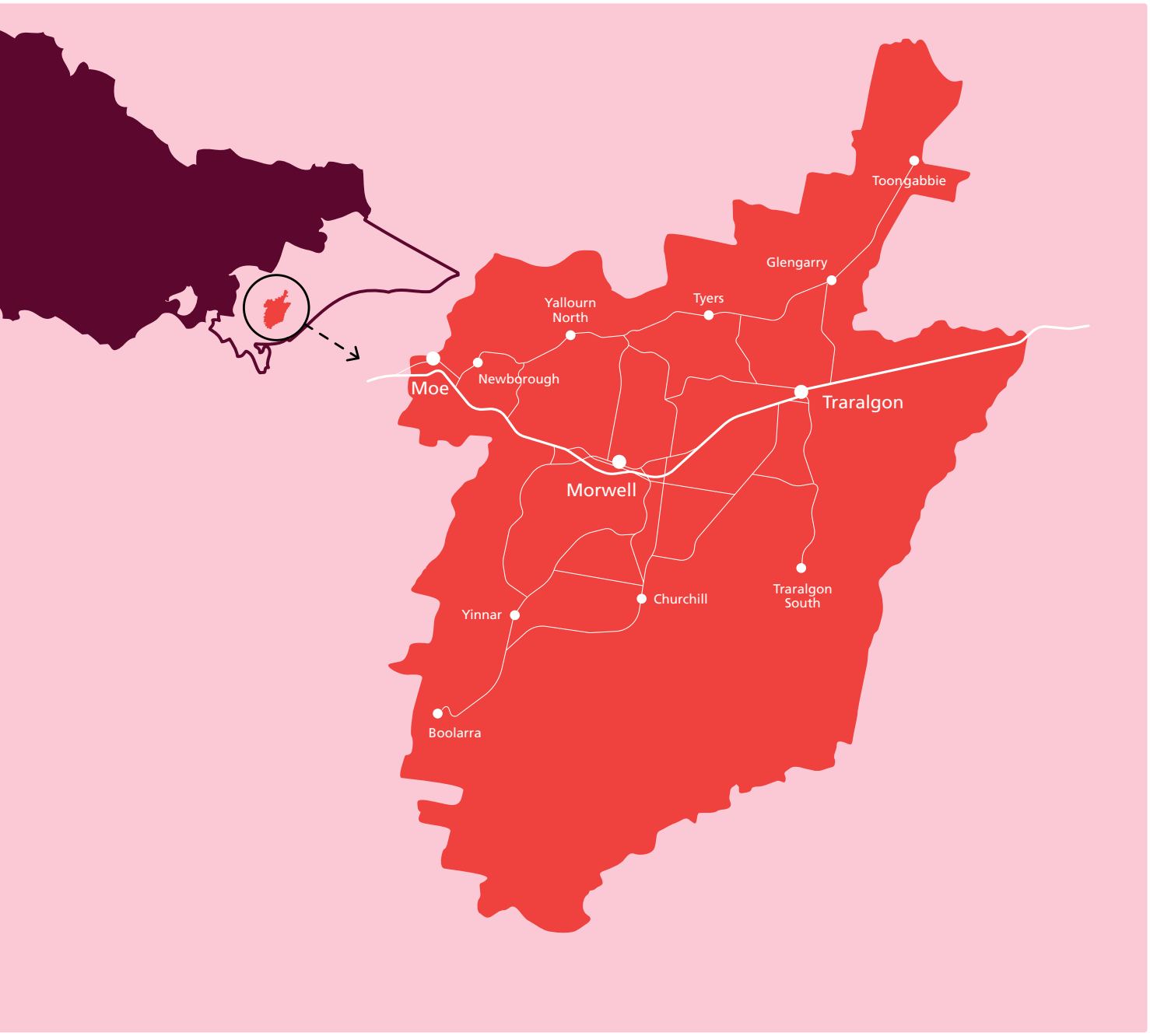
A by-election for the Morwell River Ward was held between 23 June (12noon) and August 1 (6pm) 2026. The result was declared on 13 August 2026.

Latrobe City Snapshot and Profile

Latrobe City is Victoria's eastern Regional City and Gippsland's primary service centre and employment hub, providing retail, entertainment, education, government and health services to the region.

Latrobe City is located an hour and half drive east of Melbourne covering an area of 1425 square kilometres situated between the Strzelecki Ranges to the south and the Great Dividing Range to the north.

The city is made up of four major towns; Churchill, Moe/ Newborough, Morwell and Traralgon; and seven rural townships of Boolarra, Glengarry, Toongabbie, Tyers, Traralgon South, Yallourn North and Yinnar.



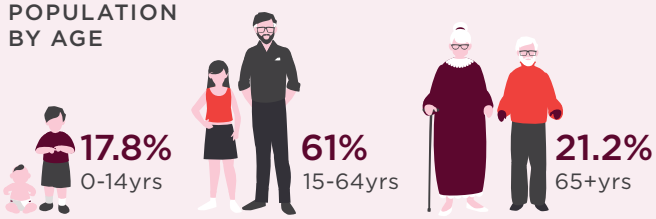
79,112
POPULATION TOTAL



48.9% Male

51.1% Female

POPULATION BY AGE



17.8% 0-14yrs

61% 15-64yrs

21.2% 65+yrs

OCCUPIED PRIVATE DWELLINGS



37.4% Owned outright

33.7% Owned with a mortgage

25.4% Rented

EMPLOYED LABOUR FORCE

35,699

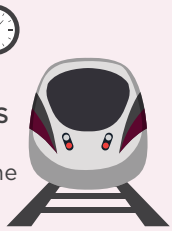


TRAVEL TO MELBOURNE

100 MIN Drive to Melbourne



≈2 HRS Train to Melbourne



27 Early education centres



7 Maternal and child health centres



$8.06b GROSS REGIONAL PRODUCT



6 Senior citizen centres



4 Libraries



28 Primary schools



2 Specialist schools



2 Council run outdoor pools



3 Council run indoor pools



9 Secondary schools



3 TAFE campuses



10 Skate parks



127 Playgrounds
Council is responsible for maintaining



1 Monash University School of Rural Health

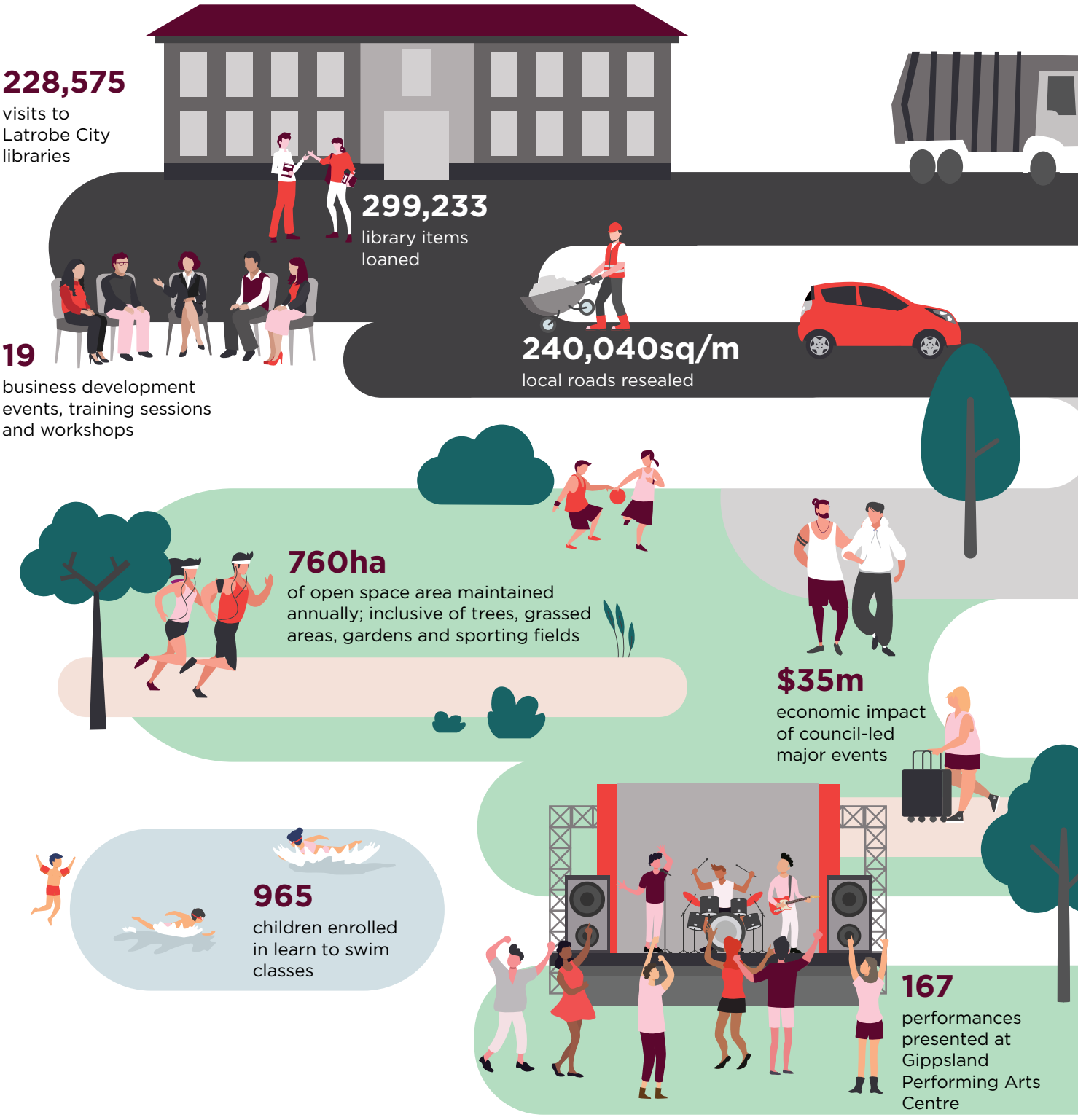


1 University



Year in Review

Every day, dedicated people help keep our city moving, connected and cared for. From maintaining roads and shared spaces to delivering services, events and facilities, much of this work happens quietly, but everyone benefits from it. In 2025-26, this is what that care looked like:



228,575
visits to Latrobe City libraries

299,233
library items loaned

19
business development events, training sessions and workshops

240,040sq/m
local roads resealed

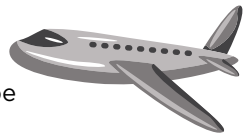
760ha
of open space area maintained annually; inclusive of trees, grassed areas, gardens and sporting fields

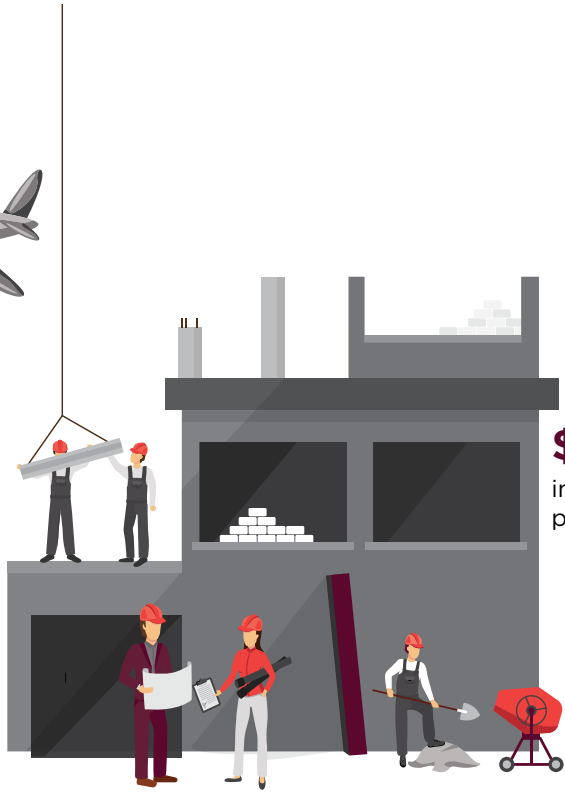
$35m
economic impact of council-led major events

965
children enrolled in learn to swim classes

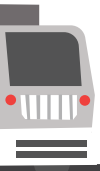
167
performances presented at Gippsland Performing Arts Centre

24,790
flights from Latrobe Regional Airport





$102.2m
in capital works projects



37,052
free hard rubbish waste collections

1,571km
length of roads inspected and maintained





300
planning permits issued





522,500
visits across all leisure facilities

43,924
calls answered by Council's customer service staff





$71,128
loaded onto 1073 Latrobe City gift cards.



66
animal adoptions facilitated



12,000
registered pets

02
Our Organisation





Organisational Structure

Structure as at 30 June 2026.

Chief Executive Officer
Steven Piasente

EA CEO/Mayoral & Councillor Support
Vanessa Appleyard

General Manager Infrastructure and Sustainability	General Manager Community Liveability	General Manager Organisational Performance	General Manager Regional City Investment and Growth
Jody Riordan	James Rouse	Nathan Kearsley	Tim Ellis
Manager City Assets	**Manager Active and Connected Communities**	**Manager Financial Support**	**Manager Marketing and Engagement**
Manager City Presentation	**Manager Creative Venues, and Libraries**	**Manager People and Culture**	**Manager Business and Economic Development**
Manager Sustainability and Environment	**Manager Family Services**	**Manager Business Improvement**	**Manager Investment and Attraction**
Manager Major Projects	**Manager Safe Communities**	**Manager Governance**	**Manager City Planning**


DIGGA
PD

Our Employees

Latrobe City Council is committed to attracting, developing and retaining employees with a diverse range of qualifications, abilities and a passion for delivering quality services to the community.

Council values and celebrates the contribution of its people, working together in the spirit of honesty, teamwork and trust. As of 30 June 2026, Latrobe City Council employed 1052 people, comprising full-time, part-time and casual employees. The number of equivalent full-time positions (FTE) is 599.

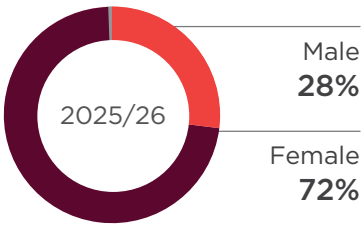


1052
staff overall

Staffing levels

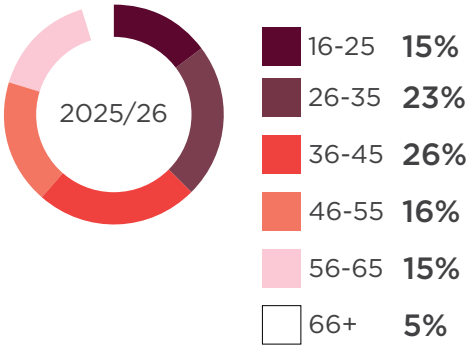
Division	Permanent headcount	Permanent FTE	Temporary headcount	Temporary FTE	Casual headcount	Overall headcount
Community Liveability	239	157	203	139	288	**730**
Office of the CEO	3	3	3	3	0	**6**
Organisational Performance	53	52	26	22	2	**81**
Infrastructure and Sustainability	127	124	27	25	0	**154**
Investment and Growth	45	42	31	28	1	**77**
Sports Legacy and Activation	0	0	4	4	0	**4**
	467	**378**	**294**	**221**	**291**	**1,052**

Gender profile



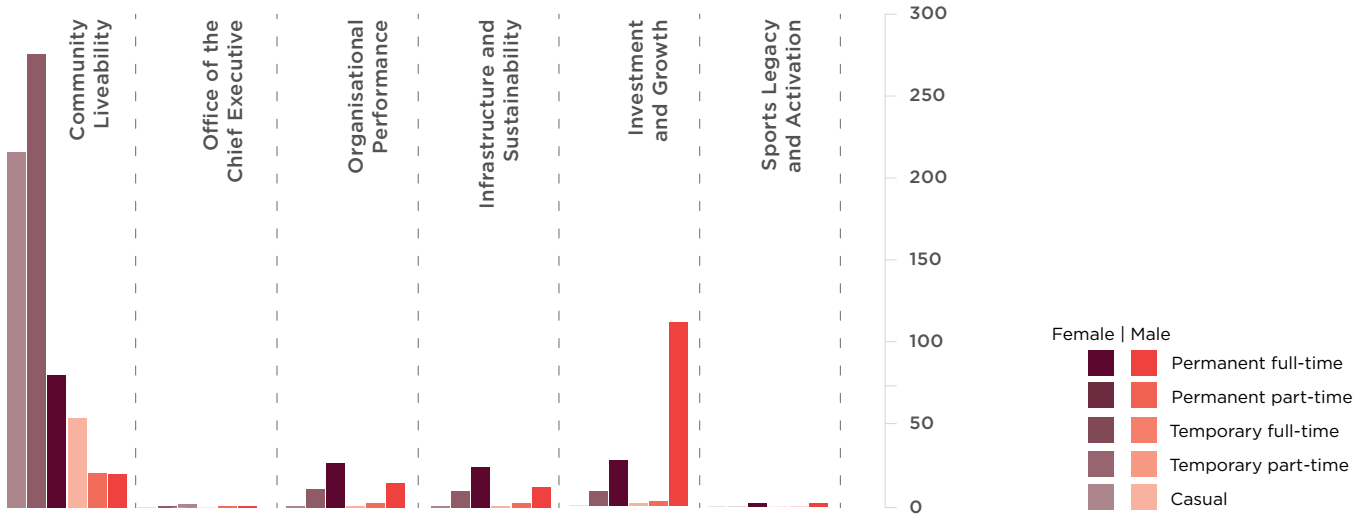
Year	Male	Female
2025/26	**28%**	72%
2024/25	27%	72%
2023/24	25%	75%
2022/23	28%	72%
2021/22	25%	75%
2020/21	25%	75%

Workforce by age



Council staff

A summary of the number of Council staff by organisational structure, employment type and gender.



Five employees across the organisation have been identified as self described or prefer not to say. They have not been included in the above due to potential privacy concerns.

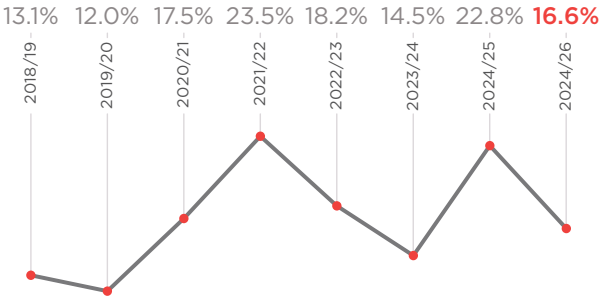
Salary banding

Male	0	2	3	4	5	6	7	8	Other
Permanent full-time	0	0	38	17	30	41	17	0	17
Temporary full-time	9	0	3	4	2	3	3	0	14
Permanent part-time	0	2	9	5	1	0	1	0	0
Temporary part-time	2	0	1	3	3	0	1	0	4
Ongoing casual	0	6	44	15	0	0	0	0	1
Temporary casual	1	0	0	0	0	0	0	0	0
Female	**0**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**Other**
Permanent full-time	0	4	1	29	29	30	24	12	7
Temporary full-time	26	2	3	11	6	11	7	1	21
Permanent part-time	0	18	14	49	19	7	1	0	21
Temporary part-time	4	3	0	19	19	14	3	1	135
Ongoing casual	0	31	79	39	0	1	0	0	70
Temporary casual	0	0	0	0	0	0	0	0	0

Three employees across the organisation have been identified as self described or prefer not to say. They have not been included in the above due to potential privacy concerns.

Staff turnover

Council carefully reviews feedback from exiting employees to identify any issues that led to their departure. These results include seasonal and casual staff.



03
Our Direction

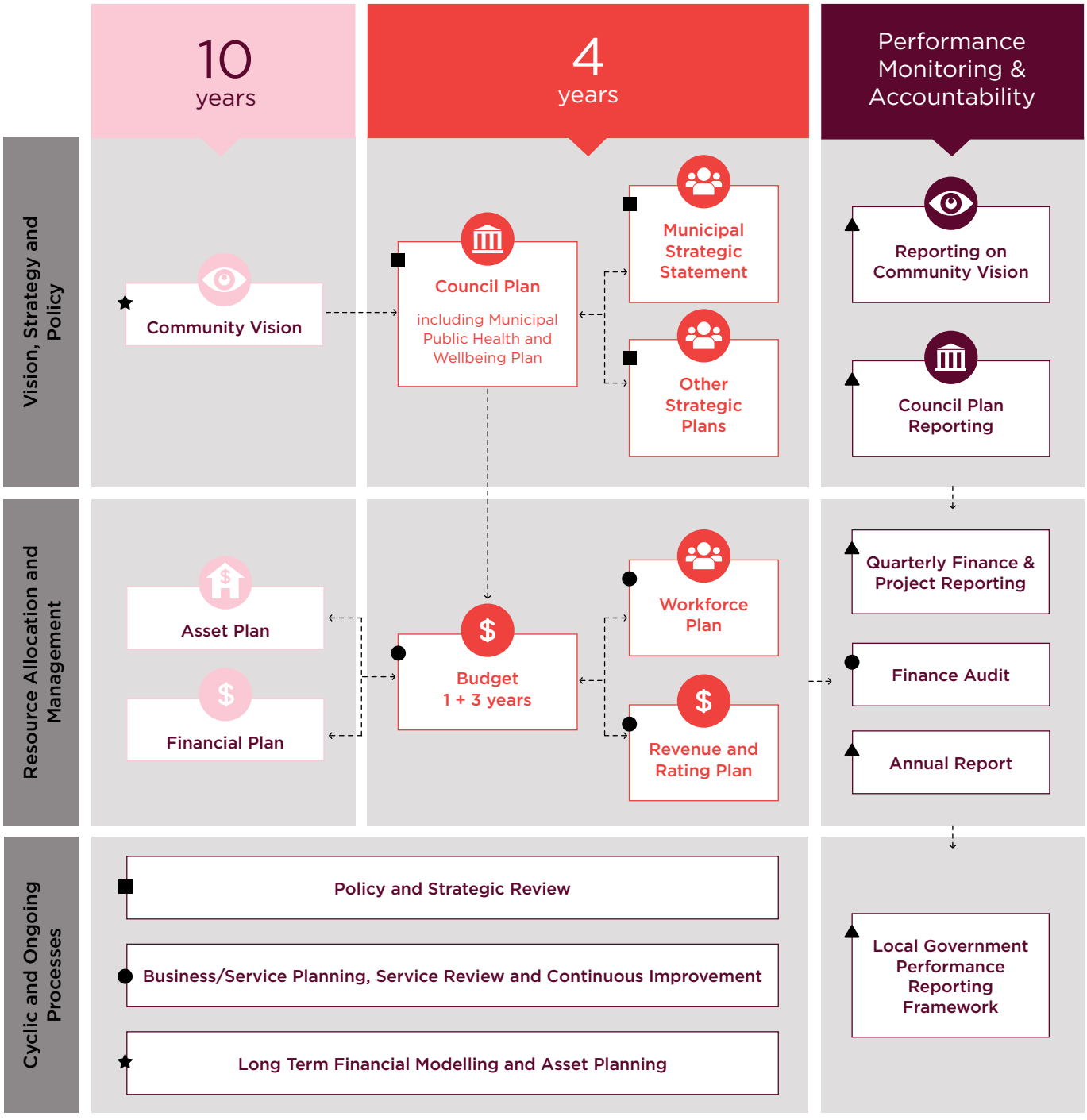




Setting Our Direction

Each year, Latrobe City Council completes business planning, setting out actions that align with the strategic directions of the Council Plan.

Progress toward achieving the objectives of the Council Plan is measured through the completion of identified actions and performance indicators, which are integral to the performance reporting process. This process is detailed in the Planning and Reporting Framework diagram below.



Shapes represent what elements inform or are informed by each other.

Council Plan Strategic Directions 2025-29

Our Vision

In 2035, Latrobe City is a vibrant, thriving, healthy, connected and welcoming regional community where everyone feels safe and involved.

Our local businesses prosper, create diverse job opportunities, foster a highly skilled workforce and draw significant investment.

Latrobe City is a hub of growth, learning, opportunity, and innovation. We have stunning natural surroundings and outstanding creative, educational, recreational and cultural opportunities that underpin exceptional wellbeing and renowned visitor experiences.

Our Vision and Council Plan 2025-29

The Latrobe City Council Plan sets out our vision, priorities, and strategies for the next four years, shaping the future of our region. It guides decision making, resource allocation, and service delivery to meet the needs of our community.

The Council Plan, reflecting our Community Vision, centres around the following strategic directions

- Our Economy – Investment, Jobs, Growth
- Our City – Liveable, Sustainable, Connected
- Our Community – Healthy, Inclusive, Safe

Supported by:

- Our Organisation – Leadership, Collaboration, Capability

The Council Plan 2025-29 is integrated with the Municipal Public Health and Wellbeing Plan (MPHWP) this is explained in detail on page 36. Where there is a direct link between the Health and Wellbeing Priorities and Strategic Directions, it is marked with a diamond ❖.

Our Economy – Investment, Jobs, Growth

We are committed to working with our community and key stakeholders to grow our local economy to provide a wide range of job opportunities, economic diversification, and attract investment

How does our economy relate to health and wellbeing?

Our municipalities' prosperity, employment and education opportunities all impact health and wellbeing. For example, there is a connection between income levels and psychological distress, with 16% of people who earn $100,000 or more reporting high or very high psychological distress compared with 37% of people who earn under $40,000 a year.

KEY OBJECTIVE 1

Investment

Actively pursue investment in emerging industries and industries that diversify our local economy to create jobs and increase economic growth.

The Economic Development Strategy was formally adopted in February 2026, providing a framework to support business growth, industry diversification, job creation and a more business-friendly operating environment.

Council continued to attract investment, support business growth and progress major infrastructure projects across Latrobe City, whilst maintaining a strong focus on advanced manufacturing, aviation, energy, logistics and emerging industries. Investment discussions progressed with a range of proponents, including significant opportunities in green hydrogen and green hydrogen and ammonia, sustainable protein manufacturing, data centres, energy from waste and advanced manufacturing.

Significant progress was made at the Gippsland Logistics and Manufacturing Precinct (GLaMP), with settlement of Lots 1 and 2 securing approximately $35 million in investment and an estimated 210 jobs. Lot 6 was also secured for a heavy vehicle sales and servicing business, supporting 40 jobs, while further opportunities continue to be progressed. Operations commenced at the Gippsland Intermodal Freight Terminal (GIFT), supporting the export of softwood logs from the port of Melbourne.

