



MINUTES  
of the  
AUDIT ADVISORY COMMITTEE MEETING  
held on  
THURSDAY 22 MAY 2014  
in the  
ALEXANDRA COUNCIL CHAMBERS  
commencing at  
1.09 pm

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**1. PRESENT**

Ian McKaskill (Chair)  
Robert Richards  
Michele Sheward  
Cr Margaret Rae (Mayor)  
Cr John Kennedy  
Cr John Walsh

***In attendance:***

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

Apologies were received from Remy Szpak, VAGO and Mark Holloway, H L B Mann Judd.

**2. DECLARATIONS OF INTEREST**

No declarations of interest.

**3. CONFIRMATION OF MINUTES**

➤ Minutes of Audit Advisory Committee Meeting held 13 February 2014

***Recommendation:***

**That the Minutes of the Audit Advisory Committee Meeting held 13 February 2014 be confirmed.**

**RESOLUTION:**

Cr J Kennedy / Michele Sheward

That the Minutes of the Audit Advisory Committee Meeting held 13 February 2014 be confirmed.

**CARRIED**

**4. BUDGET PRESENTATION**

**4.1 Presentation on the Draft Budget 2014-2015**

REF: 14/8034

(Refer Encl 4.1 sent under separate cover)

Manager Business Services, Andrew Bond, updated the Committee on the Draft Budget which has been made available for public review until 6 June 2014 with submissions to be considered at a Special meeting on 11 June 2014. The proposed budget is scheduled for adoption on 25 June 2014.

**Noted.**

**It was requested that the Committee be provided with the definitions used by VAGO.**

**4.2 Draft Council Plan 2013-2017 and Strategic Resource Plan**

REF: 14/6483

*(Refer Encl 4.2 sent under separate cover)*

Draft Council Plan 2013-2017 (First year review) including Strategic Resource Plan has been made available for public review until 6 June 2014 with submissions to be considered at a Special meeting on 11 June 2014. The proposed Council Plan and SRP are scheduled for adoption on 25 June 2014.

**Noted.****5. REVIEW OF AND BUSINESS ARISING FROM PREVIOUS MINUTES****5.1 AUDIT COMMITTEE WORK PLAN**

REF: 14/2050

*(Refer Encl 5.1 – Internal Audit Committee Annual Plan)*

The internal Audit Committee Annual Plan as amended April 2014 is attached for reference.

The Chair requested that the Audit Advisory Committee be kept informed of legislative changes that impact on controls that Council has employed to manage significant risk.

**This request has been reflected in an additional line under the Heading “Financial Report”.**

The Chair requested that a policy on investment and borrowing be prepared for the next meeting. A draft framework of the policy was presented at the Committee Meeting.

**Noted.**

The Chair requested that the Councillor Code of Conduct and the Employee Conduct be forwarded under separate cover to Committee members.

**These were forwarded on 14 February 2014.**

It was also requested that Council considers it periodically audits the implementation of the policies relating to Ethical Standards and Meeting of Fiduciary Duties to ensure the intent of the policies is being met.

**Noted.****5.2 REVIEW OF INTERNAL AUDIT REPORTS AND MANAGEMENT RESPONSES****5.2.1a Review of Cash Handling**

REF: 14/9049

*(Refer Encl 5.2.1a – Review of Cash Handling)*



### **5.2.1b Review of Project Management (2013)**

REF: 14/9050

(Refer Encl 5.2.1 – Review of Project Management – November 2013)

### **5.2.2 Previous Reviews – further responses**

(Refer Encl 5.2.2a Review of Planning and Management Processes)

### **5.2.3 Follow up of any significant issues raised by internal audit.**

None for this meeting. The Risk Management Audit will commence on 21 May 2014.

**Noted.**

**The Chair requested that the current Risk Framework and Strategy be provided to the Committee.**

## **5.3 REVIEW EXTERNAL AUDITORS PROPOSED SCOPE AND APPROACH**

### **5.3.1 Review (external) auditors proposed scope and approach**

REF: 14/2609

(Refer Encl 5.3.1 – Audit Strategy)

The Interim Audit will be undertaken by VAGO on 26 May 2014 March 2014.

Andrew Bond provided a brief update on the status of the Audit Strategy.

**Noted.**

## **6. REPORTS**

### **6.1 QUARTERLY FINANCIAL STATEMENTS**

REF: 14/9850

(Refer Encl 6.1)

**The draft report and quarterly financial statements to March 2014 will be presented to the 28 May 2014 Ordinary Meeting of Council meeting and are subject to ratification at that meeting.**

#### **Purpose:**

The report provides the quarterly financial report for the period ending 31 March 2014.

**Recommendation:**

**That the Audit Committee receives the Draft Quarterly Financial Report to 31 March 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 budget 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 2013-17 Our Council goal which has a strategic objective to deliver 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* 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 March Quarterly Review includes all known adjustments to Councils budget as at 31 March 2014. The revised budget figures as at the 31 March 2014 provide the most accurate projection of the year-end financial outcome. The revised budget figures are important as they provide the starting financial position for the 2014/15 budget.

Table (1) below is a reconciliation which summarises the changes from Council's original operating and capital works budgets through the September, December and now the March budget reviews. The explanation for the September and December adjustments have been outlined in the previous quarterly reviews presented to Council. The March budget adjustments as identified in points (a)-(g) are explained below.

**Table 1 Reconciliation of Budget Adjustments - March 2014 Quarterly Review**

|   | Operating Result<br>Surplus / (Deficit) | Capital Works<br>Budget |
|---|---|-------------------------|
| <b>Adopted Budget 2013/2014</b>                           | <b>38,567</b>                           | <b>(10,254,229)</b>     |
| Carry forward adjustments                                 | (3,512,811)                             | (3,087,939)             |
| <b>September Revised Budget 2013/2014</b>                 | <b>(3,474,244)</b>                      | <b>(13,342,168)</b>     |
| Recurrent & Non Recurrent Grant Funding                   | 784,164                                 | (526,906)               |
| Other Revenue   | 474,120                                 |                         |
| Employee Benefits   | (289,801)                               |                         |
| Materials & Service and Other Exp.                        | (94,913)                                | (1,195)                 |
| Depreciation - recalculation new values                   | 447,870                                 |                         |
| <b>December Revised Budget 2013/2014</b>                  | <b>(2,152,804)</b>                      | <b>(13,870,269)</b>     |
| (a) New & grant Funded Capital Projects                   | 97,218                                  | (115,031)               |
| (b) Grants / Capital works deferred to the 2014/15 Budget | (980,797)                               | 2,413,484               |
| (c) Adjustments to capital works projects                 |   | 847,174                 |
| (d) Other Grant funding adjustments                       | 129,896                                 |                         |
| (e) Net Additional Income                                 | 150,445                                 |                         |
| (f) Net decrease In Expenditure                           | 355,778                                 |                         |
| (g) Net Loss on disposal of Assets                        | (310,244)                               |                         |
| <b>March Revised Budget 2013/2014</b>                     | <b>(2,710,508)</b>                      | <b>(10,724,642)</b>     |

- (a) New grant funded projects approved and included within the 2013-14 Budget. Table 2 details new grants approved, being Myers Creek Road & Yea Wetlands path re-instatement, whilst Table 3 shows the corresponding increase in the Capital Works budget.
- (b) A number of projects have been identified as being unable to be completed in the 2013/14 year. These projects have been listed as carry forward projects. Details of these projects have been presented to Council as part of the capital works budget for 2014/15 and a summary has also been included below in table 3. Grant income receipt relating to these projects that is expected to be delayed until 2014/15 has been included in table 2.

- (c) Other adjustments to Capital Works project Table 3 – are mostly related to Waste Management – Landfill works of \$556k. These funds will be returned to the Waste reserve. Works totalling \$870k have been included in Council's 2014-15 Budget for waste related capital works projects. The plant replacement program has also been adjusted downwards by \$180k.
- (d) Other grant funding adjustments recognise additional approved operating grant funded projects. The most significant increase is the approval of \$384k being the balance of MAP's Rates shortfall funding. This is in addition to the \$346k MAP's funding carried forward, bringing the total and final MAP's funding of \$730k which is included in Council's 2013/14 Budget. The NDFA Storm Damage – Snob's Creek has been revised downwards by \$350k – this has a corresponding reduction in expenditure budget.
- (e) Expected additional income of \$150k relates mainly to increased user fees at Alexandra Landfill of \$199k, which is offset by reduced fees from the transfer stations. The Drysdale Quarry has reduced sales of \$85k with an offsetting reduction in expenses. Reimbursements have been increased by \$46k, identified as GST that is claimable on the Marysville Retirement Village units rebuild. This amount is now allowable under legislation due to the proposed sale of units. There were also minor up and down adjustments across a number of other items.
- (f) The net decrease in expenditure mostly relates to the \$350k reduction in NDFA expenditure on Storm Damage Snobs Creek Road as discussed above at point (d). Employee benefits reduction in the Chief Executive's office of \$25k & a carry forward of Fire Service Property Levy funding of \$37k are the other most significant items. A number of minor ups and downs in expenditure adjustments have also been made resulting in the net \$356k anticipated decrease in operational expenditure.
- (g) Council has exchanged title (ownership) of the Coster Street Units in Alexandra for outright ownership of the units at the Marysville Retirement Village to enable sale of these units. The adjustment is to write out the carrying amount of these assets.

**Table 2 Reconciliation of movement in Grant Funding - March 2014 Quarterly Review**
***(a) New Grant Funded Projects - Capital***

|                                  |        |        |
|----------------------------------|--------|--------|
| Vic Roads - Myers Creek Road     | 78,978 |        |
| Yea Wetlands Path Re-instatement | 18,240 | 97,218 |

***(d) New Grant Funding - Operating Budgets***

|   |         |  |
|---|---------|--|
| Business Investment Prospectus            | 100,000 |  |
| MAP's Balance of Rates Assistance Funding | 384,396 |  |
| Green Building Program - c/fwd operating  | (5,000) |  |
| School Crossing Funding                   | 500     |  |

***Budget Adjustments***

|                                     |           |         |
|-------------------------------------|-----------|---------|
| Storm Damage - Snob Creek - reduced | (350,000) | 129,896 |
|-------------------------------------|-----------|---------|

***(b) Grants for Capital Projects Carried Forward to 2014-15***

|   |           |           |
|---|-----------|-----------|
| Kinglake History Arts Walk                | (122,000) |           |
| Taggerty Walking Trail & Township Project | (191,819) |           |
| Vic Roads - Myers Creek Road              | (78,978)  |           |
| Putting Locals First Program              | (588,000) | (980,797) |

**Table 3 Reconciliation of movement in Capital Works Program - March 2014 Qtr Review****(a) New and Grant Funded Capital Projects**

|                                  |                  |
|----------------------------------|------------------|
| Myers Creek Road Upgrade         | (92,141)         |
| Yea Wetlands Path Re-instatement | (18,240)         |
| Land Purchase - Road Reserve     | (4,650)          |
|                                  | <b>(115,031)</b> |

**(b) Capital Projects Carried Forward in 2014-15 Budget**

|   |                  |
|---|------------------|
| Furniture & Equipment - IT                | 46,371           |
| Plant Replacement                         | 253,972          |
| Vegetation Projects                       | 106,000          |
| Pool Capital Equipment                    | 25,000           |
| Kinglake Ranges Art History Walk          | 250,000          |
| Footpaths Missing Links                   | 26,000           |
| Community Building Projects               | 110,000          |
| Community Space Projects - PLFP           | 392,000          |
| Eildon Township Project                   | 392,000          |
| Yea Swimming Pool - LGIP                  | 500,000          |
| Taggerty Walking Trail & Township Project | 200,000          |
| Yarck Streetscape                         | 20,000           |
| Myers Creek Road Upgrade                  | 92,141           |
|   | <b>2,413,484</b> |

**(c) Projects not proceeding / Reserve transfers**

|   |                |
|---|----------------|
| Waste Management - Landfill works deferred - to Reserve | 556,767        |
| Plant Replacement - budget savings / offset by sales    | 179,922        |
| Yea Saleyards Development - Reserve                     | 33,000         |
| Alexandra Community Leisure Centre - not c/fwd.         | 75,000         |
| Drainage Trouble Spot - savings                         | 2,485          |
|   | <b>847,174</b> |

**Net adjustment to Capital Works Program 2013-14****3,145,627**

The cash flow (Statement C) provides a more 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 the revised budget has a minimal decrease of \$159k. *Net cash used in investing activities* (Capital Works) shows an overall decrease of (\$3,166k) relating to the adjustment and deferral of Capital Works to the 2014-15 Budget.

The is also reflected within the overall result in the Balance Sheet with the Revised Budget for 2013-14 projecting an increase in cash of \$3,008k, and reduction in Property Plant & Equipment of (\$3,477k) - which 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 2014 of \$15.8m which is \$5.7m above the original budget for 2013/14 of \$10.1m. The bulk of this relates to the increased level of Reserves \$2.9m, together with an increase of \$2.8m in discretionary cash. (Original Budget 2013/14 \$3.5m / Revised Budget \$6.3m).

**It is important to recognise this discretionary cash at year end 30 June 2014 includes funds allocated to the capital works projects identified to be carried forward into 2014-15.**

**Analysis Quarterly Financial Report Year to Date Variances to 31 March 2014**

The budget adjustments as outlined above in Table (1) above have been incorporated into a revised set of Budgeted Standard Statements as at 31 March 2014.

The following Statements for the quarter to 31 March 2014 are included in *Enclosure 6.1*.

- Budgeted Standard Income Statement
- Budgeted Standard Income Statement (Alternative Underlying Result Format)
- Budgeted Standard Balance sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Investment Reserves

It is important to note that these Standard Statements are based upon public sector financial reporting, the key principles 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 adjustment need to be made.

Below is a brief analysis of each of the Statements

**Standard Income Statement (Statement A)**

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 March 2014 is provided in Table 4 as follows:

**Table 4 – Summary of Income Statement**

|                 | YTD          | YTD           |              |
|-----------------|--------------|---------------|--------------|
|                 | Budget       | Actual        | Variance     |
|                 | \$k          | \$k           | \$k          |
| <b>Revenue</b>  | 25,061       | 25,107        | <b>46</b>    |
| <b>Expenses</b> | 16,848       | 15,044        | <b>1,804</b> |
| <b>Surplus</b>  | <b>8,213</b> | <b>10,063</b> | <b>1,850</b> |

The Year To Date (YTD) operating result at 31 March 2014 shows income up by \$46k and expenditure behind \$1,804k generating a larger than expected YTD surplus of \$1,850k or 23% better than the budgeted surplus.

The key components comprising both Revenue and Expenses variances are summarised by category in Tables 5 and 6 as follows:

**Table 5 – Key Revenue component variance**

| Variance       |                        |   |
|----------------|------------------------|---|
| \$k            |                        |   |
| 46             | Favourable to budget   |   |
| Key Components | Type                   | Particulars   |
| 42             | Rates & Charges        | Additional services charges for Garbage & Recycling \$34k and Supplementary Rates \$8k above the 1% budget allowance.   |
| 115            | User fees              | Additional user charges at Alexandra Landfill \$67k and Home Care user charges are favourable by \$47k.   |
| (149)          | Grants – Non Recurrent | Unfavourable variance mainly relates to <ul style="list-style-type: none"> <li>• Community Recovery Fund \$32k,</li> <li>• VBAF Other \$18k,</li> <li>• Community Project Initiative \$92k, and</li> <li>• Kinglake Transfer Station \$5k,</li> </ul> The bulk of the variances are either reliant on completion of works or acquittal of claims. |
| 34             | Other Revenue          | Favourable variance mainly relates to Interest on Rates \$16k resulting from changes in legislation, and unbudgeted lease rental of Council properties of \$13k.  |

**Table 6 – Key Expense component variance**

| Variance        |                      |   |
|-----------------|----------------------|---|
| \$k             |                      |   |
| 1,850           | Favourable to Budget |   |
| Key Components: | Type                 | Particulars   |
| 137             | Employee Benefits    | Favourable variance mainly relates to <ul style="list-style-type: none"> <li>• Infrastructure maintenance \$61k &amp;</li> <li>• Community Services Programs \$49k</li> </ul> It is unlikely these will provide year end savings as the overall budget in infrastructure maintenance is very tight, and favourable variances in Community Services are associated with level of service which are normally offset by reduced revenue – grants and user charges. |
| 941             | Materials & Services | Favourable variance mainly relates to <ul style="list-style-type: none"> <li>• Infrastructure maintenance \$293k,</li> <li>• Waste Management \$167k,</li> <li>• Quarry - crush \$53k,</li> <li>• Plant – operating \$74k,</li> </ul>   |

| Variance        |  |   |
|-----------------|--|---|
| \$k             |  |   |
| 1,850           | Favourable to Budget   |   |
| Key Components: | Type   | Particulars   |
|                 |  | <ul style="list-style-type: none"> <li>• Infrastructure Assets \$53k,</li> <li>• Facilities Maintenance \$44k,</li> <li>• MAP's Package \$78k,</li> <li>• Community Liaison \$41k,</li> <li>• Communications &amp; PR \$22k,</li> <li>• Aged &amp; Disability \$43k and</li> <li>• Emergency Management – SES \$20k</li> </ul> <p>These favourable variances are spread mainly across contractors \$664k, consultant \$117k and materials \$98k. It should be noted these are year to date variances to budget and not forecast savings as most budgets are predicted to be expended by year end.</p> |
| 731             | Net Gain (loss) on disposal of property, infrastructure & equipment. | This favourable variance relates to the timing of the write out of carrying amount of assets sold. Sale of land and trade of motor vehicles have been recorded up to date, however the resulting write out of the carrying amount of the bulk of these assets had not been processed at the reporting date 31 March.  |

**Capital**

As at 31 March 2014, Capital Works are (\$39k) above the year to date budget of \$5.414M. Statement D, as attached, indicates that across the asset categories, the largest variances are \$113k in Roads & Paths and \$56k in Library books.

**Table 7 – Summary of Capital Works completed (Financial)**

| Asset Category             | YTD Budget<br>31/03/14<br>\$'000 | Actuals<br>31/03/14<br>\$'000 | Variance<br>YTD<br>\$'000 | Complete to<br>YTD Budget<br>% |
|----------------------------|----------------------------------|-------------------------------|---------------------------|--------------------------------|
| Land Under Roads           | 5                                | 5                             | -                         | 0%                             |
| Buildings                  | 2,195                            | 2,216                         | (22)                      | -1%                            |
| Plant & Machinery          | 390                              | 391                           | (2)                       | 0%                             |
| Roads & Paths              | 1,564                            | 1,678                         | (113)                     | -7%                            |
| Bridges                    | 836                              | 852                           | (16)                      | -2%                            |
| Drainage                   | 187                              | 152                           | 35                        | 19%                            |
| Heritage Assets            | 13                               | 9                             | 4                         | 32%                            |
| Furniture & Equipment      | 156                              | 136                           | 20                        | 13%                            |
| Library Bookstock          | 69                               | 13                            | 56                        | 81%                            |
| Works in Progress          | -                                | -                             | -                         | 0%                             |
| <b>Total Capital Works</b> | <b>5,414</b>                     | <b>5,452</b>                  | <b>(39)</b>               | <b>-1%</b>                     |



**Table 8 – Key Capital component variance**

| Variance        |                        |  |
|-----------------|------------------------|--|
| \$k             |                        |  |
| (39)            | Unfavourable to Budget |  |
| Key Components: | Type                   | Particulars  |
| (113)           | Roads & Paths          | Variance due to projects running ahead of scheduled YTD budgets <ul style="list-style-type: none"> <li>Gravel Roads –Resheeting (\$126k) and</li> <li>Road Safety –Disabled Parking \$8k</li> </ul>  |
| 56              | Library Books          | Favourable variance due to purchasing running behind scheduled YTD budgets. New arrangements with Yarra Plenty Library Service are in place for 2013-14, and although currently behind it is expected budget will be fully expended by year end. |

The overall capital works budget for 2013/14 had been increased from \$10.254m to \$13.870m, with \$3.088m carry forwards from unexpended capital work projects forecast to be completed by 30 June 2013, plus \$528k of additional grant funded projects identified as part of the December 2013 Review.

Council officers have undertaken a complete review of all projects in February 2014 as part of the 2014/15 Budget development, and have re-forecasted projections for the financial year ending 30 June 2014. This has resulted in the deferment and carry forward of several projects totalling \$2.4m as identified previously at table 3 of this report.

For the remaining budget forecast for 2013-14, it is critical to maintain the high level of expenditure on infrastructure projects to meet Roads to Recovery and Local Government Infrastructure Program expenditure targets and maintain revenue allocations from these funding initiatives.

Further details by category can be found in *Statement D*.

### **Balance Sheet (Statement B) & Cash Flow Statement (Statement C)**

The Balance Sheet – Statement B as at 31 March 2014 shows a major variance in Trade & Other Receivable of \$1.84m relating to outstanding claims for Natural Disaster Funded Projects being Bushfires \$328k and Storm Events \$1.39m.

This is also represented as the major variance on the cash flow statement – Statement C with cash flows from Grants showing an unfavourable variance of \$2.0m which also includes the unfavourable variance in Non Recurrent Grants of \$149k from the Income Statement. Discussions are ongoing with Vic Roads & Department of Treasury and Finance to address this issue.

**Non Discretionary Cash & Council Reserves (Statement E)**

Included as a part of this report is a reconciliation of 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 Trusts – 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. This is then offset against the level of projected cash at year end.

The reconciliation has previously included Council's Long Service Leave liability as required by legislation, however with a change in legislation there is no longer a requirement to keep a separate bank account for this provision. The amount held in investment for this provision was used to repay Council's component of the Vision Superannuation Defined Benefits Unfunded Liability in 2012-13.

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.

**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 has late last year forwarded his report which 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 | March Revised Budget 2014 | 5 Year Average 2010-2014 |  |
|  |  | 2010   | 2011   | 2012   | 2013   |                           |                          |  |
| <b>Liquidity</b> (Measures the ability to pay existing liabilities within 12 months) Risk High 0-1 Medium 1.0-1.5 Low Greater than 1.5   |  | 2.59   | 2.28   | 2.34   | 3.29   | 2.74                      | 2.65                     |  |
|  |  |  |        |        |        |                           |                          |  |
| <b>Self Financing</b> (measures the ability to replace assets using cash generated by operations) Risk High <10% Medium 10%-20% Low >20% |  | 22.71%   | 21.59% | 29.20% | 33.75% | 25.91%                    | 26.63%                   |  |
|  |  |  |        |        |        |                           |                          |  |
| <b>Indebtedness</b> (Shows how well Council can meet debt from own source revenue) Risk High >60% Medium 40%-60% Low <40%                |  | 29.03%   | 27.50% | 27.25% | 25.04% | 22.94%                    | 26.35%                   |  |

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:**

There has been no community consultation with respect to the preparation of this quarterly finance report.

**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 March 2014 quarter has been largely in line with the total budget. Where revenue has not been achieved corresponding expenditure has not been spent. Council remains in a favourable cash position despite the challenges that it faces.

**RESOLUTION:**

Cr J Walsh / Robert Richards

That the Audit Committee receives the Draft Quarterly Financial Report to 31 March 2014.

**CARRIED**

## **6.2 LEAVE REPORT: ANNUAL LEAVE AND LONG SERVICE LEAVE**

(Refer Encl 6.2a – Employee annual leave report in excess of 6 weeks and Encl 6.2b Trend Graph)

***Amended Report as tabled.***

**Purpose:**

The purpose of this report is to provide the Audit Committee with an overview of the status of Council's excess annual leave and long service leave balances.

