

PLANNING

Permit No. 2003/187

PERMIT

Planning Scheme Murrindindi Planning Scheme

Responsible Authority Murrindindi Shire Council

ADDRESS OF THE LAND:

1390 Myers Creek Road TOOLANGI - LOT: 6 LP: 54942, Parish of Tarrawarra North

THE PERMIT ALLOWS:

Application to amend planning permit 2003/187 to extend liquor licence hours of operation.
 Permit for construction of extension to building, use of extension as licensed premises, general liquor license

THE FOLLOWING CONDITIONS (-) APPLY TO THIS PERMIT:

1. The layout of the site and details of buildings and works, and usage of areas within the site must be in accordance with the endorsed plans. The endorsed plans can only be altered or modified with the prior written approval of the Responsible Authority, or to comply with statutory requirements.
2. Prior to the commencement of the development, amended plans to the satisfaction of the Responsible Authority must be submitted to and approved by the Responsible Authority. When approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions and a minimum of three copies must be provided. Such plans must be generally in accordance with the plan submitted but modified to show:
 - 2.1 Any alterations to the layout of the access driveways and car parking arising from the Traffic Management Plan required elsewhere in this permit.
 - 2.2 The buffer area required to be landscaped, including extent and type of planting
 - 2.3 Other matters as required by other conditions of this permit.
3. This permit shall expire if the use hereby permitted is not completed within two (2) years of the date hereof or any extension of such period, the Responsible Authority may allow in writing on an application made before or within three months after such expiry.
4. The subject land must be kept neat and tidy at all times and its appearance must not, in the opinion of the Responsible Authority, adversely affect the amenity of the locality.
5. Outdoor lighting must be designed, baffled and located to the satisfaction of the Responsible Authority such that no direct light is emitted outside the boundaries of the subject land.
6. No receptacles for any form of rubbish or refuse (other than public waste bins) may be placed or allowed to remain in view from a public road or thoroughfare and odour

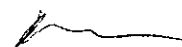
Date issued: 22 October 2003

Signature for the
Responsible Authority


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- must not be emitted from any such receptacle(s) so as to cause offence in the opinion of the Responsible Authority, to any person(s) outside the subject land.
7. The occupier shall take all necessary steps to ensure that no noise or other disturbance emanates from the premises, which would be likely to cause a nuisance to the adjoining occupiers or a detriment to the amenity of the neighbourhood to the satisfaction of the Responsible Authority.
 8. The number of patrons permitted to remain in the licensed area is limited to 50 people. Patrons are not permitted to consume alcohol in other areas of the property, including the outdoor seating area on the east side of the driveway. No alteration or modification will be permitted without the written consent of the Responsible Authority. It is the responsibility of the operator to ensure this condition is complied with at all times, including such monitoring of the premises outside the licensed area as may be necessary.
 9. A suitable acoustic barrier to the satisfaction of the responsible authority is to be erected along the eastern side of the car parking area, and if such barrier is a fence, then screen planting shall also be provided.
 10. A suitable acoustic barrier to the satisfaction of the responsible authority is to be erected in a suitable location between the rear deck area and the north-west boundary of the site, to limit noise transmission towards the adjoining dwelling.
 11. A 6 metre wide buffer area shall be provided along the eastern side boundary of the site from the road reserve to a point equivalent to the extent of the parking area, and such buffer area shall be landscaped with both trees and shrubs to provide visual screening to the adjoining property, to the satisfaction of the responsible authority.
 12. The use of the tavern and rear deck shall take place only between the hours of 10am to 10pm Monday to Thursday inclusive, 8am to 11pm Friday and Saturday, and 10am to 10pm Sunday.
 13. Pre-recorded background music, or unamplified live performance may take place inside the tavern at any time the tavern is permitted to be used. Such entertainment must comply with State Environment Protection Policy (Control of Noise from Public Premises) No. N-2, including as amended from time to time.
 14. Notwithstanding Condition 13 of this permit, functions including live entertainment with the use of amplifiers may be permitted within the tavern building on six occasions per calendar year, provided that other conditions are complied with to the satisfaction of the responsible authority.
 15. Any form of public address system must not be used on the subject land.
 16. The use or development hereby permitted shall not cause nuisance or injury to, or prejudicially affect the amenity of the locality, by reason of the transportation of materials, goods and commodities to and from the land, the appearance of any building, works, or materials on the land, the emission of noise, vibration, smell, fumes, smoke, vapour, steam soot, ash, dust, waste water, waste products, grit, oil or the presence of vermin or otherwise.
 17. Any security alarm installed on the premises must be fitted with a 'cut-off' device limiting any sounding of the alarm to maximum duration of ten (10) minutes, with no repeat sounding until manually reset; and or 'silently wired' to a security firm or the Victoria Police.

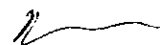
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18. The exterior treatment of the building must be maintained to the satisfaction of the Responsible Authority.
19. Prior to the use commencing, full details of signs to be approved on site to be submitted for written approval of the responsible authority unless a Planning Permit is not required by the Shire of Murrindindi Planning Scheme. Details must include dimensions, type and location of all signs to be placed on the site, illumination wording and colour scheme.
20. Prior to the **commencement of the use**, no fewer than 30 car spaces must be provided on the land for the use and development including 2 spaces clearly marked for the disabled.
21. The applicant shall engage a traffic engineer to prepare a traffic management plan for the development. The plan shall detail parking, access lanes, footpaths, site ingress/egress, barricades, bollards, signing, lighting and linemarking as required to provide for safe movement of vehicles and pedestrians. The qualifications and experience of the traffic engineer and the plan prepared by the same shall be to the satisfaction of the Responsible Authority. The traffic management plan shall be submitted for approval and endorsed by the Responsible Authority before any work commences on the development.
22. The traffic management plan shall provide details of signing, (type and location) required to create no standing zones on both sides of Myers Creek Rd. The zone shall extend for a distance of 250 metres from the Healesville–Kinglake and Myers Creek Road intersection. The no standing zone shall provide an exception for school buses at or in the vicinity of the current passenger drop off and collection points. The signing shall be in accordance with the VicRoads, Traffic Engineering Manual Volume. 1 – Edition 2. The applicant shall not be required to install the signing creating the no standing zones.
23. Before the use starts, areas set aside for parked vehicles and access lanes as shown on the endorsed traffic management plans must be constructed to the satisfaction of the responsible authority; including
 - (a) surfaced with an all-weather seal coat to the satisfaction of the Responsible Authority ;
 - (b) drained in accordance with an approved drainage plan;
 - (c) line-marked or otherwise signed to indicate car spaces and all access lanes;
 - (d) properly illuminated with lighting designed, baffled and located to the satisfaction of the responsible authority to prevent any adverse effect on adjoining land;
 - (e) measures taken to prevent direct vehicle access to an adjoining road other than by a vehicle crossing;
 - (f) Provision of traffic control signage and or structures as required;
24. Before any of the works allowed by this permit can be started, a properly prepared drainage plan with computations must be submitted to and approved by the Responsible Authority. The plan must give details of how the works on the land are to be drained. An endorsed copy of the plan and computations will form part of this permit.
25. The stormwater drainage system for the development shall incorporate measures to enhance stormwater discharge quality from the site and protect downstream waterways.

Date issued:22 October 2003

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26. Prior to the commencement of the use, gross pollutant and/or litter traps shall be installed at the drainage outfall of the development to the satisfaction of the Responsible Authority.
27. All activities associated with the construction of the development permitted by this permit must be carried out to the satisfaction of the Responsible Authority and all care must be taken to minimise the effect of such activities on the amenity of the locality.
28. Appropriate steps must be taken to retain all silt and sediment on site during the construction phase to the satisfaction of the Responsible Authority, in accordance with the sediment control principles outlined in *Construction Techniques for Sediment Pollution Control* (EPA, 1991) and to the satisfaction of the Responsible Authority.
29. All disturbed surfaces on land resulting from the buildings and works authorised or required by this permit shall be revegetated and stabilised to the satisfaction of the responsible authority so as to prevent any erosion or siltation.
30. In the event of mud, crushed rock or other debris being carried onto public roads or footpaths from the subject land, appropriate measures must be implemented to minimise the problem to the satisfaction of the Responsible Authority.
31. The areas set aside for parked vehicles and access lanes as shown on an approved plan must be kept available for these purposes at all times.
32. The use permitted by this permit must not commence until the garden and landscape area(s) shown on the endorsed plan(s) have been planted to the requirements and satisfaction of the Responsible Authority,


Notations

- This permit does not authorise the commencement of any building construction works. Before any such development may commence, the applicant must apply for and obtain appropriate building approval.
- A road opening/crossing permit must be obtained from the responsible authority prior to the carrying out of any vehicle crossing works.
- The premises shall comply with all State Legislation, in particular the Health (Eating House and Food Premises) Regulations 1984.
- Trading must not commence without the approval of the Chief Environmental Health Officer, and until registration with the responsible authority under the *Food Act 1984*, has been completed.
- No alcoholic liquor is to be consumed and/or gaming on or from the premises at any time unless the appropriate licence shall be held.
- The facilities approved by this permit shall be constructed and maintained to accord with all relevant legislation (Federal or State), Australian Standards, or any other design requirements relating to access or other issues affecting people with disabilities to the satisfaction to the responsible authority.

Condition 12 of this permit was amended on 17/1/2007 to increase the hours of use on Sunday to Thursday inclusive.

Date issued: 22 October 2003

Signature for the
Responsible Authority _____



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In reply quote: 16327/3.1 me:bb
Document id: 140516 MM app to Council

16 May 2014

Shire of Murrindindi
DX 71402
ALEXANDRA VIC

Attention: Planning Department

Dear Sir/Madam

Re: Application to Amend Planning Permit 2003/187
1390 Myers Creek Road, Toolangi
Toolangi Tavern

On behalf of our clients J & M Marshall we hereby submit this application to amend planning permit 2003/187. Please find enclosed the following supporting documents:

- Completed application to Amend Planning Permit together with a cheque for the associated fee of \$502;
- Up to date copy of the Certificate of Title Vol. 08338 Fol. 441;
- Plan, Elevations & Details – Drg 1 of 2 Revision C (3 x A1 copies & 1 x A3 copy);
- Siteworks Plan – Drg 2 of 2 Revision C (3 x A1 copies & 1 x A3 copy);

Proposal

There are three parts to this amendment; variation to conditions, increase in licensed area and resulting changes to endorsed plans.

Variations to conditions:

Condition 8: The amendment seeks variation of condition 8 to increase the maximum patrons in the licensed area from 50 persons to 150 persons. The current liquor license permits 188 patrons internally and 87 patrons externally which by far exceeds that allowed by the current planning permit. An increase in patron numbers will provide greater flexibility and prevent the need for multiple sittings during peak times. We also seek variation to the wording of this condition to allow consumption of alcohol in 'other areas of the property' as outlined below.

Condition 13: The proposal seeks to allow pre-recorded background music or unamplified live performance in the garden area during the sought after licensing hours.

Increase in license area:

The licensed area is currently restricted to the inside of the building and the rear deck. It is proposed to increase the licensed area to include the front deck and the front garden area to enable wedding ceremonies to occur in this area. A pedestrian link from the deck to the garden is also required to be licensed. The licensing hours sought for these extended areas is 11am to 8pm seven days a week.

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The garden is located at the front of the property on the east side of the driveway. It is surrounded by extensive landscape areas which offer high amenity levels and excellent seclusion from the road and the adjacent property. In addition to landscape buffers an acoustic fence separates the garden from the adjacent lot. Outdoor tables and seating are located within this area and are utilised by patrons as a pleasant outdoor sitting area before/after they have been within the Tavern.

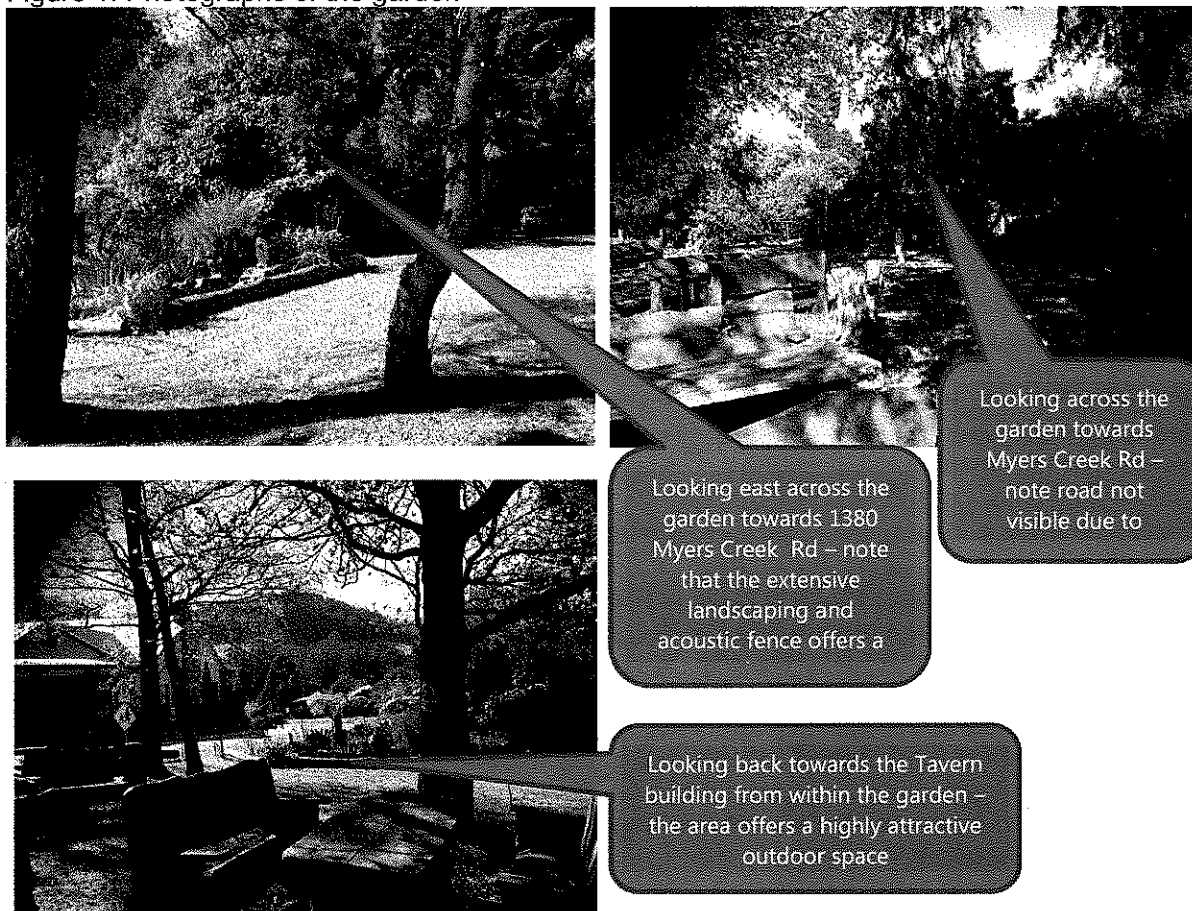
Condition 8 of the current planning permit (which we are seeking to amend) stated that:

Patrons are not permitted to consume alcohol in other areas of the property, including the outdoor seating area on the east side of the driveway.

We understand that the garden area received specific mention due to its proximity to a dwelling on the adjacent lot (1380 Myers Creek Road). As you are aware, this dwelling was replaced with a new dwelling which is located approximately 55m north-east. Under the current planning permit (2009/363) *the existing dwelling must be decommissioned and converted into an outbuilding/bungalow, to the satisfaction of the Responsible Authority.*

It is submitted that this change in use results in a variation to amenity levels and that increased use of the garden will not cause undue detriment to adjacent residents.

Figure 1: Photographs of the garden



Variation to Plans:

The attached plans are copies of the endorsed plans with some variations added to indicate the proposed extended licensed area, as discussed above.

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Figure 2: Aerial Photograph



Land Use & Zoning

The established use of the Toolangi Tavern is covered in the definition Hotel under clause 74, which identifies:

Land used to sell liquor for consumption on and off the premises. It may include accommodation, food for consumption on the premises entertainment, dancing, amusement machines, and gambling.

It is noted that Hotel is nested under the heading of Retail which is prohibited within the Farming Zone (35.07). This aside, the use is established and operating legally under an existing planning permit. There are several VCAT cases which refer to *the intensification of a use that is now prohibited in the zone*.

VCAT Reference No P2222/2009 in part stated:

"6 I consider that there are two matters to be considered. The first matter is the weight to be given to the intensification of a use that is now prohibited in the zone. The second matter is the reasonableness of the condition that allows the expansion of the use for a trial twelve month period.

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7 Council submitted that it was hesitant to allow an intensification of a prohibited use. Ms Cincotta referred me to various decisions of the Supreme Court and this Tribunal that clearly demonstrate that the planning scheme contemplates uses that have been lawfully established and that have been operating lawfully but that have become prohibited may continue to operate, change, increase or decrease as long as the same purpose is served. In City of Nunawading v Harrington [1985] LGRA 139, the Supreme Court held that:

The use to which land may be put and the activity on it may change, increase or decrease, so long as the same purpose is served. (pp144)

8 In Niteglow Pty Ltd v City of Melbourne (1990) 5 AATR 88 the Tribunal found that:

*So long as the site is used as a store it does not matter how intensive this use is. **It is clear that a non conforming use carries with it a right to intensify that use.***

9 Clause 63 of the planning scheme provides that a use that has been lawfully established and that is operating lawfully may continue regardless of amendments to a planning scheme provided that the amenity of the areas not damaged or further damaged.”

Red Dot Decisions Summary – VCAT Reference P1006/2009 & P1399/2009 in part stated:

“The Supreme Court in the ‘Seventh Columbo case’ held that conditions in a permit that establishes an existing use right can be amended. Therefore, legally it would be possible to amend the permit to allow an increase in restaurant patron numbers above the limit specified in the planning scheme. However, the ability to amend a permit does not extend to allowing a new, prohibited use. Therefore, it is not possible to allow the new use of function centre. On planning grounds though, the scale and intensity of the proposed changes that might be made cannot be supported and the conclusion is that the permit should not be amended.”

The Victorian Planning Reports – Guide to Planning Appeals also includes a section on “Intensification of use” which outlines the following:

In Ferntree Gully Abattoirs (Aust.) Pty Ltd v MMBW & Slater and Ors (No 2) (1985) 3 PABR 15, application was made to expand the kill rate at a non conforming abattoir as well as make certain changes to the operation to reduce the impact on local amenity. The Council approved the application, and the Board upheld the Council’s decision. It found that despite the intensification of use the changes to the operation would improve local amenity.

In Niteglow Pty Ltd v City of Melbourne and Ors (1990) 5 ATTR 88, in which a permit was sought for change of use of building from a store to an office, the Tribunal allowed an appeal against the Responsible Authority’s refusal. In so doing, it held that the non-conforming use rights permitted a considerably greater intensity of use than that which had actually occurred. Or, put another way, it was not appropriate to restrict consideration only to what actual intensity of use had previously taken place. Further, in determining the affect on amenity of the area the Tribunal must consider what potential use could be made of the premises in accordance with the existing use rights.

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In Davis v City of Melbourne and North Melbourne Association Inc. (1994) 11 AATR 116, the Applicant appealed against the Responsible Authority's refusal to grant a permit to use a formal butcher's shop for the purpose of take-away pizza shop and restaurant. In allowing the appeal, the Tribunal held:

- *Clause 15-3.3 required consideration not of what 'purpose' the land was being used for, but for what 'section 3 Use' it was being used for previously.*
- *In some cases the 'purpose' and the 'section 3 use' may be the same but this was not always the case.*
- *In this case the existing section 3 use for which the land was used was 'shop' and the proposed use had to be compared to the use of the land as a shop. It was not appropriate to consider the hours of operation, traffic generation or other operational characteristics of a particular type of shop which was to operate on the site. What had to be considered were the general operational characteristics of a shop.*

In Department of Human Services v Nillumbik SC (Red Dot) [2005] VCAT 2602 22 VPR 60, it was proposed to change a previous use of land from 'live-in' support facility and education centre offering re-training services associated with drug and alcohol rehabilitation to shared housing with an ancillary education component to cater for up to 10 children placed in 'State care' following removal from dysfunctional households. On the matter of intensification, the Tribunal held:

- *The intention of Cl.63.02 was to avoid existing use rights from being determined in accordance with current planning scheme definitions. It was not the intention of Cl.63.02 to prevent reliance upon the intensity of activity expressly permitted by a planning permit.*

In Wellington & Ors v Surf Coast SC (Red Dot) [2011] VCAT 2317 43 VPR 12 (editorial comment 43 VPR 10), which concerned a declaration whether a motor cycle facility enjoyed existing use rights, the Tribunal held:

- *It could be seen from Cl.63 that the Planning Scheme reflected the limitation imposed upon it by s.6(3) of the P&E Act – most clearly in the first dot point in the clause. But it also went further than this, and allowed for the establishment of existing use rights in other additional circumstances beyond, and without offending, the limitation imposed by s.6(3). In effect, s.6(3) provides for a **minimum** level of existing use rights(which the planning scheme could not remove), but Cl. 63.01 provides for the establishment of more broadly based existing use rights in defined circumstances. (Tribunal emphasis).*
- *The intensification was to an extent regulated by the existence of a buildings and works control under Cl.63.05, whereby all buildings and works associated with the existing use right require a permit. A permit may sometimes be refused where it might entrench a non-conforming use or, alternatively co, conditions on a permit may be used to ameliorate off-site amenity impacts created by the works. The fact that the Respondent had not obtained permits for buildings and works over the years had thus exacerbated the impact on neighboring landowners, and any rectification*

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of that situation may provide a basis for dealing with those issues. That was not however a matter that this proceeding could deal with.

- *Commentators have in the past suggested that it was inconsistent with the rest of the P&E Act that the adverse effects of an increase in the scale and intensity of an existing use could not be considered and controlled by planning schemes, in the same way that the adverse effects of uses other than existing use where able to be regulated. Off-site noise impacts were obviously one of the more annoying and insidious adverse effects in this regard, and this had clearly created the tension in this proceeding. However, given the statutory protection afforded to existing uses in s.6 of the P&E Act, as well as relevant case law, legislative reform may be required to deal effectively with the intensification of existing use rights. That was also something that this proceeding could not deal with."*

There is clear precedence for existing permitted uses which are now prohibited under the zone to be extended. In addition, Condition 8, which limits patron numbers states that:

No alteration or modification will be permitted without the written consent of the Responsible Authority.

This wording clearly gives scope to seek a variation to the patron numbers.

It is also important to note the Land Use Zoning Reforms which were introduced by the State Government in 2013. Changes to the Farming Zone allow more opportunity and flexibility, including the encouragement of tourism through the following additional zone purpose:

To encourage the retention of employment and population to support rural communities.

Other Planning Policies

The land is covered by the Environmental Significance Overlay – Schedule 1 (42.01) however it has no bearing on the proposed amendment.

Clause 52.06 Car Parking is applicable to the application, as prior to the number of patrons, seats or practitioners at an existing use being increased:

The car parking spaces required under Clause 52.06-5 must be provided on the land or as approved under Clause 52.06-3 to the satisfaction of the responsible authority.

Table 52.06-5 requires that 0.4 car spaces be provided to each patron permitted for use of a 'Hotel'. The application seeks an increase in patron numbers to 150 resulting a parking requirement of 60 spaces. There are 42 gravel car spaces existing on site as depicted on the attached Siteworks Plan. A grassed overflow parking area is located to the north of the gravel car park and a sign currently directs vehicles in this direction for additional parking. The Siteworks plan indicates a further 19 spaces on the grassed area, totalling 61 spaces. It must be noted that the subject site is approximately 5 acres in size and can accommodate as much parking on site as demanded.

Pursuant to Licensed Premises (52.27) a permit is required if 'The area that liquor is allowed to be consumed or supplied under a licence is to be increased'.

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The current red line plan forming part of the liquor license for the venue is consistent with the 'licensed area' as shown on the endorsed plan. Approval to vary the red line plan will be sought once planning permission is granted. As discussed above, the current license permits a substantial higher number of patrons than what this amendment is seeking.

Kinglake, Flowerdale, Toolangi Structure Plan

The KFT was formally adopted by Murrindindi Council in March 2014. It has been developed to guide future population growth, land use and development, infrastructure and service provision, community safety and the character and identity of local communities.

The KFT Plan proposes that the vision and values be realised through pursuing seven directions. Of particular relevance is *Direction 2- Foster a Viable Local Economy* which in part states:

Grow local jobs and businesses by making towns more attractive, improving the retail and hospitality offer, and encouraging local residents to shop locally and tourists to visit.

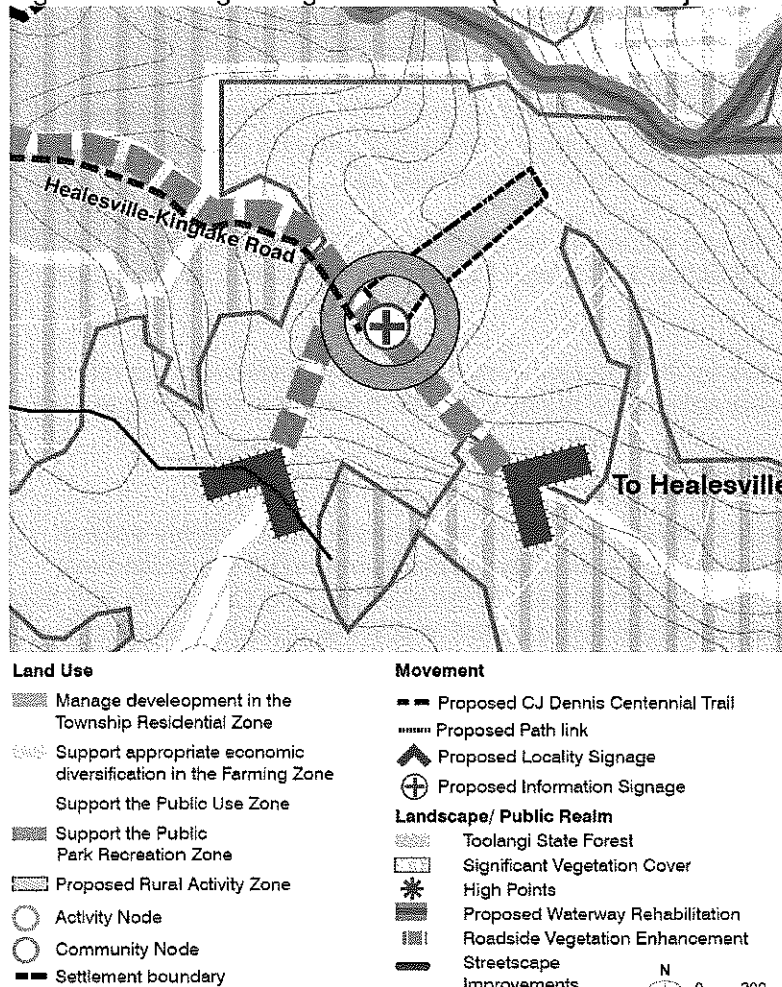
Settlement Structure states the following:

Toolangi is proposed to remain a small rural settlement located within a highly valued landscape setting with highly productive agricultural areas surrounding the settlement. Community activity nodes would be strengthened in the vicinity of the CJ Dennis Hall and at the Toolangi Tavern. No further rezoning to support residential growth is proposed.

The Toolangi Design Framework identifies the subject site as an activity node (see Figure 1 below) and states the following:

The Toolangi Tavern, which formally held a general store, should be the location of any new local convenience and accommodation. The Tavern is to be rezoned to Rural Activity to enable this opportunity and align the zoning with the current commercial use of the land. The re-establishment of the general store should be encouraged.

Figure 3: Toolangi Design Framework (zoomed to subject site)



There is clear strategic support in the KFT for the enhanced use of the land home to Toolangi Tavern and we welcome the forthcoming rezoning to Rural Activity Zone which will further enhance opportunities for the development of the site.

Conclusion

The proposed amendments are considered modest and allow the Toolangi Tavern to expand in response to community demand whilst continuing to respect the amenity of the surrounding area.

There is no additional use proposed; rather only an increase in the permitted use, which can be considered on its merits as demonstrated by the various VCAT cases discussed above.

The land use and proposed extensions are supported by the recently added purpose to the Farming Zone that encourages employment.

The Kinglake, Flowerdale, Toolangi Structure Plan provides clear strategic support for intensification of the subject site.

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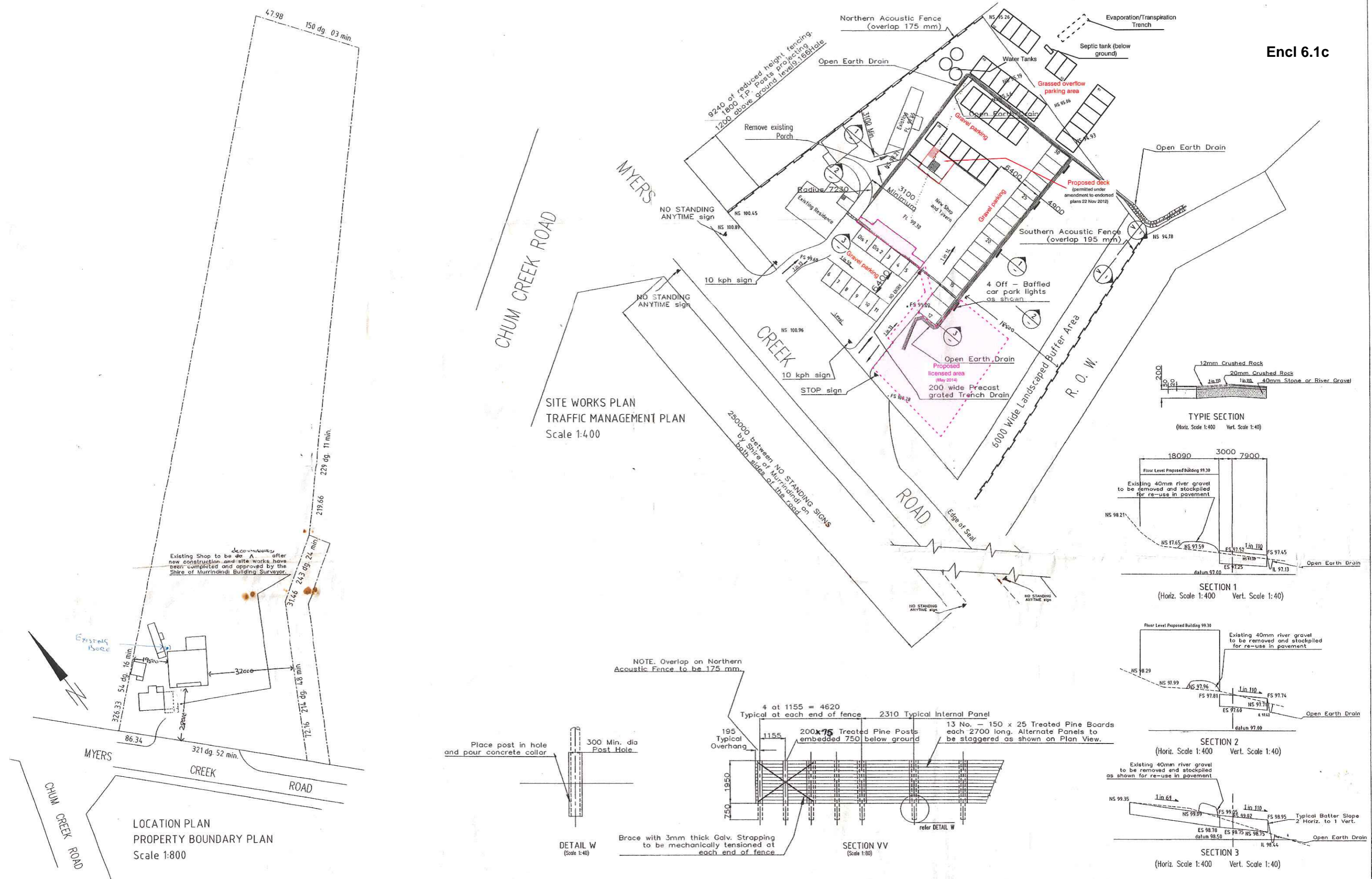
We await your advice in this matter, please don't hesitate to contact me if you have any queries.