The Latrobe Aerospace Technology Precinct continued to develop as a hub for Advanced Air Mobility and emerging industries. Construction commenced on the Command Centre, Yarra Drones was appointed to support testing and certification activities, and the Launchpad business case was finalised. Work also continued on liquid hydrogen opportunities, industry partnerships and training programs with TAFE Gippsland and Gippsland Tech School.

KEY OBJECTIVE 2

Workforce

Partner with businesses, schools and training providers to support workforce strategies that meet industry needs, support young people, and enable workers to pursue new opportunities

Council continued to strengthen local workforce capability and create pathways into emerging industries through partnerships with business, education and training providers.

Programs supporting young people and local businesses included the HEX High Accelerator Program, Industry Growth Program and Youth Entrepreneur Program, providing opportunities to develop skills in innovation, entrepreneurship, digital capability and business growth. Nine participants completed the Industry Growth Program, while 14 young people participated in the Youth Entrepreneur Program.

Council also participated in the Gippsland Apprenticeship Roundtable, bringing together industry, government, education and business to identify barriers to apprenticeship uptake and strengthen the future talent pipeline.

A total of $126,000 was provided to 26 grant recipients through the Business Capability Grants, supporting workforce development and training, business expansion and infrastructure.

KEY OBJECTIVE 3

Local Business❖

Support the growth and development of our local businesses, through programs that support businesses to diversify and expand, create jobs and strengthen our economy.

Council participated in the Business Friendly Councils Program, which is designed to reduce barriers for businesses, support local business growth, and foster economic development through effective policies, services and collaboration with the business community.

Following its participation in the program, Council developed a Business Friendly Council Action Plan focused on streamlining existing processes, improving consistency, and strengthening Council's overall engagement with local businesses.

Council's Business Concierge and Business Development Team continued to provide direct support, managing hundreds of business enquiries and engagements throughout the year. Capability-building activities also included the Latrobe City Business Festival and social media workshops, while the Latrobe City Gift Card Program continued to encourage local spending.

Several grant programs were administered to support business investment across the municipality, including funding for businesses in the Moe and Morwell CBDs through three rounds of Opportunity Awaits grants and one round of Rapid Revitalisation grants which saw $234,600 granted to 36 businesses during the year. Together, these initiatives supported business expansion, new markets, employment opportunities and improvements to shopfronts, signage, accessibility and outdoor spaces.

CBD revitalisation remained a key focus, with targeted marketing campaigns developed to promote business opportunities in Moe and Morwell as well as six murals delivered across five Morwell CBD sites.

The Business Festival attracted more than 500 participants across its program of events. A key highlight was a presentation by keynote speaker Zoe Foster Blake at GPAC, which drew an audience of 260 people, predominantly women in business.

KEY OBJECTIVE 4

Visitor Economy❖

Capitalise on the City's tourism strengths to drive economic outcomes.

Major events attracted thousands of visitors and participants, generating significant economic activity and supporting local accommodation, hospitality and retail businesses. The financial year saw 26 major events attract an estimated $35 million in economic impact.

Highlights included the Henselite Victorian Open, In-line Hockey Australian Club Championships, International Rose Garden Festival, Gallipoli Cup Australian National High School Championships, Traralgon Pro-Am Classic, Gippsland Junior Golf Championships and ALWAYS LIVE Victorian Vibes. Council also secured future events and partnerships, including a five-year agreement with Tennis Australia to retain the AGL Loy Yang Traralgon International.

The Events Team secured the Victorian Tourism Industry Conference to be held at GPAC in August and the Gippsland New Energy Conference also to be delivered in August, the second year of a three year sponsorship deal to host the event at GPAC, with over 800 delegates, politicians and businesses from Gippsland, Victoria, Intrastate and internationally.

The tourism team continued to support local operators through the Universal Tourism Grant, maintained Quality Tourism Framework Accreditation and provided visitor information services to thousands of visitors throughout the year. The Major Events and Visitor Economy Action Plan was also finalised and continued to guide investment, event attraction and tourism development.

KEY OBJECTIVE 5

Regional Identity

Promote Latrobe City as a Regional City with a focus on work, investment, visitation, and liveability.

The Latrobe City Place Brand Strategy continued to be implemented across the Work, Live, Visit and Invest pillars. The Invest Latrobe campaign was successfully launched to promote the region's transformation, innovation and investment opportunities through targeted advertising, digital campaigns and local business stories.

Promotion of the Latrobe Aerospace Technology Precinct and Advanced Air Mobility further strengthened the region's profile as a location for emerging industries.

The Visit Latrobe and Live pillars were also strengthened through an updated events calendar, tourism promotional materials and campaigns showcasing local attractions, leverage our major events and experiences. The Latrobe City website was enhanced with improved navigation and event functionality, providing greater access to information across all four pillars.

Services

Business Area	Description
Business and Economic Development	Provides business development advice, services and programs to improve the overall prosperity of the municipality. Measures to indicate growth include improvements in education attainment, household income, career advancement and job opportunities.
Investment Attraction	Attracts new business to the region to enable the ongoing economic diversification of the Latrobe economy. Measures to indicate growth include value of investment, increased rates from investment and job opportunities.
Advocacy	Leads Council's strategic advocacy efforts, building partnerships and advancing key projects and initiatives to improve outcomes for the community and region.
Urban Growth	Manage urban growth planning including ongoing management of planning permits, assessment of development plans and to help facilitate development outcomes by understanding growth and development trends.
Statutory and Strategic Planning	Provide statutory planning services, advice and enforcement action in accordance with the *Latrobe Planning Scheme and Planning and Environment Act*. Responsible for undertaking research, policy development and implementing policies and strategies through Planning Scheme Amendments and dealing with land-use planning matters.
Events and Tourism	Attracting visitors to the region through both tourism initiatives and delivery of major events provides economic benefit to a wide range of local businesses. Providing event services to both community and commercial event operators seeks to improve the connectedness and amenity of life in the municipality. Proactively and strategically provide a quality visitor service, support the delivery of events, maintain the tourism website and promote a positive image of Latrobe City.
Latrobe Regional Airport	Maintain, develop and operate Latrobe Regional Airport in accordance with Civil Aviation Safety Authority regulations and the Latrobe Regional Airport Masterplan.
Communications and Marketing	Provide communications, marketing and public relations services on behalf of Latrobe City Council.
Community Service	Deliver professional customer service at all Latrobe City Council service centres.

Strategic indicators

Indicator		2024/25	2025/26
Latrobe City's Gross Domestic Product (2023)	Gross Regional Product	$6.9B	**$8.0B**
	Total Output	$15.2B	**$17.3B**
Latrobe City's Workforce Participation		54% (as of 2021)	**58.5%**
Latrobe City's Business Registrations		2007	**2265**
Vacancy rates of retail/commercial premises*	Morwell	20.7%	**23.2%**
	Churchill	15.8%	**15.8%**
	Traralgon	4.9%	**5.3%**
	Moe	13.25%	**16.7%**

*Does not include dormant premises
**Moe - commercial premises have been renovated and split into a higher volume of smaller shops in the arcade, resulting in an increase in percentage of vacancies year on year due to the additional stock.

MPHWP indicators

Indicator		2016	2021	2026*
Increase in employment				
Employment status	Employed full-time	51.6%	52.3%	
	Employed part-time	32.9%	33.8%	
	Work away	5.8%	7.3%	
	Unemployed	9.7%	6.6%	
Increase in educational attainment				
Education level	Completed year 12 or equivalent		38.1%	
	Postgraduate degree		3.8%	
	Graduate diploma and graduate certificate		3.0%	
	Bachelor degree		15.1%	
	Advanced diploma and diploma		14%	
	Certificate		45%	
	Level of education inadequately described		0.7%	
	Level of education not stated		18.4%	

*Awaiting census data

Our City – Liveable, Sustainable, Connected

We are committed to working with our community and key stakeholders to create a physical environment that offers liveability and connection and protects our natural environment for future generations.

How does our city relate to health and wellbeing?

People's health and wellbeing is impacted by climate change and the physical environment around them, and the access they have to it due to things like disability, gender, lifestyle or age. For example, active travel, like cycling and walking reduces mortality, chronic diseases, feelings of anxiety and depression as well as risk of dementia.

KEY OBJECTIVE 1

Infrastructure & City Centres

Develop well planned and maintained infrastructure and assets that underpin services and improve liveability, and community connection. Create vibrant city centres with high levels of presentation and urban amenity.

Council has maintained, upgraded and delivered new infrastructure throughout the municipality during 2025/26. The Kay Street Multi-Level Car Park in Traralgon was opened to the public in July 2026, providing 596 parking spaces to improve access and parking availability in the Traralgon CBD. At the Ted Summerton Reserve, council delivered a 750-lux lighting upgrade to the existing oval, upgrades to the existing pavilion and a new standalone regional netball pavilion. Further sports lighting upgrades were completed at Toners Lane Reserve and Agnes Brereton Reserve. At Toners Lane Reserve, lighting upgrades were completed to the Main Baseball Diamond in April 2026, providing lighting that complies with Australian baseball and softball training standards. At Agnes Brereton Reserve, lighting upgrades were completed across all 10 netball courts. These upgrades improve the usability of the facilities, enabling sporting activities and training to continue later into the day and increasing opportunities for community participation.

Council also continued to support its goal of creating vibrant, well-presented city centres by responding to 824 illegal dumping removals, addressing 344 graffiti incidents and conducting proactive inspections of hotspot locations. In addition, the City Presentation unit successfully delivered its Peak Season Programs which commenced in late September 2025, with a focus on increased mowing frequencies, weed control, footpath edging and CBD presentation. As a result, almost 760 hectares of open space areas have been maintained, contributing to the liveability, amenity, and usability of public spaces across the municipality.

KEY OBJECTIVE 2

Land Use

Plan for improved outcomes for housing, liveability, urban design and job creation

Significant progress was made in advancing residential land supply and economic development more generally. Officers progressed 18 council-led and proponent-led projects, development plans and planning scheme amendments to provide access for future residential land, improve liveability and unlock land for investment.

This includes completing Amendment C150 (Traralgon Golf Club rezoning to protect its use into the future) and progressing Amendment C152 (rezoning approximately 57 hectares of rural land from Farming Zoned to Residential and Commercial Zones) through to Public Exhibition.

Council issued nearly 300 planning permits with nearly 95% of decisions made within the statutory timeframes, amongst the highest in Victoria. In the greenfield housing supply pipeline planning permits were issued to release 143 new lots, 463 lots were certified and 267 achieved Statement of Compliance, indicating a healthy greenfield pipeline.

KEY OBJECTIVE 3

Natural Environment & Open Space

Protect our biodiversity by maintaining our natural assets and open space, encourage use of the natural environment, and strengthen waste management programs and practices.

Council continued to protect and enhance the municipality's biodiversity and natural resources. Clean Up Australia Day program was successfully delivered by council in March 2026, with community activities held at Lake Narracan South Shore and a staff day held at Mathison Park, Churchill. An accompanying anti-littering campaign reached roughly 40,000 people across a range of media channels. Furthermore, in partnership with the West Gippsland Catchment Management Authority, Council also delivered environmental works along Traralgon Creek to help restore local platypus habitat. Further environmental outcomes were achieved through the implementation of actions from the Narracan Creek Waterway Management Plan, including the widening of revegetation areas and installation of 2000 native plants.

As part of a wider State Government requirement, the Food Organics and Garden Organics (FOGO) service was readied for commencement from July 2026. The new service will enable household recycling of food scraps and reduce waste to landfill.

Rehabilitation works for the Moe and Morwell landfills have been completed, with both sites now in the maintenance and monitoring phase. Construction of Landfill Cell 7 was completed, and following EPA approval, the new cell became operational.

KEY OBJECTIVE 4

Climate Change Adaption

Advance climate change planning and adaptation through climate risk mapping, appropriate asset design and maintenance.

Council continued to strength the municipality's resilience to climate change, while investing in renewable energy and energy efficient infrastructure. The Climate Risk Mapping Project for Boolarra was completed, identifying the risk of climate related impacts for fire, flooding, and landslips through to 2100. Planning is underway to expand this methodology across the municipality. A Climate Risk Assessment was also conducted for the Gippsland Sports and Entertainment Precinct, assessing risks such as heatwaves, storm intensity, and fire. Mitigation measures such as material selection and landscaping are being integrated into the precincts design.

Council also progressed a range of renewable energy and energy efficiency projects during 2025/2026. A 99.5-kW solar energy system at Kernott Hall was completed as part of seven planned solar projects program, with the final 183-kW solar system at Churchill Leisure scheduled for completion in 2026. In March 2026, the 400-kW solar panel and 400-kWh battery system at Gippsland Regional Indoor Sports Stadium (GRISS) was completed. LED lighting upgrades also continued across community facilities, with projects completed at Cumberland Pre School (17 lights replaced), Moe Soccer Club (13 lights replaced) and Churchill Leisure (22 lights replaced), improving energy efficiency and reducing operating costs.

Services

Business Area	Description
Environmental Sustainability	Planning for the current and future needs of the community through the protection of the natural environment (including: resource use and energy efficiency; biodiversity and native vegetation management; control of declared weeds; waterway protection, etc.), and the administration of environment and sustainability compliance activities to meet related regulatory and statutory requirements.
Landfill Services	Operate and maintain the Latrobe City Hyland Highway Municipal Landfill facility in accordance with Environment Protection Authority licence conditions.
Waste Services	Provision of waste and recycling services that encourage the appropriate disposal of waste materials in a sustainable manner, including through the operation of four transfer stations (located at Yinnar, Traralgon, Moe and Morwell), provision of kerbside waste, recyclables and green waste collection services, a hard waste collection service, organic resource processing, and waste education services.
Building Services	Provides building advice, statutory services, registration of swimming pools and enforcement action in accordance with relevant legislation including the *Building Act 1993*, including approval and monitoring processes, community engagement and education to deliver appropriate and safe building outcomes.
Property Operations	Administer property management, advice and services of Latrobe City Council.
Parks, Gardens and Playgrounds	Open Space: To improve visual attractiveness, community wellbeing and tourism appeal of the municipality through the creation and maintenance of green public spaces, including parks, gardens and trails, playgrounds, street furniture and streets. Infrastructure Maintenance: maintain non-organised sporting recreation spaces and town centre streetscapes to facilitate play, commerce and functional public spaces for the community, including public furniture, BMX and skateboard parks and playgrounds, in keeping with Australian standards, Council Horticulture Standards and community expectations.
Recreation and Open Space Planning	To develop and maintain recreation and open space policies and provide strategic advice and planning service that enables Latrobe City to meet the open space and recreation needs of the community now and into the future.
Building Maintenance	Provide reactive and planned maintenance/renewal to Council buildings and supporting infrastructure including street lighting, aquatic facilities, pedestrian bridges, bus shelters, shelters and gazebos.
Civil Works Projects	Delivery of the civil capital works program incorporating road reseal, footpath replacement, road rehabilitation, lights replacement etc. to ensure assets are in a working condition, in accordance with relevant legislation and guidelines.
Major Projects	Deliver major infrastructure projects from the Annual Capital Works Program.
Infrastructure Maintenance	Maintenance of key infrastructure including all sealed and unsealed roads and roadsides, drains, signage, illegal dumping, graffiti, public conveniences, public litter bins, unsealed footpaths and some small sections of sealed footpaths.
Infrastructure Planning	Planning for the provision and renewal of Council assets that underpin the delivery of Council Services. Compliance to planning regulation to ensure effective and efficient provision of infrastructure that supports development.

Strategic indicators

Indicator		2024/25	2025/26
Community satisfaction with street, footpaths and roads	Footpaths	53	**58**
	Sealed local streets	50	**52**
	Unsealed	-	**45**
Community satisfaction of appearance of public areas		61	**62**

MPHWP indicators

Indicator	2023/24	2024/25	2025/26
Increase access to different housing	359	379	**267**

Indicator	2023	2025/26
Increase in active lifestyles	36.22%	Note: Release of data is subject to the Victorian Population Survey

Our Community – Healthy, Inclusive, Safe

We are committed to working with our community and stakeholders to create a healthy and safe community that celebrates volunteering and community pride and enhances social connection.

How does our community relate to health and wellbeing?

The physical and social characteristics of a community can promote healthy behaviours and reduce barriers to achieving good health and wellbeing. For example, volunteering is associated with better mental health and quality of life, especially for older people, unemployed people and people with chronic health conditions.

KEY OBJECTIVE 1

Healthy Lifestyles

Support improved physical and mental health through a range of programs and partnerships.

Latrobe Leisure continued to support improved physical and mental health outcomes through inclusive programs, strategic partnerships and increased participation opportunities. Leisure membership has increased 13% to over 2400 while leisure facilities recorded over 550,000 visits during the year.

Health and wellbeing programs saw a participation of over 44,200 group fitness attendances; this was a 24% increase compared to 2024/25.

The Learn to Swim program continued to build essential water safety skills with 965 enrolments.

Inclusive programs provided opportunities for people of all ages, abilities and backgrounds to stay active, improve wellbeing and strengthen social connections. The All Abilities Basketball attracted more than 50 participants each week, Senior Exercise had over 30 weekly participants; and the Multicultural Water Safety and Awareness Program engaged 65 participants.

A number of events were hosted across the Gippsland Regional Indoor Sports Stadium (GRISS), Latrobe Leisure Morwell and Latrobe Leisure Moe, including:

- 2 NBL games and 1 WNBL game, with a combined attendance of approximately 5500.
- 5th Fight Night event, with over 20 fights at an amateur and professional level; resulting in over 950 attendances.
- Hoop Time regional finals saw a total attendance of 200 participants.
- Australian Diamonds (netball) kids' clinic and signing session for 150 participants.
- Annual Moe Basketball Tournament with 188 registered teams and the annual Morwell Basketball Tournament with 183 teams registered.

KEY OBJECTIVE 2

Lifelong Learning

Support lifelong learning through access to local learning facilities to address current and future needs.

2026 is the first year of three-year-old kindergarten operating for 15 hours a week. Council has seen 474 children enrolled in the three-year-old program and 646 enrolled in the four-year-old program; indicating a participation rate of 87% across Latrobe City services.

Talkboost (an oral language program delivered by educators in small group settings, overseen by a qualified speech pathologist) commenced in Morwell Preschools. Results were positive over the 10-week program with 140 small group sessions delivered and 100% of participating children who completed the program demonstrating measurable language growth.

Council delivered 1037 library programs focused on lifelong learning and literacy attended by 20,254 participants, supporting lifelong learning from early childhood through to older adulthood. Programs included early literacy sessions, Tech Help, author talks, book clubs, trivia nights and activities delivered in partnership with local organisations.

Council's libraries also provided access to computers, Wi-Fi, digital resources and welcoming spaces for learning, connection and participation. Public computers and bookable devices recorded 17,801 hours of use, an increase of 11 per cent from 2024–25, helping community members build digital skills and access essential online services. The Home Library Service continued to reduce barriers for residents unable to visit a library in person, completing a total of 1468 visits in 25/26.

The Latrobe Regional Gallery offered a range of workshops and learning experiences for community members interested in a range of visual arts practises. 31 workshops were held with a total attendance of 330.

KEY OBJECTIVE 3

Community Safety

Work with partners to reduce harm to members of the community and increase the overall feeling of safety and security

The Community Safety Advisory Committee continued to progress initiatives aimed at improving perceptions of safety and activation within key activity centres. Planning has commenced for a public space activation campaign across Moe, Morwell and Traralgon, focusing on locations including libraries, commercial areas, public open spaces and skateparks; to encourage community presence, participation and positive use of public spaces.

Council continued to support partnerships for emergency preparedness and community resilience through the Emergency Relief Network. Through the network, improvements were made to community information resources including the addition of BBQ locations to Council's GeoHub (platform housing public datasets, tools and resources) to support emergency relief planning.

information resources; including the addition of BBQ locations to Council's GeoHub (platform housing public datasets, tools and resources) to support emergency relief planning.

KEY OBJECTIVE 4

Inclusion and Connection

Create opportunities for the community to connect with each other and to Council services.

Council continued to strengthen inclusion and community connection through a diverse range of arts, cultural and community participation opportunities.

Council assisted with 438 community events and issued 278 event permits; enabling a diverse range of events to be delivered, fostering local participation, strengthening community networks and enhancing opportunities for residents to connect.

The annual Candlelight Vigil was held on 6 May 2026 at Gippsland Performing Arts Centre (GPAC), to honour and remember those who have lost their lives due to family violence. The event reached 21,000 people through social media and was attended by 87 people.

Council focused on strengthening the regional volunteering sector through training, networking and sector development initiatives. In partnership with Volunteering Gippsland and regional providers, 10 training sessions attracted 121 participants, while the Volunteer Expo engaged 45 community groups and more than 1000 attendees. Council also supported 48 volunteer organisations through capacity-building activities and helped facilitate the transition of more than 200 volunteers to the Be Collective volunteering platform, creating opportunities for volunteer recruitment, community connection and increased awareness of local community groups and services.

KEY OBJECTIVE 5

Community Activation

Build community pride through the activation of community facilities and spaces

Council had a strong focus on community wellbeing and accessibility through curated programming to create meaningful opportunities for audiences to connect during and beyond performances. Highlights included Signorinella, delivered in partnership with local Italian musicians and café Evviva; and Lose to Win, which engaged the local Sudanese community through food, dance and cultural participation.

Gippsland Performing Arts Centre and Latrobe Performing Arts Centre collectively held over 259 shows in the 2025/26 year, with a total of 52,458 tickets sold - highlighting the significant role that these venues play in the local performing arts community.

Library facilities across Latrobe have continued to provide an accessible and inclusive environment for all ages. Across the financial year there have been approximately 228,575 visits to libraries across Churchill, Moe/Newborough, Morwell and Traralgon.

Libraries also continued to deliver strong community programming through the facilitation of the Gaming Club, School Holiday activities and Movie Nights.

Services

Business Area	Description
Early Childhood Health & Development	Service provides information, advice, support and health monitoring to parents of children aged 0 to 6 years to ensure the promotion of health and development to optimise the child's wellbeing, learning, development and safety. Responsible for coordinating and delivering the National Immunisation program through providing a schedule of free vaccines to eligible members of the community through community, school and workplace sessions. Support Best Start Partnership which aims to improve the health, development, learning and wellbeing of all Victorian children from infancy through to transition to school (0 to 8 years)
Early Learning & Care	Three early learning centres and 25 preschools are located at various locations across Moe, Morwell, Traralgon, Churchill, Boolarra, Glengarry, Traralgon South, Tyers, Yallourn North and Yinnar.
Employment Development	Promote, coordinate and providing training and employment opportunities for aboriginal people.
Arts	Deliver the Annual Latrobe Regional Gallery Exhibitions program and deliver Education and Public Participation programs across all arts facilities. Deliver the Annual Performing Arts Performances program. Manage and maintain Halls and Venues across the City.
Library Services	Operation of four libraries (Moe, Morwell, Traralgon and Churchill) across the municipality that provides access to resources, programs and services that encourages lifelong learning and literacy and numeracy development.
Local Laws	Deliver customer focussed Local Law services across the municipality in accordance with Local Law No. 2 and other relevant legislation.
Emergency Management	Undertake risk based, strategic planning and actions that promote community safety whilst building community resilience from the threat of bushfire, flood and other emergency impacts in collaboration with emergency management agencies and community.
Health Services	Provision of public and environmental health services which covers the areas of wastewater management, infectious disease; monitoring and inspection of food, accommodation, beauty therapies, tobacco etc. to minimise the risk to public and environmental health.
Leisure Facilities	The operation of Leisure Centres which provide community access to health, fitness and recreation through four indoor facilities (Morwell, Churchill, Moe/Newborough and Traralgon), offering indoor pools, learn-to-swim programs, gym facilities, group fitness and stadium/court spaces and two outdoor pools (Moe and Yallourn North) which operate during summer for water-based recreation. The management and operation of the Gippsland Regional Indoor Sports Stadium (GRISS) and the Gippsland Regional Cricket Centre.
Recreation Liaison	Providing stakeholders with a consistent mode of engagement with Council through the provision of a liaison service while also providing timely and accurate advice. Provision of outdoor sporting reserves including maintenance of sporting surfaces and associated facilities and amenities (pavilions, waste, etc.).
Community Engagement	Provide community engagement support services.
Community Grants	The Community Grant Program provides funding to local not-for-profit community groups across capital works, community wellbeing, events and quick response streams, in line with the priorities set out in the Council Plan and integrated Municipal Public Health and Wellbeing Plan.
Community Strengthening	Working with community advisory groups: Positive Ageing Community Engagement Group, Disability Access and Inclusion Community Engagement Group, Cultural Diversity Advisory Group, and Youth Council. Also run events and programs to improve community health and wellbeing. The Social Policy and Inclusion team coordinates the implementation and monitoring of the Municipal Public Health and Wellbeing Plan.

Strategic indicators

Indicator	2024/25	2025/26
Total visits to Council managed facilities (leisure centres, galleries and performing arts)	*	874,881
Number of major events	12	26
Number of community events supported	163	420

*Data collection method changed to people counters, therefore 2024/25 data is unavailable.

MPHWP indicators

Indicator	2023	2026/27
Increase in healthy and inclusive lifestyles	3.22%	Note: Release of data is subject to the Victorian Population Survey

Indicator	2023/24	2024/25	2025/26
Decrease in prevalence of crime	9,189	10,090	Note: Release of data is year ending September

Indicator	2023	2026/27
Decrease in severe food insecurity	15.19%	Note: Release of data is subject to the Victorian Population Survey

Our Organisation – Leadership, Collaboration, Capability

We are committed to the operation of a high-performing, efficient organisation that underpins the delivery of our strategic direction (economy, city and community).

KEY OBJECTIVE 1

Leadership and Governance

We will act with integrity and transparency when delivering services for our community.

Quarterly Audit and Risk Committee meetings occurred and received reports relating to internal and external audit process, planning and outcomes; financial reports; risk management reporting and performance reporting. The Audit and Risk Committee has expressed confidence in the organisation's approach to audit and risk management.

Support to Councillors continued to be provided by Council through the *Mandatory Councillor Development Training* program (as per the Local Government Act 2020) for the 2026 calendar year.

KEY OBJECTIVE 2

Financial Sustainability

We will allocate resources responsibly (in particular rates income) and make value for money decisions.

Throughout the 2025/26 financial year, Councillors participated in developing a set of strategic financial aspirations and a corresponding financial sustainability action plan aimed at guiding decision to inform the possible scale of change required to ensure the organisation is financially sustainable in the long term.