**Recommendation:**

**That the Audit Committee notes the report on accrued annual leave and long service leave balances.**

**Discussion:**

**Annual Leave**

All managers have access to a leave report that enables them to view excess leave for their staff. HR reports bi-monthly on staff with leave in excess of 8 weeks.

As at 2 May 2014 there were 53 staff with leave in excess of 6 weeks, and the amount of leave available in this group has risen by 621 hours since the last quarter. The overall annual leave balance for all staff has also increased by 1705 hours since the last quarter, reversing the drop in hours achieved following the leave over the Christmas New Year period.

| Previous quarter | # of staff with excess of 6 weeks | Available Hours for staff with excess of 6 weeks | Change in hours for staff with excess | All staff Hours Accrued | All hours +/- hours over previous quarter |
|------------------|-----------------------------------|--|---------------------------------------|-------------------------|---|
| Jan-13           | 50                                | 11,351.49  | -                                     | 23974.19                | -   |
| May-13           | 59                                | 13,633.43  | 2,281.94                              | 24593.41                | 619.22                                    |
| Sep-13           | 54                                | 12,895.88  | -737.55                               | 23335.37                | -1,258.04                                 |
| Nov-13           | 54                                | 12,422.06  | -473.82                               | 23642.93                | 307.56                                    |
| Jan 14           | 48                                | 11,265.61  | -1156.45                              | 21895.83                | -1747.1                                   |
| May 14           | 53                                | 11,887.30  | 621.69                                | 23,600.87               | 1,705.04                                  |

Once again the total of accrued hours is lower than the same time (May) last year and the preceding 5 years showing the gradual reduction trend continuing back to “pre-fire” levels, as shown in the following table, and in the attached trend graph. This is largely due to the reduction in staff, but note that the leave accrual is just 354 hours fewer than in May 2009.

| Year     | Hours Accrued | +/- over previous year |
|----------|---------------|------------------------|
| 06/05/09 | 23954.99      |                        |
| 05/05/10 | 26405.13      | 2450.14                |
| 04/05/11 | 27623.07      | 1217.94                |
| 02/05/12 | 26553.56      | -1069.51               |
| 16/05/13 | 25053.28      | -1500.28               |
| 02/05/14 | 23600.87      | -1452.41               |

These figures suggest that the organisation is returning to a “normal” pattern of leave accrual in line with pre-bushfire leave activity.

However having set two benchmarks to measure our leave accrual against the organisation is still tracking a leave accrual above these.

The two benchmarks are:

Benchmark 1 = an average of 20 days (4 weeks or 152 hours) per EFT.

Benchmark 2 = an average of 12.5 days (2.5 weeks or 95 hours) per EFT

The first assumes that with all staff getting 4 weeks per year, but allowed to accrue up to 8 weeks, we would have some with more than 4 weeks and some with less. Historically the organisation has tracked around this level (just above or just below) for the past 5 years, with annual reductions each Dec/January period.

The second sets a target to reduce overall liability (calculated at 95 hours x EFT). Based on this formula our target for January would be 13648.86 hours. This target has been shared with the management team. HR continues to work with Managers to reduce our AL accrual.

The attached tables report by Division the number of staff and their amount of excess hours. Managers have access to full details .

Note also:

1. Staff may have leave plans agreed with Manager, but not yet documented in approved leave (therefore not reducing pending balances).

2. Staff without access to online leave approval, may have approved leave but the paper work is not entered until the leave is taken (also not reducing pending balances).
3. In areas such as Community Services staff with low workloads (eg 7 hours/week), many may have excess number of weeks leave, but once calculated as Full Time Equivalent weeks, the amount of time (liability) appears more manageable, and the number of staff with more than 8 FTE weeks reduces significantly.

#### Long Service Leave (LSL)

The LSL balance is managed by the Finance department which monitors the level of leave available, and maintains a budget to cover a proportion.

The following provides a quarterly indication of the LSL accrued entitlement, which shows an increase in our liability until April 2013, and then a reduction to the end of August 2013, with a gradual rise since then. A number of long term staff were paid out LSL through redundancy mid year 2013 (service review) which accounts for the drop at that time. Since the last quarter report (February 2014) our LSL balance has increased by 377.78 accrued hours.

| Period   | TOTAL LSL Hours | Change +/- accrued hours | Change in FTE weeks |
|----------|-----------------|--------------------------|---------------------|
| 01/07/12 | 53985.01        |                          |                     |
| 01/10/12 | 54500.90        | 515.89                   | 13.58               |
| 24/12/12 | 54925.30        | 424.40                   | 11.17               |
| 03/04/13 | 57494.22        | 2568.92                  | 67.60               |
| 10/07/13 | 54884.17        | -2610.05                 | -68.69              |
| 21/08/13 | 54387.60        | -496.57                  | -13.07              |
| 28/11/13 | 54459.11        | 71.51                    | 1.88                |
| 5/2/14   | 54688.37        | 229.26                   | 6.03                |
| 30/04/14 | 55066.15        | 377.78                   | 9.94                |

#### **Conclusion:**

The Coordinator HR will continue to monitor and report on trends, and support managers to implement leave plans.

#### **RESOLUTION:**

Cr J Walsh / Michele Sheward

1. That the Audit Committee notes the report on accrued annual leave and long service leave balances.
2. The report on accrued annual leave and long service leave balances be presented annually from Quarter 3 (September) 2014.

**CARRIED**

## **7. GENERAL BUSINESS AND FUTURE PLANNING**

### **7.1 ALIGNMENT OF AUDIT ADVISORY COMMITTEE CHARTER AND WORK PLAN**

Andrew Bond provided a verbal report.

**Noted.**

## **7.2 LEGISLATIVE CHANGES WHICH RELATE TO COUNCIL'S OPERATIONS**

REF:

(Refer Encl 7.2 - Briefing Note 927 – Local Government Act Amendment (Governance and Conduct) Bill 2014)

Andrew Bond provided an update of the changes.

**Noted.**

## **7.3 AUDIT ASSESSMENT RISK RATINGS**

REF: 14/4847

(Refer Encl 7.3 Scope – Review of Risk Management Framework (including Risk Profiling))

Michael Chesworth provided a brief update on the status of the review.

**Noted.**

Mark Holloway was unable to attend the meeting but will provide a report on the use of “High”, “Moderate” and “Low” in HLB Mann Judd Audit Assessments at the September meeting.

## **7.4 POLICIES**

REF: 14/4725, 14/5274

(Refer Encl 7.4a Policy Corporate Credit Card and Encl 7.4b Policy Complaints Resolution)

### Corporate Credit Card Policy.

In relation to the Corporate Credit Card Policy it was noted:

- that the Mayor is not an employee.
- Cards to be kept secure
- An Immediate report of lost or stolen cards to be made to the Manager Business Services.
- “receipt” is an obligation to report and return to Council.

The Complaints Resolution Policy was noted as attached.

## **8. NEXT MEETING**

Thursday 11 September 2014 commencing at 3.00pm in the Alexandra Chambers. This meeting will also consider the 2013/2014 Financial Statements.

There being no further items of Business, the Chairperson declared the meeting closed at 3.20 pm.

**CONFIRMED THIS**

\_\_\_\_\_

**CHAIRPERSON**

\_\_\_\_\_

SUBJECT TO CONFIRMATION

**RODNEY AUJARD & ASSOCIATES**

*Licensed Land Surveyors*

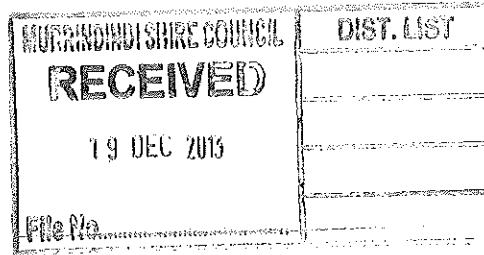
*Aujard Nominees Pty Ltd ACN 005 080 017*

*ABN 35 061 884 911*

Ref: 18251/RA/cb

9<sup>th</sup> December 2013

To The Chief Executive Officer  
Murrindindi Shire Council  
P.O. Box 138  
Alexandra Vic 3714



Level 1, 325 Camberwell Road  
Camberwell, 3124  
Tel: (03) 9813 2222  
Fax: (03) 9813 2244  
Mobile: 0418 346 380

Also by appointment at:

82 High Street,  
Yea 3717  
Tel: (03) 5797 2056  
&  
81 Grant Street,  
Alexandra 3714  
Tel: (03) 5772 1530

Email: [aujard@bispond.net.au](mailto:aujard@bispond.net.au)

*Please reply to: Camberwell*

Dear Madam,

Re: Proposed Subdivision – PS 723296 T  
No. 47 Wylie Street, Taggerty  
[REDACTED]

We act for [REDACTED] in this matter.

[REDACTED] lives on an original Crown Allotment (C.A., Section 9) in the Township of Taggerty, she wishes to scale down and has been approached by a young couple who would like to buy an “acre” lot on the eastern end of her allotment facing Lizzies Lane; [REDACTED] has agreed to sell and hence this subdivision proposal.

The property of 10,943 square metres is in the Township Zone of the Taggerty Township. Our Client proposes subdivision into two lots creating a vacant lot of 4060 square metres to Lizzies Lane, leaving her residence and surrounds on a lot of 6883 square metres facing Wylie Street.

The sizes of the lots created are large Township lots but need to be due to the area not having either water or sewerage reticulation unlike other Township / Residential areas in the Murrindindi Shire. A Land Capability Assessment has been completed by Paul Williams & Associates Pty Ltd which justifies the size of the lots created.

This proposal of creating a lot facing ‘Lizzies Lane’ (name to be confirmed we understand) will involve road construction works to the new lot’s frontage.

[REDACTED] residence and her frontage to Wylie Street will remain as-is; the subdivision is to create a new lot, leaving [REDACTED] residence and surrounds alone apart from an adjustment to her septic system as designed by Paul Williams.



- 2 -

We trust Council can support Ethel with this proposal.

Enclosed please find [REDACTED]'s Application for a Planning Permit Form, duly completed, together with three (3) copies of our Plan, three (3) copies of our Site Analysis & Context Feature Survey Plan (note PS 723297 R also included on plan – subject to another application), three (3) copies of Paul Williams Land Capability Assessment, an up-to-date copy of Title and Ethel's cheque covering both your Planning fee and the Certification processing fee in relation to our Spear submission also made today.

Please note we have not created splay corners at the intersection of the abutting Government Roads due to the fact we do not envisage the East-West road ever being constructed.

We await your processing.

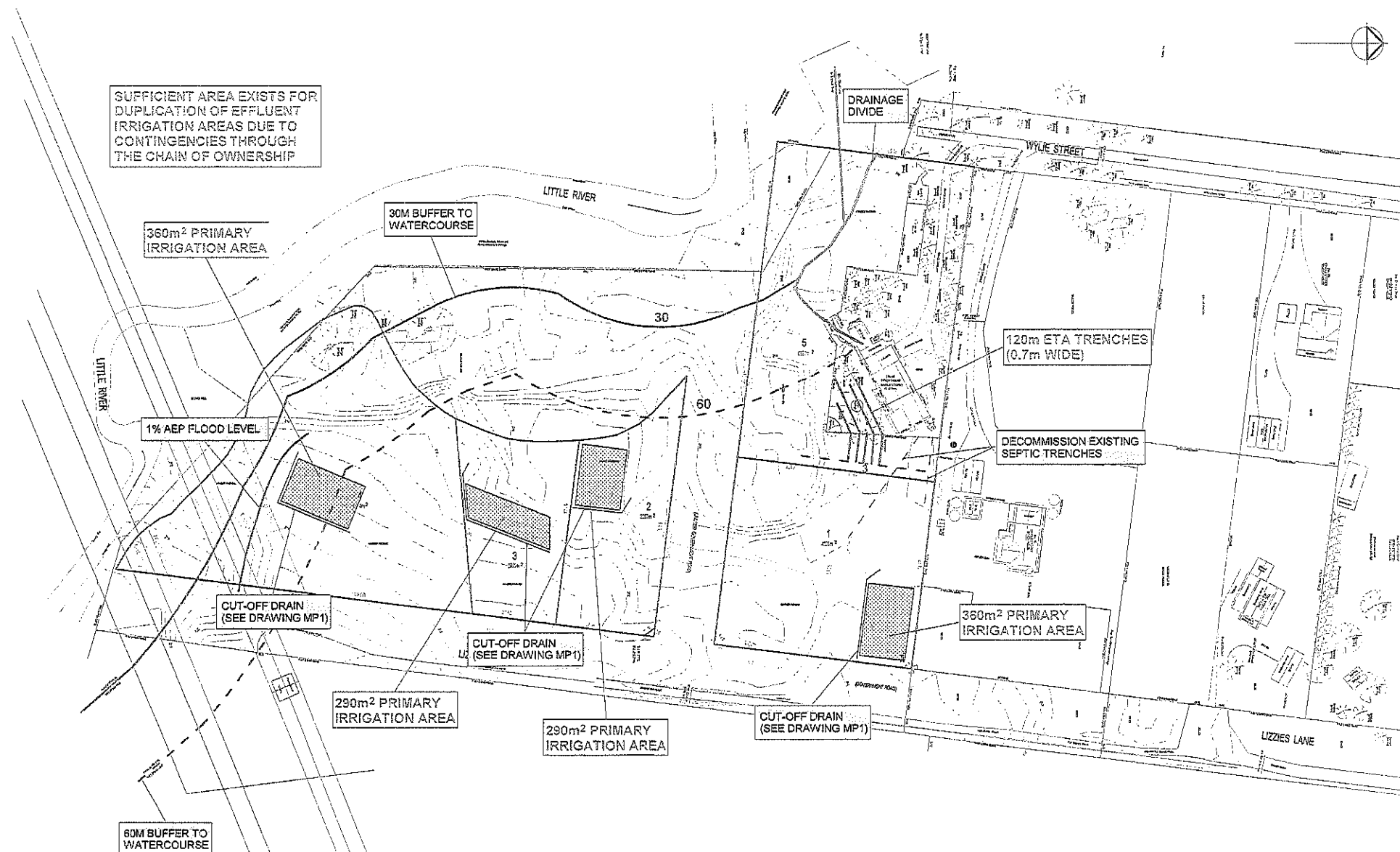
Yours faithfully,

**RODNEY AUJARD & ASSOCIATES**

A handwritten signature in black ink, appearing to read 'Rodney Aujard', written in a cursive style.

**RODNEY AUJARD**

Encl.



FEATURE SURVEY SUPPLIED BY RODNEY AUJARD

## PROPOSED DEVELOPMENT SHOWING EFFLUENT AREAS &amp; CONTOURS

47 WYLIE STREET, TAGGERTY

RODNEY AUJARD &amp; ASSOCIATES

Scale: 1:1250

Drawn: P.R.W.

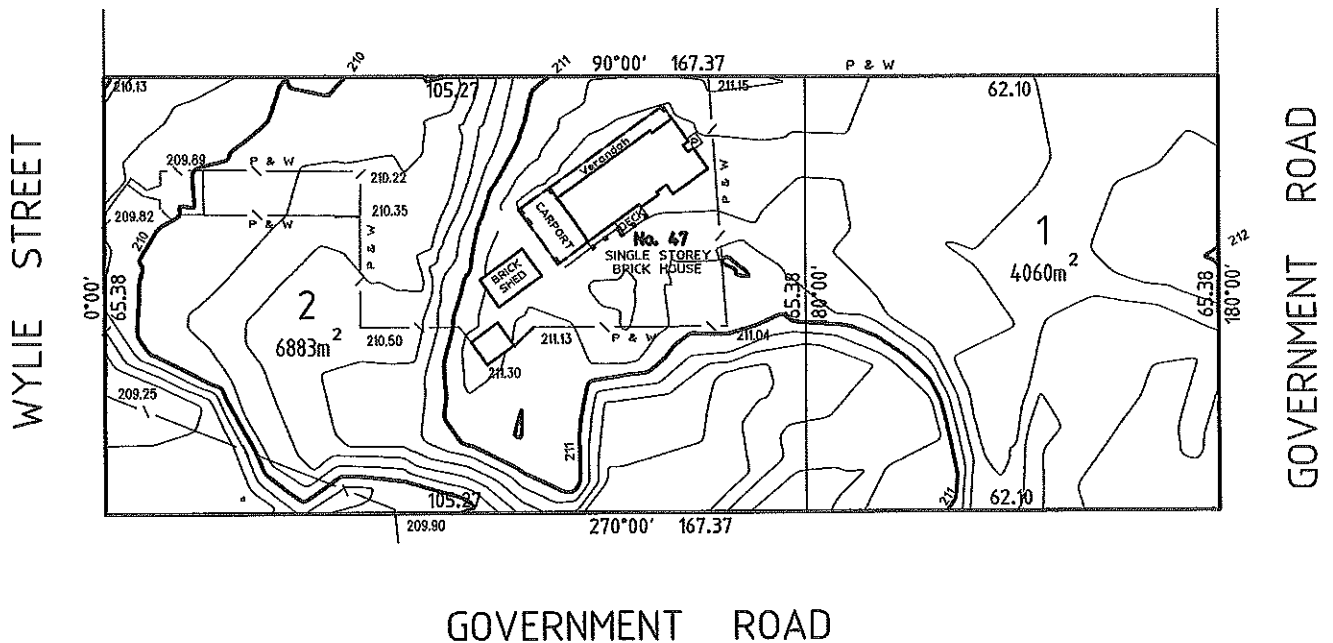
Report Number: A131011

Contour Interval: 0.2m

Date: 18 October 2013

Drawing Number: ONE

Approx.  True North



Contour interval is 0.20 metres  
Levels & Contours are to AUSTRALIAN HEIGHT DATUM

Sheet 2a

ORIGINAL SHEET SIZE A3

## GOULBURN VALLEY HIGHWAY DEVELOPMENT PLAN SUBMISSIONS

### Agency submissions:

#### **VicRoads:**

Submission:

20 September 2013:

- Amended Traffic Impact Assessment Report (TIAR) sought initially due to concerns with eastern exit onto Goulburn Valley Highway (intersection with Dockings Lane at location F) not meeting Safe Intersection Sight Distance (SISD) and non-compliance with Austroads Guidelines.

26 May 2014:

- Consents to the approval of the development plan but has concerns that will need to be addressed at planning permit application stage through a more detailed TIAR:
  - Safe Intersection Sight Distance at location F;
  - Required intersection treatment at location F onto the Goulburn Valley Highway.
- Does not support any other vehicle access onto Goulburn Valley Highway. If emergency access required, confirmation will be required from the emergency service provider and may only be used for emergency vehicles.

Discussion:

- Location F refers to the intersection of Goulburn Valley Highway and Dockings Lane to the east of the plan. While VicRoads has now agreed to the use of this intersection in principle for access for future development, it will require further details in the future to demonstrate safe sight distances; it is understood that this issue may be overcome in the future through the removal of 2-3 trees through a future application for planning permit process.
- Prior to any subdivision of the land, the intersection at location F will require some upgrading to VicRoads requirements; this upgrading will be undertaken by the subdivider. Although final intersection upgrading standards will be determined through a future planning permit process, a general requirement for this work to be undertaken should be included in the development plan.
- The VicRoads concern regarding no additional access onto Goulburn Valley Highway refers to location A in the northwestern section of the land. The potential for a road in this location was originally provided to allow the landowner to subdivide independently from adjoining owners, with access to both the north and south. This issue may be overcome by amending the reference for this site on the plan itself to accord with the reference for location B to the east, ie that this location may only be used for pedestrians and emergency vehicle access. While it is understood that the CFA supports an emergency vehicle exit in this location, the landowner would be required to obtain CFA confirmation and VicRoads consent for the exit when it is required in the future.

**Recommendation:**

**Add the following performance measure to the exhibited development plan:**

**Roads:**

- **Upgrade road intersection treatment at the intersection of Goulburn Valley Highway and Dockings Lane at subdivision stage, in consultation with VicRoads.**
- **Amend the plan in the development plan to change reference for feature A ('Proposed pedestrian access to highway and potential future link road') to read 'Pedestrian and emergency access only'.**

**DEPI:**

**Submission:**

- A Biodiversity Assessment has been undertaken with 22.576 hectares of remnant vegetation mapped, with all Ecological Vegetation Classes (EVCs) being classified as Endangered and approximately 11.5 hectares having Very High Conservation Significance. The report should be fully considered in the plan, but few of its recommendations appear to be incorporated.
- All vegetation losses should be assessed as early as possible in the planning process with potential impacts from a range of works and services. Vegetation significance must be considered at all stages of development to avoid detrimental impacts on biodiversity values. There may be ways to enhance and protect the quality of existing vegetation.
- Recreation reserves not typically suited to biodiversity protection and may result in loss of vegetation, depending on the recreation proposed.
- Protection of all native vegetation recommended through conservation reserves or if on lots, protection through a Section 173 Agreement. Conservation reserves close to dwellings would require careful fire management.
- The portion of Dockings Lane required for a road will require a cancellation of road licence. No details of proposed road standard, however there is potential for damage to existing native vegetation.
- Concerns with pedestrian link onto Goulburn Valley Highway in northeastern section of plan. Construction of paths and emergency access roads may result in native vegetation removal, particularly on roadsides. Questionable whether this area should be identified as an 'environmental buffer'.
- Road construction standards will be required by Council and / or CFA and may impact on native vegetation.
- Fire requirements (Council and CFA) should be ascertained at this stage given the number of trees on site.
- Provide development buffers of at least 30 metres from waterways. Supports no building zones (Area H) and suggest a 30 metre development buffer also apply adjoining the government road in the northeastern section of the land (Area B).
- All boundaries (fencing) should be designed to avoid native vegetation. Fencing may present difficulties where waterways are crossed.
- Given the number of trees onsite, the impacts of utility services such as power, water and septic systems needs to be assessed early in the process. Overhead powerlines can impact on the connectivity of native vegetation corridors.

Discussion:

- The plan layout has been designed to avoid the unnecessary loss of remnant native vegetation. It is agreed that potential vegetation loss must be considered at all stages of planning and development. Service siting and provision will endeavour to avoid loss of existing native vegetation, including the provision of underground power.
- The proposed layout has been designed to achieve a minimum 30 metre setback for development from all waterways.
- While initially proposed recreation land may not have been active play space, further assessment of this issue and a private submission objecting to the proposed space, has led to an officer recommendation to remove the proposed recreation reserve on the northern side of Dockings Lane.
- The small section of Dockings Lane to be utilised for road access will not incur any loss of native vegetation. The majority of the road on the eastern side of the ridge is not proposed to be used for road access, specifically to protect remnant roadside native vegetation.
- The proposed emergency access to the north onto the Goulburn Valley Highway will not result in the loss of native vegetation. This access is required for community safety and has been supported by the CFA. The DEPI view to remove this access is not supported.
- The protection of native vegetation on private lots is supported. The detailed design of future subdivision lots to maximise the retention of native vegetation and use of Section 173 Agreements are the most feasible means of native vegetation retention. Additional performance measures should be added to the development plan to ensure that these issues are considered and implemented under future applications for planning permit.

