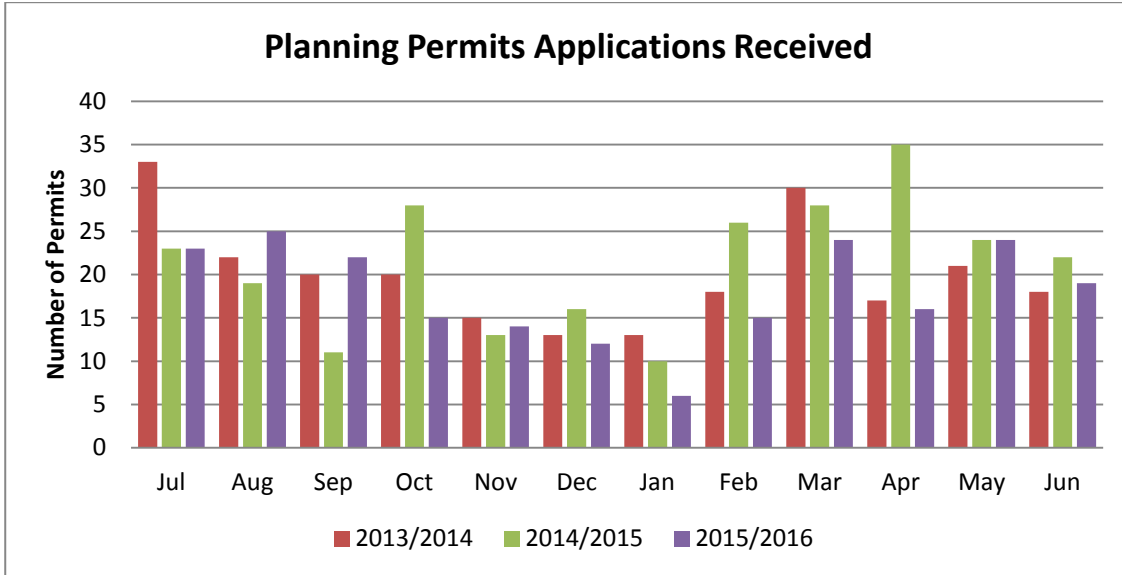


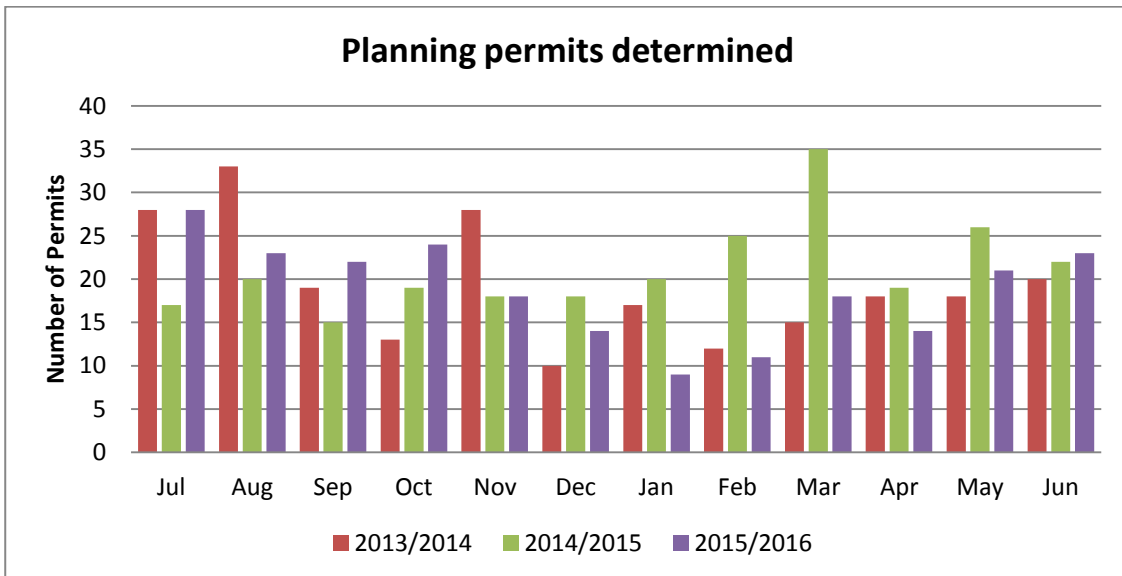
**Attachment 1 – Planning and Building Permit Activity Report**