The 2026/27 financial year budget was developed and adopted which incorporated on-going savings of $1.5 million identified in the 2025/26 adopted budget.

KEY OBJECTIVE 3

Customer Focus

We will ensure we listen and that services are accessible, efficient and responsive to the community's requirements

The Customer Experience Strategy 2026–29 was completed following extensive community and internal consultation, with implementation commencing in 2026. The first-year Implementation Road Map progressed key priorities, including development of a dedicated strategy webpage and commencement of a Customer Service Centre review.

The Customer Service Charter was also finalised and made available online and at Council Service Centres, clearly outlining Council's commitment to consistent and high-quality customer service. The updated Community Engagement Policy and supporting framework, toolkits and resources were also endorsed to strengthen how Council engages with the community.

Council continued to deliver targeted communication and engagement activities to improve awareness of Council services, priorities and advocacy. This included regular media, social media and digital campaigns covering customer service, road improvements, community safety, investment attraction, tourism and local events.

KEY OBJECTIVE 4

Advocacy and Engagement

We will engage relevant stakeholders to prioritise and advocate for our community's needs and aspirations.

The Advocacy Framework was adopted in October 2025, establishing a clear, evidence-based process for identifying and progressing Council's advocacy priorities. This supported the development of the 2026/27 Advocacy Agenda and Federal Budget Submission, and informed the March 2026 Canberra Delegation, where Councillors and officers held 10 meetings with Federal Ministers, MPs and policy advisors.

Council also progressed its State Election Strategy, including preparation for the July 2026 Victorian Parliament Delegation. Engagement with government and regional partners has focused on priorities including infrastructure activation, Advanced Air Mobility, economic transition, removal of redundant coal overlays, community safety and investment attraction.

Council strengthened collaboration with regional partners including Regional Development Victoria, Committee for Gippsland, Gippsland Water, One Gippsland and the Mining and Energy Union, supporting coordinated advocacy on shared regional priorities. Advocacy communications were also strengthened through a refreshed website, advocacy video, project one-pagers and ministerial briefing materials informed by community and stakeholder feedback.

Services

Business Area	Description
Financial Support	Maintain financial records, provide and manage procurement framework for the purchase of goods and services and maintain the rates property database.
Governance	Council meeting management, Freedom of Information, internal audit, committee management, statutory registers and legal support functions.
Information Services	Maintain the Latrobe City Council IT network infrastructure, assets, purchasing and licences and provide an effective secure environment for storage and disaster recovery.
Information Management	Maintain corporate information and Council documentation and information applications in accordance with regulatory guidelines.
GIS and Business Applications	Maintain a Geographical Information System (GIS) for broad use and maintain business applications.
People and Culture	To provide advice, education and support to ensure the success of the organisation through effective leadership, resourcing and people management initiatives. To deliver a variety of learning initiatives and develop the knowledge and skills of our people.
Business Intelligence	Administer corporate planning and reporting and implement Council's service review and business improvement programs.
Risk and Compliance	Provide risk management support and advice, coordinate Occupational Health and Safety responsibilities and develop and implement a compliance framework. Administer Freedom of Information requests, Information Privacy requirements, maintain public registers, policies, audit activities and electoral functions for Latrobe City Council.


GIPPSLAND RAILWAY DOG

Municipal Public Health and Wellbeing Plan

For the first time, Latrobe City Council has integrated its Municipal Public Health and Wellbeing Plan (MPHWP) with the Council Plan. The intention of our MPHWP is outline our strategies to improve Latrobe City's health and wellbeing over the next four years. The Disability Access and Inclusion Plan and Ageing Well Latrobe Plan are also incorporated within the Council Plan and MPHWP's objectives, principles and priorities.

Integrating the MPHWP within the Council Plan is one way to ensure a health and wellbeing perspective is applied to all Council activities. It also ensures key health and wellbeing issues affecting Latrobe City community are identified and prioritised and Council works in partnership with Department of Health and other agencies to achieve the health and wellbeing goals outlined in this plan.

While Latrobe City is unique in many ways, we know that some of the barriers to good health and wellbeing faced by our community are also present for people across the state. The Victorian Public Health and Wellbeing Plan (VPHWP) provides an important framework from which to base our priorities. All but two of the VPHWP priorities are specifically identified in the Council Plan (improving sexual and reproductive health and decreasing antimicrobial resistance across human and animal health).

Where there is a direct link between the Health and Wellbeing Priorities and Strategic Directions, it is marked with a diamond ❖.



Source: Adapted from Dalhlgren & Whitehead 1991

Health and Wellbeing Principles

The following principles will guide Council to ensure a health and wellbeing perspective is applied to all Council activities/services. In particular, the principles will inform how Latrobe City can reduce barriers to accessing services, employment and increase inclusion and participation for those with a disability.

Fairness

We take a needs-based approach to service delivery, recognising different people, experiencing different situations, need different types and levels of support.

Accessibility

We strive to ensure that all in our community have access to services and activities by making sure they are affordable and inclusive.

Shared responsibility

We recognise the importance of a structured approach to addressing complex issues and acknowledge we can't do everything on our own.

Prevention

We focus on preventing poor health and wellbeing outcomes through an understanding of the barriers our community faces.

Principles in action

Council will:

- Meaningfully engage with community and partners in the development or review of services, to ensure they reflect current needs
- Examine the overall health status of our community with a particular focus on those who face greater barriers to good health and wellbeing to inform our service delivery
- Plan for and evaluate the impact of the services we deliver on community health and wellbeing
- Partner with local people and agencies to develop, implement and evaluate our services collectively

Health and Wellbeing Priorities

There are some particular barriers to good health and wellbeing that our community prioritised, and the data validated. The below areas outline where Council will focus its health and wellbeing efforts, under the five priority areas:

- Public safety
- Family violence
- Housing and homelessness
- Social connection
- Alcohol, drugs and gambling

By identifying these priority areas for intervention, Council can demonstrate its role in:

- Improving community safety outcomes
- Preventing and reducing the incidence of family violence
- Reducing homelessness and the impacts of homelessness
- Improving social connectedness
- Reducing harm from alcohol drugs, smoking, vaping and gambling

Key highlights

Key highlights and achievements from the Municipal Public Health and Wellbeing Plan and 2025/26 Health and Wellbeing Action Plan across the priority areas include:

Public safety

- The Develop and Execute Placemaking Activity for Morwell (Murals Project) has now been completed. Murals serve as an effective placemaking tool that foster social connection, dialogue and community pride through collaborative artistic expression. They enhance the aesthetic appeal of public spaces, contributing to more vibrant, welcoming, and unique environments, which can also help attract visitors to the area.
    - Six murals have been delivered across five privately owned locations within the Morwell Central Business District, with one site featuring two street frontages.
- The following murals having been delivered as part of the action, Delivery of Public Art (Murals) across Latrobe City:
- Two murals at the Moe Pony Club, painted by Moe artist Claire Anderson-Wooley on the shed and toilet block walls. There is broadcasting opportunities for the artist and murals that directly face Moe Racecourse.
- A large mural spanning the entire front of Morwell Traffic School, created by artist Rossella Zanolini, brightly depicts children of all abilities participating in safe bike riding and promotes inclusivity and road safety.
- In Quarter 4, 28 grants were offered to Moe and Morwell Central Business Districts (CBD) based businesses to revitalise the CBDs. Businesses have up to four months to complete proposed works post anticipated completion of acquittals. This action contributes to shifting public safety and transforming community experience of our CBD's.

Family violence

- The Candlelight Vigil at Gippsland Performing Arts Centre on 6 May raised awareness of family violence and significance of prevention, reaching over 21,000 people online and engaging 87 attendees, including Councillors, the CEO, Council staff, service providers, and community members. The Mayor facilitated the event, reinforcing the organisation's commitment to preventing family violence, while presentations from Victoria Police and Quantum Support Services highlighted the impacts of family violence and the shared responsibility to build safer, more respectful communities.
- During the 16 Days of Activism Against Gender-Based Violence campaign, Latrobe City Council hosted a Men's Leadership Breakfast in December 2025, bringing together Champions for Change Group, a group of male leaders from Gippsland who recognise that gender inequality is the primary driver of men's violence against women, and more than 50 male leaders from across Gippsland. The event included a presentation from Victoria Police's Family Violence Investigation Unit and a panel discussion highlighting the important role men play in preventing violence against women and promoting gender equality.
- All 25 preschools in Latrobe City received The Gender Equity Resource Kit. The Gender Equity Resource Kit is a comprehensive solution to support educators to embed gender equity and equality concepts within curriculum delivery and everyday learning experiences. The kit contains evidence-based, purposeful tools, templates and guides.

Housing and homelessness

- To support the integration of the Homelessness Awareness Week campaign, in line with the Council Plan including the Municipal Public Health and Wellbeing Plan and key priority Housing and Homelessness, planning has begun for the Walk In Her Shoes exhibition and local forum.
- Homelessness Awareness Week was introduced as a new awareness campaign in the 2026 Program following a review of campaign alignment with Council's strategic priorities.
- Council officers participated in an Inner Gippsland Homelessness Network, which has supported an advocacy approach to the State Government to increase homelessness funding in the region.
- Council officers have commenced developing a homelessness protocol, to guide community on Council's role in rough sleeping and homelessness and to guide Council officers on responding to community members experiencing homelessness. This will be finalised and implemented in Q1 2026/27.

Social connection

- Leisure's three free and safe community spaces are now completed, each providing accessible spaces that are being actively and positively utilised by the community.
    - Churchill Leisure's community space continues to be actively utilised, particular by young people.
    - Moe Leisure members frequently utilise the space following their gym sessions and group fitness classes.
    - Morwell Leisure has been identified and developed an appropriate space, which is now accessed by people as part of their facility experience.
- In addition:
    - Sensory kits are now available at all facilities to support accessibility and inclusion.
    - Enhancements have been made across facilities to improve comfort and functionality.
    - Improvements help create welcoming environments for people with sensory needs.
    - Upgrades ensure spaces better meet the needs of a diverse range of users.
- The Latrobe Regional Gallery (LRG) are now delivering Storytime sessions, on the second Thursday of the month and at 2pm. This is in partnership with the Morwell Library to deliver a shared family program, encourage families already engaged with either LRG or the Morwell library to discover additional family activities and family friendly venues. The collaboration supports audience sharing across Latrobe City Council services and facilities and increases awareness of available family opportunities.
- Carinya (Morwell) and Moe Early Learning Centres have established accessible, self serve food banks at each service, supported by a take-home recipe library. Since September 2025, the initiative has provided essential food relief, with families growing increasingly confident in accessing the service. Educators also engage children in conversations about the food bank to teach them about social connection and community care.

- Following the establishment of the completed action, Food Bank and Council Volunteering Partnership, the program expanded to Cameron Street, Glendonald, and Maryvale Crescent Kindergartens. Glendonald Kindergarten recorded a 5% increase in attendance, and food supplies are typically fully used each week. Feedback from families has been overwhelmingly positive, highlighting the valuable support the program provides.

- Continue the delivery of the Accessible Parking and Footpath Upgrade Program in consultation with the Disability Access and Inclusion Community Engagement Group, while actively seeking external funding opportunities to support and accelerate additional accessibility improvements. As part of the program, a new accessible bay and a drop off bay was constructed outside Gippsland Performing Arts Centre.
- The Learn to Swim CALD Pilot Program was a key success in 2025–26, helping children and families from culturally and linguistically diverse backgrounds access swimming lessons and water safety education. The program reduced barriers to participation, improved swimming skills and water safety knowledge, and increased participant confidence. It also strengthened community connections, promoted inclusive access to recreation opportunities, and highlighted the benefits of targeted partnerships in supporting health, wellbeing, and social inclusion.
    - Two of the participants of the Learn to Swim CALD Pilot Program were supported by Latrobe City Council to gain their qualifications and are now employees of Latrobe City Council as trained Learn to Swim Instructors.

Alcohol, drugs and gambling

- Gambling Harm Awareness Week was delivered over a week in October and November 2025. To increase the campaign's reach and impact, Latrobe City Council partnered with the Gambler's Help team at Latrobe Community Health Service to promote community education and awareness of gambling-related harm. Community members were invited to attend a range of events throughout the week and across the municipality, including opportunities to hear personal stories, learn practical ways to set limits and find out about local support services. Latrobe City Council further supported the campaign through a media release, reinforcing Council's commitment to reducing gambling-related harm within the community.
- The Latrobe Community Gaming Support fund offered two rounds for applications in the financial year 2025/2026. Six projects were funded to a total amount of $60,246.40. Projects were themed around increasing wellbeing and creating safe and supporting environments within the community to improve mental health, food insecurity and education outcomes.
- Latrobe Libraries organised a community event in collaboration with Latrobe Community Health Services, Gambling Support Services, aimed at providing an alternative activity to gambling. The event was open to all community members and offered an opportunity for informal engagement with LCHS representatives for those who felt comfortable initiating a conversation.

The Annual Report concludes the delivery of the 2025–26 health and wellbeing actions that contribute to the strategic directions of the Municipal Public Health and Wellbeing Plan (MPHWP) and Council Plan 2025–2029. Collectively, these actions, regardless of scale, have made a positive contribution to the health and wellbeing of the Latrobe City community.

Council's health and wellbeing principles will continue to guide our work, ensuring a health and wellbeing lens is embedded across all Council services, activities and decision-making. These principles will support Council to reduce barriers to accessing services and employment, while promoting greater inclusion and participation for people with disability.



Giving volunteers more time to focus on what matters

For decades, volunteers have been the backbone of local sporting clubs and recreation reserves, dedicating countless hours to maintaining grounds, facilities and community spaces.

In 2025/26, Council introduced the Recreation Reserve Maintenance Program, helping to ease that burden and give volunteers more time to focus on supporting their clubs, organising activities and enjoying the community spaces they help create.

Following extensive consultation with user groups, five reserves joined the program: Baillie Reserve (Tyers), George Bates Reserve (Yallourn North), Yallourn North Recreation Reserve, Glengarry Recreation Reserve and Toongabbie Recreation Reserve.

Through the program, Council now undertakes core maintenance activities at participating reserves, helping to ensure these important community spaces remain safe, welcoming and well presented for the many people who use them throughout the year.

For volunteers like Mark Bermingham, who has been involved with the Glengarry Recreation Reserve Committee of Management for more than 38 years, the support has made a real difference.

Before the program was introduced, Mark coordinated a team of volunteers responsible for mowing and maintaining the reserve.

"With Council coming on board, it's taken the workload off our machinery, and they've helped fine-tune the clean-up, like trimming trees and grading the road," Mark said.

The Glengarry Recreation Reserve is a busy community hub, used by local schools, football and netball clubs, and the cricket club throughout the year.

"The school uses the reserve, there's cars coming through every day, and the junior and senior football and netball clubs use it during winter, along with the cricket club during the summer months," Mark said.

"We appreciate what Council are doing and will work with them to keep lifting the standard of the reserve."

The Recreation Reserve Maintenance Program reflects Council's commitment to supporting the volunteers who play such an important role in community life. By taking on routine maintenance.

The day the teddy bears had their picnic (and a check-up)

There were plenty of smiles, bandages and teddy bear patients at the 2025 Children's Expo, as families lined up to visit the much-loved Monash Teddy Bear Hospital.

Held annually as part of National Children's Week, the Children's Expo brings together families, carers, community groups and local services for a day of fun and learning. The event also helps families discover the programs, activities and support available across Latrobe City, all in a welcoming and child-friendly environment.

One of the highlights of the Expo was the Monash Teddy Bear Hospital, where children were encouraged to bring along their favourite teddy bears for a check-up. Run by student volunteers, the hospital provides a fun and engaging way to reduce children's fear of visiting doctors, hospitals and other health professionals.

Young visitors guided their cuddly companions through a series of interactive stations designed to mimic real-life healthcare experiences. From learning about asthma and allergies to examining X-rays, children took on the role of caring teddy bear owners while gaining a better understanding of their own health and wellbeing.

For many children, it was their first introduction to medical settings in a positive and playful environment. Through hands-on activities and plenty of encouragement from the Teddy Bear Doctors, children were able to learn, ask questions and build confidence.

The Children's Expo is just one of the ways Latrobe City Council supports local families and helps give children the best possible start in life. By connecting families with local services and creating opportunities for children to learn through play, the Expo continues to be a valued event on the community calendar.









Future takes flight in Latrobe City: Australia's first integrated Advanced Air Mobility Precinct

Proud of our history as Victoria's energy hub, we are embracing new industries that will support jobs, investment and economic growth for future generations.

A key part of this diversification is Advanced Air Mobility (AAM), an emerging sector that includes cleaner, quieter and more flexible aircraft powered by electric, hybrid or hydrogen technologies. These aircraft have the potential to transform passenger transport, freight services and emergency response while supporting Australia's move towards lower-emissions industries.

To help realise this opportunity, Latrobe City Council is advancing the Latrobe Aerospace Technology Precinct — Australia's first integrated site dedicated to the research, development, testing and commercialisation of AAM technologies.

The Precinct has been designed to meet growing industry demand for facilities that support emerging aviation technologies and uncrewed aerial systems. It will also support renewable energy generation and storage solutions, including liquid hydrogen, helping demonstrate the future of sustainable aviation.

Latrobe City is well positioned to support the growth of the sector. The region offers existing airport infrastructure, a flight-testing corridor over low-density land, ready-to-develop industrial land, a skilled workforce, and strong connections to industry and research organisations.

At the centre of the Precinct will be the Launch Pad, a flexible facility designed to bring together industry, innovators, educational institutions and suppliers. The facility will support the development, assembly, testing and commercialisation of new technologies while creating opportunities for collaboration, innovation and investment.

The Precinct has quickly established itself as a destination for major AAM industry partners. Yarra Drones have delivered the on-site AAM Command Centre, and the Precinct has been utilised by Swinburne University of Technology, NOVA Systems, Aquila Earth, and RMIT.

Community support for the initiative has been strong. Engagement undertaken in early 2026 found residents recognised the potential benefits of AAM for emergency services, jobs, investment, education and research. More than 97 per cent of respondents viewed the project positively, reflecting confidence in the role the Precinct can play in shaping Latrobe City's economic future.

As the region continues diversifying, the Precinct represents a significant opportunity to position Latrobe City at the forefront of innovation, clean energy and next-generation aviation.

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Latrobe City's next chapter: local stories powering new investment

Across Latrobe City, big ideas are taking shape in local businesses, industrial precincts, conference floors, airport runways and everywhere in between.

In 2025, Latrobe City Council captured those ideas through a new investment campaign, shining a light on the people and operators helping write the region's next chapter.

The investment campaign was bought to life at the 2025 Gippsland New Energy Conference, where display screens showcased local business and gave visitors a glimpse of the capability, ambition and momentum building across Latrobe City.

One of the big players in the region's investment attraction is the Gippsland Logistics and Manufacturing Precinct in Morwell. Set across 40 hectares, the precinct gives advanced manufacturing, transport and logistics businesses room to grow, with fully serviced industrial land ready to support investment, spark innovation and create local employment opportunities.

The campaign also looked skyward, with Latrobe Regional Airport playing an important role in the region's future. Through the Latrobe Aerospace Technology Precinct, Council is supporting emerging industries such as Advanced Air Mobility and helping attract research, innovation and new industry partnerships to Latrobe City.

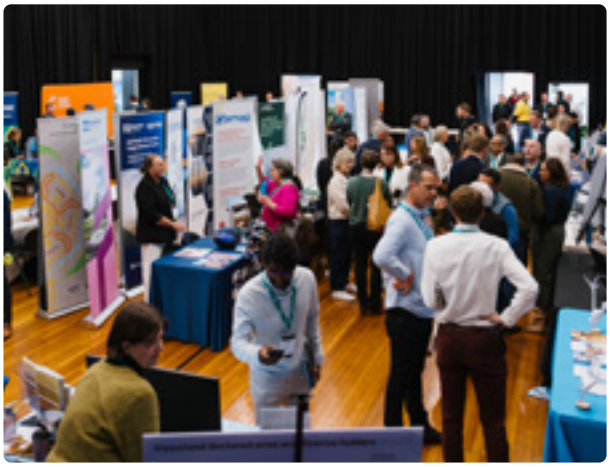
Our future is already beginning to take shape through Council's work with Yarra Drones on an Advanced Air Mobility Command Centre at the airport. Supported by the Victorian State Government, the project shows how targeted investment can help open the door to future jobs and technology-led industries.

Together, these stories paint a picture of a city with the people, ideas and ambition to keep growing. By sharing them, Council is strengthening Latrobe City's profile as a destination for investment and helping create new pathways for industries, jobs and opportunities for the community.









Shredfest 2 delivers another huge success at Moe Skate Park

More than 600 people rolled into Moe Skate Park in April 2026 for the return of Shredfest 2, a high-energy event celebrating celebrate skateboarding, BMX and community.



Following the success of the inaugural event, Shredfest 2 delivered an action-packed day that brought together riders of all ages and skill levels. From first time participants to experienced skaters and BMX riders, participants had the chance opportunity to learn, challenge themselves and connect with others who share a passion for action sports.

One of the biggest drawcards was the chance to skate alongside and learn from some of Australia's leading professional skateboarders and BMX riders.

Professional skateboarders Aimee Massie, Dante Narita-Johnson, Ben Lawrie, Raph Langslow and Dani Campbell, joined BMX riders Shane and Ziggy Ellis to lead workshops, share their experiences and inspire the next generation of riders through demonstrations and one-on-one coaching.

The event showcased more than impressive tricks and talented athletes. It highlighted the important role recreation spaces play in bringing communities together and creating opportunities for young people to get active, build confidence and develop new friendships.

Throughout the day, Moe Skate Park came alive with families, spectators and participants cheering each other on and celebrating achievements both big and small. The welcoming atmosphere reflected the strong and inclusive community that has grown around the facility since its redevelopment.

Delivered by Latrobe City Council with support from the Victorian Government's Council Support Package, Shredfest 2 further established itself as a signature community event. The overwhelming attendance and positive community response demonstrated the growing popularity of action sports in Latrobe City and highlighted the role that events like Shredfest play in bringing people together while showcasing one of the region's best recreational facilities.







Connecting ideas and creating opportunities



The 2025 Latrobe City Business Festival offered local businesses the opportunity to connect, learn and be inspired.

Delivered across two weeks in September, the festival featured a range of workshops, networking events, business masterclasses and panel discussions.

A highlight of the festival was a night with bestselling author, entrepreneur and Go-To Skincare founder Zoë Foster Blake. Hosted by journalist Bridget Hustwaite, the event gave local business owners, aspiring entrepreneurs and members of the community the chance to hear directly from one of Australia's most recognisable business success stories.

Foster Blake shared insights into building the Go-To brand, developing a distinctive business voice and navigating the challenges of growing a successful company. She also explored leadership, resilience, innovation and the realities of running a business, offering practical lessons for those looking to start or grow their business.





Latrobe City Gift Card Program

A Latrobe City Gift Card helps keep money in our community by encouraging people to shop at local businesses.

Since the program began in 2020, it has kept $466,431 in Latrobe City. In the 2025/26 financial year, a total of $71,128 was loaded onto 1073 cards.

At the end of the 2025/26 financial year, 94 local business were part of the program across Traralgon, Morwell, Churchill and Moe including retail, personal services, restaurants and cafes, and leisure and entertainment.



Celebrating the people who make a difference

From helping at local events and sporting clubs to supporting community services and emergency response organisations, volunteers play a vital role in making Latrobe City a great place to live.

The 2026 Latrobe City Volunteer Expo celebrated their contribution, bringing together residents, community groups and volunteers for a day dedicated to the people who help make the region a stronger and more connected place.

Held in the forecourt of the Gippsland Performing Arts Centre, the expo attracted around 1000 visitors, providing an opportunity for community members to learn more about volunteering and the many organisations that rely on local support.

More than 45 stallholders showcased the valuable work being carried out across the region, highlighting opportunities in areas including community services, emergency response, sport, health, arts and culture, and environmental programs.

More than 200 volunteers were involved throughout the day, sharing their experiences and helping visitors understand the positive impact volunteering can have on individuals and the broader community. Their stories demonstrated the important role volunteers play in supporting local events, services and programs that benefit residents of all ages leading to 39 sign-ups of new volunteers during the expo.

The strong turnout reflected the generosity and commitment of residents and reinforced the important role volunteering plays in strengthening communities across Latrobe City.

The expo once again highlighted that when people come together to support one another, the benefits can be felt across the entire community.









Bringing community together through the arts

From sold-out concerts and comedy shows to community theatre and family-friendly events, Gippsland Performing Arts Centre (GPAC) and Latrobe Performing Arts Centre (LPAC) continued to bring people together, hosting an impressive 247 performances and events across the year.

More than just venues, GPAC and LPAC are places where people connect, share experiences and celebrate creativity. Whether it's enjoying a night out with family and friends, supporting local performers or discovering a new favourite artist, the performing arts play an important role in building a strong, connected community.

Throughout the year, GPAC welcomed some of Australia's biggest names in entertainment, including comedians Blake Pavey, Luke Kidgell, Kitty Flanagan and Ben Knight, as well as the popular Melbourne International Comedy Festival Roadshow. Music fans also turned out in force, with tickets to Guy Sebastian's 100 X Around Australia Tour selling out in just four days.

A community highlight was Summer Nights, a series of free outdoor movie screenings that transformed the GPAC precinct into a vibrant community gathering space. Families, friends and visitors came together to enjoy movies under the stars, along with food trucks, live entertainment and a relaxed summer atmosphere. The strong attendance across all four events highlighted the importance of accessible, low-cost activities that help people connect with each other and their community.

While attracting major touring acts is important, GPAC also plays a vital role in supporting local creativity and community participation. Community productions continued to draw strong audiences, including Latrobe Theatre Company's Mamma Mia!, which welcomed more than 3300 patrons across eight performances. Class Act Productions gave local performers the chance to showcase their talents through productions of Singin' in the Rain Jr. and Disney's The Hunchback of Notre Dame, helping young people build confidence, skills and experience on a professional stage.

By providing welcoming, accessible facilities, including inclusive spaces and hearing loop support, GPAC continues to ensure more people can participate in and enjoy the arts. In doing so, the centre plays an important role in enriching community life across Latrobe City, creating opportunities for connection, creativity and shared experiences that bring people together.