**Recommendation:**

**Add the following performance measure to the exhibited development plan:**

**Biodiversity:**

- **Retain and enhance biodiversity and existing native vegetation in the future subdivision and development of the land through measures that include:**
  - **Implementation of the objective for no net loss;**
  - **Siting of future development, roads and services to protect remnant native vegetation;**
  - **Use of Section 173 Agreements to protect native vegetation on private lots and any native vegetation within 30 metres of any waterway.**

**CFA:**

Submission:

- Land within High Risk Category on CFA Victorian Fire Register (VFRR).
- Anticipated that the Bushfire Management Overlay (BMO) will apply to part of the land (southwestern corner).
- Road option for additional east – west through road in north supported as provides better access options and minimises dead end roads.
- Consider circuit road in south to minimise no through roads.

- Land subject to grassfire risk from north – northwest and/or ember protection from vegetation to south with a southwesterly wind change.
- Expect land capable of achieving the lowest BAL (12.5) with adequate setbacks from classified vegetation through provision of defendable space, or if not possible, construction in accordance with AS3959-2009.

Discussion:

- Support for the exhibited east-west road in the northern section of the land will meet CFA concern for the minimisation of dead end roads and better access and promote greater connectivity and access. Both of the affected landowners and the development plan proponents have agreed to this linked east – west road; the other affected landowner has not elected to make a preliminary submission.
- A requirement for the road in the southern section of the land to be a circuit road rather than two dead end roads will also meet CFA concern for the minimisation of dead end roads and better access, in addition to also promoting greater connectivity and access. Council's Engineering Section has also supported this circuit road. Although the development plan proponents have not agreed with this circuit road, this option is recommended for an approved development plan.

**Recommendation:**

- ***Include a second east-west road link in the northern section of the land subject to the development plan (indicated as option 2 in the exhibited plan and as indicated in the attached plan).***
- ***Amend the road in the southern section of the exhibited development plan to be a circuit road rather than dead end roads (as indicated in the attached plan).***

**Goulburn Valley Water:**

Submission:

- An extension is required to the water supply district to facilitate the provision of reticulated water supply.
- No technical obstacles to the service the proposed development.
- Proposed development will require replacement of existing high level water storage in Webster Street with a new 400kl tank.
- Various water mains upstream of the development will also require augmentation or extension to ensure adequate supply levels to the proposed development.
- Development will require construction of a new sewage pump station and rising main and duplication of existing sewers of downstream of the proposed discharge point for the new sewage pump station.
- An additional 130kl of emergency storage is require to be constructed downstream of the discharge point to accommodate discharge flows for high rainfall events.
- Cost of new infrastructure is to be shared between the Corporation and developer, with details to be discussed when the design is clearer.
- Upon development, the developer will be required to pay a new customer contribution (NCC) charge for water supply infrastructure.

Discussion:

- No reticulated sewerage is available to the land or is proposed in the low density residential subdivision, with only reticulated water being supplied. The submission discussion on sewage and upgrading of sewage infrastructure is therefore not relevant.
- Council officers have discussed this submission with GVW officers to try and clarify what extent of new works may be required and to what extent the developer would be responsible for funding new works. GVW has clarified that the developer would only be required to contribute a pro-rata amount towards new infrastructure.
- A pro-rata contribution should only be charged for new water infrastructure that is required as a result of the proposed development; this principle is complicated by only one of the three affected landowners expressing an interest in developing in the short term. It is reasonable that a requirement be placed

**Recommendation:**

- ***Add the following general services requirement to the development plan, including a general requirement for water infrastructure upgrading:***

**Services:**

- ***Provide infrastructure to meet Murrindindi Shire Council and relevant service authority standards, including:***
  - ***Roads and footpaths (as required), in accordance with the provisions of the Infrastructure Design Manual;***
  - ***Drainage and stormwater infrastructure, including potential linkages with adjoining land to the east;***
  - ***Onsite wastewater treatment and disposal to meet the standards of the Code of Practice Onsite Wastewater Management, Publication No 891.3, February 2013 (or as amended);***
  - ***Reticulated water, including a pro-rata contribution to any upgrading to water infrastructure that may be required as a result of the proposal.***
  - ***Underground electricity, telecommunications and street lighting (as required).***

**GBCMA:**

Submission:

- A designated waterway exists in the southern part of the land.
- No objection subject to five (5) conditions being met (buildings and works to be setback at least 30 metres from the designated waterway; effluent disposal to be setback at least 60 metres from the designated waterway; new access routes or works from the designated waterway are subject to licence from GBCMA; all land within the waterway to be set aside for waterway protection; subdivision must meet best practice water sensitive principles).

Discussion:

- A 30 metre building setback and 60 metre setback for wastewater disposal may be achieved through specific specification on the development plan, which requires small adjustment to indicate these setbacks. Both setbacks are reasonable and required



under both the Murrindindi Planning Scheme (30 m building setback) and wastewater code of practice (60 m wastewater setback).

- A works on waterway permit is required from GBCMA for any works on waterways. This is an existing, separate process that does not require inclusion in an approved development plan.
- It is considered reasonable for land within the waterway to be set aside for waterway protection and for subdivision must meet best practice water sensitive principles. Both requirements may be included in an approved development plan.

**Recommendation:**

- ***Under Section 3 (Site analysis) of the development plan, Section 3.6 (Existing water and sewerage infrastructure), amend the 'Sewerage' section to be retitled 'Wastewater', adding the following sentences:***

***Onsite wastewater disposal will be required for the development to meet relevant standards and achieve a minimum setback of 60 metres for wastewater disposal systems from any waterway.***

- ***Under new Section 5 (Performance measures), add the following performance measures:***

***Wastewater:***

- ***Provide onsite wastewater disposal systems for all lots in the development to:***
  - ***Meet relevant standards under the Code of Practice Onsite Wastewater Management, EPA Publication No 891.3, February 2013 and On-site domestic – wastewater management, AS/NZS 1547:2000.***
  - ***Achieve a minimum setback of 60 metres for wastewater disposal systems from any waterway.***

***Waterways:***

- ***Provide building exclusion zones from all waterways, ensuring a minimum 30 metre building setback from any waterway.***

***Drainage:***

- ***Provide drainage for all lots in the development to:***
  - ***No increase to the current level of drainage discharge from the land;***
  - ***Use water sensitive urban design principles for water conservation, stormwater / drainage design, treatment and management and treatment and management of existing waterways and dams.***

**GMW:**

**Submission:**

- Require that development proposals do not detrimentally impact on the flow and quality of surface water and groundwater and that required supplies are available from an approved source.

- Unclear whether Lots 17, 18, 21 – 25, 34, 35 and 37 can comply with the EPA requirement for wastewater systems to be located a minimum of 60 metres from waterways as wastewater envelopes not indicated. While a general land capability assessment has been prepared, it should be demonstrated that all lots are capable of disposing of effluent with a minimum setback of 60 metres from all waterways and dams.
- Revise 'no building zones' to ensure that no building may be located a minimum of 30 metres from waterways.
- Does not support plan until these wastewater and building setbacks are resolved.

Discussion:

- A 30 metre building setback and 60 metre setback for wastewater disposal may be achieved through specific specification on the development plan, which requires small adjustments to indicate these setbacks. Both setbacks are reasonable and required under both the Murrindindi Planning Scheme (30 m building setback) and wastewater code of practice (60 m wastewater setback).

**Recommendation:**

- ***Amend the plan in the development plan to indicate:***
  - ***All wastewater disposal areas to be setback a minimum of 60 metres from all waterways and dams.***
  - ***A building exclusion zone to be provided for all lots with a minimum setback of 30 metres from the centre of all waterways.***
- ***See other recommendations for development plan text under GBCMA.***

**MURRINDINDI SHIRE ENVIRONMENT DEPARTMENT:**

Submission:

- Site has potential for further habitat enhancement for a number of endangered species, but subdivision will compromise this.
- Subdivision is in close proximity to McKenzies Flora and Fauna Reserve, Mt Pleasant Reserve and Alexandra Bushland Reserve and will further isolate them, surrounding them with peri-urban development and creating survival impacts on present species.
- Very old trees are important for habitat and should be retained.
- Environmental concern with lots less than 0.4 hectares in area.
- Undertake surveys prior to subdivision to validate the presence of native vertebrae and Brush Tailed Phastogale.
- No vegetation should be removed from drainage lines / gullies and replace weeds with deep rooted perennials.
- Consider local laws to restrict or place conditions on pet ownership to protect native fauna from predation.
- Consider lots of less than 0.4 hectares in area very carefully to protect significant areas of vegetation.

- Investigate opportunities to explore transferring parts of the land into offsets.

Discussion:

- See discussion on native vegetation under DEPI.
- The proposed development plan provides recreation and biodiversity corridor linkages that are considered will enhance environmental linkages.
- It is not considered practical or implementable for local laws to be implemented to restrict pet ownership or behaviour.
- Council officers have previously supported DEPI in investigating the use of offsets in alternative locations and will continue to advocate for this flexibility.

Recommendation:

- See recommendations for native vegetation under DEPI.

**Private landowners (9):**

Submissions:

**General issues:**

- Will not commit to any financial obligation for plan.
- Any plan will take at least 10-20 years to develop, so can't see any point in proceeding with it.
- How soon will development commence?
- Will lose quietness and beauty of area.
- Will lose enjoyment of nearby property, with loss of beautiful views, leading to devaluation of property.
- Concern with substandard shed and structures as blocks that can be used for weekend occupation and use of shipping containers, creating a poor image for district; sheds can be used for accommodation.
- Many existing undeveloped lots closer to township, all with services provided, on the market.
- Has there been a survey of archaeological or aboriginal significance and will it be retained?

Discussion:

- Cost: The draft plan submitted to Council has been prepared at the expense of one of the three affected landowners; other owners have not been asked to submit towards its cost.
- Life of plan: Although it is acknowledged that development under the plan would indeed take 10-20 years or more to eventuate, a development plan is required for the land under the DPO and has been applied for. The plan will give certainty for the overall life of the plan.
- Use of the land: The area has previously been rezoned for low density residential use (C14, gazetted July 2006) and has certainty for this use. A planning permit is only required for the low density residential subdivision of the land, not for the 'use' of the land for low density residential purposes.

- Views and enjoyment: Any development of the land will result in some modification of the landscape. This development plan process, and future applications for planning permit, will endeavour to minimise impacts on the landscape.
- Devaluation: Potential devaluation is hypothetical and cannot be proven until after development has taken place. This issue is consistently considered by VCAT and planning panels as not being a sound planning ground of objection.
- Substandard structures: Potentially substandard structures and the use of sheds for accommodation can be an issue in any location and is not a valid reason for not developing any new area. If they ever occur in the future, these matters are enforceable under planning and building legislation.
- Other available land: The subject land has been assessed and rezoned for future development. This land, or other lots that may be available for future development, offer a range of choice in the location and type of land that may be available for future development.
- Has there been a survey of archaeological or aboriginal significance and will it be retained? Only a very small section of the land (northwestern corner) is affected by the cultural heritage sensitivity mapping. A management plan would be required for the future subdivision of the land at planning permit (not development plan) stage. This requirement should be included in the development plan.

**Recommendation:**

- ***Amend the development plan by adding:***

***Cultural heritage:***

- ***A Cultural Heritage Management Plan will be required prior to the issue of any planning permit for the subdivision or other 'high impact use' on land identified as being within a 'sensitive' area, ie the northwestern section of the development plan.***

**Land use:**

- Concern with 40 lot subdivision covering whole 100 acres, adversely affecting people on surrounding properties.
- Township will extend to outer properties; leave beautiful town surrounded by wonderful countryside as it is and allow current lifestyle and farming to continue.
- Oppose large subdivision as takes up fertile food producing land.

**Discussion:**

- Use of the land: The area has previously been rezoned for low density residential use (C14, gazetted July 2006) and has certainty for this use. A planning permit is only required for the low density residential subdivision of the land, not for the 'use' of the land for low density residential purposes.
- Loss of agricultural land: The agricultural use of the land and potential loss of agriculture, were considered in the *Rural Residential Study, Murrindindi Shire*, March 2004, and Amendment C14 that implemented its recommendations. Overall, the subject land was considered suitable for rezoning, with an acceptance that the land would be lost to permanent agriculture. The conversion of agricultural land is typical at the edge of urban settlements.

- Views and enjoyment: Any development of the land will result in some modification of the landscape. This development plan process, and future applications for planning permit, will endeavour to minimise impacts on the landscape.

**Recommendation:**

- ***No amendment required to the exhibited development plan.***

**Subdivision layout:**

- Most southern blocks will drain to a creek, raising concern with contaminants from sewage and grey water.
- A through road option is preferable to cul-de-sacs, ie option 2 (affected landowner).
- Support option 1 layout, ie use of cul-de-sac (nearby landowner), but consider widening easement in southeast to allow for future landscaping and a network of recreational opportunities around Alexandra should the Eildon to Alexandra pathway link be constructed.
- Has sufficient open space been provided for the amount of dwellings proposed?
- Size of blocks (planned for southeastern section of land) will be too small and would not be viable for intending purchasers.

**Discussion:**

- Wastewater: Although a general land capability assessment (lca) has been undertaken to support the proposed layout / subdivision, a more detailed lca will be required at subdivision stage to support any specific proposal; inclusion of any general reference to meet relevant standards should be included in the development plan.
- Roads: Support for the exhibited east-west road in the northern section of the land will meet CFA concern for the minimisation of dead end roads and better access and promote greater connectivity and access. Two of the affected landowners and the development plan proponents have agreed to this linked east – west road; the other affected landowner has not elected to make a submission to the exhibited plan.

A requirement for the road in the southern section of the land to be a circuit road rather than two dead end roads will also meet CFA concern for the minimisation of dead end roads and better access, in addition to also promoting greater connectivity and access. Council's Engineering Section has also supported this circuit road. Although the development plan proponents have not agreed with this circuit road, this option is recommended for an approved development plan.

- Recreation linkages: Proposed recreation linkages are considered sufficient to provide physical and environmental linkages throughout the development plan area. Further size and design may be planned in more detail at future application for planning permit stage.
- Recreation land: The fire issues outlined later include a submission raising fire risk on the future recreation reserve on Dockings Lane. This proposed recreation reserve has implications for the proposed development plan for the Wattle Street area (adjoining to the west) as both proposed reserves would adjoin each other. The same submitter has raised concerns to both recreation reserves in both development plan proposals. There is no clear strategic document recommending that the land to the southeastern section of the subject land is required for long term recreation land. If recreation land is taken,

Council will assume ownership and management of the land and must fund this ongoing commitment. Given the concern with provision of a recreation reserve, it is proposed to remove the recreation reserves and seek a monetary contribution for recreation purposes through the future subdivision of the land.

- Lot sizes: The land is zoned Low Density Residential, which has a minimum subdivision size of 0.4 hectare without sewerage. The proposed lot sizes for land in the southeastern section of the development plan are 0.5 to 2 hectare, with an average size of over 1 hectare. These proposed lot sizes are indicative only and may differ slightly in a future application for planning permit proposal. Future applications will be considered on their merits. Proposed lot sizes are considered appropriate for the zone, site and area and does not warrant change.

**Recommendation:**

- ***Include a second east-west road link in the northern section of the land subject to the development plan (indicated as option 2 in the exhibited plan and as indicated in the attached plan).***
- ***Amend the road in the southern section of the exhibited development plan to be a circuit road rather than dead end roads (as indicated in the attached plan).***
- ***The proposed recreation reserve in the western section of the land on the northern side of Dockings Lane be removed.***
- ***Under new Section 5 (Performance measures), add the following performance measures:***

**Wastewater:**

- ***Provide onsite wastewater disposal systems for all lots in the development to:***
  - ***Meet relevant standards under the Code of Practice Onsite Wastewater Management, EPA Publication No 891.3, February 2013 and On-site domestic – wastewater management, AS/NZS 1547:2000.***
  - ***Achieve a minimum setback of 60 metres for wastewater disposal systems from any waterway.***

**Roads and traffic:**

- See comment on subdivision road layout under 'Subdivision layout'.
- Who will be responsible for the upgrading of Dockings Lane, which will require safe two lane carriageway to accommodate extra traffic generated by proposed subdivision?
- Oppose part closure of Dockings Lane and opening up of Pendlebury Street discussed in meeting for adjoining Wattle Street development plan.
- Will there be a survey of the potential increase in traffic?
- Huge increase in vehicles, all hours, affecting adjoining landowners, including on an already busy highway.
- Increases in dust loads and effect on pets and wildlife that use Dockings Lane.
- Will roads be sealed to minimise dust?
- Will there be landscaping provided along roadways to minimise the appearance of house and act as a green buffer?
- See fire related road issues under 'CFA' above and 'Fire' below.

- Concerns with VicRoads objection to direct link onto the Goulburn Valley Highway at feature A ('Proposed pedestrian access to highway and potential future link road'); a separate submission has been made to VicRoads noting a future desire for this connection and seeking an onsite meeting.

Discussion:

- The needs for an additional east – west link road in the north and circuit road in the south have been outlined and recommended in the CFA discussion above.
- It is not proposed to close the western end of Dockings Lane or open up Pendlebury Street in the short term. Pendlebury Street would only be formed and made if the adjoining landowner ever proceeded with development in the future.
- A Traffic Impact Assessment Report has been prepared (initial and amended versions) to support this proposal, assessing potential impacts on both the Dockings Lane exit onto Goulburn Valley Highway to the east and access to Alexandra along Dockings Lane (and additional road linkages) the west.
- Landowners will be partly responsible on a pro rata basis, for the upgrading of Dockings Lane, which will receive greater traffic usage and will require upgrading if all development envisaged in the development plan proceeds. Council may need to initiate the initial construction and upgrading of Dockings Lane.
- Initial Council officer discussions indicate that a reasonable process for road upgrading could be that the single landowner in the development plan area who wishes to proceed with immediate development could be expected to upgrade the intersection of Dockings Lane and Goulburn Valley Highway (that will be required by VicRoads) and that Council / other landowners could be responsible for the Dockings Lane upgrading.
- Future connection to Goulburn Valley Highway: See the discussion and recommendation for this issue under VicRoads submission. While VicRoads has objected to this road connection to the highway at this stage, the landowner may apply to create the connection at some future stage. The subdivision of the submitter's land may occur without a formal road connection to the highway. An emergency fire exit will still be provided at this point.

**Recommendation:**

- ***Include a second east-west road link in the northern section of the land subject to the development plan (indicated as option 2 in the exhibited plan and as indicated in the attached plan).***
- ***Amend the road in the southern section of the exhibited development plan to be a circuit road rather than dead end roads (as indicated in the attached plan).***
- ***Add the following general services requirement to the development plan, including a general requirement for road upgrading:***

**Services:**

- ***Provide infrastructure to meet Murrindindi Shire Council and relevant service authority standards, including:***
  - ***Roads and footpaths (as required), in accordance with the provisions of the Infrastructure Design Manual;***
  - ***Drainage and stormwater infrastructure, including potential linkages with adjoining land to the east;***

- ***Onsite wastewater treatment and disposal to meet the standards of the Code of Practice Onsite Wastewater Management, Publication No 891.3, February 2013 (or as amended);***
- ***Reticulated water, including a pro-rata contribution to any upgrading to water infrastructure that may be required as a result of the proposal.***
- ***Underground electricity, telecommunications and street lighting (as required).***

**Other services:**

- Will water from the Alexandra / Eildon water pipeline along Dockings Lane be accessible for landowners in the subdivision?
- How will effluent be dealt with as a creek runs through the rear of the southern blocks?
- How will sewerage and greywater be dealt with to EPA standards?
- Will developers put in all necessary services and ensure privacy of surrounding neighbours?
- Will there be adequate stormwater runoff provision? Unchecked stormwater can cause erosion.

**Discussion:**

- Future lot owners on land in the development plan area will not be able to draw water directly from the Alexandra / Eildon water pipeline; water will be provided through future water reticulation provided by GVW.
- All relevant services will be installed with as minimal impact on neighbours as possible and to meet relevant authority standards and guidelines. These services will include stormwater provision, for which Council is the relevant service authority.
- As no reticulated sewerage will be provided to the land, future wastewater will be provided entirely onsite. Although a general land capability assessment (lca) has been undertaken to support the proposed layout / subdivision, a more detailed lca will be required at subdivision stage to support any specific proposal. Inclusion of any general reference to meet relevant standards should be included in the development plan.

**Recommendation:**

- ***Under new Section 5 (Performance measures), add the following performance measures:***

***Wastewater:***

- ***Provide onsite wastewater disposal systems for all lots in the development to:***
  - ***Meet relevant standards under the Code of Practice Onsite Wastewater Management, EPA Publication No 891.3, February 2013 and On-site domestic – wastewater management, AS/NZS 1547:2000.***
  - ***Achieve a minimum setback of 60 metres for wastewater disposal systems from any waterway.***

**Environment:**

- Will there be consideration of native vegetation and biodiversity and what will be retained and offset?



- Existing roadside vegetation along Dockings Lane should be retained and regarded as a continuous roadside planting.
- Consider protection of some significant large trees in northwest; an earlier plan indicated a proposed reserve around these trees.
- Blackberries along creek will be a problem.
- A creek runs through the (southeastern) section of the land.
- Wildlife is in plague proportions, with no attempt to control this situation.

Discussion:

- See discussion on native vegetation under DEPI.
- The control of noxious weeds is an ongoing responsibility of private landowners with any form of land use and development.
- See discussion on waterway management under the GMW and GBCMA submissions above. The proposal has satisfied these authorities concerns. A recommendation is being made to include a minimum setback of 60 metres for wastewater disposal systems and a minimum 30 metre building setback from any waterway.
- Wildlife controls is not a relevant issue for land use planning.

**Recommendation:**

- ***See recommendations for native vegetation under the DEPI submission.***
- ***See recommendations for waterway management under the GMW and GBCMA submissions.***

**Fire:**

- No road or emergency vehicle exit for landowners in southern extent of land.
- Fire danger with road access only to the north, with no road exits to west, south and west other than a narrow cycle and pedestrian track.
- Occupants would only be able to retreat to McKenzie Reserve, which would not be a safe haven during a fire.
- Future reserve D on Dockings Lane is a fire hazard only 50 metres from a dwelling.
- With no catchment or wetland, the subdivision will be a large area with dry grass that, if not controlled, will become a fire threat to the McKenzie Nature Reserve.
- Fire from west will also be exacerbated by McKenzie reserve and the tip, both with heavy fuel loads.
- No way of subdivision keeping fuel levels down in lead up to fire seasons.
- Absentee landowners and unsold blocks can create fire hazards.
- Independent assessment of proposal is required by the CFA.

Discussion:

- The needs for an additional east – west link road in the north and circuit road in the south have been outlined and recommended in the CFA discussion above.
- Although there is no proposed exit to the south, there are proposed exits to the east, west and north (emergency access). These proposed exits have satisfied the CFA, subject to internal road changes.
- It is speculation as to whether there will be absentee owners occupying the land or how they will maintain their land. Generally, owners of land developed for low density residential purposes have a high standard of maintenance. To reduce fire risk, Council issues fire prevention notices on lots that are not developed or maintained.

- While McKenzie Nature Reserve to the southwest would have higher fuel loads, only land nearby this reserve is proposed to be included in the Bushfire Management Overlay, where higher bushfire standards would be applied for residential subdivision and development.
- See discussion on the proposed recreation reserve adjoining Dockings Lane under 'Subdivision layout' above.