**Planning Unit**

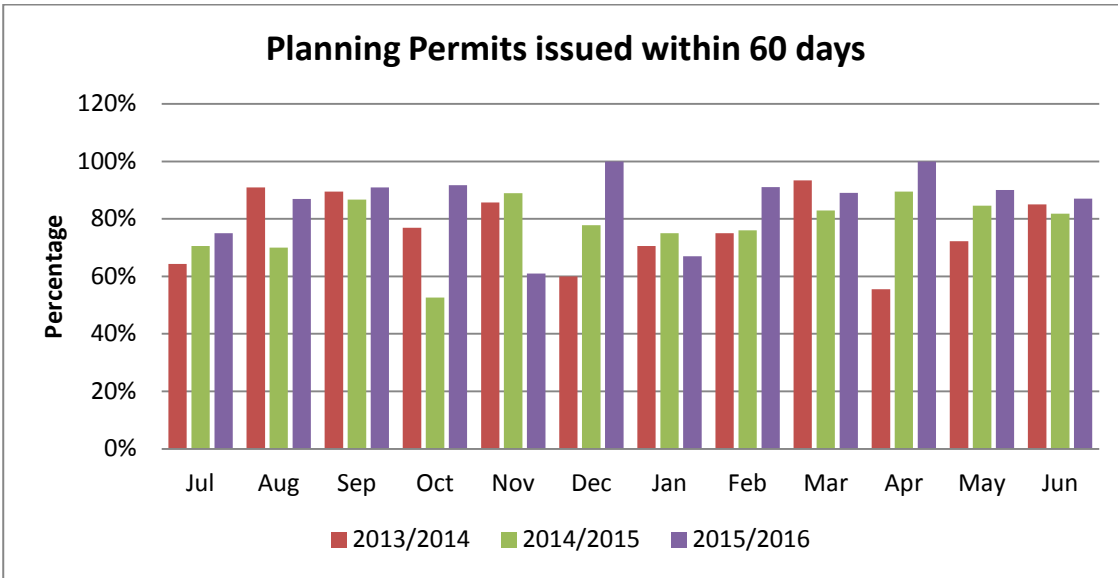
The following chart details the number of applications received by month, compared with the previous financial year. The number of applications received includes new planning applications, requests to amend existing planning permits and planning consents. For the 2013/2014 financial year the number of applications received overall was 240, while 2014/2015 there was a total of 255 applications received. For the 2015/2016 217 applications were received.



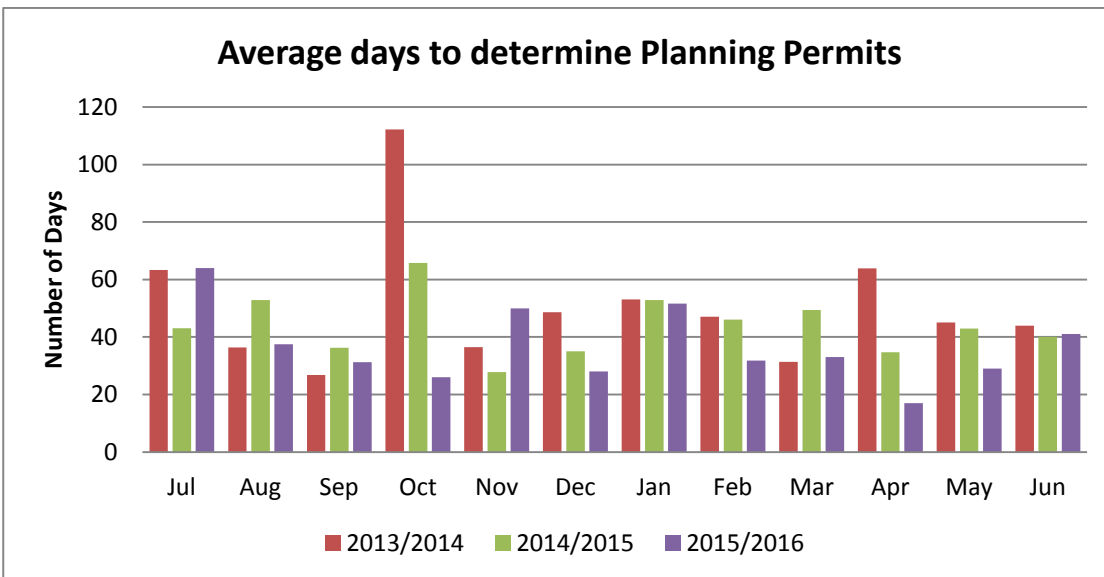
The next chart details the number of applications determined by month, compared to previous financial years. The number of applications determined for 2013/2014 was 231, and 2014/2015 there were 254 applications determined. For the 2015/2016 225 applications were determined.



The following chart details the percentage of planning permits issued within 60 days. The statutory time frame to issue permits under the *Planning and Environment Act 1987* is 60 days. In 2013/2014, 78% of permits were issued within the statutory time frame, with 78% of permits issued within the statutory time frame in 2014/2015. For the 2015/2016 financial year, 86% of permits were issued within the statutory time frame.



The final planning chart details the average number of days taken to determine planning permits, on a month by month basis. This includes officer delegated decisions and decisions of Council. The average number of days to determine planning permits in 2013/2014 was 44 days, with the average number of days for 2014/2015 being 44. For the 2015/2016 financial year, the average number of days to determine permits was 37 days.