04
Our Performance



Council Report Card

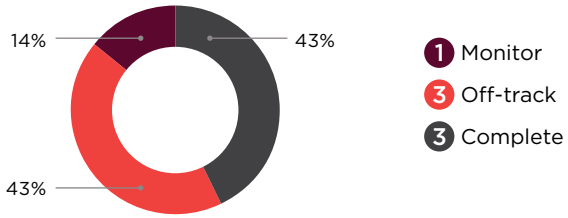
Major initiatives progress summary

Overview of our major initiatives

This table provides a summary of Council's performance against its major initiatives, as identified in the annual budget.

In 2025/26, there are seven major initiatives.

Action performance



Major Initiative	Division	Status	Performance	%
MI 01 – Gippsland Logistics Precinct construction Stage 1B.	Infrastructure and Sustainability	Off Track		43%
MI 02 – Multi Use Pavilion Traralgon Recreation Reserve Commence Construction.	Infrastructure and Sustainability	Completed		100%
MI 03 – (Regional Sports Infrastructure Program) Ted Summerton Reserve Continuation.	Infrastructure and Sustainability	Monitor		70%
MI 04 – Regional Car Parking Fund (RCPF) Projects. Complete Construction of Key Street Facility and Commence Construction of Commercial Road Car Park.	Infrastructure and Sustainability	Completed		100%
MI 05 – Construct a New Public Toilet Facility in the Churchill Town Centre.	Infrastructure and Sustainability	Off-Track		85%
MI 06 – Glengarry Preschool – Additional Room Construction.	Infrastructure and Sustainability	Completed		100%
MI 07 – (Regional Sports Infrastructure Program) Gippsland Regional Indoor Sports Stadium – Complete Refurbishment Works.	Infrastructure and Sustainability	Off-Track		95%

Capital works summary

The 25/26 Capital Works Program had an adjusted budget (including sustainability and multi-year projects) of approximately $102.2M. The majority of the 25/26 Capital Works Program (including sustainability and multi-year projects) has been delivered on time and within budget with forecast carry forward projects of ~18% which is in line with previous financial years results.

Highlights of the 25/26 Capital Works Program, include:

- Drainage upgrade works on Cross's Road, Traralgon near Riverslea Boulevard, was completed.
- Traralgon Maffra Road signalised intersection was completed and is operational.
- Traralgon Flood Recovery Project – Traralgon Recreation Reserve Project was completed.
- Sports Lighting projects at Toners Lane Reserve and Agnes Brereton Reserve (awaiting power connection by Ausnet Services)
- Local Road Reseal and Asphalt Overlay Programs completed.
- Hyland Highway Landfill - Cell 7.
- Landslip Road Reconstruction works at Traralgon Creek Road and Summerfield Track.
- Regional Car Park Fund Projects continue:
    - Kay Street Multi–level Car Park – construction completed
    - Commercial Road Multi–level Car Park – contracts for construction signed, works due to commence in 26/27 FY
- Gippsland Logistics and Manufacturing Precinct (GLaMP):
    - Design and planning works continue to progress for Stage 1B and Stage 2.
    - Tender advertised for Tramway Road roundabout has been advertised with award imminent
    - For the next stages of works, functional layout plans for internal lot works are being prepared to incorporate revised flood modelling outcomes
- Detailed designs for the new Gaskin Park multi-use pavilion are nearing completion with construction to commence in 2026/27.
- A number of asset renewal projects across the roads, buildings, footpaths, drainage, and open space and recreation asset classes were also completed.

Regional Sports Infrastructure Program:

- GRISS: Construction works at the venue were completed with an opening to take place in early 2026/27. Works included solar and battery installations, reroofing works, foyer upgrades, and broadcasting upgrades, and other various upgrade works.
- Ted Summerton Reserve: Construction works continue to progress at the venue with the completion of a regional-level sports oval with 750 lux lighting, upgrades to the existing pavilion and a standalone regional netball pavilion, new cricket training nets, undercover viewing terraces, and the return of users to the venue.
- GSEP: Construction works are well advanced with completion due by the end of the 2026 calendar year; this project is being delivered by Development Victoria on behalf of Council and the State Government.

Council Support Package:

- Stage One: 17 projects funded ($4.1M).
- Stage Two: 5 additional projects approved in May 2025, utilising the full $5M budget.
- Two projects completed; the remainder are in various stages of planning, design, or delivery

A comprehensive list of capital works projects can be found in the Statement of Capital Works on page X of this document.

Local Government Performance Reporting Framework Indicators

The Local Government Performance Reporting Framework provides the foundation for standardising and strengthening performance measuring and reporting across the local government sector.

As a tool, the framework enables local communities to compare how their council has performed during the year against others.

Our Report of Operations and audited Performance Statement provide comparative performance data for 2025/26 and data trends for the last four years.

Ratepayers, residents and other stakeholders can compare our performance results against other large rural Victorian councils via the Know Your Council website **www.knowyourcouncil.vic.gov.au**

KPI	Measure	2025/26	2024/25	2023/24	2022/23
AF2	Health inspections of aquatic facilities	2	1.8	1.6	2.20
AF6	Utilisation of aquatic facilities	7.06	4.13	5.68	5.39
AF7	Cost of aquatic facilities	$5.61	$8.81	$5.69	$5.75
AM1	Time taken to action animal management requests	2.13	2.5	2.15	2.08
AM2	Animals reclaimed	35.30%	33.39%	38.70%	36.36%
AM5	Animals rehomed	63.31%	52.06%	46.74%	28.48%
AM6	Cost of animal management service per population	$16.88	$14.47	$13.65	$12.62
AM7	Animal management prosecutions	94.44%	100%	100%	100%
C1	Expenses per head of municipal population	$2,317.21	$2,270.34	$2,129.14	$2,003.71
C2	Infrastructure per head of municipal population	$20,739.53	$18,075.63	$15,828.81	$15,315.49
C3	Population density per length of road	53.96	50.88	50.5	50.86
C4	Own-source revenue per head of municipal population	$1,617.93	$1,553.80	$1,498.68	$1,447.70
C5	Recurrent grants per head of municipal population	$520.39	$527.90	$220.05	$444.32
C6	relative socio-economic disadvantage	1	1	1	1.00
C7	Percentage of staff turnover	11.41%	15.88%	17.99%	13.15%
E2	Expenses per property assessment	$4,443.02	$4,382.33	$4,114.86	$3,894.22
E4	Average rate per property assessment	$1,779.67	$1,745.93	$1,681.40	$1,613.23
FS1	Time taken to action food complaints	$1.91	1.98	1.85	1.86
FS2	Food safety assessments	98.10%	96.89%	98.84%	151.13%
FS3	Cost of food safety service	$424.51	$394.82	$596.41	$566.76
FS4	Critical and major non-compliance outcome notifications	96.16%	89.02%	89.05%	60.41%
FS5	Food safety samples	106.42%	96.60%	168.75%	
G1	Council decisions made at meetings closed to the public	23.78%	15.52%	13.97%	17.48%
G2	Satisfaction with community consultation and engagement	55	49	50	53

KPI	Measure	2025/26	2024/25	2023/24	2022/23
G3	Councillor attendance at Council meetings	85.19%	89.58%	94.02%	93.16%
G4	Cost of elected representation	$55,873.33	$55,232.92	$50,938.76	$45,508.76
G5	Satisfaction with Council decisions	54	47	49	55.00
L1	Current assets compared to current liabilities	243.79%	197.08%	229.08%	254.73%
L2	Unrestricted cash compared to current liabilities	-72.10%	-56.14%	-55.74%	-23.46%
LB2	Recently purchased library collection	49.81%	49.45%	49.13%	67.00%
LB5	Cost of library service per population	$40.91	$38.67	$34.25	$34.75
LB6	Loans per head of population	3.78%	3.73	3.33	N/A
LB7	Library membership	25.38%	27.85%	23.76%	N/A
LB8	Library visits per head of population	2.87	2.66	2.56	N/A
MC2	Infant enrolments in the MCH service	100.48%	100.72%	100.24%	101.50%
MC3	Cost of the MCH service	$107.61	$97.93	$98.87	$101.11
MC4	Participation in the MCH service	81.38%	74.13%	72.99%	71.66%
MC5	Participation in the MCH service by Aboriginal children	87.89%	82.15%	90.58%	84.75%
MC6	Participation in 4-week key age and stage visit	89.61%	89.61%	94.53%	94.92%
O2	Loans and borrowings compared to rates	11.66%	15.48%	18.20%	17.16%
O3	Loans and borrowings repayments compared to rates	5.95%	2.70%	3.41%	2.06%
O4	Non-current liabilities compared to own source revenue	24.36%	23.23%	27.38%	27.08%
O5	Asset renewal and upgrade compared to depreciation	94.04%	93.77%	108.16%	104.03%
OP1	Adjusted underlying surplus (or deficit)	-7.38%	-5.98%	-23.16%	-3.73%
R1	Sealed local road requests	111.45	88.77	88.74	100.26
R2	Sealed local roads maintained to condition standards	99.74%	99.74%	98.45%	99.87%
R3	Cost of sealed local road reconstruction	$234.22	$109.81	$106.65	$226.24
R4	Cost of sealed local road resealing	$29.02	$24.23	$28.57	$15.68
R5	Satisfaction with sealed local roads	52	50	53	54.00
S1	Rates compared to adjusted underlying revenue	58.52%	56.49%	69.10%	59.44%
S2	Rates compared to property values	0.45%	0.43%	0.43%	0.48%
SP1	Time taken to decide planning applications	73.5	82	100	81.00
SP2	Planning applications decided within required time frames	99.02%	87.76%	81.58%	88.02%
SP3	Cost of statutory planning service	$2,801.92	$2,724.58	$3,114.91	$2,946.68
SP4	Council planning decisions upheld at VCAT	50%	50.00%	100.00%	100.00%
WC2	Kerbside collection bins missed	2.42	3.37	2.68	2.84
WC3	Cost of kerbside garbage bin collection service	$167.53	$152.88	$138.02	$133.29
WC4	Cost of kerbside recyclables collection service	$59.20	$28.69	$30.13	$30.07
WC5	Kerbside collection waste diverted from landfill	56.92%	56.78%	60.68%	49.33%

Statutory Information

What Council does and how Council works

Councils are representative governments elected by the community to manage local issues and to establish and plan for the community's needs.

Latrobe City Council is a public statutory body which operates under the legislative requirements of the *Local Government Act 1989* and *Local Government Act 2020.*

These Acts set out the role of the elected Council that is responsible for the leadership and good governance of the municipal district and local community.

Council approves the annual budget, long-term financial plan, development and implementation of strategies and plans, and establishes policies in response to local needs and priorities.

Management of the day-to-day operational matters is the role of the Chief Executive Officer, under delegation of the Council and in accordance with the *Local Government Act 2020.*

Audit and Risk Committee

The Audit and Risk Committee is appointed by Council under Section 53 of the *Local Government Act 2020.*

The Audit and Risk Committee Charter describes the authorities and scope of the Committee, which includes assisting Council in the discharge of its oversight of:

- Corporate reporting processes, including financial and performance reporting processes and internal control
- Risk management
- Fraud prevention systems and controls
- Business continuity
- External audit
- Internal audit
- Compliance with laws, regulations, internal policies and industry standards

The Audit and Risk Committee consists of two Councillors (and one alternate) and three independent external members as outlined below.

Remuneration was set at $1,690 per meeting for the Chair and $1,127 per meeting for the other independent members throughout 2025/26. This is subject to annual review by the Chief Executive Officer, giving consideration to the Allowances for Mayors, Deputy Mayors and Councillors – annual adjustment made by the Victorian Independent Remuneration Tribunal, as per the Audit and Risk Committee Charter.

The Committee currently consists of the following as at 30 June 2026:

Independent Chair: Mr David Kortum
Appointed by Council as independent member on 6 June 2022. Appointed by Council as chair on 3 July 2023, and renewed as Chair for a second three-year period on 29 June 2026 until 31 July 2029.

Independent Member: Ms Jane Watson
Appointed by Council on 3 July 2023, and extended November 2025 until 1 February 2029

Independent Member: Mr Leigh Berell
Appointed by Council on 15 December 2025 for a three year period until 31 December 2028

From 1 July 2025 to 1 December 2025

Independent Member: Mr David Kortum
Appointed by Council on 6 June 2022 for a two-and-a-half-year period, and extended on 2 September 2024 until 1 December 2025

Council Representative:
- Cr Joanne Campbell (appointed 15 December 2025)
- Cr Leanne Potter (appointed 15 December 2025)

Alternate Council Representative:
Cr Dale Harriman (appointed 15 December 2025)

The Audit and Risk Committee held four meetings in the 2025/2026 financial year. All independent members attended each of the meetings in 2025/2026.

Councillors not appointed to the Committee are also invited to attend to observe proceedings, and members of management are present to respond to questions from the Committee.

The Committee has regular reports relating to:
- External audit process and outcomes
- Internal audit planning, reports and action implementation
- Financial reports
- Risk management
- Performance reporting
- Awareness of VAGO, IBAC and Ombudsman reports tabled in state parliament (relating to local and Victorian Government agencies)
- Key policies that have been reviewed that relate to internal controls.

These reports assist the Committee to provide the oversight and input as required under its Charter.

Internal audits that were finalised and reported to the Audit and Risk Committee in the 2025/2026 financial year included:
- Review of Tree Management
- Review of Procurement (below tender threshold)
- Review of Leases and Licences

One further review was commenced as part the of 2025/26 audit program, and will be finalised in early 2026/27:

- Review of Complaints Management

Council meetings and decisions

The 2025-2026 Council Meeting Schedule provided for meetings to be held at the Gippsland Performing Arts Centre (GPAC) Traralgon, Kernot Hall Morwell and Moe Town Hall. Each Council Meeting includes a public question time as a standard agenda item, designed to encourage community participation in the overall affairs of Council. Members of the public who have an interest in an open item on the advertised agenda are also able to register to speak.

A Council Meeting is where Councillors make formal decisions on items presented to them. Council Meetings include scheduled meetings (the regular meetings scheduled for a full calendar year), unscheduled meetings (additional meetings arranged as needed throughout the year) and statutory meetings which are all open to the public (unless Council resolves to close the meeting in accordance with guidelines of the *Local Government Act 2020*).

All Council Meeting dates are advertised in the Latrobe Valley Express newspaper and detailed on the Latrobe City Council website, as well as on its corporate Facebook page.

In the spirit of open, accessible and transparent governance, Latrobe City Council's open Council Meetings are livestreamed on YouTube.

Recordings of Council meetings can be found on the Latrobe City Council YouTube page under the Council Meeting tab.

Councillors also meet for closed briefing sessions. At these sessions, Councillors have the opportunity to be briefed on strategic items in relation to Council business and on matters of interest within the community.

The Council Meeting schedule, agendas and minutes are available on the Latrobe City Council website www.latrobe.vic.gov.au

Council meeting attendance 2025/26

During 2025/26, there were 13 Scheduled Council Meetings and two Unscheduled Council Meetings held. Councillor attendance at these meetings is shown in the table below.

13 Scheduled council meetings

2 Unscheduled council meetings

Councillor		Scheduled council meeting	Unscheduled council meeting
July 2025 – October 2026			
Cr Sharon Gibson	Newborough Ward	13	1
Cr Dale Harriman	Loy Yang Ward	13	2
Cr Darren Howe	Tyers Ward	13	2
Cr Tracie Lund*	Morwell River Ward	4	1
Cr Steph Morgan	Yallourn Ward	13	2
Cr Leanne Potter	Budgeree Ward	12	2
Cr Joanne Campbell	Jeeralang Ward	12	2
Cr Adele Pugsley	Moe Ward	13	1
Cr David Barnes	Boola Boola Ward	8	1

*Cr Tracie Lund resigned effective 16 March 2026. Four scheduled Council Meetings were held between March and 30 June 2026.

Councillor Code of Conduct

In 2024, the Model Councillor Code of Conduct was introduced through the *Local Government Act 2020*, and applies to all Victorian councils including Latrobe City Council.

The Model Councillor Code of Conduct sets out Councillor Standards of Conduct and is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders; and
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

The *Local Government Act 2020* also requires councils to implement and adopt an internal dispute resolution procedure for breaches of the Model Councillor Code of Conduct, with that procedure being guided by the *Local Government (Governance and Integrity) Regulations 2020*. The Model Councillor Code of Conduct and Council's internal dispute resolution procedure are available at www.latrobe.vic.gov.au.

Councillor remuneration

The Mayor, Deputy Mayor and Councillors are entitled to receive from the Council an allowance as determined by the Victorian Independent Remuneration Tribunal.

The Victorian Independent Remuneration Tribunal issued Determination No 01/2022 (as varied by [2022] DCMA 01, [2023] DCMA 01, [2024] DCMA 01 and [2025] DCMA 01) – Allowance payable to Mayors, Deputy Mayors and Councillors (Victoria) which set the level of annual allowances for a category 2 Council as follows:

- Effective from the 1 July until 17 December 2025 Mayor $115,347, Deputy Mayor $57,673 and Councillors $35,049.
- Effective from the 18 December 2025 Mayor $118,303, Deputy Mayor $59,152 and Councillors $35,049.

The allowance is inclusive of any Superannuation Guarantee Contribution amount, or equivalent, that may be payable under Commonwealth law to the Council member with respect to their service.

Councillors are also provided with a number of resources and support to assist them in undertaking their duties. This includes office administration and support, professional development support, and equipment such as mobile phones, computers, tablets and printers. Councillors are also entitled to seek reimbursement for expenses such as travel and childcare.

The Mayor also receives use of a fully maintained motor vehicle, a dedicated office, and support from an assistant. These expenses and resources are specified in the Council Support and Expenses Policy, a copy of which is available at www.latrobe.vic.gov.au.

Councillor expenses

Councillor	Period	Ward	Councillor allowance paid	Travel expenses	Professional development	Expenses to support the role	Total
Cr Sharon Gibson - Mayor^	01/07/2025-30/06/2026	Newborough Ward	$ 93,224.56	$ 18,256.17	$ 3,560.27	$ 4,513.61	$ 119,554.61
Cr Dale Harriman - Deputy Mayor^^	01/07/2025-30/06/2026	Loy Yang Ward	$ 82,164.80	$ 18,538.91	$ 12,827.24	$ 2,567.52	$ 116,098.47
Cr David Barnes	01/07/2025-30/06/2026	Boola Boola Ward	$ 35,048.98	$ 1,331.50	$ 4,134.91	$ 1,260.13	$ 41,775.52
Cr Leanne Potter	01/07/2025-30/06/2026	Budgeree Ward	$ 35,048.98	$ 6,857.87	$ 17,304.67	$ 1,300.49	$ 60,512.01
Cr Joanne Campbell	01/07/2025-30/06/2026	Jeeralang Ward	$ 35,048.98	$ 791.45	$ 5,942.67	$ 1,260.91	$ 43,044.01
Cr Adele Pugsley	01/07/2025-30/06/2026	Moe Ward	$ 35,048.98	$ 7,119.08	$ 14,598.60	$ 1,225.76	$ 57,992.42
Cr Tracie Lund*	01/07/2025-15/03/2026	Morwell River Ward	$ 24,774.36	$ -	$ 4,646.14	$ 822.91	$ 30,243.41
Cr Darren Howe	01/07/2025-30/06/2026	Tyers Ward	$ 35,048.98	$ 1,216.88	$ 2,361.91	$ 1,054.42	$ 39,682.19
Cr Steph Morgan	01/07/2025-30/06/2026	Yallourn Ward	$ 35,048.98	$ -	$ 5,350.50	$ 1,206.00	$ 41,605.48
			$ 410,457.60	**$ 54,111.86**	**$ 70,726.91**	**$ 15,211.75**	**$ 550,508.12**

Professional Development expenses relate to mandatory training requirements as well as Councillor Personal Development activities.

- ^ Cr Sharon Gibson: Mayor 28/11/2025 to 30/06/2026
- ^ Cr Sharon Gibson: Deputy Mayor 01/07/2025 to 27/11/2025
- ^^ Cr Dale Harriman: Mayor 01/07/2025 to 27/11/2025
- ^^ Cr Dale Harriman: Deputy Mayor 28/11/2025 to 30/06/2026
- * Cr Tracie Lund of the Morwell River Ward resigned from Latrobe City Council effective from 16 March 2026.

Annual Allowance including Superannuation as at 30 June 2026

- Mayor: $118,303
- Deputy Mayor: $59,152
- Councillors: $35,049

The Mayor also receives use of a fully maintained motor vehicle, these costs have been included under travel.

Councillor representation on Committees

To assist Latrobe City Council in the delivery of a range of complex tasks, committees are constituted to undertake specific delegated functions (Delegated Committees and Community Asset Committees) or to provide expert advice on specific topics or projects (for example Advisory Committees or project reference groups).

These committees provide insight and information that Council may not otherwise receive either internally or externally. The role of a committee is to inform and enhance, not replace the role or responsibilities of Council and individual Councillors.

As at 30 June 2026, Latrobe City Council had 36 committees on which Councillors were appointed.

These are as follows:

- Community Asset Committees (11)
- Statutory Committees (1)
- Advisory Committees and Project Reference Groups (22)
- Planning Committees (1)
- Delegated Committees (1)

Councillors or Officers also represent Latrobe City Council on 14 external committees and associations.

Information Management

Council delegations

Many of the elected Council's powers under the *Local Government Act 1989*, the *Local Government Act 2020* or any other legislation may be delegated by an instrument of delegation to a Delegated Committee of Council, to the Chief Executive Officer or to an individual Council Officer. Council generally delegates powers, duties and functions to the Chief Executive Officer who is empowered to further delegate some or all of those powers to other officers and to Community Asset Committees. There is also a limited range of powers, duties and functions delegated directly by Council to other officers. Delegation is a vital element in assisting Council administration to function effectively and efficiently.

Delegation facilitates the achievement of good governance for the community by empowering appropriate members of staff or committees to make decisions on behalf of Council. When enacting on a delegated power, the staff member or committee is acting on behalf of Council.

Council's delegation documents only permit certain officers to make decisions of a financial nature, and the limit of their authority is carefully specified to ensure prudent financial management. Decisions under delegations are sometimes restricted by limitations imposed by Council or the Chief Executive Officer, including numerous requirements to report back on the decisions that have been made under that delegation. Decisions made under a delegation must always adhere to existing Council policy or directions.

Council delegations are reviewed and updated using the Maddocks Authorisation and Delegation service.

Freedom of information

Where documents are not available for public inspection or on Latrobe City Council's website, access may be sought under the Victorian Freedom of *Information Act 1982 (FOI Act)*. The *FOI Act* gives the public a right to seek access to documents held by Latrobe City Council. This general right of access is subject to exceptions and exemptions prescribed under the *FOI Act*, which protect public interests and the private and business affairs of individuals and organisations about whom Council holds information.

Local governments are required to publish information about the documents they hold, particularly documents that affect members of the public in their dealings with Council. This includes a non-exhaustive list of the types of documents held by Council and information about how members of the public may access them.

Individuals also have a legally enforceable right to access their personal records and request correction of any inaccuracies, subject to some exceptions.

Appeals against a decision not to provide access to information, or not to amend a personal record, can be made to the Office of the Victorian Information Commissioner.

Latrobe City Council received 53 applications to access information under the *FOI Act* during the 2025/2026 financial year. Freedom of Information requests must be made in writing and accompanied by an application fee.

Requests for access to information should be addressed to:

Freedom of Information Officer
Latrobe City Council
PO Box 264
MORWELL VIC 3840

In accordance with the *FOI Act,* Latrobe City Council must make a decision on a valid application within 30 days. Of the 53 applications received, 15 were deemed valid within the 2025/2026 financial year and were processed within the statutory timeframe. A further 15 applications were withdrawn by the applicant or did not proceed due to unpaid application fees, unclarified request scope, or no response from the applicant. Nineteen applications were processed outside the *FOI Act*, and four applications remain in progress.

Information privacy

Public interest disclosures

There were no Public Interest Disclosures requiring notification to IBAC in 2025/26.

Fraud and corruption

There is a "zero tolerance" approach to fraud and corruption at Latrobe City Council. Council is committed to the elimination of all forms of fraud and corruption and to creating an ethical environment and culture that discourages and prevents fraud and corruption.

To achieve this, Latrobe City Council has a Fraud and Corruption Control framework in place. The framework is comprised of the Fraud and Corruption Control Policy, Fraud and Corruption Control Plan, and Fraud and Corruption Control Action Plan, and sets out fraud education, prevention, detection, response, reporting and monitoring requirements. This includes reporting options for staff, contractors and the community to report suspected fraudulent or corrupt activity of Council staff, contractors or Councillors. The framework was reviewed and adopted in early 2024, and confirmed it remains appropriate, effective and aligned with Australian Standard AS8001:2021 Fraud and Corruption Control. The review involved endorsement by the Audit and Risk Committee, prior to Council's adoption of the Policy and Chief Executive Officer approval of the Plan. The Fraud and Corruption Control Policy is available on Council's website.

Regular reporting is provided to the Executive Team and the Audit and Risk Committee on fraud and corruption reports and delivery of the action plan, to enable monitoring of the control environment.

Documents for public inspection

Under legislation, certain information held within Latrobe City Council is available for viewing by the public during normal office hours or by prior arrangement at Latrobe City Council's Corporate Headquarters, 141 Commercial Road, Morwell.

In accordance with section 57 of the *Local Government Act 2020* and Council's adopted Public Transparency Policy, inspection of these documents can be arranged by phoning Latrobe City Council on 1300 367 700.

- Details of overseas or interstate travel taken in an official capacity by Councillors or Council officers in the previous 12 months.
- Agendas and minutes for Scheduled and Unscheduled Council Meetings except where such minutes relate to parts of meetings which have been closed to members of the public under section 66 of the *Local Government Act 2020* or section 89 of the *Local Government Act 1989*.
- Minutes of Delegated and Community Asset Committees established under sections 63 and 65 of the *Local Government Act 2020* and held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public under section 66 of the *Local Government Act 2020.*
- A register of delegations made pursuant to the *Local Government Act 2020* and any other acts or regulations.
- Register maintained under section 313 of the *Local Government Act 2020* of authorised officers appointed under that section.
- A list of donations and grants made by Latrobe City Council during the financial year. Council also publishes grant information in its Annual Report each financial year.