Yours faithfully
Millar | Merrigan

MANDY EDWARDS

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e medwards@millarmerrigan.com.au

Enc.

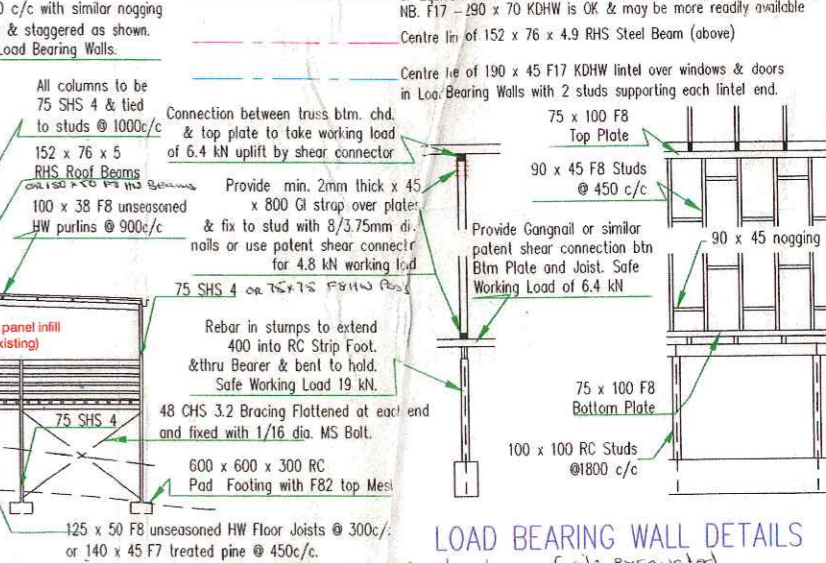
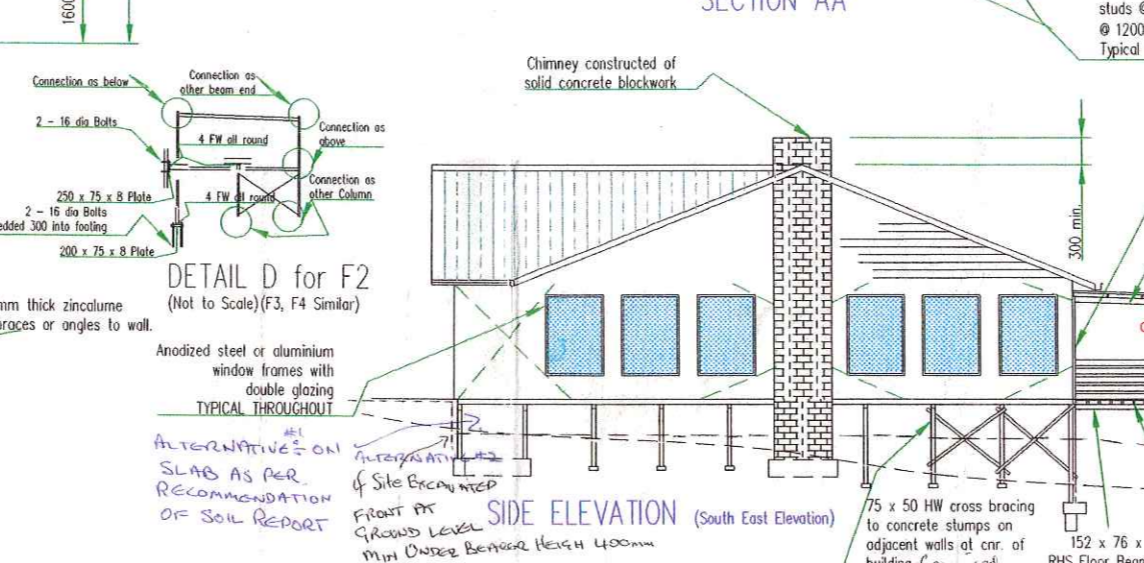
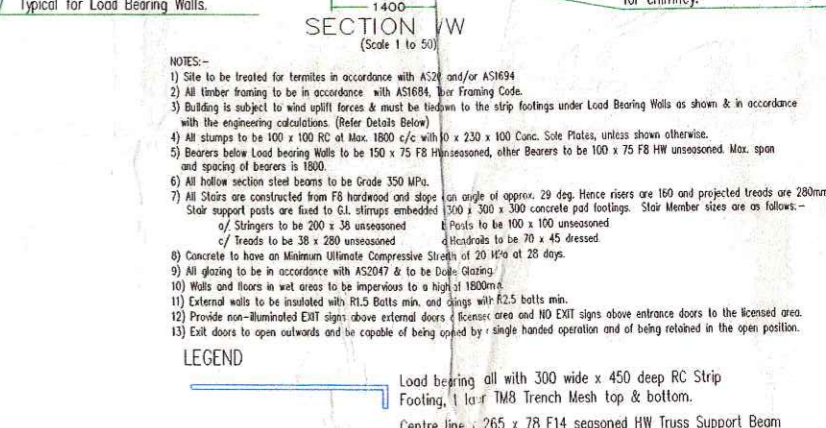
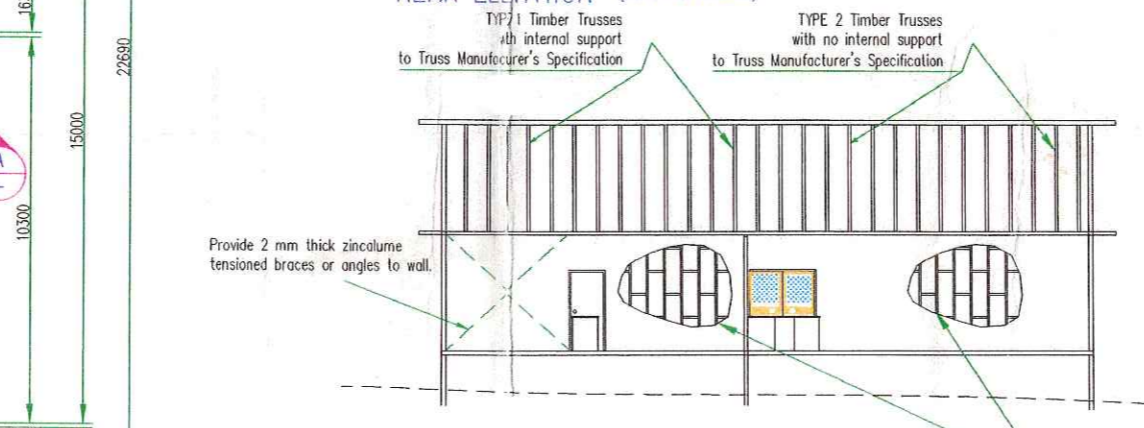
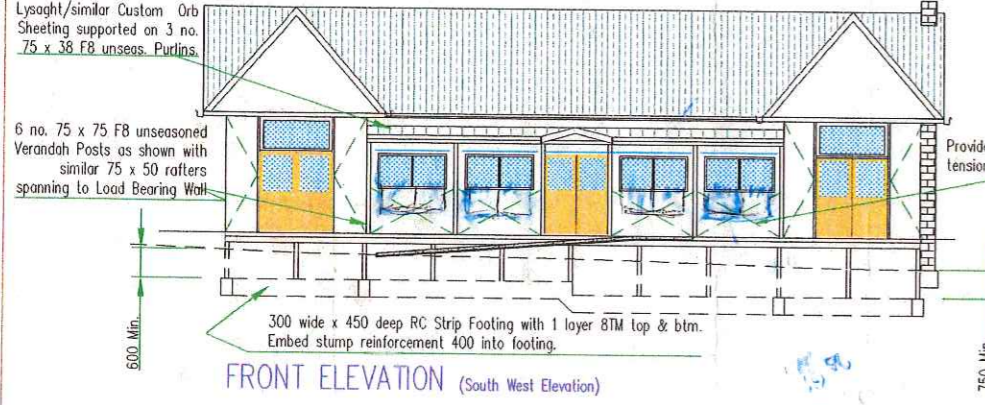
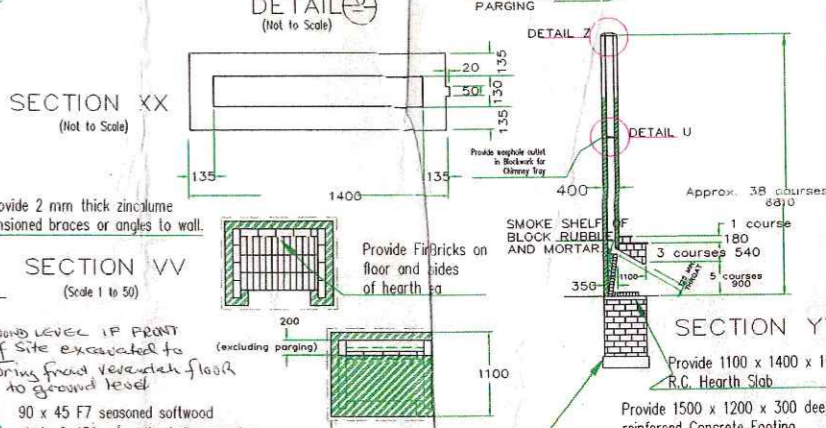
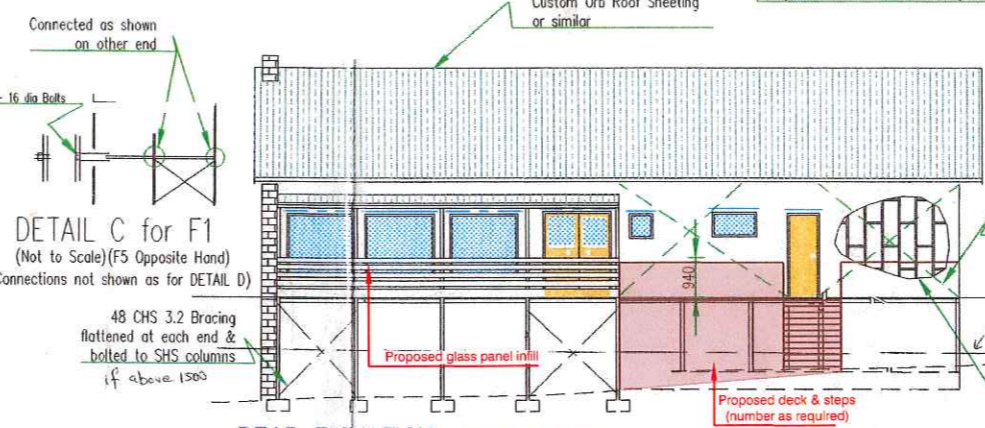
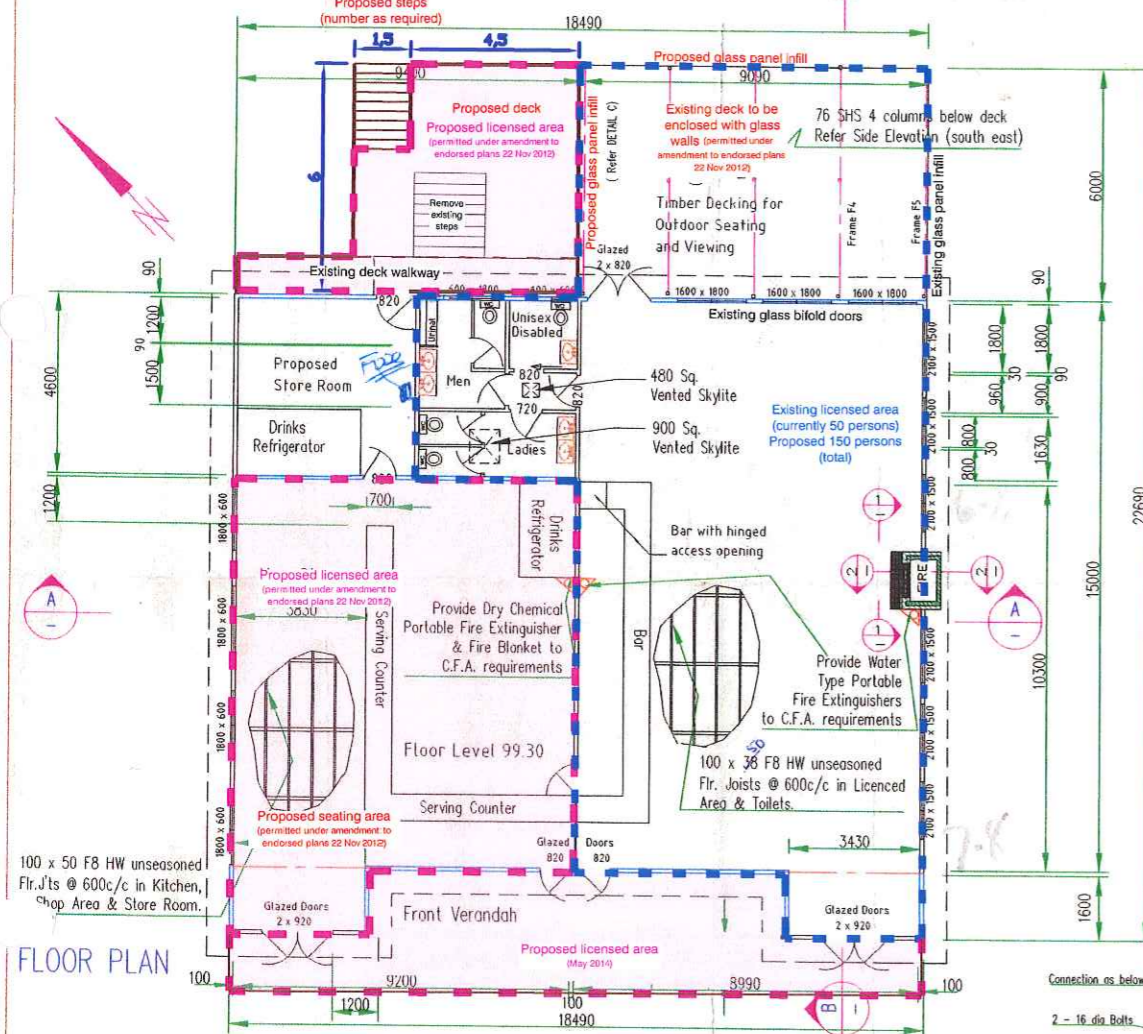
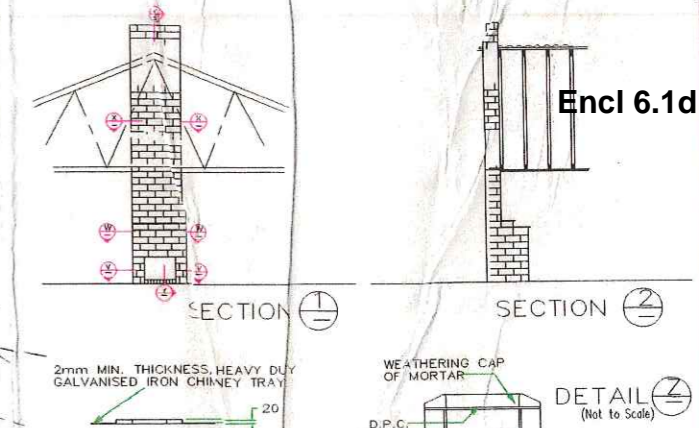
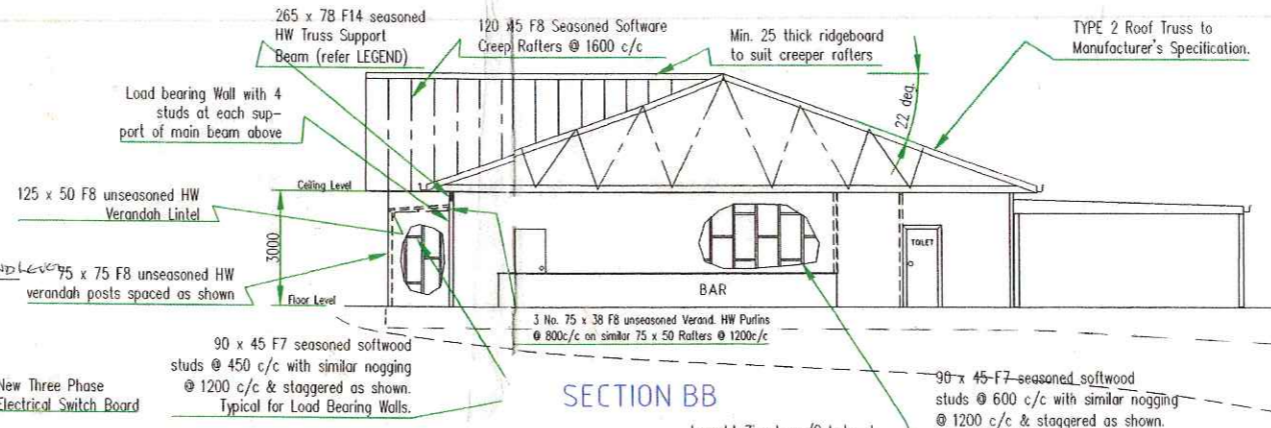
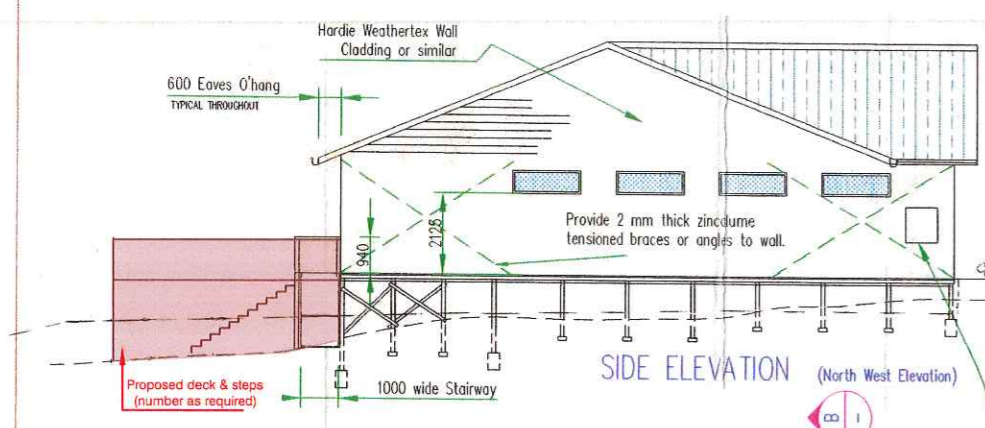


REV.	DESCRIPTION	BY	DATE	NO.	TITLE
C	Increase licensed area to include garden & front deck	ME	May 2014		
B	Enclose ex. deck & build new deck	ME	July 2012		
A	Parking & other amendments	N. J. H.	15/11/04	A3001126-C2 A3001126-C1	Site Works by D. B. Smith - Civil Engineer Site Plan by D. B. Smith - Civil Engineer
REVISIONS					REFERENCE DRAWING

NOTES
Variations to endorsed plans as listed left. Prepared by:
Millar | Merrigan

HI-TECH FARM EQUIPMENT P/L
1370 Myers Creek Road,
Toolangi, Vic. 3177
Ph. (03) 5962-9340
Facs. (03) 5962-9034
Mob. 018-389-009

DRAWN BY N.J.H.	DATE 25/5/04	PROJECT New Toolangi General Store and Licensed Premises
CHECKED BY DATE	CLIENT Mr. & Mrs. J. Marshall	DRAWING TITLE SITING WORKS PLAN
APP'D BY DATE	SCALE As Shown	PROJECT NO. DRG NO. 2 of 2 REV. C



GENERAL NOTES

- Where specified member sizes cannot be obtained, the Builder should refer back to the Engineer for alternative sizes if he is in any doubt as to the strength and/or serviceability of the member size he is proposing to use. If F8 Hardwood is not available then a larger size member in F7 KD Pine may be used, "laser" pine indoors and treated pine outdoors. If F7 treated pine (or any other treated pine) is used externally then any timber cuts must be treated with the appropriate preservatives to ensure durability of the member.
- The minimum founding depth for all footings shall be in accordance with the recommendations contained in Soils Report No. RT5359-04.0 by Civil Test Pty. Ltd.

REV.	DESCRIPTION	BY	DATE	NO.	TITLE
C	Increase licensed area	ME	May 2014		
B	Enclose ex. deck & build new deck	ME	July 2012		
A	Additions & amendments required by professional engineering consultant & Shire of Murrumbidgee	N.J.H.	16/11/04		
				01/03	Proposed Extensions by B.S.H. Drafting

NOTES:
 Variations to endorsed plans as listed left. Prepared by:
Millar | Merrigan
 HI-TECH FARM EQUIPMENT P/L
 1370 Myer's Creek Road, Toolong, Vic. 3777
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 Fax. (03) 5962-9034
 Mob. 018-389-009

DRAWN BY	DATE	PROJECT
N.J.H.	25/5/04	New Toolong General Store and Licensed Premises
CHECKED BY	DATE	CLIENT
		Mr. & Mrs. J. Marshall
APP'D BY	DATE	DRAWING TITLE
		Plan, Elevations and Details
SCALE	PROJECT NO.	DRG NO.
1:100 Unless Noted Otherwise		1 of 2

MURRINDINDI PLANNING SCHEME, LOCAL PLANNING POLICY FRAMEWORK REVIEW – SUMMARY OF SUBMISSIONS

1. AGENCY SUBMISSIONS:

1.1 Department of Environment and Primary Industries (DEPI):

Land: General submission.

Submission summary:

- Revised LPPF has addressed biodiversity, native vegetation and other environmental values and is supported by DEPI.
- Possible inclusion of Environmental Significance Overlays as a tool to implement Biodiversity and Native Vegetation objectives.

Discussion:

- Native vegetation is already protected under Clause 52.17, Native Vegetation, to the Murrindindi Planning Scheme and use of the document *Permitted clearing of native vegetation - Biodiversity assessment guidelines*, DEPI, September 2013, an incorporated document to the planning scheme.
- While the Environmental Significance Overlay (ESO) or Vegetation Protection Overlay (VPO) may be used to identify and protect areas of significant biodiversity or native vegetation value, this further level of control can only be justified through further technical / strategic study. While proposed Clause 21.05-1, Environmental values, lists an implementation item to *Complete and implement the Roadsides Management Plan*, no further technical / strategic study exists at present to justify the application of the ESO or VPO.
- The existing VPO applies to native and exotic vegetation in the Marysville township area only. The boundaries and content of this VPO is still to be reviewed, given that a substantial component of the town's vegetation was lost or compromised in the 2009 bushfires.
- It is considered that there is no justification for any further study or control references at this stage. Council can however initiate further study or consideration of vegetation controls in the planning scheme at any stage if any further information or need is identified.

Recommendations:

- Note submission supporting the exhibited proposed LPPF.
- No changes required to the exhibited proposed LPPF.

1.2 Goulburn Murray Water (GMW):

Land: General submission.

Submission summary:

- No objection.
- GMW's areas of interest are surface water and groundwater quality, use and disposal.
- GMW requires that development proposals do not impact detrimentally on the flow and quality of surface water and groundwater and that required water supplies are available from an approved source.
- Particularly interested in Clause 21.04-3 (Other townships and settlements) which includes a strategy to restructure old and inappropriate subdivisions.
- Clause 21.05 (Environment) includes objectives and strategies to protect waterways and catchment management, with reference documents including the GMW Lake Eildon land and on water management plan.

Discussion:

- Proposed Clause 21.04-3 (Other townships and settlements, under Clause 21.04, Housing) has been carried forward from the current version of the Murrindindi Planning Scheme and includes strategic directions and implementation action to facilitate the restructure of old and inappropriate subdivisions.
- Proposed Clause 21.05 (Environment) outlines environmental value and risks and lists the *Lake Eildon Land and On-Water Management Plan*, Goulburn Murray Water, 2012 as a reference document to the planning scheme. While Objective 2 (Waterways and catchment management) in Clause 21.05-1, Environmental values, has an objective *Protect and enhance waterways and catchments*, there is no specific strategy to implement the GVW objective that *development proposals do not impact detrimentally on the flow and quality of surface water and groundwater*. This GVW objective should be added as a specific strategy.

Recommendations:

- Note submission supporting the exhibited proposed LPPF.
- In Clause 21.05 (Environment), Clause 21.05-1, Environmental values, Objective 2 (Waterways and catchment management), add the strategy:

Ensure that development proposals do not impact detrimentally on the flow and quality of surface water and groundwater.

1.3 Goulburn Valley Water (GVW):

Land: General submission.

Submission summary:

Submission 1:

- GVW assesses developments that lie within wastewater management facility (WMF) buffer zones on a case-by-case basis, deciding whether to oppose or consent to proposed development.
- GVW seeks Council's assistance in reducing the potential for future land-use conflicts by ensuring that wastewater management facility buffer zones are not threatened by any development.

Submission 2:

- Withdraws submission with no objection. Seeks discussion with Murrindindi Shire on waste facility buffer zones outside this planning review.

Discussion:

Submission 1:

- This submission has been clarified with GVW officers. GVW is seeking the introduction of formal buffers for its WMFs, which are generally indicated by a specific overlay (eg Environmental Significance Overlay) in the planning scheme.
- Prior to the introduction of any strategy or control, a study justifying this approach would be required to strategically justify any new direction or control. No changes can also be made to strategic directions or controls without proper exhibition of a proposal. While GVW has a study (over 10 years old) and draft amended maps indicating preferred buffers have recently been updated, this information has never been formally adopted by GVW or Council and cannot be applied in the planning scheme in its current form and status. At a previous planning appeal for a dwelling proposal in the vicinity of the Alexandra wastewater facility, VCAT urged the application of buffers to protect the facility.
- The issue of buffers is unresolved at state level. Formal buffers can be very onerous on landowners, potentially preventing any dwelling being developed within the buffer. There is no set approach for the application of buffers in planning, with different approaches being used and no guarantee that proposed buffers can translate into planning controls. At various times, different Ministers for Planning have not supported proposed buffers, advising proponents to implement their own buffers through the actual purchase of private land within buffers.
- Although the GVW request for further work on buffers was sound, officers suggested to GVW that this work be undertaken outside this LPPF review.

Submission 2:

- GVW has already made a separate approach to officers seeking buffers for wastewater management facilities. Officers will participate in this process but emphasise that GVW should lead any investigations of this nature.

Recommendations:

- Note submissions supporting the exhibited proposed LPPF.
- No changes required to the exhibited proposed LPPF.

2. PRIVATE LANDOWNER SUBMISSIONS:

2.1 Submitter: Private landowner

Land: Residential area at northern end of North Street, Yea.

Current Murrindindi Planning Scheme:

Zoning: Industrial 1.

Overlays: Land Subject to Inundation (along Boundary Creek), Development Plan Overlay 4 (all seven residential properties).

Yea Framework Plan: Indicates the land as part of an 'Industrial precinct' (see attached).

Exhibited LPPF:

Proposed Yea Framework Plan (also the proposed Yea Structure Plan) indicates the land to be rezoned to General Residential.

Submission summary:

- Strongly support proposal to rezone land to Residential.
- Land more appropriate for residential than industrial.
- Each allotment has an existing dwelling with area being flat, well located to town centre and only 600 metres from Yea High School.

Discussion:

- This submission will also be considered under the Yea Structure Plan.
- There are 7 existing houses at the northern end of North Street, all used for ongoing residential purposes. Although rezoned for industrial purposes at the commencement of the Murrindindi Planning Scheme in 1999, this area is not appropriate or required for industrial uses and should be rezoned.
- Although the seven existing dwellings would have existing use rights, any dwelling, other than a caretaker's dwelling, is prohibited under the current Industrial 1 Zone.
- Rezoning of the area to General Residential would not create potential amenity issues as land to the south is already developed and occupied by low intensity industrial and service activities that do not require buffers.
- Rezoning of the area with seven existing dwellings will resolve a long standing desire by landowners to reflect the current residential use and remove current industrial zoning restrictions.
- The LPPF review has exhibited the proposed Yea town plan in the Yea Structure Plan, indicating the land to be rezoned to General Residential. The final LPPF review that is formally exhibited will reflect this position to rezone this and nearby land for residential purposes.

Recommendations:

- Support submission. Indicate land in LPPF review and Yea Structure Plan to be rezoned to General Residential, referring the submission to the Yea Structure Plan.

2.2-5 Submitters: Dame Pattie Menzies Centre representatives (4 submissions)

Land: Dame Pattie Menzies Centre land, 2456 Goulburn Valley Highway, Alexandra.

Current Murrindindi Planning Scheme:

Zoning: General Residential.

Overlays: Land Subject to Inundation (along UT Creek), Development Plan Overlay 1 (whole of land).

Alexandra Framework Plan: Indicates 'Buffer to industrial site' on northern section of the land with 'Area for future industrial expansion' to the north on industrial zoned land (see attached).

Exhibited LPPF:

Alexandra Framework Plan: Indicates '500 metre buffer for dwellings from the industrial estate' on northern section of the land with 'Area for future industrial expansion' to the north on industrial zoned land.

Submissions summary:

- Object to proposal to nominate part of the land as a buffer zone between the Industrial Zone (north of the UT Creek) and the residential zone applying to the land.
- Proposed buffer will seriously diminish the value of the property, with consequences for the viability of the Dame Pattie Menzies Centre as a community service.
- No buffers from industrial zones apply in other towns of Yea, Eildon, Marysville or Kinglake.
- No indication of intentions for industrial zones in Alexandra that are adjacent to residential zones.
- Concern with industrial zone adjacent to a natural watercourse (UT Creek) as not compatible with environmental aims. Seek review of zoning.

Discussion:

- The Dame Pattie Menzies Centre land is zoned, Industrial 1 (north of the UT Creek), Industrial 2 (northern extent of land fronting Lamont Street) and General Residential (south of the UT Creek). The existing planning scheme framework plan reference to 'Buffer to industrial site' is incorrect and misleading. This anomaly is further confused by the indication in the exhibited framework plan of '500 metre buffer for dwellings from the industrial estate' running along the UT Creek boundary between the General Residential Zone and Industrial Zone within the Dame Pattie Menzies Centre land when this buffer does not apply in the current planning scheme framework plan.
- The indication of 500 metre buffer for dwellings from the Industrial 2 Zone applied in the current framework plan is intended to apply a buffer for dwellings on land zoned Farming from land zoned Industrial 2. Although this is the intention, the current framework plan indication of a 500 metre buffer more equating to a distance from the centre of the former timber mill site, creating an anomaly for interpretation and

application. Removal of this reference to a buffer in the exhibited framework plan will correct the anomaly in both the current planning scheme and proposed LPPF. Reference to the 'Area for future industrial expansion' to the north is correct and should be maintained.