**Recommendation:**

- ***Include a second east-west road link in the northern section of the land subject to the development plan (indicated as option 2 in the exhibited plan and as indicated in the attached plan).***
- ***Amend the road in the southern section of the exhibited development plan to be a circuit road rather than dead end roads (as indicated in the attached plan).***

**Other suggested changes:**

**Notice and review:**

**Format:**

**Discussion:**

- The draft development plan is very descriptive and detailed and is not consistent with the layout of other approved development plans applying in the municipality. Other plans include performance measures upon which to base future decision making for applications for planning permit.
- The development plan should be reformatted to be consistent with other approved plans and allow for a more performance based, rather than descriptive, approach.
- This proposed formatting change should include the deletion of a proposed section outlining an exact process for any future review of a development plan, which should be based on its merits and current planning scheme / procedural practice at the time of review rather than anticipating a process for review at this time.

**Recommendation:**

- ***Reformat the development plan to be consistent with other approved plans for the municipality, allowing for a more performance based, rather than descriptive, approach.***

**Fire risk:**

**Discussion:**

- Although proposed Bushfire Management Overlay (BMO) mapping has not been exhibited or resolved, Council officers have access to proposed BMO mapping. As the very southwestern edge of the land subject to this development plan is subject to the proposed BMO, this indication should be shown on the development plan, with an additional indication of no dwelling to be located in this area.

**Recommendation:**

- ***Indicate the proposed Bushfire Management Overlay (BMO) in the southwestern corner of the land subject to this development plan, with an additional indication of no dwelling to be located in this area.***

**Life of plan:**

Discussion:

- Although existing development plans have a life span of 10 years, this period of time is realistically not long enough to achieve full development over a large area.
- As it is anticipated that the full development of a larger plan area like this one would realistically take 20-30 years to complete, it is recommended that the development plan include a longer expiry date, in this case 15 years. This proposed extended period would give certainty for development over a longer period, but require that the plan be reviewed after this time, ensuring that it remains current, relevant and consistent with the planning scheme at that time.

***Recommendation:***

- ***Amend the proposed life of the exhibited development plan from ten (10) to fifteen (15) years.***

# **Development Plan, Goulburn Valley Highway, Alexandra**

**Murrindindi Shire Council**

**June 2014**

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## **ATTACHMENTS**

Attachments 1 – Development Site and Context Plan

Attachments 2 – Development Plan

## **1. INTRODUCTION**

This development plan applies to 2291, 2381 & 2401 Goulburn Valley Highway, Alexandra, situated east of Alexandra township. A locality plan of the site is attached as **Attachment 1**. The site includes land to the north and south of Dockings Lane and is bound by the Goulburn Valley Highway to the north and east.

The overall area subject to this development plan is approximately 83 hectares in area, comprising three titles.

Under the Murrindindi Planning Scheme, the subject land is zoned Low Density Residential, with the Development Plan Overlay 3 also applying. Schedule 3 (Low Density Residential Zone) to the Development Plan Overlay requires that Murrindindi Shire Council approve a development plan before any planning permit is granted for any use, development or subdivision of the land.

## **2. TOWNSHIP CONTEXT**

The land is located at the eastern edge of Alexandra township, approximately 1.8km east of the town centre.

The land use pattern in the area surrounding the subject land is:

- Land to the west and north-west of the subject site is zoned for Residential 1 but not yet developed for that purpose. This land is subject to a separate development plan.
- Land located to the north and north-east, on the opposite side of the highway, is currently zoned Farming.
- Properties to the east, north-east and south are zoned Rural Living.

## **3. SITE ANALYSIS**

The site is described in plan form on the Site Analysis Plan.

### **3.1 Site Features**

Site features include:

- Existing long frontage to the Goulburn Valley Highway, approximately 650m along the northern and north-western boundary and approximately 850m frontage along the eastern boundary.
- Dockings Lane is an unmade road reserve and divides the subject site into two at the central location.
- Prominent hill slope towards the central location of the site, from east, west and southern directions, and a gradual slope towards north.
- Remnant vegetation scattered throughout the site.
- Significant roadside vegetation.
- Proximate location to town centre.

### **3.2 Landform**

The site sits in a small valley that slopes to the north. Hill ridgelines run along the western and southern boundaries of the site. The site falls from the west, south and south-east towards the northern end of the site. Ridges along the southern and south-western end of the site are considered to be a prominent landscape feature.

### **3.3 Existing Land Use**

The northern parcels of the subject site are currently used for residential purposes. Two standard dwellings and associated outbuildings are located at the northern end under separate ownerships. Currently the subject site comprises open paddocks used for grazing. Five medium to large dams are found scattered throughout the site.

### **3.4 Existing Vegetation**

The existing vegetation consists of isolated open woodland patches throughout the site and some along the creek line. The dominant species are River Red-gum and Grey Box. Other species are Stringybark, Yellow Box and Manna Gum trees.

The study area is connected to three reserves, i.e. Alexandra Bushland Reserve, McKenzie Flora Reserve and McKenzie Nature Conservation Reserve, which are located south of Alexandra.

### **3.5 Links to Existing Urban Area**

The subject site has a long frontage to Goulburn Valley Highway, which runs north-west named as Downey Street and Maroondah Highway at the centre of Alexandra Township.

From the site, road access is available to the Alexandra town centre and to the eastern residential areas of the town via Dockings Lane, Pendlebury Street, Cooper Street and Nihil Street.

Wattle Street, Myrtle Street and Nihil Street are residential roads constructed of sealed surfaces. The section of Pendlebury Street, near the intersection with Dockings Lane, and Dockings Lane are of unsealed all-weather gravel surfaces, suitable for servicing rural style residential developments.

The Goulburn Valley Highway has a 60 metre reservation width, while both Wattle Street and Dockings Lane have 20m wide road reserves.

### **3.6 Existing Water & Sewerage Infrastructure**

Water:

The subject site is not currently connected with reticulated water supply. The nearest water supply main is located near the intersection of Myrtle Street and Pendlebury Street, which is approximately 800m west of the central location of the subject site. A second water main is found located along Goulburn Valley Highway, approximately 300m west of the north-west corner of the subject site.

Goulburn Valley Water advises that the Alexandra -Thornton pipeline, along Dockings Lane, is not suitable for connection to future subdivision of properties on both sides of Dockings Lane for water supply purposes.

Sewerage:

The subject land is not connected with the existing sewerage district for Alexandra. The existing sewer mains are located at the corners of Cooper Street & Wattle Street, and Pendlebury Street & Wattle Street. Given the topography of the subject site, it is not feasible to get connection with either of the nearest sewer mains.

#### **4. PROPOSED USE AND DEVELOPMENT OF THE LAND**

This development plan defines an area and the form and conditions for the future use and development of the land for low density residential purposes. The development plan for the land is attached as **Attachment 2**.

Any application for the use, subdivision or development of land must:

- Consider the objectives and performance measures outlined in this development plan;
- Be generally in accordance with this development plan.

#### **5. THE DEVELOPMENT PLAN**

##### **5.1 Objectives**

Objectives of this development plan are:

1. Provide new residential areas that are integrated into the existing urban fabric of Alexandra.
2. Provide for a variety of residential lot sizes to meet the diversity of housing types and housing needs within Alexandra township.
3. Ensure energy efficient residential development within the outskirt of Alexandra township.
4. Provide a street network that affords good levels of accessibility, connectivity and safety for vehicles and pedestrians.
5. Protect the natural landscape features of the site including remnant native vegetation, hillslopes and views.
6. Provide an open space network that is within walking distance of residential lots and, where possible, incorporates natural features.

##### **5.2 Background**

The Development Plan undertakes an integrated approach, affecting all land zoned Low Density Residential and, also considering adjoining and nearby land, such as adjoining land to the west, affected by the proposed *Development Plan, Wattle Street, Alexandra*.

The following studies have been undertaken by external consultants to address major issues affecting the land, eg vegetation, aboriginal cultural heritage, traffic and transport impacts and land capability:

- Biodiversity Assessment, Brett Lane & Associates.



- Traffic Impact Assessment, TTM Consulting (Vic).
- General Land Capability Assessment, Eco Vision Australia.
- Aboriginal Cultural Heritage Assessment, Clarkeology.

The responsible authority and relevant external authorities (Goulburn Murray Water, CFA, VicRoads, DEPI, Goulburn Valley Water and Goulburn Broken Catchment Management Authority) were consulted in the formulation of the development plan, with recommendations included in the plan.

### **5.3 Key features**

Key features of the development plan are:

- Lot layout and size:  
Ability for future lots to be designed in accordance with land characteristics and the minimum lots size for the Low Density Residential Zone of 0.4 hectares without reticulated sewerage. Proposed lots have been indicated south of Dockings Lane at 2291 Goulburn Valley Highway, with lots being indicated in the range of 0.51ha to 2.09ha, with an average lot size of approximately 1.04 hectare. These indicative lots are based on land capability assessment, with future detailed site specific assessment being required in finalising future subdivision layouts to ensure availability of sufficient spaces for both building and wastewater envelopes.
- Road and pedestrian linkages:  
Road linkages determined in accordance the Traffic Impact Assessment, VicRoads and CFA input. Key features include vehicle exit points at Dockings Lane to the west, the Dockings Lane / Goulburn Valley Highway intersection to the east and emergency vehicle / pedestrian points in the northwest, northeast and southeast, a circuit road to the south and two east – west roads in the north, one linking to the Wattle Street development plan area to the west.
- Biodiversity and native vegetation:  
Protection of native vegetation in the Dockings Lane road reserve and waterway to the south (indicated in the plan), in accordance with the biodiversity assessment and Department of Environment and Primary Industries input. Pedestrian access only is allowed in this section of Dockings Lane. The application of Section 173 Agreements will be considered for native vegetation protection under future planning permits.
- Waterway protection and wastewater management:  
Waterway protection and wastewater management will be achieved to meet Murrindindi Shire, Goulburn Murray Water and Goulburn Broken Catchment Management Authority standards. Wastewater management is to be achieved through application of the *Code of Practice Onsite Wastewater Management*. Waterway protection will further achieved through building setbacks of 30 metres from any waterway and minimum setbacks of 60 metres for wastewater disposal systems from any waterway.

## 5.4 Performance measures

### Roads and services:

- Upgrade road intersection treatment at the intersection of Goulburn Valley Highway and Docks Lane at subdivision stage, in consultation with VicRoads.
- Provide infrastructure to meet Murrindindi Shire Council and relevant service authority standards, including:
  - Roads and footpaths (as required), in accordance with the provisions of the Infrastructure Design Manual;
  - Reticulated water, including a pro-rata contribution to any upgrading to water infrastructure that may be required as a result of the proposal;
  - Underground electricity, telecommunications and street lighting (as required);
  - Drainage and stormwater infrastructure to achieve:
    - No increase to the current level of drainage discharge from the land;
    - Use water sensitive urban design principles for water conservation, stormwater / drainage design, treatment and management and treatment and management of existing waterways and dams.

### Biodiversity:

- Retention and enhancement of biodiversity and existing native vegetation to implement the objectives and no net loss principles of the *Victoria Native Vegetation Management – A Framework for Action*.
- Retain and enhance biodiversity and existing native vegetation in the future subdivision and development of the land through measures that include:
  - Implementation of the objective for no net loss;
  - Siting of future development, roads and services to protect remnant native vegetation;
  - Use of Section 173 Agreements to protect native vegetation on private lots and any native vegetation within 30 metres of any waterway.

### Wastewater:

- Provide onsite wastewater disposal systems are required for all lots in the development to:
  - Meet relevant standards under the *Code of Practice Onsite Wastewater Management*, Publication No 891.3, February 2013 and *On-site domestic – wastewater management*, AS/NZS 1547:2000 (or as amended);
  - Achieve a minimum setback of 60 metres for wastewater disposal systems from any waterway.

### Waterways:

- Provide building exclusion zones from all waterways, ensuring a minimum 30 metre building setback from any waterway.
- Achieve a minimum setback of 60 metres for wastewater disposal systems from any waterway.

Cultural heritage:

- A Cultural Heritage Management Plan will be required prior to the issue of any planning permit for the subdivision or other 'high impact use' on land identified as being within a 'sensitive' area, ie the northwestern section of the development plan.

## **6. STAGING**

This development plan does not restrict or provide for any staging of any use or development of the land.

Any subdivision or development of land affected by this development plan that may occur in stages must retain the ability for other land within the plan to be subdivided or developed in accordance with the objectives and performance measures of this development plan.

## **7. LIFE OF THE DEVELOPMENT PLAN AND PLAN REVIEW**

This plan will expire fifteen (15) years after the date that it is approved by Murrindindi Shire Council.

After the expiry of this development plan, the responsible authority may review and approve a new development plan.

An approved development plan may be reviewed. Murrindindi Shire Council intends that notification of any proposed amendment to this approved development plan will be given to potentially affected landowners, relevant service and government agencies and the general community.

In considering whether to amend this existing development plan, the responsible authority should consider the following:

- Whether the amendment meets the objectives, performance measures and provisions of the original development plan;
- Current Murrindindi Planning Scheme strategies, policies and controls for the use and development of the land;
- Relevant council directions, strategies and guidelines;
- Retention of the land for future use and development for low density residential purposes.

**DEVELOPMENT PLAN APPROVED BY MURRINDINDI SHIRE COUNCIL  
ON 25 JUNE 2014**

**SIGNED:**

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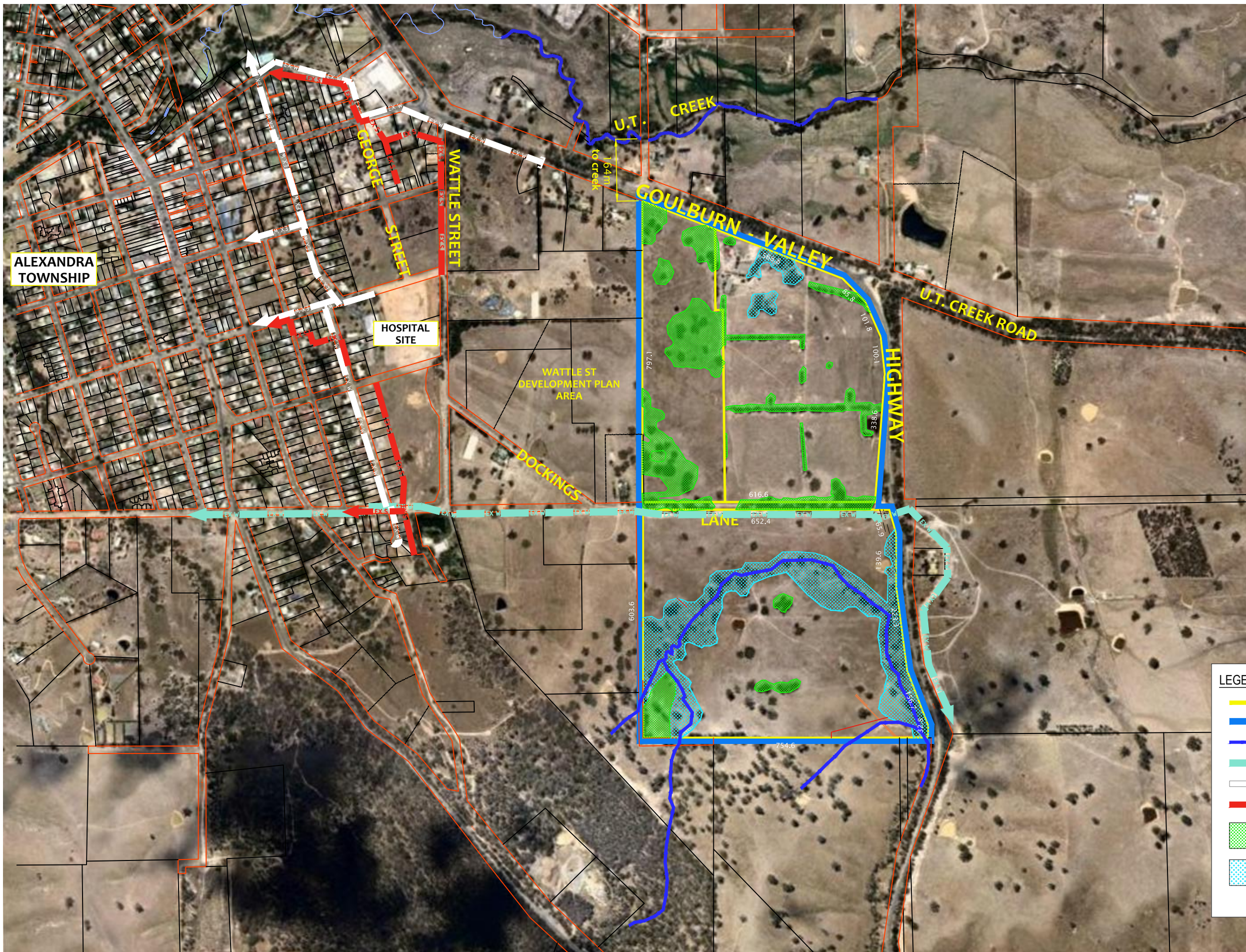
**MARGARET ABBEY, CHIEF EXECUTIVE OFFICER**

**DATE:**

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M.G.A.  
ZONE 55



**LEGEND**

- Title Boundaries
- Development Plan area
- Creek Line
- EX W Alexandra - Thornton pipeline
- EX W Water main (street connections)
- EX S Sewer mains
- EVC55 (Plains Grassy Woodlands)
- EVC68 (Creek Line Grassy Woodlands)

|            |                         |           |
|------------|-------------------------|-----------|
| FINAL PLAN |                         |           |
| REV.       | AS SUBMITTED TO COUNCIL | June 2013 |
| DATE       | REVISION                |           |

**TomkinsonGroup**  
PROJECT MANAGERS  
LICENSED SURVEYORS  
DEVELOPMENT PLANNERS  
CIVIL ENGINEERS

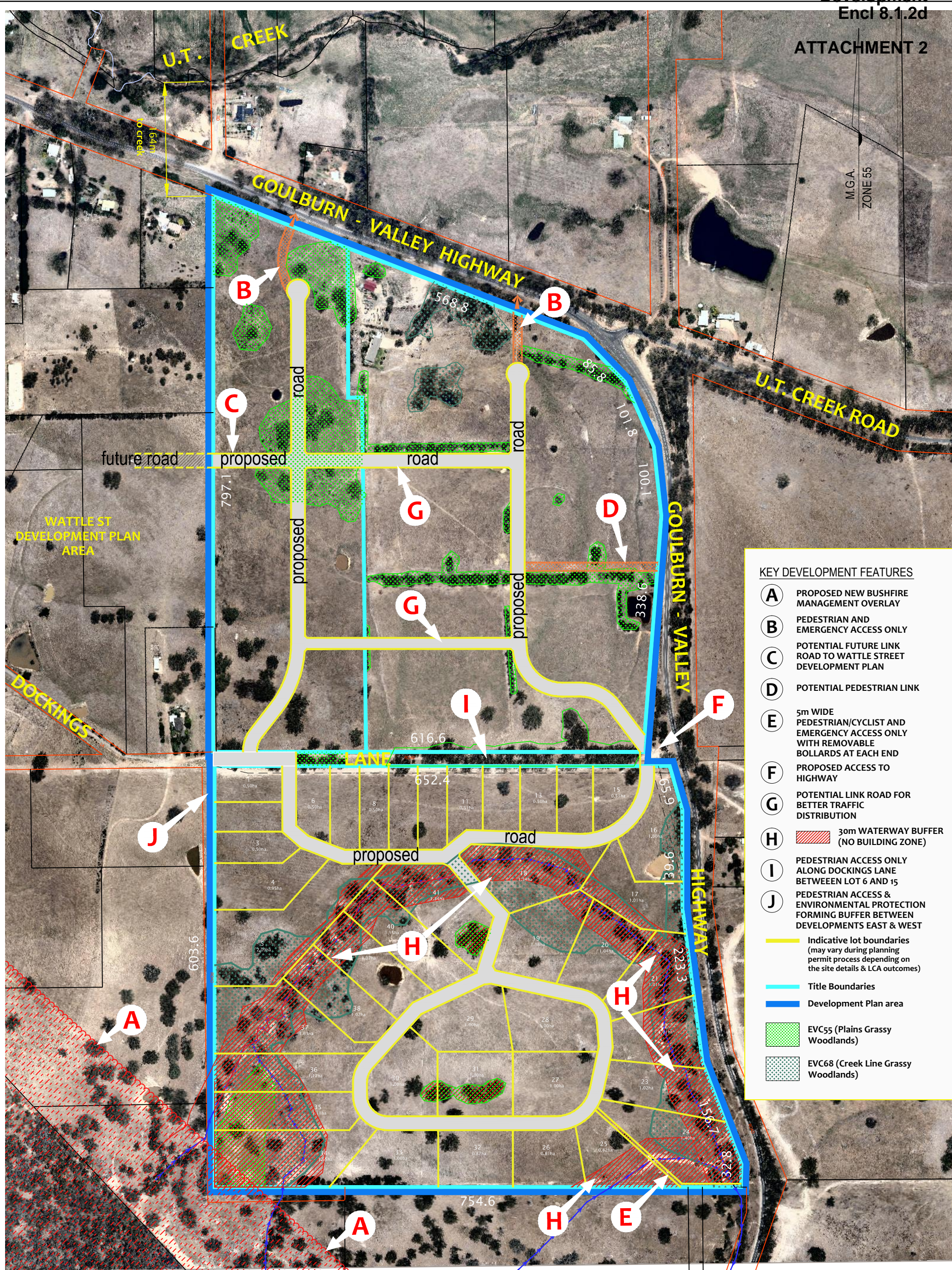
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FS520488

|                            |                           |                           |   |  |
|----------------------------|---------------------------|---------------------------|---|--|
| DRAWING APPROVED BY        |                           |                           | Principal Faranda Dale P/L  |  |
| MN                         |                           |                           | Date: 24-06-13  |  |
| Designed<br>MN<br>27-02-13 | Drawn<br>P/JL<br>24-06-13 | Checked<br>AT<br>24-06-13 | Proposed Development Plan<br>2291 Goulburn Valley Highway, Alexandra<br>Site and Context Plan |  |
|                            |                           |                           | Municipality<br>Murrindindi Shire Council<br>Sheet 1 of 1<br>Drawing No.<br>1041101 SCP       |  |

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KEY DEVELOPMENT FEATURES

- A** PROPOSED NEW BUSHFIRE MANAGEMENT OVERLAY
  - B** PEDESTRIAN AND EMERGENCY ACCESS ONLY
  - C** POTENTIAL FUTURE LINK ROAD TO WATTLE STREET DEVELOPMENT PLAN
  - D** POTENTIAL PEDESTRIAN LINK
  - E** 5m WIDE PEDESTRIAN/CYCLIST AND EMERGENCY ACCESS ONLY WITH REMOVABLE BOLLARDS AT EACH END
  - F** PROPOSED ACCESS TO HIGHWAY
  - G** POTENTIAL LINK ROAD FOR BETTER TRAFFIC DISTRIBUTION
  - H** 30m WATERWAY BUFFER (NO BUILDING ZONE)
  - I** PEDESTRIAN ACCESS ONLY ALONG DOCKINGS LANE BETWEEN LOT 6 AND 15
  - J** PEDESTRIAN ACCESS & ENVIRONMENTAL PROTECTION FORMING BUFFER BETWEEN DEVELOPMENTS EAST & WEST
- Indicative lot boundaries (may vary during planning permit process depending on the site details & LCA outcomes)
- Title Boundaries
- Development Plan area
- EVC55 (Plains Grassy Woodlands)
- EVC68 (Creek Line Grassy Woodlands)

SCALE 1:5,000 (A3)  
50 0 50 100 150 200 250  
LENGTHS ARE IN METRES

Principal Faranda Dale P/L

**PRELIMINARY  
PLAN ONLY**

**TomkinsonGroup**  
PROJECT MANAGERS  
LICENSED SURVEYORS  
DEVELOPMENT PLANNERS  
CIVIL ENGINEERS

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| DRAWING APPROVED BY |  |  |  | L        |  | BUSH FIRE OVERLAY AND ADDITIONAL NOTES                                       |  | 04-06-14  |  |
|---------------------|--|--|--|----------|--|--|--|-----------|--|
| Date:               |  |  |  | K        |  | CREATE AN EXTRA "G" LINK ROAD & "D" PED LINK. REMOVE RESERVES LN EXIT        |  | 14-03-14  |  |
| Designed MN         |  |  |  | J        |  | JOIN SOUTHERN PROPOSED ROADS, CREATE BUILDING EXCLUSION ZONE 30m FROM CREEKS |  | 28-02-14  |  |
| Drawn P.J.L         |  |  |  | I        |  | SUBMISSION TO COUNCIL  |  | JUNE 2013 |  |
| Checked AT          |  |  |  | REV.     |  | REVISION   |  | DATE      |  |
| 27-02-13            |  |  |  | 24-06-13 |  | 24-06-13   |  |           |  |

Municipality & Ref:  
Murrindindi Shire Council

Sheet 1 of 1  
Drawing No.  
1041101 DP

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PLOT DATE: 05/06/2014 FILE: F:\JOB DATA\10400-10409\10411-FARANDA.DWG -ALEXANDRA PLANNING\CVL3D\1041101.DWG REV:LDWG



**21.02 CONTEXT**

/ /20

**21.02-1 Regional profile**

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

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

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

**21.02-2 Municipal profile**

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

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

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

Murrindindi Shire has a vast range of natural and built attractions that contribute significantly towards the municipality's character and appeal. The municipality's character and appeal is formed through its high amenity rural and natural landscapes, Lake Eildon, diverse public land areas and features, rivers and river valleys, native vegetation biodiversity, heritage and attractive townships. All of these features are major attributes that are of appeal to residents and visitors alike.