Other information available to the public

- Governance Rules
- Council Support and Expenses Policy
- Model Councillor Code of Conduct
- Summary of Personal Interest Returns
- Local Laws 1, 2 and 3
- Council Plan
- Strategic Resource Plan
- Annual Budget
- Annual Report including the Auditor's Report
- All adopted Council policies

A number of these documents are also available on Latrobe City Council's website.

A full list of information that can be made available to the public on request is detailed in Council's Public Transparency Policy.

Contracts

Contracts entered into above the threshold where a public process did not occur: Nil

Contracts entered into above the threshold where a public process occurred:

- Maryvale Rec Reserve, Morwell - Pavilion Upgrade
- Morwell Depot Amenities Extension
- Landfill Monitoring and Reporting
- Provision of Servicing & Maintenance for Plant & Equipment (panel of 10)
- Ted Summerton Reserve Redevelopment - Construction Works
- Ted Summerton Reserve Redevelopment - Oval Construction Works
- Landslip remediation works at Summerfield Track and Traralgon Creek Road - Project 1
- Landslip remediation works at Summerfield Track and Traralgon Creek Road - Project 2
- Landslip remediation works at Summerfield Track and Traralgon Creek Road - Project 3
- Reconstruction of Loch Park Road, Traralgon - Stage 2
- Footpath Replacement Program (panel of 3)
- Anderson Road Culvert Replacement - Design and Construct
- Morwell Tennis Complex Footbridge Replacement - Design and Construct
- Provision of Line Marking and Surface Retexturing Services
- Provision of Labour Hire Services (panel of 3)
- Design & Construct LED Sports Lighting at Toners Lane Reserve, Morwell
- Provision of Planning Services (panel of 13)
- Construction of Public Toilet at Georgina Place, Churchill
- Provision of Transfer Station Operations and Management
- Design and Construct of Netball Court, Traralgon Recreation Reserve
- Construction of Netball Court Lighting at Agnes Brereton Reserve, Traralgon
- Foyer Refurbishment & Accessibility Works - GRISS, Traralgon
- Reconstruction of Butters Street, Morwell
- Reconstruction of Bank Street, Traralgon
- Construction of Cricket Training Nets at Ted Summerton Reserve, Moe
- Burrage Reserve Soccer Pavilion Refurbishment
- Commercial Road Multi-Level Car Park
- Supply, Delivery, and Placement of Asphalt Products (panel of 2)
- Tyers Preschool Renewal
- Management and Operation of GRAC
- Kerb and Channel Replacement Program (panel of 3)

Development contributions plan

Section 46QD of the *Planning and Environment Act 1987* require Councils to provide a report on development contributions.

Total DCP levies received in 2025/26 financial year

DCP name and year approved	Levies received in 2025/26 financial year ($)
Lake Narracan DCP - 2015	$29,780.00
Total	**$29,780.00**

DCP land, works, services or facilities accepted as works-in-kind in 2025/26 financial year

DCP name and year approved	Project ID	Project description	Item purpose	Project value ($)
Lake Narracan DCP - 2015				-
Total				**-**

Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

DCP name and year approved	Total levies received ($)	Total levies expended ($)	Total works-in-kind accepted ($)	Total DCP contributions received (levies and works-in-kind) ($)
Lake Narracan DCP - 2015	N/A	N/A	N/A	N/A
Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Land, works, services or facilities delivered in 2025/26 financial year from DCP levies collected

Project description	Project ID	DCP name and year approved	DCP fund expended ($)	Works-in-kind accepted ($)	Council's contribution ($)	Other contributions ($)	Total project expenditure ($)	Percentage of item delivered
N/A	N/A	Lake Narracan DCP - 2015	N/A	N/A	N/A	N/A	N/A	N/A
Total			**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	

Council membership as at 30 June 2026

Committees	Cr David Barnes	Cr Joanne Campbell	Cr Sharon Gibson	Cr Dale Harriman	Cr Darren Howe	Cr Tracie Lund	Cr Steph Morgan	Cr Leanne Potter	Cr Adele Pugsley
Delegated Committee									
Road, Facility and Place Name Delegated Committee		●	●	●			●		
Community Asset Committees									
Baillie Reserve Tyers Community Asset Committee					●				
Callignee and Traralgon South Sporting Facilities Community Asset Committee		●							
Crinigan Bushland Reserve Community Asset Committee							●		
Edward Hunter Heritage Bush Reserve Community Asset Committee			●						●
George Bates Reserve Community Asset Committee							●	○	
Latrobe Regional Airport Advisory Committee	○				●				
Mathison Park Community Asset Committee							○	●	
Morwell Centenary Rose Garden Community Asset Committee						○	●		
Ollerton Avenue Bushland Reserve Community Asset Committee			●						●
Traralgon Railway Reservoir Conservation Reserve Community Asset Committee		●		●					
Yallourn North Community Housing Community Asset Committee							●		
Statutory Committees									
Audit and Risk Committee		●	○					●	
Planning Committee									
Municipal Emergency Management Planning Committee			CR			CR		CR	CR
External Committees and Associations									
Alliance of Councils for Rail Freight Development							●		●
Australian Local Government Association (ALGA) National General Assembly				●					
Gippstown Reserve Committee of Management Inc. (by invitation)			●		●				●
Hazelwood Rehab Project - Environment Review Committee							●		
Latrobe City Trust			T ▲	T				T	
Latrobe Valley Mine Rehabilitation Advisory Committee							●	○	
Moe Yallourn Rail Trail Committee of Management			●						●
Municipal Association of Victoria (MAV) Representative		○ LCC	LCC						
National Timber Councils Association	○			●					

● Member
○ Alternate
▲ Chair
T Trustee
CR Community representative
LCC LCC representative

Committees	Cr David Barnes	Cr Joanne Campbell	Cr Sharon Gibson	Cr Dale Harriman	Cr Darren Howe	Cr Tracie Lund	Cr Steph Morgan	Cr Leanne Potter	Cr Adele Pugsley
One Gippsland			●						
Regional Cities Victoria			●						
Roadsafe Gippsland Community Road Safety Council					●		●		
South East Australian Transport Strategy (SEATS)									●
Victorian Farmers Federation Latrobe Working Group									
Advisory Committees									
Australia Day Advisory Committee				●					●
Centre for Australian Automotive Futures Committee			●	○	●				●
Chief Executive Officer Employment Matters Committee			●	●	●		●		
Early Years Reference Committee					●		○	●	
Economic Development Advisory Committee			●	●					
Gaskin Park Pavillion Project Reference Group							●	▲	
Gippsland Regional Indoor Sports Stadium 2023 Upgrades – Project Reference Group		▲			●				
Gippsland Sports and Entertainment Park Redevelopment Project							▲		
Hyland Highway Municipal Landfill Consultative Committee		●		●					
Lake Narracan Advisory Committee			●						●
Latrobe City Community Safety Advisory Committee		○	●		●				
Latrobe City Council Rail Freight Working Group									
Latrobe City International Relations Committee									
Latrobe Regional Gallery Advisory Committee							●	●	○
Latrobe Tourism and Major Events Advisory Committee		●	●	○	●		●		
Moe Southside Community Precinct Advisory Committee			●						●
Regional Car Park Fund Multi-Level Car Park Project Reference Group (2 Kay Street, Traralgon)				●	●				
Sporting Hall of Fame Committee	●			●					
Ted Summerton Reserve 2023 Upgrades – Project Reference Group			▲						●
Traralgon Flood Recovery Project Stage 1 - Project Reference Group				●	●			●	
Traralgon Recreation Reserve and Showgrounds Advisory Committee		●		●					
Victory Park Precinct Advisory Committee		●		●					

Local Government Performance Reporting Framework

Governance and management checklist

The checklist provides an indication of Council's governance frameworks including community engagement, planning, monitoring and decision-making.

Checklist item	Definitions	Yes/No	Assessment
Community engagement policy	A community engagement policy adopted in accordance with section 55 of the Local Government Act 2020.	Yes	Adopted in accordance with section 55 of the Act. Date of adoption: 30 June 2025
Community engagement guidelines	Community engagement guidelines developed to give effect to the community engagement policy.	Yes	Current guidelines in operation. Date commenced: 30 June 2025
Procurement policy	A procurement policy adopted in accordance with section 108 of the Local Government Act 2020.	Yes	Adopted in accordance with section 108 of the Act. Date of adoption: 24 February 2025
Financial Plan	A Financial Plan adopted in accordance with section 91 of the Local Government Act 2020.	Yes	Adopted in accordance with section 91 of the Act. Date of adoption: 27 October 2025
Asset Plan	An Asset Plan adopted in accordance with section 92 of the Local Government Act 2020.	Yes	Adopted in accordance with section 92 of the Act. Date of adoption: 27 October 2025
Revenue and Rating Plan	A Revenue and Rating Plan adopted in accordance with section 93 of the Local Government Act 2020.	Yes	Adopted in accordance with section 93 of the Act. Date of adoption: 30 June 2023
Annual Budget	An annual budget adopted in accordance with section 94 of the Local Government Act 2020.	Yes	Budget adopted in accordance with section 94 of the act. Date of adoption: 29 June 2026
Council Plan Report	A report outlining progress in implementation of the Council Plan, provided at least every six months.	Yes	Current Report. Date of report: Quarterly Performance Report- includes Council Plan Action progress reporting Both reports are provided for September, December, March and June every year.
Performance Reporting Framework	A framework for monitoring and reporting Council performance, including financial and non-financial indicators.	Yes	Current framework in operation. Date of adoption: 01 December 2016
Risk Management Framework	A framework for identifying, assessing, managing and monitoring strategic and operational risks.	Yes	Current framework in operation. Date of commencement: 07 March 2024
Risk Policy	A policy which outlines Council's approach to risk management and risk governance.	Yes	Current policy in operation. Date of adoption: 08 April 2024
Business Continuity Plan	Plan setting out the actions that will be undertaken to recover and restore business.	Yes	Current plan in operation. Date of commencement: 01 August 2023.

Checklist item	Definitions	Yes/No	Assessment
Disaster Recovery Plan	A plan to restore information technology systems, data and infrastructure following a disruption or disaster.	Yes	Current plan in operation. Date of commencement: 01 August 2023
Fraud Policy	A policy for the prevention, detection, reporting and management of fraud and corruption risks.	Yes	Current policy in operation. Date of adoption: 08 April 2024
Complaint Policy	A complaints policy developed in accordance with section 107 of the Local Government Act 2020.	Yes	Policy developed in accordance with section 107 of the Act. Date of adoption: 05 August 2024
Internal Audit	An independent assurance function that evaluates and improves the effectiveness of governance, risk management and internal controls.	Yes	Internal auditor engaged. Date of engagement: The Audit and Risk Committee endorsed the Internal Audit Program for 2025/26 on 10 June 2025. Internal Audit Charter adopted 28 April 2025
Audit and Risk Committee	An Audit and Risk Committee established in accordance with section 53 of the Local Government Act 2020.	Yes	Established in accordance with section 55 of the Act. Date of commencement: 01 March 2025
Workforce Plan	A Workforce Plan developed in accordance with section 46 of the Local Government Act 2020.	Yes	Plan developed in accordance with section 46 of the Act. Date of commencement: 22 December 2021
Municipal Emergency Management Planning	Participation in municipal emergency management planning through the Municipal Emergency Management Planning Committee (MEMPC).	Yes	A delegated Council Officer chairs the committee and two Councillors are members of the community. The multi-agency committee the Councillors are considered "community members" for the purpose of the MEMPC membership. Dates of the attended meetings were: • 03 September 2025 • 03 December 2025 • 12 March 2026 • 17 June 2026
Payment of Rates and Charges Hardship Policy	A policy that provides assistance to ratepayers experiencing financial hardship in paying rates and charges.	Yes	Current policy in operation. Date of adoption: 07 October 2020
Quarterly budget reports	Quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations.	Yes	Statements presented to Council in accordance with section 138(1) of the Act. Finance Report presented to Council as follows: • Quarter 1- 24 November 2025 • Quarter 2- 23 February 2026 • Quarter 3- 25 May 2026 • Quarter 4 included in the Annual Report scheduled for presentation in October 2026

Checklist item	Definitions	Yes/No	Assessment
Risk reporting	Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.	Yes	Risk reports are provided to Audit and Risk Committee and Executive Risk Management Committee (ERMC) on a quarterly basis. Audit and Risk Committee (ARC) • 16 September 2026 • 09 December 2026 • 11 March 2026 • 10 June 2026 Executive Risk Management Committee (ERMC): • 24 July 2025 • 30 October 2025 • 12 February 2026 • 07 May 2026
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.	Yes	Quarterly Performance Report- includes Council Plan Action progress reporting Both reports are provided for September, December, March and June every year.
Annual report	Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements.	Yes	Annual report presented at a meeting of Council in accordance with section 100 of the Act. Date of presentation: 27 October 2025
Councillor Code of Conduct	Code setting out the standards of conduct to be followed by councillors and other matters.	Yes	Code of conduct reviewed and adopted in accordance with section 139 of the Act. Date reviewed and adopted: 21 October 2024
Delegations	Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff.	Yes	Delegations reviewed in accordance with section 11(7) of the Act. and a register kept in accordance with sections 11(8) and 47(7) of the Act. • S5 Delegations - 25 February 2025 • S6 Delegations - 11 May 2026 • S7 Delegations - 01 June 2026 • S13 Delegations - 07 May 2026 • S14 Delegations - 07 May 2026 • S16 Delegations - 07 May 2026
Meeting procedures	Governance rules governing the conduct of meetings of Council and delegated committees.	Yes	Governance rules adopted in accordance with section 60 of the Act. Date rules adopted: 26 May 2025



05
Financial Report





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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*, Australian Accounting Standards and other mandatory professional reporting requirements.



Matthew Rogers CPA
Principal Accounting Officer
Dated: 05/10/2026
Morwell

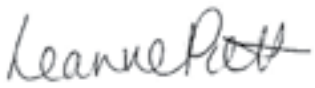
In our opinion the accompanying financial statements present fairly the financial transactions of Latrobe City Council for the year ended 30 June 2026 and the financial position of the Council as at the date.

As 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 Joanne Campbell
Councillor
Dated: 05/10/2026
Morwell



Cr Leanne Potter
Councillor
Dated: 05/10/2026
Morwell



Steven Piasente
Chief Executive Officer
Dated: 05/10/2026
Morwell

Auditor-General's Report on Financial Report

Independent Auditor's Report

To the Councillors of Latrobe City Council

Opinion	I have audited the financial report of Latrobe City Council (the council) which comprises the: • 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. 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 *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants (including Independence Standards)* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* 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. 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.

Auditor-General's Report on Financial Report

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, 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.

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:

- 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.

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.



Travis Derricott
as delegate for the Auditor-General of Victoria

MELBOURNE
8 October 2026

Comprehensive Income Statement

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Income/revenue			
Rates and charges	3.1	**99,900**	95,417
Statutory fees and fines		**3,623**	3,136
User fees	3.2	**13,626**	13,059
Grants - operating	3.3	**39,998**	44,182
Grants - capital	3.3	**44,022**	20,337
Contributions - monetary	3.4	**1,340**	2,104
Contributions - non monetary	3.4	**11,695**	27,273
Other income	3.5	**10,849**	10,897
Total income / revenue		**225,053**	**216,405**
Expenses			
Employee costs	4.1	**(67,522)**	(65,648)
Materials and services	4.2	**(54,340)**	(55,244)
Depreciation	4.3	**(40,031)**	(35,885)
Amortisation - intangible assets		**(693)**	(944)
Depreciation - right of use assets		**(156)**	(145)
Allowance for impairment losses		**(5)**	(36)
Borrowing costs		**(319)**	(363)
Finance costs - leases		**(43)**	(46)
Net loss on disposal of property, infrastructure, plant and equipment	4.4	**(13,011)**	(5,383)
Other expenses	4.5	**(7,199)**	(15,311)
Total expenses		**(183,319)**	**(179,005)**
Surplus/ (deficit) for the year		**41,734**	**37,400**
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	**194,236**	170,666
Total other comprehensive result		**194,236**	**170,666**
Total comprehensive result		**235,970**	**208,066**

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

Balance Sheet

AS AT 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	5.1	**16,380**	19,256
Trade and other receivables	5.1	**11,714**	6,091
Other financial assets	5.1	**130,000**	120,000
Accrued income*		**1,265**	1,401
Contract assets		**4,026**	5,008
Non-current assets held for sale		**-**	2,258
Total current assets		**163,385**	**154,014**
Non-current assets			
Other financial assets	5.1	**2**	2
Property, infrastructure, plant and equipment	6.1	**1,911,336**	1,694,802
Right-of-use assets		**970**	1,022
Intangible assets		**2,155**	447
Total non-current assets		**1,914,463**	**1,696,273**
Total assets		**2,077,848**	**1,850,287**
Liabilities			
Current liabilities			
Trade and other payables	5.2	**13,034**	12,773
Trust funds and deposits	5.2	**7,731**	7,959
Contract and other liabilities	5.2	**29,934**	37,378
Provisions	5.4	**13,627**	14,279
Interest-bearing liabilities	5.3	**2,532**	5,626
Lease liabilities		**160**	133
Total current liabilities		**67,018**	**78,148**
Non-current liabilities			
Provisions	5.4	**21,165**	18,343
Interest-bearing liabilities	5.3	**9,113**	9,145
Lease liabilities		**900**	969
Total non-current liabilities		**31,178**	**28,457**
Total liabilities		**98,196**	**106,605**
Net assets		**1,979,652**	**1,743,682**
Equity			
Accumulated surplus		**961,202**	919,320
Reserves	9.1	**1,018,450**	824,362
Total equity		**1,979,652**	**1,743,682**

* Accrued income was classified as contract assets in the 2025 comparative period

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

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Total $'000	Accumulated surplus $'000	Revaluation reserve $'000	Other reserves $'000
2026					
Balance at beginning of the financial year		**1,743,682**	**919,320**	**815,336**	**9,026**
Surplus for the year		41,734	41,734	-	-
Net asset revaluation gain/(loss)	6.1	194,236	-	194,236	
Transfers to other reserves	9.1	-	(1,000)	-	1,000
Transfers from other reserves	9.1	-	1,148	-	(1,148)
Balance at end of the financial year		**1,979,652**	**961,202**	**1,009,572**	**8,878**
2025					
Balance at beginning of the financial year		**1,535,616**	**882,908**	**644,670**	**8,038**
Surplus for the year		37,400	37,400	-	
Net asset revaluation gain/(loss)	6.1	170,666	-	170,666	
Transfers to other reserves	9.1	-	(1,672)	-	1,672
Transfers from other reserves	9.1	-	684	-	(684)
Restated balance at end of the financial year		**1,743,682**	**919,320**	**815,336**	**9,026**

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Rates and charges		99,362	93,544
Statutory fees and fines		3,621	3,144
User fees		14,648	13,502
Grants - operating		41,857	55,777
Grants - capital		34,570	35,603
Contributions - monetary		1,606	1,887
Interest received		6,542	6,280
Trust funds and deposits taken		21,228	16,600
Other receipts		3,588	5,706
Net GST refund/ (payment)		1,463	3,594
Employee costs		(67,826)	(65,939)
Materials and services		(58,306)	(65,974)
Short-term, low value and variable lease payments		(197)	(180)
Trust funds and deposits repaid		(21,457)	(14,949)
Other payments		(6,564)	(5,135)
Net cash provided by operating activities	9.2	74,135	83,460
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(67,679)	(42,918)
Proceeds from sale of property, infrastructure, plant and equipment		4,304	1,129
Payments for investments		(175,000)	(162,728)
Proceeds from sale of investments		165,000	137,728
Payments of loans and advances		1	3
Net cash used in investing activities		(73,374)	(66,786)
Cash flows from financing activities			
Finance costs		(321)	(362)
Proceeds from borrowings		2,500	-
Repayment of borrowings		(5,626)	(2,217)
Interest paid - lease liability		(43)	(46)
Repayment of lease liabilities		(147)	(132)
Net cash used in financing activities		(3,637)	(2,757)
Net increase/ (decrease) in cash and cash equivalents		(2,876)	13,917
Cash and cash equivalents at the beginning of the financial year		19,256	5,339
Cash and cash equivalents at the end of the financial year		16,380	19,256

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

Statement of Capital Works

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Property			
Buildings		**34,352**	18,860
Total buildings		**34,352**	18,860
Total property		**34,352**	**18,860**
Plant and equipment			
Plant, machinery and equipment		**2,409**	3,705
Fixtures, fittings and furniture		**36**	46
Computers and telecommunications		**751**	712
Art collection		**10**	14
Total plant and equipment		**3,206**	**4,477**
Infrastructure			
Roads		**12,917**	11,667
Bridges		**1,355**	216
Footpaths and cycleways		**739**	1,628
Drainage		**1,857**	1,197
Recreational, leisure and community facilities		**10,983**	1,965
Waste management		**1,300**	1,926
Parks, open space and streetscapes		**1,237**	1,398
Off street car parks		**485**	252
Other infrastructure		**39**	2,332
Total infrastructure		**30,912**	**22,581**
Total capital works expenditure		**68,470**	**45,918**
Represented by:			
New asset expenditure		**30,805**	12,267
Asset renewal expenditure		**24,639**	23,145
Asset upgrade expenditure		**13,026**	10,506
Total capital works expenditure	2.1.2	**68,470**	**45,918**

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

Notes to the Financial Statement

Note 1: Overview

The Latrobe City 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 141 Commercial Road Morwell 3840.

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 (AASB), 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

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.

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.

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.

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 5.4)
- The determination of landfill provisions (refer to note 5.4)
- 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 wtih Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3.3)
- 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 substance shot-term or low value
- 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.

Statutory fees and fines

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.

Contract assets

Contract assets are recognised when Council has transferred goods or services to the customer but where Council is yet to establish an unconditional right to consideration.

Intangible assets

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.

Right of use assets and lease

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Under AASB 16 Leases, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than exisiting capitalisation thresholds for a like asset up to a maximum of $10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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 costs of landslip reconstruction from prior years flood and storm events impacted Council's operations. Council has noted the following impacts on its financial operations:

- Additional costs – $1,364K was incurred on landslip reconstruction. These cost will be put forward as claims to the Disaster Recovery Funding Arrangements in the 26/27 year.

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.

Note 2: Analysis of our results

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 than 10 percent and $250,000 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.

The budget figures detailed below are those adopted by Council on 30 June 2025. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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	**99,591**	99,900	309	0%	1
Statutory fees and fines	**3,031**	3,623	592	20%	2
User fees	**12,336**	13,626	1,290	10%	3
Grants - operating	**40,256**	39,998	(258)	(1%)	4
Grants - capital	**55,947**	44,022	(11,925)	(21%)	5
Contributions - monetary	**320**	1,340	1,020	319%	6
Contributions - non monetary	**10,000**	11,695	1,695	17%	7
Other income	**7,037**	10,849	3,812	54%	8
Total income / revenue	**228,518**	**225,053**	**(3,465)**	**(2%)**	
Expenses					
Employee costs	**69,694**	67,522	2,172	3%	9
Materials and services	**57,772**	54,340	3,432	6%	10
Allowance for impairment losses	**4**	5	(1)	(25%)	
Depreciation	**37,100**	40,031	(2,931)	(8%)	11
Amortisation - Intangible assets	**1,000**	693	307	31%	12
Depreciation - rights of use assets	**141**	156	(15)	(11%)	
Borrowing costs	**318**	319	(1)	(0%)	
Finance Costs - Leases	**44**	43	1	2%	
Net loss on disposal of property, infrastructure, plant and equipment	**5,000**	13,011	(8,011)	(160%)	13
Other expenses	**4,867**	7,199	(2,332)	(48%)	14
Total expenses	**175,940**	**183,319**	**(7,379)**	**(4%)**	
Surplus/(deficit) for the year	**52,578**	**41,734**	**(10,844)**	**(21%)**	

(i) Explanation of material variations - income and expenditure

Ref	Item	Explanation		
1	**Rates and charges**	Outcome: Favourable	$309K	0%
		Council received higher than expected growth in rates and charges raised through supplementary valuations from new buildings and subdivisions.		
2	**Statutory fees and fines**	Outcome: Favourable	$592K	20%
		The favourable variance is mainly due to higher than expected demand for planning permits $216K, asset protection fees $129K, election fines $100K, land information certificates $84K and health registrations and fines $70K.		
3	**User fees**	Outcome: Favourable	$1,290K	10%
		The favourable variance is mainly due to higher than expected income received for landfill gate fees $919K due to a large new customer and increased quantities received from existing customers, together with higher than expected leisure fees $270K mainly as a result of additional fitness program usage.		
4	**Grants - operating**	Outcome: Unfavourable	$258K	1%
		The unfavourable variance is largely due to funding budgeted in 2025/26 that is now expected to be received in 2026/27 e.g for the Gippsland Logistics and Manufacturing Precinct (GLAMP) $8,046K, Council Support Package Fund projects (CSPF) $896K and Crinigan Road Development Plan sewer pump $333K. These variances are largely offset by favourable variances e.g. the advanced receipt of Council's 2026/27 Annual Financial Assistance Grants (FAGS) $5,334K , together with higher than expected and unbudgeted grants for various programs including Family Services programs $2,171K, Latrobe City Business Capability Grant Program $890K and Natural Disaster Recovery for the August 24 storm event $511K.		
5	**Grants - capital**	Outcome: Unfavourable	$11,925K	21%
		The unfavourable variance is in relation to the following projects: Regional Car Parks Fund $8,751K, Sports Legacy projects at Gippsland Regional Indoor Sports Stadium (GRISS) and Ted Summerton Reserve $2,289K, Local Roads and Community Infrastructure program (LRCI4) $481K, Traralgon Indoor Multi Sports Hall $2,188K, Multi use pavilion Gaskin Park $927K and Mathison Park playspace upgrade $785K. Receipt of these grant funds was budgeted in the current year but is now expected to be recognised in the 2026/27 financial year based on current projections of the completion of construction on these projects. These variances have been partially offset by favourable variances including the timing of funding for the Sports Legacy & Activation Council Support Package Fund (CSPF) $2,457K, Multi use pavilion at Traralgon Recreation Reserve $776K and unbudgeted grants for the Nation Building Blackspot Program $505K.		
6	**Contributions - monetary**	Outcome: Favourable	$1,020K	319%
		The favourable variance is mainly due to higher than expected receipt of developer contributions including Lake Narracan & Traralgon North Developer contribution schemes $559K and Street Trees $89K. In addition contributions were received for capital works for the 3 year old Preschool Transition project $164K and various recreation projects $389K.		
7	**Contributions - non monetary**	Outcome: Favourable	$1,695K	17%
		Council receives non-monetary contributions of land and infrastructure from property developers. It is difficult to predict the annual level of contributions as they are realised at the time the subdivision statement of compliance is received. This year saw a higher than expected level of development activity which resulted in higher contributions.		
8	**Other income**	Outcome: Favourable	$3,812K	54%
		Increasing interest rates and higher than expected funds available for investment led to a favourable variance of 1,832K in investment income. Other favourable variances were received for interest on outstanding rates & charges $469K, third party rebates and carbon generation credits earned on energy efficiency initiatives $799K, reimbursements and insurance claim refunds $455K and container deposit scheme $187K.		