**Benchmarking Comparative Data – Planning Permits**

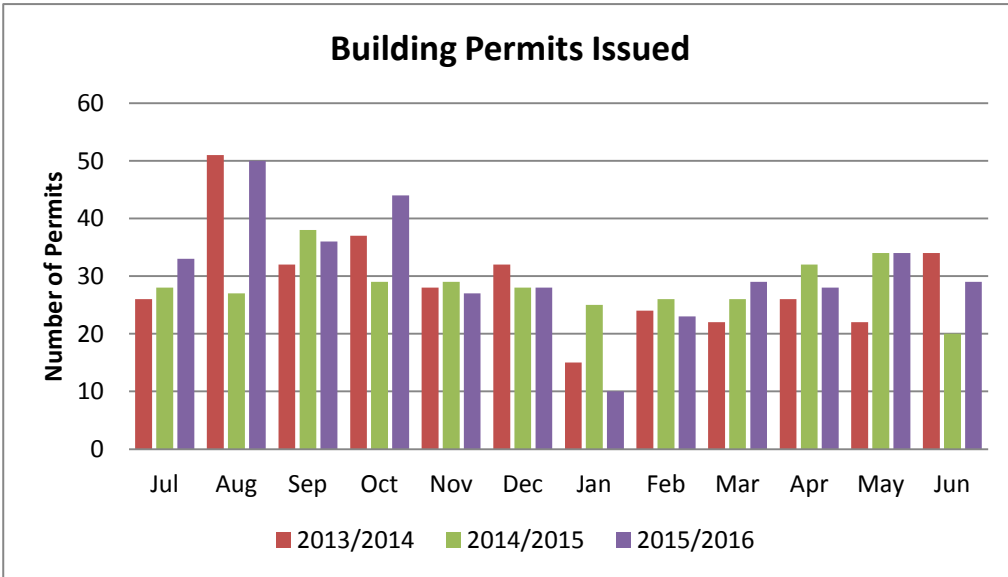
Council is required to report planning permit activity on a monthly basis to the state government, which is then compared against various regions and groups of municipalities within the whole of Victoria. The following table provides a brief outline of how Murrindindi is performing this financial year to date. Please note: There is a small discrepancy in what is registered on the State Government website in comparison to actual figures. This is due to a software issue with Authority, and council officers have been working with Civica to resolve this issue. The figures in the below table reflect the information that is publically available.

Benchmark	MSC	Peri Urban Region	Rural Municipalities	State Wide
Planning permits determined within 60 days (YTD)	83%	67%	73%	63%

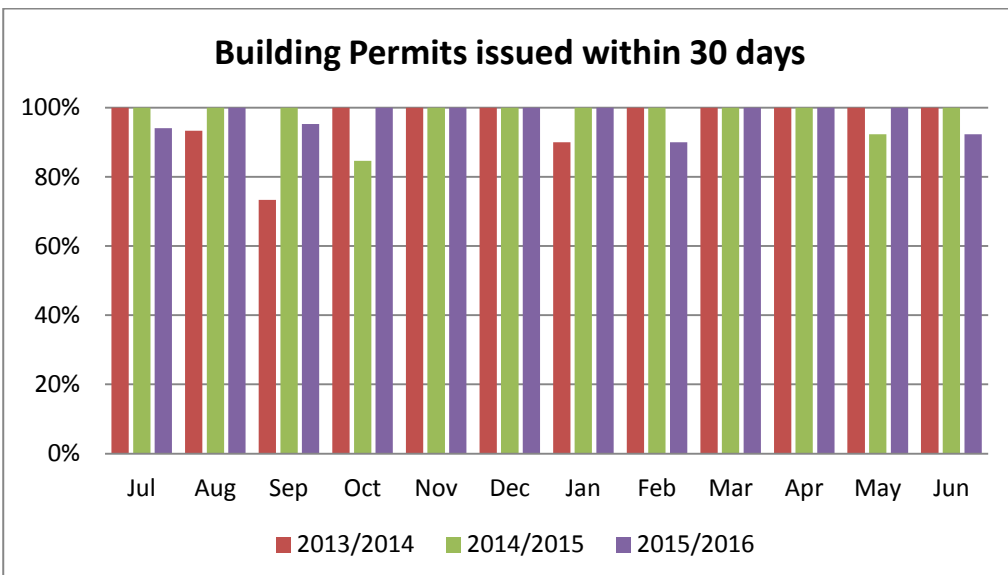
<b>Average days to determination (YTD)</b>	47	79	60	76
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**Building Unit**

The following chart details the number of building permits issued within Murrindindi Shire, including both municipal and private building surveyor permits. The total for 2014/2015 is 321, which is 16 more than the previous financial year. For the 2015/2016 year, 371 permits were issued.