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

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

### 21.02-3

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### Key issues and influences

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

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



21.03

/ /20

21.03-1

**THE PLANNING VISION****Vision**

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**Our vision for the future:**

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

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

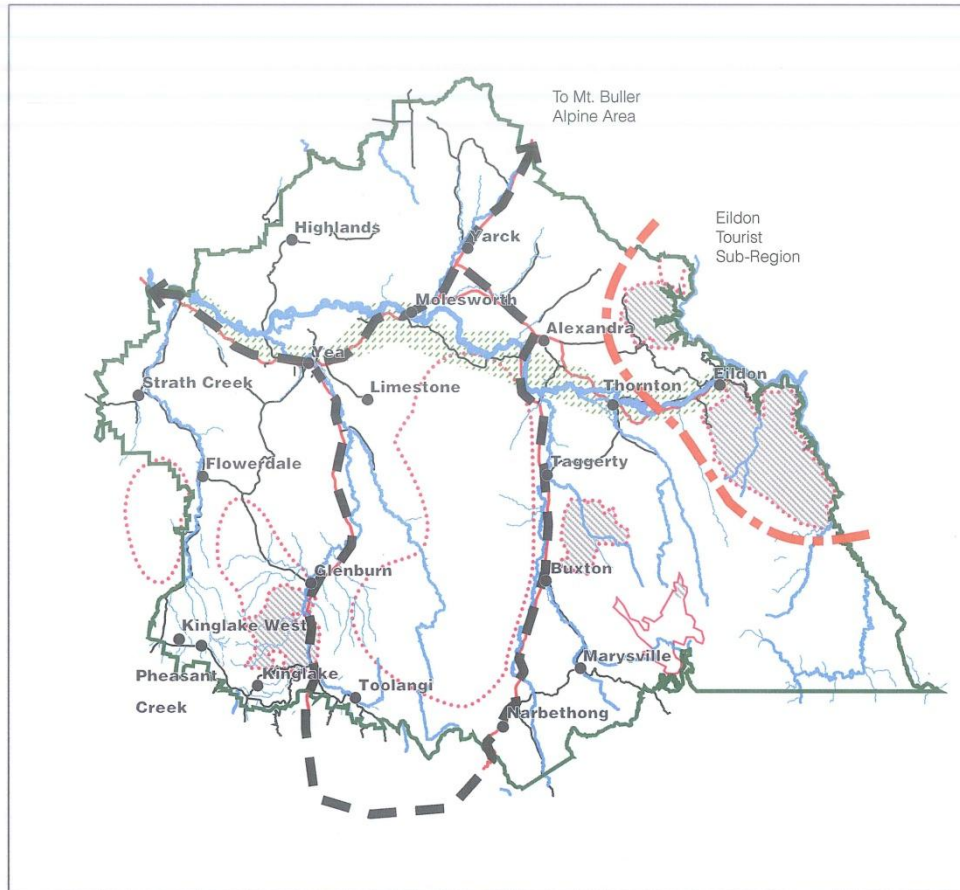
Residential growth will be provided in established townships and settlements with existing communities and infrastructure, where natural environment is protected and a high level of community safety is achieved.

**How we will achieve our vision:**

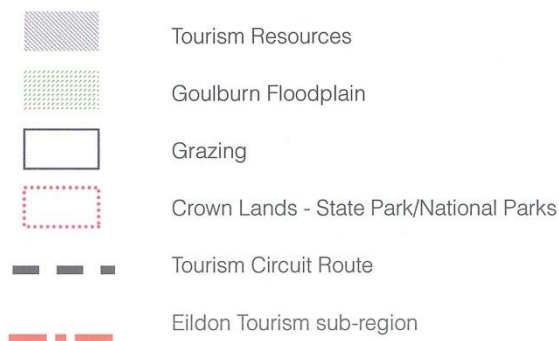
This local planning policy framework articulates how Murrindindi Shire's vision will be achieved. Key elements to achieving this vision will be:

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

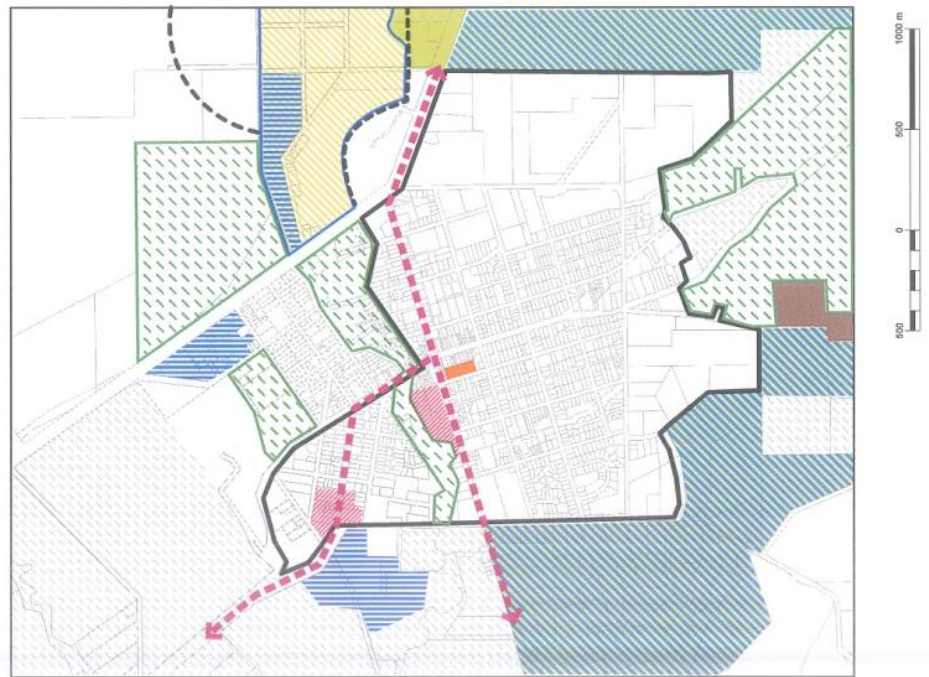
## 21.03-2 Strategic Framework Plans

/ 20  
C









MURRINDINDI SHIRE FRAMEWORK PLAN



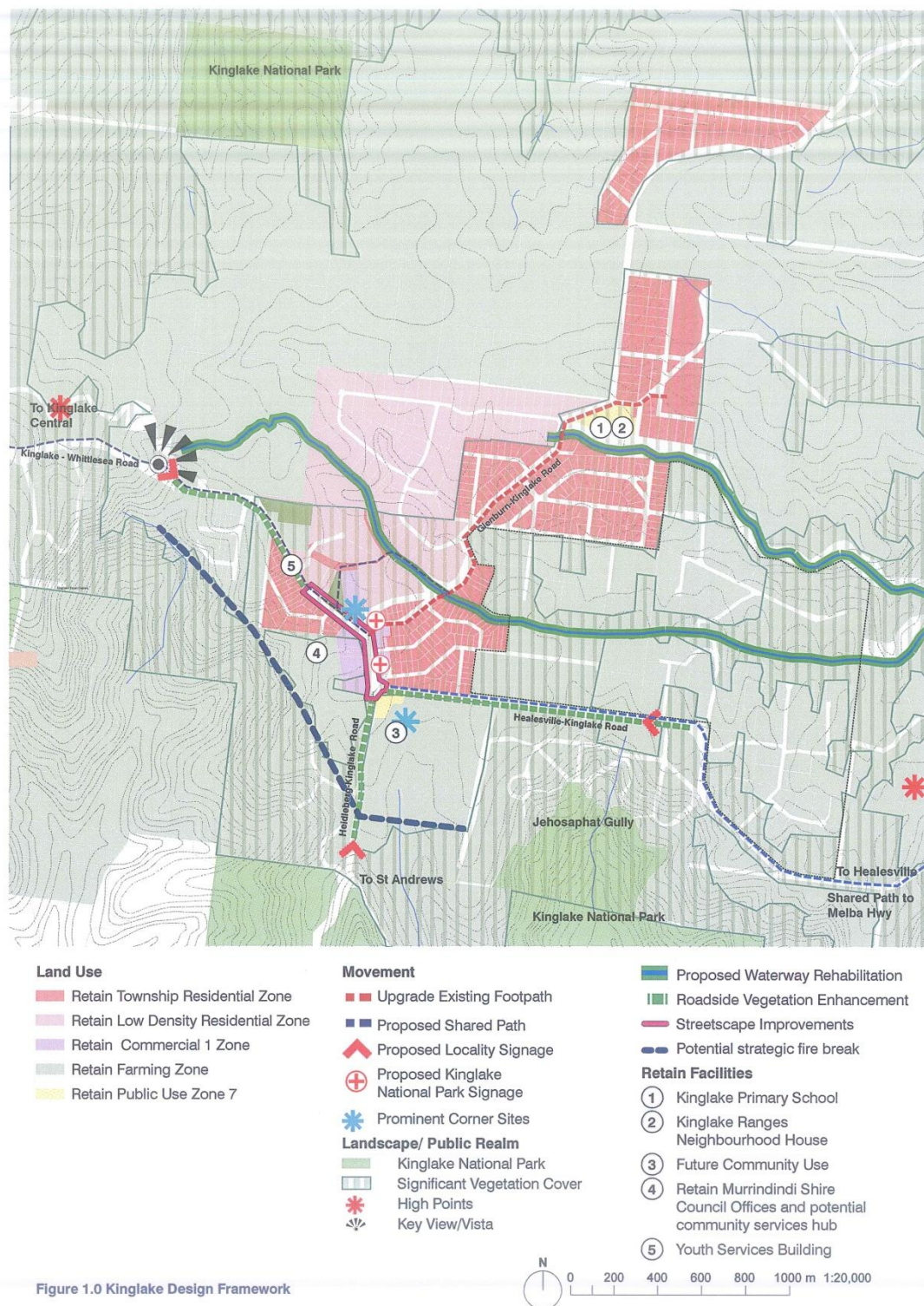
ALEXANDRA FRAMEWORK PLAN

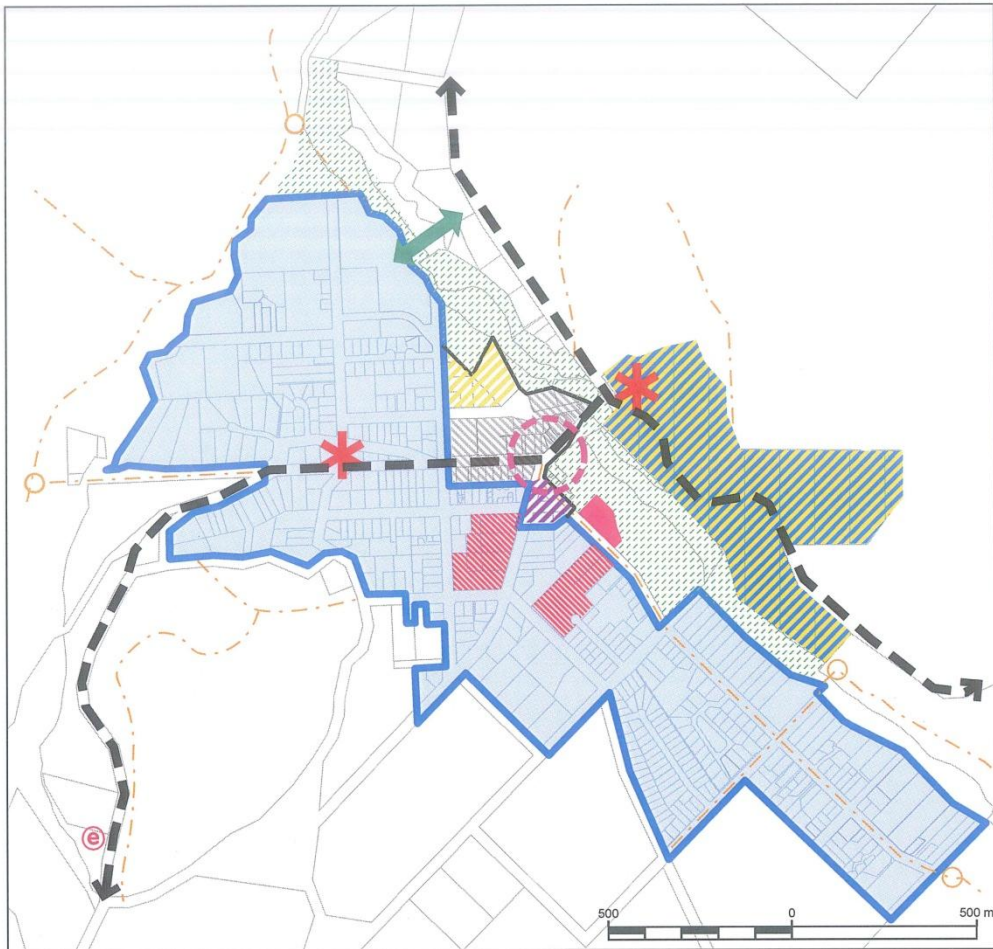



**EILDON FRAMEWORK PLAN**

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

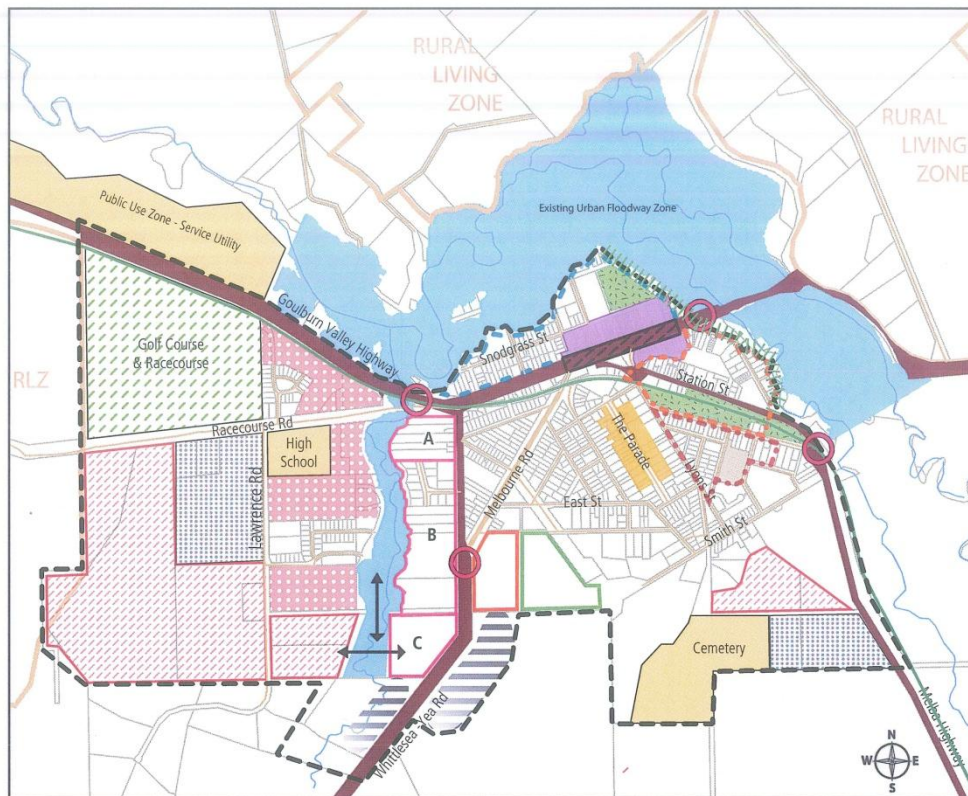




**MARYSVILLE FRAMEWORK PLAN**

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





### YEA FRAMEWORK PLAN

Scale  
0 50 250 500 1000m

- |  |   |  |
|--|---|--|
| Township boundary - Boundary flexible where proposals for serviced urban development are strategically justified.  | Parade street precinct - Encourage new development that respects heritage and town character and retains significant vistas   | Oliver/Lyon Streets Precinct - Encourage medium density housing and high design standards for new housing. Rezone Butter Factory site to facilitate flexible use of Butter Factory & residential use of vacant land. |
| Serviced residential infill (RIZ)- Encourage subdivision, design and lot size diversity.   | Existing recreation land - Public Park and Recreation Zone  | Station Street precinct - Consolidate precinct's role with tourism recreation and community focus. Encourage tourism, retail & accommodation.  |
| Low density residential infill (LDRZ) Potential for 2000m <sup>2</sup> (min) lots subject to landform constraints & DPO requirements   | Future residential development - Investigate potential to develop western part of Rifle Range for residential development   | River and floodplain interface - Create access links from urban environment to river and floodplain  |
| Town Centre - existing Business 1 Zone (B1Z)   | Nature park - Investigate potential for Nature Park on vegetated slopes of Rifle Range  | Open space network - Integrate open space (walking/cycling) paths links with residential opportunities for land adjacent to Whittlesea-Yea Road  |
| Prepare traffic management plan for High Street (between Giffard & Hood Streets) to implement single lane proposal and address car parking, pedestrian movement and public spaces. Facilitate discussion with Vic Roads. | Yea industrial area:<br>A: Rezone from Industrial 1 to Residential 1 Zone<br>B: Retain Industrial Zone<br>C: Investigate rezoning from Industrial to Residential 1 Zone | Rail trail - Promote Yea as a key destination on the Rail Trail  |
| Snodgrass street - Prepare Snodgrass St Precinct Plan to identify opportunities for medium density and retirement housing, new retail, off-street parking (B1Z) long vehicle parking and walks through to High St.       | Residential expansion - Longer term residential expansion opportunities along Whittlesea - Yea Road   | Town Gateways - Progressively implement Yea UDF recommendations with priority on planting themes.  |

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



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**21.04 ECONOMIC DEVELOPMENT**/ 20  
C**21.04-1 BUSINESS AND INDUSTRY**/ 20  
C***Context:***

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

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

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

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

***Issues:***

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



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

***Objective 1: Business and industry investment:***

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

***Strategies:***

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

***Objective 2: Business and industry in townships:***

- Facilitate active and vibrant commercial areas in townships.

***Strategies:***

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

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

**Implementation:**

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

**Reference documents:**

- *Economic Development Strategy, Murrindindi Shire, and Implementation Plan, 2011-2016*.
- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003. **(to be replaced by Yea Structure Plan, if adopted by time of exhibition)**

**21.04-2**

**AGRICULTURE**

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**Context:**

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

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

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

**Issues:**

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

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

***Objective 1: Agricultural growth and diversity:***

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

***Strategies:***

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

***Objective 2: Rural and agricultural land use and development:***

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

***Strategies:***

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

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

***Policy guidelines:***

*Excision of an existing dwelling:*

It is policy that:

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

***Implementation:***

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

***Reference documents:***

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

**21.04-3 TOURISM**/ 20  
C***Context:***

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

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

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

***Issues:***

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

***Objective 1: Tourism growth and facilitation:***

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

***Strategies:***

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

***Implementation:***

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

***Further strategic work:***

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

***Reference documents:***

- *Economic Development Strategy, Murrindindi Shire, and Implementation Plan, 2011-2016. Goulburn River Tourism Destination Management Plan*, Urban Enterprise Pty Ltd, 2014.
- *Tourism Development Plan, 2011-2016*, Goulburn River Valley Tourism and Urban Enterprise Pty Ltd, 2011.
- *Eildon Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003.
- *Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework*, AECOM, 2014.
- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, August 2003. **(to be replaced by Yea Structure Plan, if adopted by time of exhibition?)**
- *Murrindindi Shire Heritage Study*, Context Pty Ltd, 2011.

**21.05 HOUSING**

C / 20

**21.05-1 GENERAL HOUSING IN THE MUNICIPALITY**

C / 20

***Context:***

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

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

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

***Issues:***

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

***Objective 1: General housing:***

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

***Strategies:***

- Promote and facilitate further residential development and investment in the municipality.
- Facilitate housing and population growth and development in a manner that balances and protects the natural environment.
- Ensure the future layout and form of residential and rural living subdivision and development is properly planned, recognising and protecting areas of environmental values and constraints.
- Concentrate development in locations free from environmental constraints, where environmental values are protected and the level of community safety is improved.

- Support residential growth that is sustainable and innovative and supports community values.

***Objective 2: Housing in townships:***

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

***Strategies:***

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

***Implementation:***

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

***Reference documents:***

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



**21.05-2 SERVICED TOWNSHIPS**

C / 20

***Context:***

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

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

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

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

***Issues:***

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

***Objective 1: Housing in serviced townships:***

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

***Strategies:***

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

***Further strategic work:***

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

***Reference documents:***

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

- *Marysville and Triangle Urban Design Framework Report*, Roberts Day, 2009.
- *Yea Urban Design Framework*, Urban Enterprise Pty Ltd, 2003. **(to be replaced by the Yea Structure Plan 2014, if completed by exhibition).**

## 21.05-3 OTHER TOWNSHIPS AND SETTLEMENTS

/ 20  
C

### ***Context:***

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

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

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

### ***Issues:***

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

### ***Objective 1: Housing in smaller townships and settlements:***

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

### ***Strategies:***

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

### ***Further strategic work:***

- Complete and implement a Streetscape Master Plan for the Kinglake, Flowerdale and Toolangi area, in conjunction with the Victorian State Government.
- Complete and implement structure plans for all small townships.
- Investigate lifestyle settlement opportunities in rural hamlets and former settlement locations.