Ref	Item	Explanation		
9	**Employee costs**	Outcome: Favourable	$2,172K	3%
		The favourable variance to budget is largely a result of vacant positions across the organisation across the year.		
10	**Materials and services**	Outcome: Favourable	$3,432K	6%
		The favourable variance is mainly due to the revised financial year timing for the Gippsland Logistics & Manufacturing Precinct Stage 1B project $8,097K and Crinigan Road Development Plan project $333K, together with favourable waste services contract costs $621K, largely due to lower than expected waste coupon usage. This is partially offset by unfavourable variances relating to the expensing of costs budgeted as capital expenditure due to them not meeting Council's capitalisation criteria $1,225K. Other factors include expenditure funded from unbudgeted government grants and income received in previous financial years for expenditure incurred in the 2025/26 financial year and higher than expected costs/demand for gas $412K, electricity $130K and water $89K.		
11	**Depreciation**	Outcome: Unfavourable	$2,931K	8%
		The unfavourable variance is mainly a result of the higher than expected revaluations of infrastructure assets in the 2024/25 and 2025/26 financial years, the results of these valuations were not known at the time of the budget was developed.		
12	**Amortisation - Intangible assets**	Outcome: Favourable	$307K	31%
		The favourable variance is mainly a result of Landfill cell 6 being fully amortised in December 2025, but still continuing to operate until Cell 7 was opened in March, therefore there was no amortisation expense for a three month period.		
13	**Net loss on disposal of property, infrastructure, plant and equipment**	Outcome: Unfavourable	$8,011K	160%
		The variation is mainly associated with the demolition of pre-existing structures at the Gippsland Sports and Entertainment Park $4,113K together with higher than estimated write down of the residual value of assets renewed as part of the capital works program and costs incurred in preparation of sale of land in the Gippsland Logistics and Manufacturing Precinct.		
14	**Other expenses**	Outcome: Unfavourable	$2,332K	48%
		The unfavourable variance is mainly due to the expensing of items from opening Capital Works in Progress ($600K) due to them not meeting Council's capitalisation criteria, together with higher than expected EPA levies as a result of higher than expected commercial waste quantities received at Council's landfill facility $434K, an unbudgeted increased landfill provision expense $130K, unbudgeted development contribution plan payment funded from statutory reserves $523K, community grants expenditure funded from previous financial years, unbudgeted government grants $401K and higher than expected state government land tax and Emergency Services and Volunteers fund levy costs $220K.		

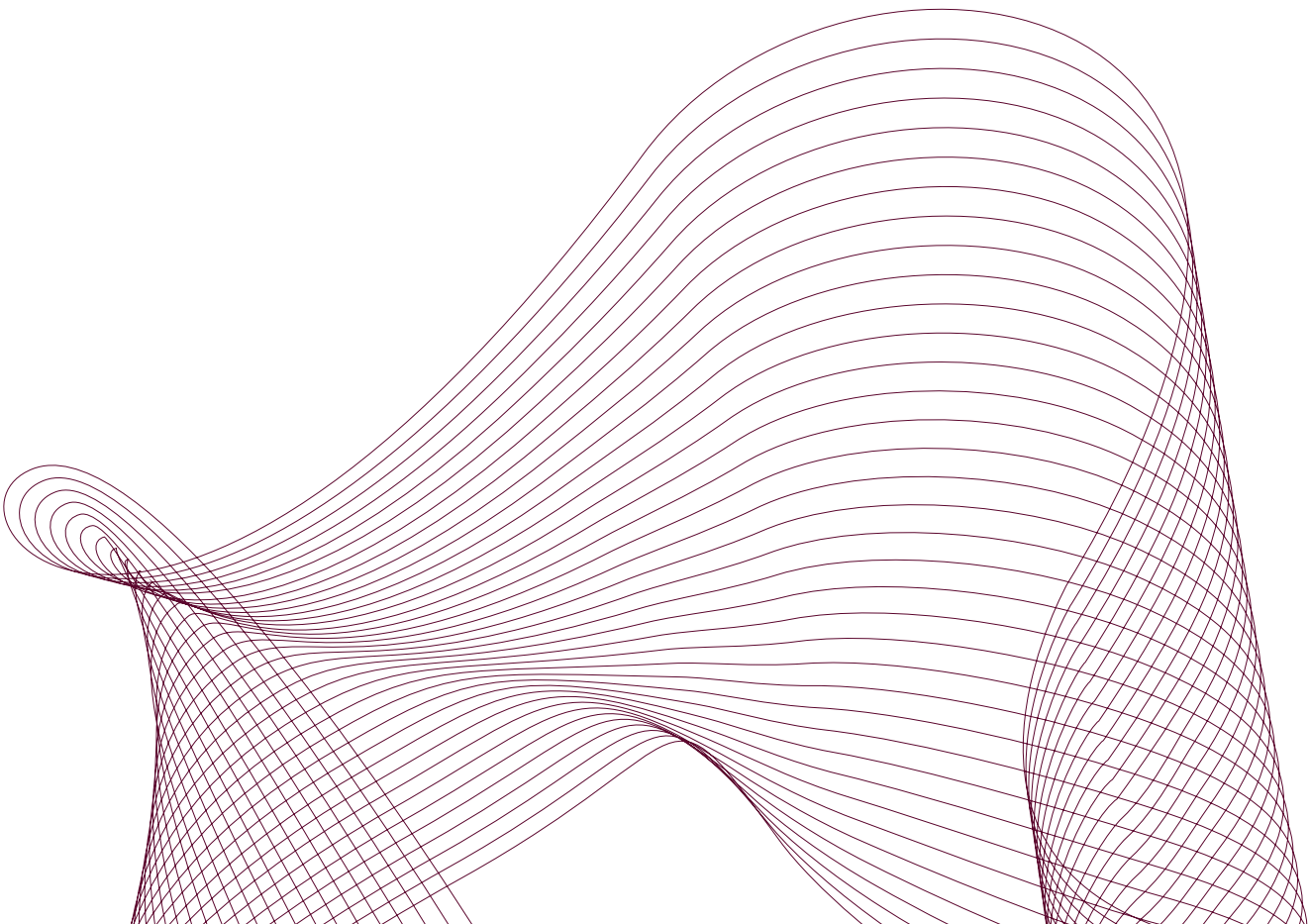
2.1.2 Capital works

	Budget 2026 $'000	Actual 2026 $'000	Variance $'000	Variance %	Ref
Property					
Buildings	**51,675**	34,352	17,323	34%	1
Total buildings	**51,675**	34,352	17,323	34%	
Total property	**51,675**	**34,352**	**17,323**	**34%**	
Plant and equipment					
Plant, machinery and equipment	**3,200**	2,409	791	25%	2
Fixtures, fittings and furniture	**10**	36	(26)	(260%)	3
Computers and telecommunications	**850**	751	99	12%	
Art collection	**14**	10	4	29%	
Total plant and equipment	**4,074**	**3,206**	**868**	**21%**	
Infrastructure					
Roads	**14,520**	12,917	1,603	11%	4
Bridges	**1,777**	1,355	422	24%	5
Footpaths and cycleways	**1,012**	739	273	27%	6
Drainage	**1,006**	1,857	(851)	(85%)	7
Recreational, leisure and community facilities	**11,161**	10,983	178	2%	
Waste management	**250**	1,300	(1,050)	(420%)	8
Parks, open space and streetscapes	**1,606**	1,237	369	23%	9
Off street car parks	**225**	485	(260)	(116%)	10
Other infrastructure	**-**	39	(39)	100%	11
Total infrastructure	**31,557**	**30,912**	**645**	**2%**	
Total capital works expenditure	**87,306**	**68,470**	**18,836**	**22%**	
Represented by:					
New asset expenditure	**46,095**	30,805	15,290	33%	12
Asset renewal expenditure	**28,878**	24,639	4,239	15%	13
Asset upgrade expenditure	**12,333**	13,026	(693)	(6%)	14
Total capital works expenditure	**87,306**	**68,470**	**18,836**	**22%**	

(i) Explanation of material variations - capital works

Ref	Item	Explanation		
1	**Buildings**	Outcome: Underspend	$17,323K	34%
		Delayed commencement of: Commercial Road, Morwell Car Park (underspend $6,964K); Indoor Multi Sports Hall, Glenview Park Traralgon (underspend $2,188K); Multi-use Pavilion Gaskin Park (underspend $3,573K), various Building renewal program projects (underspend $1,631K).		
		A further underspend on Kay Street, Traralgon Multi-level Car Park of $2,164K is largely due to savings realised in the project which will be re-purposed to the Commercial Road Morwell Car Park.		
2	**Plant, machinery and equipment**	Outcome: Underspend	$791K	25%
		Delays in delivery of Plant and Fleet items ordered in 2025/26, funding will be carried forward to the 2026/27 year.		
3	**Fixtures, fittings and furniture**	Outcome: Overspend	($26K)	260%
		Overspend mainly a result of replacement of furniture items funded from operational budgets and funds carried forward from the 2024/25 financial year.		
4	**Roads**	Outcome: Underspend	$1,603K	11%
		Road Rehabilitation project design delays will result in funding carried forward to 26/27 year (underspend $3,651K). Landslip Reconstruction from previous year storm events for which Council will be seeking Natural Disaster Recovery Funding (overspend $1,216K).		
		Unbudgeted Nation Building Blackspot Grant Funded Program (overspend $529K).		
5	**Bridges**	Outcome: Underspend	$422K	24%
		Bridge projects at Waterhole Creek Morwell and Victory Park Traralgon have encountered delays which has resulted in funding being carried forward to 26/27 in order to complete the works.		
6	**Footpaths and cycleways**	Outcome: Underspend	$273K	27%
		Some savings were achieved in the footpath bay replacement program, together with some works which were assess as being maintenance being expensed in the Income Statement.		
7	**Drainage**	Outcome: Overspend	($851K)	85%
		Piped Systems Enhancements in Traralgon funded from Drainage Reserve (overspend $1,441K).		
		Glengarry Flood Mitigation construction works continuing into the 26/27 year (underspend $224K).		
8	**Waste management**	Outcome: Overspend	($1,050K)	420%
		Hyland Hwy Landfill -Cell 7 Construction and leachate pond projects carried forward from 2024/25.		
9	**Parks, open space and streetscapes**	Outcome: Underspend	$369K	23%
		Revised timing of delivery of Mathison Park Play space upgrade delayed to 26/27 year (underspend $785K). Tyers Pump Track delivery carried forward from previous financial year (overspend $344K).		
10	**Off street car parks**	Outcome: Overspend	($260K)	116%
		Hyland Hwy Landfill access road (overspend $269K) - this project was budgeted under roads, however, due to the nature of this asset capitalised under Off street car parks.		
11	**Other infrastructure**	Outcome: Overspend	($39K)	100%
		Gippsland Logistics and Manufacturing Precinct (overspend $36K) - a funded multi year project with works continuing into future years.		

Ref	Item	Explanation		
12	**New asset expenditure**	Outcome: Underspend	$15,290K	33%
		Delayed commencement of Commercial Road Car Park (underspend $6,964K); Indoor Multi Sports Hall, Glenview Park (underspend $2,187K); Multi-use Pavilion Gaskin Park (underspend $3,573K). A further underspend on Kay Street, Traralgon Multi-level Car Park of $2,164K is largely due to savings realised in the project which will be re-purposed to the Commercial Road Morwell Car Park. Glengarry Preschool Redevelopment incorrectly budgeted as new expenditure capitalised as upgrade (underspend $899K).		
13	**Asset renewal expenditure**	Outcome: Underspend	$4,239K	15%
		Delays in designs of Road Rehabilitation Program funding carried forward to 26/27 year (underspend $3,651K) and Plant & Fleet Replacement programs. Landslip Reconstruction from previous year storm events (overspend $1,216K).		
14	**Asset upgrade expenditure**	Outcome: Overspend	($693K)	6%
		Piped Systems Enhancements in Traralgon funded from Drainage Reserve (overspend $1,442K). Glengarry Preschool Redevelopment expenditure budgeted as new expenditure capitalised as upgrade (overspend $899K). Fully funded Community Facilities including a component capitalised as new expenditure (underspend $852K). Mathison Park Play space upgrade delayed to 26/27 year (underspend $785K).		



2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1

Office of the Chief Executive
- Office of the Chief Executive
- Mayoral and Council Support and Operations
- Sports Legacy & Activation

Investment and Growth
- Marketing & Engagement
- Investment Attraction
- Business & Economic Development (including Events & Tourism and Indigenous Employment Development)
- Advocacy & Transition
- City Planning

Organisational Performance
- Financial Support
- People & Culture
- Business Improvement
- Governance

Infrastructure & Sustainability
- City Assets (Engineering Services, Asset Planning, Capital Works, Building Projects & Maintenance and Recreation & Open Space Planning, Property Operations
- City Presentation (Infrastructure Maintenance, Open Space Maintenance and Recreation Liaison & Reserve Maintenance)
- Sustainability & Environment (Environment, Landfill Services, Resource Recovery & Utilities, Emergency Management)

Capital Works Program
- Capital Works Program (includes items not capitalised)

Community Liveability
- Active & Connected Communities (Social Policy & Inclusion, Community Strengthening and Leisure Facilities)
- Creative Venues & Libraries Safe Communities (Building Services, Health Services, Local Laws and Legal Proceedings)
- Family Services (Pre Schools & Childcare, Family Health & Development)

Other operating
- Other unattributable items e.g. Loan interest, unattributable cash & investments and sundry receivables. A surplus is expected to be generated to fund repayment of loan principal.

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

	Income/ revenue	Expenses	Surplus/ (deficit)	Grants incl. in income/ revenue	Total assets
	$'000	$'000	$'000	$'000	$'000
2026					
Office of the Chief Executive	3,043	(2,782)	261	1,245	116
Investment & Growth	14,180	(17,486)	(3,306)	3,528	34,502
Organisational Performance	20,233	(18,752)	1,481	3,172	7,250
Infrastructure & Sustainability	91,885	(92,411)	(526)	13,503	1,590,728
Community Liveability	51,233	(52,003)	(770)	19,533	258,476
Other Operating	121	250	371	-	94,589
Capital Works Program	44,358	(135)	44,223	43,039	92,187
	225,053	**(183,319)**	**41,734**	**84,020**	**2,077,848**
2025					
Office of the Chief Executive	2,741	(2,234)	507	992	106
Investment & Growth	13,240	(11,900)	1,340	3,005	31,729
Organisational Performance	19,338	(18,629)	709	3,538	9,386
Infrastructure & Sustainability	109,920	(81,317)	28,603	17,693	1,394,275
Community Liveability	48,745	(51,358)	(2,613)	18,235	259,552
Other Operating	82	251	333	-	81,245
Capital Works Program	22,339	(13,818)	8,521	21,056	73,994
	216,405	**(179,005)**	**37,400**	**64,519**	**1,850,287**

Note 3: Funding for the delivery of our services

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 value of its land and all its improvements.

This valuation base was used to calculate general rates, excluding those who contribute under a Payment in lieu of Rates scheme (power generators) or where a rating agreement is in place (Opal).

The valuation base used to calculate general rates for 2025/26 was $22.364 billion (2024/25 was $22.028 billion).

	2026 $'000	2025 $'000
General rates	**66,344**	64,485
Municipal charge	**6,371**	6,225
Service rates and charges	**15,618**	13,658
EPA Victoria landfill levy	**1,396**	1,153
Supplementary rates and rates adjustments	**714**	606
Cultural and recreational	**89**	88
Revenue in lieu of rates	**9,368**	9,202
Total rates and charges	**99,900**	**95,417**

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

Annual rates and charges are recognised as income 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 User fees

	2026 $'000	2025 $'000
Leisure centre and recreation	**3,431**	3,176
Child care/children's programs	**4,314**	4,767
Waste management services	**3,491**	2,938
Subdivision supervision	**463**	591
Creative arts and venues	**900**	819
Other fees and charges	**1,027**	768
Total user fees	**13,626**	**13,059**
User fees by timing of revenue recognition		
User fees recognised over time	**7,745**	7,944
User fees recognised at a point in time	**5,881**	5,115
Total user fees	**13,626**	**13,059**

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

3.3 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

	2026 $'000	2025 $'000
Commonwealth funded grants	25,971	29,394
State funded grants	58,049	35,125
Total grants received	**84,020**	**64,519**

(a) Operating grants

Recurrent – Commonwealth Government		
Financial Assistance Grant	21,745	24,492
Employment Facilitation	822	931
Maternal and Child Health	147	-
Family and Children Programs	47	70
Recurrent –State Government		
Preschools	10,419	8,728
Family and Children Programs	2,288	2,279
Maternal and Child Health	1,693	1,626
Aged and Disability Programs	4	14
Libraries	560	560
School Crossing Supervision	258	259
Arts Programs	155	155
Environment Sustainability	33	36
Other	70	-
Community Support and Development Programs	208	262
Total recurrent operating grants	**38,449**	**39,412**
Non-Recurrent – Commonwealth Government		
Events And International Relations	10	9
Community Support & Development Programs	-	35
Non-Recurrent – State Government		
Recreational, Leisure & Community Facilities	-	650
Pre Schools	3	50
Economic Development	-	30
Community Support and Development Programs	78	274
Family and Children Programs	-	15
Events & International Relations	30	30
Natural Disaster Recovery	511	2,390
Emergency Management	32	170
Environment Sustainability	103	153
Sealed Roads	-	16
Statutory Planning	-	12
Strategic Planning	-	46
Other	782	890
Total non-recurrent operating grants	**1,549**	**4,770**
Total operating grants	**39,998**	**44,182**

(b) Capital grants

	2026 $'000	2025 $'000
Recurrent – Commonwealth Government		
Roads to recovery program	2,720	2,210
Total recurrent capital grants	**2,720**	**2,210**
Non-recurrent – Commonwealth Government		
Buildings	-	1,647
Other	480	-
Non-recurrent – State Government		
Buildings	1,217	5,147
Recreation, leisure and community facilities	18,547	3,580
Natural Disaster Recovery	-	225
Other recreational facilities	-	242
Roads	-	818
Other	36	597
Sealed roads	505	-
Off street car parks	20,517	5,871
Other infrastructure	-	-
Total non-recurrent capital grants	**41,302**	**18,127**
Total capital grants	**44,022**	**20,337**
Total grants	**84,020**	**64,519**

(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 of Not-for-Profit Entities.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. 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 unspent grants.

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

	2026 $'000	2025 $'000
Operating		
Balance at start of year	7,828	6,153
Received during the financial year and remained unspent at balance date	6,625	7,245
Received in prior years and spent during the financial year	(7,399)	(5,570)
Balance at year end	**7,054**	**7,828**

Unspent grants are determined and disclosed on a cash basis.

3.4 Contributions

	2026 $'000	2025 $'000
Monetary	1,340	2,104
Non-monetary	11,695	27,273
Total contributions	**13,035**	**29,377**
Contributions of non-monetary assets were received in relation to the following asset classes		
Roads	3,946	8,708
Drainage	4,666	9,574
Land	1,273	4,330
Buildings	-	2,759
Footpaths	1,770	1,861
Other	40	41
Total non-monetary contributions	**11,695**	**27,273**

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

3.5 Other income

	2026 $'000	2025 $'000
Interest	7,101	6,769
Contributions other	911	761
Sales	796	665
Other rent	846	862
Insurance claim refunds	123	495
Rebates	1,068	1,042
Other	4	303
Total other income	**10,849**	**10,897**

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.

Note 4: The cost of delivering services

4.1

(a) Employee costs

	2026 $'000	2025 $'000
Salaries and wages	56,695	55,089
Workcover	1,465	1,433
Superannuation	6,923	6,384
Fringe benefits tax	314	279
Other	2,125	2,463
Total employee costs	**67,522**	**65,648**

(b) Superannuation

Council made contributions to the following funds:

	2026 $'000	2025 $'000
Defined benefit fund		
Employer contributions to local authorities superannuation fund (Vision Super)	195	194
	195	194
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to local authorities superannuation fund (Vision Super)	6,438	5,432
	6,438	5,432
Total superannuation	6,633	5,626
Employer contributions payable at reporting date	-	485

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

	2026 $'000	2025 $'000
General maintenance	6,178	5,826
Domestic rubbish collection	4,852	4,377
Utilities	4,192	4,155
Other contracts	5,827	5,156
Information technology	4,569	4,188
Office administration	3,195	2,648
Consultants	1,437	870
Hard waste collection	2,682	2,165
Transfer stations	1,661	1,340
Insurance	1,944	1,742
Sporting grounds and facilities	620	585
Materials recovery facility	758	1,584
Finance and legal costs	953	924
Vehicle expenses	1,276	1,254
Building maintenance	2,226	1,948
Cleaning	1,257	1,189
Management and operation of Gippsland Regional Aquatic Centre	587	602
Green waste processing	914	900
Non-council asset works	105	4,335
Street sweeping	940	825

Parks and reserves	733	998
Litter bins	607	716
Natural disaster recovery works	179	1,388
Logistics precinct and intermodel freight terminal	-	-
Other	6,648	5,529
Total materials and services	**54,340**	**55,244**

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

4.3 Depreciation

	2026 $'000	2025 $'000
Property	7,966	7,203
Plant, furniture and equipment	3,008	2,883
Infrastructure	29,057	25,799
Total depreciation and amortisation	**40,031**	**35,885**

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2026 $'000	2025 $'000
Proceeds of sale	4,304	1,129
Write down value of assets disposed (sold/written off)	(11,195)	(2,441)
Write down value of assets disposed (asset renewal)	(6,120)	(4,071)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	**(13,011)**	**(5,383)**

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

4.5 Other expenses

	2026 $'000	2025 $'000
Auditors' remuneration - VAGO	105	106
Auditors' remuneration - internal audit	73	56
Audit other	36	142
Councillors' allowances	410	381
Operating lease rentals	179	163
Grants	2,007	1,792
Levies	2,983	2,303
Assets written-off/impaired	600	7,579
Other	676	145
Landfill provision movement	130	2,644
Total other expenses	**7,199**	**15,311**

Note 5: Investing and financing our operations

5.1 Financial assets

(a) Cash and cash equivalents

	2026 $'000	2025 $'000
Cash on hand	13	11
Cash at bank	16,367	19,245
Total cash and cash equivalents	**16,380**	**19,256**

(b) Other financial assets

	2026 $'000	2025 $'000
Current		
Term deposits	130,000	120,000
Total current other financial assets	**130,000**	**120,000**
Non-current		
Shares	2	2
Total non-current other financial assets	**2**	**2**
Total other financial assets	**130,002**	**120,002**
Total financial assets	**146,382**	**139,258**

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised 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.

(c) Trade and other receivables

	2026 $'000	2025 $'000
Current		
Statutory receivables		
Rates debtors*	5,011	4,407
Health Registrations	1	1
Net GST receivable	802	630
Non-statutory receivables		
Loans and advances to community organisations	-	1
Other debtors	5,908	1,062
Allowance for expected credit loss - other debtors	(8)	(10)
Total current trade and other receivables	**11,714**	**6,091**

*Rates are payable by four instalments during the year or by lump sum in February. Arrears attract interest, currently at the rate of 10.0% per annum.

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.

(d) Ageing of receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

	2026 $'000	2025 $'000
Current (not yet due)	3	286
Past due by up to 30 days	5,435	451
Past due between 31 and 60 days	93	13
Past due between 61 and 90 days	39	10
Past due by more than 90 days	330	293
Total trade and other receivables	**5,900**	**1,053**

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of $8K (2025 $10K) were impaired. The amount of the provision raised against these debtors was $8K (2025 $10K). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

	2026 $'000	2025 $'000
Past due by more than 90 days	8	10
Total trade and other receivables	**8**	**10**

5.2 Payables, trust funds and deposits and contract and other liabilities

(c) Trade and other receivables

	2026 $'000	2025 $'000
Current		
Non-statutory payables		
Trade payables	11,165	10,704
Accrued expenses	1,869	2,069
Total current trade and other payables	**13,034**	**12,773**

(b) Trust funds and deposits

Current		
Refundable deposits	5,547	6,447
Fire Service Levy	1,144	746
Retention amounts	461	348
Other trust amounts	579	418
Total current trust funds and deposits	**7,731**	**7,959**

(c) Contract and other liabilities

Contract liabilities		
Current		
Grants received in advance - operating	15,939	11,507
Other	67	-
Total contract liabilities	**16,006**	**11,507**
Other liabilities		
Current		
Deferred capital grants	13,928	25,871
Total other liabilities	**13,928**	25,871
Total contract and other liabilities	**29,934**	**37,378**

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 operational government grants. 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 consideration was received from Commonwealth and State governments to support the renewal and construction of buildings and infrastructure assets. Grant consideration 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 asset. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Purpose and nature of item

Refundable deposits: Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to contracts, asset protection, planning permit works and the use of civic facilities.

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

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 trust amounts: Council collects ticketing revenue on behalf of performing arts venue users, and forwards these monies to the user upon show performance and settlement.

5.3 Interest-bearing liabilities

	2026 $'000	2025 $'000
Current		
Treasury Corporation of Victoria Borrowings – secured	1,992	1,752
Borrowings – secured	540	3,874
Total current	2,532	5,626
Non-current		
Treasury Corporation of Victoria Borrowings – secured	7,977	7,468
Borrowings – secured	1,136	1,677
Total non-current	9,113	9,145
Total interest-bearing loans and borrowings	11,645	14,771

All borrowings are secured over Council's rate revenue.

The maturity profile for Council's borrowings is:

Not later than one year	2,532	5,626
Later than one year and not later than five years	7,700	9,145
Later than five years	1,413	-
	11,645	14,771

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 based on contractual repayment terms at every balance date.I

n 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.

