



AGENDA
of the
ORDINARY MEETING OF COUNCIL
To be held on
WEDNESDAY 25 FEBRUARY 2015
in the
ALEXANDRA COUNCIL CHAMBERS
commencing at
6.00 pm

INDEX

1.	PRAYER, OATH & RECONCILIATION STATEMENT	2
2.	APOLOGIES AND REQUESTS FOR LEAVE OF ABSENCE	2
3.	CONFIRMATION OF MINUTES.....	2
4.	DISCLOSURES OF INTEREST OR CONFLICT OF INTEREST	2
5.	PUBLIC PARTICIPATION TIME	2
5.1	Questions of Council.....	2
5.2	Open Forum.....	2
5.3	Petitioners Speaking to Petitions.....	2
6.	OFFICER REPORTS.....	3
6.1	Craigie Street, Yea – Hay Shed	3
6.2	Amendment C46, Implementation of a Review of the Development Plan Overlay.....	7
6.3	Amendment C54, Murrindindi Planning Scheme Revision of the Local Planning Policy Framework	9
6.4	Amendment C55, Implementation of the Yea Structure Plan.....	12
6.5	Council Plan 2013-2017 Quarterly Report to 31 December 2014.....	14
6.6	Quarterly Financial Report to 31 December 2014	17
6.7	Capital Works Program 2014/2015 - December Quarterly Report.....	27
6.8	Development and Environmental Services Department - December Quarterly Activity Report	33
6.9	Arts and Culture Policy.....	35
6.10	Proposed Sale Of Lot 1 on TP668987F, Dove Lane, Alexandra.....	37
6.11	Council Policy Rescission	39
6.12	Instruments Of Delegations, Authorisations and appointments	40
6.13	Future of the Great Victorian Rail Trail Advisory Committee.....	43
6.14	2016 General Valuation	49
6.15	Audit Advisory Committee Charter and appointments	50
7.	SEALING REGISTER	52
8.	COUNCILLOR PORTFOLIO REPORTS.....	52
8.1	Land Use Planning Portfolio.....	52
8.2	Economic Development Portfolio	52
8.3	Infrastructure and Waste Portfolio	52
8.4	Community Services Portfolio	52
8.5	Corporate Services Portfolio	52
8.6	Natural Environment & Climate Change Portfolio.....	53
8.7	Mayor and Delegated Committee Reports	53
8.8	General Business.....	53
9.	MATTERS DEFERRED FROM PREVIOUS MEETING	53
10.	MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN	53
11.	ASSEMBLIES OF COUNCILLORS	53
12.	URGENT BUSINESS	55
13.	CONFIDENTIAL ITEMS	55

1. PRAYER, OATH & RECONCILIATION STATEMENT**2. APOLOGIES AND REQUESTS FOR LEAVE OF ABSENCE**

REF: SF/306

3. CONFIRMATION OF MINUTES

- That the Minutes of the Ordinary meeting of Council held on 28 January 2015 be confirmed.

Recommendation:

That the Minutes of the Ordinary meeting of Council held on 28 January 2015 be confirmed.

4. DISCLOSURES OF INTEREST OR CONFLICT OF INTEREST

REF: SF/783

5. PUBLIC PARTICIPATION TIME**5.1 QUESTIONS OF COUNCIL****5.2 OPEN FORUM**

REF: SF/130

5.3 PETITIONERS SPEAKING TO PETITIONS

REF: SF/132

6. OFFICER REPORTS

6.1 CRAIGIE STREET, YEA – HAY SHED

REF: 2014/132

Land: 24 Craigie Street Yea

Proposal: Construction of hay shed

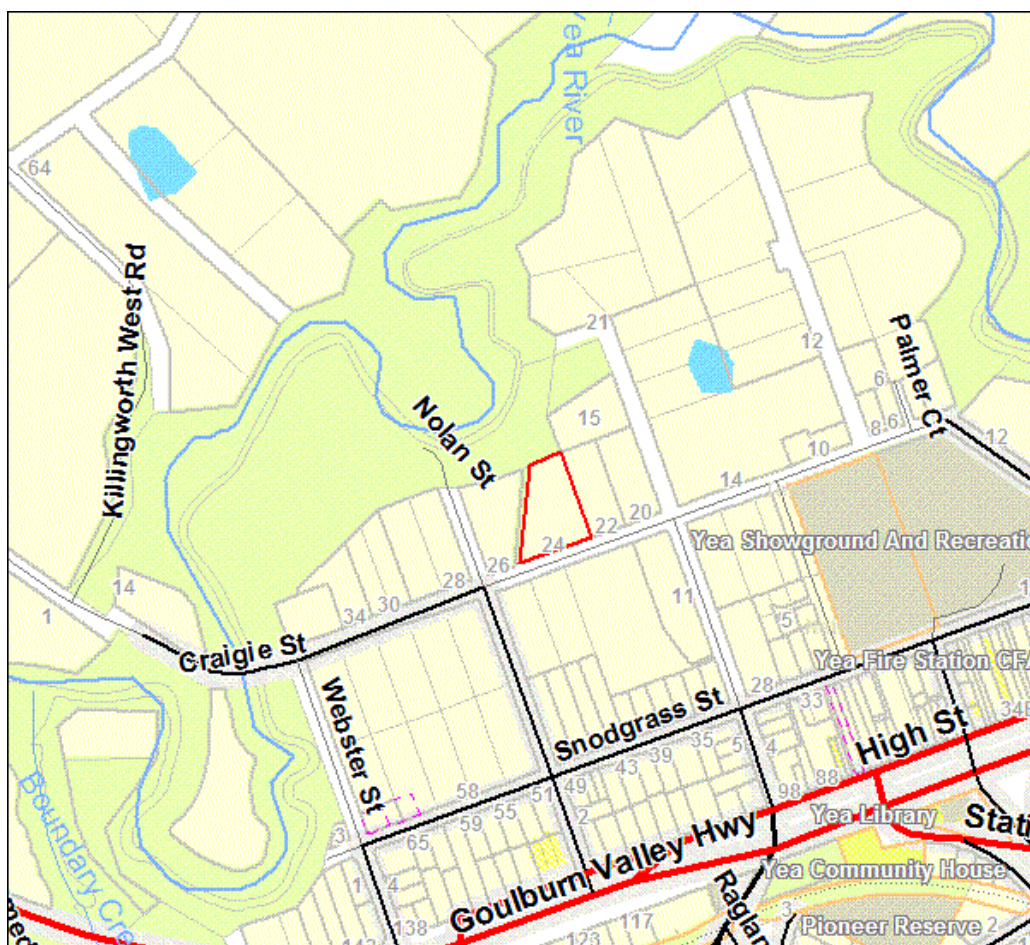
Applicant: J P West

Zoning: Urban Floodway

Overlays: None

(Refer Encl 6.1a Application details (TRIM 15/4922) and Encl 6.1b GBCMA Objection (TRIM 15/3496). (aerial photograph distributed separately)

Locality Plan



Purpose:

This report recommends that a notice of refusal to grant a permit be issued for the construction of a hay shed at 24 Craigie Street, Yea.

Recommendation:

That Council issue a notice of refusal to grant a permit for the construction of a hay shed at 24 Craigie Street, Yea, on the following grounds:

1. The proposal is not in accordance with Clauses 13.02 *Floodplains* and 37.03 *Urban Floodway Zone*, as the hay shed could:
 - (a) Result in danger to life, health and safety of downstream property owners.

- (b) **Result in negative flood impacts to neighbouring properties due to added resistance to flood flows and reduced floodplain storage volume.**
 - (c) **Increase flood levels and endanger downstream residents due to blockage (and potential washaway) of bridge or culvert river crossings.**
 - (d) **Have the potential consequence to increase demand on the community infrastructure and emergency services, and in community recovery services.**
2. **The proposal is not in accordance with Clauses 13.02 Floodplains and 37.03 *Urban Floodway Zone*, as the hay shed will:**
- (a) **Add to the long-term cumulative impacts of such proposals.**

Proposal:

An application was received to construct a hay shed on an existing built up area. It consists of a pad that is shown on the lodged plans to be 1 metre above natural ground level and is an area of 18 metres by 14 metres.

The shed is proposed to be 19.95 metres long by 11.3 metres wide (225.4 square metres) with a 4.2 metre x 11.3 metre wide section (47.4 square metres) on the northern end to be open, and the remaining 178 square metres (approx) to be enclosed. Inside the shed, the plans detail a 15.8 metre x 5.8 metre (91.64 square metres) timber floor, which is proposed to be constructed 600mm above the ground line.

The Land & Surroundings:

The subject land is 5956 square metres (1½ acres) in area and currently contains an existing shed measuring 5 metres by 3 metres that has been constructed sometime between 2003 and 2007, prior to the current owner purchasing the property. The land is mostly grass, and is grazed by a range of animals.

The property is bounded on the north by the Yea River reserve, to the east by a 4,000 square metre lot with a shed fronting Craigie Street, to the west and south by vacant grassed paddocks.

Referrals:

The application was referred to the Goulburn Broken Catchment Management Authority (GBCMA) under Section 55 of the *Planning and Environment Act 1987*. The GBCMA advised that the Authority's survey information indicates potential flood depths in excess of 1.8 metres at the proposed shed site. Even the highest points on the site have a potential flood depth of 1.5 metres deep in a 100-year type flood event.

Under the proposal, the shed would:

- Increase resistance to Yea River flood flows.
- Reduce floodplain storage volume.
- Create a potential downstream hazard due to the risk of the shed being washed away by floodwaters.
- Create a further flood risk hazard by the shed being washed away and creating a blockage at a bridge or culvert.

The GBCMA objected to the granting of a permit on the following grounds:

1. It could result in danger to life, health and safety of downstream property owners.

2. It could result in negative flood impacts to neighbouring properties due to added resistance to flood flows and reduced floodplain storage volume.
3. It could increase flood levels and endanger downstream residents due to blockage (and potential washaway) of bridge or culvert river crossings.
4. A potential consequence of the above is to increase demand on the community infrastructure and emergency services, and in community recovery services.
5. Long-term cumulative impacts of such proposals.

Consultation:

No notification to neighbours was undertaken as part of this application. The need for a permit for the hay shed was related to flooding issues rather than amenity, therefore the application was not advertised to nearby and adjoining owners.

Planning Considerations:

The use of the land for extensive animal husbandry is an '*as of right*' use in the Urban Floodway Zone. Due to the requirements of the zone a planning permit is required for the buildings and works associated with an agricultural use on the land.

The applicant has advised that while the shed itself is large and the property is only a few acres (1½) in size, the block adjoins the applicant's parent's property. It is also advised that the property has 8 sheep and three alpacas grazing on the land. The raised area of the shed is to be used to store dry feed and hay, as well as tools and equipment for fencing and maintenance, including a tractor with slasher attachment.

When considering the application, the GBCMA advised that the 1 in a 100 year flood event levels for this property are above 165.5 metres AHD (height above sea level). The applicant met with the GBCMA after the objection was received, but the objection has not been withdrawn.

One of the main purposes of the Urban Floodway Zone is to ensure that any development maintains the free passage and temporary storage of floodwater, minimises flood damage and is compatible with flood hazard, local drainage conditions and the minimisation of soil erosion, sedimentation and silting. The GBCMA are a recommending statutory referral for any applications for development under this zoning.

Under Clause 61, Part 2(A) of the *Planning and Environment Act 1987*, (2A) the Responsible Authority may decide to refuse to grant a permit if a relevant recommending referral authority objects to the grant of the permit. In this case, as the Responsible Authority for the application Council can decide to grant a permit, subject to conditions, or to refuse a permit on any ground it sees fit. As the decision guidelines of the zone include the comments of the floodplain manager, Council officers recommend that a permit be refused on the grounds that the GBCMA have objected to the application.

Conclusion:

The Goulburn Broken Catchment Management Authority have assessed the application in relation to flooding, and objected to the application. As the relevant authority and expert on flooding, the application should be refused on the grounds provided by the GBCMA.

Legal/Policy Issues:**State Planning Policy Framework**

13.02 Floodplains

Objective:

To assist the protection of:

- Life, property and community infrastructure from flood hazard.

- The natural flood carrying capacity of rivers, streams and floodways.
- The flood storage function of floodplains and waterways.
- Floodplain areas of environmental significance or of importance to river health.

Policy guidelines:

Planning must consider, as relevant:

- *State Environment Protection Policy (Waters of Victoria)*
- Regional catchment strategies and special area plans approved by the Minister for Environment and Climate Change.
- Any floodplain management manual of policy and practice, or catchment management, river health, wetland or floodplain management strategy adopted by the relevant responsible floodplain management authority.
- Any best practice environmental management guidelines for stormwater adopted by the Environment Protection Authority.
- *Victoria Floodplain Management Strategy* (Department of Natural Resources and Environment, 1998).

Local Planning Policy Framework

22.04-1 Catchment Management and Landcare

Objectives:

- Apply the regional catchment strategy as adopted by the relevant regional Catchment Management Authority.

It is policy that:

- The objectives of any relevant regional catchment strategy be met.

Zoning

37.03 Urban Floodway Zone

Purpose:

- To identify waterways, major floodpaths, drainage depressions and high hazard areas within urban areas which have the greatest risk and frequency of being affected by flooding.
- To ensure that any development maintains the free passage and temporary storage of floodwater, minimises flood damage, and is compatible with flood hazard, local drainage conditions and the minimisation of soil erosion, sedimentation and silting.
- To protect water quality and waterways as natural resources in accordance with the provisions of the relevant State Environment Protection Policies, and particularly in accordance with Clauses 33 and 35 of the State Environment Protection Policy (Waters of Victoria).

Decision Guidelines:

- The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- The local floodplain development plan or flood risk report.
- Any comments of the relevant floodplain management authority.

A planning permit is required for the construction of a hay shed in the Urban Floodway zone.

General Provisions

65.01 Decision Guidelines

Before deciding on an application or approval of a plan, the responsible authority must consider, as appropriate:

- The orderly planning of the area.
- The effect on the amenity of the area.

- Factors likely to cause or contribute to land degradation, salinity or reduce water quality.
- The degree of flood hazard associated with the location of the land and the use, development or management of the land so as to minimise any such hazard.