The following chart details the percentage of building permits issue by the municipal building surveyor within the unit's 30 day Key Performance Indicator (KPI) timeframe. The overall percentage of permits issued within 30 days for the 2014/2015 financial year was 98%. For the 2015/2016 year, 98% of permits were issued within 30 days.

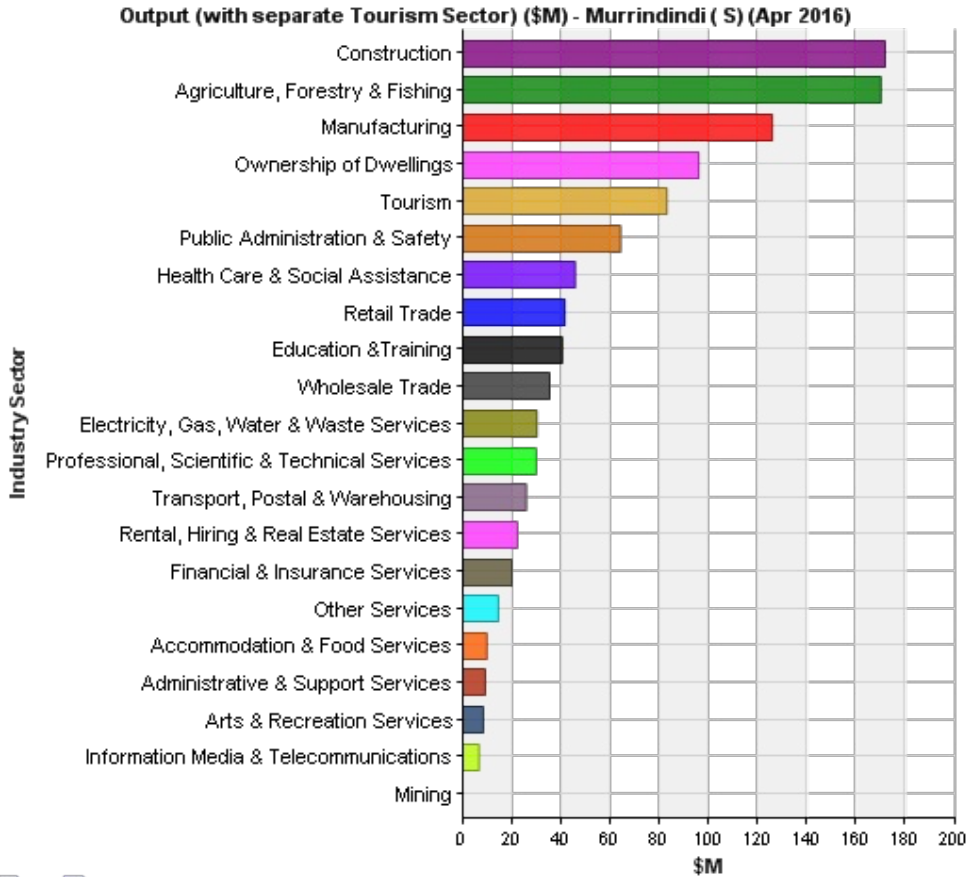


# Output Report with Tourism Sector

This report shows the gross revenue generated by businesses and organisations in Murrindindi ( S).

The estimated output generated by tourism for each industry sector has been deducted and consolidated into a separate tourism sector.

The total output estimate for Murrindindi ( S) is \$1,049.549 million.



All industry sectors in Murrindindi ( S) ranked by Output

Industry Sector	Murrindindi ( S) (Apr 2016)	
	\$M	%
Construction	\$171.634	16.4 %
Agriculture, Forestry & Fishing	\$169.893	16.2 %
Manufacturing	\$125.676	12.0 %
Ownership of Dwellings	\$95.862	9.1 %
Tourism	\$82.916	7.9 %
Public Administration & Safety	\$64.060	6.1 %
Health Care & Social Assistance	\$45.679	4.4 %
Retail Trade	\$41.464	4.0 %
Education & Training	\$40.399	3.8 %
Wholesale Trade	\$35.192	3.4 %
Electricity, Gas, Water & Waste Services	\$30.064	2.9 %
Professional, Scientific & Technical Services	\$29.731	2.8 %
Transport, Postal & Warehousing	\$25.761	2.5 %
Rental, Hiring & Real Estate Services	\$22.089	2.1 %
Financial & Insurance Services	\$19.852	1.9 %
Other Services	\$14.373	1.4 %
Accommodation & Food Services	\$9.685	0.9 %
Administrative & Support Services	\$9.051	0.9 %
Arts & Recreation Services	\$8.303	0.8 %
Information Media & Telecommunications	\$6.593	0.6 %

Industry Sector	\$M	%
Mining	\$1.273	0.1 %
Total	\$1,049.549	

## Where is the tourism sector?

The answer is that tourism is an amalgam of activities across various industry sectors such as retail, accommodation, cafes & restaurants, cultural & recreational services.