5.4 Provisions

	Employee	Landfill restoration	Total
	$'000	$'000	$'000
2026			
Balance at beginning of the financial year	13,536	19,086	**32,622**
Additional/(reduced) provisions	6,851	3,426	**10,277**
Amounts used	(5,996)	(550)	**(6,546)**
Change in the discounted amount arising because of time and effect of any change in the discount rate	(665)	(896)	**(1,561)**
Balance at the end of the financial year	**13,726**	**21,066**	**34,792**
Provisions - current	12,379	1,248	**13,627**
Provisions - non-current	1,347	19,818	**21,165**
2025			
Balance at beginning of the financial year	13,129	18,736	**31,865**
Additional/(reduced) provisions	6,129	2,938	**9,067**
Amounts used	(5,699)	(2,293)	**(7,992)**
Change in the discounted amount arising because of time and effect of any change in the discount rate	(23)	(295)	**(318)**
Balance at the end of the financial year	**13,536**	**19,086**	**32,622**
Provisions - current	11,969	2,310	**14,279**
Provisions - non-current	1,567	16,776	**18,343**

(a) Employee provisions

	2026 $'000	2025 $'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	**4,653**	4,438
Long service leave	**2,263**	2,360
	6,916	**6,799**
Current provisions expected to be wholly settled after 12 months		
Annual leave	**-**	-
Long service leave	**5,463**	5,170
	5,463	**5,170**
Total current employee provisions	**12,379**	**11,969**
Non-current		
Long service leave	**1,347**	1,567
Total non-current employee provisions	**1,347**	**1,567**
Aggregate carrying amount of employee provisions		
Current	**12,379**	11,969
Non-current	**1,347**	1,567
	13,726	**13,536**

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.

	2026 $'000	2025 $'000
Key assumptions:		
• discount rate	**4.21%**	3.59%
• inflation rate	**4.15%**	4.25%

(b) Landfill restoration

Current	**1,248**	2,310
Non-current	**19,818**	16,776
	21,066	**19,086**

Council is obligated to restore the current Highland Highway landfill site and legacy sites at Moe, Morwell, Traralgon and Yinnar to a particular standard. The forecast life of the Highland Highway landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill rehabilitation 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 restore the sites 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	**4.75%**	**4.02%**
• Inflation rate	**4.15%**	**4.00%**

5.5 Financing arrangements

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

Bank overdraft	**-**	1,000
Credit card facilities	**500**	500
Treasury Corporation of Victoria facilities	**9,968**	9,220
Other facilities	**1,676**	5,551
Total facilities	**12,144**	**16,271**
Used facilities	**11,766**	**14,886**
Unused facilities	**378**	**1,385**

5.6 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 1yr $'000	Later than 1yr and not later than 2yrs $'000	Later than 2yrs and not later than 5yrs $'000	Later than 5yrs $'000	Total $'000
2026					
Operating					
Garbage collection	5,068	5,068	15,204	12,670	38,010
Processing of organic waste	2,265	2,265	6,795	22,651	33,976
Recycling	2,308	2,308	5,362	4,208	14,186
Cleaning contracts for council amenities/ streets	2,823	2,029	416	-	5,268
Collection of hard waste	2,250	2,250	-	-	4,500
Management and operation of GRAC	715	715	1,430	-	2,860
Cleaning contracts for council buildings	1,170	1,170	-	-	2,340
Landfill	363	-	-	-	363
Drainage	101	-	-	-	101
Asset condition assessment	56	-	-	-	56
Total	**17,119**	**15,805**	**29,207**	**39,529**	**101,660**
Capital construction					
Buildings	3,039	-	-	-	3,039
Roads	756	-	-	-	756
Recreational, leisure and community facilities	550	-	-	-	550
Bridges	390	-	-	-	390
Drainage	72	-	-	-	72
Total	**4,807**	**-**	**-**	**-**	**4,807**
2025					
Operating					
Garbage collection	5,802	5,802	17,405	20,305	49,314
Collection of hard waste	1,997	1,929	1,960	-	5,886
Recycling	1,921	-	-	-	1,921
Processing of organic waste	1,219	-	-	-	1,219
Cleaning contracts for council buildings	820	-	-	-	820
Cleaning contracts for council amenities/ streets	786	-	-	-	786
Management and operation of GRAC	726	363	-	-	1,089
Landfill	642	-	-	-	642
Software	349	-	-	-	349
Secretarial support and advocacy services	276	56	-	-	332
Total	**14,538**	**8,150**	**19,365**	**20,305**	**62,358**

	Not later than 1yr $'000	Later than 1yr and not later than 2yrs $'000	Later than 2yrs and not later than 5yrs $'000	Later than 5yrs $'000	Total $'000
Capital construction					
Streetscape	28,050	-	-	-	28,050
Buildings	1,935	-	-	-	1,935
Logistics precinct and intermodel freight terminal	1,414	-	-	-	1,414
Roads	724	-	-	-	724
Landfill	554	-	-	-	554
Off street car parks	107	-	-	-	107
Bridges	88	-	-	-	88
Total	**32,872**	**-**	**-**	**-**	**32,872**

Note 6: Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2025	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Carrying amount 30 June 2026
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Land	269,629	-	1,273	-	-	(312)	-	270,590
Buildings	326,853	8,352	-	-	(7,966)	(5,590)	6,700	328,349
Plant and equipment	18,271	3,206	40	244	(3,008)	(148)	27	18,632
Infrastructure	1,046,474	13,375	10,382	193,992	(29,057)	(6,763)	11,847	1,240,250
Work in progress	33,575	43,537	-	-	-	(5,023)	(18,574)	53,515
	1,694,802	**68,470**	**11,695**	**194,236**	**(40,031)**	**(17,836)**	**-**	**1,911,336**

Summary of works in progress

	Opening WIP	Additions	Transfers	Write offs	Closing WIP
	$'000	$'000	$'000	$'000	$'000
Buildings	14,996	25,999	(6,754)	(102)	34,140
Infrastructure	18,579	17,537	(11,820)	(4,921)	19,375
Total	**33,575**	**43,537**	**(18,574)**	**(5,023)**	**53,515**

(a) Property

	Land specialised (incl. land under roads)	Land non-specialised	Total land	Buildings specialised	Total buildings	Work in progress	Total property
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2025	186,686	82,943	**269,629**	463,320	**463,320**	14,996	**747,944**
Accumulated depreciation at 1 July 2025	-	-	**-**	(136,467)	**(136,467)**	-	**(136,467)**
	186,686	**82,943**	**269,629**	**326,853**	**326,853**	**14,996**	**611,477**
Movements in fair value							
Additions	-	-	**-**	8,352	**8,352**	26,000	**34,352**
Contributions	1,273	-	**1,273**	-	**-**	-	**1,273**
Revaluation	-	-	**-**	-	**-**	-	**-**
Disposal	-	(312)	**(312)**	(11,166)	**(11,166)**	-	**(11,478)**
Write-off			**-**		**-**	(102)	**(102)**
Transfers	-	-	**-**	6,700	**6,700**	(6,754)	**(54)**
	1,273	**(312)**	**961**	**3,886**	**3,886**	**19,144**	**23,991**
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	**-**	(7,966)	**(7,966)**	-	**(7,966)**
Accumulated depreciation of disposals	-	-	**-**	5,576	**5,576**	-	**5,576**
Revaluation movement	-	-	**-**	-	**-**	-	**-**
Transfers	-	-	**-**	-	**-**		**-**
	-	**-**	**-**	**(2,390)**	**(2,390)**	**-**	**(2,390)**
At fair value 30 June 2026	187,959	82,631	**270,590**	467,206	**467,206**	34,140	**771,936**
Accumulated depreciation at 30 June 2026	-	-	**-**	(138,857)	**(138,857)**	-	**(138,857)**
Carrying amount	**187,959**	**82,631**	**270,590**	**328,349**	**328,349**	**34,140**	**633,079**

(b) Plant and equipment

	Plant machinery and equipment	Fixtures, fittings and furniture	Computers and telecomms	Art collection	Total plant and equipment
	$'000	$'000	$'000	$'000	$'000
At cost/fair value 1 July 2025	23,655	2,497	10,303	4,108	**40,563**
Accumulated depreciation at 1 July 2025	(12,082)	(1,952)	(8,258)	-	**(22,292)**
	11,573	**545**	**2,045**	**4,108**	**18,271**
Movements in fair value					
Additions	2,409	36	751	10	**3,206**
Contributions	-	-	-	40	**40**
Revaluations	-	-	-	244	**244**
Disposal	(1,868)	-	-	-	**(1,868)**
Transfers	-	-	27	-	**27**
	541	**36**	**778**	**294**	**1,649**
Movements in accumulated depreciation					
Depreciation and amortisation	(2,223)	(128)	(657)	-	**(3,008)**
Accumulated depreciation of disposals	1,720	-	-	-	**1,720**
Contributions	-	-	-	-	**-**
	(503)	**(128)**	**(657)**	**-**	**(1,288)**
At fair value 30 June 2026	24,196	2,533	11,081	4,402	**42,212**
Accumulated depreciation at 30 June 2026	(12,585)	(2,080)	(8,915)	-	**(23,580)**
Carrying amount	**11,611**	**453**	**2,166**	**4,402**	**18,632**

Plant and equipment are carried at historical cost, except Art Collection which is carried at fair value.

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Waste management	Parks open spaces and streetscapes	Aerodromes	Off street car parks	Recreation, leisure and community facilities	Work in progress	Total infrastructure
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At fair value 1 July 2025	948,363	68,402	134,240	325,577	14,208	37,671	4,928	45,213	51,824	18,580	**1,649,006**
Accumulated depreciation at 1 July 2025	(301,529)	(33,468)	(57,059)	(132,542)	(13,577)	(12,129)	(2,273)	(18,629)	(12,746)	-	**(583,952)**
	646,834	**34,934**	**77,181**	**193,035**	**631**	**25,542**	**2,655**	**26,584**	**39,078**	**18,580**	**1,065,054**
Movements in fair value											
Additions	9,088	284	201	74	1,300	885	-	285	1,258	17,537	**30,912**
Contributions	3,946	-	1,770	4,665	-	-	-	-	-	-	**10,381**
Revaluations	-	-	105,145	181,586	-	-	5,362	-	-	-	**292,093**
Disposal	(10,960)	-	(811)	-	-	(394)	-	(277)	(363)	(4,921)	**(17,726)**
Transfers	5,534	127	589	1,417	2,346	1,343	-	86	405	(11,820)	**27**
	7,608	**411**	**106,894**	**187,742**	**3,646**	**1,834**	**5,362**	**94**	**1,300**	**796**	**315,687**
Movement in accumulated depreciation											
Depreciation and amortisation	(16,785)	(786)	(3,100)	(3,258)	(874)	(1,585)	(177)	(806)	(1,685)	-	**(29,056)**
Revaluations	5,190	-	404	-	-	188	-	133	127	-	**6,042**
Accumulated depreciation of disposals	-	-	(41,842)	(54,336)	-	-	(1,924)	-	-	-	**(98,102)**
Transfers	-	-	-	-	-	-	-	-	-	-	**-**
	(11,595)	**(786)**	**(44,538)**	**(57,594)**	**(874)**	**(1,397)**	**(2,101)**	**(673)**	**(1,558)**	**-**	**(121,116)**
At fair value 30 June 2026	955,971	68,813	241,134	513,319	17,854	39,505	10,290	45,307	53,124	19,376	**1,964,693**
Accumulated depreciation at 30 June 2026	(313,124)	(34,254)	(101,597)	(190,136)	(14,451)	(13,526)	(4,374)	(19,302)	(14,304)	-	**(705,068)**
Carrying amount	**642,847**	**34,559**	**139,537**	**323,183**	**3,403**	**25,979**	**5,916**	**26,005**	**38,820**	**19,376**	**1,259,625**

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.

Asset category	Depreciation period	Threshold limit $'000
Property		
Land	na	Nil
Buildings	10 - 100 years	10.0
Plant and equipment		
Plant, machinery and equipment	2 - 25 years	1.0
Fixtures, fittings and furniture	5 - 10 years	1.0
Computers and telecommunications	3 - 10 years	1.0
Art works collection	na	0.5
Infrastructure		
Road pavements and seals	10 - 100 years	10.0
Road formation and earthworks	na	10.0
Road kerb and channel	80 years	10.0
Bridges super structure	60 - 100 years	10.0
Bridges substructure	60 - 100 years	10.0
Bridges culvert	100 years	10.0
Footpaths and cycleways	10 - 80 years	10.0
Drainage	100 - 150 years	10.0
Waste management	3 years	10.0
Parks, open space and streetscapes	10 - 100 years	5.0
Recreation, leisure and community facilities	7 - 100 years	10.0
Off street car parks	10 - 90 years	10.0
Aerodromes runways and taxiways	10 - 90 years	10.0
Intangible assets		
Landfill air space	3 years	10.0

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
Routine maintenance, repair costs and minor renewal costs are expensed as incurred. 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 and buildings were undertaken by qualified independent valuers Gippsland Property Valuations (Registration number: 71139) for land (June 2022) and Assetic Pty Ltd for buildings (June 2023). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. 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. Where land use is not restricted, highest and best use is assumed to be current use, except where the land is held for sale, or highly likely to be used for an alternative purpose within 12 months of the reporting date.

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.

The date and type of the current valuation is detailed in the following table. A desktop reviews of land by undertaken by management indicated that the movement in valuations was less than 10% since the last revaluation which is below Council's current threshold for undertaking an index based revaluation. A desktop review of buildings valuations by Council's valuation bureau services provider Brightly Software P/L was conducted in the current year which indicated that the movement in valuations was 8.08% since the last revaluation which is below Council's current threshold for undertaking an index based revaluation. A full revaluation of both Land and Buildings asset classes will be conducted in the 2026/27 financial year.

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of full valuation	Date of indexed valuation
Land – non specialised	-	82,631	-	Jun-2022	n/a
Land – specialised	-	-	187,959	Jun-2022	n/a
Buildings – specialised	-	-	328,349	Jun-2023	Jun-2025
Total	**-**	**82,631**	**516,308**		

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Brightly Australia Pty Ltd (Roads, Off street car parks, Aerodromes, Recreational, leisure & community facilities and Parks, open space & streetscapes), Modelve Pty Ltd (Footpaths & cycleways and Drainage), and iinSights Pty Ltd (Bridges).

The date and type of the current valuation is detailed in the following table. A full revaluation of the Footpaths and cycleways, drainage and aerodromes asset classes was conducted in the current year. Desktop valuations on indexed asset classes were undertaken by Council's valuation bureau services provider Brightly Software P/L in the current year. No index based revaluations have been applied in 2025/26 due to all assessments indicating movements in valuation of less than Council's 10% threshold. Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Date of full valuation	Date of indexed valuation
Roads	-	-	642,847	Jun-2025	n/a
Bridges	-	-	34,559	Jul-2024	n/a
Footpaths and cycleways	-	-	139,537	Jul-2025	Jun-2026
Drainage	-	-	323,183	Jun-2026	n/a
Recreational, leisure and community facilities	-	-	38,820	Jun-2024	Jun-2025
Waste management	-	-	3,403	n/a	n/a
Parks, open space and streetscapes	-	-	25,979	Jun-2024	Jun-2025
Aerodromes	-	-	5,916	Jul-2025	n/a
Off street car parks	-	-	26,005	Jun-2025	n/a
Total	**-**	**-**	**1,240,249**		

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 5% 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 $0 and $951 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 $170 to $7,595 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 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 0 to 150 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	**31,588**	31,509
Parks, reserves and other specialised land	**156,371**	155,177
Total specialised land	**187,959**	**186,686**

Note 7: People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity
Latrobe City Council is the parent entity

(b) Key management personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Latrobe City Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

Details of KMP at any time during the year are:

		From	To	2026 No.	2025 No.
Mayor	Councillor S Gibson	27/11/2025	30/06/2026	1	1
	Councillor D Harriman	01/07/2025	26/11/2025	1	1
Councillors	Councillor D Howe	01/07/2025	30/06/2026	1	1
	Councillor D Barnes	01/07/2025	30/06/2026	1	1
	Councillor L Potter	01/07/2025	30/06/2026	1	1
	Councillor J Campbell	01/07/2025	30/06/2026	1	1
	Councillor A Pugsley	01/07/2025	30/06/2026	1	1
	Councillor S Morgan	01/07/2025	30/06/2026	1	1
	Councillor T Lund	01/07/2025	16/03/2026	1	1
	Councillor K O'Callaghan	01/07/2025	30/06/2026	-	1
	Councillor D Clancey	01/07/2025	30/06/2026	-	1
	Councillor B Law	01/07/2025	30/06/2026	-	1
	Councillor G Middlemiss	01/07/2025	30/06/2026	-	1
	Councillor M Ferguson	01/07/2025	30/06/2026	-	1
	Councillor S Gibson	01/07/2025	26/11/2025	1	1
	Councillor D Harriman	27/11/2025	30/06/2026	1	1
Other KMP	Chief Executive Officer			1	1
	General Manager Infrastructure & Sustainability			1	1
	General Manager Community Liveability			1	2
	General Manager Investment & Growth			1	1
	General Manager Organisational Performance			1	1
	Executive Manager Sports Legacy & Activation			1	2
	Total number of councillors			**9**	**14**
	Chief Executive Officer and other key management personnel			**6**	**8**
	Total key management personnel			**15**	**22**

(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 and unused Long Service Leave and Annual Leave entitlements.

Total remuneration of key management personnel was as follows:

	2026 $'000	2025 $'000
Short-term benefits	1,801	2,232
Other long-term benefits	45	37
Post employment benefits	160	201
Termination benefits	-	87
Total	**2,007**	**2,558**

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2026 $'000	2025 $'000
$10,000 - $19,999	1	5
$20,000 - $29,999	1	5
$30,000 - $39,999	6	1
$40,000 - $49,999	-	1
$50,000 - $59,999	-	1
$70,000 - $79,999	-	1
$80,000 - $89,999	1	-
$90,000 - $99,999	1	-
$140,000 - $149,999	-	1
$210,000 - $219,999	-	1
$270,000 - $279,999	-	2
$280,000 - $289,999	1	1
$290,000 - $299,999	3	2
$380,000 - $389,999	-	1
$410,000 - $419,999	1	-
Total	**15**	**22**

(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.

Total remuneration of other senior staff was as follows:

	2026 $'000	2025 $'000
Short-term benefits	2,393	2,564
Other long-term benefits	-116	42
Post employment benefits	277	276
Termination benefits	241	-
Total	**2,795**	**2,882**

The number of other senior staff are shown below in their relevant income bands:

Income range	2026 No.	2025 No.
$170,000 - $179,999	2	2
$180,000 - $189,999	2	4
$190,000 - $199,999	2	5
$200,000 - $209,999	7	4
$230,000 - $239,999	1	-
Total	14	15

Total remuneration for the reporting year for other senior staff included above, amounted to: ($,000)	2,795	2,882

7.2 Related party disclosure

(a) Transactions with related parties

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

	2026 $'000	2025 $'000
Purchase of materials and services from related parties of key management personnel	50	32
Total	50	32

(b) Outstanding balances with related parties

Council has no outstanding balances to/from any related parties.

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the council to a key management person, or a related party of a key management person during the reporting period.

(d) Commitments to/from related parties

The following commitments were in place at the end of the reporting period in relation to related parties.

	2026 $'000	2025 $'000
Employee commitments for close family members of key personnel	-	-
Total	-	-

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 the Council.

Landslip reconstruction costs of $1,364K were incurred in 25/26 year. These costs will be put forward as claims to the Disaster Recovery Funding Arrangements in the 26/27 year.

(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.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

Council has set aside a provision for the rehabilitation of landfill sites. The amounts provisioned are management's best estimates of the cost to rehabilitate these sites however until the rehabilitation plans have been designed and approved by the Environment Protection Authority Victoria (EPA) there is a possibility that Council's obligations could further increase in respect to these sites.

In addition Council has provided bank guarantees to the value of $0.9 million (2024/25 $0.9 million) to Environment Protection Authority Victoria (EPA) for performance obligations in relation to the rehabilitation of these landfill sites.

Liability mutual insurance

Council is (was) a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

Gippsland Regional Aquatic Centre site

Latrobe City Council has been issued with a clean-up notice from the Environmental Protection Authority (EPA) in relation to the site located at the corner of Breed Street and Kay Street Traralgon. The location is the former site of the Traralgon Gasworks and the current site of the Gippsland Regional Aquatic Centre. Extensive clean up and remediation of the site has been undertaken by Latrobe City Council and council is working with an EPA approved Environmental Consultant to ensure that the contamination on site has been cleaned up to the satisfaction of the EPA.

On 4 November 2022 the EPA issued a notice to the CEO that they have revoked the Environmental Action Notice (EAN). The EPA appointed auditor provided an Environmental Audit Statement to the EPA prior to the revocation on their findings and recommendations. While the clean-up works associated with the EAN has been completed and resulted in the revocation, the recommendations by the auditor in their statement are to be adhered to. Among the recommendations was the implementation of the Groundwater Quality Management Plan (GQMP) to be in force until March 2025. The GQMP required Council to undertake ground water monitoring each year in March to determine if the residual contamination is changing in its risk profile. At the completion of monitoring the appointed auditor will determine if the GQMP needs to be updated or no longer required. It is important to note that if there is unexpected activity with the contamination where the auditor determines that the risk profile has increased, it could result in further clean up works or further monitoring.

The final groundwater monitoring event (GME) was completed in March 2025 with the results showing a further reduction in the contaminate levels with no movement of the plume. The consultant responsible for the GME has made a recommendation for the monitoring to cease as per the approved Groundwater Quality Management Plan (GQMP).

The Auditor has reviewed the GME report submitted by the consultant and provided agreement with that there is no practical purpose to continue monitoring and that a cessation report was now appropriate. A cessation report has been prepared by a consultant and is currently being reviewed by the auditor for approval of the cessation. The EPA will be notified that the audit is complete. It has been advised that there is no requirement for the EPA to approve completion of the audit.

(c) Guarantees for loans to other entities

Council has not provided any guarantees for loans to other entities as at the balance date.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Australian accounting standards issued but not yet effective

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.

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.

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), bank 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's interest rate liability risk arises primarily from long term loans

and borrowings at fixed rates which exposes council to fair value interest rate risk / 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 have 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 have a policy for establishing credit limits for the entities Council deal with;
- council may require collateral where appropriate; and
- council only invest 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 provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set 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), and is deemed insignificant based on prior periods' data and current assessment of risk.

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 5.3.

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 4.35%.

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

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 are measured at fair value, other than plant and equipment (except for the art collection which is valued at fair value). 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 ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	5 years
Buildings	4 to 5 years
Roads	4 to 5 years
Bridges	4 to 5 years
Footpaths and cycleways	4 to 5 years
Drainage	4 to 5 years
Recreational, leisure and community facilities	4 to 5 years
Waste management	Not revalued as useful life is generally only 3 years
Parks, open space and streetscapes	4 to 5 years
Aerodromes	4 to 5 years

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 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.

Note 9: Other matters

9.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period $'000	Increase/(decrease) $'000	Balance at end of reporting period $'000
2026			
Property			
Land	189,364	-	189,364
Buildings	148,379	-	148,379
	337,743	**-**	**337,743**
Infrastructure			
Roads	268,900	-	268,900
Bridges	33,057	-	33,057
Footpaths and cycleways	33,567	63,304	96,871
Drainage	115,983	127,250	243,233
Recreation, leisure and community facilities	3,227	-	3,227
Parks, open space and streetscapes	7,813	-	7,813
Aerodromes	-	3,438	3,438
Off street car parks	13,938	-	13,938
	476,485	**193,992**	**670,477**
Other			
Artworks	1,095	244	1,339
Other	13	-	13
	1,108	**244**	**1,352**
Total asset revaluation reserves	**815,336**	**194,236**	**1,009,572**
2025			
Property			
Land	189,364	-	189,364
Buildings	114,878	33,501	148,379
	304,242	**33,501**	**337,743**
Infrastructure			
Roads	169,004	99,896	268,900
Bridges	34,828	(1,771)	33,057
Footpaths and cycleways	24,411	9,156	33,567
Drainage	94,094	21,889	115,983
Recreation, leisure and community facilities	1,680	1,547	3,227
Parks, open space and streetscapes	6,277	1,536	7,813
Off street car parks	9,026	4,912	13,938
	339,320	**137,165**	**476,485**
Other			
Artworks	1,095	-	1,095
Other	13	-	13
	1,108	**-**	**1,108**
Total asset revaluation reserves	**644,670**	**170,666**	**815,336**

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

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	$'000	$'000	$'000	$'000
2026				
Developer contributions	9,026	(1,148)	1,000	8,878
Total other reserves	**9,026**	**(1,148)**	**1,000**	**8,878**
2025				
Developer contributions	8,038	(684)	1,672	9,026
Total other reserves	**8,038**	**(684)**	**1,672**	**9,026**

Purpose and nature of other reserves

Developer Contributions — The development contribution reserve is maintained to account for funds held by the Council for specific development purposes include off street parking, drainage, playgrounds and public open spaces and tree planting development.

9.2 Reconciliation of cash flows from operating activities to surplus (deficit)

	2026 $'000	2025 $'000
Surplus/(deficit) for the year	**41,734**	37,400
Non-cash adjustments:		
Depreciation and amortisation	**40,880**	36,975
Loss on disposal of property, infrastructure, plant and equipment	**13,011**	5,383
Impairment losses	**-**	423
Contributions non-monetary assets	**(11,695)**	(27,273)
Finance costs	**362**	409
Work in progress written off	**600**	7,155
Changes in assets and liabilities	**(5,625)**	(1,208)
(Increase)/decrease in trade and other receivables	**137**	(537)
(Increase)/decrease in prepayments	**982**	(1,133)
(Increase)/decrease in contract assets	**(2,400)**	-
Increase/(decrease) in trade and other payables	**1,650**	(2,819)
Increase/(decrease) in contract and other liabilities	**(7,444)**	26,277
Increase/(decrease) in trust funds and deposits	**(228)**	1,651
Increase/(decrease) in provisions	**2,171**	757
Net cash provided by operating activities	**74,135**	**83,460**

9.3 Superannuation

Latrobe City Council (Council) makes some of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2026, this was 12.0% as required under Superannuation Guarantee (SG) legislation (2025: 11.5%)).