6.2 AMENDMENT C46, IMPLEMENTATION OF A REVIEW OF THE DEVELOPMENT PLAN OVERLAY

REF: SF/2040

(Refer Encl 6.2a Proposed C46 Explanatory Report (15/6240), Encl 6.2b Proposed C46 DPO Schedules (15/6239) and Encl 6.2c Proposed C46 DPO Map Changes (15/6238))

Purpose:

To seek a Council resolution to request authorisation from the Minister for Planning to prepare Amendment C46, then when authorised, exhibit the amendment to implement a review of the Development Plan Overlay into the Murrindindi Planning Scheme.

Recommendation:

That Council:

1. **Request under Section 8A (2) and (3) of the *Planning and Environment Act 1987* that the Minister for Planning authorise Murrindindi Shire Council to prepare Amendment C46 to the Murrindindi Planning Scheme;**
2. **Notify the Minister for Planning that when it exhibits Amendment C46, Murrindindi Shire Council intends to give full notification of the amendment under Section 19 of the *Planning and Environment Act 1987* for the minimum statutory exhibition period of one month; and**
3. **When authorised by the Minister for Planning, exhibit Amendment C46 to the Murrindindi Planning Scheme under Section 19 of the *Planning and Environment Act 1987*.**

Background:

The Development Plan Overlay (DPO) applies in various locations in Alexandra, Buxton, Eildon, Kinglake West, Marysville, Narbethong, Pheasant Creek and Yea to guide the future use, development, subdivision and servicing of larger, undeveloped areas of residential, low density residential, rural living, industrial and commercial land. The DPO requires that a development plan be prepared and approved to guide the future development of an area prior to any planning permit being issued for individual parcels of land.

In 2013 Council undertook a review of the Development Plan Overlay (DPO) to assess the relevance of the application of the DPO to guide future development and prepare new development plans when required. The review made recommendations to:

- Retain applicable areas of the DPO where guidance for future development is required.
- Remove other redundant areas of DPO where development has been completed or where the DPO is no longer required.
- Revise the schedules (controls and performance measures) for each DPO (1-5) to make them more relevant and applicable.
- Prepare new development plans for areas where previous plans had expired and new plans were required (Lawrances Road, Yea and Wattle Street, Alexandra).

Amendment C46 proposes to implement the DPO review by:

- Removing the DPO from land where development has been completed or where the DPO is no longer required. This removal includes the propose deletion of the DPO4 from land in North Street, Yea being rezoned from Industrial 1 to General Residential 1 (under proposed Amendment C55 – Yea Structure Plan) as the individual parcels of land are either small in size or are in single ownership where future development may be considered on its merits through applications for planning permit.
- Rezoning land on the eastern side of Halls Flat Road, eastern side of Toronga Rise and southern side of Pendlebury Street, Alexandra from General Residential to Low Density, also removing the DPO from these areas, to reflect that these areas cannot be readily fully serviced and are not suitable for full residential subdivision and development.
- Revising all DPO schedules (1, General Residential; 2, Low Density Residential Zone; 3, Rural Living Zone; 4, Industrial 1 and 2 Zones; 5, Commercial 1 Zone).
- Correcting DPO schedule numbers applying to some sites on DPO maps.

The exact changes proposed under Amendment C46 and reasons for them are outlined in the attached explanatory report for the amendment (Encl 6.2a), attached DPO schedules (Encl 6.2b) and attached maps (Encl 6.2c).

Council Plan/Strategies:

The proposed amendment is consistent with the Our Environment goal in the Murrindindi Shire Council Plan 2013-2017, specifically in relation to the strategic objectives and directions relating to Planning for Urban Growth and implementing ongoing changes to the Murrindindi Planning Scheme.

Legal/Policy Issues:

There are no legal or policy issues associated with the proposal. Amendment C46 does not propose any changes to the LPPF and has no policy implications. All proposed changes meet the current and proposed LPPF.

Financial/Resources/Risk

There are no particular financial or resources risks associated with the amendment. The amendment will save resources by removing the need for the preparation of a development plan over some areas.

Discussion:

This amendment has been deliberately prepared after the resolution of three outstanding development plans considered in the 2013 review, that is:

- Lawrances Road, Yea: Revised / approved August 2014
- Wattle Street, Alexandra: Revised / approved August 2014
- Toronga Rise / Halls Flat / Plantation Lane, Alexandra: Earlier plan not revised due to there being no need for a development plan. Under Amendment C46, some of this area is proposed to be rezoned to Low Density Residential, with the DPO being removed from the whole area.

Revised DPO schedules will streamline requirements and performance measures for the preparation of development plans, when required, in the five zones that they will apply to. A key feature of the proposed new schedules will be an exemption from the need for a development plan when a two lot subdivision or a single dwelling / building are proposed.

Overall, the proposed removal of the DPO will remove the requirements for a development plan for landowners and Council, streamlining process and reducing timelines and costs.

The officer recommendation is in three parts, the first part is to seek authorisation from DELWP to exhibit the amendment (a legal process that is required prior to the exhibition of any amendment), the second part confirms the notification that will be undertaken for amendment exhibition and the third part is to exhibit the amendment once it is authorised.

Consultation:

A minimum one month statutory exhibition period will be undertaken for the amendment, comprising notice to affected landowners, notice to relevant agencies, public notice in local press and notice to prescribed ministers. This proposed notification provides a legal right to comment on the amendment and have a submission considered by council, and if Council cannot meet objections, a planning panel.

Conclusion:

Amendment C46 has been prepared to implement a 2013 review of the Development Plan Overlay. The amendment will rationalise the application of the DPO, rezone several parcels of land not suitable for full residential development and streamline DPO schedules to guide the preparation of future development plans. The exhibition of C46 will provide an opportunity for landowners and interested parties to make a formal submission to the proposal.

6.3 AMENDMENT C54, MURRINDINDI PLANNING SCHEME REVISION OF THE LOCAL PLANNING POLICY FRAMEWORK

REF: SF/1887

(Refer Encl 6.3 Summary of submissions to Amendment C54)

Purpose:

The purpose of this report is to inform Council of submissions received on the exhibition of Amendment C54 and seek a Council resolution to refer submissions to the amendment to an independent panel for consideration.

Recommendation:

That:

Having prepared and exhibited Amendment C54 to the Murrindindi Planning Scheme under section 19 of the Planning and Environment Act 1987;

Having in accordance with section 12 of the Planning and Environment Act 1987 had regard to the Minister's directions and the Victoria Planning Provisions, and taken into account any significant effects which the planning scheme might have on the environment or that the environment might have on use or development envisaged in the planning scheme or amendment and taken into account the social and economic effects;

Having considered all submissions to Amendment C54 under Section 22 of the Planning and Environment Act 1987 in accordance with Enclosure 6.3, Summary of submissions;

Murrindindi Council resolves that:

- 1. Under Section 23 of the Planning and Environment Act 1987, all submissions to Amendment C54 to the Murrindindi Planning Scheme be referred to an independent panel appointed under Part 8 of the Planning and Environment Act 1987;**

2. **The summary of submissions to Amendment C54 (Enclosure 6.3) be adopted as Council's position on the submissions that will be presented to an independent panel;**
3. **Each submitter to Amendment C54 be notified in writing of Murrindindi Council's position regarding their submission and informed of the forthcoming independent panel process.**

Background:

The proposed revised Local Planning Policy Framework (LPPF) was identified and supported by an initial review (monitoring report) of the Murrindindi Planning Scheme in 2013. A draft revised LPPF was prepared in 2014 that:

- Outlines the current, relevant strategic directions, replacing current directions (most dating back to May 1999).
- Incorporates land use directions in the Council Plan and other Council corporate documents.
- Outlines a positive, growth oriented approach for future land use planning.
- Follows current proposals for the statewide review of the planning policy framework in planning schemes, using ten (10) proposed land use themes (grouped together under four major headings of economic development, housing, environment and transport and infrastructure).
- Includes Council's identified future land use strategic actions and priorities.

The revised LPPF proposes a revision of local planning strategies and policies and does not include any proposed changes to any planning zoning, overlays or other controls.

Council Plan/Strategies:

The revised LPPF is consistent with the Our Environment goal in the Murrindindi Shire Council Plan 2013-2017 specifically in relation to the following strategic objective and action for Our Environment:

- Objective: We will plan for the future growth that is sensitive to the constraints of our natural environment whilst considering development needs.
- Year 1 Action: Complete a review of the Municipal Strategic Statement to establish directions that align to the Council Plan.

Legal/Policy Issues:

There are no particular legal issues associated with the proposed amendment. The proposed amendment will amend land use policy directions for the municipality, to be included in the Local Planning Policy Framework of the Murrindindi Planning Scheme.

Financial/Resources/Risk

There is no particular financial resource risks to Council associated with the amendment. The draft proposed LPPF and amendment been prepared in-house by staff. Costs will be incurred for a panel hearing (with costs unknown at this stage as costs are based on the amount of time expended by a panel) and for the final submission of the adopted amendment for approval, a fee of \$798. These costs and fee can be met under the existing 2014/15 planning budget allocation.

The overall LPPF revision, proposed under C54, will assist in prioritising Council's future land use resources / budget allocations.

Discussion:

A summary of submissions, with discussion and recommendations, forms Enclosure 6.3 to this report. All authority submissions to C54 support the amendment. The CFA has suggested minor content changes for inclusion in C54.

Four private submissions relate to the implementation of the *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014 (the 'KFT Plan'), questioning why C54 does not implement the plan in detail. The exhibited C54 only proposed to list the plan as a reference document to the planning scheme (also including the Kinglake Framework Plan as a framework plan in the vision) but did not propose to implement the adopted plan in any detail. This implementation is proposed under draft Amendment C53, which is presently being prepared by AECOM under Department of Environment, Land, Water and Planning (DELWP) Flying Squad funding. These four submissions have been referred to the C53 process for detailed consideration. It is considered that the level of detail sought in submissions for the implementation of the KFT Plan cannot be added to C54 at this stage (as this detail was not exhibited) and may be more appropriately considered, and if relevant, included in Amendment C53.

Another private submission has raised the lack of reference to the Hume Regional Growth Plan. It is considered that no additional discussion of the plan is required under C54 as the plan has already been implemented in the State Planning Policy Framework section of the Murrindindi Planning Scheme.

A further submission relates to the loss of detail of the attributes, values and character in the municipality with the proposed LPPF format and also raises a number of issues in relation to the right to farm and protection of land for agriculture. The submission requests an additional piece of work that was not prepared and exhibited as part of the amendment; that is a policy for outdoor events which are considered under the definition of Place of Assembly. Council has the option of identifying further work that could be listed in the planning scheme.

As submissions to C54 cannot be fully resolved at this stage, Council cannot adopt the amendment at this stage and must refer submissions to an independent panel for consideration. A panel will hear submissions and report to Council on the merits of the amendment and submissions. Council may then adopt the amendment, with or without changes, and submit it to the Minister for final approval. Panel dates will be confirmed once Planning Panels Victoria receives Council's request for a panel. In the meantime however, Council officers are holding discussions with submitters to attempt to resolve submissions. In the event that submissions can be resolved, a requested panel will not be required.

Consultation:

The revised LPPF was informally exhibited in 2014, then was formally exhibited between 4 December 2014 to 30 January 2015. Council exempted itself from giving notification to all landowners and occupiers (under Section 19(1a) of the Act) on the grounds that the number of owners and occupiers made it impractical to do so. Council did however take reasonable steps (under Section 19(1b) of the Act) to ensure that public notice of the amendment was given in the area affected by it through:

- A press release published in locally circulating press.
- Notice on Council's website and in Council offices / libraries.
- Direct notification of all relevant agencies.
- Direct notification of key interest groups and land use planning professionals.
- Direct notification of submitters to the informal LPPF exhibition.

A total of eleven (11) submissions were received to the formal exhibition of C54, five (5) from authorities and six (6) from private submitters. A summary of submissions, with discussion and recommendations, forms Enclosure 6.3 to this report.

Conclusion:

The proposed revised LPPF has been prepared to implement current local land use planning directions in a contemporary and useable format and has been exhibited as Amendment C54. As submissions to C54 cannot be fully resolved, Council must refer submissions to an independent panel for consideration.

6.4 AMENDMENT C55, IMPLEMENTATION OF THE YEA STRUCTURE PLAN

REF: SF/2041

(Refer *Encl 6.4a* Proposed C55 Explanatory Report (15/6213), *Encl 6.4b* Proposed C55 Map Changes (15/6215), *Encl 6.4c* Proposed C55 Rural Living Zone Schedule (15/6227) and *Encl 6.4d* Proposed C55 Clause Changes (15/6241))

Purpose:

To seek a Council resolution to request authorisation from the Minister for Planning to prepare Amendment C55, then when authorised, exhibit the amendment to implement the *Yea Structure Plan 2014* into the Murrindindi Planning Scheme.

Recommendation:

That Council:

- 1. Request under Section 8A (2) and (3) of the *Planning and Environment Act 1987* that the Minister for Planning authorise Murrindindi Shire Council to prepare Amendment C55 to the Murrindindi Planning Scheme;**
- 2. Notify the Minister for Planning that when it exhibits Amendment C55, Murrindindi Shire Council intends to give full notification of the amendment under Section 19 of the *Planning and Environment Act 1987* for the minimum statutory exhibition period of one month; and**
- 3. When authorised by the Minister for Planning, exhibit Amendment C55 to the Murrindindi Planning Scheme under Section 19 of the *Planning and Environment Act 1987*.**

Background:

In 2014, Council undertook a structure plan for the Yea township and environs to guide future land use, development, growth potential and servicing of the area for the next 15-20 years. Council adopted the *Yea Structure Plan 2014* at its meeting on 29 November 2014. The adopted plan:

- Outlines some new strategic directions for land use and development, infrastructure and economic and community development.
- Proposes some changes to controls, that is the rezoning of some land and the reduction of minimum subdivision size in the Rural Living Zone to the immediate northeast and west of the Yea township. Lot sizes will reduce from 4 hectares minimum and 6 hectares average to a 2 hectare minimum size with the application of the Development Plan Overlay (DPO) to these areas to guide the future use and development of land through a requirement for a development plan.

The exact changes proposed under Amendment C55 and reasons for them are outlined in the attached explanatory report for the amendment (Encl 6.4a), attached map changes (Encl 6.4b), proposed rural living zone schedule (Encl 6.4c), and proposed clause changes (Encl 6.4d).

Once adopted, a structure plan should be implemented in the Murrindindi Planning Scheme and amendment C55 has been prepared for that purpose.

Council Plan/Strategies:

The Yea Structure Plan study is consistent with the Our Environment goal in the Murrindindi Shire Council Plan 2013-2017, specifically in relation to the strategic objectives and directions relating to Planning for Urban Growth and implementing ongoing changes to the Murrindindi Planning Scheme.