In order to capture the value of tourism surveying may be conducted to gather direct expenditure data from people attending specific festivals or events. Once this survey data is collated and coded it can be applied to REMPLAN to model the direct and flow-on economic implications for the region from hosting such activities.

Where representative samples of data are captured in relation to specific events the combination of market research and economic analysis is a powerful basis upon which to make strategic decisions about growing tourism activities in the region. A shortcoming of such approaches is that they can be expensive in terms of time and resources. In some circumstances secondary data may represent a cost effective alternative while still providing the insights required. In the above table and graphs secondary datasets have been applied to estimate the contribution of tourists to the area's economy.

The Australian National Accounts provides estimates of output by industry sector, and the Tourism Satellite Account (TSA), also from the Australian Bureau of Statistics, provides estimates of the value of industry sectors' contributions to total tourism product output. Combined, it possible to estimate the proportion of output for each industry sector that is generated to service demand created by tourists at the national level.

In the TSA, tourism is defined as:

*"Comprising the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited."*

Under this definition of tourism, the expenditure of domestic, international, business and government travellers are included.

In the Murrindindi ( S ) economy it is estimated that the following percentages relate to industry sectors' output that is generated to service demand from tourists.

Industry Sector	% of Tourism Activity
Accommodation & Food Services	84.44 %
Arts & Recreation Services	21.16 %
Transport, Postal & Warehousing	10.18 %
Retail Trade	9.11 %
Ownership of Dwellings	7.59 %
Administrative & Support Services	6.57 %
Education & Training	5.24 %
Manufacturing	5.00 %
Rental, Hiring & Real Estate Services	3.63 %
Wholesale Trade	1.79 %
Information Media & Telecommunications	1.57 %
Other Services	1.26 %
Agriculture, Forestry & Fishing	0.96 %
Health Care & Social Assistance	0.61 %
Financial & Insurance Services	0.06 %

Source: 2013-14, Australian Bureau of Statistics (ABS), Tourism Satellite Account

These percentages have been applied to the economic profile of the local economy to estimate the contributions of tourism. The percentages above are based on the specific structure of the Murrindindi ( S ) economy. The greater the number of visitors to the area, the greater the employment in tourism related industry sectors, and therefore the higher the estimated value of tourism in Murrindindi ( S ).

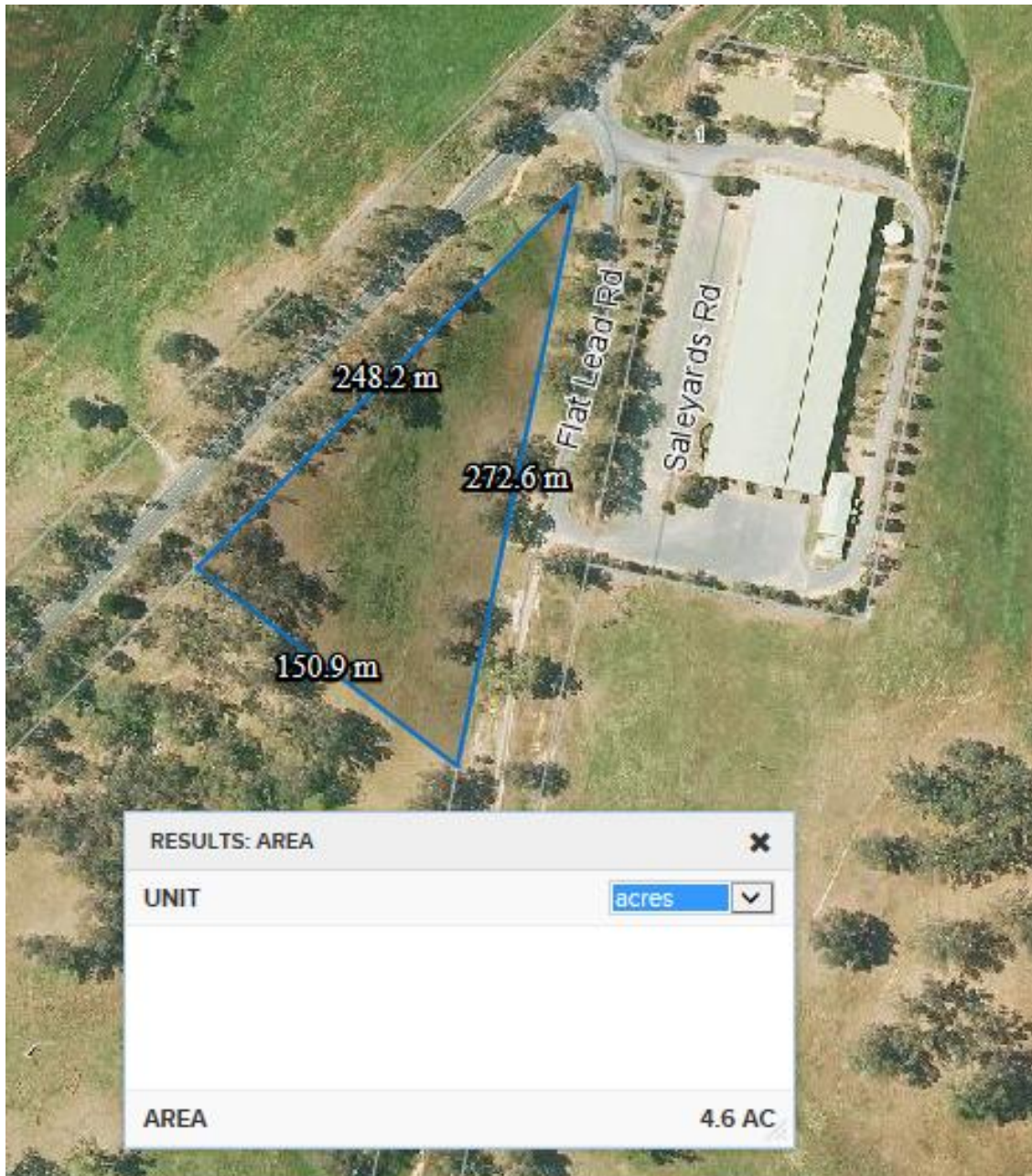
**Summary Community Grant – Out of Session application July 2016**