- Land use and development proposals on the Dame Pattie Menzies Centre land may be assessed and approved on their merits in accordance with the provisions of all three zones applying to the land. Land in the Industrial 1 and 2 Zones (north of the UT Creek) may be used and developed in a manner that will not affect residential uses in the General Residential Zone (south of the UT Creek) through the development of benign type industrial uses with adequate setbacks. Under both the Industrial 1 Zone, the use of 'industry' does not require a planning permit if the proposal is not for a particular specified industrial use that requires a certain prescribed threshold distance from a residential zone. If within this prescribed threshold distance, a planning permit is required. Under the Industrial 2 Zone, the use of 'industry' requires a planning permit.
- The submission has raised concern with the Industrial 1 Zone being adjacent to a natural watercourse (UT Creek) as not being compatible with environmental aims. Although it is usual for a zone boundary to follow a title boundary, it is not uncommon to also follow a natural feature, such as a waterway. As the Land Subject to Inundation Overlay applies to Industrial 1 Zone land along the UT Creek, this low lying environs of the creek would be protected from future development. Future applications for planning permit may be considered on their merits, incorporating appropriate setbacks, design and conditions to maintain the environmental integrity of the natural watercourse (UT Creek) on the land.

Recommendation:

- Support submission in part.
- In the Alexandra framework plan, remove the line and legend item indicating '500 metre buffer for dwellings from the industrial estate'.
- Retain the existing Industrial 1 Zone on the northern side of the UT Creek, considering proposals on their merits in accordance with the zone, incorporating appropriate setback, design and conditions to maintain the environmental integrity of the natural watercourse (UT Creek) on the land.

VERSION 2

21.01 CONTEXT/ /20
C54**21.01-1 Regional profile**/ /20
C54

Murrindindi Shire is situated northeast of metropolitan Melbourne, bordering the municipalities of Strathbogie, Mitchell, Mansfield, Whittlesea, Nillumbik and Yarra Ranges. The municipality forms part of the Melbourne metropolitan peri-urban interface and is linked to these areas by the Melba, Maroondah and Goulburn Valley Highways and the Whittlesea-Yea Road.

The existing road network provides ready access to metropolitan Melbourne, the Hume Freeway and Melbourne International Airport. With its proximity to metropolitan Melbourne, Murrindindi Shire has significant locational advantages with ready access to and from a world class city for business, leisure and employment.

Features of regional significance in the municipality are Lake Eildon, the Goulburn River and valley, the Strathbogie Ranges, the Melba, Maroondah and Goulburn Valley Highways, the Great Dividing Range and the Lake Mountain Alpine Resort. All of these regional features are of economic and social significance to Murrindindi Shire, influencing its land use planning.

21.01-2 Municipal profile/ /20
C54

Murrindindi Shire extends from the Kinglake Ranges and Great Dividing Range in the south to the Strathbogie Ranges to the north. The municipality comprises 3,873 square kilometres, of which 48% is public land. The Melba, Maroondah and Goulburn Valley Highways and the Whittlesea-Yea Road all provide excellent access to and from the municipality.

The Kinglake Ranges divide the Port Phillip and Westernport catchment to the south and Goulburn Broken catchment to the north. Important public land areas in the municipality include the Kinglake National Park, Lake Eildon National Park, the Cathedral Ranges State Park, Murrindindi Scenic Reserve, the Goulburn, Yea and Acheron Rivers and areas of State Forest.

The estimated residential population (ABS) for Murrindindi Shire was 13,494 as at 30 June 2013. The towns of Alexandra and Yea are larger fully serviced towns. The fully serviced towns of Eildon and Marysville are towns with active residential and tourism functions. The Kinglake Ranges area is composed of Kinglake West, Pheasant Creek, Kinglake Central, Kinglake, Kinglake East and Toolangi areas. Smaller towns include Buxton, Flowerdale, Glenburn, Koriella, Molesworth, Narbethong, Strath Creek, Taggerty, Thornton and Yarck with other smaller settlements spread throughout the municipality.

Murrindindi Shire has a vast range of natural features and built attractions that contribute significantly towards the municipality's environment, economy, character and appeal for both residents and visitors. The municipality's character and appeal is formed through its high amenity rural and natural landscapes, Lake Eildon, diverse public land areas and features, rivers and river valleys, native vegetation biodiversity, heritage and attractive townships. Natural features form a vital part of the ecological health of the municipality's environment.

Murrindindi Shire has a diverse economy, with key economic sectors in the municipality being:

- Agriculture, aquaculture, horticulture and viticulture.
- Tourism, hospitality and conferencing.
- Manufacturing and engineering.
- Retail and trade services.
- Education, including outdoor education.
- Health care and social services.
- Forestry and timber processing.

21.01-3

/ 20
C54

Key issues and influences

Key issues and influences affecting the use and development of land in Murrindindi Shire are:

- Sustainable development and growth potential: Creation of long term economic sustainability for the municipality. There are opportunities to accommodate additional residential growth in the municipality. Conserving, reducing and effectively managing resource use is essential to creating ecologically sustainable development.
- Proximity to Melbourne: The proximity to metropolitan Melbourne has a major influence on the Murrindindi Shire, creating growth, employment and lifestyle opportunities in an attractive environment.
- Regional features: The presence and role of regional features such as Lake Eildon and Lake Mountain Alpine Resort, providing a range of lifestyle, recreation, economic and tourism benefits and opportunities.
- Environment and landscape: The pristine environment, rich biodiversity, significant public land areas and high quality landscape, form an essential part of the municipality's character, liveability and economy. Protection of the natural environment is critical for the continued economic and social well-being of the municipality.
- Townships and built environment: A range of dispersed and diverse townships offer high liveability and high quality built environments.
- Agriculture: The recognition and protection of the Goulburn River valley and other areas as high quality agricultural land, with further opportunities to diversify and value add to agriculture.
- Tourism: A significant tourism industry based on the natural environment, with further potential for expansion.
- Heritage: The identification, protection and conservation of places of cultural heritage significance, adding to the amenity and appeal of the municipality.
- Environmental risks and natural disasters: Future planning for land use and development must fully consider environmental risks and natural hazards. These hazards and limitations include flooding, bushfire risk and erosion risk.
- Climate change: An increase in greenhouse emissions has led to accelerated climate change. Land use planning must best manage climate change through reducing greenhouse gas emissions and reducing vulnerability to projected future climate change impacts such as more frequent, intense or uncertain weather events.

VERSION 2

21.02 THE PLANNING VISION/ /20
C54**21.02-1 Vision**/ /20
C54**Our vision for the future:**

Murrindindi Shire will facilitate sustainable population and economic growth. The municipal rate base will be actively grown through sound planning, support for continued economic development and protection of the natural and built environment.

A strong economy will attract people to the municipality, creating further opportunities for lifestyle choice, business investment and prosperity. Increased economic growth and investment will enhance population growth, employment and social and cultural benefits for the municipality.

Residential growth will be provided in established townships and settlements with existing communities and infrastructure, where natural environment is protected and a high level of community safety is achieved.

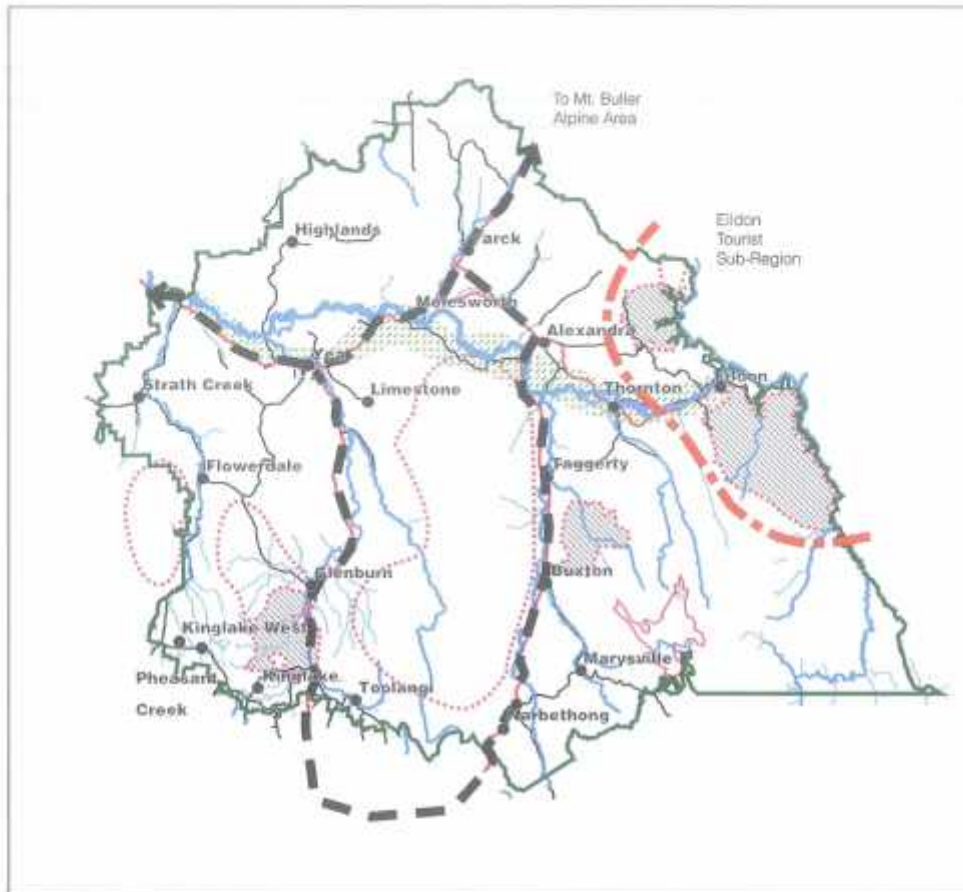
How we will achieve our vision:

This local planning policy framework articulates how Murrindindi Shire's vision will be achieved. Key elements to achieving this vision will be:

- Growth in the rate base, population and economic activities to create long term economic sustainability for the municipality.
- Facilitation of residential growth opportunities in established townships and settlements, particularly in locations with a full range of physical and community services.
- Facilitation of new and expanded economic development and employment opportunities.
- Expansion and promotion of the tourism industry for a range of existing and emerging activities.
- Continued growth in the agricultural sector, including existing industries, emerging niche areas and the value adding of agricultural products.
- Continued support for the development of post secondary education opportunities, including outdoor education.
- Improvements to transport, infrastructure and telecommunications networks.
- Recognition and protection of the natural and built environment to protect high amenity rural and natural landscapes and the character of the area.
- Protection of significant biodiversity assets to sustain the ecological health of the natural environment.
- Consideration of environmental hazards and risks in planning for future land use and development.
- Consideration of long term climate change in strategic land use and economic development decision making.

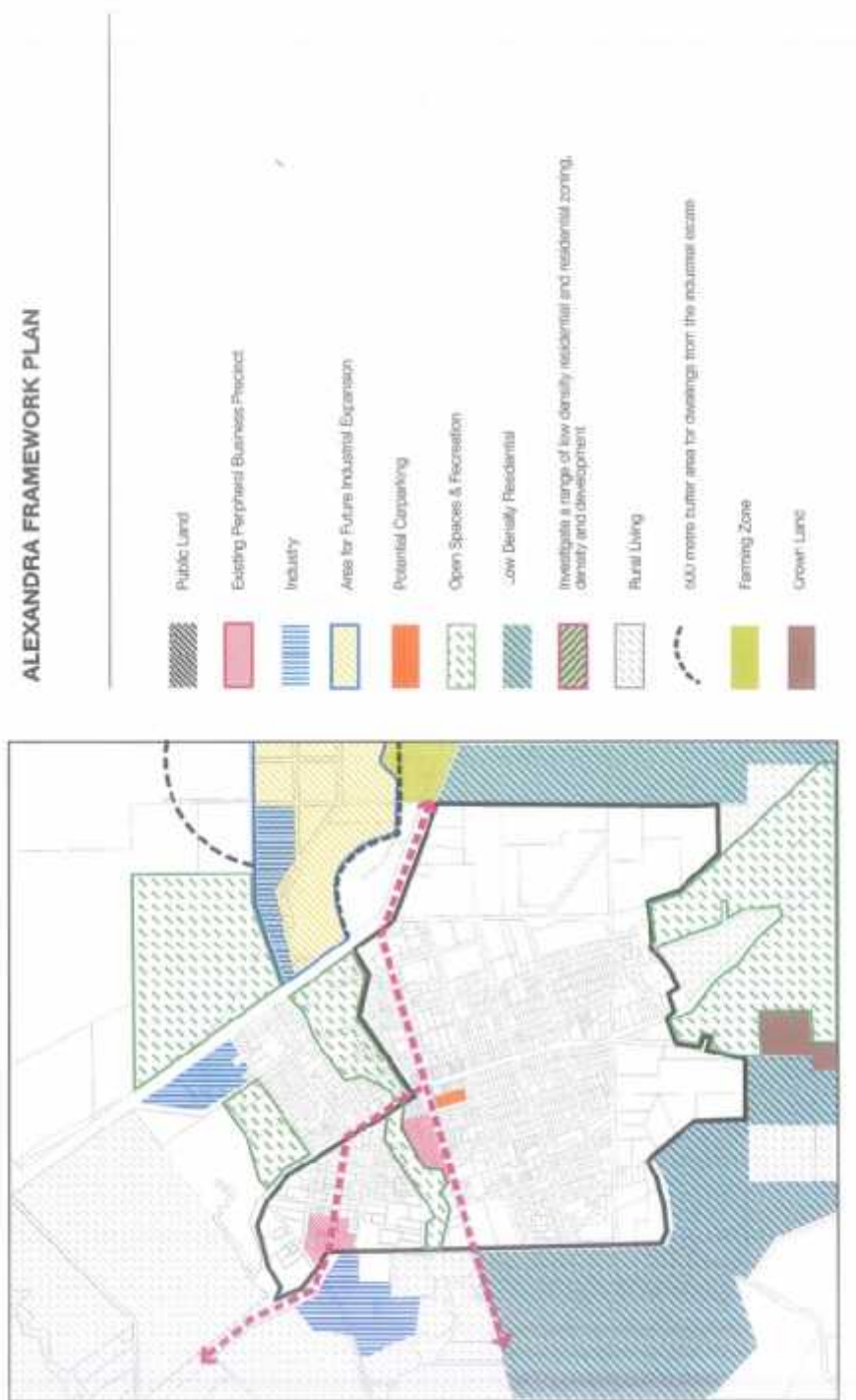
21.02-2 Strategic Framework Plans

/ /20
C54



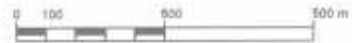
MURRINDINDI SHIRE FRAMEWORK PLAN

-  Tourism Resources
-  Goulburn Floodplain
-  Grazing
-  Crown Lands - State Park/National Parks
-  Tourism Circuit Route
-  Eildon Tourism sub-region

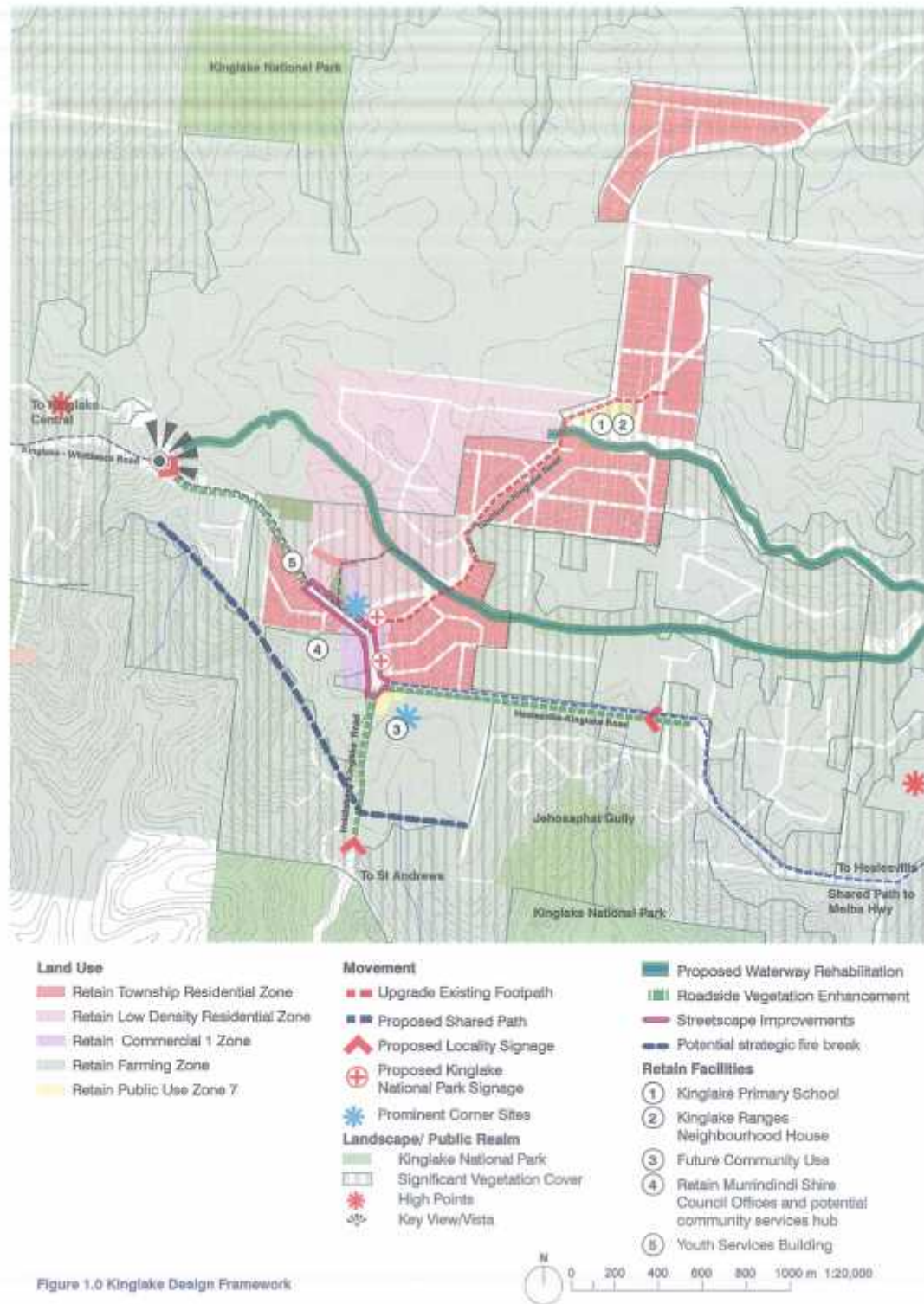


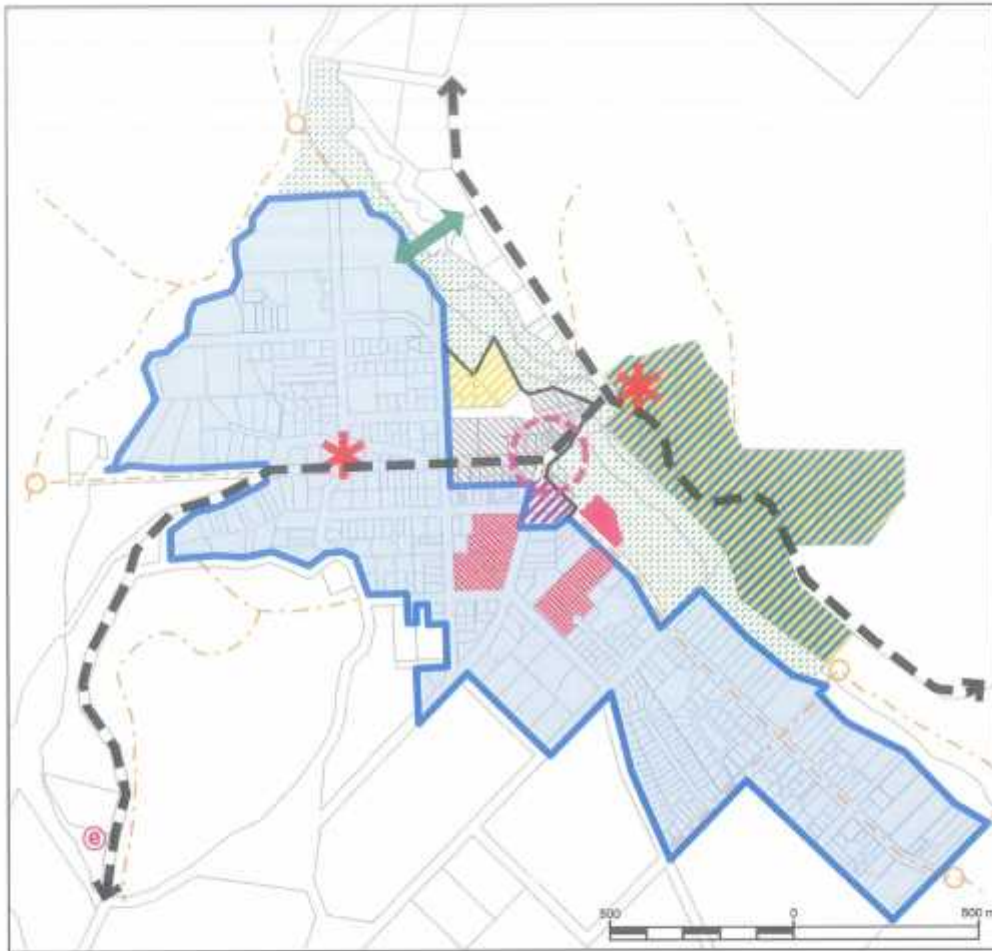


EILDON FRAMEWORK PLAN



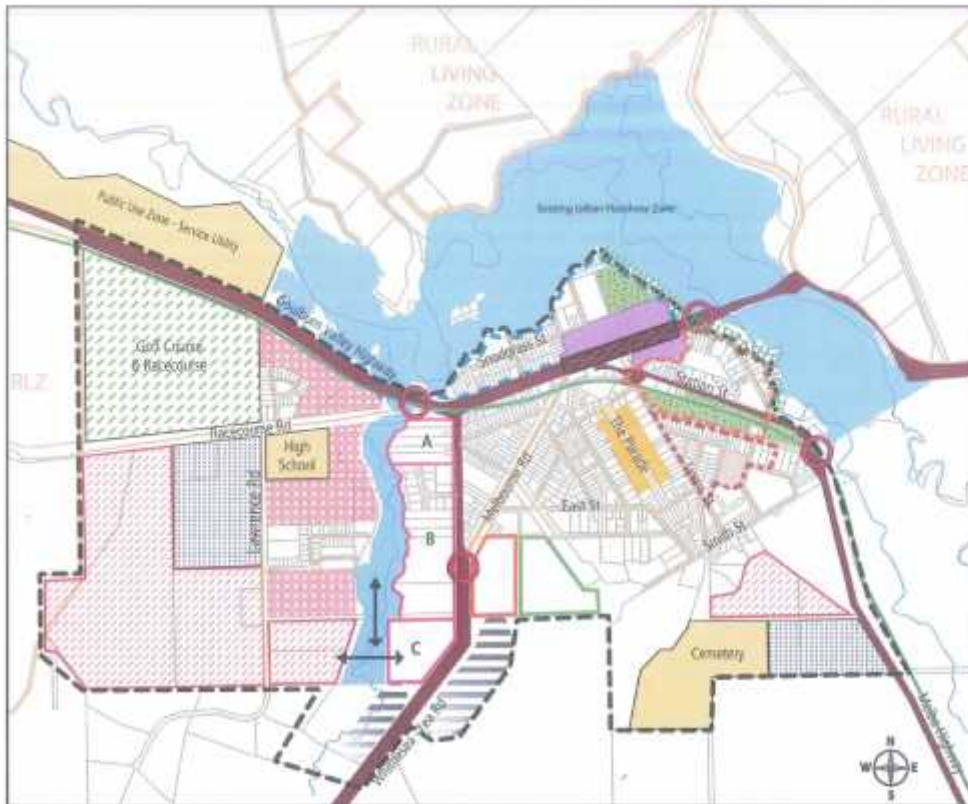
-  Education Precinct
-  Future Residential
-  Business Precinct
-  Further Develop the Commercial centre with a range of road, pedestrian and other works
-  Open Spaces & Recreation
-  Further Develop Village Green with a range of traffic, pedestrian and landscape works
-  Rural Living
-  Public Use (Service & Utility)





MARYSVILLE FRAMEWORK PLAN

- | | | | |
|---|---|---|--|
|  | Business |  | Improve Pedestrian & Trail Network & Connections |
|  | Low-Density Residential |  | Potential Landscaped approach area |
|  | Create Iconic Heart |  | Use of Guest House and Major Accommodation Sites for Tourist Use |
|  | Facilities at Community Hub |  | Further investigation into Most Appropriate Location for Second River Crossing |
|  | Enhance Steavenson River Public Space Spine |  | Future Commercial Precinct Expansion |
|  | Encourage Development within Existing Areas to Strengthen Town centre |  | Future Business Precinct Expansion |
|  | Town Entry Opportunities | | |



YEA FRAMEWORK PLAN



- Township boundary - boundary holds where proposals for serviced urban development are strategically justified.
- Serviced residential infill (RII) - Encourage subdivision, design and lot size diversity.
- Low density residential infill (LDRI) - Potential for 2000m² (min) lots subject to landform constraints & DPO requirements.
- Town Centre - existing Business 1 Zone (B1Z)
- Prepare traffic management plan for High Street (between Gilbert & Hood Streets) to implement single lane proposal and address car parking, pedestrian movement and public spaces. Facilitate discussion with Vic Roads.
- Broadgrass street - Prepare Broadgrass St Precinct Plan to identify opportunities for medium density and retirement housing, new retail, off-street parking (B1Z) long vehicle parking and walk through to High St.
- Parade street precinct - Encourage new development that respects heritage and town character and retains significant vistas.
- Existing recreation land - Public Park and Recreation Zone
- Future residential development - Investigate potential to develop western part of Rifle Range for residential development.
- Nature park - Investigate potential for Nature Park on vegetated slopes of Rifle Range.
- Yea industrial area:
 - A: Rezone from Industrial 1 to Residential 1 Zone
 - B: Retain Industrial Zone
 - C: Investigate rezoning from Industrial to Residential 1 Zone.
- Residential expansion - Longer term residential expansion opportunities along Whitless - Yea Road.
- Oliver/Lyon Streets Precinct - Encourage medium density housing and high design standards for new housing. Rezone Butler Factory site to facilitate flexible use of Butler Factory & residential use of vacant land.
- Badon Street precinct - Consolidate precinct's role with tourism recreation and community focus. Encourage tourism, retail & accommodation.
- River and floodplain interface - Create access links from urban environment to river and floodplain.
- Open space network - Integrate open space (walking/cycling) paths links with residential opportunities for land adjacent to Whitless - Yea Road.
- Rail trail - Promote Yea as a key destination on the Rail Trail.
- Town Gateways - Progressively implement Yea UDF recommendations with priority on planting themes.

Disclaimer: This boundaries are indicative only. Zone boundaries are not precise. Refer to Murrindindi Planning Scheme. Date: June 2014



YEA FRAMEWORK PLAN
 Prepared by Planit
 2014

NOTE:
 When the proposed Yea Structure Plan is adopted, this framework plan will be replaced by Plan 1: Yea township structure plan from the Yea Structure Plan for exhibition under Amendment C54.

VERSION 2

21.03 ECONOMIC DEVELOPMENT/ 120
C54**21.03-1 BUSINESS AND INDUSTRY**/ 120
C54***Context:***

Murrindindi Shire seeks an economy that will attract people to the region and municipality, opening further opportunities for business expansion and investment. This economic activity will increase employment prospects, social and cultural benefits and population growth.

Expanded commercial activity is important in key commercial areas of Alexandra, Yea, Kinglake, Eildon and Marysville. There is further opportunity in these centres to develop key sites, expand uses and consolidate business activities and associated development. There is also a need for strong business activity in smaller townships, assisting the functioning and viability of the towns.

There are opportunities for the expansion of light industrial, manufacturing and trade services to support expanded residential and commercial growth in the municipality. The houseboat industry services sector provides long term employment and future growth opportunities for Eildon. Alexandra and Yea are the prime industrial areas in the municipality, both having land for lighter industrial uses or for industries that require larger areas and buffers from other land uses. Kinglake Ranges and Narbethong have existing industrial areas to cater for some local industrial and service needs.

There is a diverse and skilled workforce within the Murrindindi Shire that is available for existing industry sectors and for new and expanded businesses. The municipality must retain its lifestyle appeal for business owners, employees, and families of new industries that may relocate or establish in the area.

Issues:

- Facilitation of sustainable economic growth to enhance the general economic performance of the municipality.
- Aging population and loss of young people to the area.
- Opportunity to expand key economic sectors and strengths.
- A desire to facilitate and promote economic development generally.
- The need to support the economic prosperity and vitality of the municipality.
- Increasing role and growth potential of home-based industries, small businesses and niche industries.
- Economic impacts of planning for and recovery from natural disasters, including the need to revitalise the economies of towns and communities affected by the 2009 bushfires.
- The need for strong economic performance in existing township business sectors.
- A need to identify and promote particular business strengths for specific towns.
- Provision of adequate land for a range of industrial types in a variety of locations.
- The need to design and develop industrial developments and precincts.
- Availability of a skilled workforce to service industry and the need to provide ongoing training for this workforce.

- A need to provide an adequate supply of industrial land in both Alexandra and Yea for both light industrial use and industries requiring larger areas or buffers.
- The growth of industry requires protection from residential and other uses that may impact on the use and development of the land for industrial purposes. Recognition is also required for existing dwellings as industrial expansion occurs to protect existing residential amenity and existing residential use rights as far as possible.

Objective 1: Business and industry investment:

- Create a strong economy to promote business investment and expansion, population growth and social and cultural benefits to the community.

Strategies:

- Support the sustainable growth of Murrindindi Shire's businesses and the local economy.
- Develop and promote opportunities for business expansion, investment and employment.
- Develop and promote opportunities for business retention and expansion, new investment and employment.
- Support business growth through the provision of improved infrastructure and services.
- Support diverse and entrepreneurial businesses to establish through encouraging improved information and communications technology.
- Encourage the growth of home-based industries, small businesses and niche industries.
- Build on strengths of existing local industry sectors, identifying and supporting new and emerging industries.
- Facilitate the operation and growth of rural and home based industries and commercial activities.
- Revitalise economies and employment in towns and communities affected by natural disasters, including the 2009 bushfires.

Objective 2: Business and industry in townships:

- Facilitate active and vibrant commercial areas in townships.

Strategies:

- Support each township as the focus of a residential, commercial, community and service hub for its surrounding area.
- Identify and promote further business development in and around main townships with existing communities and services.
- Facilitate new and expanded commercial and industrial uses and developments in key commercial areas of Alexandra, Yea, Kinglake, Eildon and Marysville.
- Support and facilitate existing and expanded commercial activities in smaller townships.
- Provide a supply of industrial land to cater for a range of future industrial uses and needs.
- Encourage the development of serviced industrial land in the municipality, with service provision in accordance with the level of use and staging of development.
- Facilitate industrial activities within existing settlements to support localised need.
- Provide for the orderly development, continued operation and expansion of industry in the Lamont Street area, Alexandra, including the use of separation distances between industrial and residential uses and developments.

- Support the further development and clustering of value adding opportunities and supporting services in the Yea Saleyards precinct.

Implementation:

- Implement the business and industry directions and actions in any adopted urban design framework / structure plan.
- Implement business and industry actions outlined in the *Economic Development Strategy, Murrindindi Shire Implementation Plan, 2011-2016*.

Reference documents:

- *Economic Development Strategy, Murrindindi Shire, and Implementation Plan, 2011-2016*.
- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.

21.03-2

/ /20
C54

AGRICULTURE

Context:

The agricultural sector in Murrindindi Shire is diverse and economically significant. Agricultural activities include beef and sheep grazing, horticulture, cropping, vegetable growing, aquaculture, forestry and niche products. Favourable climatic and environmental conditions and proximity to the Melbourne market have seen the recent development of intensive agricultural industries, including an expansion of the viticultural, stone fruit, berries, vegetables and turf production.