Legal/Policy Issues:

There are no particular legal issues associated with the proposal. The adopted structure plan has revised policy directions for the Yea township area, which are now proposed to be given further policy weight through implementation in the planning scheme.

Financial/Resources/Risk

There are no particular financial or resources risks associated with the amendment. An amendment fee of \$798 which will be met through the operational budget. Preparation of development plans resulting from the proposed application of new DPO areas will create some additional resourcing need, which although will be met primarily by applicants, will involve some staff resources.

Discussion:

An adopted structure plan should be implemented into the planning scheme to both give it more policy weight and implement actual changes to controls. Amendment C55 includes the listing of the adopted structure plan as a 'reference' or 'policy' document to the scheme that would be taken into consideration in determining future land use and development proposals.

As the proposed revision of the Local Planning Policy Framework, under Amendment C54 for which the exhibition closed on 30 January 2015, has not yet been adopted, the proposed change to the current Murrindindi Planning Scheme under C55 is not currently in the new format. However, if C54 is approved by the time C55 is adopted, the content and intent of C55 may be readily transferred into the new C54 format.

Proposed Amendment C55 directly aligns with and implements the adopted *Yea Structure Plan* 2014 other than the addition of a second parcel of land at 5691 Whittlesea-Yea Road proposed to be rezoned from Industrial 1 to General Residential. The owners of this parcel have submitted that the second, northern parcel has residential potential and that rezoning is required to facilitate the development and servicing of the area. It is recommended that C55 propose to rezone both parcels of land as:

- The land is ideal for future residential development.
- Is not required for any future industrial development as ample industrial zoned land still exists to the north of the land.
- Rezoning does not depart from the policy intent of the adopted structure plan.
- Rezoning corrects a land use direction that should have been outlined in the adopted plan.
- Rezoning may be exhibited without contradicting or undermining the adopted plan.

In addition to land use planning related items, the adopted structure plan lists some implementation items for future Council works programs and budgets that will guide future Council and VicRoads actions for economic development and infrastructure.

The officer recommendation is in three parts, the first part is to seek authorisation from the Department of Environment, Water Land and Planning (DELWP) to exhibit the amendment (a legal process that is required prior to the exhibition of any amendment), the second part confirms the notification that will be undertaken for amendment exhibition and the third part is to exhibit the amendment once it is authorised.

Consultation:

A minimum one month statutory exhibition period will be undertaken for the amendment, comprising notice to affected landowners, notice to submitters to the *Yea Structure Plan 2014*, notice to relevant agencies, public notice in local press and notice to prescribed ministers. This proposed notification provides a legal right to comment on the amendment and have a submission considered by council, and if Council cannot meet objections, a planning panel.

Conclusion:

Amendment C55 has been prepared to implement the *Yea Structure Plan 2014* into the Murrindindi Planning Scheme. The exhibition of C55 will provide an opportunity for landowners and interested parties to make a formal submission to the proposal.

6.5 COUNCIL PLAN 2013-2017 QUARTERLY REPORT TO 31 DECEMBER 2014

REF: SF/291

(Refer Encl 6.5 Council Plan Quarterly Report – December 2014 (15/6069))

Purpose:

This report provides an update on the progress on year two activities listed in the Council Plan 2013-2017 for the second quarter ending 31 December 2014.

Recommendation:

That the report for the second quarter activities of year two of the Council Plan 2013-2017 be received.

Background:

The Council Plan for the period 2013-2017 was adopted by Council at its Ordinary Meeting of 26 June 2013 in accordance with Section 125 of the *Local Government Act 1989*. The annual review of the Plan was conducted in early 2014 and the Council Plan 2013 -2017 Year 2 was adopted by Council at its Ordinary Meeting of 25 June 2014.

Council Plan/Strategies:

The Council Plan is the key planning document which translates Council's obligations under the *Local Government Act 1989* into strategies and actions. Specifically the plan:

- guides Council's strategic direction
- identifies Council priorities and strategic indicators
- contributes to the development of the annual budget for the next four years

The Council Plan is a key document for local community groups, residents, investors, and other levels of government who play a vital role in helping the Council delivery on its commitments. It

sets out what we expect to achieve over a four year period and guides the allocation of finances through the Strategic Resource Plan.

Legal/Policy Issues:

Council is obliged under the *Local Government Act 1989* to review its Council Plan on an annual basis.

Financial/Resources/Risk

The Council Plan, in particular the Strategic Resource Plan, includes Council's long term financial plan and its implementation is supported by the Annual Budget.

Discussion:

The second quarter progress report on year two actions of the Council Plan 2013-2017 is contained in Enclosure 6.5.

At the end of the second quarter 5% of actions for the year were complete and 85% of actions were progressing without delays. 4% of actions were underway but experiencing some delay in progress. It is anticipated that all of these delayed actions will be completed by the end of the financial year. 3% of action are not yet scheduled to commence and 3% have been deferred to the following year.

The highlights for the first quarter include the following:

- Progress to date on the Year Two Implementation plan of the Municipal Public Health and Wellbeing Plan has included delivery of the International Day of People with a Disability community awareness event, Children's Week pram strolls and healthy eating events in four locations across the Shire, and the Men's Health Expo held by Alexandra and District Hospital.
- Council continued to work with the Prevention of Violence against Women and Children Working Group to implement the Courageous Conversations project in Murrindindi.
- Kinglake's Ellimatta Youth organisation received governance and strategic direction support in preparation for the organisation's November 2014 AGM.
- The first round of the Community Grants Program supported several arts and cultural initiatives including Yea Arts Carnivale, Yea Centenary Show, student leadership initiatives through the Buxton Primary School, storage needs for the Alexandra Timber and Tramway Museum and a welcome event for the Great Victorian Bike Ride.
- A plan has been developed to support communication with key housing and support providers to determine current and future social and public housing demand in preparation for further discussion at the next Health and Wellbeing Consortium meeting in February 2015.
- 356 Mercury Vapour Street lights across the areas of Kinglake, Yea, Eildon, Taggerty, Buxton and Marysville were replaced with lower energy T5 technology during the quarter.
- Tenders closed for the provision of the kerbside collection services for waste and recycling and the acceptance and processing of recyclables. Extensive work was undertaken to finalise specifications for the joint tender conducted with the councils of Mitchell, Strathbogrie, Benalla and Mansfield.
- 88% of the roadside weed control program has been delivered in this quarter. Prioritised roadsides were sprayed for noxious weed control including woody weeds such as Blackberry, Gorse, St John Wort, Cape Broom, Sweet Briar.

- Council has appointed its own Emergency Management Fire Coordinator to assist in ensuring Council's emergency management responsibilities are better aligned with state and regional objectives.
- The reviewed Municipal Emergency Management Plan (MEMP) was adopted by Council in October 2014. A statutory audit was also conducted of the MEMP, led by the State Emergency Service, in conjunction with Victoria Police and the Department of Human Services, in October.
- The draft KFT Streetscape Master Plan was placed on exhibition, with three community meetings held in the quarter to discuss the Plan.
- Solid progress was made in the development of a Murrindindi Shire Regional Events Strategy 2015 - 2020, that will provide direction in the stated need to expand the list of events in the Shire.
- In October a second business forum staged in Yea, was attended by a number of local real estate agents, business advisors and finance professionals which canvassed development opportunities and impediments and provided some insight into the nature and scale of demand for property in the shire.
- In December, the Great Victorian Bike Ride, with over 4,000 participants and support staff involved, presented an opportunity to promote the Shire as a great place to live, work and/or invest in. The tag line "You Could Live Here Too" was developed and utilised at promotion stands in the Mansfield and Alexandra.
- Council adopted the Murrindindi 2030 Vision at its October Ordinary Council meeting. Work has continued on the development of the Implementation Plan which is to be completed in the third quarter.
- A full review of Council's Procurement Policy was adopted by Council in December 2014. Further training for Council officers highlighting the new compliance requirements is to occur in early 2015.
- Council officers have continued working on revising Council's long term financial plans which will incorporate the updated costs associated with the new & gifted assets in preparation for the delivery of the 2015-16 Annual Budget and Strategic Resource Plan.

Consultation:

Community consultation is undertaken in relation to individual projects and activities identified in the Council Plan. This report provides the opportunity for Council to promote its achievements for the second quarter of the 2013 -2014 financial year in relation to the implementation of the strategies from the Council Plan.

Conclusion:

The 31 December 2014 report for the Council Plan 2013-2017 reflects the outcomes of the second quarter for year 2 of this Council Plan. The majority of activities are on schedule, ongoing or target likely to be achieved reflecting a strong commitment by Council to meet the requirements set by the Council Plan.

6.6 QUARTERLY FINANCIAL REPORT TO 31 DECEMBER 2014

REF: FY1-02

*(Refer Encl 6.6 Quarterly Financial Statements to 31 December 2014) (REF: 15/6551)****Purpose:***

This report provides the quarterly financial report for the period ending 31 December 2014.

Recommendation:

That Council receives the Quarterly Financial Report to 31 December 2014.

Background:

Financial governance is important for a Council's good governance because the consequences of failure can be very significant for a Council.

Councillors, sitting as Council, have an overall accountability for the Council's finances. This comes in two ways. Firstly, the council is required to prepare and periodically review its long term financial plan. This is called the Strategic Resource Plan and forms part of the Council Plan.

Secondly a Council must prepare and adopt the annual budget. The council must also receive regular financial reporting. As a minimum a Council must receive a quarterly financial report which compared actual and budgeted revenues and expenses.

The format of the budget is prepared generally in accordance with both the financial regulations affecting local government and the best practice guide for reporting local government budgets.

At the end of the financial year, the draft Annual Financial Statements, comprising the Financial Report, Standard Statements and Performance Statement, are considered by the Audit Committee and presented to Council prior to them being submitted to the Auditor General.

It is important that the Annual Budget is framed within the Strategic Resource Plan and contributes to achieving the strategic objectives specified in the Council Plan.

To enable the progress of each to be monitored throughout the year, Council receives quarterly reports on the Annual Budget, the Council Plan activities, and the Capital Works Program.

Council Plan/Strategies:

This report, in relation to the Annual Budget and quarterly financial reporting, is consistent with the Council Plan 2013-2017 "Our Council" theme which has a strategic objective of delivering visible leadership and advocacy for the community backed by a financially strong organisation. A key strategy objective is to administer sound financial management practices.

Legal/Policy Issues:

The *Local Government Act 1989* ("the Act") requires, under *Section 126*, that a Council must prepare a Strategic Resource Plan for a period of four years.

The Act also sets out in *Section 127* that the Council must prepare a budget for each financial year.

Then, in *Section 138*, the Act requires that quarterly financial reports must be presented to Council.

Financial/Resources/Risk

The financial governance of a Council is an important role for Councillors. The risk of poor financial management can have a significant impact upon the governance of the Council. The financial implications flowing from this quarterly financial review are outlined in this report.

Discussion:**Annual Council Budget**

The Council Budget essentially comprises four components. Firstly it provides a description of the activities and initiatives to be funded in the Annual Budget and how these will contribute to achieving the strategic objectives that are specified in the Council Plan.

Secondly, it describes the various influences which have impacted upon the preparation of the Annual Budget. These have included such things as Federal and State funding programs, such as Road to Recovery Allocations or costs such as the EPA levies.

Thirdly, it includes an analysis of the budget including the sources of revenue such as rates, user fees and grants as well as key expenditure categories.

Finally it includes an analysis of the cash flow and capital works statements along with the five Budgeted Standard Statements of:

- Budgeted Comprehensive Income Statement
- Budgeted Balance Sheet (incorporating Changes in Equity)
- Budgeted Statement of Cash Flow
- Budgeted Statement of Capital Works
- Budgeted Statement of Investment Reserves

These five Standard Statements are replicated in the quarterly financial report that is presented to Council (*refer Encl 6.6 - Statements A – E*)

It is important to note that these Standard Statements are based upon public sector financial reporting, the key principle of which is that Council is required to account for the revenue in the year that it is received rather than when it is expended. As capital works projects and grant funded programs often extend over one financial year, then a principle of public sector reporting is also that carry forward adjustments need to be made.

Quarterly Financial Report to 31 December 2014

These five Statements for the quarter to 31 December 2014 are included in *Encl 6.6*.

The table below is a reconciliation between Council's Adopted Budget and the Revised Budget figures within the enclosed Statements which include carry forward of unexpended projects from 2014-15.

Reconciliation of Budget Adjustments - December 2014 Quarterly Review

	Operating Result Surplus / (Deficit)
Adopted Budget 2014/2015	(278,483)
Carry forward adjustments	(1,299,915)
Other adjustments Grant Funding - Sept Report	345,924
September Revised Budget 2014/2015 - (deficit)	(1,232,474)
Fees, Fines & User Charges	(112,066)
Grants Recurrent	161,424
Grants Non-Recurrent	7,572
Contribution - Cash	(20,230)
Reimbursements	26,165
Other Revenue	752,638
Employee Benefits	(139,430)
Materials & Service	866,528
Depreciation	(164,770)
Other Expenses	(14,727)
Finance Cost - Interest	18,178
Carrying Amount of Assets Sold	(51,500)
December Revised Budget 2014/2015 - surplus	97,308

The original budget operating deficit has been impacted by carry forward adjustments as detailed as part of the September 2014 Budget Review projecting a (\$1.23m) operating deficit for 2014-15. With additional Grant Funding, proposed Sale of Quarry business, increased projection from interest on investment together with revision of all operating and capital budgets for year end 30 June 2015 results, Council's Revised Budget for 2014-15 is now forecasting an operating surplus of \$97,308.

It should also be noted that generally Local Government Income Statements report a surplus because the statement includes all of Councils income sources, but does not include all of Councils expenditure as Capital expenditure is reported via a separate Capital works Statement D.

Summary of Budget Adjustments

Fees Fines and User Charges have been decreased by (\$112k) with no production of quarry stock (\$255k), revised Transfer Station Fees unfavourable (\$27k), increased fees for Home Care Private Debtors \$145k and Development – plan checking \$30k.

Recurrent Grant Funding has increased with the addition of the following funding;

Grants Recurrent	
Family Day Care - Provision of Service	189,200
Maternal & Child Health Funding	4,349
Social Support Core	6,479
Volunteer Coordination	1,200
In Home Child Care - Provision of Service	1,000
In Home Child Care - Funding	(2,483)
School Crossing Supervision	(4,067)
Roads to Recovery Program	(34,254)
	161,424

Non Recurrent Grant Funding has also increased with several new funded projects, however some existing project budgets have been revised to be completed in 2015-16, with related funding being carried forward.