No	Org/Club	Project Name/Brief Description	Grant Type	Project Value	Amount Requested	Amount Allocated	Previous Grant?	Comments
1	Toolangi Sculpture Trail Group	The Toolangi Sculpture Trail Group is planning a large scale community arts event celebrating the 20 <sup>th</sup> anniversary of the International Sculpture Event (UNESCO). This includes an opening Tanderrum with the Wurundjeri and Taungurung groups of the Kulin Nation; a professional artist's residency; a community arts program; regional youth and schools education program. The community grant is being sought to fund the design and printing of program booklets and promotional banners and signage.	Community Grant	\$178,388.10	\$5,000	\$5,000	No	The committee recommended supporting this application in full noting the significant community and government support achieved to date and the detailed application indicating a firm event management plan.

### AREA OF DELEGATION

(ADDITIONAL)

The Murrindindi Shire Council has resolved in accordance with Section 86 of the Local Government Act 1989, to appoint a Special Committee to control and manage the Yea Saleyards situated at 10 Flat Lead Road, Yea and (Part) C/A 40/B, Volume (1699) Folio (767).





SPECIAL MINUTES  
of the  
AUDIT ADVISORY COMMITTEE MEETING  
held on  
WEDNESDAY 6 JULY 2016  
in the  
ALEXANDRA COUNCIL CHAMBERS  
commencing at  
1.04 pm



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<u>3.</u>	<u>DRAFT BUDGET 2016/2017 AND DRAFT COUNCIL PLAN REVIEW 2013-2017 (INCORPORATING THE STRATEGIC RESOURCE PLAN)</u> .....	<u>2</u>

SUBJECT TO CONFIRMATION

**1. PRESENT/APOLOGIES**

***Present:***

Ian McKaskill (Chair)  
Michele Sheward  
Richard Rogerson  
Cr Margaret Rae (Mayor)  
Cr John Kennedy

Apology: John Gavens

***In Attendance:***

Margaret Abbey, CEO  
Michael Chesworth, General Manager Corporate Services  
Andrew Bond, Manager Business Services

**2. DECLARATIONS OF INTEREST**

Nil

**3. DRAFT BUDGET 2016/2017 AND DRAFT COUNCIL PLAN REVIEW 2013-2017 (INCORPORATING THE STRATEGIC RESOURCE PLAN)**

REF: 16/28724

Attachments: Murrindindi Shire Council Draft Budget 2016/17 (refer *Attachment 3a* - TRIM 16/10368), Council Plan Review (refer *Attachment 3b* - TRIM 16/27022), Strategic Resource Plan Review (refer *Attachment 3c* - TRIM 16/27263 & 16/27344)

***Purpose:***

The purpose of this report is to provide the Committee with the Draft 2016/2017 Budget document and 2013-2017 Council Plan Final Year Review (including the Strategic Resource Plan). These documents articulate Council's strategic direction and document the key activities Council will undertake and the way in which they are to be funded.

This report relates to the Committee's role under the Committee's Charter to facilitate the following:

- The enhancement of the credibility and objectivity of internal and external financial reporting
- Effective management of financial and other risks and the protection of Council assets, and
- Compliance with laws and regulations as well as use of best practice guidelines.