Defined benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2025, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2025 (of which Council is a contributing employer) was 110.5%. The financial assumptions used to calculate the VBI were:

- Net investment returns 5.7% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.6% pa

As at 30 June 2026, a triennial actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2026. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2025 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2025 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2026, this rate was 12.0% of members' salaries (11.5% in 2024/25). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

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 (previously 97%).

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

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2025 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2025 and 30 June 2024 while a full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2025 (interim) $m	2024 (interim) $m	2023 (triennial) $m
A VBI surplus	**200.1**	108.4	85.7
A total service liability surplus	**229.4**	141.4	123.6
A discounted accrued benefits surplus	**242.8**	156.7	141.9

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2025.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2025.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2025.

The 2026 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2026 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2026. The last interim actuarial investigation conducted prior to 30 June 2026 was at 30 June 2025. The VBI of the Defined Benefit category at that date was 110.5%. The financial assumptions used to calculate the 30 June 2025 VBI were:

- Net investment returns 5.7% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.6% pa

Council was notified of the 30 June 2025 VBI during August 2025.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2025 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2023 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2023 Triennial investigation $m	2020 Triennial investigation $m
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.5% pa	2.5% pa for the first two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2026 are detailed below:

Scheme	**Type of scheme**	**Rate**	**2026 $'000**	**2025 $'000**
Vision Super	Defined benefits	12.0% (2025: 11.5%)	**195**	194
Various	Accumulation	12.0% (2025: 11.5%)	**6,438**	5,432

In addition to the above contributions, Latrobe City Council has paid unfunded liability payments to Vision Super totalling $nil (2024/25 $nil).

There were $nil contributions outstanding (2024/25 $485K) and $nil loans issued (2024/25 $nil) from or to the above schemes as at 30 June 2026.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2027 is $200K.

Note 10: Change in accounting policy

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

06 Performance Statement

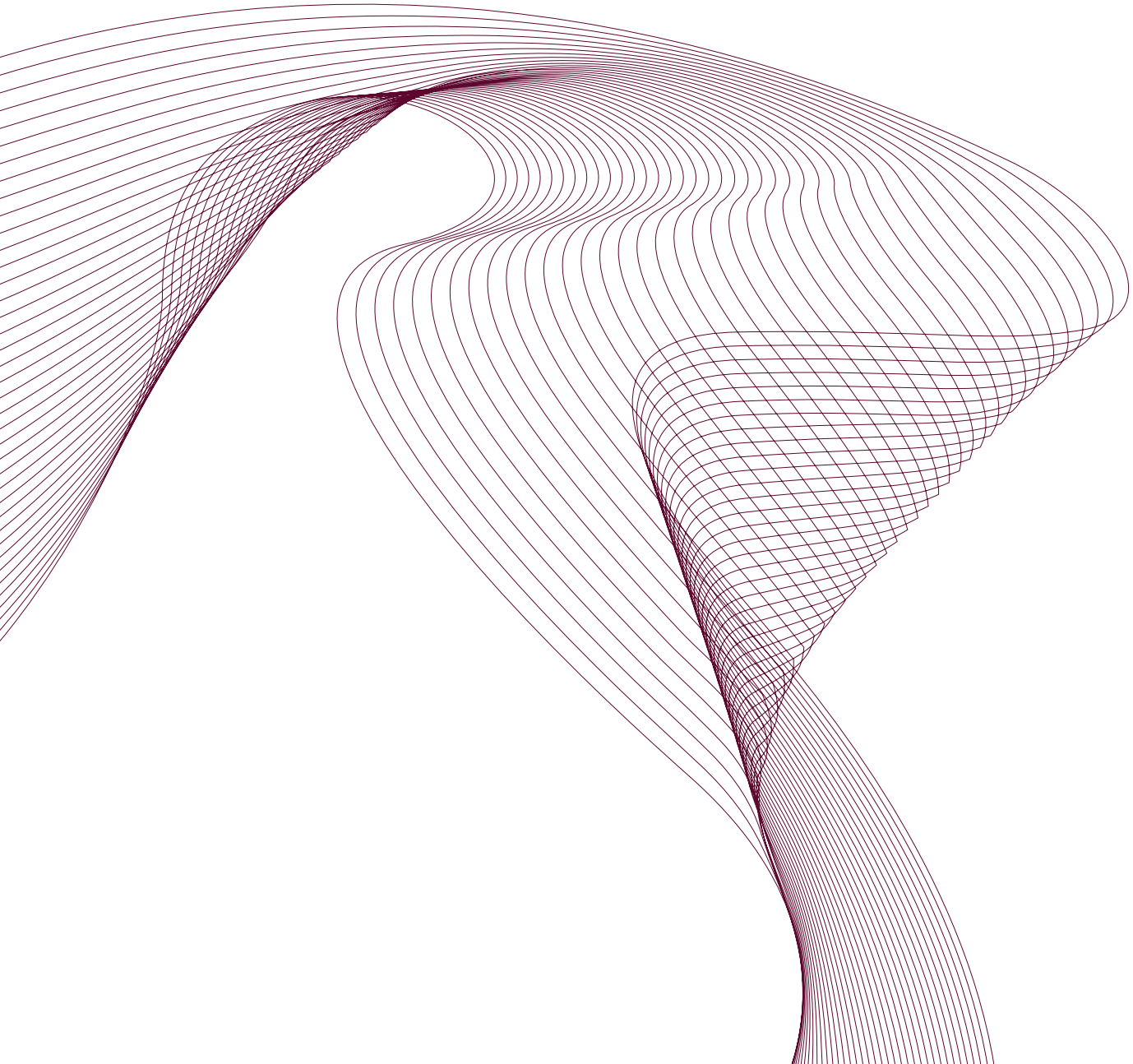
FOR THE YEAR ENDED
30 JUNE 2026




TOTAL TOOLS
CRANE HIRE
WILLATON
TRANSPORT

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Certification of the Performance Statement

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*.



Matthew Rogers CPA
Principal Accounting Officer
Dated: 05 October 2026

In our opinion, the accompanying performance statement of the Latrobe City 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 by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.



Cr Joanne Campbell
Councillor
Dated: 05 October 2026



Cr Leanne Potter
Councillor
Dated: 05 October 2026



Steven Piasente
Chief Executive Officer
Dated: 05 October 2026

Victorian Auditor-General's Office audit report

Independent Auditor's Report

To the Councillors of Latrobe City Council

Opinion	I have audited the accompanying performance statement of Latrobe City Council (the council) which comprises the: • 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. In my opinion, the performance statement of Latrobe City 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 *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report. My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants (including Independence Standards)* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* 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.

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, 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:

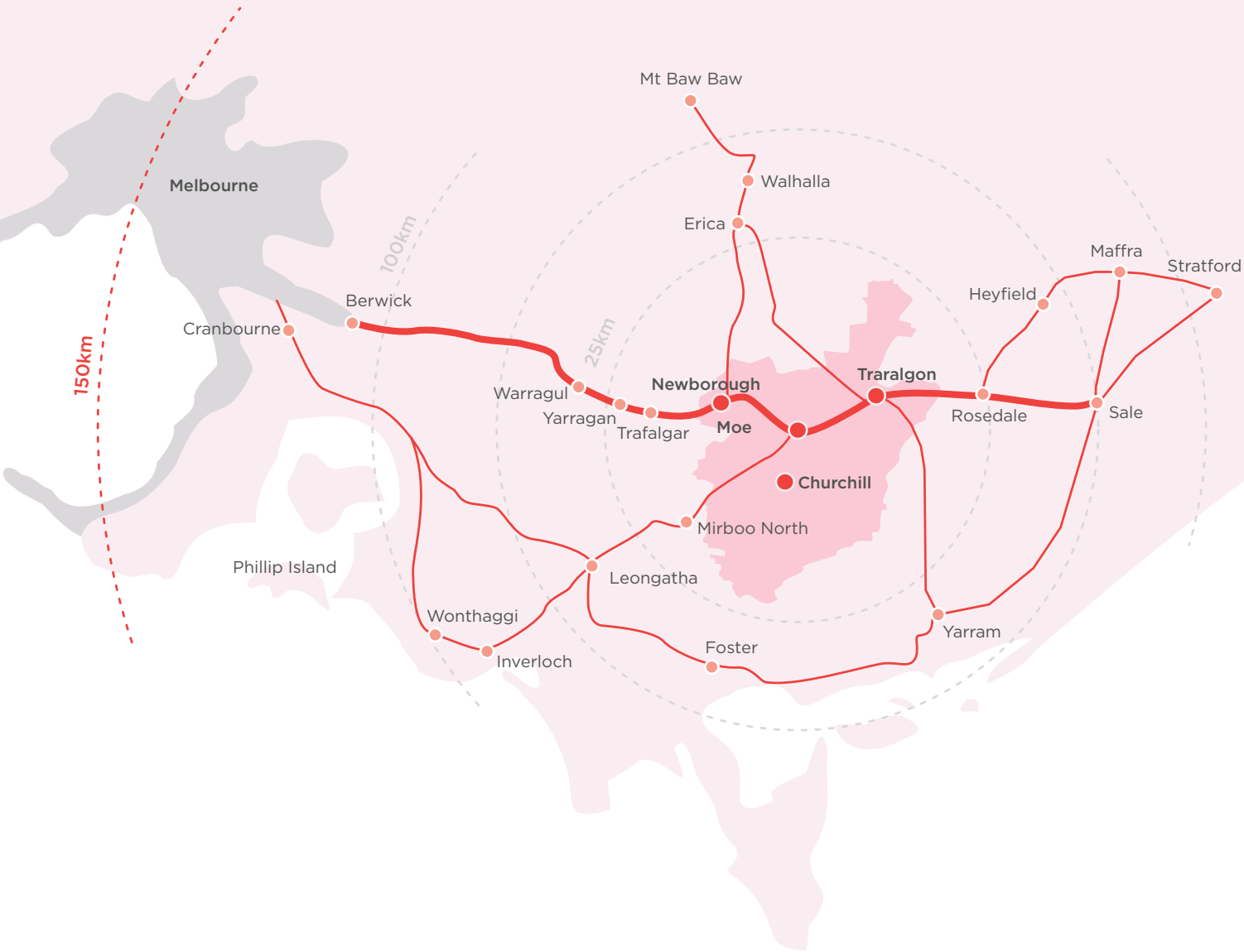
- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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.

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.



MELBOURNE
8 October 2026

Travis Derricott
as delegate for the Auditor-General of Victoria



Description of the municipality

Latrobe City is Victoria's eastern Regional City and Gippsland's primary service centre and employment hub, providing retail, entertainment, education, government and health services to the region with a population of 79,112.[1]

Latrobe City is located an hour and half drive east of Melbourne covering an area of 1,425 square kilometres situated between the Strzelecki Ranges to the south and the Great Dividing Range to the north. The city is made up of four major towns; Churchill, Moe/Newborough, Morwell and Traralgon; and seven rural townships of Boolarra, Glengarry, Toongabbie, Tyers, Traralgon South, Yallourn North and Yinnar.

[1] Australian Bureau of Statistics Regional Population, 2024-25 Australia, 31 March 2026

Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2026

Service/indicator/measure	Results 2023 Actual	Results 2024 Actual	Results 2025 Actual	Results 2026 Target as per budget	Results 2026 Actual	Comments
Aquatic facilities utilisation						
Utilisation of aquatic facilities [Number of visits to aquatic facilities/Municipal population]	5.39	5.68	4.13	N/A	7.06	The data collection method for recording visits has changed for 2026. Council have opted to utilise people counters instead of point of sale systems (which only captured paying customers) for recording visitation at all major facilities. This is largely the reason for the significant variance compared to 2025.
Animal management health and safety						
Animal management prosecutions [Number of successful animal management prosecutions/Number of animal management prosecutions] x100	100%	100%	100%	N/A	94%	Performance was slightly lower than the 2025 financial year, with 17 of 18 animal management prosecutions resulting in a successful outcome.
Food safety health and safety						
Critical and major non-compliance outcome notifications [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] x100	60.41%	89.05%	89.02%	N/A	96.16%	Council has continued to increase performance on previous years through regular reporting of critical and major non-compliance and a stronger focus on completing required follow-up inspections. Council has also encouraged annual inspections to be undertaken earlier in the year, allowing sufficient time for any necessary follow-up activities; supporting a more proactive approach to compliance management.
Governance consultation and engagement						
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	53	50	49	53	55	Council has been working to deliver on the 2025-29 Council Plan, which many community members contributed to. Further it has delivered a refreshed Community Engagement Policy which officers apply in their work.
Libraries participation						
Library membership [Percentage of the population that are registered library members] x100 Indicator/measure [formula]	N/A	23.76%	27.85%	N/A	25.38%	

Service/indicator/measure	Results 2023 Actual	Results 2024 Actual	Results 2025 Actual	Results 2026 Target as per budget	Results 2026 Actual	Comments
Maternal and child health (MCH) 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] x100	71.66%	72.99%	74.13%	N/A	81.38%	
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] x100	84.75%	90.58%	82.15%	N/A	87.89%	
Roads condition						
Sealed local roads below the intervention level (Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	99.87%	98.45%	99.74%	95.00%	99.74%	
Statutory planning service standard						
Planning applications decided within the relevant required time (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] x100	88.02%	81.58%	87.76%	85.00%	99.02%	Council was able to decide a higher proportion of planning applications within the required statutory timeframes, which has resulted in a 12.8% increase in comparison to the 2025 financial year. This is primarily attributed to fairly stable and consistent staffing and ongoing improvements to processes and procedures.
Waste management waste diversion						
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins/ Weight of garbage, recyclables and green organics collected from kerbside bins] x100	49.33%	60.68%	56.78%	65.00%	56.92%	During the 2026 financial year Council has seen significant volumes of contaminated recyclables, requiring disposal to landfill; and consistent levels of general rubbish volumes compared to the previous financial year. An increase in contamination and no decrease to general rubbish volumes has resulted in Council being 12.4% below the budgeted target for the 2026 financial year. Council understands that in order to increase the percentage of waste that is diverted from landfill, education on contamination is required along with efforts to reduce general rubbish at the household level.

Financial Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2026

Dimension/ indicator/measure	Results 2023 Actual	Results 2024 Actual	Results 2025 Actual	Results 2026 Target as per budget	Results 2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Comments
Efficiency										
Expenditure level										
Expenses per property assessment [Total expenses/ Number of property assessments]	$3,894.22	$4,114.86	$4,382.33	**$4,264.00**	**$4,443.02**	$4,608.27	$4,288.36	$4,345.93	$4,404.05	The higher than budgeted result for the year is mainly due to greater than expected loss on disposal of assets, e.g demolition works at Gippsland Sports and Entertainment Park, together with increased depreciation expense following recent asset revaluations. Expenditure per property assessment is targeted to increase by around 1.1% per annum over the forecast period. This is well below the projected CPI of 3.0% p.a. The decrease projected in 2028 is mainly due to higher expenditure in 2027 tied to non-recurrent grants income
Revenue level										
Average rate per property assessment [Sum of all general rates and municipal charges/Number of property assessments]	$1,613.23	$1,681.40	$1,745.93	**N/A**	**$1,779.67**	$1,812.28	$1,844.67	$1,877.65	$1,911.21	The average rate per property assessment is expected to increase in line with the adopted budget increases in 2027, and is currently estimated to increase in line with the expected rate cap from 2028 to 2030.

Dimension/ indicator/measure	Results 2023 Actual	Results 2024 Actual	Results 2025 Actual	Results 2026 Target as per budget	Results 2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Comments
Liquidity										
Working capital										
Current assets compared to current liabilities [Current assets/ Current liabilities] x100	254.73%	229.08%	197.08%	**203.79%**	**243.79%**	129.72%	151.41%	166.07%	180.95%	The increased result in 2026 is mainly due to higher than expected levels of cash and investments holdings due to funds carried over for multi year projects and the unbudgeted advance of 80% of Council's 2026/27 Financial Assistance Grants in June 2026. The ratio result is projected to decrease in 2026/27 due to the planned drawdown of carry forward and reserve funding to continue and/or complete various major projects.
Unrestricted cash										
Unrestricted cash compared to current liabilities [Unrestricted cash/Current liabilities] x100	(23.46%)	(55.74%)	(56.14%)	**N/A**	**(72.10%)**	N/A	N/A	N/A	N/A	The ratio has decreased in 2026 mainly due to a higher amount of surplus funds being invested in term deposits. The ratio is negative as Council invests most of its surplus cash in financial assets and thereby maintains a relatively small cash balance compared to the size of restricted amounts such as unspent grants, trust funds and statutory reserves. These investments are timed to mature when the cash will be required. No forecast figures are shown as this indicator has been discontinued in the 2027 financial year.

Dimension/ indicator/measure	Results 2023 Actual	Results 2024 Actual	Results 2025 Actual	Results 2026 Target as per budget	Results 2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Comments
Obligations										
Loans and borrowings										
Loans and borrowings compared to rates [Interest bearing loans and borrowings/Rate revenue] x100	17.16%	18.20%	15.48%	N/A	11.66%	11.65%	8.65%	6.04%	3.44%	The result for this measure has decreased to 11.7% in 2026 due to the loan repayments exceeding new borrowings for the year largely as the result of the repayment of an interest only loan. The ratio is projected to continue to decrease over the forecast period with repayments currently expected to exceed new borrowings.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings/Rate revenue] x100	2.06%	3.41%	2.70%	N/A	5.95%	2.73%	3.06%	2.73%	2.65%	The result for this measure increased to 5.95% in 2026, this was largely due to the principal repayment of an interest only loan falling due during the year.
Indebtedness										
Non-current liabilities compared to own source revenue [Non-current liabilities/Own source revenue] x100	27.08%	27.38%	23.23%	N/A	24.36%	23.44%	20.96%	20.47%	18.40%	The ratio had a minor increase in 2026 mainly due to the establishment of a new provision for landfill rehabilitation following the opening of a new cell. The ratio is forecasted to steadily reduce as council repays existing interest-bearing liabilities for the four-year forecast period.

Dimension/ indicator/measure	Results 2023 Actual	Results 2024 Actual	Results 2025 Actual	Results 2026 Target as per budget	Results 2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Comments
Asset renewal and upgrade										
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense/Asset depreciation] x100	104.03%	108.16%	93.77%	**111.10%**	**94.09%**	87.55%	69.82%	72.10%	73.40%	The ratio result was below budget mainly due to a delay in road rehabilitation works that will be carried over for completion in the 2027 financial year. The reduction in the ratio in future years is due to expectations of reduced capital grants available for asset renewal.
Operating position										
Adjusted underlying result										
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	(3.73%)	(23.16%)	(5.98%)	**N/A**	**(7.38%)**	(8.16%)	(8.91%)	(8.81%)	(8.35%)	Council's increased underlying deficit in 2026 was largely related to higher depreciation expense following infrastructure revaluations and loss on disposal of assets impacted by the demolition of existing assets at the Gippsland Sports and Entertainment Park (GSEP) as part of the redevelopment currently being undertaken by the state government. The ratio is projected to continue to see underlying deficits in future years due to restrictions on Council's ability to increase revenue and increased depreciation expenses resulting from the recent construction of major new infrastructure and asset revaluation increases.

Dimension/ indicator/measure	Results 2023 Actual	Results 2024 Actual	Results 2025 Actual	Results 2026 Target as per budget	Results 2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	Comments
Stability										
Rates concentration										
Rates compared to adjusted underlying revenue [Rate revenue/ Adjusted underlying revenue] x100	59.44%	69.10%	56.49%	**60.40%**	**58.52%**	58.05%	64.23%	64.30%	64.59%	Council's reliance on rates revenue is expected to continue to rise into the future primarily based on moderate estimates of future levels of recurrent government funding and user fees and charges.
Rates effort										
Rates compared to property values [Rate revenue/ Capital improved value of rateable properties in the municipality] x100	0.48%	0.43%	0.43%	**N/A**	**0.45%**	0.43%	0.44%	0.45%	0.46%	The ratio has remained relatively stable and is forecast to remain between 0.43 to 0.46% over the forecast period.

Sustainable Capacity Indicators

FOR THE YEAR ENDED 30 JUNE 2026

Indicator/measure [formula]	Actual 2023	Actual 2024	Actual 2025	Actual 2026	Comments
Population					
Expenses per head of municipal population [Total expenses/Municipal population]	$2,003.71	$2,129.14	$2,270.34	**$2,317.21**	The 2.0% increase is largely attributed to inflationary pressures.
Infrastructure per head of municipal population [Value of infrastructure/ Municipal population]	$15,315.49	$15,828.81	$18,075.63	**$20,739.53**	The ratio has increased in line with the valuation movements from the revaluation of infrastructure assets undertaken in the 2026 financial year.
Population density per length of road [Municipal population/ Kilometres of local roads]	50.86	50.50	50.88	**53.96**	The increase in this ratio is a result of a change in the methodology used for calculating road lengths. Previously spreadsheet based on chainage differences the calculation is now based on actual centreline lengths calculated in Council's Geographic Information System. This led to a restated decrease in the overall length of Council's road assets.
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue/ Municipal population]	$1,447.70	$1,498.68	$1,553.80	**$1,617.93**	The increase of 4.1% in 2026 was mainly a result of rates growth and increased income from landfill gate fees and interest on investments due to increasing interest rates
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants/Municipal population]	$444.32	$220.05	$527.90	**$520.39**	The large increase to $527.90 in 2025 was largely due to a reduction in operating grants in 2024 mainly in relation to the timing of Financial Assistance Grants funding with the 2023-2024 allocation being advanced to Council in 2022-2023 and no equivalent advance received in 2023-2024. The ratio has remained relatively stable in 2026 with a minor reduction.
Disadvantage					
Relative socio-economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	1.00	1.00	1.00	**1.00**	The result for this measure has remained unchanged over the four year period.
Workforce turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year] x100	13.2%	18.0%	15.9%	**11.41%**	No specific event has been identified as contributing to the decrease in turnover. The reduction is likely reflective of stable workforce conditions over the past 12 months, together with the ongoing benefits of leadership development and employee initiatives that support a positive workplace culture.

Notes to the accounts

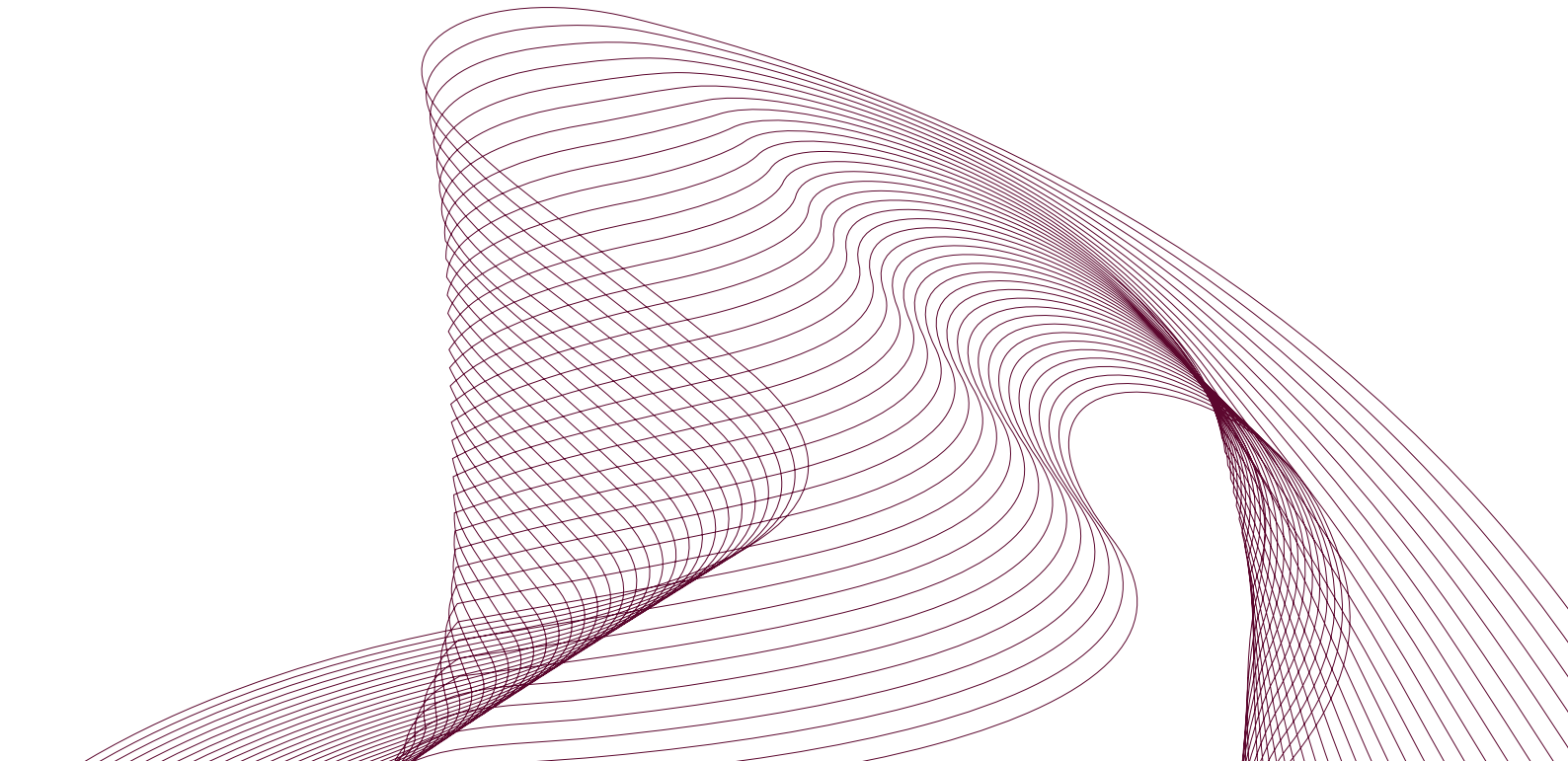
1. Basis of preparation

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 and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.



2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the *Aboriginal Heritage Act 2006*
adjusted underlying revenue	means total income other than: • 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 *Food Act 1984* , 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 *Food Act 1984*
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 *Road Management Act 2004*
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, 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


Ludwig

LATROBE CITY COUNCIL

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Service Centres & Libraries

Morwell
Corporate Headquarters
141 Commercial Road, Morwell

Morwell Library
63-65 Elgin Street, Morwell

Moe
Moe Service Centre and Library
1-29 George Street, Moe

Traralgon
Traralgon Service Centre and Library
34-38 Kay Street, Traralgon

Churchill
Churchill Community Hub
9-11 Philip Parade, Churchill

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