The Goulburn River valley and tributaries is a fertile valley of high agricultural quality. The aquaculture industry in the municipality produces most of Australia's commercial fresh water fish. The general Kinglake and Toolangi area also has high quality soils and agricultural value. The Toolangi area is of national horticultural significance, producing the majority of Australia's strawberry runners.

Agricultural land is under increasing pressure for conversion into non- agricultural uses. It is important that any new uses, subdivisions or developments in rural areas do not reduce the productive capacity of agricultural land and the capability of existing agricultural, aquaculture, horticultural, or timber production uses to continue.

Issues:

- Agriculture has economic and strategic significance for the municipality and has potential for continued expansion.
- Land with high quality agricultural attributes that has flexibility to grow a range of agricultural products needs to be identified and protected.
- The protection of agricultural land is necessary to support future growth of the agricultural sector and the diversification of agricultural activities.
- Potential for rural subdivision and housing to lead to incremental loss of productive agricultural land.
- Potential for use of agricultural land for non-agricultural or rural living purposes to conflict with established or future agricultural and horticultural land uses.

- Importance of land uses or developments in rural areas not reducing the capacity or continuity of existing agricultural, horticultural or timber production uses or the ability to value add to agriculture.
- Need for diversification of the agricultural economy, including agroforestry, farm gate agricultural sales, boutique, niche agriculture, agricultural processing and value adding industries.
- Potential for diversion of irrigation water and using water 'at source' for use in the municipality for agriculture and agricultural value adding.
- A need to adapt agriculture in the future to cater for climate change and foster carbon farming initiatives.
- Regional significance and increasing prominence of the Yea Saleyards, with a potential to further value add and cluster additional supporting and industrial facilities in this precinct.
- The need for any excision of an existing dwelling to protect productive rural land and not create a de facto 'rural living' subdivision. The small lot subdivision of an existing house may in some circumstances assist the process of farm consolidation or may assist in the conservation of an identified heritage place to which the Heritage Overlay applies.

Objective 1: Agricultural growth and diversity:

- Support and grow agriculture as one of the Shire's principal economic activities.

Strategies:

- Develop the agricultural economic base through the attraction of value adding agricultural industries.
- Encourage agricultural diversity and expand opportunities for emerging and new farming enterprises.
- Facilitate diversification of agricultural industries that are compatible with existing agricultural practices, including horticulture, intensive animal husbandry, agroforestry, farm gate agricultural sales, boutique, niche agriculture, agricultural processing and value adding industries.
- Encourage the production of high quality and value agricultural product for the export and niche markets.
- Encourage new rural and agricultural uses that meet the challenge of climate change and facilitate carbon farming initiatives.

Objective 2: Rural and agricultural land use and development:

- Protect rural land for productive agricultural uses and compatible rural uses.

Strategies:

- Discourage the fragmentation of rural land into lots that are not capable of productive agricultural and rural use.
- Ensure that the use and development of rural land protects agricultural potential and productive capacity of the land.
- Ensure that the use and development of rural land is compatible with surrounding agricultural activities.
- Ensure that agricultural land is not developed for primarily residential purposes.
- Discourage the development or conversion of land to uses incompatible with productive agriculture.

- Identify and protect high quality agricultural land, ensuring that it is protected from unplanned long term loss and is available for ongoing agricultural use.
- Ensure that small lot subdivisions or any excision of an existing dwelling protects and maintains the productive agricultural capacity of land and general area or supports the conservation of an identified heritage place to which the Heritage Overlay applies.

Policy guidelines:

Excision of an existing dwelling:

It is policy that:

- Any excision of an existing dwelling does not create 'rural living' style vacant lots that are used for residential lifestyle rather than productive rural purposes.
- Any excision of land has a relationship with and is required for the continuing operation of the rural and agricultural use of the land.
- Any proposal for excision is compatible with and will not have an adverse impact on and not reduce the potential for farming and other rural land uses on the land, adjoining land and the general area.
- Any proposal for excision meets the principle of 'right to farm' in rural areas, where existing agricultural and rural uses in the area have a legal right to continue.
- Subdivision that is likely to lead to a concentration of lots that would change the general use and character and limit the productive capacity of the rural area be discouraged.
- No more than one lot may be excised from a lot that existed on the date that the Murrindindi Planning Scheme was gazetted.
- An adequate distance is maintained around a dwelling within any existing lot to limit impacts of agricultural activity.
- Subdivision within proclaimed water supply catchment areas is discouraged to protect water quantity and quality.
- Ongoing sustainable use of the land is provided, including consideration of environmental constraints and protection and enhancement of the natural environment.
- Any excision for an existing dwelling generally provides:
 - A maximum area of 2 hectares for the lot with the existing house located on it, or if existing buildings and dwelling infrastructure covers a large area, as near as practicable to this area;
 - An area of at least 40 hectares for any balance of land;
 - A minimum setback of 30 metres from the dwelling on the land to be excised from any agricultural activity or rural industry on any adjoining land.

Implementation:

- Application of a 40 hectare minimum lot size for subdivision in the Farming Zone and requirement above which no planning permit is required for a dwelling.
- Application of the Environmental Significance Overlay to areas of high quality agricultural land around Toolangi, Kinglake and the Goulburn River.
- Implement agricultural actions outlined in the *Economic Development Strategy, Murrindindi Shire Implementation Plan, 2011-2016*.

Reference documents:

- *Economic Development Strategy, Murrindindi Shire, and Implementation Plan, 2011-2016*.
- *Murrindindi Shire Heritage Study, Context Pty Ltd, 2011*.

21.03-3 TOURISM/ 20
C54***Context:***

The natural and built attractions in the municipality contribute significantly towards its character and appeal and form the basis for an active tourism industry and the municipal economy. This character and appeal is formed through high amenity rural and natural landscapes, diverse public land and forests, rivers and river valleys, native vegetation biodiversity, heritage and attractive townships. The region's environmental assets, particularly the National and State Parks, Lake Mountain Alpine Resort, Lake Eildon and the Goulburn River, offer unrivalled opportunities within 1-2 hours of Melbourne for a broad range of outdoor pursuits.

The newly established Great Victorian Rail Trail is the longest rail trail in Victoria and will continue to grow in usage and significance for the economy of the area and state. There is potential for further tourism and accommodation opportunities associated with the trail.

Eildon township, adjacent to Lake Eildon, and Marysville, near the Lake Mountain Alpine Resort, are strategically located to build tourism in those areas, providing a range of tourism, accommodation and recreation opportunities.

Issues:

- Need to enhance tourism in the municipality, promoting the proximity to Melbourne and the natural environment.
- Considerable potential for the expansion of the tourism industry as a major driver of the municipal economy.
- Potential for further development of outdoor education based activities.
- Contribution of tourism to generate local employment and business opportunities.
- Increasing role and growth potential of home-based tourism industries, the farm-gate agricultural sales sector and the food, wine and hospitality industry.
- The need for provision of a wide range of tourism accommodation options, including backpacker accommodation and boutique luxury accommodation.
- Further growth potential for the nature-based, adventure and backpacker tourist markets.
- Potential for further tourism opportunities and services associated with the Great Victorian Rail Trail.
- Need for rebuilding of visitor accommodation, attractions and visitor facilities in areas impacted by the 2009 bushfires.
- Lake Mountain Alpine Resort, adjacent to the municipality, is well established for winter tourism and offers significant potential for a wide range of summer activities that will benefit the general area.
- Facilitate new settlement and economic growth opportunities that support recreation, tourism and lifestyle pursuits linked to Lake Eildon and the Goulburn River Valley.
- The role of heritage to tourism and the need to promote these assets to enhance tourism visitation to the municipality.

Objective 1: Tourism growth and facilitation:

- Enhance and promote tourism to increase the economic, social and cultural benefits to the municipality.

Strategies:

- Generate sustainable growth in tourism, leveraging Murrindindi Shire's natural assets, proximity to Melbourne and links with neighbouring regions.
- Support and grow tourism that builds upon the strengths of and is linked to the natural environment.
- Foster a range of natural and built tourism attractions that encourage strong visitation to the municipality.
- Facilitate recreational and tourism activities that attract tourists year round.
- Investigate and support the further development of tourism attractions, facilities and accommodation to support the Great Victorian Rail Trail.
- Promote and enhance the range of tourist and recreational activities available across the entire municipality.
- Enhance tourism opportunities in townships with tourism potential.
- Facilitate the development of Eildon and Marysville townships as all year round residential, commercial and tourism destinations.
- Facilitate development of new tourism accommodation options and conference centres.
- Facilitate the rebuilding of tourism accommodation, attractions and facilities in areas affected by natural disasters, including the 2009 bushfires.
- Market, promote and enhance of heritage assets, including the municipality's unique streetscapes, timber, rail and gold history and indigenous cultural heritage.
- Encourage tourism activities in any identified heritage place to which the Heritage Overlay applies.

Implementation:

- Implement the tourism recommendations in any adopted urban design framework / structure plan.
- Implement tourism actions outlined in the *Economic Development Strategy, Murrindindi Shire Implementation Plan, 2011-2016*.

Further strategic work:

- Complete a feasibility assessment of a Great Victorian Rail Trail link between Alexandra and Eildon.

Reference documents:

- *Economic Development Strategy, Murrindindi Shire, and Implementation Plan, 2011-2016. Goulburn River Tourism Destination Management Plan*, Urban Enterprise Pty Ltd, 2014.
- *Tourism Development Plan, 2011-2016*, Goulburn River Valley Tourism and Urban Enterprise Pty Ltd, 2011.
- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Murrindindi Shire Heritage Study*, Context Pty Ltd, 2011.

VERSION 2

21.04 HOUSING/ /20
C54**21.04-1 GENERAL HOUSING IN THE MUNICIPALITY**/ /20
C54***Context:***

Murrindindi Shire will facilitate the sustainable growth of its population and rate base. The established townships and settlements in the municipality offer a significant opportunity to accommodate expanded growth and living opportunities in locations with existing communities, infrastructure and leisure facilities, where natural environment is protected and a high level of community safety is facilitated.

Proximity to the outer metropolitan area creates growth and lifestyle opportunities for Murrindindi Shire. Increasing numbers of residents are taking advantage of an opportunity for a flexible approach to work-life balance, commuting between the municipality and metropolitan Melbourne. These numbers are expected to increase in the future, particularly with ongoing improvements to telecommunications. Established townships and settlements offer functioning, connected and welcoming communities that have significant lifestyle appeal and advantages for full and part-time residents alike.

Land around various townships is zoned Low Density Residential or Rural Living in response to a demand for this style of living identified in the *Rural Residential Study, 2004*. These zoned areas provide a range of residential choice and diversity in proximity to established townships and settlements. The sustainable design, use and development of land zoned Rural Living is provided through the use of the *Rural Living Development Guidelines, Murrindindi Shire, 2004*.

Issues:

- Desire to expand population growth and number of rateable properties in established townships and settlements.
- The need to maximise infrastructure investment in existing established townships and settlements.
- Minimising impacts on productive agricultural land though directing housing growth into established townships and settlements.
- Planning for and recovery from natural disasters, including the need to rebuild housing and creating housing diversity in towns and communities affected by the 2009 bushfires.

Objective 1: General housing:

- Attract and promote an increase in population, housing, residential diversity and lifestyle options.

Strategies:

- Promote and facilitate further residential development and investment in the municipality.
- Facilitate housing and population growth and development in a manner that balances and protects the natural environment.
- Ensure the future layout and form of residential and rural living subdivision and development is properly planned, recognising and protecting areas of environmental values and constraints.

- Concentrate development in locations free from environmental constraints, where environmental values are protected and the level of community safety is improved.
- Support residential growth that is sustainable and innovative and supports community values.

Objective 2: Housing in townships:

- Facilitate further housing development in and around townships with established communities and services.

Strategies:

- Support each township as the focus of residential, commercial, community and service hub for its surrounding area.
- Facilitate further residential development in established townships and settlements, maximising the sustainability and use of existing physical and community infrastructure and ensuring a high level of community safety.
- Provide a range of residential development options in established townships and settlements, including opportunities for higher density development and retirement living.
- Protect environmental values and constraints in the further residential development of established townships and settlements.
- Provide land and housing choice and diversity around established townships through the provision of areas zoned Low Density Residential and Rural Living in proximity to established townships and settlements.
- Provide net environmental benefit and sustainable outcomes through the subdivision and development of land zoned Rural Living.
- Facilitate the rebuilding of housing and residential diversity in towns and communities affected by natural disasters, including the 2009 bushfires.

Implementation:

- Implement recommended housing directions and actions in any adopted urban design framework / structure plan.
- Design and provide roads and other associated municipal infrastructure in accordance with the *Infrastructure Design Manual*.
- Guide the future design, subdivision, servicing, use and development of larger residential, low residential and rural living zoned lots through the use of development plans prepared under the Development Plan Overlay.
- Application of the *Rural Living Development Guidelines, Murrindindi Shire, 2004* to provide for rural living subdivision, use and development.

Reference documents:

- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, 2003.
- *Infrastructure Design Manual*, Infrastructure Design Manual Group (as amended).
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Rural Living Development Guidelines, Murrindindi Shire*, Regional Planning Services and Ellen Hogan and Associates, 2004, as amended.
- *Rural Residential Study, Murrindindi Shire*, Habitat Planning and Murrindindi Shire, 2004.

- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, 2003.

21.04-2 SERVICED TOWNSHIPS

/ /20
C54

Context:

Established townships with existing infrastructure and communities offer ideal opportunities for a range of residential growth. The townships of Alexandra, Yea, Eildon and Marysville are fully serviced with a range of community and physical services, including reticulated water, drainage and sewerage. These towns play a significant role as service centres to surrounding areas, contributing to the economic and social vitality of the municipality. All of these towns have potential for further residential expansion.

The larger townships of Yea and Alexandra have significant opportunities to attract residential lifestyle development in locations with land availability, existing community and physical services, access to metropolitan Melbourne and access to surrounding natural attractions.

The strategic land use directions for Yea and Eildon townships were established by the *Yea Urban Design Framework*, 2003 and *Eildon Urban Design Framework*, 2003. These frameworks outline long term land use, development and design opportunities and directions for both towns.

The service centre and tourism role played by Marysville is being re-established as the town rebuilds following the 2009 bushfires. The strategic land use directions in Marysville have been established by the *Marysville and Triangle Urban Design Framework Report*, 2009. These directions will re-establish Marysville's significant role as a service and tourism centre and ensure the redevelopment of Marysville as a strong, attractive, sustainable and resilient town.

Issues:

- Desire to expand population and housing growth in serviced towns.
- The need to maximise infrastructure investment in existing serviced towns.
- Significant ability for Yea and Alexandra to accommodate further residential growth.
- The need to rebuild housing in Marysville following the 2009 bushfires.
- The need to re-populate Marysville with both permanent and part-time residents.

Objective 1: Housing in serviced townships:

- Facilitate residential growth and diversity in serviced townships with a range of community and physical services.

Strategies:

- Facilitate residential expansion in established, serviced townships that have potential for further growth, in particular Yea and Alexandra.
- Encourage diversity of housing in serviced townships, including options for higher density residential development and retirement / assisted accommodation.

Further strategic work:

- Complete and implement structure plans for the Yea, Eildon and Alexandra townships.

Reference documents:

- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, 2003.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.

- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, 2003.

21.04-3 OTHER TOWNSHIPS AND SETTLEMENTS

/ /20
C54

Context:

The Kinglake Ranges area comprises individual settlements of Kinglake West, Pheasant Creek, Kinglake Central and Kinglake. The area is unserviced, with no reticulated water or sewerage. Most of this area was affected by the 2009 bushfires and has undergone an active rebuilding program.

There are a number of other smaller townships and settlements in the municipality, all offering alternative lifestyle choices for residents. These smaller townships and settlements include Buxton, Glenburn, Flowerdale, Molesworth, Narbethong, Strath Creek, Taggerty, Taylor Bay, Thornton, Toolangi and Yarck. Other smaller settlements exist in rural areas, some being former townships.

The *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, 2014 provides the framework for the future land use, development, design and servicing of the general Kinglake, Flowerdale and Toolangi areas.

Issues:

- Facilitation of rebuilding following the 2009 bushfires.
- Absence of sewerage and lack of reticulated water.
- A need to outline future development patterns for roads, lots, services and recreation land and corridors in some areas with larger parcels of Low Density Residential or Rural Living zoned land.
- Areas with old and inappropriate subdivisions have limited capacity for future development due to a range of environmental and servicing constraints and difficulties.

Objective 1: Housing in smaller townships and settlements:

- Support the function and residential growth of smaller townships and settlements.

Strategies:

- Support the function and residential redevelopment of the Kinglake Ranges area, while having regard to environmental values and constraints of the area.
- Facilitate new and expanded residential and rural living development in smaller townships and settlements.
- Ensure the future layout and form of residential and rural living subdivision and development is properly planned, recognising and protecting areas of environmental values and constraints.
- Facilitate the restructuring of old and inappropriate subdivisions in affected areas identified by the Restructure Overlay.
- Provide a minimum buffer of 300 metres between the existing broiler farm on the eastern side of Pheasant Creek Road and rural living subdivision and development on the western side of Pheasant Creek Road to avoid amenity impacts between both uses.

Further strategic work:

- Complete and implement a Streetscape Master Plan for the Kinglake, Flowerdale and Toolangi area, in conjunction with the Victorian State Government.
- Complete and implement structure plans for all small townships.

- Investigate lifestyle settlement opportunities in rural hamlets and former settlement locations.

Implementation:

- Implement recommended housing directions and actions in the adopted *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, 2014, in conjunction with the Victorian State Government.
- Application of the Restructure Overlay and restructure plans to facilitate the restructure areas of old and inappropriate subdivisions in identified locations.

Reference documents:

- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.

VERSION 2

21.05 ENVIRONMENT/ /20
C54**21.05-1 ENVIRONMENTAL VALUES:**/ /20
C54***Context:***

The natural environment of Murrindindi Shire is diverse, including a range of plant communities, land types and variations in the physical environment including aspect, elevation, geology, soils, landforms, rainfall and climatic zones. This natural environment forms the basis for the core economic activities in the municipality, primarily agriculture and tourism. The long term sustainable use and protection of the natural environment is critical for the continued economic and social well-being of the municipality.

The biodiversity of the municipality is one of its greatest assets. Remaining native vegetation on private land is highly fragmented and usually occurs in small or narrow linear remnants, creating problems for habitat connectivity. In highly fragmented landscapes, retention and protection of roadside and riparian vegetation is a key to the survival of many flora and fauna species, through providing the only connection between 'islands' of remnant vegetation.

The Goulburn, Yea and Acheron Rivers and tributaries and Lake Eildon are important water resources, providing a large proportion of the water supply in the Goulburn Broken catchment. The sustainable use of the catchment and waterways is vital for the municipality's long term economic, cultural and environmental wellbeing. Catchments are an integrated environmental system that requires protection and appropriate land use and management. Lake Eildon is a significant water, natural environment and tourism resource. The development of land abutting the lake needs to be carefully assessed, ensuring that water quality and visual amenity are not prejudiced.

Issues:

- Protection and enhancement of environmental features and values.
- Significance and appeal of public land in the municipality.
- Protection of waterways and water quality.
- Potential for contamination of groundwater and water quality from onsite wastewater disposal systems.
- Presence of environmentally sensitive areas with significant biodiversity and recreation values, with a need for the protection of these areas and values.
- Threats to and pressure on ecosystems and species resulting from the 2009 bushfires.
- The contribution of native and exotic vegetation to the character of rural towns and settlements.
- Ongoing clearing of remnant native vegetation on private land and the need to protect this vegetation.
- Decreasing indigenous vegetation cover due to a number of development pressures such as land clearing, invasion of weeds and loss of habitat.
- A need to retain existing remnant and riparian native vegetation, including scattered paddock trees, to prevent the incremental loss of habitat and protect landscape character.

Objective 1: Environmentally sustainable land use and development:

- Develop and promote environmentally sustainable outcomes and protection of the natural environment in the use and development of land.

Strategies:

- Ensure that land use and development protects and enhances the natural environment and environmental features and values.
- Promote and facilitate sustainable land use and development, encouraging environmentally sustainable design and energy and water efficiency.
- Ensure that sites, places and features of natural, archaeological and cultural heritage are assessed and protected.

Objective 2: Waterways and catchment management:

- Protect and enhance waterway and catchment health.

Strategies:

- Promote environmentally sustainable development and land management practices that protect and enhance waterways and catchments.
- Ensure that development is sited and designed to minimise any landscape and water quality impacts on waterways and Lake Eildon.
- Protect, enhance and promote the role of waterways, flood plains and wetlands in supporting healthy biodiversity.
- Encourage protection of waterways and environs through the retention and revegetation of native vegetation along them to minimise erosion, prevent sediment runoff, enhance water quality and improve riparian environmental health.
- Encourage protection of waterways and environs through improved land management practices such as noxious weed control and fencing off of waterways degraded by livestock.
- Ensure that development proposals do not impact detrimentally on the flow and quality of surface water and groundwater.

Objective 3: Biodiversity and native vegetation:

- Protect and enhance biodiversity and native vegetation assets and values.

Strategies:

- Protect and enhance the biodiversity assets and natural environmental values of local, state, national and international significance.
- Protect and retain native vegetation and enhance its contribution to biodiversity values.
- Protect, enhance and extend habitat and wildlife corridors across the landscape.
- Ensure that development is sited and designed to avoid and minimise removal of native vegetation.
- Retain, protect and enhance native vegetation, including roadside vegetation, remnant vegetation areas, large old paddock trees and revegetation areas.
- Prevent the ongoing and cumulative loss of native vegetation on both private and public land.
- Minimise any adverse impacts of development on landscape, environmental conservation and recreational values.
- Protect, rehabilitate and extend the integrity of habitat corridors across the landscape, particularly between private and public land.

- Encourage innovative environmental and native vegetation retention initiatives, including carbon farming and managing native vegetation offsetting to be applied within the municipality.
- Retain significant conservation values in roadside reserves through the application of the *Murrindindi Shire Council Rural Roadside Management Plan, 2014-2018*.

Implementation:

- Application of the Vegetation Protection Overlay to areas with identified significant native or exotic vegetation.
- Application of the *Rural Living Development Guidelines, Murrindindi Shire, 2004* to assess, protect and enhance environmental values through proposals for rural living use and development.

Further strategic work:

- Complete and implement a review of planning requirements and controls for the declared water supply catchment area north of Eildon.
- Complete and implement a review of the Environment Strategy 2011 – 2015.

Reference documents:

- *Environment Strategy 2011 – 2015*, Murrindindi Shire Council, 2011, as amended.
- *Goulburn Broken Regional Catchment Management Strategy 2013 – 2019*, Goulburn Broken Catchment Management Authority, 2013 (as amended) and supporting strategies.
- *Lake Eildon Land and On-Water Management Plan*, Goulburn Murray Water, 2012.
- *Murrindindi Shire Council Rural Roadside Management Plan, 2014-2018*
- *Rural Living Development Guidelines, Murrindindi Shire*, Regional Planning Services and Ellen Hogan and Associates, 2004, as amended.

21.05-2

ENVIRONMENTAL RISKS:

¹ / 20
C54

Context:

General environmental risks and constraints:

Natural environmental hazards present risks and constraints for land use and settlement in the municipality. Land use planning must fully address and carefully manage natural hazards such as bushfire risk, flooding, drought, biodiversity loss and climate change impacts, such as more frequent, intense or uncertain weather events. Climate change has the potential to have adverse impacts on the key industries of agriculture and tourism and on economic prosperity and viability in general.

Bushfire:

Murrindindi Shire is subject to bushfire hazard, particularly in the southern section. This hazard is due to the nature and extent of vegetation, topography, potential for extreme fire behaviour including crown fire, drought and climate change, the dispersed and ad-hoc nature of development and lack of infrastructure in some locations. It is critical that bushfire risk is fully considered in assessing any proposal in bushfire risk areas and that appropriate bushfire protection measures are identified and implemented before any use or development proceeds.

Strengthening the community's resilience to bushfire is a key objective for planning decision-making in the Shire.

The *Regional Bushfire Planning Assessment* (Hume Region, 2011) identifies that the bushfire hazard is most significant in the southern part of the Shire where settlements and homes are dispersed and located within or adjoining large areas of continuous forest, the topography steep and vehicle access can be difficult. The bushfire hazard is less significant in the northern areas of the municipality, although some larger areas of forested land and grasslands still pose a risk.

Flooding:

The catchments of the various rivers and streams within the municipality include areas of floodprone land where flooding has historically caused substantial damage to the natural and built environment. Flooding imposes substantial costs on individuals and the community. While significant costs are incurred by direct damage to public and private property, indirect costs to the community such as loss of productivity, displacement of residents, closure of roads, trauma and ill health are also significant.

Natural flooding of floodplains and their associated wetlands promote the health of rivers and floodplains and provide essential breeding habitats for bird and aquatic species. Sound floodplain management in the municipality is the critical means by which the economic, social and environmental risks associated with floodplain use and development can be minimised.

Issues:

- Ongoing pressure of climate change, its impact on ecosystems and species and associated flow on effects to agriculture and tourism.
- The challenge of climate change and the need for adaptive measures to address this issue.
- Preventing, containing and eradicating existing, new and emerging weed species and pest animals.
- Ongoing threats to agricultural productivity from extreme weather events associated with ongoing climate change, weeds and pest animal species.
- Consideration of bushfire risk, including risk associated with settlement nearby forested land.
- Recognition of flooding risk in planning for the use and development of land.

Objective 1: General environmental risks and constraints:

- Recognise and minimise environmental risks and constraints in planning for the use and development of land.

Strategies:

- Ensure that environmental risks, constraints and hazards are fully considered in proposals for the use and development of land.
- Reduce vulnerability to climate change and extreme weather events.
- Consider and reduce the impacts of climate change in land use planning, including the use of initiatives such as fostering alternative energy sources, reducing greenhouse gas emissions, using environmentally sustainable development principles and carbon farming.
- Minimise the impact of pest plants and pest animals to protect environmental and biodiversity values and agricultural land.

Objective 2: Bushfire risk:

- Implement bushfire risk assessment and mitigation in land use planning.

Strategies:

- Ensure that decisions on strategic and settlement planning prioritise the protection of human life over other policy considerations and apply the precautionary principle when assessing the risk to life, property and community infrastructure from bushfire.
- Strengthen community resilience to bushfire by ensuring that bushfire protection measures are considered and given effect to in decision making.
- Implement bushfire risk assessment and mitigation measures to:
 - Reduce the overall bushfire risk to communities;
 - Support the rebuilding of communities devastated by the 2009 bushfires;
 - Minimise risk to life and property from bushfire through the appropriate location, design and management of uses and developments;
 - Ensure that bushfire protection measures are implemented for land uses and developments to ensure an acceptable bushfire risk level to life and property;
 - Integrate bushfire risk management and protection of human life in the consideration of land use and development.

Policy guidelines:

It is policy that:

Bushfire:

- Planning decisions support the recovery and rebuilding of communities affected by the 2009 bushfires, including the rebuilding of destroyed homes and damaged infrastructure and re-establishing vibrant commercial centres and opportunities for local employment.
- In areas affected by a bushfire hazard, all new use and development is located, designed and managed to reduce the risk to human life, property and community infrastructure from bushfire to an acceptable level, including through:
 - Considering the likely bushfire behaviour on a site and in the wider landscape;
 - Considering the condition, location and route of available vehicle access and their suitability for safe and efficient egress before and during a bushfire;
 - Maximising the bushfire protection in the siting of new development, including locating new buildings at the base of slopes or on gentle south or south-east facing slopes and discouraging the siting of buildings on north or north-west facing slopes;
 - Ensuring all development can provide necessary bushfire protection measures, including through the design and construction of buildings, the creation of defensible space, the provision of a dedicated fire-fighting water supply and the need for fire authority access to and on the land;
 - The ability to implement and maintain necessary bushfire protection measures in conjunction with the on-going use of the land.
- Expansion of existing settlements, new subdivisions and uses that cater for vulnerable people only proceed where:
 - The risk to life, property and community infrastructure from bushfire is reduced to an acceptable level;
 - The need for future occupants to implement and maintain bushfire protection measures is minimised through the careful location, siting and design of new development;
 - The views of the relevant fire authority and, where relevant, public land managers are sought and taken into account in decision-making;
 - The views of the Municipal Fire Prevention Committee are sought on the potential risk to life, property and community infrastructure from bushfire, the ability to

reduce the risk to an accept level through fire prevention activities, and the on-going resources that will be necessary to maintain those activities in conjunction with the on-going use of the land;

- Emergency management arrangements are considered in consultation with the relevant authorities and can be practically established and implemented, including through the actions of the emergency services, operators and future land owners. This includes the ability for people to access safer locations and locations of last resort.
- Before deciding on an application to use or develop land the responsible authority will consider:
 - The bushfire hazard on the land and in the surrounding landscape and the level of risk it poses to human life, property and community infrastructure;
 - Whether necessary bushfire protection measures can be established and maintained in conjunction with the ongoing use of the land, including any mechanisms required to achieve this;
 - Any relevant approved state, regional and municipal fire prevention plans.

Objective 3: Flooding:

- Recognise flooding hazard and protect the functions of floodplains in planning for the use and development of land.

Strategies:

- Ensure that areas subject to flooding are properly identified and considered to prevent any inappropriate use or development of land subject to flooding risk.
- Minimise property damage associated with flooding.
- Maintain the flood carrying capacity, temporary storage function and environmental significance of floodplains and waterways.

Implementation:

- Application of the Bushfire Management Overlay to all land in the municipality that may be subject to extreme bushfire behaviour.
- Application of the Erosion Management Overlay to areas subject to significant soil erosion.
- Application of the Urban Floodway Zone, Flood Overlay and Land Subject to Inundation Overlay to recognise and protect floodprone areas.
- Guide proposals in areas affected by the Flood Overlay, Land Subject to Inundation Overlay or Urban Floodway Zone through the use of the *Murrindindi Local Floodplain Development Plan, Precinct of Goulburn River, May 2008*.
- Application of the *Rural Living Development Guidelines, Murrindindi Shire, 2004* to assess and protect environmental risk areas through proposals for rural living use and development.

Further strategic work:

- Complete and implement a review of planning requirements and controls for the declared water supply catchment area north of Eildon.
- Complete and implement bushfire protection measures, controls and exemptions in the planning scheme.

Reference documents:

- *Lake Eildon Land and On-Water Management Plan*, Goulburn Murray Water, 2012.
- *Goulburn Broken Regional Catchment Management Strategy 2013 – 2019*, Goulburn Broken Catchment Management Authority, 2013 (as amended) and supporting strategies.
- *Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Fire Management Plan*, 2012, as amended.
- *Regional Bushfire Planning Assessment*, Hume Region (2011), Department of Planning and Community Development.
- *Rural Living Development Guidelines*, Murrindindi Shire, Regional Planning Services and Ellen Hogan and Associates, 2004, as amended.
- *Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Emergency Management Plan*, 2014, as amended.

21.05-3 LANDSCAPE AND BUILT ENVIRONMENT:/ 20
C54**Context:**

Murrindindi Shire has significant landscapes and built environments that form a key element of the municipality's character, appeal, lifestyle and economy. These features must be considered and protected in planning for the use and development of land.

Township precincts can be significant and form an essential part of town character. Some precincts warrant assessment and protection to ensure appropriate design of future development and to maintain the character and appearance of townships.

Lake Eildon has a significant environmental and landscape setting. Any use and development of land abutting the lake must be carefully managed to ensure that the environmental and landscape values of the lake are not compromised. Cathedral Ranges are a significant natural feature that also require careful siting and design of nearby development to protect the integrity of the ranges.

The Goulburn River is an important natural feature that has cultural and heritage significance. The river is designated as a heritage river under the *Heritage Rivers Act 1992*.