Grants Non-Recurrent

New Grant Funded Projects

Planning Projects - Kinglake Ranges Streetscape	36,018
Planning Projects - Eildon Structure Plan GMW	25,000
Pools General - Cadetship	3,750
Vic Roads Blackspot Funding	199,823
NDFA Storm 24 June 2014	53,115
Marysville Cricket Club Training Nets	40,250
Eildon Bowling Club Rejuvenation	15,000
Yea Railway Station Building Conservation	74,000
Watts Working Better (COGS)	1,666

Revised Budgets - funding carried forward 2015-16

Community Connectedness Facilitator	(9,700)
WHGNE Family Violence Project	(4,250)
Local Government Infrastructure Program	(10,000)
L2P Driver Support Project	(4,200)
Advancing Country Towns	(12,500)
Putting Locals First Program Funding	(360,400)
Business Investment Prospectus	(40,000)
	7,572

Contribution Cash decreased by (\$20k) with Public Open Space contribution reduced by (\$25k) and changes to accounting practices for contributions to Alexandra Community Leisure Centre (\$14k). This was partially offset by contributions to Eildon Bowling Club project \$15k and Business Continuity Planning \$4k.

Reimbursements increased by \$26k with recoupment of Legal expenses \$15k and Yea Median Strip maintenance \$9k.

Other Revenue is the most significant variance with an increase of \$752k. This is mainly related to the proposed sale of the Quarry business \$300k and the return of liability funds held for rehabilitation \$250k no longer required. With Council holding additional cash funds relating to an increased level of reserves and deferred capital works, interest on investment has a forecast increase of \$227k. Investment return projections were calculated prior to the recent interest rate cut by the Reserve Bank, which at the current low interest rates could have a significant impact. This will be monitored closely over the coming months.

The increase in Employee Benefits (\$139k) is mainly related to costs funded by grants for Home & Community Care Programs (\$125k) and the extension of the Corporate Projects Officer position (\$32k). Favourable variances identified include savings on Workcover of \$55k and the carry forward of funding for the Municipal Emergency Fire Coordinator of \$37k.

The summary of the favourable budget revision in Materials and Services is detailed in the table below.

Material & Services

New & Gifted Assets transferred to Reserve	785,833
Insurance - public liability, property & plant	74,672
Fuel - adjusted plant operating	82,204
Quarry - reduced costs - no crush	149,634
Contractors engagement - vacancies infrastructure	(84,976)
Family Day Care - service level increase	(158,014)
DHS repayment for Equity MRV Units 7 & 8	(142,000)
Planning Projects - grant funded	(61,018)
Waste Landfill Leachate - from reserve	(100,925)
Carry Forward Projects to 2015/16	
ACT - Early Years	10,572
WHNEG family Violence Project	5,000
FSPL Funding	30,000
Business Investment Prospectus	17,080
Advancing Country Towns	315,463
insurance funds to capital - Marysville Cricket Nets	20,250
Project Management - from Capital	(45,000)
Pool equipment - from Capital Budget	(15,000)
Business Continuity Plan & HPLCP Program	(22,000)
balance net movement - various other areas.	4,753
	866,528

In addition to items detailed in above table, Fire Prevention mowing is forecast to exceed original budget allocation, along with an increase in projected legal costs however these potential over runs have been accommodated within existing program budgets.

Depreciation has been adjusted reflecting capital works completed, periodic revaluations and indexation.

Other expenses (\$15k) increased with internal audit fee (\$20k) due to cross over of audit programs with the recent change of internal audit provider.

Finance costs (interest on loans) show savings of \$18k on interest due to the deferral of loan drawdowns from October 2014 to April 2015.

Carrying amount of Asset Sales budgets have been adjusted (\$51k) to reflect the variance between actual asset values held by Council and potential sale values. Land sales are in line with Council asset values with minor variance of (\$10k), however Building Values of the 2 units at Marysville Retirement Village vary by (\$19k) per unit.

Plant Sales and carrying amount of assets have corresponding reductions of \$236K.

The Annual Revised Budget for 30 June 2015 incorporates all adjustments detailed above.

Balance Sheet (Statement B)

The Balance Sheet – Statement B as at 31 December 2014 shows a major year to date variance in Trade & Other Receivable of \$1.5m which is relating to outstanding claims for Natural Disaster Funded Projects - Storm Events \$1.67m. Meetings have been held with Vic Roads and Department of Treasury and Finance to address this issue. The other major year to

date variance of \$1.0m is the reconciling balance of cash, with a favourable operating result of \$0.4m offset by unfavourable receivables.

The variance relating to Property Plant & Equipment is explained and reconciled with reference to Statement D Capital Works.

The overall revised budget position maintains a higher level of cash as at 30 June 2015 of \$18.9m which is \$2.9m above the September revised budget for 2014/15 of \$16.0m. The bulk of this relates to the increased level of Reserves \$1.2m with movements detailed in Statement E Reconciliation of Non Discretionary Cash & Reserves, together with the revision of the Capital Works Program for 2014-15 by \$1.7m from \$12.1m to Revised Budget forecast of \$10.4m – as detailed in Table 6 of this report & Statement D Capital Works.

Cashflow Statement (Statement C)

The Cashflow Statement provides a holistic picture and reports the important information on Council's cash inflows and outflows. *Net cash flow from operating activities* line in the Cash Flow Statement (a cash view of the operating statement) shows from the revised budget an increase of \$1.7m. The bulk of this adjustment is a reduction in payment to suppliers of \$0.9m (new & gifted assets), user charges & other income increase \$0.4m (sale of Quarry business – is not an asset), receipt of grants \$0.2m and Interest on Investment increase \$0.2m. *Net cash used in investing activities* (Capital Works) shows an overall decrease of (\$1.4m) and *Net cash used in financing activities* (trust funds & deposits) has increased by \$0.2m.

The overall result is reflected in the Balance Sheet with the Revised Budget for 2014-15 projecting an increase in cash of \$2.9m.

As part of Council Quarterly Reviews – an alternative view of the Income Statement – Statement A, has been provided showing Council's "underlying result" – which is the net surplus or deficit adjusted for capital grants, contribution to capital projects, and other once off adjustments. This is a measure of financial sustainability of a Council as it is not impacted by non recurring or once off items of income or expenditure which can often mask the operating result.

Non Discretionary Cash & Council Reserves (Statement E)

Included as part of this report is an additional reconciliation flowing from the cash flow statement of Council's Non Discretionary Cash Flow requirements. This reconciliation lists all Council reserves together with funds held as Deposits or Trust – which are required to be refunded, and an allowance for provision of employee entitlements – being a nominal amount of 25% of Council Annual Leave Liability.

As part of the 2013/14 Budget and Council's 2013-2017 Long Term Financial Plan Council has made a commitment to re-establishing a cash backed proportion of this liability – to be at 25% of the current LSL Liability over a 4 year period – by 30 June 2017. The amount included in the current year 2014-15 reconciliation of \$263,025 is 12.5% of the current Long Service Leave Liability.

Operating – Year to Date Review

Overall the income statement reflects minimal variances in both operating revenue and operating expenditure, with several projects behind anticipated expenditure budgets.

The Year to Date Summary of the Income Statement for the period ending 31 December 2014 is provided in Table 1 as follows:

Table 1 – Summary of Income Statement

	YTD	YTD	
	Budget	Actual	Variance
	\$k	\$k	\$k
Revenue	24,985	24,860	(125)
Expenses	11,031	10,512	519
Surplus	13,954	14,348	394

The Year To Date (YTD) operating result at 31 December 2014 shows income down by (\$125k) and expenditure behind \$519k generating a larger than expected YTD surplus of \$394k or 3% better than the budgeted surplus.

The key components comprising both Revenue and Expenses variances are summarised by category in Tables 2 and 3 as follows:

Table 2 – Key Revenue component variance

Variance		
\$k		
(125)	Unfavourable to budget	
Key Components	Type	Particulars
(108)	Special Charge Scheme	Green Street Alexandra scheme invoices to be received in second half of 2014/15 financial year.
(18)	User Fees	Unfavourable variance mainly on Home Care Fees (\$17) reflective of service level demand.

Table 3 – Key Expense component variance

Variance		
\$k		
519	Favourable to Budget	
Key Components:	Type	Particulars
211	Employee Benefits	Year to date saving in Community Services Aged Care \$98k driven by service level demand. Infrastructure Maintenance \$38k, Waste management \$14k together with various other minor YTD variance across the organisation.
308	Materials & Services	These favourable variances are spread mainly across contractors \$167k, utilities \$52k and materials \$41k. It should be noted these are year to date variance to budget and not forecast savings as most budgets are predicted to be achieved by year end.

Variance		
\$k		
519	Favourable to Budget	
Key Components:	Type	Particulars
		Favourable year to date variance mainly relates to <ul style="list-style-type: none"> • Facilities Maintenance \$92k • Community Care – service purchase \$28k • Infrastructure maintenance \$138k • Councillor training & conference \$10k, plus • Numerous minor variance spread across programs

Capital - Year to Date Review

As at 31 December 2014, Capital Works are \$7k ahead the year to date budget of \$2,119k. Statement D, as attached, indicates that across the asset categories, the largest variances are \$31k in Buildings and (\$26k) in Bridges.

Table 4 – Summary of Capital Works completed (Financial)

Asset Category	YTD Budget	Actuals	Variance	Complete to
	31/12/2014	31/12/2014	YTD	YTD Budget
	\$'000	\$'000	\$'000	%
Buildings	-	-	-	0%
Buildings	518	487	31	6%
Plant & Machinery	503	503	(0)	0%
Roads & Paths	695	701	(6)	-1%
Bridges	12	38	(26)	-210%
Footpaths and Cycleways	197	199	(2)	-1%
Drainage	140	145	(5)	-3%
Heritage Assets	-	-	-	0%
Furniture & Equipment	21	25	(4)	-20%
Library Bookstock	33	29	4	12%
Works in Progress	-	-	-	0%
Total Capital Works	2,119	2,126	(7)	0%

Table 5 – Key Capital component variance

Variance		
\$k		
(7)		
Favourable to Budget		
Key Components:	Type	Particulars
31	Buildings	Expenditure on buildings is running slightly behind expectations with the major items being at the Marysville & Eildon Swimming Pools plus a combination of minor variations across several projects.
(26)	Bridges	Variance relates to works on Swamp Creek Bridge \$23k ahead of budget timeline.

With minimal Year to Date variance, the capital works program overall appears to be running along well as at 31 December 2014. The overall budget had increased from \$9.58m to \$12.08m with \$2.14m carry forwards from unexpended capital work projects forecast to be completed by 30 June 2014 (reported to Council 27 August 2014) and the inclusion of several new grant funded capital works projects – which were detailed separately as a part of the September Quarterly Review.

As part of the December Review for 2014-15, budgets have again been revised with the inclusion of additional grant funded projects, and any identified savings that are forecast to be achieved by 30 June 2015 position. In addition, projects that are required to be carried forward for completion in the 2015-16 financial year and will be reflected in next year's budget have been identified and adjusted accordingly. These adjustments are detailed in Table 6 below.

Table 6 - Revision of 2014-15 Capital Works Program

Capital Works Program - Sept 2014 Review		12,082,455
<i>New Grant Funded Projects (Net increase)</i>		
Eildon Bowling Club Rejuvenation - project \$72,589	30,000	
Marysville Cricket Club Training Nets	60,500	
Yea Railway Station Building	74,000	
Ghin Ghin Road - Safety Works (Black Spot Funding)	199,823	
Halls Projects - PLFP Budget purposes	(392,000)	
Yea Civic Centre Precinct Project - PLFP	295,260	
Yarck Rejuvenating Village Hub- PLFP	83,646	351,229
Adjustment R2R final allocation 2014-15		(34,254)
Available Capital Works Budget 2014-15		12,399,430
Savings Expenditure Plant Replacement Program - Net (\$353,300)		(589,716)
Not proceeding with Purchase Wheel Loader, Compactor, Low Loader		
reallocation to operating budgets (not capital)		
projection management \$45,000 / pools equipment \$15,000		(60,000)
Transfer from Reserve - Marysville Caravan Park works		10,000
Minor adjustment		1,343
<i>Carried forward into 2015-16 Budget</i>		
Information Technology - Personal Computers	(43,000)	
Landfill Cell Construction	(246,400)	
Landfill Upgrade	(353,600)	
Resource Recovery Centres	(85,000)	
Eildon Town Centre Revitalising	(290,000)	
Yea Civic Centre Precinct	(145,260)	
Timber Tramway Museum	(50,098)	
Vegetation Projects	(121,000)	
Flood Levee Buxton	(46,800)	(1,381,158)
Annual Revised Capital Works Budget 2014-15		10,379,899

Further details by category can be found in Statement D.

Key Financial Ratios

The Victorian Auditor General's Office (VAGO) prepares an annual report on a range of financial indicators for each Council. The Auditor General report addresses three key indicators.

In 2006-2007 VAGO started publishing separate reports on the results of financial audits for the local government sector. It introduced a traffic light system for reporting on the financial sustainability risk of local Councils and also reporting on each Council individually. Each year VAGO has continued to report on a set of indicators that are outlined below and over that period VAGO has seen an overall improvement in these ratios.

The traffic light system comprises:

Risk Ledger
High risk of short-term and immediate sustainability concerns
Medium risk of long-term sustainability concerns
Low risk of sustainability concerns

Financial Ratios - VAGO Risk Assessment Criteria								
Ratio	Actual	Actual	Actual	Actual	Revised Budget	5 Year Average		
	2011	2012	2013	2014	2015	2011-2015		
Liquidity (Measures the ability to pay existing liabilities within 12 months) Risk High 0-1 Medium 1.0-1.5 Low Greater than 1.5	2.28	2.34	3.29	2.75	3.16	2.76		
Self Financing (measures the ability to replace assets using cash generated by operations) Risk High <10% Medium 10%-20% Low >20%	21.59%	29.20%	33.75%	28.00%	32.19%	28.94%		
Indebtedness (Shows how well Council can meet debt from own source revenue) Risk High >60% Medium 40%-60% Low <40%	27.50%	27.25%	25.04%	22.01%	19.57%	24.27%		

This indicates that Council has an overall low risk in terms of its financial position, based on the VAGO assessment criteria. However, this does not negate the need for strong financial management nor support from the State Government in relation to the gifted and novated assets as these will have an impact upon the future assessment of these indicators and Council's long term financial sustainability.