***Implementation:***

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

***Reference documents:***

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

**21.06 ENVIRONMENT**/ 20  
C**21.06-1 ENVIRONMENTAL VALUES:**/ 20  
C***Context:***

The natural environment forms the basis for the core economic activities in the municipality, primarily agriculture and tourism. The long term sustainable use and protection of the natural environment is critical for the continued economic and social well-being of the municipality.

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

Lake Eildon is a significant water, natural environment and tourism resource. The development of land abutting the lake needs to be carefully assessed having regard to its attributes and ensuring that water quality and visual amenity are not prejudiced.

***Issues:***

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

***Objective 1: Sustainable land use and development:***

- Achieve sustainable outcomes and protection of the natural environment in the use and development of land.

***Strategies:***

- Ensure that land use and development protects and enhances the natural environment and environmental values.

- Recognise and protect environmental features and values in considering proposals for the use and development of land.
- Promote and facilitate sustainable land use and development, encouraging environmentally sustainable design outcomes.
- Use and promote environmentally sustainable design principles for development to achieve energy and water efficiency.
- Ensure that sites, places and features of natural and archaeological heritage are protected.
- Ensure appropriate assessment and protection of the municipality's natural heritage such as archaeological resources, deposits, sites or features of cultural value.
- Ensure that sites, places and features of natural and archaeological heritage are protected.

***Objective 2: Waterways and catchment management:***

- Protect and enhance waterways and catchments.

***Strategies:***

- Promote environmentally sustainable development and land management practices that protect and enhance catchments and riparian areas.
- Ensure that development is sited and designed to minimise any landscape and water quality impacts on waterways and Lake Eildon.
- Protect, enhance and promote the role of waterways, flood plains and wetlands in supporting healthy biodiversity.

***Objective 3: Biodiversity and native vegetation:***

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

***Strategies:***

- Protect and enhance the biodiversity assets and natural environmental values of local, state, national and international significance.
- Protect and retain native vegetation and enhance its contribution to biodiversity values.
- Protect, enhance and extend habitat and wildlife corridors across the landscape.
- Ensure that development is sited and designed to avoid and minimise removal of native vegetation.
- Retain, protect and enhance native vegetation, including roadside vegetation, remnant vegetation areas, large old paddock trees and revegetation areas.
- Prevent the ongoing and cumulative loss of native vegetation on both private and public land.
- Minimise any adverse impacts of development on landscape, environmental conservation and recreational values.
- Protect, rehabilitate and extend the integrity of habitat corridors across the landscape, particularly between private and public land.
- Encourage innovative environmental and native vegetation retention initiatives, including carbon farming and managing native vegetation offsetting to be applied within the municipality.
- Retain significant roadside conservation values through application of the *Murrindindi Shire Roadsides Management Plan*.

**Implementation:**

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

**Further strategic work:**

- Complete and implement a review of planning requirements and controls for the declared water supply catchment area north of Eildon.
- Complete and implement the Roadsides Management Plan for the protection and management of environmental values in Council roadside reserves.
- Complete and implement a review of the Environment Strategy 2011 – 2015.

**Reference documents:**

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

**21.06-2****ENVIRONMENTAL RISKS:**/ 20  
C**Context:****General:**

Natural environmental hazards present risks and constraints for land use and settlement in the municipality. Land use planning must fully address and respond to natural hazards such as bushfire risk, flooding, drought, biodiversity loss and climate change.

**Bushfire:**

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

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

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

*Flooding:*

The catchments of the various rivers and streams within the municipality include areas of flood prone land, where flooding has historically caused substantial damage to the natural and built environment.

Flooding imposes substantial costs on individuals and the community. While significant costs are incurred by direct damage to public and private property, indirect costs to the community such as loss of productivity, displacement of residents, closure of roads, trauma and ill health are also significant. Natural flooding of floodplains and their associated wetlands promote the health of rivers and floodplains and provide essential breeding habitats for bird and aquatic species.

Sound floodplain management in the municipality is the critical means by which the economic, social and environmental risks associated with floodplain use and development can be minimised.

*Issues:*

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

*Objective 1: Environmental risks and constraints:*

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

*Strategies:*

- Ensure that environmental risks, constraints and hazards are fully considered in proposals for the use and development of land.
- Consider climate change in land use planning, including initiatives to address the issue such as fostering alternative energy sources, use environmentally sustainable development principles and carbon farming.
- Minimise the impact of pest plants and pest animals to protect environmental and biodiversity values and agricultural land.
- Prevent inappropriate development in areas subject to flooding.
- Ensure that areas subject to flooding are properly identified and considered to limit the potential for unsuitable development.

*Objective 2: Bushfire risk:*

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

***Strategies:***

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

***Policy guidelines:***

It is policy that:

***Bushfire:***

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



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

***Implementation:***

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

***Further strategic work:***

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

***Reference documents:***

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

**21.06-3 LANDSCAPE AND BUILT ENVIRONMENT:**

C / 20

***Context:***

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

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

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

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

***Issues:***

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

***Objective 1: Significant landscapes:***

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

***Strategies:***

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

***Objective 2: Built environment:***

- Protect built environmental features of identified townships.

***Strategies:***

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

**Implementation:**

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

**Further strategic work:**

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

**Reference documents:**

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

21.06-4

**HERITAGE:**

C / 20

**Context:**

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

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

**Issues:**

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

**Objective 1: Heritage places:**

- Protect cultural heritage and heritage places of local significance.

**Strategies:**

- Identify and protect buildings, sites and trees of identified local heritage significance.
- Protect, manage and promote the cultural heritage of the municipality.
- Conserve the distinctive and often unique historic characteristics that contribute to the individual identity of communities within Murrindindi Shire and to the identity of the municipality as a whole.
- Ensure that the cultural significance of heritage places is not diminished by:

- The loss of any fabric, which contributes to the significance of the heritage place or precinct;
- Inappropriate new development.
- Promote the conservation of heritage places in accordance with the principles and procedures recommended by the *Burra Charter*.
- Encourage a 'best practice' and more consistent approach to the conservation of heritage places that is based upon a clear understanding of the reasons for their significance.
- Encourage high quality contemporary design that becomes a valued addition to heritage places.

***Policy guidelines:***

It is policy that:

***Heritage places:***

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

***New development:***

- Preference be given to new development that, as appropriate, maintains and, where possible, enhances the setting of heritage places and the visual relationship between heritage places. This includes views of, and vistas to a heritage place from public places.
- The removal of non-significant alterations or additions be encouraged, particularly where this would assist in revealing the significance of the place.
- Preference be given to new development including alterations or additions to existing heritage places that, as appropriate:
  - Creatively interprets and responds positively to the historic context provided by the heritage place;

- Is visually recessive and compatible in terms of its scale, siting, design, form and materials with the historic character and significance of the heritage place (including any associated building, trees or other significant elements);
- Does not distort the historic evidence provided by heritage places by simply copying or reproducing historic styles or detailing;
- Responds positively to special features such as views, vistas, mature vegetation and landmarks;
- Includes landscaping that will enhance the historic cultural landscape character of a heritage place.
- The replacement of non-contributory buildings be encouraged with new development that responds more positively to the historic context provided by any nearby heritage place.
- Historic public realm features be conserved, such as basalt gutters, unmade roadside verges and mature street trees.

*Subdivision:*

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

*Advertising:*

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

*Significant trees:*

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

*Application requirements:*

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

- A report prepared by a suitably qualified heritage consultant, assessing the impact of the application upon the significance of the heritage place. This report should include:
  - As part of the site analysis, a description of the significant elements of the place, having regard to the relevant heritage place citation and how it has been considered in the preparation of the application;
  - If the application includes demolition, an assessment of whether the fabric is significant and, if so, provide reasons why it is to be removed;
  - An assessment of how the application will affect the significance of the heritage place.

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

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

*Decision guidelines:*

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

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

*Implementation:*

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

*Reference documents:*

- *Murrindindi Shire Heritage Study*, Context Pty Ltd, 2011.
- *The Heritage Overlay: Guidelines for Assessing Planning Permit Applications* (Public Draft February 2007).

- *Australia ICOMOS Charter for Places of Cultural Heritage Significance 1999 (the Burra Charter).*

**21.07 TRANSPORT AND INFRASTRUCTURE**

C / 20

**21.07-1 TRANSPORT*****Context:***

C / 20

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

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

***Issues:***

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

***Objective 1: Roads:***

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

***Strategies:***

- Foster quality highway and road connections between Murrindindi Shire and metropolitan Melbourne and the Hume Freeway.
- Advocate for quality road connections between Murrindindi Shire and external areas.
- Promote improved public transport linkages between settlements within Murrindindi Shire and to link the municipality with external areas such as metropolitan Melbourne and Seymour.
- Maintain an adequate local road system.
- Advocate for the provision of an east /west link between the Maroondah and Melba Highways in the southern or central section of the municipality.



**Implementation:**

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

**Reference documents:**

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

**21.07-2 INFRASTRUCTURE**

C / 120

**Context:**

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

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

**Issues:**

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

**Objective 1: Infrastructure:**

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

**Strategies:**

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

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

**Implementation:**

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

**Reference documents:**

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

**21.07-3**

**OPEN SPACE:**

<sup>1</sup> / 20  
C

**Context:**

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

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

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

**Issues:**

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

**Objective 1: Open space and recreation:**

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

**Strategies:**

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

**Implementation:**

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

**Further strategic work:**

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

**21.07-4 COMMUNITY DEVELOPMENT:**

C / 20

**Context:**

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

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

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

**Issues:**

- Facilitation of sustainable economic growth to enhance general community well-being.
- The education industry, particularly outdoor education, is an important and expanding employment and service sector in the municipality.
- Limited public transport, creating issues for accessibility, connectivity and access.
- The need for a range of housing options to cater for disadvantaged and low income persons.

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

***Objective 1: Community services and public health:***

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

***Strategies:***

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

***Implementation:***

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

***Reference documents:***

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



## Murrindindi Shire Council Policy

**TITLE:** **PROCUREMENT**

**Type:** **Council**

**TRIM:** 14/9329

**Date Adopted** 25 June 2014

**Next Review Date:** June 2015

### Revision History:

| Date           | Action   | Who                        |
|----------------|--|----------------------------|
| June 2014      | Reviewed   | Council                    |
| May 2013       | Reviewed   | Council                    |
| March 2012     | Rescind <ul style="list-style-type: none"><li>• Council Procurement Policy dated 22 September 2010 and</li><li>• Bushfire Procurement Policy 25 May 2011</li></ul> | Council                    |
| November 2011  | Reviewed   | Manager Corporate Services |
| September 2010 | Reviewed   | Manager Corporate Services |
| 18 March 2008  | Adopted  | Council                    |

## 1. PURPOSE

The purpose of this policy is to:

- provide guidance to Council to allow consistency and control over procurement activities;
- demonstrate accountability to ratepayers;
- provide guidance on ethical behavior in public sector purchasing;
- demonstrate the application of elements of best practice in purchasing; and
- increase the probability of obtaining the right outcome when purchasing goods and services;

## **2. RATIONALE**

Murrindindi Shire Council:

- Recognises that:
  - Developing a procurement strategy and adopting appropriate best practice contracting and procurement principles, policies, processes and procedures for all goods, services and works by council, will mitigate the risks in relation to unsafe goods and work practices, enhance achievement of council objectives such as sustainable and socially responsible procurement; bottom-line cost savings, supporting local economies; achieving innovation; and better services for communities.
  - The elements of best practice applicable to local government procurement incorporate:
    - broad principles covering ethics, value for money, responsibilities and accountabilities;
    - guidelines giving effect to those principles;
    - a system of delegations (i.e. the authorisation of officers to approve and undertake a range of functions in the procurement process);
    - procurement processes, with appropriate procedures covering minor, simple procurement to high value, more complex procurement; and
- Requires that council's contracting, purchasing and contract management activities:
  - support the council's corporate strategies, aims and objectives;
  - consider and manage the whole life cycle of an acquisition from initial concept to the end of the useful life of an asset, including its disposal, or the end of a service contract;
  - achieve value for money;
  - are conducted, and are seen to be conducted, in an impartial, fair and ethical manner;
  - seek continual improvement.

### 3. SCOPE

This Procurement Policy is made under Section 186a of the *Local Government Act 1989* ("the Act). This section of the Act requires the council to prepare, approve and comply with a Procurement Policy encompassing the principles, processes and procedures applied to all purchased goods, services and works by the council.

This policy applies to all contracting and procurement activities at council and is binding upon councilors, council officers and temporary employees, contractors and consultants while engaged by the council.

#### 3.1 Treatment of GST

All monetary values stated in the policy include GST except where specifically stated otherwise.

#### 3.2 Definitions and Abbreviations

| Term                     | Definition   |
|--------------------------|--|
| Accountability           | A consistent approach to procurement will be achieved through compliance with procurement principles, processes and procedures. The 'procurement framework' will be robust and nominate the relevant officers and their responsibilities, and provide clear lines of responsibility and accountability. All transactions will be adequately documented to enable and facilitate audit.   |
| Act                      | <i>Local Government Act 1989.</i>  |
| Commercial in Confidence | Information that, if released, may prejudice the business dealings of a party e.g., prices, discounts, rebates, profits, methodologies and process information, etc.   |
| Contract Management      | The process that ensures both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the business and operational objectives required from the contract and in particular, to provide value for money.  |
| Council officers         | Includes full-time and part-time council officers, and temporary employees, contractors and consultants while engaged by the council.  |
| Consultant               | An arrangement where an individual or organisation is engaged: <ul style="list-style-type: none"> <li>• To provide expert analysis and advice which facilitates decision making;</li> <li>• To perform a specific, one-off task or series of tasks; and</li> <li>• To perform a task involving skills or perspectives which would not normally be expected to reside within the organisation.</li> </ul> <p>NOTE: To be classified as a consultant, an arrangement should meet all of the criteria for a consultant.</p> |
| Contractor               | An individual or organisation engaged: <ul style="list-style-type: none"> <li>• To provide goods, works or services which implement a decision;</li> <li>• To perform all or part of a new or existing ongoing function to assist a department to carry out defined activities and operational functions; and</li> <li>• To perform a function involving skills which would normally be expected to reside within the department but which are not currently available.</li> </ul>                                       |



| <b>Term</b>                       | <b>Definition</b>  |
|-----------------------------------|--|
| Executive Manager                 | Includes the Chief Executive Officer and second level positions such as General Managers.  |
| Open and Fair Competition         | All prospective suppliers and vendors will be treated equally and fairly in an open and transparent manner, without bias or perception of bias. The same access to information about proposed procurement will be provided to all prospective suppliers and vendors to enable quotations and tenders to be submitted on the same basis.  |
| Probity                           | <p>Council will conduct their business in a fair, honest and open manner, demonstrating the highest levels of integrity consistent with the public interest. The dictionary definition of probity refers to uprightness, honesty, proper and ethical conduct and propriety in dealings. Within government, the word "probity" is often used in a general sense to mean "good process."</p> <p>A procurement process that conforms to the expected standards of probity is one in which clear procedures that are consistent with the council's policies and legislation and public expectations are established, understood and followed from the outset. These procedures need to consider the legitimate interests of suppliers and ensure that all potential suppliers are treated equitably.</p> |
| Procurement                       | Procurement is the whole process of acquisition of external goods, services and works. This process spans the whole life cycle from initial concept through to the end of the useful life of an asset (including disposal) or the end of a service contract.   |
| Risk Management                   | Council recognises that all procurement carries some risk and as a result will adopt pro-active and ongoing management strategies to minimize risks.   |
| Standing Offer Arrangements (SOA) | A contract that sets out rates for goods and services which are available for the term of the agreement. However, no commitment is made under the agreement to purchase a specified value or quantity of goods or services.  |
| Tender Process                    | The process of inviting parties to submit a quotation by tender using public advertisement, followed by evaluation of submissions and selection of a successful bidder or tender.  |
| Value for Money                   | <p>Value for Money in Procurement is about selecting the supply of goods, services and works taking into account both cost and non-cost factors including:</p> <ul style="list-style-type: none"> <li>• contribution to the advancement of the council's priorities;</li> <li>• non-cost factors such as fitness for purpose, quality, service and support; and</li> <li>• cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works.</li> </ul> <p>Obtaining value for money does not mean council is obliged to accept the lowest price.</p>   |

## **4. POLICY**

### **4.1 Effective Legislative and Policy Compliance and Control**

#### **4.1.1 Ethics and Probity**

##### ***4.1.1.1 Requirement***

The council's procurement activities shall be performed with integrity, transparency and with a focus on obtaining the very best value for money and in a manner able to withstand the closest possible scrutiny.

##### ***4.1.1.2 Conduct of Councilors and Council Officers***

Councilors and council officers shall at all times conduct themselves in ways that are, and are seen to be, ethical and of the highest integrity and *will*:

- treat potential and existing suppliers with respect, equity and fairness;
- not seek or receive personal gain;
- maintain confidentiality of Commercial in Confidence information such as contract prices and other sensitive information;
- present the highest standards of professionalism and probity;
- deal with suppliers in an honest and impartial manner that does not allow conflicts of interest;
- provide all suppliers and tenderers with the same information and equal opportunity; and
- be able to account for all decisions and provide feedback on them.

Council officers who are responsible for managing or supervising contracts are prohibited from performing any works under the contract they are supervising.

##### ***4.1.1.3 Tender Processes***

All tender processes shall be conducted in accordance with the requirements of this policy and any associated procedures, relevant legislation, relevant Australian Standards and the Act.

##### ***4.1.1.4 Conflict of Interest***

The onus is on the councilor and the council officers involved being alert to and promptly declaring an actual or potential conflict of interest to the council. Local Government Victoria Conflict of Interest provisions apply significant penalties for breaches of conflict of interest provisions.

Councilors and council officers shall at all times ensure that their disclosure of relevant private interests conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their council duties are updated.

Councilors and council officers shall not participate in any action or matter associated with the arrangement of a contract (i.e., evaluation, negotiation, recommendation, or approval), where

that person or any member of their immediate family has a significant interest, or holds a position of influence or power in a business undertaking tendering for the work.

#### ***4.1.1.5 Fair and Honest Dealing***

All prospective contractors and suppliers must be afforded an equal opportunity to tender or quote.

Impartiality must be maintained throughout the procurement process so it can withstand public scrutiny.

The commercial interests of existing and potential suppliers must be protected. Confidentiality of information provided by existing and prospective suppliers must be maintained at all times, particularly commercially sensitive material such as, but not limited to prices, discounts, rebates, profit, manufacturing and product information.

#### ***4.1.1.6 Accountability and Transparency***

Accountability in procurement means providing evidence on the process followed and the rationale for decisions taken. The test of accountability is that an independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable.

Therefore the processes by which all procurement activities are conducted will be in accordance with the council's procurement policies and procedures as set out in this policy and related, relevant council policies and procedures.

Additionally:

- all council officers must be able to account for all procurement decisions made over the lifecycle of all goods, services and works purchased by the council and provide feedback on them; and
- all procurement activities are to provide for an audit trail.

#### ***4.1.1.7 Gifts and Hospitality***

No councilor or member of council staff shall, either directly or indirectly solicit or accept gifts or presents from any member of the public involved with any matter that is connected with the duties of the officer, or in which the council is interested. Councilors and council officers must exercise the utmost discretion in accepting hospitality from contractors or their representatives, or from organisations, firms or individuals with whom they have official dealings. Local Government Victoria Conflict of Interest provisions apply to gifts and hospitality, significant penalties apply for breaches of the provisions.

#### ***4.1.1.8 Disclosure of Information***

Commercial in-confidence information received by the council must not be disclosed and is to be stored in a secure location.

Councilors and council officers are to protect, by refusing to release or discuss the following:

- information disclosed by organisations in tenders, quotation or during tender negotiations;
- all information that is Commercial in Confidence information; and
- pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in pre-contract negotiations.

Councilors and council officers are to avoid references to current or proposed contracts in discussion with acquaintances or outside interests.

Resolution of doubt with potential suppliers during tender evaluations should be in writing and not go beyond the extent necessary to resolve doubt on what is being offered by that supplier. It is preferable that any responses be forwarded to all potential suppliers.

At no stage should any discussion be entered into which could have potential contractual implications prior to the contract approval process being finalised other than authorized pre-contract negotiations.

## **4.2 Procurement Thresholds and Competition**

### **4.2.1 Requirement**

All purchases, regardless of dollar value or nature, must be supported by a purchase order with the exception of those purchased made by way of petty cash or corporate credit card unless other arrangements authorized by the council or the CEO on a needs basis as required by abnormal circumstances such as responding to emergencies.

### **4.2.2 Levels of Authority Limits**

A hierarchical system exists for monetary levels of expenditure. These are that:

1. Officers may have an Authority Limit ranging between \$0 and \$5,000 GST inclusive, which will enable them to create any single purchase order to the level of their authority;
2. Supervisors/Co-ordinators have an authority of up to \$10,000 GST inclusive;
3. Department Managers have an authority of up to \$20,000 GST inclusive;
4. General Managers have an authority up to \$50,000 GST inclusive;
5. Chief Executive Officer has a limit of \$150,000 GST inclusive for goods and services and \$200,000 GST inclusive for building and construction works;
6. Purchase of all goods and services for which the estimated expenditure exceeds \$150,000 GST inclusive, and building and construction works for which the estimated expenditure exceeds \$200,000 GST inclusive, must be undertaken by public tender as per the thresholds contained in the Local Government Act.

However, should the CEO consider that the nature of the requirement and the characteristics of the market are such that the public tender process would lead to a better

result for the council, public tenders may be called for purchase of goods, services and works for which the estimated expenditure is below these thresholds.

7. Under no circumstances can a delegation be exercised unless there is a budget allocation available.
8. Selection of suppliers will be continually reviewed using a category management strategy to provide guidelines for eligible suppliers.

#### **4.2.3 Quotations**

Purchase of goods, services having a total of \$150,000 GST inclusive or less and building and construction works having a total valuation of \$200,000 GST inclusive or less may be undertaken using the procurement by quotation method as described below:

- between \$0 and \$5,000 GST inclusive  
Purchase order – a minimum of one recorded quote
- Items with a value \$5,001 to \$15,000 – Request for Quotation.  
Purchase Order and Council will receive a minimum of three written quotations.  
Documentation to be presented to accounts payable with invoices for payment.
- Items with a value \$15,001 to \$149,999/\$199,999 – Request for Quotation.  
Purchase order and Council will receive at a minimum of three written quotations by issuing a written Request for Quotation. Quotations returned by the nominated closing date must be evaluated and documentation to be presented to accounts payable with invoices for payment.  
  
For all expenditure greater than \$100,000 it is a minimum requirement that all contractual relationships be documented in writing as required in Clause 6.7
- Public Advertising  
Request for Quotations may be advertised at the council officer's discretion in addition to the methods above. This may occur when a field of potential tenderers has not been established, or an innovative approach is required, or the project has broad appeal that may attract keen prices, etc.
- Insufficient quotations.  
In rare circumstances the situation may arise where insufficient quotations are received to satisfy the above requirements.  
  
In this instance approval must be sought from the CEO by way of completing a Certificate of Exemption.

#### **4.2.4 Critical Incident Procurement**

During a critical incident, streamlined and flexible procurement policies and processes are require to ensure that all necessary actions can be implemented

Actions that cause a critical incident to come into effect for the whole organisation:

- A state of disaster declared under the *Emergency Management Act 1986* or any other emergency declaration made by the Premier.