Issues:

- Need to identify and protect key environments that may be sensitive to development, such as rivers and floodplains, highways, elevated slopes, Lake Eildon and significant natural features.
- A need to protect core built environmental features of identified townships.
- The need to protect the natural and heritage values of the Goulburn River.

Objective 1: Significant landscapes:

- Protect significant landscapes in planning for the use and development of land.

Strategies:

- Recognise and protect significant landscapes, including rivers and floodplains, highways, elevated slopes, Lake Eildon and significant natural features.
- Protect the environmental and landscape values of the Lake Eildon and Cathedral Ranges environs.
- Ensure that development is designed, sited and constructed to protect the environmental and landscape values of land surrounding Lake Eildon.

- Protect the natural and heritage river values of the Goulburn River.

Objective 2: Built environment:

- Protect built environmental features of identified townships.

Strategies:

- Support and encourage local 'place-based' initiatives that will provide direct economic benefit to individual towns and communities.
- Promote design in future development that achieves energy and water efficient outcomes.
- Facilitate the rebuilding and revitalisation in towns and communities affected by natural disasters, including the rebuilding of unique built environmental character in Marysville following the 2009 bushfires.

Implementation:

- Application of the Significant Landscape Overlay to areas with identified significant landscape.
- Implement recommended landscape and built environment improvements in accordance with any adopted relevant urban design framework / structure plan.
- Design and provide future roads and infrastructure in accordance with the *Infrastructure Design Manual*, in conjunction with relevant service authorities.

Further strategic work:

- Review the *Management of Significant Landscapes in Murrindindi and Baw Baw, Planisphere*, 2005, recommending any application of the Significant Landscape Overlay to key significant landscapes.

Reference documents:

- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Infrastructure Design Manual*, Infrastructure Design Manual Group (as amended).
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003. **(to be replaced by the Yea Structure Plan 2014, if completed by exhibition).**

21.05-4 HERITAGE:

/ 120
C54

Context:

The municipality has a diverse and colourful history and includes many sites and structures that are of heritage significance. Recognition and protection of locally significant heritage is important for the cultural integrity and character of the municipal community.

The *Murrindindi Shire Heritage Study*, Context, 2011 considered a range of buildings, sites and trees of local significance, recommending that the Heritage Overlay be applied to key heritage places. In many cases, the recognition of a heritage place can enhance its economic use and performance.

Issues:

- The need to identify and protect buildings, sites and trees of local heritage significance.

Objective 1: Heritage places:

- Protect cultural heritage and heritage places of local significance.

Strategies:

- Identify and protect buildings, sites and trees of identified local heritage significance.
- Protect, manage and promote the cultural heritage of the municipality.
- Conserve the distinctive and often unique historic characteristics that contribute to the individual identity of communities within Murrindindi Shire and to the identity of the municipality as a whole.
- Ensure that the cultural significance of heritage places is not diminished by:
 - The loss of any fabric, which contributes to the significance of the heritage place or precinct;
 - Inappropriate new development.
- Promote the conservation of heritage places in accordance with the principles and procedures recommended by the *Burra Charter*.
- Encourage a ‘best practice’ and more consistent approach to the conservation of heritage places that is based upon a clear understanding of the reasons for their significance.
- Encourage high quality contemporary design that becomes a valued addition to heritage places.

Policy guidelines:

It is policy that:

Heritage places:

- Significant and Contributory heritage places be conserved to, as appropriate:
 - Support the maintenance and preservation of heritage places;
 - Support the restoration or reconstruction of fabric where opportunities arise.
- The total demolition of Significant or Contributory heritage places be discouraged unless it can be demonstrated to the satisfaction of the responsible authority that, as appropriate:
 - The building is structurally unsound and cannot feasibly be repaired without undertaking significant alterations that would diminish the integrity of the building; and
 - The proposed replacement building embodies design excellence that is complementary in form, scale and materials to the elements of primary significance, but is clearly contemporary in approach.
- Demolition of part of a Significant or Contributory place may be considered when it can be demonstrated to the satisfaction of the responsible authority that its demolition or removal will not adversely affect the significance of the place and, as appropriate:
 - It will assist in the long term conservation or maintenance of the place; or
 - It will support the viability of the existing use of the place or will facilitate a new use that is compatible with the on-going conservation of the building; or
 - It will upgrade the building to meet contemporary living standards such as improving energy efficiency.

New development:

- Preference be given to new development that, as appropriate, maintains and, where possible, enhances the setting of heritage places and the visual relationship between heritage places. This includes views of, and vistas to a heritage place from public places.
- The removal of non-significant alterations or additions be encouraged, particularly where this would assist in revealing the significance of the place.
- Preference be given to new development including alterations or additions to existing heritage places that, as appropriate:
 - Creatively interprets and responds positively to the historic context provided by the heritage place;
 - Is visually recessive and compatible in terms of its scale, siting, design, form and materials with the historic character and significance of the heritage place (including any associated building, trees or other significant elements);
 - Does not distort the historic evidence provided by heritage places by simply copying or reproducing historic styles or detailing;
 - Responds positively to special features such as views, vistas, mature vegetation and landmarks;
 - Includes landscaping that will enhance the historic cultural landscape character of a heritage place.
- The replacement of non-contributory buildings be encouraged with new development that responds more positively to the historic context provided by any nearby heritage place.
- Historic public realm features be conserved, such as basalt gutters, unmade roadside verges and mature street trees.

Subdivision:

- Preference be given to subdivision that is:
 - Compatible with the historic subdivision pattern found in an area; and/or
 - Maintains significant fabric associated with a heritage place on a single lot.

Advertising:

- Preference be given to advertising signs in traditional forms and locations on buildings, and that are limited in number.

Significant trees:

- The maintenance and management of significant trees be supported in a manner that ensures that they will survive in good condition according to their normally expected lifespan.
- Any future development adjacent to a significant tree will not have a detrimental impact upon the integrity and condition of the tree.

Application requirements:

The following information may be required to support an application, as appropriate:

- A report prepared by a suitably qualified heritage consultant, assessing the impact of the application upon the significance of the heritage place. This report should include:

- As part of the site analysis, a description of the significant elements of the place, having regard to the relevant heritage place citation and how it has been considered in the preparation of the application;
- If the application includes demolition, an assessment of whether the fabric is significant and, if so, provide reasons why it is to be removed;
- An assessment of how the application will affect the significance of the heritage place.

A report may not be required if the works proposed are minor or, in the opinion of the responsible authority, are unlikely to have an adverse impact upon the heritage significance of the place.

- A Conservation Management Plan, heritage impact statement, or heritage report prepared in accordance with the *Burra Charter* for large or complex sites, or for major alteration or additions to or part or full demolition of places that are of individual significance, or for any other application that the responsible authority considers to raise significant heritage issues.
- A report prepared by a suitably qualified consultant that assesses the structural condition of a heritage place and whether or not any defects can be repaired or mitigated.
- An archaeological survey and assessment prepared by a suitably qualified consultant, which assesses the impact of an application upon potential archaeological deposits on the site.
- A report prepared by a suitably qualified consultant, which assesses the impact of an application upon any significant trees.
- Where the trees or gardens on the site have been identified as significant, a landscaping plan prepared by a suitably qualified consultant demonstrating how landscaping on the site will respond to the cultural landscape character and setting of the heritage place.

Decision guidelines:

Before deciding on an application, the responsible authority should consider, as appropriate:

- The significance of the heritage place or precinct and whether the proposed buildings or works will adversely affect the cultural significance of the heritage place or precinct.
- Whether the application has responded to the relevant design suggestions in *The Heritage Overlay: Guidelines for Assessing Planning Permit Applications*.
- Whether the proposed buildings or works will assist in the short or long term conservation of the place by:
 - Maintaining, protecting, restoring, repairing or stabilizing significant fabric;
 - Supporting the continued original use of the building by enabling it to be upgraded to meet present day requirements and standards, including improved energy efficiency;
 - Implementing works in accordance with a Conservation Management Plan that has been prepared to the satisfaction of the responsible authority and any other relevant organisation;
 - Allowing an alternative use when the original use of the building is no longer viable, or in accordance with a Conservation Management Plan.
- Whether the proposed buildings or works will have an adverse effect upon a significant tree, or any tree that contributes to the setting of a heritage place or precinct.

Implementation:

- Application of the Heritage Overlay to sites, buildings and trees of identified heritage significance in the *Murrindindi Shire Heritage Study*, 2011.
- Use the *Murrindindi Shire Heritage Study*, 2011 and other reference documents to guide the assessment and determination of proposals made under the Heritage Overlay.

Reference documents:

- *Murrindindi Shire Heritage Study*, Context Pty Ltd, 2011.
- *The Heritage Overlay: Guidelines for Assessing Planning Permit Applications* (Public Draft February 2007).
- *Australia ICOMOS Charter for Places of Cultural Heritage Significance 1999* (the *Burra Charter*).

VERSION 2

21.06 TRANSPORT AND INFRASTRUCTURE/ /20
C54**21.06-1 TRANSPORT**/ /20
C54***Context:***

Murrindindi Shire is well served by a variety of highways and major roads linking the municipality with metropolitan Melbourne to the southwest and other locations. The Melba, Maroondah and Goulburn Valley Highways and the Whittlesea-Yea Road all provide excellent access to and from the municipality. This existing road network provides ready access to metropolitan Melbourne, the Hume Freeway and Melbourne International Airport.

Existing major road networks provide significant social and economic benefits for settlement, business and tourism in Murrindindi Shire. Major highway corridors and linkages provide connectivity to metropolitan Melbourne, enhancing potential economic benefits for the municipality. There are further opportunities to enhance existing road networks and public transport, both within the municipality and externally with metropolitan Melbourne and other areas.

Issues:

- Connectivity to metropolitan Melbourne and other areas through highways and major road systems is vital, with further opportunity to enhance these linkages.
- Need for ongoing improvements to the municipal road network for a range of purposes, including a role as a tourism route.
- Further opportunities to improve public transport within Murrindindi Shire and to connect the municipality with metropolitan Melbourne and Seymour.
- With the majority of Council maintained roads being unsealed, Council faces a challenge to maintain and improve the standard of its roads.
- The design and provision of roads and associated works is guided in rural towns and areas through the *Infrastructure Design Manual*.
- Damage to local road networks through trucks transporting timber.
- The constraint of the Goulburn Valley Highway in the north providing the only sealed east – west link across the municipality, with a long term option for an east /west link between the Maroondah and Melba Highways across the Black Range in the southern or central section of the municipality.

Objective 1: Roads:

- Facilitate quality main road, local road and public transport networks in Murrindindi Shire.

Strategies:

- Foster quality highway and road connections between Murrindindi Shire and metropolitan Melbourne and the Hume Freeway.
- Advocate for quality road connections between Murrindindi Shire and external areas.
- Promote improved public transport linkages between settlements within Murrindindi Shire and to link the municipality with external areas such as metropolitan Melbourne and Seymour.
- Maintain an adequate local road system.

- Advocate for the provision of an east /west link between the Maroondah and Melba Highways in the southern or central section of the municipality.

Implementation:

- Facilitate future road provision in accordance with any adopted relevant urban design framework / structure plan and development plan.
- Design and provide future roads and associated works in accordance with the *Infrastructure Design Manual*, in conjunction with VicRoads on main roads.

Reference documents:

- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Infrastructure Design Manual*, Infrastructure Design Manual Group (as amended).
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.

21.06-2 INFRASTRUCTURE

¹ / 20
C54

Context:

New development in rural towns and rural areas requires an appropriate provision of infrastructure to service and support future development.

Infrastructure provision should be coordinated and integrated to meet the requirements of proposed development and may be staged in accordance with development needs.

Issues:

- Required improvements to infrastructure to support business activities and growth.
- Provision of an adequate level of infrastructure for new subdivision or development in both rural towns and rural areas.
- The need for adequate car parking to be provided for uses and developments in rural towns.
- The cost of maintaining and in future, renewing, infrastructure.
- The design and provision of car parking, services and associated works is guided in rural towns and rural areas through the *Infrastructure Design Manual*.

Objective 1: Infrastructure:

- Provide adequate infrastructure to support new subdivision or development in both rural towns and rural areas.

Strategies:

- Ensure that any new subdivision or development in urban or rural areas is provided with an adequate level and standard of infrastructure, to the standards of the relevant service authority.
- Advocate for improved fast, reliable and affordable telecommunications and broadband networks to assist existing businesses, encourage new and diverse business opportunities and facilitate connectivity within and outside the municipality.
- Advocate for improved infrastructure and services to support existing business and continued business growth.

- Support development of infrastructure and facilities that will enhance liveability within the municipality.

Implementation:

- Implement recommended infrastructure, servicing and works in any adopted relevant urban design framework / structure plan.
- Design and provide future infrastructure, servicing and works in accordance with the *Infrastructure Design Manual*, in conjunction with relevant service authorities.

Reference documents:

- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Infrastructure Design Manual*, Infrastructure Design Manual Group (as amended).
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.

21.06-3

OPEN SPACE:

/ 20
C54

Context:

Open space and recreation opportunities are important for the health and well-being of the community. Outstanding scenic beauty and abundant natural attractions presently support a diverse range of recreational pursuits.

Some significant recreation trails exist in the municipality, including the Great Victorian Rail Trail and trails at Flowerdale, Pheasant Creek to Kinglake and Toolangi, all providing options for walking, cycling and equestrian usage.

Open spaces exist in most townships, creating quality recreation options for residents and visitors. Settlement and recreation planning may outline the future layout and provision of recreation and open space reserves and linkages.

Issues:

- Need to assess the potential for open space through the residential subdivision of land.
- Linked recreation corridors may be considered and provided through open space contributions when practical and feasible.
- Open space provision may be used to protect remnant native vegetation.
- Future recreation and open space needs and required open space contributions may be further clarified through the preparation of a recreation and open space strategy.
- The need to encourage participation in physical activities and active pursuits to create a healthy population.
- Recreation contributions may be taken under the *Subdivision Act* for certain types of subdivision. Contributions may be in the form of land or monetary contribution, as deemed appropriate.

Objective 1: Open space and recreation:

- Facilitate the provision of passive and active recreation land, facilities and activities.

Strategies:

- Provide a range of diverse leisure and recreational opportunities for all ages and interest groups that can be accessed by residents and visitors.
- Encourage accessibility through the expansion of multi-use recreation trails and networks.
- Encourage physical activity through use of active and passive recreation spaces, facilities and activities.
- Support the provision of linked recreation reserves and open spaces, including corridors along waterways and river networks.
- Encourage the development of under-utilised open spaces and promote pedestrian movements within open spaces.
- Encourage areas of remnant vegetation to be incorporated into public open space.
- Incorporate principles of universal access in the design of parks, reserves and facilities.

Implementation:

- Consider the need for recreation contributions through the subdivision of land, either through the provision of open space land or cash-in-lieu contributions, as appropriate.
- Implement recommended recreation and open space facilities, spaces and linkages in any adopted relevant urban design framework / structure plan.

Further strategic work:

- Prepare and implement a recreation and open space strategy, including needs for recreational facilities and the provision of open space contributions and requirements through the subdivision of land.

21.06-4/ 120
C54**COMMUNITY DEVELOPMENT:*****Context:***

The planning and integration of social, economic and built environments will actively promote healthy lifestyle choices part of everyday life in Murrindindi Shire. Community development planning must strive to enhance the liveability, wellbeing, amenity and quality of life within the municipality.

Community infrastructure and services and a strong public health program are required for all age demographics. As the population of Murrindindi Shire is spread thinly over a large, diverse area, the development and delivery of community facilities and services has challenges for access and connectivity.

A cluster of education providers in the municipality offer outdoor and environmental education, leadership programs, corporate training and adventure based activities. This established outdoor education industry in the area is recognised nationally and has further potential for growth.

Issues:

- Facilitation of sustainable economic growth to enhance general community well-being.
- The education industry, particularly outdoor education, is an important and expanding employment and service sector in the municipality.
- Limited public transport, creating issues for accessibility, connectivity and access.

- The need for a range of housing options to cater for disadvantaged and low income persons.
- Consideration of capital renewal and provision of community assets, including their ongoing maintenance and renewal.
- Provision of a safe and secure environment for families and the community.
- The effective delivery of community and health services to all demographic groups, complicated by the dispersed settlement pattern of the municipality.
- Aging population and loss of young people to the area.
- Increasing participation in community living and activities.
- The need to rebuild and revitalise settlements and communities affected by the 2009 bushfires.

Objective 1: Community services and public health:

- Facilitate the provision of community services and public health program for the whole of the community.

Strategies:

- Enhance the liveability, amenity and quality of life in the municipality.
- Support each township as the focus of a residential, commercial, community and service hub for its surrounding area.
- Support the ongoing development of community infrastructure and services to cater for the current and potential future needs of all age demographics.
- Foster a strong sense of community health, wellbeing, liveability, sense of place and participation.
- Facilitate access to community, health and education services that sustain the health and wellbeing of residents in every stage of their lives.
- Facilitate improved accessibility for the general population and those with special needs.
- Enhance local access to post-secondary education and training opportunities, including industry based and on-the-job training for municipal residents.
- Encourage the further development of the education industry in the municipality, particularly the outdoor and environmental education sector.
- Provide housing choice in established townships for a wide range of user groups, including affordable housing, public housing and elderly persons housing.
- Encourage a public health program and focus to improve community amenity, based on an approach of prevention, promotion and protection.
- Support a connected community through the provision of public transport, road networks between towns and other settlement areas and upgraded telecommunications and broadband networks.
- Support and encourage local 'place-based' initiatives that will provide community benefit to individual towns and communities.
- Facilitate social, economic and built environments that encourage healthy lifestyle choices as part of everyday life in the municipality.
- Facilitate the rebuilding and revitalisation of towns and communities affected by natural disasters, including the 2009 bushfires.

Implementation:

- Implement the *Municipal Public Health and Wellbeing Plan, Murrindindi Shire, 2013-2017* to provide community services and public health program.

Reference documents:

- *Municipal Public Health and Wellbeing Plan, Murrindindi Shire, 2013-2017*, as amended.

Planning and Environment Act 1987

MURRINDINDI SHIRE PLANNING SCHEME

AMENDMENT C54

EXPLANATORY REPORT

Who is the planning authority?

This amendment has been prepared by the Murrindindi Shire Council, which is the planning authority for this amendment.

Land affected by the amendment

The amendment applies to the whole of the Murrindindi Shire Council municipal area.

What the amendment does

The amendment proposes to revise the Murrindindi Planning Scheme Local Planning Policy Framework, updating the framework to reflect current strategic directions for land use and implement a more usable format.

The amendment replaces the current LPPF with a new LPPF by:

- Deleting the existing Municipal Strategic Statement (Clauses 21.01 to 21.12, inclusive).
- Deleting existing local planning policies (Clauses 22.01 to 22.05, inclusive).
- Introducing a new Local Planning Policy Framework, comprising:
 - Clause 21.01, Context;
 - Clause 21.02, The Planning Vision;
 - Clause 21.03, Economic Development;
 - Clause 21.04, Housing;
 - Clause 21.05, Environment;
 - Clause 21.06, Transport and Infrastructure.

Strategic assessment of the amendment

Why is the amendment required?

The amendment proposes to revise the outdated Murrindindi Planning Scheme Local Planning Policy Framework (LPPF) to:

- Implement a review (monitoring report) of the Murrindindi Planning Scheme under Section 12B of the Act, prepared in February 2013.
- Outline current, relevant strategic directions, replacing current directions (most dating back to the gazettal of the Murrindindi Planning Scheme in May 1999).
- Incorporate land use directions in the current Council Plan and other Council corporate documents.
- Outline a positive, facilitatory, growth oriented approach for future land use planning in Murrindindi Shire.

- Implement a current proposal for the statewide review of the planning policy framework in planning schemes, using ten (10) proposed land use themes (grouping these themes under four major headings of economic development, housing, environment and transport and infrastructure).
- Include identified Council future land use strategic actions and priorities.
- Structure the LPPF in a more streamlined, plain English and simpler format, improving usability and relevance.

How does the amendment implement the objectives of planning in Victoria?

The amendment implements the objectives of planning in Victoria as outlined in Section 4 of the *Planning and Environment Act 1987* through:

- Providing for the fair, orderly, economic and sustainable use and development of land.
- Providing for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity.
- Securing a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria.
- Conserving and enhancing those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value.
- Protecting public utilities and other assets and enabling the orderly provision and coordination of public utilities and other facilities for the benefit of the community.
- Balancing the present and future interests of all Victorians.
- Ensuring sound, strategic planning and co-ordinated action at State, regional and municipal levels.
- Enabling land use and development planning and policy to be easily integrated with environmental, social, economic, conservation and resource management policies at State, regional and municipal levels.
- Ensure that the effects on the environment are considered and provide for explicit consideration of social and economic effects when decisions are made about the use and development of land.
- Facilitating development that achieves the objectives of planning in Victoria and planning objectives set up in planning schemes.

How does the amendment address any environmental, social and economic effects?

Environmental effects:

The amendment has fully considered environmental effects. The amendment will have no significant effect on the environment or the environment on the use or development envisaged in the amendment.

The amendment will provide more sustainable land use outcomes and protection of environmental values in Murrindindi Shire. The amendment reflects community and government environmental policy outlined in documents such as the *Murrindindi Shire*

Council Roadside Management Plan, 2014-2018, Environment Strategy 2011 – 2015, Murrindindi Shire Council, 2011 and Goulburn Broken Regional Catchment Management Strategy 2013 – 2019, all proposed as a reference documents to the Murrindindi Planning Scheme under the amendment (Clause 21.05, Environment).

Social effects:

The amendment is expected to have positive social benefits for landowners and Murrindindi Shire generally. Positive social effects and benefits will accrue from the amendment through reinforcement of the role of existing townships and settlements, enhanced lifestyle options, provision of employment opportunities and maintenance of productive and environmentally significant land.

Positive social effects will accrue to Murrindindi Shire through the implementation of the *Municipal Public Health and Wellbeing Plan, Murrindindi Shire, 2013-2017*, proposed as a reference document to the Murrindindi Planning Scheme under the amendment (Clause 21.06, Transport and Infrastructure).

Economic effects:

The amendment is expected to have positive economic benefits for landowners and Murrindindi Shire generally. Positive economic effects and benefits will accrue from the amendment through increased economic activity, protection of productive rural land, further promotion of tourism and enhancement of economic activity in rural areas and townships.

The amendment will improve the economic performance and potential of Murrindindi Shire Council through implementation of the *Economic Development Strategy, Murrindindi Shire, and Implementation Plan, 2011-2016*, proposed as a reference document to the Murrindindi Planning Scheme under the amendment (Clause 21.03, Economic Development).

Does the amendment address relevant bushfire risk?

The amendment addresses and meets relevant bushfire risk. The revised LPPF retains all existing strategies, policies and planning control references for bushfire planning and protection implemented through Amendment C44, gazetted 6 February 2014. The amendment addresses bushfire risk as it retains:

- Implementation of a key recommendation of the 2009 Victorian Bushfires Royal Commission to incorporate bushfire risk management in planning for rebuilding communities.
- Existing local strategies and policies to enhance bushfire risk assessment and protection considerations, facilitate bushfire recovery, strengthen community resilience to bushfire and prioritise the protection of human life.
- Strategic directions and reference to planning controls for land use planning in bushfire prone areas.

Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?

The amendment complies with all Minister's Directions under Section 12 of the Planning and Environment Act 1987. Specifically, the amendment has considered and complies with the following Ministerial Directions:

- Ministerial Direction 9, *Metropolitan Planning Strategy*: The amendment does not impact on any growth area of metropolitan Melbourne and does not amend strategic land use directions for the general Kinglake area, a peri-urban area of metropolitan Melbourne.
- Ministerial Direction 11, *Strategic Assessment of Amendments*: The amendment has been strategically assessed and justified in accordance with this direction.
- Ministerial Direction No. 15, *The Planning Scheme Amendment Process*: All process requirements to be met under the direction have been considered and met in the preparation of the amendment.
- Ministerial Direction on the Form and Content of Planning Schemes under section 7(5) of the Act.

No other Minister's Direction is directly affected by the amendment.

How does the amendment support or implement the State Planning Policy Framework and any adopted State policy?

The amendment complies with and implements the State Planning Policy Framework of the Murrindindi Planning Scheme. In particular, the amendment implements:

Clause 11, Settlement:

- Clause 11.02, Urban Growth:

Clause 11.02-1, Supply of urban land:

Objective:

To ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses.

- Clause 11.05 Regional Development:

Clause 11.05-1, Regional settlement networks:

Objective:

To promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework plan.

Both Yea and Alexandra are indicated as 'Peri urban town / district town' on Map 1, Regional Victoria Settlement Framework.

Clause 11.05-2, Melbourne's hinterland areas:

Objective:

To manage growth in Melbourne's hinterland, the area immediately beyond Metropolitan Melbourne and within 100 kilometres of the Melbourne's Central City.

- Clause 11.10, Hume regional growth:

The amendment meets stated objectives for a diversified economy (Clause 11.10-1), environmental assets (Clause 11.10-2), planning for growth (Clause 11.10-3, Objective: *To focus growth and development to maximise the strengths of existing settlements*) and infrastructure (Clause 11.10-4). Both Yea and Alexandra are indicated under 'Other key urban settlements' with the notation 'Support growth in these urban locations, and lifestyle opportunities' on Map 6, Hume Regional Growth

Plan. Both townships are also indicated within 'Areas within 100 km of central Melbourne'.

Clause 12, Environmental and landscape values:

- Clause 12.01, Biodiversity:

Clause 12.01-1, Protection of biodiversity:

Objective:

To assist the protection and conservation of Victoria's biodiversity, including important habitat for Victoria's flora and fauna and other strategically valuable biodiversity sites.

Clause 12.01-2, Native vegetation management:

Objective:

To ensure that permitted clearing of native vegetation results in no net loss in the contribution made by native vegetation to Victoria's biodiversity.

- Clause 12.04, Significant environments and landscapes:

Clause 12.04-2, Landscapes:

Objective:

To protect landscapes and significant open spaces that contribute to character, identity and sustainable environments.

Clause 13, Environmental risks:

- Clauses 13.01-3: The amendment meets objectives and strategies for climate change, floodplains, soil degradation, erosion and landslip and salinity.
- Clause 13.05, Bushfire:

Clause 13.05-1, Bushfire planning strategies and principles:

Objective:

To assist to strengthen community resilience to bushfire.

Strategies include:

Overarching strategies

Prioritise the protection of human life over other policy considerations in planning and decision-making in areas at risk from bushfire.

Where appropriate, apply the precautionary principle to planning and decision-making when assessing the risk to life, property and community infrastructure from bushfire.

Clause 14, Natural resource management:

- Clause 14.01, Agriculture:

Clause 14.01-1, Protection of agricultural land:

Objective:

To protect productive farmland which is of strategic significance in the local or regional context.

Clauses 14.01-2 (Sustainable agricultural land use) and 14.01-3 (Forestry and timber production).

- Clause 14.02, Water:

Clause 14.02-1, Catchment planning and management:

Objective:

To assist the protection and, where possible, restoration of catchments, waterways, water bodies, groundwater, and the marine environment.

Clauses 14.02-2 (Water quality), 14.02-3 (Water conservation) and 14.02-4 (Resource exploitation and extraction).

Clause 15, Built environment and heritage:

- Clauses 15.01-3: The amendment meets objectives and strategies for urban environment, sustainable development and heritage.

Clause 16, Housing:

- 16.01, Residential Development:

Clause 16.01-1, Integrated housing:

Objective:

To promote a housing market that meets community needs.

Clause 16.01-2, Location of residential development:

Objective:

To locate new housing in or close to activity centres and employment corridors and at other strategic redevelopment sites that offer good access to services and transport.

Clause 16.01-4, Housing diversity:

Objective:

To provide for a range of housing types to meet increasingly diverse needs.

- 16.02, Housing form:

Clause 16.02-1, Rural residential development:

Objective:

To identify land suitable for rural living and rural residential development.

Clause 17, Economic Development:

- 17.01, Commercial:

Clause 17.01-1, Business:

Objective:

To encourage development which meet the communities' needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities.

- 17.02, Industry:

Clause 17.02-1, Industrial land development:

Objective:

To ensure availability of land for industry.

- 17.03, Tourism:

Clause 17.03-1, Facilitating tourism:

Objective:

To encourage tourism development to maximise the employment and long-term economic, social and cultural benefits of developing the State as a competitive domestic and international tourist destination.

Clause 18, Transport:

- Clauses 18.01-2: The amendment meets objectives and strategies for integrated transport and movement networks.

Clause 19, Infrastructure:

- Clauses 19.01-3: The amendment meets objectives and strategies for renewable energy, community infrastructure and development infrastructure.

How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?

The amendment proposes to fully replace the existing Murrindindi Planning Scheme Local Planning Policy Framework with a new framework. While the general strategic directions of the proposed revised framework closely resemble the existing framework, the proposed revised framework reflects current Council land use planning directions, uses a format proposed in the current statewide review of the planning policy framework and uses a new structure and format to improve usability and relevance.

Does the amendment make proper use of the Victoria Planning Provisions?

The amendment makes proper use of the Victorian Planning Provisions, in this case the Local Planning Policy Framework (LPPF) to articulate land use planning strategic directions and policy guidance. The LPPF is the appropriate section of the planning scheme to outline these local land use strategy and policy directions.

How does the amendment address the views of any relevant agency?

All relevant agencies have been consulted informally in the development of the revised Local Planning Policy Framework, both through a meeting of agencies and consultation through an informal exhibition of the proposed revised framework. Agency comments received through these consultations were incorporated into this revised Local Planning Policy Framework.

All relevant agencies will be directly notified of this amendment and will have an opportunity to make a formal submission to it.

Does the amendment address relevant requirements of the Transport Integration Act 2010?

Is the amendment likely to have a significant impact on the transport system, as defined by section 3 of the Transport Integration Act 2010?

The amendment is not considered to have a significant impact on the transport system. The amendment does not propose new settlements or developments that would affect the transport system. The amendment does propose transport strategies that reinforce the existing transport system.

Are there any applicable statements of policy principles prepared under section 22 of the Transport Integration Act 2010?

There are no statements of policy principles applicable under section 22 of the *Transport Integration Act 2010*.

Resource and administrative costs

• What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?

The amendment will not have any detrimental effect on resource and administrative costs. The amendment will provide a greater level of guidance and alignment with other Council policy that will create resource and administrative efficiencies. Future applications for planning permit for specific use or development proposals will be considered on its merits and would not adversely impact on resource and administrative costs.

Where you may inspect this Amendment

The amendment is available for public inspection, free of charge, during office hours at the following places:

Murrindindi Shire Council
Perkins Street
Alexandra 3714

Murrindindi Shire Council
Civic Centre
Semi Circle
Yea 3717

Murrindindi Shire Council
19 Whittlesea-Kinglake Road
Kinglake 3763

Murrindindi Shire Council
Website: msc@murrindindi.vic.gov.au

The amendment can also be inspected free of charge at the Department of Transport, Planning, and Local Infrastructure website at www.dtpli.vic.gov.au/publicinspection .

Submissions

Any person who may be affected by the amendment may make a submission to the planning authority. Submissions about the amendment must be received by **[insert submissions due date]**.