Consultation:

Council's Audit Advisory Committee were presented with the draft quarterly financial statements at their meeting of 12 February 2015 for their consideration and discussion.

Conclusion:

Awareness by Councillors of general budgeting and reporting requirements will facilitate the preparation of the Annual Budget and Strategic Resource Plan. Operating performance for the December 2014 quarter has been largely in line with the total budget. Council remains in a favourable cash position despite the challenges that it faces.

6.7 CAPITAL WORKS PROGRAM 2014/2015 - DECEMBER QUARTERLY REPORT

REF: 15/6635

(Refer Encl 6.7a Capital Works Projects List TRIM 15/6921, Encl 6.7b Business case-Komatsu grader #1609 TRIM 14/26335 and Encl 6.7c Business case- Cat 7T roller #2816 TRIM 15/293)

Purpose:

The purpose of this report is to provide Council with the December quarterly update on Council's 2014/2015 Capital Works Program. The report will ensure that Council is advised of the progress of the capital works program.

Recommendation:**That Council:**

1. ***Note the December Quarterly Report-Capital Works Program 2014-2015***
2. ***Endorse the reallocation of \$132,567.00 of funds not required for the resealing Break O Day Road to the resealing of Springs Road Terrip Terrip as detailed in Section 5 of this report.***
3. ***Endorse the reallocation of \$8000.00 of funds not required for the Alexandra Scout Hall to the Princess Alexandra Statue repair and renewal detailed in Section 5 of this report.***
4. ***Endorse the retention of the Komatsu grader #1609 and Cat 7T roller #2816 as detailed in Section 7 of this report.***

Background:

At the Ordinary Council Meeting on 23 July 2012 Council resolved that a Quarterly report on the progress and financial status of the Capital Works Program be incorporated in Council's regular reporting cycle.

This report represents the second quarter report of the 2014/2015 Capital Works Program. The period of reporting is from 1 October to 31 December 2014.

The 2014/2015 Capital Works Program comprises of those projects endorsed by Council as part of the 2014/2015 capital works budget as well as those projects identified for carry forward from the 2013/2014 program.

Council Plan/Strategies:

This report is consistent with the following strategic objectives of the Council Plan 2013-2017:

- Our Economy – Strategic objective: 'We will advocate for the provision of infrastructure and services that support business growth'
- Our Environment – Strategic objective: 'We will use resources more efficiently and effectively'
- Our Environment – Strategic objective: 'We will apply a whole of life approach to the management and maintenance of Council's assets'

Legal/Policy Issues:

Council is obliged to prepare a budget annually. The preparations of a detailed Capital Works Program informs and significantly impacts on the budget.

Financial/Resources/Risk

There is a risk that Council may not invest enough in the replacement of infrastructure to maintain services reasonably required by the community. The preparation of a Ten Year Capital Improvement Plan seeks to mitigate this risk by informing Council of the financial impacts of investment in capital replacement.

The consequence of an insufficient capital investment in replacement is a widening infrastructure gap. The adoption of a Ten Year Capital Improvement Plan provides Council with the ability to manage the infrastructure renewal gap.

Timely reporting of financial issues assists in early identification of the need to reallocate costs where required. Reporting of project progress also provides Council and the community with an understanding of when projects will commence and will communicate any delays if they occur.

Discussion:

Works undertaken during the second quarter of the 2014/2015 capital works program generally consists of the completion of the scoping, planning and design phases of the 2014/2015 capital works projects and the initiation of delivery.

The December Quarterly Capital Works Program report provides commentary on the following features of the program:

1. Budget Vs. Actual ;
2. Identification of any major variances in income and expenditure;
3. Major areas of expenditure for the quarter being reported on;
4. Details of projects where physical works are anticipated to commence during the next reporting period;
5. Details of the projects that are delayed or other significant issues that have arisen which affect the budget for the project. This reporting, if done in a timely manner, removes the element of surprise and gives Council the opportunity to vary the scope of a project if required; and an
6. Projects completed in the December quarter
7. Additional project information

1. Budget Vs. Actual (year to date)

- The 2014/2015 revised adopted Capital Works budget is \$10,379,899.
- As at 31 December 2014, Capital Works are \$7k ahead the year to date budget of \$2,119k. The largest variances are \$31k in the Buildings assets category and \$(26k) in the Bridges category.

2. Identification of any major variances in income and expenditure

Table 1 provides some comments on the major variances in relation to expenditure per asset category.

Table 1: Major Variance Comments

Asset category	Total Variance	Comments of major variances
Buildings	\$31,000	Expenditure on buildings is running slightly behind expectations with some works on swimming pool amenities buildings postponed until season end. The remaining variations are a combination of minor variations across several projects.
Bridges	(\$26,000)	Bridge work is slightly ahead of expectations with works on Swamp Creek Bridge ahead of timeline.

3. Major areas of expenditure for the quarter being reported on

The major areas of expenditure for the December quarter include:

- Stormwater Network \$56K
- Buildings \$94K
- Roads , Paths & Bridges \$787K
- Swimming Pools \$89K

4. Details of projects where physical works are anticipated to commence during the next reporting period of 1 January to 31 March 2015.

Physical works which are anticipated to commence in the next reporting period include:

- RV Discharge Point, Alexandra
- Road resealing program
- Kinglake East Walking Track
- Yea Swimming Pool upgrade
- Alexandra drainage upgrade
- Marysville Camp kitchen repair
- Shamrock Road (CFA) drainage repair, Alexandra
- Major road patching and repairs
- Kinglake Ranges Art History Walk
- Yea multipurpose court
- Yarck Streetscape
- Yea Railway restoration
- Alexandra Senior Citizens toilet upgrade.

5. Details of the projects that are delayed or other significant issues that have arisen which affect the budget for the project. This reporting, if done in a timely manner, gives Council the opportunity to vary the scope of a project if required.

- Road resealing – Following an engineering assessment of roads proposed for resealing, officers will recommend postponing resealing of the west end of Break O Day Roads and reallocating fund to the resealing of Springs Road, Terrip Terrip which has been assessed as a higher priority for resealing.
- Leckie Park Toilets – Officers have investigated options for the replacement of the public toilet block in Leckie Park. The estimated cost of the replacement was \$60,000 however final cost of the most suitable option exceeds the estimate by \$8,000. Officers propose that the project be postponed while officers investigate the feasibility of incorporating public toilet facilities into an upgrade of the existing Cricket Club Pavilion and change rooms.
- Kinglake East Walking Track – This project has now received all relevant approvals, however, it is a requirement that seeds are harvested from the Pomaderris plants during autumn prior and to commencement of work. It is expected that seeds will be

harvested during March and works will commence late March for completion in April or early May.

- Princess Alexandra Statue and pediment - A specialist consultant has been engaged and provided a report into the condition of the statue and the pediment following the identification of cracking in the pediment structure and damage to the statue. This report has recommended immediate works to make the structure safe and preserve the statue. Officers will recommend that \$8000 be reallocated from funds currently allocated for the refurbishment of the Alexandra Scout Hall and no longer required in the 2014/2015 budget to undertake the works in the current year.
- Alexandra Shire Office
 Officers have undertaken an investigation into possible options for renewal of the air-conditioning system. The initial consultant's report has indicated that the budget allocation may not be sufficient. As a result officers have postponed undertaking works on the building facade while further work is undertaken to determine the likely cost of the required building upgrades which include the air-conditioning. This may result in these works not being completed within the 2014/2015 year.
- Grant Funded projects
 Grant funding has been received for a number of projects. Due to the requirement for scoping, design and consultation, some projects may not be completed within the 2014/2015 year.

Project	Current Budget allocation	Expected	Possible carry fwd
Eildon Town Centre	\$102,000	\$70,000	\$32,000
Yea Civic Centre Precinct	\$150,000	\$60,000	\$90,000
Ghin Ghin Rd. Blackspot	\$199,823	\$199,823	
Yarck Village Hub	\$106,000	\$106,000	

6. Projects completed in the December quarter

- Swamp Creek Road culvert repairs
- Alexandra Council Office carpet renewal
- Swamp Creek Road culvert repairs
- Yea footpath Missing links

7. Additional project information

- Taggerty Community Project – The majority of works have been completed on this project with the exception of the suspension bridge over Little River. The bridge works have been awaiting approval from the Catchment Management Authority. This has now been received and the contract for the supply and installation of the bridge has been let. The fabrication and installation of the bridge is expected to take fourteen weeks and will be completed prior to the end of the financial year.
- Kinglake Ranges Arts History Walk (KRAHW) – the Project Control Group has finalised the historical content, art, and photographic layout for the glass sign panels. The panels have been manufactured. Officers are evaluating quotations for

the preparation of sites for installation and it is expected that works will be completed prior to the end of the financial year.

- Yea swimming pools –the contract for the pool works has been let and works will commence immediately following the pool season close. Tender responses for the building component were considered to be unsatisfactory with only one tender received. The tender that was received was well in excess of the budget allowance. As a result the building works will be divided into three separate contracts and re advertised for quotations. Officers anticipate that this will result in more competitive pricing as the diverse nature of each contract is thought to have contributed to the poor tender results. It is also expected that this process will allow works to be undertaken within the budget allocation. Works will be completed within the allocated timeline allowing the pool to reopen on schedule.
- Resheeting program – Council's Operations Division is undertaking the resheeting program expected to complete works by the end of May 2015.
- Plant- The 2014-15 budget provided for the sale or retention of two items of plant (Komatsu grader #1609 and Cat 7T roller #2816) following the preparation of an appropriate business case (refer attachment 2 & 3.)

The business cases determined the following:

- The retention of the Council owned Komatsu grader #1609 for a further 3 years results in an estimated annual saving of \$9,342/year and is the preferred option.

Retention of the grader will also minimise the risks associated with the availability of hired graders and any changes or delays (including poor weather) in the annual resheeting program. In addition there are no down time payments or additional transport costs incurred compared to the standard hire arrangements. The retention of the existing grader also provides backup for the other two Council owned graders in case of a breakdown.

- The retention of the Council owned Cat 7T roller #2816 is the most cost effective option with an estimated annual saving of \$1,558/year and negates the need for the Council to write-down \$42,577 in asset value. This option also minimises the risks associated with the availability of hired rollers and any changes or delays (including poor weather) in the annual resheeting program as there are no down time payments or additional transport costs incurred compared to the standard hire arrangements.

The roller also provides back up to the combination roller should any breakdowns occur (including the tractor towing the combination roller).

Conclusion:

The introduction of regular / quarterly reporting on the capital works program will better inform Councillors of the progress and major variances for each project. This will have the level of accountability of all officers involved in the development and delivery of the annual capital works program.

**6.8 DEVELOPMENT AND ENVIRONMENTAL SERVICES DEPARTMENT -
DECEMBER QUARTERLY ACTIVITY REPORT**

REF: FY64-02

(Refer Encl 6.8a Planning and Development Engineering Action Plan June 2014 (15/7152), Encl 6.8b Planning and Building Permit Activity Report December Quarter 2014 (15/7153) and Encl 6.8c Strategic Planning Program Summary February 2015 (15/7154))

Purpose:

The purpose of this report is to provide Councillors with the December 2014 Quarterly Activity Report on the Development and Environmental Services Department.

Recommendation:

That Council notes the December 2014 Quarter Development and Environmental Services Activity Report.

Background:

In consultation with Councillors at a meeting in June 2014 it was agreed to implement quarterly reporting. A Planning & Development Engineering action plan has been developed that focused on the overarching Council Plan objective to grow the rate base and seeks to implement actions that are more responsive to development industry needs (refer Encl 6.8a).

The Planning Unit, Building Unit and Engineering Unit also report bi-monthly on key performance indicators aligned to respective Business Unit Plans and Council Plan actions. Council Plan reporting occurs at a Department level on a quarterly basis.

Council Plan/Strategies:

This initiative directly supports the achievement of the Strategic Objective for Customer Service in the *Our Council* goal in the Murrindindi Shire Council Plan 2013-2017, in that it addresses delivery of quality customer outcomes.

Legal/Policy Issues:

There are no legal issues associated with this action plan. Council's responsibilities in these functional areas are covered by various statutory regulations. The Murrindindi Planning Scheme (Local Planning Policy Framework), and Infrastructure Design Manual are of particular relevance guiding decision making on Planning Permit approvals.

Financial/Resources/Risk

There are no financial costs relating to the preparation of this report.

Discussion:

The Planning and Building Units have a very important role in facilitating private development within the municipality. The planning permit process is often more complex and considers development in a broader context having regard for local policy directions in the Murrindindi Planning Scheme.

One of the other significant challenges in any regulatory environment is compliance, which can lead to enforcement. Council has for many years taken a very proactive approach in the area of planning and building permit compliance by communicating with every permit applicant that has a current permit seeking information on how they are progressing, offering extensions should they be required.

The performance of the building and planning unit is monitored having regard for timeliness and adherence to policy guidelines and relevant legislation.

When surveyed, customers of these services have all indicated that turnaround times on permits are most critical and that unnecessary delays are very frustrating and cause the greatest levels of dissatisfaction. Another very important service level consideration closely aligned to timeliness is responsiveness to customer enquiries and inspection requests, which has also been identified by users of these services as a key focus area.

Customer Focus and Feedback

Pre-application meetings are being promoted to new property owners to discuss proposals about the planning and building permit process and to address issues prior to lodgement of applications.

Planning and Building staff have continued to attend the Kinglake Office twice a month to be available for customer enquiries, which are pre-booked and promoted by the Kinglake Office staff.

Users of the service have been contacted to discuss their experience with the Building and Planning team and the process. The new method of receiving feedback will be encouraged through a customer service feedback survey to be included with every Planning and Building Permit, which is scheduled to commence in March.

Promotional Activities and Participation at Forums

Media releases have been prepared to promote a building forum to be held in February 2015, which aims to provide participants with an opportunity to learn more about the building and development services that Council offers and to receive updates on the changes to the building regulations and related matters.

The free Building Information Forum is to be held Thursday 26 February 2015 between 6pm and 8pm at the Mt Pleasant Hotel Building.

Bushfire Rebuilding Sessions will also be occurring during March in Kinglake and Marysville. These sessions are to assist residents who are yet to submit applications to rebuild, which will be attended by Planning, Building, Infrastructure and Environmental Health staff.

Forums will also be occurring in Yea and Eildon in the coming months to discuss important planning and building related matters. These forums will be publicised through local print media, including other strategic work being undertaken within the Department.