***Officer Recommendation:***

*For noting by, and advice from, the Committee.*

***Background:***

The 2016/17 Draft Budget, Council Plan and Strategic Resource Plan were adopted by Council for the purposes of public exhibition on 15 June 2016. The final documents will be considered by Council at a meeting on 3 August 2016.

The development of the financial budget is part of a cyclical process that begins with the review of the Council Plan, a four year blueprint for Council activities. Council has reviewed the current Council Plan 2013-17 and revised its intended strategic actions for the 2016/17 financial year. Council has also reviewed the Strategic Resource Plan (SRP), which ensures resource allocation is able to service Council's long term activities and initiatives. The SRP and its underpinning strategies inform the budget development process. The annual budget is a one year financial plan that considers SRP activities, current influences and any new initiatives.

Council is required under the *Local Government Act 1989*, to prepare and adopt an annual budget. The Murrindindi Shire Council Budget 2016/17 presented in this report outlines the financial implications of actions planned by Council, focusing on the coming financial year.

The draft budget balances the need to deliver infrastructure and services while also providing the best possible value for residents and recognising the need for careful ongoing financial management.

The Mayor's introduction and executive summary of the 2016/17 Budget details the key outcomes from the budget process.

**Council Plan/Strategies:**

The Budget is the financial output of funding normal operations and the initiatives detailed in the development Council Plan for 2013-17 (incorporating the SRP).

**Legal/Policy Issues:**

The Budget is legislated under Section 127 of the *Local Government Act 1989*. The requirement for the Council Plan inclusive of Strategic Resource Plan (SRP) is detailed under Sections 125 and 126 of the *Local Government Act 1989*.

**Financial/Resources/Risk:**

The proposed Draft Budget for 2016/17 is conservative in its scope of discretionary spending, whilst balancing Council's requirement to manage rate increases in accordance with the decision of the Essential Services Commission ("ESC") increases for 2016/17, providing a responsible and viable financial plan for the ensuing year.

**Discussion:**

The 2016/17 Draft Budget, Council Plan and Strategic Resource Plan ultimately details resource and project priorities that are in accordance with the key strategic directions outlined in the Council Plan.

The review of the Council Plan (2013-17) maintains the key strategies aligned to the four goals of Council, namely:

- Our Council
- Our Community
- Our Environment
- Our Economy

With some minor exceptions, it is proposed that the strategic objectives and strategies remain unchanged from 2015/2016. The proposed Year Four Actions have been updated to reflect anticipated progress on implementing the Council Plan as at 30 June 2016. Key actions proposed for 2016/17 include the following:

- Commence community engagement to identify required service levels across all Council services

- Implement Council's strategy to give greater responsibility to communities for managing infrastructure
- Undertake an assessment of community needs in order to progress development of Council's Recreation and Open Space Strategy
- Implement a youth engagement program to encourage all young people to participate in their community and to support youth leadership skills development
- Develop a Business Case which investigates viable options to increase the recovery of household and commercial food and organic waste
- Provide opportunities for mobile phone providers to establish the provision of additional infrastructure to address the blackspots in Murrindindi Shire
- Complete the project to expand the Yea Saleyards.

The draft Council Plan Final Year Review 2013-2017 (including the draft Strategic Resource Plan) and draft Budget 2016/2017 have been prepared to provide an opportunity for community comment prior to adoption and submission to the Minister of Local Government.

A number of significant factors have influenced the review of the Council Plan, and the preparation of the 2016/2017 Budget.

The 2013-2017 Strategic Resource Plan and 2016/2017 Budget are based upon the following key assumptions in the 10 year timeframe:

- An increase in the average rate had been initially forecast at 5.5% for 2016/17 in the second year review of the SRP, though this was reduced to 5.4% at the time of the submission of the application to the ESC seeking an exemption from the rate cap for 2016/17. The decision of the ESC to provide a 1.8% additional rate increase to fund future renewal has been reflected in the annual budget for 2016/17 as well as throughout the life of this SRP.
- An additional 1% growth of the rate base is factored in each year;
- For 2016/17, \$282,000 of the general rate increase has been allocated to an Infrastructure Reserve following the endorsement of Council's approach to managing its long term asset renewal by the Essential Services Commission.
- The organisational establishment is anticipated to remain static in 2016/17. No other service level changes have been considered in the longer term financial plan for Council.
- Limited new initiatives or programs other than those that have been included in the 10 year capital improvement plan are proposed.
- Operating and capital savings from the Murrindindi Services Review have been factored in over successive years.
- The maintenance and operating costs of assets have now been reduced based on revised lower service level expectations, following the decision by State Government to not provide any further funding to Council to manage and operate these assets and in light of the recent decision by the ESC regarding Council's rate rise for 2016/17.
- Capital works will occur in accordance with the Ten Year Capital Improvement program.
- Provision has been made for the last three financial years to expense \$300,000 as a contingency for future defined benefits superannuation calls and to quarantine this until such time as a call is made on Council. For 2016/17, this provision will be reduced to \$150,000, with a further provision of \$150,000 to occur in 2017/18.