A submission must be sent to:

Murrindindi Shire Council
PO Box 138
ALEXANDRA, VIC, 3714

Panel hearing dates

In accordance with clause 4(2) of Ministerial Direction No.15 the following panel hearing dates have been set for this amendment:

- directions hearing: **[insert directions hearing date]**
- panel hearing: **[insert panel hearing date]**

TITLE PLAN		TP 955398 B											
LOCATION OF LAND PARISH : GRANTON TOWNSHIP : _____ SECTION : B CROWN ALLOTMENT : 2 (Part) CROWN PORTION : _____ MGA94 Co-ordinates : E 381 915 ZONE : 55 <small>(of approx. centre of land in plan)</small> N 5848 000 DEPTH LIMITATION : Does not apply.		NOTATIONS Dimensions adapted from LP 94475.											
THIS PLAN HAS BEEN PREPARED BY LAND VICTORIA FOR TITLE DIAGRAM PURPOSES.		CHECKED BY : DATE : / / ASSISTANT REGISTRAR OF TITLES.											
I, Rodney Aujard of Level 1, 325 Camberwell Road, Camberwell, 3124, certify that this plan correctly represents the information obtained by me from the source indicated on this plan.		DRAWN: 21/07/2014 CHECKED :											
Licensed Surveyor, Surveying Act 2004													
RODNEY ALLIARD & ASSOCIATES <i>Licensed Land Surveyors</i> Level 1, 325 Camberwell Road, CAMBERWELL, 3124. Ph. 9813 2222 Fax. 9813 2244 81 Grant Street, ALEXANDRA, 3714. Ph. 5772 1530 aujard@bigpond.net.au		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">SCALE</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">50</td> </tr> <tr> <td colspan="2" style="text-align: center;">LENGTHS ARE IN METRES</td> </tr> <tr> <td style="text-align: center;">ORIGINAL SCALE</td> <td style="text-align: center;">SHEET SIZE</td> </tr> <tr> <td style="text-align: center;">1:2500</td> <td style="text-align: center;">A3</td> </tr> </table>		SCALE		25	50	LENGTHS ARE IN METRES		ORIGINAL SCALE	SHEET SIZE	1:2500	A3
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REF : 18482		Sheet 1 of 1 Sheets											

Title: Fraud Prevention and Control
Type: Council
File No: 14/12567
Date Adopted: 21 June 2005
Next Review Date: Every 3 years from adoption

Revision History:

Date	Action	Who
21 June 2005	First Adopted	Council
May 2013	Review and update	Risk and Improvement Coordinator
May 2013	Consultation	Manager Corporate Services HR Coordinator
June 2013	Consultation	Echelon – Senior Risk Manager
September 2013	Consultation	EMT
October 2013	Consultation and review	EMT
May 2014	Review and update	Manager Business Services
August 2014	Review and update	EMT
September 2014 (proposed)	Updated policy adopted	Council

1. Purpose

The purpose of this policy is to outline the principles of fraud control and the process to be followed in relation to the detection and reporting of suspected fraudulent behaviour of employees, Councillors, volunteers, contractors and authorised agents.

2. Rationale

As fraud constitutes a significant risk to any organisation it is appropriate that Council establishes a culture of ethical conduct to ensure that there are relevant measures in place for the prevention, detection and control of fraud.

The responsibility for the operational implementation of this policy rests with Managers who are responsible for establishing and maintaining effective internal controls that provide security and accountability for the resources entrusted to them.

In addition, Council's Audit Advisory Committee has a responsibility of monitoring and overseeing the implementation of fraud prevention and minimisation procedures.

3. Scope

This policy applies to all Council representatives, which includes employees, Councillors, volunteers, contractors and consultants of Murrindindi Shire Council.

For the purposes of this policy fraud is defined as per the Australian Standard AS 8001—2008 Fraud and Corruption Control as:-

“Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This also includes

the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit. The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered 'fraud' for the purposes of this Standard."

Fraud and other similar irregularities covered by this policy include, but are not limited to:

1. Forgery or alteration of cheques, invoices, computer records and other documents;
2. Any misappropriation of funds, securities, supplies or any other Council property;
3. Any irregularity in the handling or reporting of financial transactions;
4. Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the Council;
5. Unauthorised use or misuse of Council property, equipment, materials or records;
6. Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Council owned software;
7. Any claim for reimbursement of expenses that are not made for the exclusive benefit of Council; or
8. Any similar or related irregularity.

4. Policy

Murrindindi Shire Council is committed to protecting its revenue, expenditure, staff, property and intellectual capital from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees or elected representatives to gain by deceit, any financial or other benefits.

Fraud is a significant risk to the organisation and as such, Council is committed to managing this risk as part of its overall risk management framework.

Council will not tolerate any incident of fraud. Councillors and Council officers shall act at all times in accordance with Council's Staff Code of Conduct and the Councillor Code of Governance.

4.1. Key Principles

The principal elements of fraud prevention and control are:

- Reduction of losses due to fraud by implementation of effective control, structures and procedures which aim to eliminate the prospect of fraud occurring. This includes establishing procedures for areas of operational risk to minimise the opportunity of fraud.
- Developing a clear policy statement of what fraud is and a commitment to the prevention, detection, investigation and prosecution of individual cases of fraud.
- Providing regular information and training to all staff in the policy and associated procedures.
- Respect of the civil rights of employees and citizens and the commitment to natural justice.

4.2. Definitions

- **Internal fraud** - refers to fraudulent acts undertaken by Councillors or employees. Examples of such fraud would include: falsification of expenses claims, theft of cash and alteration of records to conceal any deficiency, falsification of invoices for payment, failure to account for monies collected, dealing inappropriately with benefit claims of friends or relatives. In some instances, there can be potential for those in positions of trust within the Council to perpetrate fraud against third parties. Council has responsibility for the integrity of Councillors and employees in such positions of trust.

- **External fraud** - refers to fraud committed against the Council by persons outside of the organisation. Examples include false invoices or statements in applications for Council programs and applications for grants.
- **Control** – is a process affected by Council's management and officers, designed to provide reasonable assurance that risks are managed to ensure the achievement of Council's objectives.
- **Consultants** – are agents who are authorised to conduct Council's operations and collect cash on behalf of Council. Authorised agents operate at Murrindindi Shire Council.
- **Contractors** – means any organisation (including any subcontractors, agents or suppliers) that provides works, goods and/or services to Council.
- **IBAC – the Independent Broad based Anti-Corruption Commission** set up under the Protected Disclosures Act 2012, to strengthen the integrity of the Victorian public sector. IBAC has a role to identify, investigate and prevent fraud corruption and serious misconduct and to educate public sector agencies to improve processes to prevent corruption.

4.3. Authorities and Responsibilities

- Council's Staff Code of Conduct requires all staff to present and conduct themselves in a manner that is ethical, consistent and responsible. To this end the appropriate codes of practice and behaviour will be enforced.
- All representatives of Council covered by this policy have a role in detecting fraud and reporting it. It is not solely the responsibility of the General Manager or Risk Management Coordinator or Council's Audit Advisory Committee.
- Council has established processes as required under the *Protected Disclosures Act 2012*, for reporting any suspected fraud, corruption or inappropriate behaviour. The Protected Disclosure Coordinator and Protected Disclosure Officer have obligations to investigate disclosures and protect people making disclosures in line with the Act. Any person wishing to make a disclosure in relation to fraud should contact the Protected Disclosures Coordinator or Officer.

4.4. Internal Controls

Murrindindi Shire Council has a number of internal controls in place and is working to address other recommendations identified in the Victorian Auditor General Office (VAGO) report June 2012. These include:

- Periodic and comprehensive assessment of Councils fraud risks;
- Documented policies and procedures in dealing with suspected fraud, including protected disclosures;
- A sound ethical culture supported by a code of conduct;
- Regular fraud awareness training to maintain staff awareness of related policies and procedures;
- Regular internal audits of effectiveness of fraud controls and related procedures;
- Dedicated controls and procedures for activities with a high fraud risk exposure;
- Establishing effective pre-employment screening processes and reference checking to provide sufficient assurance over the integrity, identity and credentials of all Council staff;
- Ensuring that accounts payable systems have effective preventative and/or compensating controls that adequately mitigate the risk of fraudulent purchases and/or payments.

- Maintaining accurate and up to date asset registers that are regularly reviewed to mitigate the misuse and/or misappropriation of assets.
- Systematically reviewing the operation and effectiveness of all internal control systems to assure they adequately prevent, deter and detect major fraud.

4.5. Suspected Fraud

- 4.5.1. If fraud is suspected staff or others covered by this policy should take the following steps:
- Report the issue immediately, either verbally or in writing.
 - Maintain confidentiality and do not discuss with others.
- 4.5.2. Report suspect fraud, immediately to the General Manager, Risk Management Coordinator, or Protected Disclosure Officer (advertised externally for non staff) who will determine who within the Division needs to be advised and will take the necessary steps to inform the Chief Executive Officer.
- In the event that you suspect the General Manager or Risk Management Coordinator of fraud, report these suspicions to the Chief Executive Officer.
 - In the event that you suspect the Chief Executive Officer of fraud, report the disclosure to the Mayor in the first instance.
 - In the event that you cannot report to the Mayor; or if at any level of reporting you believe that a disclosure is not being addressed, disclosures must be made directly to the Ombudsman Victoria or IBAC.
- 4.5.3. Suspected fraud should only be reported to those who need to know so as to:
- Protect staff from allegations which may not be correct; and
 - Prevent possible destruction of evidence either accidentally or deliberately.
- 4.5.4. Do not raise concerns or suspicions with the person(s) suspected of committing fraud.
- 4.5.5. Do not investigate suspected fraud. An investigation of fraud is often complex and requires special skills.
- 4.5.6. If required, the Chief Executive Officer or General Manager may refer the matter to the Victorian Police. Police investigations may override or be concurrent with internal investigations.

4.6. Investigation

- 4.6.1. Suspicions or complaints are to be documented and reviewed by the Chief Executive Officer with the assistance of the Risk Management Coordinator and/or Protected Disclosure Coordinator.
- 4.6.2. The Chief Executive Officer, General Manager or a Manager may form and lead an investigation team that could comprise General Managers, Risk Management Coordinator, auditors and/or consultants.
- 4.6.3. The investigation team will make recommendations to the relevant General Manager or CEO in line with standard reporting procedures regarding actions, if any that should proceed, based on the results of this investigation.
- 4.6.4. All investigations will be conducted in accordance with Murrindindi Shire Council's Disciplinary Policy and if applicable Council's Protected Disclosures Policy.

- 4.6.5. The Chief Executive Officer and Risk Management Coordinator will ensure all documentation is maintained.

4.7. Suspension and Transfer

- 4.7.1. In accordance with Murrindindi Shire Council's Disciplinary Policy, employees under investigation for fraud may be suspended from duty with pay or temporarily assigned to other duties.

4.8. Obligations of Managers/Supervisors

- 4.8.1. It is everyone's responsibility to ensure that Council procedures are being followed so as to minimise the opportunity for fraud to occur.
- 4.8.2. All allegations of fraud need to be handled with the utmost confidentiality. Breaches of confidentiality could give rise to defamation proceedings. Any individual suspected of fraud is innocent of any offence until proven guilty.
- 4.8.3. Managers and supervisors must immediately raise any suspicions, obtained either by observation or reported to them, with their General Manager, to determine next action in line with this policy.

4.9. Protection – Protected Disclosures Act 2012

- 4.9.1. To encourage and facilitate disclosure of improper conduct or detrimental action by public officers or public bodies, *the Protected Disclosures Act* provides protections for:
- Persons who make disclosures;
 - Persons who may suffer reprisals in relation to those disclosures; and
 - To provide for the matters disclosed to be properly investigated and dealt with.
- 4.9.2. Council is committed to protecting the careers and welfare of any party who has brought possible fraud to attention. Councillors and employees will be protected against possible victimisation and discrimination. All reports of suspected fraud will be treated in strict confidence. The informant will be kept apprised of the outcome of any investigations or deliberations of management. Likewise any allegations that are considered mischievous and unfounded will be assessed by the General Manager Corporate & Community Services in accordance with the Disciplinary Policy and action may be taken.

5. Supporting Documents

- Australian Standards 8001-2008 Fraud and Corruption Control
- Fraud Prevention Strategies in Local Government – VAGO report June 2012
- Local Government Act 1989
- Protected Disclosures Act 2012

6. Related Policies

- Confidentiality and Privacy
- Conflict of Interest Policy
- Corporate Credit Card
- Councillors Code of Governance
- Councillor Reimbursement
- Discipline Policy
- Email Policy
- Employee Conduct Policy and Code of Conduct
- Gift Register Procedure

- Information Privacy
- Procurement Policy
- Protected Disclosures Policy
- Risk and Safety Policy
- Using Consultants Policy

7. Governance

It is the responsibility of all staff to understand and comply with this policy and related procedures. Department Managers are to oversee the implementation of this policy and ensure staff attend appropriate induction and updated training to reflect understanding of this policy.

This policy will be implemented and monitored through the induction process, reporting and legislative compliances. The HR and Risk staff will ensure training is up to date and available to staff.

8. Portfolio and/or Ward Councillor Input

Nil

9. Responsible Officer

Manager Business Services

10. Human Rights Charter

This policy has been developed with consideration of the requirements under the Charter of Human Rights and Responsibilities.

Title: Borrowings
Type: Council
File No: SF/1302, 14/10593
Date Adopted: 24 September 2014 (proposed)

Next Review Date: September 2016

Revision History:

Date	Action	Who
21 May 2014	Prepared for review	Audit Committee
10 September 2014	Council Briefing	
24 September 2016	Adoption	Council

1. Purpose

The purpose of this policy is to ensure that:

- Council minimises the cost of borrowing funds at the least possible risk.
- Council funds are well managed.
- Council funds are borrowed in accordance with its legislative and common law responsibilities.

2. Rationale

Council has an obligation to administer sound financial management practices, and to ensure that ratepayers receive the best benefit for the money that they pay to fund the delivery of council services. Where Council is required to borrow funds in addition to the cash balances that it holds, sound financial management dictates that these funds should be procured in an appropriate manner to ensure it is in accordance with overall Council strategy and in line with the long-term financial sustainability goals of Council.

Loan borrowing is a legitimate and responsible financial management tool when used to fund major projects, as it spreads the payments for such assets across the generations who benefit.

3. Scope

The 2013-2017 Council Plan has a strategic objective of “We will administer sound financial management practices”, under the “Our Council” section.

Council Strategic Resource Plan 2013-2017 details Council’s long-term (10 year) borrowing strategy that states the following two strategic directions:

1. That Murrindindi Shire Council borrows funds for capital (plant and vehicle replacements) that provide intergenerational equity, and
2. That the Council retains its debt servicing and redemption costs at or below 8 cents in the rate revenue dollar, towards interest and principal, over the life of the SRP.

4. Policy

Council's capacity to borrow and its debt management performance is assessed and overseen by Local Government Victoria (State Government) under its *Local Government Borrowing Assessment Policy*. This Policy identifies key financial performance indicators with certain thresholds that meet State Government prudential guidelines. These indicators include ratios for liquidity, debt management, debt exposure and debt servicing. Thresholds for these indicators are required to be met by Councils in order for borrowing approval to be granted by the State.

The Department of Planning and Community Development (DPCD) has also in recent years been using a number of financial ratios in its endorsement of councils' borrowing allocation. These ratios are:

Ratio	Green	Amber	Red
Working capital ratio (current assets/ current liabilities)	>120%	110% - 120%	<110%
Debt management ratio (total debts/ total rates and charges)	<60%	60% - 100%	>100%
Debt servicing ratio	<5%	5% - 10%	>10%

In addition, the Victorian Auditor General's Office (VAGO) has been using a number of criteria to assess Councils' long term financial sustainability. One of the six long term financial assessment criteria is 'indebtedness', which assesses non-current liabilities as a percentage of own-sourced revenue.

Ratio	Green	Amber	Red
Indebtedness (non-current assets/ own-sourced revenue)	<40%	40% - 60%	>60%

As contained in the Borrowing Strategy referenced in Council's Strategic Resource Plan 2013-2017, the Murrindindi Shire Council is forecast to remain well within the prudential thresholds set by the State Government over the life of the SRP. Annual borrowings are to be limited to the amounts determined as a part of the annual budget and Strategic Resource Plan review process, unless agreed to by a separate resolution of Council.

Where Council has budgeted for, and continues to believe it appropriate that borrowings are required, the following principles should be applied to determine the amount, tenure and utilisation of the funds:

- Where possible, use working capital to temporarily fund all capital projects during the year, before taking up the loan borrowings;
- Where possible, consolidate loan borrowings at financial year end and, making adjustments to the existing borrowing structure where appropriate;
- All borrowings are to be undertaken exercising care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons;
- Council staff should always maintain a professional balance of risk and return and act as a steward of Council funds.
- When taking up new borrowings, submission from lenders are to be sought that explore both fixed rate and variable rate options. Quotes are to be sourced from reputable banks and financial institutions that have a strong, internationally recognised credit rating. Financial institutions that maintain operations within the Shire that meet this criterion should be included in this process;
- Review existing loan structure at least every other year and when necessary re-finance to achieve a healthy balance between fixed rate and variable rate components;

- The loan structure review should also use the leverage between short-term and long-term fixed rates to mitigate interest rate risk. A borrowing rate that is fixed up to 5 years is generally much lower than the rate that is fixed for 10 years or longer, however it does not provide the same level (length) of certainty that is provided by long term fixed rates;
- Ensure debt redemption payment is included in the annual rating consideration. This is to ensure the payment for the loan funded assets is charged to the successive populations who receive benefits over the life of those assets. Debt redemption cost should not be paid out of Council's cash reserve unless there is sufficient cash surplus built from prior years; and
- Where possible, link the term of loan to the life of the assets that are to be funded by the loan, with a maximum term of 25 years.

5. Related Policies

Confidentiality and Privacy

Employee Code of Conduct

Financial Delegations

Fraud Prevention and Control

Risk Management

Procurement

6. Governance

The *Local Government Act 1989* (The Act) provides Councils the power to borrow.

Section 144(1) of the Act states: 'Subject to the principles of sound financial management, a Council may borrow money to enable the Council to perform the functions and exercise the power conferred on the Council under this Act or any other Act.'

Sections 145 to 149 of the Act further specify the circumstances in which the power to borrow may be exercised, securities to be used for local government borrowings, and how the borrowings should be disclosed, etc.

7. Portfolio and/or Ward Councillor Input

Input from Councillors, Audit Committee, Executive Management Team and staff has been sought during this process.

8. Responsible Officer

Manager Business Services

9. Human Rights Charter

This policy has been developed with consideration of the requirements under the Charter of Human Rights and Responsibilities.

Murrindindi Shire Council
Financial Report,
Standard Statements &
Performance Statement
For the Year Ended 30 June 2014

Murrindindi Shire Council
Financial Report, Standard Statements and Performance Statement
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Balance Sheet
As at 30 June 2014

	Note	2014	2013
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	15	21,086,670	18,034,523
Trade and other receivables	16	4,613,261	4,711,000
Prepayments	17	135,882	108,481
Inventories	18	268,984	223,176
Total current assets		<u>26,104,797</u>	<u>23,077,180</u>
Non-current assets			
Trade and other receivables	16	15,824	17,024
Property, plant and equipment, infrastructure	19	296,007,825	282,294,149
Total non-current assets		<u>296,023,649</u>	<u>282,311,173</u>
Total assets		<u>322,128,446</u>	<u>305,388,353</u>
Liabilities			
Current liabilities			
Trade and other payables	20	2,577,147	2,516,093
Trust funds and deposits	21	3,052,846	738,302
Provisions	22	2,972,654	2,914,368
Interest-bearing loans and borrowings	23	900,774	842,241
Total current liabilities		<u>9,503,421</u>	<u>7,011,004</u>
Non-current liabilities			
Provisions	22	1,551,599	1,444,217
Interest-bearing loans and borrowings	23	2,796,720	3,216,009
Total non-current liabilities		<u>4,348,319</u>	<u>4,660,226</u>
Total liabilities		<u>13,851,740</u>	<u>11,671,230</u>
Net Assets		<u>308,276,707</u>	<u>293,717,123</u>
Equity			
Accumulated surplus		126,728,438	128,766,936
Asset revaluation reserve	24	171,452,414	158,200,763
Other reserves	24	10,095,855	6,749,424
Total Equity		<u>308,276,707</u>	<u>293,717,123</u>

The above Balance Sheet should be read with the accompanying notes.

**Comprehensive
Income Statement
For the Year Ended 30 June 2014**

	Note	2014 \$	2013 \$
Income			
Rates and charges	2	15,699,505	14,614,858
Statutory fees and fines	3	596,586	597,344
User fees	4	2,432,853	1,970,594
Grants - recurrent	5	4,938,342	6,157,674
Grants - non-recurrent	5	5,243,722	10,626,522
Contributions - cash	6 (a)	286,464	170,249
Contributions - non monetary assets	6 (b)	555,508	4,138,057
Reimbursements	7	370,013	220,477
Other income	9	981,407	1,172,931
Total income		31,104,400	39,668,706
Expenses			
Employee benefits	10	(11,738,720)	(12,411,954)
Materials and services	11	(9,774,020)	(13,038,776)
Depreciation and amortisation	12	(7,150,865)	(7,280,707)
Finance costs	13	(329,899)	(352,330)
Net gain (loss) on disposal of property, plant and equipment, infrastructure	8	(320,114)	35,350
Other expenses	14	(482,849)	(342,292)
Total expenses		(29,796,467)	(33,390,709)
Surplus (Deficit) for the financial year		1,307,933	6,277,997
Other comprehensive income			
Net asset revaluation increment (decrement)		13,251,651	(466,265)
Comprehensive result		14,559,584	5,811,732

The above Comprehensive Income Statement should be read with the accompanying notes.

**Statement of Changes in Equity
For the Year Ended 30 June 2014**

Encl 6.7

	Note	Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2014					
Balance at beginning of the financial year		293,717,123	128,766,936	158,200,763	6,749,424
Surplus for the year		1,307,933	1,307,933	-	-
Net asset revaluation increment	19	13,251,651	-	13,251,651	-
Transfers to other reserves	24(b)	-	(3,740,890)	-	3,740,890
Transfers from other reserves	24(b)	-	394,459	-	(394,459)
Balance at end of the financial year		308,276,707	126,728,438	171,452,414	10,095,855
2013					
Balance at beginning of the financial year		287,905,391	125,677,396	158,667,028	3,560,967
Transfer from asset revaluation reserve	24(a)	-	-	-	-
Surplus for the year		6,277,997	6,277,997	-	-
Net asset revaluation increment/(decrement)	19	(466,265)	-	(466,265)	-
Transfers to other reserves	24(b)	-	(3,765,651)	-	3,765,651
Transfers from other reserves	24(b)	-	577,194	-	(577,194)
Balance at end of the financial year		293,717,123	128,766,936	158,200,763	6,749,424

The above Statement of Changes in Equity should be read with the accompanying notes

**Cash Flow
Statement
For the Year Ended 30 June 2014**

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		15,572,251	14,331,475
User charges and other fines (inclusive of GST)		4,200,945	5,063,938
Grants (inclusive of GST)		10,572,996	21,335,415
Interest		680,718	791,781
Net Fire Services Property Levy received (remitted)		2,194,692	-
Net GST refund		1,242,547	1,482,419
Payments to suppliers (inclusive of GST)		(11,913,065)	(16,489,866)
Payments to employees (including redundancies)		(11,687,969)	(14,525,127)
Net cash provided by operating activities	25	<u>10,863,116</u>	<u>11,990,035</u>
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(8,419,629)	(6,960,772)
Proceeds from sale of property, plant and equipment, infrastructure		1,118,205	234,923
Receipt / (repayment) of trust funds and deposits		119,852	(248,575)
Net cash used in investing activities		<u>(7,181,572)</u>	<u>(6,974,424)</u>
Cash flows from financing activities			
Finance costs		(268,641)	(278,422)
Proceeds from interest bearing loans and borrowings		500,000	500,000
Repayment of interest bearing loans and borrowings		(860,756)	(819,117)
Net cash used in financing activities		<u>(629,397)</u>	<u>(597,539)</u>
Net increase (decrease) in cash and cash equivalents		3,052,147	4,418,072
Cash and cash equivalents at the beginning of the financial year		18,034,523	13,616,451
Cash and cash equivalents at the end of the financial year		<u>21,086,670</u>	<u>18,034,523</u>
Restrictions on cash assets	27	13,261,201	7,600,226

The above Cash Flow Statement should be read with the accompanying notes.

Introduction

(a) The Murrumbidgee Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at Perkins Street, Alexandria.

(b) The purpose of the Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;

- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria
Internal Auditor - HLB Mann Judd
Solicitors - Russell Kennedy
Principal Bankers - ANZ Bank
Website address - www.murrumbidgee.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements.

The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Board, the *Local Government Act 1989*, and the *Local Government (Finance and Reporting) Regulations 2004*.

The financial statements were authorised for issue by Margaret Abbey Chief Executive Officer on 24 September 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

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.

(b) New Accounting Standards and Interpretations

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012/13 comparative period (please see note 19).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

Note 35 Income, expenses and assets by functional activities

The functional activities have been aligned with Council's goals and organisational structure. This provides greater synergy with other Council publications. The comparative figures have been recast accordingly.

Note 1
(c) **Significant accounting policies (cont.)**
Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A general provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold. However a specific provision is maintained for two properties considered doubtful due to current planning restrictions.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5.

The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

User fees and fines

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

A provision for doubtful debts is recognised when collection in full is no longer probable.

Reimbursements

Reimbursement revenue is recognised when the Council's right to receive payment is established.

Sale of property, plant and equipment, infrastructure

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

Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(d) **Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.
Other inventories are measured at the lower of cost and net realisable value.
Costs are assigned on the basis of weighted average costs.

Note 1 Significant accounting policies (cont.)

(e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

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 infrastructure 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.

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Years
Property	
buildings	30 to 80
Plant and Equipment	
fixtures, fittings and furniture	4 to 20
heritage and cultural	20 to 200
library materials	3 to 10
plant, machinery and equipment	3 to 15
Infrastructure	
bridges- concrete	80 to 100
bridges- timber	30 to 40
drainage	50 to 85
footpaths and cycleways	20 to 70
road formations and earthworks	100 to 200
road pavements	20 to 40

Depreciation rates are consistent with the previous year.

(f) 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.

(g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges as well as the effect of unwinding of the discount factor used in the measurement of provisions.

(h) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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 detailed below have applied when recognising assets within an applicable asset class. This is a change to the levels used for previous years being assets purchased in excess of \$2,000 with the exception of computer equipment which was recognised in excess of \$1,000.

	Threshold \$
Property	
Land	1
Buildings	5,000
Plant and Equipment	
fixtures, fittings and furniture	2,000
heritage and cultural	1,000
library materials	1,000
plant, machinery and equipment	2,000
Infrastructure	
bridges	7,500
drainage	5,000
footpaths and cycleways	5,000
road formations and earthworks	5,000
road pavements	5,000

Note 1 Significant accounting policies (cont.)
Recognition and measurement of assets (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture and equipment, library books and heritage assets, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. 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.

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 an independent expert valuer from LG Valuation Services.

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

Land under roads

The Council recognised the value of land under roads it controlled as at 30 June 2008 measured at fair value. Land under roads acquired subsequent to 30 June 2008 is brought to account at fair value.

(i) Cash and cash equivalents

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

(j) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 21).

(k) Interest-bearing loans and borrowings

Interest bearing liabilities are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method.

Note 1
(l) **Significant accounting policies (cont.)**
Employee costs

Wages and salaries and leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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 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.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts.

(m) Provision

Provisions are recognised when the Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(n) Leases

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) 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 to sell 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.

(t) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

Note 1 Significant accounting policies (cont.)
(u) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	Summary	Impact On Council	Effective date
AASB 9 Financial Instruments	AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. The standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.	Not expected to impact on Council	01-Jul-15
AASB 10 Consolidated Financial Statements	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.	01-Jul-14
	The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.		

Note 1

(u)(cont)

Pronouncement	Summary	Impact On Council	Effective date
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.	01-Jul-14
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.	01-Jul-14
	The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.		
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.	01-Jul-14
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.	01-Jul-14

2014
\$

2013
\$

Note 2 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 its total value of land plus buildings and improvements.

The valuation base used to calculate general rates for 2013-2014 was \$3,531 million (2012-2013 \$3,423 million). The 2013-2014 rate in the dollar for general rate was 0.003286 of the capital improved value of the property (2012-2013 - 0.003100).

Council has a differential rate for Rural 1 land of 75% of the general rate. Rural 1 land is classified as rateable land which is not less than 40 hectares in area. There is no rating differential for land classified as Rural 2 land. Rural 2 land is any rural land that does not meet the criteria for Rural 1 land and is between 4 and 40 hectares in size.

The 2013-2014 Municipal Charge was \$274.00 (2012-2013 \$258.00) per rateable assessment. In 2013-2014 the Garbage Service Charge was \$306.00 (2012-2013 \$289.00) and Recycling Charge \$75.00 (2012-2013 \$71.00).

Residential	5,077,221	4,651,475
Commercial	523,307	483,925
Rural 1	2,818,434	2,655,470
Rural 2	2,386,934	2,258,917
Municipal charge	2,505,869	2,356,439
Garbage charge	1,875,556	1,732,304
Recycling	454,215	419,607
Revenue in lieu of rates	57,969	56,721
	<u>15,699,505</u>	<u>14,614,858</u>

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation will first be applied to the rating period commencing 1 July 2012.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2014, and the valuation will be first applied in the 2014/15 rating year.