Permit Activity (Building and Planning)

Planning and building monthly permit statistics are attached to this report for the December quarter (refer Encl 6.8b).

The average number of days to determine a planning permit increased marginally by comparison to the previous year by 2 days. The Key Performance Indicator (KPI) of 45 days was still achieved. The 2014/15 data indicates an actual increase in permit activity for the month of October and December by comparison to the previous year. Monthly fluctuations in permit numbers are expected when compared to previous years, but total numbers have remained consistent at around 230-250 permits per annum. The planning consent process linked to bushfire rebuilding has added some variation to permit activity levels since 2009. This may be further exacerbated in the coming months due to the cessation of the temporary bushfire planning provisions (30 April 2015). Letters have been sent out to residents encouraging them to obtain a planning consent prior to 30 April 2015. The total value of works has a direct correlation to activity levels within the planning area. The spike in August 2014 was due to a golf course development.

The average number of days to determine a building permit was achieved well within the KPI of 30 days for all building permits for December 2014 quarter. The October and December results show a minor decrease in activity by comparison to the previous year with November 2014 marginally better. The monthly fluctuations in permit numbers are similar by comparison to previous years, with the total number of permits issued remaining consistent at around 350 permits per annum. The total value of building works indicates that they are tracking well by comparison to the 2013/14 year end results.

Strategic Planning Program

Council Plan actions are aligned to the 2014/15 Strategic Planning Program deliverables, which also compliment The Growing the Rate Base Plan.

The Murrindindi Planning Scheme comprises both state and local policy frameworks. The local content outlines preferred land use and development directions for the municipality.

The Murrindindi Planning Scheme review was completed in 2014 and is to being implemented through a planning scheme amendment process.

The Yea structure Plan was adopted by Council in November 2014 and an amendment being reported to Council in February 2015 to seek authorisation and exhibit.

Consultants for the Eildon Structure Plan were engaged in December 2014.

A strategic planning projects summary is provided in attachment to this report (refer Encl 6.8c).

Consultation:

The activities listed in this report identify a number of communication strategies to engage with industry professionals and the community.

An internal communications plan has been developed to ensure media releases continue to be released publicising the work being undertaken within the Department. Projects and studies continue to be promoted throughout the year given the large volume of work being undertaken in this area, encouraging community participation along the way.

Conclusion:

The introduction of regular quarterly reporting will better inform Councillors and the Public of the work being carried out by respective Business Units within the Development and Environmental Services Department and importantly encourage customer feedback to inform improved performance.

6.9 ARTS AND CULTURE POLICY

REF: 15/6434

(Refer Encl 6.9 Arts and Culture Policy February 2015)

Purpose:

The purpose of this report is to present the reviewed Arts and Culture Policy to Council for adoption.

Recommendation:

That Council adopts the revised Arts and Culture Policy as contained in Enclosure 6.9.

Background:

The Arts and Culture Policy was developed in 2011. The policy aims to provide Council with:

- A framework to enable and support arts and cultural activities.

- Guidance in relation to decision making, and determining directions that are appropriate in meeting the creative and cultural needs of Murrindindi Shire residents.

The Arts and Culture policy is managed by the Community Services Department and was scheduled for review in October 2014 as part of Council's policy review timetable.

This report presents the revised Arts and Culture Policy for Council endorsement.

Council Plan/Strategies:

There is an annual action in the Council Plan 2013-2017 under the Our Community Goal to "Actively support participation in a wide range of artistic and cultural pursuits."

Legal/Policy Issues:

The Arts and Culture policy relates to Council's Community Grants policy and as such the Community Grants policy is referenced in the reviewed policy.

Financial/Resources/Risk

The role of Council in supporting arts and cultural activities as outlined in the policy can be undertaken within current financial and staffing resources.

Discussion:

The following changes are proposed to the policy following its review, which are reflected in the final draft policy (Enclosure1 Arts and Culture Policy -15/6435):

- A greater emphasis on the importance of the Arts to our Community has been included in the Purpose, Rationale and Policy sections of the document.
- Removal of the definitions section as it was determined they were outdated and unnecessary.
- Inclusion of a statement of Council commitment in the policy section of the document reflecting the value of arts and cultural activities and Council's capacity to support them.
- Re-classification of section 5.2 to better reflect the importance of creative partnerships and networks.
- The inclusion of a statement supporting the establishment of a Community Arts and Culture Forum, depending on community interest, under section 5.2 of the document. Council would support and facilitate the opportunity for community groups to come together to build relationships and collaborate. This statement is also reflected in the Municipal Public Health and Wellbeing Plan as a potential activity for the 2015/16 year.
- Re-phrasing of statements under section 5.3 Creative Spaces and Public Places to better reflect Council's willingness to encourage the use of facilities for innovative activities.

Discussions with Council have highlighted the need to develop operational guidelines to inform and support the development of spontaneous art and culture activities. To this end, officers will be developing simple operational guidelines that will assist in maximising the benefits of these activities to communities while minimising public risk and avoiding unnecessary Council expenditure.

Consultation:

The review of the policy did not require community consultation.

Conclusion:

The Arts and Culture Policy provides council with a framework to guide the support of arts and cultural activities in the Shire of Murrindindi.

6.10 PROPOSED SALE OF LOT 1 ON TP668987F, DOVE LANE, ALEXANDRA

REF: 15/6433

(Refer Encl 6.10 Title Plan TP668987F – Dove Lane)

Purpose:

The purpose of this report is to seek a Council resolution to commence the statutory processes for Sale of Land, Dove Lane, Alexandra being Lot 1 on the attached copy of TP668987F (“**Land**”) as requested by Edward Marcel & Jacqueline Frances Oostendorp (“**Proposed Purchaser**”).

Recommendation:**That Council:**

1. **Authorises the Chief Executive Officer to sign all documents and undertake all administrative procedures in respect of the proposed sale of the Land;**
2. **Obtains a valuation of the Land (“Valuation”) from a valuer who has the qualifications prescribed under the Act;**
3. **Resolves to give public notice of the proposed sale of the Land as per the requirements of section 189 of the *Local Government Act 1989*; and**
4. **If no submissions are received in response to the public notice:**
 - **provided the Proposed Purchaser agrees to pay the sale price and any additional legal fees and disbursements on settlement, Council resolves to affix its common seal to a transfer under section 45 of the *Transfer of Land Act 1958* of the Land to the Proposed Purchaser for a price which is equal to the Valuation (plus GST if the value excludes GST).**

Background:

A request was originally received from Rodney Aujard & Associates (Land Surveyors) acting on behalf of the proponent EM & JF Oostendorp in February 2013 to purchase land (in the shape of a road) owned by Council as part of the proponents Stage 2 (4 lot) subdivision development. Mr Oostendorp was advised of the necessary process and confirmed this request recently.

The land in question was created in the early 1900’s as part of the closure of an adjacent Govt Road, as a future road carriage, possibly to avoid construction issues associated with the closed Govt Road. However, it has remained as a lot since and never been gazetted a road.

Council formally advised the Proposed Purchaser of the process required to purchase the Land, including compliance with relevant provisions of the *Local Government Act 1989*, an upfront fee required to be paid by the Proposed Purchaser, title plan requirements, valuation, public notice and other statutory requirements.

The Proposed Purchaser has now formally responded to Council, requesting Council to carry out the procedures required under the *Local Government Act 1989* to sell the Land to the Proposed Purchaser. Further the Proposed Purchaser paid an up front (non-refundable, unless overpayment applies) fee of \$4,300.00 to cover Council’s legal costs and advertising and valuation costs.

Following the statutory processes the Proposed Purchaser will be required to pay to Council the sale price (based on valuation) plus any remaining legal costs and disbursements.

Council Plan/Strategies:

This report is consistent with the following strategy in the Council Plan 2013/17:

Infrastructure Strategy – to enhance the sustainability of our infrastructure, recognising the changing needs and expectations of our communities.

Legal/Policy Issues:

Council cannot agree to sell the Land to the Proposed Purchaser unless it complies with the provisions of section 189 of the *Local Government Act 1989* which requires Council to give public notice of the proposed sale inviting submissions on the proposal before a date specified in that notice, which must be no less than 28 days from the date of publication of the notice and obtain a valuation from a valuer who has the qualifications prescribed under the Act.

On the advice of Council's legal representative it is proposed that the parties use the simpler Transfer of Land process rather than a Contract of Sale.

Financial/Resources/Risk

All costs associated with the sale, other than staff time, have/will be pre-paid by the purchaser.

Discussion:

The statutory processes associated with the proposed sale of the Land, include the following:

- Council's agreement to the sale of the Land.
 - ✓ Resolution of Council authorising the Chief Executive Officer to sign all documents and undertake all administrative procedures in respect of the sale of the Land.
- Public Notice of the intended sale.
 - ✓ Give public notice of the proposed sale of the Land as per the requirements of the *Local Government Act 1989*.
 - ✓ Consider any submissions (if received) under section 223 of the *Local Government Act 1989*.
- Obtain a valuation of the Land.
 - ✓ Obtain a market value of the land from a valuer who has the qualifications prescribed under the Act.
- Transfer of Land under section 45 of the *Transfer of Land Act 1958*.
 - ✓ In lieu of a Contract of Sale transfer the registered proprietor's interest of the land in the appropriate approved form.

Consultation:

Consultation has occurred between the Proposed Purchaser and Council representatives and engagement with Council's legal representative on this matter.

In line with Council's Community Engagement Policy Council will advise adjoining landholders that may be affected by the sale, of Council's intention to give the following:

In relation to Section 223 of the Local Government Act 1989, Council is required to:

1. Give public notice of the proposed sale of the Land as per the requirements of section 189 of the Local Government Act 1989:
2. Consider any submissions (if received) under section 223 of the *Local Government Act 1989* before determining whether to proceed with the sale of the Land.

Conclusion:

This sale of the Land provides a positive outcome to both the Council and the proponent.

6.11 COUNCIL POLICY RESCISSION

File Ref: 15/5663

(Refer Encl 6.11 Council Policies for Rescission February)

Purpose:

The purpose of this report is to seek Council's rescission of four Council policies that have either been replaced by new policies or are now outdated.

Recommendation:

That Council rescind the following policies:

1. **Policy Development and Approvals Delegation adopted 5 June 2007**
2. **Special Rate and Charge – Roadworks adopted 18 December 1995**
3. **Special Rate or Charge Schemes adopted 16 October 1995**
4. **Risk Management – Occupation of Road Reserves – tables, chairs and awnings adopted September 2006**

Background:

Council has three levels of policies. Council policies are adopted by Council resolution at an Ordinary Meeting. They are generally strategic in nature, the primary stakeholders are often external to Council or the policy has significant financial implications. Organisational policies are adopted by the Chief Executive Officer and provide direction on operational issues. Departmental or divisional policies are adopted by Department Managers and provide department or divisional specific direction.

Council officers are undertaking a review of all policies across the three levels to ensure they remain consistent with legislation, relevant and up to date. As part of the review, four Council policies have been identified to be rescinded.

Council Plan/Strategies:

There is a year two action in the Council Plan 2013-2017 under the Our Council Goal to improve Council's existing policy framework in line with audit outcomes and best practice guidelines

Legal/Policy Issues:

The review of policies is essential for ensuring that they are relevant, include current legislation and reflect Council practices.

Financial/Resources/Risk

To ensure good governance practice it is important that Council does not have conflicting policies in place or those that are no longer relevant.

Discussion:

The four policies that require rescission by Council are:

Policy Development and Approvals Delegation adopted 5 June 2007

The Policy Development and Approval Delegation Policy (Enclosure 6.11a) sat previously at a Council level. In October 2014 the Chief Executive Officer adopted at an organisational level the "Policy Development and Management" Policy. This new policy is focused on the administration, process for writing and approval of policies and was considered an organisational policy.

Special Rate and Charge – Roadworks adopted 18 December 1995 & Special Rate or Charge Schemes adopted 16 October 1995

Council at its meeting of 27 November 2013 adopted the "Special Charge Scheme for Infrastructure Works" Policy. This policy replaced the Special Rate and Charge – Roadworks & Special Rate or Charge Schemes policies (Enclosures 6.11b and 6.11c) both adopted by Council in 1995.

Risk Management – Occupation of Road Reserves – tables, chairs and awnings adopted September 2006

This policy was put in place by Council in September 2006 (Enclosure 6.11d). This Policy is now obsolete and permit processes ensure that this area of operations is covered.

Consultation:

No external consultation is required for the consideration of rescinding Council policies.

Conclusion:

Council's policies form the framework for how and why operations are undertaken. It is essential to ensure that policies are up to date and relevant.

6.12 INSTRUMENTS OF DELEGATIONS, AUTHORISATIONS AND APPOINTMENTS

REF: 15/5696

(Refer *Encl 6.12a* S5 Instrument of Delegation to the Chief Executive Officer (TRIM: 14/43287), *Encl 6.12b* S6 Instrument of Delegation to members of staff (TRIM: 14/43305), *Encl 6.12c* S11 Instrument of Appointment and Authorisation (TRIM: 14/45646), *Encl 6.12d* S11A Instrument of Appointment and Authorisation (Planning & Environment Act 1987) (TRIM: 14/45650), *Encl 6.12e* S13 Powers, duties and functions vested in the Council's Chief Executive Officer under the *Local Government Act 1989* (TRIM: 14/45647)

Purpose:

This report provides the background for Council to review the S5 Instrument of Delegation to the Chief Executive Officer, S6 Instrument of Delegation to members of staff, S11 Instrument of Appointment and Authorisation and S11A Instrument of Appointment and Authorisation (Planning & Environment Act 1987) and the introduction of the S13 Powers, duties and functions vested in the Council's Chief Executive Officer under the *Local Government Act 1989* ("the Act").