For 2016/2017, the Budget has identified total operating expenditure of \$32.82 million against forecast revenue of \$32.82 million, which will generate a breakeven operating result. Rate revenue is forecast to increase, incorporating the recent changes to the differential rating

structure approved by Council as well as incorporating the decision of the ESC to allow for a 4.3% increase in the average rate rise. It should be noted that a revaluation of all properties within the municipality has occurred which will take effect from 1 July 2016, though this does not result in Council being able to generate higher rating revenue.

For the 2016/17 year, service levels have been maintained and a limited number of initiatives proposed, in addition to Council reviewing the costs and affordability of managing the renewal of its assets.

Highlights of the \$7.15 million capital works program that are included in this year's draft Budget include:

- Widespread road upgrades and footpath restoration across the Shire.
- Swimming pool renewal works in Alexandra, Eildon and Marysville.
- Substantial renewal of a number of bridges and culverts across the Shire, including work on Old Yarck Road, Maintongoon Road, Brooks Cutting Bridge, Acheron Road Bridge, Dairy Creek Road Bridge, Dyes Lane Bridge and Dropmore Bridge.
- Public conveniences renewal in Kinglake, Yea and Alexandra.
- Continuation of renewal and upgrade works on a new cell at the Alexandra Landfill.
- Upgrade to the flood levee in Buxton.
- Shade sail and playground equipment renewal.
- Upgrade to the Leckie Park pavilion in Alexandra.

Financial considerations in relation to this report are contained within the SRP and the proposed 2016/2017 Budget. With the current situation regarding the significant impact on Council as a result of its need for robust assets management, it is essential that accurate long-term financial planning exists.

Last year Council indicated a range of potential measures that would be explored in the absence of additional financial assistance. These included increasing rate levels, the introduction of new differential rates, the transfer, closure or sale of assets, and reductions in services. Council continues to engage with the community in prioritising this range of options. The valuable feedback from the community in relation to the mix of options that the community would prefer Council to pursue has informed the direction and actions that are planned for the coming year.

These actions have been identified in the interests of financial responsibility and responsible forward planning and will provide a framework to support a sustainable SRP and enable the development of responsible and accountable annual budgets.

The proposed budget incorporates a rate increase of 4.3 percent as determined by the Essential Services Commission (ESC) following Council's recent application for a variation to the 2.5% rate cap declared by the Minister for Local Government.

The decision by the ESC provides for a 2.5 percent increase for the delivery of services by Council and also includes an additional 1.8 percent increase that Council applied for in order to continue making provision for asset renewal. This variation approval clearly recognised the underlying funding need to provide for the future renewal requirements of public infrastructure within the Shire and the financially responsible and prudent approach that Council is taking to managing this challenging issue.

This decision by the ESC endorses Council's approach to long term financial planning and strategic asset management in ensuring that Council is raising sufficient funds to not only meet its

annual services and infrastructure requirements but also that funds can be held in reserve for known future capital renewal of the community infrastructure that is already in place.

However, this is only part of a range of strategies adopted by Council in managing the ongoing financial challenges, some of which such as the introduction of differential rating categories have already been implemented. Council also will need to continue its project regarding the transferral of some public infrastructure assets to community groups.

**Consultation:**

In accordance with the requirement of the Local Government Act, Council is required to give public notice that it intends to adopt the Budget and Council Plan. Both documents must be made available for inspection at its offices and on its website for a period of at least 28 days, and submissions invited from members of the public. The draft Budget and Council Plan will be formally advertised in a range of publications from 20 June 2016, with written submissions called for by 5.00pm on Wednesday 20 July 2016.

The advertising program for the draft Budget and Council Plan is as outlined below:

<b>Newspaper / Other</b>	<b>Publishing Date(s)</b>
<b>Newspaper:</b>	
Alexandra Standard	21 June 2016
Yea Chronicle	21 June 2016
Marysville Triangle	22 June 2016
North Central Review	20 June 2016
Website	20 June 2016
Copies at Council offices: Alexandra, Kinglake, Yea and also Eildon Resource Centre and Marysville Visitor Information Centre	20 June 2016

**Conclusion:**

Given the extensive work which has been undertaken by Council it is now appropriate that the 2016/17 draft Budget and Council Plan Final Year Review (incorporating the Strategic Resource Plan) be adopted for public exhibition. These documents will be available at Council's service centres, agencies and on Council's website from 20 June 2016.

**RESOLUTION:**

**M Sheward / R Rogerson**

*For noting by, and advice from, the Committee.*

**CARRIED**

**There being no further items of Business, the Chairperson declared the meeting closed at 2.05 pm.**

**CONFIRMED THIS** \_\_\_\_\_

**CHAIRPERSON** \_\_\_\_\_