Note 3 Statutory fees and fines

Building	211,813	185,889
Environmental health and local laws	225,461	203,720
Planning and subdivisions	111,603	139,383
Infrastructure	29,409	46,588
Other	18,300	21,764
	<u>596,586</u>	<u>597,344</u>

Note 4 User fees

External works	46,350	88,340
Quarry product	373,484	82,414
Aged care	558,464	509,027
Valuation data	8,575	98,754
Saleyard fees	381,045	343,681
Recreation pools and leisure centres	101,130	104,247
Waste - transfer station & landfill fees	901,758	683,236
Other fees and charges	62,047	60,895
	<u>2,432,853</u>	<u>1,970,594</u>

	2014 \$	2013 \$
Note 5 Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	3,910,325	5,583,163
State funded grants	6,271,739	11,201,033
	<u>10,182,064</u>	<u>16,784,196</u>
Recurrent		
Governance	1,229,439	2,599,139
Community	2,076,066	1,926,492
Environment	1,632,837	1,632,043
Total recurrent	<u>4,938,342</u>	<u>6,157,674</u>
Non-recurrent		
Governance	463,540	633,641
Community	164,347	454,129
Economy	416,300	333,000
Environment	4,199,535	9,205,752
Total non-recurrent	<u>5,243,722</u>	<u>10,626,522</u>
 <i>Conditions on Grants</i>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Community	146,368	371,129
Economy	306,300	4,800
Environment	1,273,377	501,313
	<u>1,726,045</u>	<u>877,242</u>
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Community	295,580	397,641
Economy	123,653	86,105
Environment	1,258,504	1,815,528
	<u>1,677,737</u>	<u>2,299,274</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>48,308</u>	<u>(1,422,032)</u>
Balance of Grants recognised as revenue in the current and previous years that had not been expended at year end	2,844,041	2,795,733

	2014 \$	2013 \$
Note 6 Contributions		
(a) Cash		
Council	8	134
Community	80,143	88,079
Local Economy	-	5,239
Infrastructure	206,313	74,797
Natural Disaster	-	2,000
Total	<u>286,464</u>	<u>170,249</u>
(b) Non-monetary assets		
Infrastructure	555,508	4,138,057
Total	<u>555,508</u>	<u>4,138,057</u>
Total Contributions	<u>841,972</u>	<u>4,308,306</u>
Note 7 Reimbursements		
Aged and disability	58,078	60,582
Debt recovery	124,922	65,674
Insurance	20,221	8,868
Fire Services Levy Collection Service	61,432	41,349
Other	105,360	44,004
	<u>370,013</u>	<u>220,477</u>
Note 8 Gain / (Loss) on disposal of property, plant and equipment and infrastructure		
Proceeds from sales	1,118,205	234,923
less: Carrying amount of assets sold	<u>(1,438,319)</u>	<u>(199,573)</u>
	<u>(320,114)</u>	<u>35,350</u>
Users of the financial report should refer to Note 19 for additional details.		
Note 9 Other income		
Interest	604,436	591,701
Interest on rates	98,355	190,025
Rental	159,054	131,434
Supervision and administration recoupment	9,949	1,852
Return on investment	-	178,374
Other	109,613	79,545
	<u>981,407</u>	<u>1,172,931</u>
Note 10 Employee benefits		
Wages and salaries	10,620,453	11,105,376
Superannuation	952,122	937,484
Workcover	166,145	369,094
	<u>11,738,720</u>	<u>12,411,954</u>

	2014 \$	2013 \$
Note 11		
Materials and services		
Utilities	580,120	604,029
Contractors	6,481,393	9,369,963
Legal Expenses	281,385	293,104
Insurance	482,164	445,581
Materials	1,099,502	1,026,289
Contributions	515,687	548,088
Consultants	333,769	751,722
	<u>9,774,020</u>	<u>13,038,776</u>
Note 12		
Depreciation and amortisation		
<u>Property</u>		
Buildings	1,855,889	1,795,755
<u>Plant and Equipment</u>		
Plant, machinery and equipment	585,925	572,451
Fixtures, fittings and furniture	159,498	157,413
Heritage and cultural	2,084	2,084
Library materials	100,434	101,520
<u>Infrastructure</u>		
Bridges	545,774	498,763
Drainage	123,509	119,743
Footpath and Cycleways	240,944	188,056
Roads	3,536,808	3,844,922
	<u>7,150,865</u>	<u>7,280,707</u>
Note 13		
Finance costs		
Interest - borrowings	264,568	274,286
Interest - provision for landfill rehabilitation	65,331	78,044
Finance costs	<u>329,899</u>	<u>352,330</u>
Note 14		
Other expenses		
Auditors remuneration - auditing of the financial report	41,000	39,000
Auditors remuneration - internal audit	24,225	18,650
Councillors allowances	178,642	174,245
Bad and doubtful debts	217,703	88,831
Other	21,279	21,566
	<u>482,849</u>	<u>342,292</u>
Note 15		
Cash and cash equivalents		
Cash at Bank and on Hand	3,274,170	372,023
Term Deposits and at Call	17,812,500	17,662,500
	<u>21,086,670</u>	<u>18,034,523</u>

Users of the financial report should refer to Note 28 for details of restrictions on cash assets and Note 30 for details of existing Council commitments

	2014 \$	2013 \$
Note 16		
Trade and other receivables		
Current		
Rates debtors	1,146,964	1,016,154
Provision for doubtful debts	(35,261)	(31,705)
Garbage and Recycling debtors	255,324	262,165
Other debtors	612,875	421,002
Provision for doubtful debts	(86,635)	(86,635)
Government grants	2,326,406	2,647,995
Special rate debtors	5,264	13,601
Net GST receivable	276,330	375,981
Accrued Interest	95,517	73,444
Accrued Income Other	16,477	18,998
	<u>4,613,261</u>	<u>4,711,000</u>
Non-current		
Special rate debtors	15,824	17,024
	<u>15,824</u>	<u>17,024</u>
Total	<u>4,629,085</u>	<u>4,728,024</u>
Note 17		
Prepayments		
Prepaid Vehicle Registration	59,025	62,702
Councillor and Mayoral Allowances	15,105	14,703
Other prepayments	61,752	31,076
	<u>135,882</u>	<u>108,481</u>
Note 18		
Inventories		
Quarry Product	125,540	56,038
Other	143,444	167,138
	<u>268,984</u>	<u>223,176</u>

Note 19	Property, plant and equipment, infrastructure	2014	2013
		\$	\$
	Summary		
	at cost	22,651,972	22,546,776
	Less accumulated depreciation	<u>4,349,543</u>	<u>3,812,559</u>
		<u>27,001,515</u>	<u>26,359,335</u>
	at fair value	398,871,434	360,821,111
	Less accumulated depreciation	<u>121,026,967</u>	<u>96,968,159</u>
		<u>519,898,401</u>	<u>457,789,270</u>
	Total	<u>546,899,916</u>	<u>484,148,605</u>
	Property		
	Land		
	at fair value as at 30 June 2014	<u>21,038,267</u>	<u>20,397,503</u>
		<u>21,038,267</u>	<u>20,397,503</u>
	Land under roads		
	at cost	-	78,078
	at fair value as at 30 June 2014	<u>3,808,110</u>	<u>3,746,200</u>
		<u>3,808,110</u>	<u>3,824,278</u>
	Total Land	<u>24,846,377</u>	<u>24,221,781</u>
	Buildings		
	at fair value as at 30 June 2014	89,333,896	85,968,192
	Less accumulated depreciation	<u>(33,173,664)</u>	<u>(31,159,328)</u>
		<u>56,160,232</u>	<u>54,808,864</u>
	Total Buildings	<u>61,023,880</u>	<u>57,576,427</u>
	Total Property	<u>85,870,257</u>	<u>81,798,208</u>

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

The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

Valuation of land and buildings were undertaken by a qualified independent valuer (Peter Hann FAPI Certified Practising Valuer of LG Valuation services) as at 1 July 2012.

Fair values assessments have been performed at 30 June 2014 for land and buildings. This assessment demonstrated a movement in fair value of 7%, values have been indexed by this amount. A full revaluation will be conducted in 2014/15

Land under roads is valued at fair value. Fair value is based on Council valuations at 30 June 2014 for land under roads in existence at that date and at the date acquired for subsequent acquisitions 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.

Note 19 Property, plant and equipment, infrastructure (Continued)

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Land-specialised	-	-	17,391,597
Land-non specialised	-	3,646,670	-
Land under roads	-	-	3,808,110
Buildings-non specialised	-	12,715,800	-
Buildings-specialised	-	-	48,308,080
Total	-	16,362,470	69,507,787

No transfers between levels occurred during the year

	2014 \$	2013 \$
Plant, machinery and equipment		
at cost	6,505,806	6,285,384
Less accumulated depreciation	(3,090,071)	(2,779,503)
	<u>3,415,735</u>	<u>3,505,881</u>
Fixtures, fittings and furniture		
at cost	1,783,495	1,617,738
Less accumulated depreciation	(920,965)	(812,620)
	<u>862,530</u>	<u>805,118</u>
Heritage and cultural		
at cost	334,141	206,223
Less accumulated depreciation	(12,523)	(10,439)
	<u>321,618</u>	<u>195,784</u>
Library materials		
at cost	799,500	809,073
Less accumulated depreciation	(351,605)	(335,620)
	<u>447,895</u>	<u>473,453</u>
Total Plant and Equipment	<u>5,047,778</u>	<u>4,980,236</u>
Infrastructure		
Roads		
at cost	3,128,671	-
Less accumulated depreciation	-	-
	<u>3,128,671</u>	<u>-</u>
at fair value as at 30 June 2014	214,810,785	209,776,156
Less accumulated depreciation	(67,002,533)	(61,895,355)
	<u>147,808,252</u>	<u>147,880,801</u>
Total Roads	<u>150,936,923</u>	<u>147,880,801</u>

Note 19	Property, plant and equipment, infrastructure (Continued)		
	Bridges		
	at cost	-	6,817,421
	Less accumulated depreciation	-	138,243
		<u>-</u>	<u>6,679,178</u>
	at fair value as at 30 June 2014	53,355,109	24,795,102
	Less accumulated depreciation	(17,781,684)	(1,257,747)
		<u>35,573,425</u>	<u>23,537,355</u>
	Total Bridges	<u>35,573,425</u>	<u>30,216,533</u>
	* Footpaths and Cycleways		
	at cost	270,779	
	Less accumulated depreciation	-	
		<u>270,779</u>	
	at fair value as at 30 June 2014	8,321,210	8,126,182
	Less accumulated depreciation	(2,787,831)	(2,481,547)
		<u>5,533,379</u>	<u>5,644,635</u>
	Total Footpaths and Cycleways	<u>5,804,158</u>	<u>5,644,635</u>
	Drainage		
	at cost	2,387,246	1,842,202
	Less accumulated depreciation	(43,914)	(20,887)
		<u>2,343,332</u>	<u>1,821,315</u>
	at fair value as at 30 June 2014	8,204,057	8,011,776
	Less accumulated depreciation	(281,255)	(174,182)
		<u>7,922,802</u>	<u>7,837,594</u>
	Total Drainage	<u>10,266,134</u>	<u>9,658,909</u>
	Total Infrastructure	<u>202,580,640</u>	<u>193,400,878</u>

Note 19 Property, plant and equipment, infrastructure (cont.)

Valuation of infrastructure road assets has been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2013.

Valuations of bridges have been independently determined by Pitt and Sherry Pty Ltd. The valuation was first applied in the financial year ended 30 June 2014

Valuations have been indexed using Victorian road and bridge construction cost data provided by the Australian Bureau of Statistics

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

The asset class roads and footpaths and cycleways have been segregated for the 2013/14 reporting period.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Bridges	-	-	35,573,425
Drainage	-	-	10,266,134
Footpaths and Cycleways	-	-	5,804,158
Roads	-	-	150,936,923
Total	-	-	202,580,640

	2014	2013
	\$	\$
Works in progress		
Buildings at cost	1,871,781	1,403,626
Drainage at cost	3,200	31,976
Footpaths and Cycleways	128,763	9,346
Heritage and cultural	0	113,291
Bridges	131,629	412,634
Roads	373,778	143,954
Total Works in progress	2,509,151	2,114,827
Total Property, Plant and Equipment, Infrastructure	296,007,826	282,294,149

Note 19 **Property, plant and equipment, infrastructure (cont.)**
Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Oliver Boyd of LG Valuations to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as **Level 2** under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by Oliver Boyd of LG Valuations. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land Under Roads

Land under roads 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.

Note 19 Property, plant and equipment, infrastructure (cont.)

Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as

There were no changes in valuation methodologies throughout the period to 30 June 2014.
For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of level 3 fair value

	2014	Specialised Land	Specialised Buildings	Land under roads	Infrastructure
Opening Balance		16,330,138	44,763,580	3,824,279	193,400,879
Depreciation		-	(1,552,358)	-	(4,447,036)
Impairment Loss		-	-	-	-
Revaluation		1,061,459	2,954,875	(20,819)	8,332,565
Acquisitions		-	1,246,399	4,650	4,767,917
Disposals		-	-	-	(59,591)
Transfer		-	895,584	-	585,907
Closing Balance		17,391,597	48,308,080	3,808,110	202,580,641

Note 19 Description of significant unobservable inputs into level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land	Market based direct comparison approach (refer above)	Extent and impact of restrictions of use	50-70%	Increases or decreases in the extent of restrictions would result in a significant lower or higher fair value
Specialised Buildings	Depreciation Replacement Cost	Direct cost per square metre	\$500-\$4000	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of specialised buildings	30-80	Increases or decreases in the useful life would result in a significant lower or higher fair value
Land Under Roads	Market based direct comparison approach(refer above)	Direct cost per Ha	\$10,400	Increases or decreases in the extent of restrictions would result in a significant lower or higher fair value
Land Under Roads	Market based direct comparison approach(refer above)	Extent and impact of restrictions on use	85%	Increases or decreases in the extent of restrictions would result in a significant lower or higher fair value
Bridges	Depreciation Replacement Cost	Direct Cost per square metre	\$1500-\$2500	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	30-100	Increases or decreases in the useful life would result in a significant lower or higher fair value
Drainage Pits	Depreciation Replacement Cost	Direct Cost per pit	\$1400-\$2500	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	50-85	Increases or decreases in the useful life would result in a significant lower or higher fair value
Drainage Pipes	Depreciation Replacement Cost	Direct Cost per metre	\$150-\$2500	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	80-100	Increases or decreases in the useful life would result in a significant lower or higher fair value
Footpaths	Depreciation Replacement Cost	Direct Cost per square metre	\$50-\$75	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	20-70	Increases or decreases in the useful life would result in a significant lower or higher fair value
Roads	Depreciation Replacement Cost	Direct Cost per square metre	\$2-\$107	Increases or decreases in the cost per unit would result in a significant higher or lower fair value
		Useful life of infrastructure	20-140	Increases or decreases in the useful life would result in a significant lower or higher fair value

Note 19 *Property, plant and equipment, infrastructure (cont.)*

Movement in carrying amounts

2014	Balance at beginning of financial year	Acquisition of assets	Gifted assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 12)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
land	20,397,503	-	-	1,284,026	-	(643,262)	-	21,038,267
land under roads	3,824,279	4,650	-	(20,819)	-	-	-	3,808,110
Total land	24,221,782	4,650	-	1,263,207	-	(643,262)	-	24,846,377
buildings	57,576,426	1,248,779	-	3,655,879	(1,855,889)	(509,889)	908,574	61,023,880
Total buildings	57,576,426	1,248,779	-	3,655,879	(1,855,889)	(509,889)	908,574	61,023,880
Total property	81,798,208	1,253,429	-	4,919,086	(1,855,889)	(1,153,151)	908,574	85,870,257
Plant and Equipment								
plant, machinery and equipment	3,505,881	721,357	-	-	(585,925)	(225,578)	-	3,415,735
fixtures, fittings and furniture	805,119	216,908	-	-	(159,498)	-	-	862,529
heritage and cultural	195,784	14,627	-	-	(2,084)	-	113,291	321,618
library materials	473,453	74,876	-	-	(100,434)	-	-	447,895
Total plant and equipment	4,980,237	1,027,768	-	-	(847,941)	(225,578)	113,291	5,047,777
Infrastructure								
bridges	30,216,533	974,195	22,500	4,552,929	(545,774)	(59,591)	412,634	35,573,426
drainage	9,658,909	292,164	220,904	185,690	(123,509)	-	31,976	10,266,134
* footpaths and cycleways	5,644,635	217,774	43,660	129,689	(240,944)	-	9,346	5,804,160
roads	147,880,800	2,728,276	268,444	3,464,258	(3,536,808)	-	131,951	150,936,921
Total infrastructure	193,400,877	4,212,409	555,508	8,332,565	(4,447,035)	(59,591)	585,907	202,580,640
Works in progress								
buildings	1,403,626	1,376,729	-	-	-	-	(908,574)	1,871,781
bridges	412,634	131,629	-	-	-	-	(412,634)	131,629
drainage	31,976	3,200	-	-	-	-	(31,976)	3,200
* footpaths and cycleways	9,346	128,763	-	-	-	-	(9,346)	128,763
heritage and cultural	113,291	-	-	-	-	-	(113,291)	-
roads	143,954	361,775	-	-	-	-	(131,951)	373,778
Total works in progress	2,114,827	2,002,096	-	-	-	-	(1,607,772)	2,509,151
Total property, plant and equipment, infrastructure	282,294,149	8,495,702	555,508	13,251,651	(7,150,865)	(1,438,320)	-	296,007,825

* The asset class roads and paths has been segregated for the 2013/14 reporting period.

Note 19 *Property, plant and equipment, infrastructure (cont.)*
Movement in carrying amounts

2013	Balance at	Acquisition	Gifted	Revaluation	Depreciation	Written	Transfers	Balance at end
	beginning of			increments	and	down value		
	financial year	of assets	assets	(decrements)	amortisation	of disposals		year
				(note 24)	(note 12)			
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
land	20,316,437	-	-	81,066	-	-	-	20,397,503
land under roads	3,746,201	71,311	6,767	-	-	-	-	3,824,279
Total land	24,062,638	71,311	6,767	81,066	-	-	-	24,221,782
buildings	51,326,021	1,406,466	248,690	5,270,331	(1,795,755)	-	1,120,673	57,576,426
Total buildings	51,326,021	1,406,466	248,690	5,270,331	(1,795,755)	-	1,120,673	57,576,426
Total property	75,388,659	1,477,777	255,457	5,351,397	(1,795,755)	-	1,120,673	81,798,208
Plant and Equipment								
plant, machinery and equipment	3,871,978	353,399	-	-	(572,451)	(147,045)	-	3,505,881
fixtures, fittings and furniture	710,493	253,040	-	-	(157,413)	(1,001)	-	805,119
heritage and cultural	197,868	-	-	-	(2,084)	-	-	195,784
library materials	492,055	82,918	-	-	(101,520)	-	-	473,453
Total plant and equipment	5,272,394	689,357	-	-	(833,468)	(148,046)	-	4,980,237
Infrastructure								
roads	158,404,624	2,622,639	579,653	(7,643,056)	(3,844,922)	-	(2,238,138)	147,880,800
footpaths and cycleways	4,543,623	122,189	246,582	920,297	(188,056)	-	-	5,644,635
bridges	23,944,766	113,482	2,965,378	688,241	(498,763)	(19,724)	3,023,153	30,216,533
drainage	9,422,355	75,002	90,988	216,856	(119,743)	(31,802)	5,253	9,658,909
Total infrastructure	196,315,368	2,933,312	3,882,601	(5,817,662)	(4,651,484)	(51,526)	790,268	193,400,877
Works in progress								
buildings	1,274,353	1,249,946	-	-	-	-	(1,120,673)	1,403,626
bridges	-	412,634	-	-	-	-	-	412,634
drainage	16,290	20,939	-	-	-	-	(5,253)	31,976
heritage and cultural	-	113,291	-	-	-	-	-	113,291
plant, machinery and equipment	-	-	-	-	-	-	-	0
roads and paths	874,799	63,516	-	-	-	-	(785,015)	153,300
Total works in progress	2,165,442	1,860,326	-	-	-	-	(1,910,941)	2,114,827
Total property, plant and equipment, infrastructure	279,141,863	6,960,772	4,138,058	(466,265)	(7,280,707)	(199,572)	-	282,294,149

		2014	2013
		\$	\$
Note 20	Trade and other payables		
	Trade payables	2,212,492	2,080,776
	Loan Interest	42,607	46,680
	Accrued wages	234,832	284,418
	Accrued expenses	87,216	104,219
		<u>2,577,147</u>	<u>2,516,093</u>
Note 21	Trust funds and deposits		
	Refundable building deposits	44,500	52,000
	Refundable planning permit bonds	232,028	218,658
	Refundable contract deposits	165,630	193,122
	Fire Service Property Levy	2,194,692	-
	Other refundable deposits	415,996	274,522
		<u>3,052,846</u>	<u>738,302</u>

These amounts have been received from individuals or companies to guarantee performance of obligations under various building permits, planning permits and contract agreements.

These funds will be refunded when requirements have been finalised or paid in accordance with instructions of individuals or companies on whose behalf the monies are held.

Note 22 Provisions

	Annual leave	Long service leave	Landfill restoration	Total
2014	\$	\$	\$	\$
Balance at the end of the financial year	1,011,420	2,188,737	1,324,096	4,524,253
2013				
Balance at beginning of the financial year	1,038,156	2,072,583	1,180,721	4,291,460
Additional provisions	714,395	319,086	78,044	1,111,525
Amounts used	(754,982)	(289,418)	-	(1,044,400)
Balance at the end of the financial year	997,569	2,102,251	1,258,765	4,358,585

	2014 \$	2013 \$
(a) Employee benefits		
Current provision expected to be settled within 12		
Annual leave	673,444	707,554
Long service leave	130,500	110,347
	<u>803,944</u>	<u>817,901</u>
Current provision expected to be settled after 12		
Annual leave	337,976	290,015
Long service leave	1,830,734	1,806,452
	<u>2,168,710</u>	<u>2,096,467</u>
Total Current provision	<u>2,972,654</u>	<u>2,914,368</u>
Non-current		
Long service leave	227,503	185,452
	<u>227,503</u>	<u>185,452</u>
Aggregate carrying amount of employee benefits:		
Current	2,972,654	2,914,368
Non-current	227,503	185,452
	<u>3,200,157</u>	<u>3,099,820</u>

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	4.00%	4.00%
Weighted average discount rates	3.16%	2.93%

(b) Provisions

Non-current		
Landfill Restoration	1,324,096	1,258,765
	<u>1,324,096</u>	<u>1,258,765</u>

A provision has been recognised for the costs to be incurred for the restoration of the landfill site used for waste management. It is anticipated that the landfill will require restoration within 30 years. This value was recently reviewed as part of Council's Waste Strategy.

Total Provisions	<u>4,524,253</u>	<u>4,358,585</u>
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	2014 \$	2013 \$
Note 23 Interest-bearing loans and borrowings		
Current		
Bank loans - secured	900,774	842,241
	<u>900,774</u>	<u>842,241</u>
Non-current		
Bank loans - secured	2,796,720	3,216,009
	<u>2,796,720</u>	<u>3,216,009</u>
Total	<u>3,697,494</u>	<u>4,058,250</u>
The maturity profile for Council's borrowings is:		
Not later than one year	900,774	842,241
Later than one year and not later than five years	1,809,856	2,541,432
Later than five years	986,864	674,577
	<u>3,697,494</u>	<u>4,058,250</u>
Bank Loans are secured by a charge over the general rates of the Council.		
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	900,774	842,241
Non-current	2,796,720	3,216,009
	<u>3,697,494</u>	<u>4,058,250</u>

Note 24	Reserves	2014	2013
		\$	\$
	Asset revaluation reserves (a)	171,452,414	158,200,763
	Other reserves (b)	10,095,855	6,749,424
		<u>181,548,269</u>	<u>164,950,187</u>

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$	\$	\$
(a)	Asset revaluation reserves		
	2014		
	Property		
	Land	15,165,409	16,449,435
	Land under roads	289,872	269,053
	Buildings	21,319,598	24,975,477
		<u>36,774,879</u>	<u>41,693,965</u>
	Infrastructure		
	Bridges	688,241	5,241,170
	Drainage	6,167,706	6,353,396
*	Footpaths and Cycleways	4,212,367	4,342,056
	Roads	110,357,569	113,821,827
		<u>121,425,883</u>	<u>129,758,448</u>
	Total Asset revaluation reserves	<u>158,200,763</u>	<u>171,452,414</u>
	2013		
	Property		
	Land	15,084,343	15,165,409
	Land under roads	289,872	289,872
	Buildings	16,049,267	21,319,598
		<u>31,423,482</u>	<u>36,774,879</u>
	Infrastructure		
	Roads & paths	121,292,695	114,569,936
	Bridges	-	688,241
	Drainage	5,950,850	6,167,706
		<u>127,243,545</u>	<u>121,425,883</u>
	Total Asset revaluation reserves	<u>158,667,027</u>	<u>158,200,763</u>

Asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (h).

* The asset class roads and paths has been segregated for the 2013/14 reporting period.

Note 24 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$	\$	\$	\$
2014				
Alexandra Community Leisure Centre	8,379	2,502	-	10,881
Alexandra Saleyards	-	-	-	-
Coster Street Units Reserve	37,116	5,806	-	42,922
Defined Benefits Superannuation	-	300,000	-	300,000
Garbage Reserve	3,093,242	988,684	(292,398)	3,789,528
Gifted and Novated Assets Reserve	920,000	0	-	920,000
Infrastructure Contributions Parking	65,480	-	(24,400)	41,080
Infrastructure Balance MAP funding	-	434,022	-	434,022
Infrastructure Maintenance Reserve	435,366	248,650	-	684,016
Infrastructure Unexpended Capital Works Res	-	426,843	-	426,843
Marysville Caravan Park	55,573	57,916	-	113,489
New and Expanded Assets Reserve	1,575,783	1,034,684	-	2,610,467
Public Open Space Reserve	379,004	15,000	-	394,004
Marysville Community Fund	-	63,531	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	18,674	512	-	19,186
Yea Saleyards	101,011	162,740	(77,661)	186,090
Total Other reserves	6,749,424	3,740,890	(394,459)	10,095,855

Note 24 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2013				
Alexandra Community Leisure Centre	19,244	-	(10,865)	8,379
Alexandra Saleyards	48,710	-	(48,710)	-
Coster Street Units Reserve	22,252	14,924	(60)	37,116
Garbage Reserve	2,283,737	809,505	-	3,093,242
Gifted and Novated Assets Reserve		920,000	-	920,000
Infrastructure Contributions Parking	65,480	-	-	65,480
Infrastructure Renewal Reserve	206,780	228,586	-	435,366
Marysville Caravan Park	24,920	30,653	-	55,573
New and Expanded Assets Reserve		1,575,783	-	1,575,783
Public Open Space Reserve	333,004	46,000	-	379,004
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	16,247	2,427	-	18,674
Yea Saleyards	480,797	137,773	(517,559)	101,011
Total Other reserves	3,560,967	3,765,651	(577,194)	6,749,424

Alexandra Community Leisure Centre reserve is surplus operational funds set aside for future capital works.

Coster Street Units reserve represents funds set aside for future maintenance costs of these units.

Defined Benefits reserve has been created to meet any obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund

Garbage reserve represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (eg. Cell construction, cell capping and Leachate management over the next 10 years)

Gifted and Novated reserve is funds set aside from State Government funding to new assets gifted after the 2009 bushfires.

Infrastructure Renewal Reserve represents funds set aside for addressing council's long term infrastructure renewal obligations

Infrastructure Contributions reserve represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure balance MAP represents the final payment received from State Government related to the Murrindindi Assistance Package

Infrastructure Unexpended Capital works relate to carried forward items from 2013/14 that will be completed in early 2014/15.

Marysville Caravan Park reserve is surplus operational funds set aside for future capital works.

Marysville Community Fund are funds set aside from sale of Council assets in Marysville that are to be reinvested in infrastructure in Marysville.

New and Expanded assets reserve represents funds set aside for future renewal on assets gifted following the 2009 bushfires

Public Open Space represents payments from Subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land

Road Maintenance reserve consists of contributions from Subdividers to future road maintenance cost

Shaw Avenue reserve represents funds set aside for redevelopment of remaining land.

Yea Caravan Park reserve is surplus operational funds set aside for future capital works.

Alexandra Saleyards reserve has been closed.

Yea Saleyards reserve is surplus operational funds set aside for future capital works.

	2014 \$	2013 \$
Note 25		
Reconciliation of cash flows from operating activities to surplus		
Surplus for the financial year	1,307,933	6,277,997
Depreciation and amortisation	7,150,865	7,280,707
Contributions - non-monetary	(555,508)	(4,138,057)
Finance Costs	268,641	278,422
Net Fire Services Property Levy received (remitted)	2,194,692	
(Gain)/loss on disposal of property, plant and equipment, infrastructure	320,114	(35,350)
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	98,939	5,538,370
(Increase)/Decrease in inventories	(45,808)	90,104
(Increase)/Decrease in other current assets	(27,401)	65,313
Increase/(Decrease) in trade and other payables	(15,019)	(3,434,596)
Increase in provisions	165,668	67,125
Net cash provided by operating activities	<u>10,863,116</u>	<u>11,990,035</u>

Note 26 **Financing arrangements**

Secured bank loans at fixed interest rates:

Secured bank overdraft subject to annual review and repayable at call:

Facility available	400,000	400,000
Used facility	-	-
Unused facility	<u>400,000</u>	<u>400,000</u>

Should the bank overdraft be utilised the liability would be secured by a mortgage over the general rates of Council.

Note 27 **Restricted assets**

Council has cash and cash equivalents (note 15) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (Recreational Lands Reserves).

Trust funds and Deposits (note 21)	3,052,846	738,302
Quarry Bank Guarantee	112,500	112,500
Reserve funds (note 24)	10,095,855	6,749,424
	<u>13,261,201</u>	<u>7,600,226</u>

Note 28 Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Murrindindi Shire Council to the relevant superannuation plans in respect to the services of Murrindindi Shire Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Murrindindi Shire Council is required to comply with

Murrindindi Shire Council makes the majority 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. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Murrindindi Shire Council and the Murrindindi Shire Council's legal or constructive obligation is limited to these contributions.

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 2014, this was 9.25% required under Superannuation Guarantee legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit

As provided under Paragraph 34 of AASB 119, Murrindindi Shire 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 multi-employer sponsored plan

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, 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 Murrindindi Shire Council in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Note 28 Superannuation (Cont.)

Funding arrangements

Murrindindi Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

Murrindindi Shire Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

Regular Contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Murrindindi Shire 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 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, Murrindindi Shire Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund 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. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. As at the 31/3/2014 the VBI was 104.6% requiring no further action from Council.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Murrindindi Shire Council) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

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.

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 Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Murrindindi Shire Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Note 28 Superannuation (Cont.)

Retrenchment increments

During 2013-14, Murrindindi Shire Council's was not required to make payments to the Fund in respect of retrenchment increments.

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31/12/2011
	\$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	<u>4,642,133</u>
Difference between Assets and Accrued Benefits	<u>(326,809)</u>
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.5% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014

In accordance with Councils Enterprise Bargaining Agreement, employees with greater than 15 years of service receive an extra 2% superannuation contribution while employees with greater than 10 years service receive an extra 1% contribution.

Note 28 Superannuation (Cont.)

Superannuation contributions

Council made contributions to the following funds:

Defined Benefits fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

	2014	2013
	79,681	103,619
	<u>79,681</u>	<u>103,619</u>

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

Employer contributions to Other Funds

	639,134	659,402
	233,307	174,463
	<u>872,441</u>	<u>833,865</u>

There were no contributions outstanding to the above schemes as at 30 June 2014

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$81,956.

Note 29 Commitments

The Council has entered into the following commitments

2014	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Garbage & Recycling Collection	400,000	-	-	-	400,000
Cleaning Council Buildings and Streets	162,148	162,148	162,148	-	486,444
Document Output Devices	34,708	23,139	-	-	57,847
Valuation Services	179,274	-	-	-	179,274
Other	22,000	-	-	-	22,000
Total	798,130	185,287	162,148	-	1,145,565
Capital					
Buildings & improvements	157,097	-	-	-	157,097
Total	955,227	185,287	162,148	-	1,302,662

2013	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Garbage & Recycling Collection	960,000	400,000	-	-	1,360,000
Cleaning Council Buildings and Streets	34,708	34,708	34,708	-	104,124
Consultancies	18,000	179,274	-	-	197,274
Other	310,797	-	-	-	310,797
Council Reserves - revegetation	66,827	-	-	-	66,827
Total	1,390,332	613,982	34,708	-	2,039,022
Capital					
Buildings & improvements	1,271,392	-	-	-	1,271,392
Total	2,661,724	613,982	34,708	-	3,310,414

Note 30 Operating leases

Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2014 \$	2013 \$
Not later than one year	210,813	248,358
Later than one year and not later than five years	271,091	315,242
Later than five years	14,866	78,606
Total	496,770	642,206

Note 31

Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments			
Financial assets	Note	Accounting Policy	Terms and Conditions
Cash and cash equivalents	15	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned a floating interest rate of 2.45% (2.7% in 2012/13). Interest rate at balance date was 2.45% (2.7% in 2012/13) Funds returned fixed interest rate of between 3.2% and 4.17% (3.7% and 5.06% in 2012/2013) net of fees.
Trade and other receivables			
Other debtors	16	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are usually 30 days.
Financial liabilities			
Trade and other payables	20	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	23	Loans are carried at their principal amounts. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.57% (6.34% in 2012/2013).

Note 31 Financial instruments (cont.)