Recommendation:

1. In the exercise of the powers conferred by section 98(1) of the *Local Government Act 1989* (the Act) and the other legislation referred to in the attached S5 Instrument of Delegation to the Chief Executive Officer, Council resolves that:
 - 1.1 There be delegated to the person holding the position, acting in or performing the duties of Chief Executive Officer the powers, duties and functions set out in the attached *Instrument of Delegation to the Chief Executive Officer*, subject to the conditions and limitations specified in that Instrument.
 - 1.2 The Instrument comes into force immediately when the common seal of Council is affixed to the Instrument.
 - 1.3 On the coming into force of the Instrument all previous delegations to the Chief Executive Officer are revoked.
 - 1.4 The duties and functions set out in the Instrument must be performed, and the powers set out in the Instruments must be executed, in accordance with any guidelines or policies of Council that it may adopt from time to time.
 - 1.5 It is noted that the Instrument includes a power of delegation to members of Council staff, in accordance with section 98(3) of the Act.
2. In the exercise of the powers conferred by section 98(1) of the *Local Government Act 1989* (the Act) and the other legislation referred to in the attached S6 Instrument of Delegation to members of staff, Council resolves that:
 - 2.1 There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached Instrument of Delegation to members of Council staff, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument.
 - 2.2 The Instrument comes into force immediately when the common seal of Council is affixed to the instrument.
 - 2.3 On the coming into force of the Instrument all previous delegations to members of Council staff (other than the Chief Executive Officer) are revoked.
 - 2.4 The duties and functions set out in the Instrument must be performed, and the powers set out in the Instruments must be executed, in accordance with any guidelines or policies of Council that it may adopt from time to time.
3. In the exercise of the powers conferred by section 224 of the *Local Government Act 1989* (the Act) and the other legislation referred to in the attached S11. Instrument of Appointment and Authorisation and S11A. Instrument of Appointment and Authorisation (Planning & Environment Act 1987), Council resolves that:
 - 3.1 The members of Council staff referred to in the Instruments S11 & S11A be appointed and authorised as set out in the Instruments.
 - 3.2 The Instruments comes into force immediately when the common seal of Council is affixed to the instruments and remains in force until Council determines to vary or revoke it.
4. Council resolves to endorse the S13 Powers, duties and functions vested in the Chief Executive Officer under the *Local Government Act 1989*.

Background:Delegations and Authorisations

The Council is a legal entity composed of its members (i.e. the Councillors). It is not a "natural" person and therefore it can act in only one of two ways: by resolution, or through others acting on its behalf.

The power of a Council to act by resolution is set out in section 3(5) of the Act - "(5) Where a Council is empowered to do any act, matter or thing, the decision to do the act, matter or thing is to be made by a resolution of the Council". Alternatively, a Council can act through others. Where this is to occur, it is recommended that the appointment be formalised through written "Instruments of Delegation" wherever practicable. The Act, as well as other legislation, makes express provision for the appointment of delegates to act on behalf of Councils.

Delegations are different in nature from authorisations. The decision of a delegate of Council is "deemed" to be a decision by Council. The decision by a person appointed by Council to a statutory position - for example, a Municipal Building Surveyor - is not. That person's powers and responsibilities are quite distinct from Council's. It is therefore important that the Council has in place appropriate policies and guidelines under which delegation should be exercised.

Review of Instruments of Delegation, Authorisations and Appointments

Council is required to review its delegations within 12 months of a general election. It is good governance practice that Council review its Delegations, Authorisations and Appointments regularly to ensure recent changes to legislation, organisational structure and/or officer titles are accounted for and the appropriate delegations applied. The last review was endorsed by Council at its Ordinary Meeting on 18 December 2013.

Council Plan/Strategies:

This issue is consistent with the Our Council Goal to "provide strategic leadership and effective governance that supports the aspirations of our community" of the Council Plan 2013-2017.

Legal/Policy Issues:

Council is required to approve Delegations Authorisations and Appointments in accordance with section 98 of the *Local Government Act 1989*. The Instruments of Delegation, Appointments and Authorisations support the undertaking of various requirements under specific legislation.

All relevant legislation changes have been incorporated into the delegation review.

Financial/Resources/Risk

Effective and efficient functioning of local government would not be possible without formal delegations to Council officers.

Discussion:

Council has reviewed the S5 Instrument of Delegation to the Chief Executive Officer, S6 Instrument of Delegation to members of staff, S11 Instrument of Appointment and Authorisation and S11A Instrument of Appointment and Authorisation (Planning & Environment Act 1987).

Legislation changes, introduction of new legislation and new interpretations are all included. Changes in staffing, departmental structures and operational requirements have all been considered. Advice from Council's legal advisors indicates that good business practice is to ensure that there is more than one officer delegated for each power that is stipulated under each respective piece of legislation. The review reflects this by ensuring that there is a secondary delegate is listed where applicable.

The S13 Powers, duties and functions vested in the Council's Chief Executive Officer under the *Local Government Act 1989* is a supporting document to the Delegations, Authorisations and

Appointments and has not previously been endorsed by Council. This document allows for Council, the Chief Executive Officer, Officers of Council and the general public to have a clear understanding of what is expected of the Chief Executive Officer in undertaking powers delegated under the *Local Government Act 1989*.

Consultation:

The making of delegations does not require community consultation prior to adoption. A register of delegations kept under Sections 87, 88 and 98 of *the Act*, including the date on which the last review under Section 98(6) of the Act took place must be made available for public inspection at Council's office if requested.

Conclusion:

Through delegating powers under various forms of legislation Council ensures the most effective governance Council operations.

6.13 FUTURE OF THE GREAT VICTORIAN RAIL TRAIL ADVISORY COMMITTEE

REF: SF/1178

Purpose:

The purpose of this report is to provide Council with the background on the purpose and role of the Great Victorian Rail Trail Advisory Committee and to recommend a way forward for revised governance arrangements following the Federal funding acquittal process.

An identical paper has been presented to the councils of Mitchell and Mansfield at their December 2014 and January 2015 meetings respectively and adopted the following recommendation.

Recommendation:

That Council:

- 1. Endorse concluding the Great Victorian Rail Trail Advisory Committee in its current form with effect from December 2014;**
- 2. Write to the members of the former Great Victorian Rail Trail Advisory Committee commending them for their contribution to what has become an iconic regional project; and**
- 3. Request that the Chief Executive Officers of the stakeholder Municipalities (Mansfield, Mitchell and Murrindindi), or their representatives, work with interested members of the current Great Victorian Rail Trail Advisory Committee to develop a Terms of Reference for a Friends of the Great Victorian Rail Trail group whose role and purpose would be to provide community input into the ongoing management and promotion of the Great Victorian Rail Trail (GVRT).**

Background:

The Great Victorian Rail Trail (previously known as the Goulburn River High Country Rail Trail) was officially opened by The Hon. Simon Crean on Friday, 1 June 2012. The name of the trail was changed to "The Great Victorian Rail Trail" and was gazetted with Geographical Names Victoria in December 2013.

The trail is Victoria's longest rail trail spanning some 134km from Mansfield, through Yea to Tallarook, with a link between Cathkin and Alexandra. The trail has been designed for use by horse riders, bike riders and walkers.

The trail was a joint initiative of Mansfield Shire Council, Mitchell Shire Council and Murrindindi Shire Council. The construction of the trail was project managed by Mansfield Shire Council with Federal government funding.

In parallel with the construction of the trail, the Goulburn River High Country Rail Trail (GRHCRT) Management Plan was developed and adopted in September 2011.

The Management Plan was developed in co-operation with the three municipalities to establish the management framework for the completed trail. The Plan also sets out actions on matters of:

- Governance
- Assets Management
- Emergency Management
- Risks
- Environment and Cultural Heritage
- Tourism and Marketing

The purpose of the GRHCRT Advisory Committee is stated as follows under *Section 4 - Governance* of the Management Plan:

“A new Committee known as the GRHCRT Advisory Committee will be established to guide and inform decision making by the three Councils with respect to the management and maintenance of the Rail Trail. The role of the Committee will be to assist the three Councils to oversee the ongoing development and promotion of the trail.”

The Advisory Committee was established in 2012 holding its inaugural meeting on 16 May 2012 and currently consists of the following membership:

- An Independent Chairperson
- One Councillor from each Council
- One community representative from each Council
- One business representative from each Council
- The Chief Executive Officer or their delegate as a non-voting member

A Memorandum of Understanding was established and signed by the Chief Executive Officer's of the three (3) Councils in November 2011. Section 4.2 of the MOU defines the role of the Advisory Committee as:

- Advise council on matters of trail management as they relate to the terms of the
- GRHCRT Management Plan
- Promote a co-operative and coordinated approach to trail management
- Promote community and business initiatives complementing the Rail Trail across the three municipalities
- Enter into sub agreements, subject to unanimous agreement of the parties, with other parties to further the aims and objectives of the Rail Trail
- Seek feedback on the operation of the Rail Trail from users and the community for the information of, and recommendations to, Councils

- Make recommendations in relation to the further development and refinement of the MOU as required.

Additionally, Section 6 of the MOU – “Review” contains the following:

“This agreement may be altered, amended, amalgamated or rescinded with the unanimous agreement of the parties.

This does not preclude any one Council from ceasing to be a party to this Memorandum of Understanding.

The Advisory Committee will conduct a review and recommend amendments, if required, to this MOU with the unanimous agreement of the parties:

- Every two (2) years from the date of signing the MOU
- When necessary by the unanimous agreement of the parties”

In accordance with the Management Plan and the MOU, a Technical Committee and Marketing Sub-committee have been established.

The Technical Committee was formed to provide technical advice to the project team during the construction of the trail. This committee still exists with its main function now focusing on the ongoing management and enhancement of the trail. The committee meets regularly and comprises a group of engineering and technical representatives from the three Councils who are responsible for reporting to their respective Councils. The Committee is currently chaired by Mitchell Shire Council.

The Marketing Committee consists of three senior representatives; one from each Shire – currently Mansfield Shire’s Destination Development officer, Mitchell Shire’s Manager Business Transformation and Murrindindi Shire’s Manager Economic Development. The Marketing Committee meets regularly to progress actions contained in the Great Victorian Rail Trail (Marketing) Strategic Plan. The Marketing Committee is currently chaired by Murrindindi Shire Council.

As the initial project scope has now largely been delivered, and the final grant funding acquittal has been made, it is now appropriate to review the governance arrangements for the Trail to ensure that they remain fit for purpose and continue to add value to the management and development of this valuable community and tourism asset.

Council Plan/Strategies:

This report is consistent with the Council Plan 2013-2017 Our Council Goal, and the Year 2 Action to continue to provide opportunities for community input and engagement.

Legal/Policy Issues:

The revocation of Advisory Committees, or the establishment of a Friends group, are simply the resolve of a Council and require no statutory requirements under the Local Government Act unless specifically endorsed, so named a Special Committee and an Instrument of Delegation endorsed.

Financial/Resources/Risk

Resource implications as agreed in the MOU includes an annual \$10,000 contribution from each municipality to support marketing of the Trail, a minimum of \$1,000 per kilometre of trail per annum for the maintenance of the Trail and costs associated with administration and involvement in the various communities.

There are no direct financial implications as a result of the recommendation to disband the existing Great Victorian Rail Trail Advisory Committee or review the other governance arrangements as proposed.

It is noted that ongoing collaboration will need to continue between all Council's in relation to any future grant seeking to ensure the development of the trail is consistent across the entire rail trail.

Discussion:

The future of the Advisory Committee was first raised at the Advisory Committee's meeting on 15 August 2012 and has been the subject of ongoing dialogue between the three Council Chief Executive Officers since that time. The matter has also been discussed by the Advisory Committee at its meeting on 10 April 2014 and at a meeting between the Advisory Committee and Council Chief Executive Officers on 26 August 2014.

While final determination of the preferred governance model is a matter for resolution by Councils, it would be reasonable to say that all parties recognise that it is time to consider a refinement of the governance arrangements to take into consideration the status of the project, and the capacity of the partner Councils to absorb some aspects of the existing items contained within the terms of reference of the Advisory Committee. The specific proposals are considered in more detail in the points below.

It should be noted that the three proposals are considered to be a holistic package and are not intended to be an either/or proposition.

Proposal 1 - Conclude the Great Victorian Rail Trail Advisory Committee and replace it with a Friends of the Great Victorian Rail Trail Group

While it is recognised that it is time to evolve the governance model, there is considerable enthusiasm to maintain a strong community presence in ensuring that local business and trail user experiences and feedback is incorporated into marketing, promotion and development of the Trail and for advocacy on future trail extensions or related projects.

Consideration has been given to how the current role and functions of the Advisory Committee could be best addressed in any revised governance model. The following solutions are offered to ensure continuation of the intent of the MOU:

Current Advisory Committee Function	Proposal
Advise council on matters of trail management as they relate to the terms of the GRHCRT Management Plan.	Trail management is currently transitioning to business as usual in each Council. It is assessed that this function is best undertaken by the Technical Committee directly reporting to each Council.
Promote a co-operative and coordinated approach to trail management	The Great Victorian Rail Trail Management Plan as developed by the Technical Committee provides the framework and provides guidance on the maintenance standards of the fixed infrastructure and immediate environment within the rail trail reserve. This would continue and be informed by feedback from the Friends group.
Promote community and business initiatives complementing the Rail Trail across the three	This task is currently undertaken by the Marketing Committee with the continued

Current Advisory Committee Function	Proposal
municipalities	implementation of the approved Strategic Plan. This would continue and be supported by the Friends group.
Enter into sub agreements, subject to unanimous agreement of the parties, with other parties to further the aims and objectives of the Rail Trail	This function could be undertaken by the Technical Committee in consultation with the Marketing Committee and be endorsed by Council resolution where required.
Seek feedback on the operation of the Rail Trail from users and the community for the information of, and recommendations to, Councils	This function could also be undertaken by the Technical Committee as it is currently an agenda item for each meeting but would need to be undertaken in collaboration with the Friends group.
Make recommendations in relation to the further development and refinement of the MOU as required	The current MOU would be redundant and be replaced by a new MOU (signed by the three CEOs) which articulates governance arrangements for the GVRT including (but not limited to): <ul style="list-style-type: none"> - Terms of Reference - Funding - Role of the Technical Committee - Role of the Marketing Committee - Methodology for Issue resolution - Future collaboration opportunities.

The acquittal of Federal funds utilised to construct the project has been submitted to the Federal Government. The funding agreement does not require the Advisory Committee to continue.

In summary, under this proposal, the role of the proposed Friends of the Great Victorian Rail Trail Group would be as follows:

- To provide the community feedback on the ongoing management and promotion to the respective Councils from Trail users and local businesses on issues relating to the Rail Trail;
- To provide a user and local business perspective on Rail Trail management issues for referral to the Technical Committee;
- To provide advice and assist in the marketing and promotion of the trail to the Marketing Committee;
- Promote the GVRT in external forums, events etc.
- Receive reports from the Technical and Marketing Committees, where relevant, on the implementation of the management plans and input to the review of the management plan when it occurs.