Actions that cause a critical incident for an individual department

- An incident that requires activation of Council's Business Continuity Plan.
- An incident declared by an accountable officer where the safety or security of any person or property associated with the Council is threatened.
- An external incident to which an accountable officer has authorised the provision of urgent support.

Full compliance with existing procurement policies, for example, undertaking a public tender, would seriously delay responding to a disaster or emergency. Return to adopted policies and procedures would be expected in the minimum amount of time practical.

### **4.3 Delegation of Authority**

#### **4.3.1 Requirement**

Delegations define the limitations within which council officers are permitted to work. Delegation of procurement authority allows specified council officers to approve certain purchases, quotation, tender and contractual processes without prior referral to the council. This enables the council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Procurement delegations ensure accountability and provide confidence to council and the public that purchasing activities are dealt with at the appropriate level.

As such, the council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotes and tenders and for Contract Management activities.

#### **4.3.2 Delegations**

##### **4.3.2.1 Council Officers**

The council shall maintain a documented scheme of procurement delegations, identifying the council officers authorised to make such procurement commitments in respect of goods, services and works on behalf of the council and their respective delegations contained in Financial Delegations policies:

- Acceptance of tenders
- Acceptance of quotes
- Contract term extensions (within authorised budget)
- Contract amendment (non-financial)
- Contract amendment (financial)

- Appointment to register of pre-qualified suppliers
- Credit Card purchases
- Procedural exceptions

#### **4.3.3 Delegations Reserved for the Council**

Commitments and processes which exceed the CEO's delegation and which must be approved by the council are:

- Initial signing and sealing of contract documents.
- Tender recommendations and Contract approval for all expenditure over \$150,000 for goods and services and for all expenditure over \$200,000 for building and construction works.
- All contract term extensions requiring additional budget.

#### **4.4 Internal Controls**

The council will maintain a framework of internal controls over procurement processes via the Murrindindi Shire Council Internal Financial Control Manual that will ensure:

- more than one person is involved in and responsible for a transaction end to end;
- a clearly documented audit trail exists for procurement activities;
- appropriate authorisations are obtained and documented; and
- systems are in place for appropriate monitoring and performance measurement

#### **4.5 Risk**

##### **4.5.1 Risk Management**

The following general risk minimisation arrangements are in place at the Murrindindi Shire Council;

- Council Risk Management Policy
- Risk Management Matrix
- Delegations of responsibility

##### **4.5.2 Risk Minimization**

Council uses measures such as:

- Utilization of Standard contracts to include current, relevant clauses including the use of relevant Australian Standards (or equivalent);
- Requiring security deposits where appropriate;

- Referring the drafting of specifications to relevant experts;
- Setting evaluation criteria that take into account qualitative and quantitative measures;
- Using pre-qualified contractors
- Requiring contractual agreement before allowing the commencement of work;
- Procedures for post tender negotiations;
- Standardized tools and templates to effectively managing the contracts including contract variations processes, monitoring and enforcing performance; and
- Maintaining accurate records.

#### **4.6 Contract Terms**

All contractual relationships over \$100,000 must be documented in writing based on standard terms and conditions as recommended by the Australian Standards.

Where this is not possible, approval must be obtained from the appropriate council officer listed in the council Delegations. A request for such an approval should be supported with procurement and legal advice as relevant.

To protect the best interests of the council, terms and conditions must be settled in advance of any commitment being made with a supplier. Any exceptions to doing this expose the council to risk and thus must be authorised by the appropriate council officer listed in the council Delegations.

Purchase orders must be processed using council's electronic purchasing system to record the intention and commitment resulting from the contract.

Officers of council will not complete or authorize credit application requests provided by external organisations.

#### **4.7 Endorsement**

Council officers must not endorse any products or services. Individual requests received for endorsement such as references for other local authorities must be referred to the Chief Executive Officer.

#### **4.8 Dispute Resolution**

All council contracts shall incorporate dispute management and alternative dispute resolution provisions to minimise the chance of disputes escalation leading to legal action.

#### **4.9 Contract Management**

The purpose of contract management is to ensure that the council, and where applicable its clients, receive the goods, services or works provided to the required standards of quality and quantity as intended by the contract by:



- establishing a system for monitoring and achieving the responsibilities and obligations of both parties' under the contract;
- providing a means for the early recognition of issues such as variations and performance problems and the identification of solutions;
- adhering to Council's Risk Management Framework and adhering to relevant Occupational Health and Safety Contractor Compliance Procedures.

All council contracts are to include contract management requirements. Furthermore, contracts are to be proactively managed by the member of council staff responsible for the delivery of the contracted goods, services or works to ensure the council receives Value for Money.

#### **4.10 Integration with Council Plan**

The council procurement activities shall support its Council Plan, aims and objectives, including but not limited to those related to sustainability, protection of the environment, corporate social responsibility and meeting the needs of the local community such as:

- being open and truthful in our dealings
- accepting responsibility for our actions and being consistent in application of our principles, policies and processes
- considering new ideas, opportunities and better ways of doing things

#### **4.11 Achieving Value for Money**

##### **4.11.1 Requirement**

The council's procurement activities will be carried out on the basis of obtaining Value for Money.

Purchase of all goods, services and assets should represent the optimum combination of quality, quantity, risk and timeliness and should be determined on a whole of contract, whole of asset life basis.

##### **4.11.2 Approach**

This will be facilitated by:

- developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the lifecycle;
- effective use of competition;
- using aggregated contracts and standard offer arrangements where appropriate;
- identifying and rectifying inefficiencies in procurement processes;
- developing cost efficient tender processes including appropriate use of e-solutions;

- council officers responsible for providing procurement services or assistance within the council providing competent advice in terms of available products and agreements; and
- working with suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of the goods, services and works being acquired.

#### **4.11.3 Role of Specifications**

Specifications used in quotations, tenders and contracts are to support and contribute to the council's Value for Money objectives through being written in a manner that:

- ensures impartiality and objectivity;
- encourages the use of standard products;
- encourages sustainability;
- eliminates unnecessarily stringent requirements
- reinforces the criteria for the tender evaluation matrix

#### ***4.11.4 Performance Measure and Continuous Improvement***

Appropriate performance measures are to be established and reporting systems will be used to monitor performance and compliance with procurement policies, procedures, controls and supplier performance.

### **4.12 Sustainability**

#### **4.12.1 Environment**

Council will consider the potential environmental impact of its purchases when specifying and evaluating goods and services. Considerations should include:

- Purchase of goods and services that have reduced impact on the environment
- Assessment of environmental risk and ability to influence environmental outcomes
- The inclusion of environmental criteria in the selection of suppliers
- Building relationships with suppliers that include the principles of continuous environmental improvement

#### **4.12.2 Social**

Council will, where practical, prepare specifications and/or select purchases that reduce or avoid human rights breaches, poor public perception of Council, staff dissatisfaction and other possible negative effects on Council.

#### ***4.12.3 Support of Local Business***

The Council is committed to buying from local business where such purchases may be justified on value for money grounds.

Maximizing opportunities for local suppliers to compete for Local Government purchasing requires active consideration of local supplies. Local suppliers should be encouraged to:

- Bid for the order or contract; and
- Supply the required goods or services where competitive

All factors being equal, Council will give consideration to local economic benefit when sourcing products when the benefit is identifiable and reasonable.

Local is defined as the Shire of Murrindindi.

#### **4.13 Apply a Consistent and Standard Approach**

The council will provide effective and efficient commercial arrangements for the acquisition of goods and services.

##### **4.13.1 Standard Processes**

The council will provide effective commercial arrangements covering standard products and provision of standard services across the council to enable employees to source requirements in an efficient manner.

##### **4.13.2 Performance Management**

A list of performance indicators will be developed to measure procurement and supplier performance.

##### **4.13.3 Category Management**

The council seeks to improve its' performance by capturing and analysing procurement management information in a variety of areas, including:

- Volume of spend
- Number of transactions per supplier
- Supplier performance
- User satisfaction

#### **4.14 Build and Maintain Supply Relationships**

Council recognises that in order to achieve sustainable value, a strategic assessment of the appropriate 'channel to market' should be undertaken – whether to go to market on its own, participate in regional or sector aggregated projects or panels, access State Government panel agreements or other means. Council will consider supply arrangements that deliver the best value outcomes in terms of time, expertise, cost, value and outcome.

##### **4.14.1 Supplier Relationships**

Council recognises the importance of effective and open working relationships with its suppliers and is committed to the following:

- Managing existing suppliers, by development programmes and performance measurements to ensure the benefits are delivered.
- Developing and Maintaining preferred supplier lists
- Developing new suppliers and improving the capability of existing suppliers where appropriate.

#### **4.14.2 Relationship Management**

The council is committed to developing constructive long-term relationships with suppliers.

#### **4.14.3 Communication**

External communication is very important in ensuring a healthy interest from potential suppliers and partners to the council.

### **5. SUPPORTING DOCUMENTS**

### **6. RELATED POLICIES & TEMPLATES**

Capital Works Expenditure Policy

Confidentiality And Privacy

Communications

Corporate Card Policy

Employee Code of Conduct

Financial Delegations Policy

Fraud Prevention and Control

Petty Cash

Risk Management

Using consultants

### **7. GOVERNANCE**

#### **7.1 Structure**

The council has:

- established a procurement management responsibility structure and delegations ensuring accountability, traceability and audit ability of all procurement decisions made over the lifecycle of all goods, services and works purchased by the council;

Councils' procurement structure:

- is flexible enough to allow purchases of the diverse range of material, goods, works and services required by council in a timely manner;
- ensures that prospective contractors and suppliers are afforded an equal opportunity to tender/quote;
- encourages competition; and
- ensures that policies that impinge on the purchasing policies and practices are communicated and implemented.

## **7.2 Standards**

The council's procurement activities shall be carried out to the professional standards required by best practice and in compliance with:

- The Act,
- The council's policies,
- The council's Code of Conduct, and
- Other relevant legislative requirements such as but not limited to the Trade Practices Act, Goods Act and the Environmental Protection Act.

## **7.3 Methods**

The council's standard methods for purchasing goods, services and works shall be by some or all of the following methods:

- petty cash;
- corporate credit card;
- purchase order following a quotation process from preferred suppliers for goods or services that represent best value for money under directed quotation thresholds or from approved agents such as Strategic Purchasing, Victorian Government or other bodies or via Standard Offer Agreements based on current price lists without obtaining a written quotation; or
- under contract following a tender process.

The council may, at its discretion and based on the complexity and cost of the project, conduct one stage or multi-stage tenders.

Typically a multi-stage tender process will commence with an expression of interest stage followed by a tender process involving the organisations selected as a consequence of the expression of interest stage.

Expressions of Interest (EOI) may be appropriate where:

- the requirement is complex, difficult to define, unknown or unclear;
- the requirement is capable of several technical solutions;

- the council wishes to consider ahead of formal tender processes such issues as whether those tendering possess the necessary technical, managerial and financial resources to successfully complete the project;
- tendering costs are likely to be high and council seeks to ensure that companies incapable of supplying the requirement don't incur unnecessary expense;
- it is necessary to pre-qualify suppliers and goods to meet defined standards; and
- the requirement is generally known but there is still considerable analysis, evaluation and clarification required (both of the objective and the solution).

Additionally, for highly complex projects the council may run sequential tenders, the first to solicit solutions, the second to compete to provide the solution selected by council. Such sequential tenders may or may not be preceded by the expression of interest phase as required by the council based on the actual needs of the project.

#### **7.4 Training**

Regular training will provide guidance to Council officers to allow consistency and control over procurement activities, to increase accountability to ratepayers, legislative compliance and the probability of obtaining the right outcomes generally when purchasing goods and services. Training will be undertaken in accordance with a training program to be reported to councils Internal Audit Committee annually and reported to the Executive Team quarterly.

#### **7.5 Responsible Financial Management**

The principle of responsible financial management shall be applied to all procurement activities.

Accordingly, to give effect to this principle, the provisions of the Murrindindi Shire Council Internal Financial Control Manual must be observed and the availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council officers must not authorise the expenditure of funds unless all aspects of their financial delegation are complied with.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this Policy.

### **8. PORTFOLIO AND/OR RIDING COUNCILLOR INPUT**

### **9. RESPONSIBLE OFFICER**

Procurement Coordinator

### **10. HUMAN RIGHTS CHARTER**

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

## Friends of Yea Shire Hall Advisory Committee

|                             |  |
|-----------------------------|--|
| <b>Type:</b>                | <b>Terms of Reference</b>                        |
| <b>Adopted:</b>             | Proposed date – 25 June 2014                     |
| <b>Last Review Date:</b>    | N/A  |
| <b>Next Review Date:</b>    | 2016   |
| <b>Responsible Officer:</b> | General Manager Corporate and Community Services |
| <b>Department:</b>          | General Manager Corporate and Community Services |
| <b>File No:</b>             | SF/1708  |
| <b>Attachments:</b>         |  |

### 1. Background

The Friends of Yea Shire Hall Advisory Committee ('the Committee') was established in 2014 as an advisory committee to the Murrindindi Shire Council to provide advice on the use, promotion and management of the Yea Shire Hall. It comprises representatives from the local community.

### 2. Objective

The Committee provides a formal mechanism for Council to consult with key stakeholders, seek advice and enable community input into the use and management of the Yea Shire Hall.

The key role of the Committee is to provide advice on the following:

- (a) Promotion of the Hall for local and visiting users / groups/ events;
- (b) Opportunities to attract and grow utilisation of the Hall and facilities;
- (c) Grant opportunities for the Hall use, equipment and events;
- (d) Fundraising initiatives for the Hall;
- (e) Relevant Council policies and procedures including but not limited to operational matters and fee structure;
- (f) Standards of general maintenance and upkeep of the Hall;
- (g) Economic sustainability of the Hall; and
- (h) Any other matters pertaining to the use, promotion and management of the Hall

### 3. Definitions

| <b>Reference Term</b> | <b>Definition</b>   |
|-----------------------|---|
| Yea Shire Hall        | The Yea Shire Hall is located in High Street Yea. The facility includes the Hall, Clock Tower, adjoining meeting space and kitchen. |

#### **4. Membership**

The Committee has a core membership of:

- (a) A Councillor representative (non-voting)
- (b) Seven community representatives

The Council will make all community appointments to the Committee following a public expression of interest and may, at its discretion, decline to appoint any person nominated. Membership of the Committee will be for two years, however the initial appointment of members will be as follows:

- Three community representatives will be appointed for one year; and
- Four community representatives will be appointed for two years.

Any vacant positions during this term will be publicly advertised. Members of the Committee will be able to re-nominate after the term expires.

#### **5. Committee Quorum**

A quorum for the Committee comprises a minimum of four community representatives.

#### **6. Expression of Interest and Selection Process**

The Council will call for written expressions of interest from members of the community to fill the community representative positions. Expressions of Interest will be assessed sought from people who can demonstrate one or more of the following selection criteria:

- (a) A resident and/or work within the Murrindindi Shire
- (b) Current or proposed involvement with a user group of the Yea Shire Hall
- (c) Demonstrated understanding of the historical significance of the Yea Shire Hall
- (d) The ability to access networks and stakeholder groups within the community
- (e) Experience sitting on a community-based committee

A selection panel consisting of the Mayor, Ward Councillor and the General Manager Corporate and Community Services will undertake the assessment of submissions, interview applicants (at its discretion) and make recommendations to Council for final endorsement.

Whilst selection will be based on merit, the panel will attempt to ensure a wide representation from across the local community.

The expression of interest and selection process will be undertaken annually for the community representative positions, three in one year and four in the next.

#### **7. Co-opted members**

The Committee may invite suitably skilled persons to take part in meetings for a specified purpose and for a specified period of time. Co-opted members are not entitled to vote.

Council Officers may attend meetings from time to time or at the request of the Committee.



## **8. Members Responsibilities**

In order to fulfil the Committee's objectives, members are expected to:

- (a) Prepare for and actively participate in regular committee meetings;
- (b) Be aware of the activities, interests and concerns surrounding the use of the Yea Shire Hall;
- (c) Have an understanding of the local community's needs and desires for the use of the Yea Shire Hall;
- (d) Be a conduit between user groups and Council;
- (e) Be proactive and cooperative in working with Council to manage and maintain the Yea Shire Hall.

## **9. Reporting Procedures**

The Friends of Yea Shire Hall Advisory Committee is a committee established by Council and therefore reports and recommendations must seek the endorsement of Council before being acted upon.

Minutes of meetings must be submitted to Council and are to be tabled as part of the agenda of an Ordinary Meeting of Council at the discretion of the Chief Executive Officer (in line with Governance Local law 2, 2014).

## **10. Management of the Committee**

### **(a) The Chairperson**

The Chairperson will be appointed by the Committee annually.

The main responsibilities of the Chairperson are:

- To provide co-ordination, guidance and leadership to ensure the successful functioning of the Committee
- To represent the Committee in the public domain
- To ensure the administrative and other tasks from meetings are carried out
- To chair all meetings of the Committee.
- To act as the liaison person between the Committee and the Council.

The Chairperson has the casting vote where necessary.

### **(b) Secretary**

The Secretary will be appointed by the Committee annually. The key role of the Secretary is to prepare the agenda and minutes and ensure that they are submitted to Council.

### **(c) Meetings**

Meetings shall be scheduled at the discretion of the Committee, but not less than every three months.

### **(d) Council support**

The Committee will be supported by a Council Officer if and when required for a specified purpose requested by the Committee.

## **11. Conflict of Interest**

Members of the Committee are considered to be members of Council as per Council's Conflict of Interest Policy (Attachment 1).

If a member has a conflict of interest with a matter that is to be, or is likely to be, discussed at a Committee meeting, the member must:

- (a) disclose the nature of the conflict of interest immediately before the discussion; or
- (b) if not intending to be present at the meeting, disclose the nature of the conflict of interest to the Chairperson or Council Officer.

While any discussion or vote is taken relating to the matter, the member must:

- (a) leave the room and notify the Chairperson that they are doing so; and
- (b) remain outside of view or hearing of the meeting.

After the discussion, the Chairperson must notify the member that they may return to the room.

The declaration and nature of the conflict of interest must be recorded in the minutes of the meeting.

## **12. Public Statements**

Members of the Committee cannot make public statements on behalf of Council as an independent group without prior approval of the Chief Executive Officer.

## **13. Review**

The Friends of Yea Shire Hall Advisory Committee Terms of Reference will be reviewed every two years prior to the expiry of the membership term.

### **Terms of Reference Review**

| <b>Date Approved</b> | <b>Approved By</b> | <b>Review Information</b> |
|----------------------|--------------------|---------------------------|
|                      |                    |                           |
|                      |                    |                           |
|                      |                    |                           |



# **Governance**

## **Local Law No 2**

### **2014**

**(Incorporating Meeting Procedure and Use of Common Seal)**

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## **PART 1 - INTRODUCTION**

### **1. Title**

This Local Law is the Murrindindi Shire Council's Local Law No. 2, "Governance Local Law". It is referred to hereunder as "this Local Law".

### **2. Period of Operation**

This Local Law commences to operate on date (after publication in Govt Gazette xx July 2014 and ceases to operate on xx July 2024 unless revoked earlier. Upon its commencement, Local Law No. 3 of 2011 (Meeting Procedures and Common Seal) is revoked.

### **3. Purpose**

The objectives of this Local Law are to:

- 3.1 Regulate the proceedings for the election of the Mayor and Deputy Mayor;
- 3.2 Regulate proceedings of Ordinary and Special meetings of Council and Meetings of Special Committees and Advisory Committees of Council;
- 3.3 Regulate and control the use of Council's common seal;
- 3.4 Promote and encourage community participation in the local government system;
- 3.5 Provide a mechanism through its formal meeting procedure to ensure effective and efficient Council decisions are made in a manner which acknowledges the role of local government within the Australian system of Government;
- 3.6 Provide for the administration of the Council's powers and functions;
- 3.7 Provide penalties for non observance of the provisions of this Local Law;
- 3.8 Authorise the charging of fees as permitted by the Act for the provision of information; and
- 3.9 Generally maintain the peace, order and good government of the municipal district.

### **4. Authorising Provisions**

The Council's power to make this Local Law is contained in sections 5 and 91 and 111 of the *Local Government Act 1989*.

### **5. Commencement and End Dates**

- 5.1 This Local Law comes into operation on the day following the publication of the making of it in the *Government Gazette* pursuant to section 119(3) of the Act.
- 5.2 This Local Law operates throughout the municipal district of Council.
- 5.3 Ends on the 10<sup>th</sup> anniversary of the day in which it commenced operation

### **6. Repeal**

On the commencement of this Local Law, Council's Governance Local Law No. 3 (Meetings & Common Seal) 2011, Local Law No. 3 sealed on 27 July 2011, is revoked

**7. Definitions**

This Local Law operates throughout the whole of the municipal district. Unless inconsistent with the subject matter, the following words and phrases in this Local Law have the meaning indicated:

| <b>WORD(S)</b>                 | <b>MEANING</b>   |
|--------------------------------|--|
| Act ("the Act")                | <i>The Local Government Act 1989.</i>  |
| Advisory Committee             | An Advisory Committee established by Council.  |
| Agenda                         | The notice of a Meeting setting out the business to be transacted at the Meeting.  |
| Assembly of Councillors        | Has the same meaning as defined in s.76AA of the Act   |
| Authorised Signatory           | Includes the Chief Executive Officer, any General Manager and any Councillor.  |
| Business days                  | Monday to Friday inclusive of each week except for Public Holidays   |
| Chair                          | The Chair of the Meeting and includes an acting, temporary or substitute Chair.  |
| Chief Executive Officer        | The Chief Executive Officer of Council and includes a person acting as Chief Executive Officer                             |
| Clause                         | A clause of this Local Law   |
| Committee meeting              | A meeting of a Special Committee   |
| Common seal                    | The common seal of Council.  |
| Council                        | Means Murrindindi Shire Council  |
| Council Meeting (or 'Meeting') | Any Ordinary Meeting or Special Meeting of Council.  |
| Councillor                     | A Councillor of Murrindindi Shire Council  |
| Deputy Mayor                   | The Deputy Mayor of Council and any person acting as Deputy Mayor  |
| Formal Motion                  | A motion set out in Schedule 1.  |
| General Manager                | A member of staff occupying a second-level position in the core part of the organisational structure of Council.           |
| Mayor                          | The Mayor of Council and includes a person acting as the Mayor.  |
| Motion                         | A proposal framed in a way that will result in the opinion of the Council being expressed or a Council decision being made |
| Meeting                        | An Ordinary Meeting or a Special Meeting of Council, a Special Committee meeting or an Advisory Committee meeting.         |
| Member                         | A Councillor or member of a Special Committee  |

| WORD(S)            | MEANING   |
|--------------------|---|
| Minutes            | The collective record of proceedings and decisions of a meeting   |
| Municipal district | The area from time to time comprising the municipal district of Council   |
| Notice of Motion   | A notice setting out the text of a motion which is proposed to be moved at the next relevant Meeting.   |
| Offence            | A wilful act or default contrary to the Local Law.  |
| Officer            | A person employed on Council staff.   |
| On Notice          | Placed on notice  |
| Ordinary Meeting   | An Ordinary Meeting of Council, at which only general business may be transacted.   |
| Penalty Unit       | Has the same meaning as in the <i>Sentencing Act 1991</i> .   |
| Petition           | Is a written request for action to be taken by Council, signed by two or more petitioners   |
| Point of order     | A procedural point, not involving the substance of a matter before a Meeting.   |
| Procedural Motion  | Means a motion which relates to a procedural matter only and which is not designed to produce any substantive result but used merely as a formal procedural measure |
| Resident           | A person who has a place of residence within the municipal district   |
| Senior Officer     | Has the same meaning as prescribed in the Act   |
| Special Committee  | A special committee established pursuant to Section 86 or 87 of the Act.  |
| Special Meeting    | Meeting convened under section 84 of the Act.   |

#### **8. Situations and matters not addressed**

Where a situation or matter is not addressed in this Local Law, the Council may determine a course of action by resolution.