(b) Risk Exposure

(i) Financial assets - interest rate and credit risk exposure

	Weighted average effective interest rate	Carrying amount \$	Interest rate Exposure			Not past due and not impaired \$	Past due but not impaired					Impaired financial assets \$
			Fixed interest rate \$	Floating interest rate \$	Non-interest bearing \$		Less than 1 month \$	1 to 3 months \$	3 months to 1 year \$	1 to 5 years \$	Over 5 years \$	
2014												
Cash and cash equivalents	3.35%	21,086,670	17,812,500	-	3,274,170	21,086,670	-	-	-	-	-	-
Trade and other receivables	0.00%	2,964,640	-	-	2,964,640	1,291,394	218,304	24,629	360,853	1,069,460	-	86,635
Total financial assets		24,051,310	17,812,500	-	6,238,810	22,378,064	218,304	24,629	360,853	1,069,460	-	86,635
2013												
Cash and cash equivalents	3.74%	18,034,523	17,662,500	-	372,023	18,034,523	-	-	-	-	-	-
Trade and other receivables	0.00%	3,043,099	-	-	3,043,099	1,065,337	195,888	19,018	1,762,856	-	-	86,635
Total financial assets		21,077,622	17,662,500	-	3,415,122	19,099,860	195,888	19,018	1,762,856	-	-	86,635

(ii) Financial liabilities - interest rate and liquidity risk exposure

	Weighted average effective interest rate	Carrying amount \$	Interest rate Exposure			Contractual cash flows \$	Maturity dates				
			Fixed interest rate \$	Floating interest rate \$	Non-interest bearing \$		Less than 1 month \$	1 to 3 months \$	3 months to 1 year \$	1 to 5 years \$	Over 5 years \$
2014											
Trade and other payables	0.00%	2,577,147	-	-	2,577,147	2,577,147	-	-	-	-	-
Trust funds and deposits	0.00%	858,154	-	-	858,154	858,154	-	-	858,154	-	-
2013											
Trade and other payables	0.00%	2,516,093	-	-	2,516,093	2,516,093	-	-	-	-	-
Trust funds and deposits	0.00%	738,302	-	-	738,302	738,302	-	-	738,302	-	-
Interest-bearing loans and borrowings	6.34%	4,058,250	4,058,250	-	-	4,058,250	-	-	842,241	2,541,432	674,577
Total financial liabilities		7,312,645	4,058,250	-	3,254,395	7,312,645	2,516,093	-	1,580,543	2,541,432	674,577

Note 31 Financial instruments (cont.)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as		Aggregate net fair value	
	per Balance Sheet			
	2014	2013	2014	2013
	\$	\$	\$	\$
<i>(1) Financial assets</i>				
Cash and cash equivalents	21,086,670	18,034,523	21,086,670	18,034,523
Trade and other receivables	2,964,640	3,043,099	2,964,640	3,043,099
<i>Total financial assets</i>	<u>24,051,310</u>	<u>21,077,622</u>	<u>24,051,310</u>	<u>21,077,622</u>
<i>(2) Financial liabilities</i>				
Trade and other payables	2,577,147	2,516,093	2,577,147	2,516,093
Trust funds and deposits	858,154	738,302	858,154	738,302
Interest-bearing loans and borrowings	3,697,494	4,058,250	3,697,494	4,058,250
<i>Total Financial liabilities</i>	<u>7,132,795</u>	<u>7,312,645</u>	<u>7,132,795</u>	<u>7,312,645</u>

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which Council is exposed are discussed below.

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. Interest rate risk arises from interest bearing financial assets and liabilities that Council use. Non-derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process.

Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

Council manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Note 31 Financial instruments (cont.)

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss.

Council have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

- Council have a policy for establishing credit limits for the entities we 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 our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the major debtor is the Victorian Government. Apart from the Victorian Government Council do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 32.

Details of credit risk exposure are provided in Note 31(b)(i)

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- Council will not have sufficient funds to settle a transaction on the date;
- Council will be forced to sell financial assets at a value which is less than what they are worth; or
- Council may be unable to settle or recover a financial assets at all.

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.

Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Details of liquidity risk exposure are provided in Note 31(b)(ii)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets,

the 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 2.5%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council over the previously 12 months, on a weighted average basis, if the above movements were to occur.

As interest bearing loans and borrowings are at a fixed interest there would be no impact on net operating result or equity.

Market risk exposure

	Interest rate risk				
	Carrying amount at year end	-1% 100 basis points		1% 100 basis points	
		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
2014					
Financial assets:					
Cash and cash equivalents	21,086,670	(165,575)	(165,575)	165,575	165,575
Financial liabilities:					
Interest-bearing loans and borrowings	3,697,494	-	-	-	-
2013					
Financial assets:					
Cash and cash equivalents	18,034,523	(127,065)	(127,065)	127,065	127,065
Financial liabilities:					
Interest-bearing loans and borrowings	4,058,250	-	-	-	-

Note 32 Contingent liabilities and contingent assets

Contingent liabilities

Legal Liabilities

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Landfill

Council operates a landfill at Alexandra. Council will have to carry out site revegetation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Note 33 Events occurring after balance date

Council is unaware of any circumstances occurring after balance date which would render particulars in the financial statements to be misleading or inaccurate.

Note 34 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors Councillor Margaret Rae - Mayor

Councillor Andrew Derwent
Councillor Bernie Magner
Councillor Christine Challen
Councillor Cris Ruhr
Councillor John Kennedy
Councillor John Walsh

Chief Executive Officer Margaret Abbey

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2014 No.	2013 No.
\$0 - \$9,999	-	5
\$10,000 - \$19,999	5	6
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	1
\$200,000 - \$210,000	1	
\$280,000 - \$289,999	-	1
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	387,118	454,246

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2012/13, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year. (2012/13, \$0).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year. (2012/13, \$0).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

Income Range:	2014 No.	2013 No.
Less than \$130,000	2	-
\$130,000 - \$139,999	2	3
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	-	1
\$210,000 - \$219,999	-	1
	<u>7</u>	<u>7</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	962,397	1,087,293
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Note 35

Income, expenses and assets by function/activities

	2014	2013
	\$	\$
Income		
Community	3,123,040	3,188,159
Council	16,053,230	16,549,276
Economy	824,617	742,432
Environment	10,074,536	13,166,844
Natural Disaster	1,028,968	6,021,995
	<u>31,104,391</u>	<u>39,668,706</u>
Expenses		
Community	6,709,294	6,818,239
Council	4,027,767	3,880,070
Economy	991,998	1,149,843
Environment	17,743,383	16,527,464
Natural Disaster	324,025	5,015,093
	<u>29,796,467</u>	<u>33,390,709</u>
Surplus for the year	<u>1,307,924</u>	<u>6,277,997</u>
Assets attributed to functional areas		
Community	47,715,885	46,115,217
Council	9,547,612	8,884,756
Economy	7,929,166	6,787,910
Environment	255,267,545	241,876,422
Natural Disaster	1,668,238	1,724,048

Community

Supporting and promoting health and wellbeing, social connectedness and community involvement.
Activities include - Children and family, aged and disability, library and recreation services, family day care, and youth support.

Council

Providing strategic leadership and effective governance that supports the aspirations of our community.
Activities include governance, customer services, business, financial and executive services

Economy

Supporting the sustainable growth of Murrindindi Shire's business and local economy.

Environment

Activities include economic development, tourism and visitor information centres, caravan parks and saleyards
Managing our natural and built environment in a responsible manner.
Activities include environmental management and waste services.

Natural Disaster

Building control, development approvals parks and gardens and infrastructure works.
Works resulting from Bushfires and Floods.

Note 36	Financial ratios (Performance indicators)	2014	2014	2013	2013	2012	2012
		\$	(%)	\$	(%)	\$	(%)
(a)	Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
	<u>Debt servicing costs</u>	329,899		352,330		331,693	
	<u>Total revenue</u>	31,104,400	= 1.06%	39,668,706	= 0.89%	59,693,515	= 0.56%

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

- (b) **Debt commitment ratio** (to identify Council's debt redemption strategy)

<u>Debt servicing & redemption costs</u>	1,190,655		1,171,447		980,704	
<u>Rate revenue</u>	15,699,505	= 7.58%	14,614,858	= 8.02%	13,538,350	= 7.24%

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

- (c) **Revenue ratio** (to identify Council's dependence on rate income)

<u>Rate revenue</u>	15,699,505		14,614,858		13,538,350	
<u>Total revenue</u>	31,104,400	= 50.47%	39,668,706	= 36.84%	59,693,515	= 22.68%

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

- (d) **Debt exposure ratio** (to identify Council's exposure to debt)

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 27) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

Note 36	Financial ratios (Performance indicators) (cont.)	2014	2014	2013	2013	2011	2012
			(%)		(%)		(%)
(e)	Working capital ratio (to assess Council's ability to meet current commitments)						
	Current assets	26,104,797		23,077,180		24,353,038	
	Current liabilities	9,503,421	= 2.75	7,011,004	= 3.29	10,677,327	= 2.28

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f)	Adjusted working capital ratio (to assess Council's ability to meet current commitments)						
	Current assets	26,104,797		23,077,180		24,353,038	
	Current liabilities	7,334,711	= 3.56	5,204,552	= 4.43	8,905,133	= 2.73

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

	Note	2014 \$	2013 \$
Note 37			
Capital expenditure			
Capital expenditure areas			
Land under roads		4,650	71,311
Buildings		2,625,508	2,656,412
Fixtures , furniture and equipment		216,908	253,040
Heritage and cultural		14,627	113,291
Library books		74,876	82,918
Plant, machinery and equipment		721,357	353,399
Bridges		1,105,824	526,116
Drainage		295,364	95,941
Footpaths and Cycleways		346,537	122,189
Roads		3,090,051	2,686,155
Total capital works		<u>8,495,702</u>	<u>6,960,772</u>
Represented by:			
Renewal of infrastructure	(a)	3,920,998	3,095,140
Upgrade of infrastructure	(b)	1,338,929	1,575,273
New Infrastructure		2,208,006	1,582,987
New other		424,269	707,372
New bridges			
New drainage			
New library books			
Renewal Other		603,500	-
Total capital works		<u>8,495,702</u>	<u>6,960,772</u>

Property, plant and equipment, infrastructure movement

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

Total capital works		8,495,702	6,960,772
Contributed Assets		555,508	4,138,057
Asset revaluation movement	19	13,251,651	(466,265)
Depreciation/amortisation	12	(7,150,865)	(7,280,707)
Written down value of assets sold or destroyed	19	(1,438,320)	(199,572)
Net movement in property, plant and equipment, infrastructure	19	<u>13,713,676</u>	<u>3,152,285</u>

Details of movements by asset class is provided in note 19

(a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally.

It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally.

Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

Note 38 Special committees and other activities

Council has management control over several recreation reserves, which are delegated through the special committees listed below. Each Committee operates under specified delegations, as per Section 86 of the *Local Government Act 1989*. Council provides each Committee with a detailed Governance Manual outlining the obligations and responsibilities the Committee delegated in its role as a manager of community facilities on behalf of Council. Council retains ultimate control of each Committee and requires submission of annual financial accounts, following each Committee's Annual General Meeting which is to be held between July 1 and October 31 each year.

Buxton Recreation Reserve Committee of Management
C J Dennis & Castella Public Hall Reserve Committee of Management
Eildon Alliance Boat Ramp Committee of Management
Eildon Community Resource Centre Committee of Management
Friends of Yea Railway Committee of Management
Gallipoli Park Precinct Committee of Management
Glenburn Community Centre Committee of Management
Kingslake Memorial Reserve Committee of Management
Mt. Pleasant Reserve Committee of Management
Strath Creek Reserves & Hall Committee of Management
Thornton Recreation Reserve & Hall Committee of Management
Yea Pioneer Reserve Committee of Management
Yea Saleyards Committee of Management
Yea Showgrounds & Recreation Reserve Committee of Management
Yea Wetlands Committee of Management

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.

Andrew Bond
Principal Accounting Officer

Date : *24 September 2014*
Alexandra

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2014 and the financial position of the Council as at that 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 on 24 September 2014 to certify the financial statements in their final form.

Margaret Rae
Councillor

Date : *24 September 2014*
Alexandra

John Kennedy
Councillor

Date : *24 September 2014*
Alexandra

Margaret Abbey
Chief Executive Officer

Date : *24 September 2014*
Alexandra

STANDARD INCOME STATEMENT

For the year ending 30 June 2014

	Budget 2013/14	Variances		Ref	Actuals 2013/14
	\$	\$	%		\$
Revenue					
Rates and charges	15,754,536	(55,031)	(0.3)		15,699,505
Statutory fees and fines	598,470	(1,884)	(0.3)		596,586
User fees	2,055,866	376,987	18.3	1	2,432,853
Contributions -Cash	280,760	5,704	2.0		286,464
Contributions -Non Cash	-	555,508	-	2	555,508
Grants - recurrent	6,191,607	(1,253,265)	(20.2)	3	4,938,342
Grants - non-recurrent	5,665,044	(421,322)	(7.4)		5,243,722
Reimbursements	116,600	253,413	217.3	4	370,013
Other revenue	491,929	489,478	99.5	5	981,407
Total revenue	31,154,812	(50,412)			31,104,400
Expenses					
Employee benefits	11,512,716	226,004	2.0		11,738,720
Materials and services	11,191,489	(1,417,469)	(12.7)	6	9,774,020
Finance costs	335,957	(6,058)	(1.8)		329,899
Depreciation and amortisation	7,797,492	(646,627)	(8.3)		7,150,865
Other expenses	278,591	204,258	73.3	7	482,849
Total expenses	31,116,245	1,639,892			29,476,353
Proceeds from Sale of Fixed Assets	351,305	766,900	218.3	8	1,118,205
Less Carrying value of assets sold	351,305	1,087,014	309.4	9	1,438,319
Net gain (loss) on disposal of assets	-	320,114			(320,114)
Surplus (deficit) for the year	38,567	1,269,366			1,307,933

STANDARD INCOME STATEMENT

For the year ending 30 June 2014

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
1	User fees	Waste and transfer stations fees exceeded expectations by \$218k particularly due to increases in revenue collected for commercial waste. Aged care fees also contributed \$50k above expectations due to higher usage of this service, and the Yea Saleyards contributed \$40k above budget expectations due to continued growth in cattle throughput.
2	Contributions -Non Cash (revenue)	Council received in excess of \$500k of developer contributions in 2013/14 which were unbudgeted.
3	Grants - recurrent (revenue)	Less than anticipated non-recurrent grants due to carried forward income relating to projects that are scheduled to be completed in the 2014/15 financial year such as the Y Water Centre grants being delayed in line with building construction timelines.
4	Reimbursements (revenue)	Higher than budgeted reimbursement due to additional insurance receipts of \$20k, recovery of Fire Services Levy costs \$61k and \$125k recovery of legal costs arising from rate recovery actions.
5	Other revenue	Cash flows were higher than expected resulting in additional interest income on investments \$420k . Rental income was higher than expected due to improved contract terms negotiated with a number of tenants.
6	Materials and services	This result was below budget expectations due to reductions in materials and services, with expenditure on new and expanded assets of \$1m remaining unspent. These funds were transferred to a reserve. A delay relating to NDF funding of \$325k also contributed to this decrease.
7	Other expenses	Increased allowance of \$130k for doubtful debts relating to a write-off of a debt relating to works undertaken during the reconstruction period following the 2009 bushfires
8	Proceeds from Sale of Fixed Assets	Plant replacement program delayed, with several items ordered but not received prior to June 30. \$125k is carried forward to offset this in 2014/15. \$59k of bridge replacements written down as per independent audit assessment, and a further \$88k shortfall relates to the delay in settlement of industrial land in Yea which is contingent on installation of new sewerage infrastructure.
9	Less Carrying value of assets sold	as per Note 8 above

Murrindindi Shire Council
2013/2014 Standard Statements

STANDARD BALANCE SHEET

As at 30 June 2014

	Budget 2013/14	Variances		Ref	Actuals 2013/14
	\$	\$	%		\$
Current assets					
Cash and cash equivalents	10,142,801	10,943,869	107.9	10	21,086,670
Trade and other receivables	2,303,066	2,198,201	95.4	11	4,501,267
Accrued Income	50,000	61,994	124.0	12	111,994
Inventories	160,000	108,984	68.1	13	268,984
Prepayments	170,000	(34,118)	(20.1)	14	135,882
Total current assets	12,825,867	13,278,930			26,104,797
Non-current assets					
Trade and other receivables	36,450	(20,626)	(56.6)	15	15,824
Property, plant and equipment, infrastructure	300,221,709	(4,213,884)	(1.4)		296,007,825
Total non-current assets	300,258,159	(4,234,510)			296,023,649
Total assets	313,084,026	9,044,420			322,128,446
Current liabilities					
Trade and other payables	2,418,418	158,729	6.6		2,577,147
Trust funds and deposits	484,767	2,568,079	529.8	16	3,052,846
Provisions	2,581,434	391,220	15.2	17	2,972,654
Interest bearing loans and borrowings	898,247	2,527	0.3		900,774
Total current liabilities	6,382,866	3,120,555			9,503,421
Non-current liabilities					
Provisions	1,800,298	(248,699)	(13.8)	18	1,551,599
Interest bearing loans and borrowings	2,801,794	(5,074)	(0.2)		2,796,720
Total non-current liabilities	4,602,092	(253,773)			4,348,319
Total liabilities	10,984,958	2,866,782			13,851,740
Net assets	302,099,068	6,177,639			308,276,707
Equity					
Accumulated surplus	136,609,702	(9,881,264)	(7.2)		126,728,438
Asset revaluation reserve	159,819,862	11,632,552	7.3		171,452,414
Other reserves	5,669,504	4,426,351	78.1	19	10,095,855
Total equity	302,099,068	6,177,639			308,276,707

STANDARD BALANCE SHEET

As at 30 June 2014

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
10	Cash and cash equivalents	The actual cash at the start of the year was \$5m higher than the adopted budgeted due to grants received in advance and delayed capital works in 2012-13. An amount in excess of \$2m for a Fire Services Property Levy was received in late June and will be remitted in 2014/15. Income from assets sales exceeded budget by \$767k due to assets sales budgeted to be completed in 2012-13 being completed in 2013-14. A more detailed overview of the cash variance can be obtained from reviewing the Standard Statement Cash Flow Statement.
11	Trade and other receivables	Receivables greater than expected due to Government contributions outstanding including NDFA funds for flood recovery works.
12	Accrued Income	Additional interest income accrued at year end due to the higher than expected cash balance and the timing of maturity of cash deposits.
13	Inventories	Higher than anticipated levels of stock at Yea depot \$11k, Alexandra depot \$12k and Topsy quarry \$85k.
14	Prepayments	Less prepayments occurred than originally anticipated. Council's original budget was an over estimation in this area.
15	Trade and other receivables	Greater than expected special charge street schemes payers have elected to pay in full, including \$20k for Marks and Pratts road schemes.
16	Trust funds and deposits	Funds held at year end for Fire Services Property Levy \$2.1m not included in the budget. Contract retentions for construction works remained higher than anticipated \$149k. General trust accounts \$110k and suspense accounts \$113k greater than anticipated.
17	Provisions	The budget incorrectly anticipated the mix between current and non current leave provisions. Overall the leave provisions are within tolerance.
18	Provisions	Refer above.
19	Other reserves	Extra \$1.3m transferred into the Waste Management reserve due to higher than anticipated fee income and delay in some works. Infrastructure reserves relating to the new and expanded assets increased by \$2.45m across a number of different reserves. An amount of \$426k was transferred into the newly created capital works reserve.

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2014

	Budget 2013/14 \$	Variations \$	%	Ref	Actuals 2013/14 \$
Cash flows from operating activities					
Receipts from Ratepayers	15,590,702	(18,451)	(0.1)		15,572,251
User Charges and Reimbursements (inclusive of GST)	3,432,800	768,145	22.4	20	4,200,945
Government Grants (inclusive of GST)	13,356,651	(2,783,655)	(20.8)	21	10,572,996
Interest received	275,975	404,743	146.7	22	680,718
Net GST refund/payment	-	1,242,547	-		1,242,547
Net Fire Services Property Levy received and remitted	-	2,194,692	-	24	2,194,692
Payments to Suppliers (inclusive of GST)	(13,040,080)	1,127,015	(8.6)	25	(11,913,065)
Payments to employees	(11,679,591)	(8,378)	0.1		(11,687,969)
Net cash inflow (outflow) from operating activities	7,936,457	2,926,659			10,863,116
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment, infrastructure	351,305	766,900	218.3	26	1,118,205
Payments for property, plant and equipment, infrastructure	(10,254,229)	1,834,600	(17.9)	27	(8,419,629)
Net cash inflow (outflow) from investing activities	(9,902,924)	2,601,500			(7,301,424)
Cash flows from financing activities					
Proceeds from interest bearing loans and borrowings	500,000	-	-		500,000
Repayment of interest bearing loans and borrowings	(858,260)	(2,496)	0.3		(860,756)
Finance Costs	(275,122)	6,481	(2.4)		(268,641)
Trust Funds & Deposits	(323,077)	442,929	(137.1)	28	119,852
Net cash inflow (outflow) from financing activities	(956,459)	446,914			(509,545)
Net increase (decrease) in cash and cash equivalents	(2,922,926)	5,975,073			3,052,147
Cash and cash equivalents at the beginning of the year	13,065,727	4,968,796	38.0	29	18,034,523
Cash and cash equivalents at the end of the year	10,142,801	10,943,869			21,086,670
Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities					
For the year ending 30 June 2013					
Surplus (deficit)	38,567	1,269,366			1,307,933
Depreciation and amortisation	7,797,492	(646,627)	(8.3)		7,150,865
(Profit) Loss on sale of property, plant and equipment, infrastructure	-	320,114	-		320,114
Finance Costs - cash proportion	275,122	(6,481)	(2.4)		268,641
Net movement in current assets and liabilities	(174,724)	1,990,287	(1,139.1)		1,815,563
Net cash inflow (outflow) from operating activities	7,936,457	2,926,659			10,863,116

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2014

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
20	User Charges and Reimbursements (inclusive of GST)	Receipts for user fees and reimbursements exceeded budget expectations, refer to explanations note 1 and 4 to Standard Statements Income Statement. Budget figures do not include GST.
21	Government Grants (inclusive of GST)	The budget anticipated a reduction of the amount of government grant debtors outstanding, this has not occurred due to delays in settlement of NDFA flood claims
22	Interest received	Higher than anticipated receipts of interest due to greater than budgeted levels of cash available for investment
24	Net GST refund/payment	Council's published 2012/13 budget did not include GST within the Cash Flow Statement.
25	Net Fire Services Property Levy received and remitted	Council's published 2012/13 budget did not include an allowance for any FSPL collected but not remitted at year end.
25	Payments to Suppliers (inclusive of GST)	Refer to explanation note to the Standard Statements Income Statement note 6.
26	Proceeds from sale of property, plant and equipment, infrastructure	Refer to explanation note to the Standard Statements Income Statement note 8.
27	Payments for property, plant and equipment, infrastructure	Refer to explanatory notes to the Standard Statement of Capital works notes 30-36.
28	Trust Funds & Deposits	These monies are mostly private construction security bonds held for warranty purpose. The exact timing of the release of the security and resulting cash outflow is not always predictable. The budget was based on the best available information at the time for these private construction works.
29	Cash and cash equivalents at the beginning of the year	Cash available at the commencement of the year was higher than projected reflecting the level of capital works that were to be carried forward and completed in the 2013/14 year.

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2014

Capital Works Areas	Budget	Variances		Ref	Actuals
	2013/14	\$	%		2013/14
	\$	\$	%		\$
Land under roads	-	4,650	-		4,650
Buildings	4,920,007	(2,294,499)	(46.6)	30	2,625,508
Fixtures , furniture and equipment	592,071	(375,163)	(63.4)	31	216,908
Heritage and cultural	-	14,627	-		14,627
Library books	87,000	(12,124)	(13.9)	32	74,876
Plant, machinery and equipment	608,003	113,354	18.6	33	721,357
Bridges	863,283	242,541	28.1	34	1,105,824
Drainage	452,000	(156,636)	(34.7)	35	295,364
Roads and paths	2,731,865	704,723	25.8	36	3,436,588
Total capital works	10,254,229	(1,758,527)	(17.1)		8,495,702
Represented by:					
Renewal of infrastructure	4,501,477	23,021	0.5		4,524,498
Upgrade of infrastructure	1,164,758	174,171	15.0		1,338,929
New assets	4,587,994	(1,955,719)	(42.6)		2,632,275
Total capital works	10,254,229	1,758,527	17.1		8,495,702

Property, plant and equipment, infrastructure movement reconciliation worksheet	Budget	Variances		Actuals
	2013/14	\$	%	2013/14
	\$	\$	%	\$
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:				
Total capital works	10,254,229	(1,758,527)	(17.1)	8,495,702
Contributed assets	-	555,508	-	555,508
Asset revaluation movement	-	13,251,651	-	13,251,651
Depreciation and amortisation	(7,797,492)	646,627	(8.3)	(7,150,865)
Written down value of assets sold	(351,305)	(1,087,015)	309.4	(1,438,320)
Net movement in property, plant and equipment, infrastructure	2,105,432	11,608,244		13,713,676

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2014

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
30	Buildings	A number of projects originally scheduled for completion in 2013/14 have now been carried forward to 2014/15 - including community spaces renewal (\$392k), Eildon Township renewal (\$392k), various pool upgrades (\$323k), completion of the Y Water Centre (\$268k) and completion of major works at the Alexandra Landfill (\$100k).
31	Fixtures , furniture and equipment	The implementation of Council's electronic document management system is to be completed in 2014/15, with \$70k of this project carried forward. A further \$30k of cost savings were realised in corporate capital projects.
32	Library Books	Library capital program underspent due to performance issues with suppliers of DVD's and audio visual goods. \$16k to be carried forward into 2014/15.
33	Plant, machinery and equipment	Plant replacement program delayed, with several items ordered but not received prior to June 30. \$125k carried forward to offset this in 2014/15.
34	Bridges	Through grant funding, Council advanced works on the development of the Ghin Ghin bridge renewal, as well as completing the Breakaway and McGuigans bridges
35	Drainage	Drainage works were incomplete at year end. \$148k of works carried forward which relates to grant funding from LGIP.
36	Roads and paths	\$500k of roads and paths not originally budgeted were carried forward from 2012/13 due to incomplete works.
	General Note on Capital Works.	Please Note: A complete listing of all capital works projects completed within the 2013/2014 financial year has been provided in the front section of the Annual Report.

Notes to the Standard Statements

1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for General Purpose Financial Report and the Budget. The result reported in these statements are

consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which are included on pages 1 to 4 of the Financial Report.

They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's Strategic Resource Plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. Council has adopted a materiality threshold of 10 per cent. 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 included in the Standard Statements are those adopted by Council on 18 June 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in the Council Plan in order to meet Council's business plan and financial performance targets for both the short and long term.

Detailed information on the actual financial results are contained in the General Purpose Financial Report on pages 1 to 4. The detailed budget can be obtained by contacting Council or through Council's website.

The Standard Statements must be read with reference to these documents.

**STANDARD STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

CERTIFICATION OF STANDARD STATEMENTS

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

Principal Accounting Officer
Andrew Bond
Dated: 24 September 2014

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Council on 24 September 2014, to certify the standard statements in their final form.

Councillor
Margaret Rae
Dated: 24 September 2014

Councillor
John Kennedy
Dated: 24 September 2014

Chief Executive Officer
Margaret Abbey
Dated: 24 September 2014

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insert copy of audit report

**Performance Statement
For the Year
1 July 2013 to 30 June 2014**

			2013/14 Performance Target	2013/14 Actual Result	Note
Key Strategic Activity	Activity	Performance measure			
Goal 1 – Our Community					
Actively engage with community health and wellbeing issues through implementation of the Municipal Public Health and Wellbeing Plan.	Implementation of actions in the Municipal Public Health and Wellness Plan.	Completion of all actions in the Municipal Public Health and Wellness Plan.	30 June 2014	Target achieved	
Goal 2 - Our Environment					
Finalise the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources.	Our practices show a reduction in waste to Landfill.	35% diversion of waste from landfill.	30 June 2014	Target achieved	
Complete a review of the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan.	Completion of the Review of the Municipal Strategic Statement (MSS).	Completion of the Review of the Municipal Strategic Statement (MSS).	30 June 2014	Target partially achieved	1
Manage and renew our existing infrastructure assets in a responsible manner.	Capital Works Program	Delivery of Capital Works Program	Minimum 95 percent of program budget expended by 30 June 2014.	Target not achieved 80%	2
Goal 3 – Our Economy					
Maximise the potential of the local workforce through education, training and employment opportunities.	No. of training and/or workforce development initiatives implemented that address needs identified in the Murrindindi Training Needs Analysis 2013.	2 new initiatives per annum.	30 June 2014	Target achieved	
Advocate for the provision of infrastructure and services that supports business growth.	Value of new commercial building developments.	3% increase per annum	30 June 2014	Target not achieved	3
Goal 4 – Our Council					
Actively develop and implement a long term vision for Murrindindi Shire.	Completion of the Murrindindi 2030 Vision	Adoption of Murrindindi 2030 Vision	31 December 2013	Target not achieved	4
Promote an equitable rating strategy for all ratepayers.	Completion of the review of the Rating Strategy	Completion of the review of the Rating Strategy	31 December 2013	Target not achieved	5

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

**NOTES TO AND FORMING PART OF THE PERFORMANCE STATEMENT
FOR 2013 / 2014**

1. The review of the Municipal Strategic Statement was undertaken during the year, but was expanded to include a full review of the Local Planning Policy Framework (LPPF) within the Murrindindi Planning Scheme. This followed the introduction of a new format for the LPPF by the State Government during the year. The LPPF was rewritten to conform with the new guidelines and to incorporate the relevant strategic directions as contained within the Council Plan 2013-2017. As at 30 June 2014, the initial review had commenced and presented to Council for endorsement for purposes of informal public exhibition. It is anticipated the fully reviewed MSS and LPPF will be formally adopted by Council within the first half of the 2014/15 year.
2. The 2013/2014 Capital Works Program expenditure is 80% of the adopted budget. This represents a significant increase on expenditure when compared with the 2012/2013 year where 68% of the program was expended. However when adjusted to account for savings and works re-scheduled for completion within the 2014/15 year (inclusive of plant and machinery purchases and corporate systems), the percentage of expenditure on scheduled works is 90% of the revised annual budget allocation. The project that impacted most on the full delivery of the program, the Y Water Centre, was to be completed and formally opened early in the 2013/14 year.
3. The total for 2012/2013 financial year was \$21,189,993 and the total for 2013/2014 financial year was \$20,778,000. This is a decline in value of works of 1.95%. (\$411,993). Council forecasts this to increase dramatically in 2014/15 due to the revised completion date of the \$27million VIBE Hotel and Conference Centre in Marysville, which is now scheduled to be opened in 2014/15. Rebuild rates of both commercial and residential premises since the 2009 bushfires has been lower than expectations, with less than 50% of properties rebuilt, having received building approval or in the process of being rebuilt as at
4. The Murrindindi 2030 Vision scope was expanded to include greater consultation with the community during 2013/14. The visioning work is now expected to be completed early in the 2014/15 financial year.
5. A Rating Strategy Report was discussed during the year following a program of community consultation, to determine the best options available for Council going forward to achieve its growth objectives and ensure equity in the collection of rates. This report recommended a number of options to be considered by Council for revising its rating structure. Council has informally considered this report and has requested that further financial modelling be undertaken prior to finalising a preferred position in relation to the recommendations contained in the Rating Strategy Report by 31 December 2014.

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, that accompanying performance statement of the Murrindindi Shire Council in respect of 2013/2014 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in Council's

Community Plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

As at the time of signing, we are not aware of any circumstances which would render any particulars in the statement to be misleading or inaccurate.

Councillor
Margaret Rae

Dated: 24 September 2014
Alexandra

Councillor
John Kennedy

Dated: 24 September 2014
Alexandra

Chief Executive Officer
Margaret Abbey

Dated: 24 September 2014
Alexandra

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insert copy of performance audit report