Proposal 2 - Maintain the Technical Committee but increase accountability

The Technical Committee has developed the Great Victorian Rail Trail Management Plan to provide a framework and to provide guidance on the maintenance standards of the fixed

infrastructure and immediate environment within the rail trail reserve. It helps to ensure consistent management of the trail (along its entirety) by each Shire. Developed using a risk management approach, the plan prescribes inspection regimes, defect types, intervention levels and repair timeframes aimed at ensuring the trail is maintained in a safe, consistent and systematic manner.

The Technical Committee already reports to each of the respective Councils so there is no direct impact on the function of this committee if the Terms of Reference for the Advisory Committee are amended or the Committee disbanded.

Accountability for the outcomes delivered by this Committee could be strengthened. With that in mind it is recommended that the Technical Committee be required to prepare a report on its activities, outcomes and challenges to be reported to each partner Council on an annual basis.

Proposal 3 – Maintain a Marketing Committee but change reporting line

The functions performed by this committee are delivered in accordance with agreed actions contained in the endorsed strategic plan. The sub-committee currently report on activities to the Advisory Committee following their implementation.

It is recommended that a future model considers establishing this group as a Committee with terms consistent with those in place for the Technical Committee outlined above, with accountability on the delivery of actions contained in the (Marketing) strategic plan monitored by the Chief Executive Officers and with annual reporting on activities, outcomes and challenges to each partner Council on an annual basis.

Members of the Great Victorian Rail Trail Advisory Committee have been committed to the development and promotion of the Rail Trail and have provided valuable feedback and input into the management and marketing strategies associated with the project.

The proposed establishment of a Friends of the Great Victorian Rail Trail Committee will continue to provide community feedback to all Council's in the ongoing management and development of the GVRT as a Regional asset.

This will also ensure that the GVRT is managed in its entirety to support its ongoing contribution to the Region.

Once Council has considered this matter, Mitchell Shire Council will proceed with the organisation of the establishment of the Friends of group.

Consultation:

Discussions have been held with the Advisory Committee on its future and the establishment of a Friends of group.

Conclusion:

With construction of the Rail Trail now completed, it is appropriate to consider the future management arrangements. The agreement of the Chief Executive Officers of the three Councils is that the establishment of a Friends of the Great Victorian Rail Trail Committee is an appropriate form of continuing community feedback.

6.14 2016 GENERAL VALUATION

REF: 15/6539

Purpose:

In accordance with *Section 6(1)* of the *Valuation of Land Act 1960*, Council is required to resolve to conduct a General Valuation to be made of all rateable and non-rateable properties in the municipal district of the Murrindindi Shire Council.

Recommendation:

That pursuant to *Section 6(1)* of the *Valuation of Land Act 1960*, Council resolves to cause a general revaluation of all rateable and non-rateable properties in the municipal district of the Murrindindi Shire Council, and that the valuation be returned to Council and the Valuer General by 29 April 2016.

Background:

In accordance with *Section 6(1)* of the *Valuation of Land Act 1960*, Council is required to resolve to conduct a General Valuation to be made of all rateable properties in the municipal district of the Murrindindi Shire Council.

The valuation is to be returned at the levels of value as at 1 January 2016 and in accordance with State Government best practise guidelines, is to be returned to Council and the Valuer General by no later than 29 April 2016. The values will be first used in the 2016/17 financial year. Council's current valuation contract covers the period of the 2012 and 2014 General Revaluation cycles with the option for extension of contract to cover the 2016 General Valuation, taking into account the requirements and timelines as specified in the *Valuation Best Practice Guidelines 2016* – as prepared by the Valuer-General Victoria.

Council Plan/Strategies:

This report is consistent with the objective within the Council Plan 2013-2017 "Our Council" theme which has a strategic objective of delivering visible leadership and advocacy for our community backed by a financially strong organisation. A key strategic objective is to administer sound financial management practices.

Legal/Policy Issues:

Council is required to make this resolution under *Section 6(1)* of the *Valuation of Land Act 1960*.

Financial/Resources/Risk

The cost of conducting the General Valuation will be incorporated within the proposed 2015/16 Budget.

Discussion:

In accordance with the *Valuation of Land Act 1960* and *Local Government Act 1989*, Council's must revalue properties within their municipal districts every two years. As a result of the revaluation, ratepayers have a more accurate valuation reflecting current market values. It also provides for all properties to be revalued at the same time, allowing a state-wide picture of property values. Valuations are prepared and submitted in stages and timelines as prescribed by the Valuation Best Practice guide – used in producing the specifications for tender.

The final stage of the valuation must be completed by 29 April 2016.

As per previous revaluation cycles, the Valuer will also make a presentation to Council during the 2016/17 budget preparation cycle, identifying any significant movements in

valuations within the sub market groups (residential, commercial, rural residential, rural etc.) and also any movement in valuations within general localities across the municipality.

Consultation:

Under *Section 6(1)* of the *Valuation of Land Act 1960*, Council is require to give the Valuer-General and every other rating authority interested in the valuation of land within its area notice of its resolution to cause such a general valuation to be made.

Council is require to provide notice to the following state and local government authorities:

Newspaper / Other	Publishing Date(s)
Mail out:	Valuer General, State Revenue Office, Mansfield Shire Council, Mitchell Shire Council, Nillumbik Shire Council, Shire of Strathbogie, City of Whittlesea, Shire of Yarra Ranges, Yarra Valley Water, Goulburn Valley Water.

Conclusion:

Council must resolve to cause a general revaluation of all rateable and non-rateable properties in the municipal district of the Murrindindi Shire Council.

6.15 AUDIT ADVISORY COMMITTEE CHARTER AND APPOINTMENTS

REF: 15/6674

(Refer Encl 6.15 Audit Committee Charter (TRIM: 13/7275))

Purpose:

This purpose of this Ordinary Agenda item is seek Council's endorsement to extend the membership of two members of Council's Audit Advisory Committee into a third year, and endorsement of the revised Audit Advisory Committee Charter.

Recommendation:

1. That Council endorse membership of Messrs Ian McKaskill and Robert Richards as independent members of the Audit Advisory Committee of Council for a further 12 months ending 26 February 2016.
2. That Council endorse the revised Charter of the Audit Advisory Committee as enclosed.

Background:

Mr Ian McKaskill and Mr Robert Richards were both appointed as independent members of Council's Audit Advisory Committee at the Ordinary Meeting of Council of 27 February 2013.

Both appointments made were in accordance with the Charter of Audit Advisory Committee, being for two years, with an option of a third year available if desired.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

The Audit Committee is established to assist the co-ordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

The Charter of the Audit Committee is the primary instrument outlining the roles and responsibilities of the Audit Committee and Audit Committee members.

Council Plan/Strategies:

This report ensures that in accordance with the Council Plan 2013-2017 goal – ‘Our Council’ – to provide effective governance that supports the aspirations of our community, that Council’s Audit Advisory Committee is properly constituted.

Legal/Policy Issues:

Council is required under the Local Government Performance Reporting Framework to have an appropriately endorsed Audit Advisory Committee that meets regularly to provide oversight on Council’s financial and governance requirements.

Financial/Resources/Risk

Council is required to endorse these memberships so that the individuals concerned can continue to act as independent members of Council’s Audit Advisory Committee. The honorarium paid to external independent members of the Audit Committee is \$2,000.00 per annum.

Discussion:

Council officers sought expressions of interest from the community to fill two positions on the Committee that were vacated in early 2013. Three expressions of interest were received and interviews for the positions were conducted with the recommendation to appoint Mr McKaskill and Mr Richards made by Council in February 2013.

Both Mr McKaskill and Mr Richards have attended every meeting of the Audit Advisory Committee since their appointment and provided critical advice and oversight to Council’s financial and governance function since their appointment. Mr McKaskill has also acted as the Chair of the Committee since the September Audit Committee meeting of 2013.

To reflect the recommended continuation, and the term of the Chair of the Committee, the Committee has also requested a minor amendment to Section 2c of the Charter of the Audit Committee, to provide more direction regarding the appointment and term of the Chair of the Committee (refer to Enclosure 6.14). The proposed change at 2c of the Charter now stipulates that the term of the Chair is to be 12 months, with a maximum of three (3) consecutive years with a break of at least one (1) year. It is also proposed that the term of the Chair commence in the first quarter of each financial year so that an existing Chair can provide the annual report of the Committee for the year of his or her term.

Consultation:

As per the Audit Advisory Committee minutes of 11 December 2014, it was resolved to seek Council endorsement for the continuation of membership for the two committee members concerned and revisions to the Committee’s Charter.

Conclusion:

It is important from a fiduciary and statutory perspective that Council endorses current membership of its Audit Advisory Committee.

7. SEALING REGISTER

File: 13/6325

<i>File Reference</i>	<i>Date Seal Affixed</i>	<i>Description of Documents</i>	<i>Signatures of Persons Sealing</i>
CONT 13/6	3 February 2015	Formal Instrument of Agreement for Minor Civil Works Projects between Murrindindi Shire Council and Fine Blade Concreting.	Margaret Abbey Margaret Rae
CONT 13/6	6 February 2015	Formal Instrument of Agreement for Minor Civil Works Projects between Murrindindi Shire Council and Diamond Valley Excavations.	Margaret Abbey Margaret Rae
CONT 14/7	6 February 2015	Formal Instrument of Agreement for Meals on Wheels - provision of Meal Services between Murrindindi Shire Council and Yea and District Memorial Hospital.	Margaret Abbey Margaret Rae
CONT 14/14	12 February 2015	Formal Instrument of Agreement for Provision of Internal Audit Services between Murrindindi Shire Council and Crowe Horwath (Aust) Pty Ltd.	Margaret Abbey Margaret Rae

Recommendation:

That the list of items to which the Council seal has been affixed be noted.

8. COUNCILLOR PORTFOLIO REPORTS**8.1 LAND USE PLANNING PORTFOLIO****8.2 ECONOMIC DEVELOPMENT PORTFOLIO****8.3 INFRASTRUCTURE AND WASTE PORTFOLIO****8.4 COMMUNITY SERVICES PORTFOLIO****8.5 CORPORATE SERVICES PORTFOLIO**

8.6 NATURAL ENVIRONMENT & CLIMATE CHANGE PORTFOLIO**8.7 MAYOR AND DELEGATED COMMITTEE REPORTS****8.8 GENERAL BUSINESS****9. MATTERS DEFERRED FROM PREVIOUS MEETING****10. MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN****11. ASSEMBLIES OF COUNCILLORS**

REF: CY15/110

Purpose:

This report presents the records of assemblies of Councillors for the 21 January 2015 to 11 February 2015, for Council to note in accordance with Section 80A of the *Local Government Act 1989 (the Act)*.

Recommendation:

That Council receives and notes the record of assemblies of Councillors for 21 January 2015 to 11 February 2015.

Background:

In accordance with Section 80A of *the Act*, written assemblies of Councillors are to be reported at an Ordinary Council Meeting of the Council.

An assembly of Councillors includes advisory committees, where one or more Councillors were present, along with planned or scheduled meetings involving at least half of the Councillors and a Council Officer.

A Councillor who has a conflict of interest at an assembly of Councillors, must disclose the conflict of interest, and leave the meeting while the matter is being discussed.

A written record is required to be kept of every assembly of Councillors, including the names of all Councillors and staff at the meeting, a list of the matters considered, any conflict of interest disclosed by a Councillor, and whether a Councillor who disclosed a conflict left the meeting.

Summary:

Meeting Name / Type	Councillor Briefing Session
Meeting Date	21 January 2015
Matters discussed	<ol style="list-style-type: none"> 1. Australia Day Activities 2. Tender - Kerbside Collection and Recyclables Processing Contracts 3. Ghin Ghin Bridge Replacement 4. Yea Pool Redevelopment 5. Submission to VicForests 6. Interim Controls for Bushfire Recovery 7. Local Law Services Overview 8. Second Year Review of the Council Plan 9. Strategic Resource Plan Briefing No. 1 10. Rating Strategy Briefing No. 2 11. Advocacy on new and gifted assets 12. Castella Toolangi Locality Boundary
Attendees: Councillors - Cr Rae, Cr Kennedy, Cr Challen, Cr Derwent, Cr Walsh	Staff – M Abbey, M Chesworth, E Wyatt, M Leitinger, J Russell, P Valente, F Sultana, Z Blakeney, M Parsons, K Girvan, A Bond
Conflict of Interest disclosures - Nil	

Meeting Name / Type	Pre Council Meeting Discussion
Meeting Date	28 January 2015
Matters discussed	<ol style="list-style-type: none"> 1. Public Participation Time 2. Proposed Murrindindi Rating Strategy 3. Notice of Motion
Attendees: Councillors – Cr Rae, Cr Kennedy, Cr Challen, Cr Walsh	Staff – M Abbey, E Wyatt, M Chesworth, A Bond, J Rabel
Conflict of Interest disclosures - Nil	

Meeting Name / Type	Councillor Briefing Session
Meeting Date	4 February 2015
Matters discussed	<ol style="list-style-type: none"> 1. Lake Eildon Houseboat Industry Association 2. Arts & Culture Policy 3. Delegations & Authorisations 4. Planning Application – Hay Shed 5. Sale of Land 6. Flood Plan Management Planning
Attendees: Councillors – Cr Rae, Cr Kennedy, Cr Magner, Cr Challen	Staff – M Abbey, E Wyatt, M Parsons, M Chesworth, B Elkington, N McNamara, A Bond, T Carter, M Crane
Conflict of Interest disclosures - Nil	

Meeting Name / Type	Councillor Briefing Session
Meeting Date	11 February 2015
Matters discussed	<ol style="list-style-type: none"> 1. Outdoor Education Group 2. Second Year Review of Council Plan 3. RV Dump Point 4. Amendment C54 5. Amendment C55 6. Amendment C46

		7. Building Forum			
		8. Draft Budget Briefing No. 1			
Attendees: Councillors – Cr Rae, Cr Kennedy, Cr Challen, Cr Walsh, Cr Magner		Staff – M Abbey, M Chesworth, E Wyatt, B Elkington, M Parsons, G Scale, A Bond			
Conflict of Interest disclosures -					
<i>Matter No.</i>	<i>Councillor making disclosure</i>	<i>Was a vote taken?</i>		<i>Did Councillor leave the room?</i>	<i>When? Before / after discussion / vote?</i>
Item 6 – BN 1069	Cr Rae	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Before discussion

12. URGENT BUSINESS

13. CONFIDENTIAL ITEMS

Should any items be considered in closed session, the meeting will be closed to members of the public pursuant to Section 89(2) of the *Local Government Act 1989*.