#### **9. Conflicts with the Local Government Act 1989**

Where any clause of this Local Law conflicts with *the Local Government Act 1989*, that Act has precedence.

## **PART 2 - ELECTION OF MAYOR**

### **10. Election of the Mayor**

A meeting to elect the *Mayor* must be held:

- 10.1 as soon as practicable after the fourth Saturday in October but no later than 30 November in years between general elections of Councillors; and
- 10.2 as soon as practicable after the office of *Mayor* otherwise becomes vacant.

### **11. Chief Executive Officer Role**

The Chief Executive Officer shall facilitate the election of the Mayor in accordance with the provisions of the *Act* and will:

- 11.1 Prepare and distribute the Agenda for the Meeting;
- 11.2 Chair the meeting until appointment of a temporary Chair or the Election of the Mayor has been conducted;
- 11.3 Have no voting rights.

### **12. Order of Business**

At the Special Meeting to Elect the Mayor the Agenda may include but is not limited to:

- 12.1 Prayer and reconciliation statement;
- 12.2 Apologies and requests for leave of absence;
- 12.3 Conflicts of Interest;
- 12.4 Where it is the first such meeting after a general election, the taking of the oath of office by each Councillor before the Chief Executive Officer, in accordance with section 63 of the *Act*;
- 12.5 Fixing the Term of Office of the Mayor;
- 12.6 Election of the Mayor;
- 12.7 Election of the Deputy Mayor;
- 12.8 Appointment of Portfolio Councillors;
- 12.9 Special Committees of Council and other appointments;
- 12.10 Determining the meeting cycle of Council;
- 12.11 Appointment of Council's official newspapers.

### **13. Method Of Voting**

The election of the Mayor must be carried out by a show of hands at a meeting open to the public.

**14. Procedure for Election of the Mayor**

- 14.1 The Chief Executive Officer or temporary Chair shall invite nominations for the office of Mayor and confirm that all nominees are willing to stand.
- 14.2 Any nomination for the office of *Mayor* must be seconded.
- 14.3 Once nominations for the office of *Mayor* have been received, the following provisions will govern the election of the *Mayor*:
  - 14.3.1 If there is only one nomination the candidate nominated must be deemed to have been duly elected.
  - 14.3.2 In the event of no candidate receiving an absolute majority of the votes the candidate with the fewest number of votes must be declared to be a defeated candidate. If because of an equality of votes no candidate can be declared to be a defeated candidate a second vote will be taken. If after the second vote there is still an equality of votes and no candidate can be declared to be a defeated candidate, the defeated candidate will be determined by lot. In conducting the lot the names of all candidates that have the least number of votes must be placed in a container. The first name drawn will be deemed to be the defeated candidate.
  - 14.3.3 No further nominations must be accepted and the Councillors present at the Meeting must then vote for one of the remaining candidates by a show of hands.
  - 14.3.4 If one (1) of the remaining candidates receives an absolute majority of the votes, he or she must be declared to have been duly elected. If none of the remaining candidates receives an absolute majority of the votes, the process of declaring the candidates with the fewest number of votes a defeated candidate and voting for the remaining candidates by a show of hands must be repeated until one (1) of the candidates receives an absolute majority of the votes. That candidate must be declared to have been duly elected.
  - 14.3.5 In the event of two (2) remaining candidates having an equality of votes and one (1) of them having to be declared duly elected, the result will be determined by lot. In conducting the lot, the names of the remaining candidates, having an equality of votes, will be placed in a container. The first name drawn will be deemed to have been duly elected.
  - 14.3.6 The Chief Executive Officer or temporary Chair will conduct the lot.

**15. Election of the Deputy Mayor or Chair of a Special Committee**

The election by Council of a Deputy Mayor will follow the same procedure as that for the election of the Mayor save that the Mayor will conduct the lot.

**16. Election of Chairs and Delegates**

- 16.1 In determining:
  - 16.1.1 The Chair for an Advisory Committee or a Special Committee; or
  - 16.1.2 Delegates to another organisation Council must follow, as nearly as is practicable, the procedure for election of Mayor.
- 16.2 This clause is subject to:
  - 16.2.1 The requirements of section 73 of the *Act* (Precedence of the Mayor) in relation to the chairing of Meetings; and
  - 16.2.2 The requirements of section 90 of the *Act* in relation to voting.

**17. Statement by the Mayor and Deputy Mayor**

Upon completion of the election process, the Chief Executive Officer shall invite the incoming Mayor and Deputy Mayor to address the Council.

**PART 3 - MEETING PROCEDURES****18. General**

- 18.1 In all cases not otherwise provided for herein, the rules, forms and usages of the Victorian Parliament are to apply, so far as they are applicable, to the proceedings of Council.
- 18.2 Where a circumstance has not been provided for in this Local Law, or it is unclear how it should be dealt with, Council may determine the matter by resolution.
- 18.3 Council may, by resolution, adopt policies which complement this Part and which facilitate the conduct of Meetings or the conduct and actions of Councillors in the proper and appropriate fulfilment of their role and function in the public office of Councillor.
- 18.4 The Oath of Office must be recited by the Chair at the beginning of all Council Meetings.

**19. Dates and Times of Meetings**

The Council:

- 19.1 Shall fix the day, time and place of all Ordinary Meetings, by resolution;
- 19.2 May, by resolution at an Ordinary Meeting or a Special Meeting, determine or alter the day, time and place of any meeting; and

**20. Special Meetings**

- 20.1 A special meeting may be called by either:
  - 20.1.1 The Mayor or at least three Councillors may by a written notice to the Chief Executive Officer; or
  - 20.1.2 By resolution of Council.

- 20.2 The notice necessary to call a Special Meeting must be delivered to the Chief Executive Officer in sufficient time to enable reasonable notice to be given to Councillors and members of the public.
- 20.3 The date specified in the notice or resolution must be such as to allow the Council to provide the seven days public notice of a meeting and have regard to any need for preparatory investigations to enable the business to be undertaken.
- 20.4 The Chief Executive Officer must call the Special Meeting as specified in the notice.
- 20.5 Unless all Councillors are present and unanimously agree to deal with another matter, only the business specified in the notice may be transacted.

## **21. *Emergency Meeting***

In the case of emergency or extraordinary circumstances the Chief Executive Officer may call or postpone a meeting of the Council without the required 7 days notice. Council will give such notice that is practicable in accordance with section 89 (4) of the *Act*.

## **22. *Notice of Meeting and Agenda***

- 22.1 For the purposes of section 89(4) of the *Act*, the Chief Executive Officer must give reasonable notice to the public of any Council Meeting.
- 22.2 Notice for an Ordinary Meeting of Council will be given 7 days prior unless circumstances do not permit.
- 22.3 Notice for a Special Meeting of Council will be given minimum 4 days prior, period less than 48 hours may, however, be justified if exceptional circumstances exist.
- 22.4 Notice of the date, time and place of a meeting will be advertised on Council's website, by advertisement in a local newspaper and by placement of the meeting advice on the notice board at the Shire Offices unless urgent or extraordinary circumstances prevent compliance with this clause.
- 22.5 The Chief Executive Officer must send the Agenda for an Ordinary Meeting to every Councillor, electronically or at his or her residential address or such other address as nominated by that Councillor, not less than 48 hours before the time fixed for the holding of the Meeting.
- 22.6 A notice of meeting incorporating or accompanied by an agenda of the business to be dealt with will be available on Council's website minimum 48 hours prior unless exceptional circumstances exist.

## **23. *Business of a lapsed meeting***

If a Council meeting lapses, the undisposed business must, unless it has already been disposed of at a Special Meeting, be included in the agenda for the next ordinary meeting.



**24. Closed Meetings of Council**

- 24.1 All meetings of Council must be open to members of the public.
- 24.2 Council may resolve that its meeting be closed to members of the public if the meeting is discussing:
  - 24.2.1 personal matters;
  - 24.2.2 the personal hardship of any resident or ratepayer;
  - 24.2.3 industrial matters;
  - 24.2.4 contractual matters;
  - 24.2.5 proposed developments;
  - 24.2.6 legal advice;
  - 24.2.7 matters affecting the security of Council property;
  - 24.2.8 any other matter which Council or the Special Committee considers would prejudice Council or any other person;
  - 24.2.9 a resolution to close the meeting to members of the public.
- 24.3 Council may also resolve to allow the public to remain in the gallery when deciding on any of the above items, provided that there will be no debate.

**Part 4 - CHAIRING OF MEETINGS****25. Chair**

- 25.1 After the election of the Mayor is determined, the Mayor must assume the position of Chair.
- 25.2 The Mayor must chair all Council Meetings at which he or she is present.

**26. Acting Chair in Mayors Absence**

- 26.1 If the Mayor is absent from a Council Meeting, the Deputy Mayor must take the Chair.
- 26.2 If the Deputy Mayor is also absent the Chief Executive Officer must take the Chair and invite nominations from the Councillors present for a temporary Chair. If there is more than one nomination the Chief Executive Officer will act as Returning Officer for the election of a temporary Chair. If there is more than one nomination the procedure for determining the temporary Chair will be in accordance with clause 13.
- 26.3 The Chair may vacate the Chair for the duration of any item under discussion, whereupon the Deputy Mayor or temporary Chair must take the Chair until such item has been determined.



## **Part 5 – QUORUM**

### **27. Council Meeting, Special Committee Meetings & Advisory Committee Meetings**

- 27.1 A quorum is a majority of the number of Councillors within the whole of Council as constituted or members of a Special Committee which the whole Special Committee as constituted comprises, present at the Meeting.
- 27.2 Business must not be conducted at any Council Meeting or a Special Committee Meeting unless a quorum is present.

### **28. Inability to Gain a Quorum**

- 28.1 If a quorum is not present within 30 minutes of the time appointed for the commencement of a Council Meeting:
  - 28.1.1 the Meeting lapses;
  - 28.1.2 the Chair or in his/her absence the Chief Executive Officer must convene another Council Meeting to be held within 14 days of the adjourned Meeting and ensure that the Agenda for it is identical to the Agenda for the Meeting which has lapsed; and
  - 28.1.3 the Chief Executive Officer must give all Councillors notice of the reconvened Meeting.
- 28.2 This requirement does not apply in respect of any Councillor who has been granted leave of absence pursuant to section 69 of the *Act* and who has not requested the Chief Executive Officer, in writing, to continue to give notice of Meetings to be held during the period of leave of absence.

### **29. Inability to Maintain a Quorum**

- 29.1 If a quorum cannot be maintained after a Council Meeting has commenced the Chair must adjourn the Meeting, and then reconvene the Meeting within 30 minutes after it was adjourned, in which case:
  - 29.1.1 if a quorum is then present the Meeting must resume; or
  - 29.1.2 if a quorum is not then present and if, after using his or her best endeavours to restore a quorum, the Chair is unsuccessful, the Chair must announce that the Meeting has lapsed, whereupon the Meeting lapses.
- 29.2 If a Meeting lapses the undisposed business must, unless it has already been disposed of at a Special Meeting, be included in the Agenda for the next Ordinary Meeting.
- 29.3 Despite the loss of a quorum in the circumstances set out in this clause, the business transacted at the Meeting to that point will remain valid and be capable of being acted upon.

### **30. Inability to gain or maintain a quorum due to conflicts of interest**

Where a quorum cannot be gained or maintained due to conflicts of interest among the majority of Councillors, the Chief Executive Officer, or in his or her absence a senior officer, may adjourn the item under consideration to enable dispensation for the affected Councillors to be obtained from the Minister administering the *Act*.

**31. Adjournment of meetings**

- 31.1 Where a quorum is present, the Council may resolve to adjourn any meeting and must include the reason for the adjournment in the resolution.
- 31.2 No discussion is allowed on any motion for adjournment of the Meeting, but if on being put the motion is defeated, the subject then under consideration or the next on the Agenda or any other that may be allowed precedence must be discussed before any subsequent motion for adjournment is moved.

**32. Notice of adjourned meeting**

- 32.1 The *Chief Executive Officer* must give notice to each Councillor of the date, time and place to which the meeting stands adjourned and of the business remaining to be considered.
- 32.2 If it is impracticable for the notice given under sub-clause (2) to be in writing, the *Chief Executive Officer* must give notice to each Councillor by telephone or in person.

**Part 6 - CONFLICTS OF INTEREST****33. Conflict of Interest**

- 33.1 Section 77A of the *Act* defines a conflict of interest as having a direct or indirect interest in the matter.
- 33.2 The determining of a conflict of interest is a matter for the individual Councillors to consider, having due regard for:
  - 33.2.1 the direction provided in the *Act*; and
  - 33.2.2 any legal advice obtained by the individual Councillor.
- 33.3 In accordance with section 79 of the *Act* a Councillor or member of a special committee must:
  - 33.3.1 Disclose the conflict of interest at the beginning of a Council meeting (except where the conflict of interest relates to a matter which will be considered in a Council meeting closed to the public in accordance with the *Act*); or
  - 33.3.2 Immediately prior to consideration of the matter; or
  - 33.3.3 Advising the Chief Executive Officer in writing before the meeting;
  - 33.3.4 Classify the interest as Direct (section 77B) or specifying the type of indirect interest under section 78, 78A, 78B, 78C, 78D or 78E; and
  - 33.3.5 Describe the nature of the interest;
  - 33.3.6 Where a Councillor or member of a special committee has two or more conflicts of interest on matters being considered consecutively, they must disclose the interests prior to the first matter being heard;

- 33.3.7 Where any Councillor has made a declaration the Chair should pause after announcing any matter in relation to which a declaration has been made to allow a declaration prior to consideration of the matter;
- 33.3.8 A failure by the Chair to pause does not remove any obligation on an individual Councillor to make a declaration in accordance with the *Act*.
- 33.3.9 While the matter is being considered or any vote is taken in relation to the matter, the Councillor or member of a special committee must:
  - 33.3.9.1 Leave the room and notify the Mayor or the Chair of the special committee that he or she is doing so; and
  - 33.3.9.2 Remain outside the room and any gallery or other area in view or hearing of the room.
- 33.3.10 The Mayor or the Chair of the special committee must cause the Councillor or member of a special committee to be notified that he or she may return to the room after consideration of the matter and all votes on the matter.
- 33.3.11 All declarations must be recorded in the minutes.

## ***Part 7 - BUSINESS OF MEETINGS***

### **34. *Order of Business***

- 34.1 The order of business of Council meetings will be determined by the Chief Executive Officer to facilitate and maintain open and effective processes of government. In determining the agenda the Chief Executive Officer shall consider:
  - 34.1.1 The general attitude of Council;
  - 34.1.2 The interests of the community and community groups;
  - 34.1.3 The sensitivity of issues;
  - 34.1.4 The need to address any correspondence received requesting a matter to be heard by Council;
  - 34.1.5 Any other relevant factor which may impact on the fluent and open processes of the government of the Council.

### **35. *Change to the Order of Business***

Once a final agenda has been sent to Councillors, the order of business for that meeting may only be altered by a resolution of the Council.

**36. Urgent or other business**

- 36.1 Where the agenda for an Ordinary Meeting or Special Meeting makes provision for urgent and other business, business which is not listed in the agenda may only be raised by a resolution of the Council. Business shall not be admitted unless it:
- 36.1.1 relates to or arises out of a matter which has arisen since distribution of the agenda; and
  - 36.1.2 the matter cannot safely or conveniently be deferred until the next Ordinary Meeting or Special Meeting; and
  - 36.1.3 Council resolve by a majority of those present to admit (without the required notice) an item considered to be urgent business.
- 36.2 The process for raising urgent business will be as follows:
- 36.2.1 Councillor will indicate to the Chair his or her intention to request consideration of an item of urgent business.
  - 36.2.2 When called upon by the Chair, the Councillor must state the nature of the business and the nature of urgency, also explaining why it could not have been incorporated on the initial Agenda or reasonably deferred to a subsequent Council Meeting.
  - 36.2.3 After this brief explanation by the Councillor, the Chair will call on the Councillor to move that the item be considered.
  - 36.2.4 Once moved and seconded the motion to include an item of Urgent business may be debated like any other normal motion.
  - 36.2.5 Once an urgent item has been admitted, the Councillor must first move the motion in its entirety. If the motion is seconded the normal debate will pursue. If it is not seconded the motion lapses for want of a seconder.
  - 36.2.6 If requested by the Chair, the motion must be written and presented to the Chair when moved and seconded.
  - 36.2.7 If the motion to consider the additional item of urgent business is not carried, no further discussion can occur.
- 36.3 The Chief Executive Officer, in consultation with the Mayor, may prepare a written supplementary report on any item of business that has arisen since the preparation of the Agenda. Councillors must receive a copy of any supplementary report at least 24 hours before the time fixed for holding the Meeting.

**37. Reports of Councillors**

- 37.1 A Councillor may present a Portfolio report. Where a Councillor is a delegate to another body as part of his or her portfolio this report may also include an update on the business of that body.
- 37.2 A Councillor may present a report on any matter related to his or her role as a Councillor.
- 37.3 A Councillor may make such reports by:
  - 37.3.1 submitting a written report to the Chief Executive Officer in sufficient time for him or her to include it in an agenda and issue the notice of meeting required;

37.3.2 advising the Chief Executive Officer in writing of his or her intention to deliver a verbal report and a summary of the content with sufficient time for the Chief Executive Officer to include it in an agenda and issue the notice of meeting; or

37.3.3 table a written report or make a verbal report at the appropriate time during an Ordinary Meeting.

37.4 A Councillor may speak to a written report which she or he has submitted.

### **38. Presentation of Staff Reports**

- 38.1 A report from a member of the Council staff shall not be read in full at any Council Meeting unless the Council resolves to do so.
- 38.2 Before a written report is considered by Council, and any motion moved in relation to the report, the Chair can use his/her discretion to invite a member of Council staff to introduce the report in no more than two minutes, its background of the reasons for any recommendation which appears.
- 38.3 The Chair can exercise his/her discretion as to whether to accept a question from a Councillor to a Council officer and the Council officer may take the question on notice.

### **39. Reports of Committees**

- 39.1 A report from a Special Committee or Advisory Committee is to be tabled when a Committee's recommendations require Council's endorsement.
- 39.2 A report from a Special Committee is not required on matters delegated to the Special Committee for decision.
- 39.3 The report shall be succinct and outline the specific items for resolution.
- 39.4 A report from any Special Committee or Advisory Committee must be adopted by resolution of the Council before its recommendations can be acted upon.
- 39.5 The procedure for considering a report of a Special Committee or Advisory Committee will be the same as the procedure for moving a motion.
- 39.6 Upon the adoption of a report by the Council, each recommendation contained in the report as adopted becomes a resolution of the Council.
- 39.7 Other than when required under 39.1, minutes and/or reports from a Special Committee or Advisory Committee are to be tabled at the discretion of the Chief Executive Officer.

### **40. Production of Documents**

- 40.1 A Councillor may, at a Council Meeting, require the production of any documents kept in the municipal offices that are directly relevant to the business being considered at the Meeting.
- 40.2 The Chief Executive Officer must use his or her best endeavours to produce the documents at the Meeting or, if this is not feasible, as soon as practicable after that time.

## **Part 8 - MINUTES**

### **41. Contents of Minutes**

- 41.1 The Chief Executive Officer (or other person authorised by the Chief Executive Officer to attend the meeting and to take the minutes of such meeting) must keep minutes of each Council Meeting and Special Committee Meeting (as the case may be) and these minutes must record:
- 41.1.1 the date, place, time and nature of the meeting;
  - 41.1.2 the name of the Councillors and/or members present and the name of the Councillors and or members who have submitted apologies or have been granted leave of absence;
  - 41.1.3 the declaration of any conflict of interest made by a Councillor, including the classification of the interest under the *Act* and the nature of the interest declared;
  - 41.1.4 the declaration of any conflict of interest made by a Council officer or contractor who has provided advice to the Council in relation to a matter being considered at the meeting, including the classification of the interest under the *Act* and the nature of the interest declared;
  - 41.1.5 arrivals and departures (including temporary departures of Councillors and/or members during the course of the meeting);
  - 41.1.6 each motion and amendment moved (including motions and amendments that lapse for the want of a seconder) and motions and amendments withdrawn by resolution of by leave of the meeting;
  - 41.1.7 each motion and amendment moved including procedural motions, along with the mover and seconder of each motion and amendment;
  - 41.1.8 where a valid division is called, the names of every Councillor present and the way their vote was cast, either FOR or AGAINST;
  - 41.1.9 the failure to achieve or maintain a quorum;
  - 41.1.10 the time and reason for any adjournment of the meeting or suspension of standing orders, including any adjournment as a result of a failure to gain or maintain a quorum;
  - 41.1.11 details of any deputations made to the Council;
  - 41.1.12 any advance notice of motion given by a Councillor at the meeting; closure of the meeting to members of the public in accordance with the provisions of section 89(2) of the *Act*;
  - 41.1.13 the names of Council officers formally in attendance (not including officers who are merely attending as members of the public gallery);
  - 41.1.14 the names of any persons or groups formally in attendance;
  - 41.1.15 the time at which the meeting was closed; and
  - 41.1.16 any other matter which the Chief Executive Officer thinks should be recorded to reflect questions and/or matters raised by Councillors.



**42. Recording of Meetings**

- 42.1 A person must not operate photographic, audio or video recording equipment or any other recording device at any Council Meeting without first obtaining the consent of the Chair. Such consent may at any time during the course of such meeting be revoked by the Chair.

**43. Confirmation of Minutes**

- 43.1 At every Ordinary Meeting of the Council the minutes of the preceding meeting(s) shall be confirmed by resolution as follows:
- 43.1.1 if the Minutes have been delivered to each Councillor at least 48 hours before the Meeting, a motion can be passed for confirmation of the Minutes; or
  - 43.1.2 if the Minutes have not been so delivered, a motion may be proposed to allow any adjournment to allow time for the Minutes to be read after which a motion can be passed for confirmation of the Minutes.
  - 43.1.3 When the confirmation of minutes is called on, the Chair shall ask:  
"Is any item of the minutes opposed?"
  - 43.1.4 Where no Councillor indicates opposition, the Chair shall seek a mover and seconder for the confirmation of the minutes.
  - 43.1.5 No discussion or debate on the confirmation of minutes is permitted except where their accuracy as a record of the proceedings of the meeting to which they relate is questioned.
  - 43.1.6 If a Councillor is dissatisfied with the accuracy of the Minutes, then the Councillor must:
    - 43.1.6.1 state the item or items with which he or she is dissatisfied; and
    - 43.1.6.2 propose a motion clearly outlining the alternative wording to amend the Minutes;
    - 43.1.6.3 the Councillor objecting must move a motion clearly outlining the proposed alternative wording to amend the minutes;
    - 43.1.6.4 a seconder for the motion of objection must be sought and found;
    - 43.1.6.5 the mover of the motion of objection may then speak;
    - 43.1.6.6 the seconder of the motion may then speak, or defer his or her right to speak until later in the debate;
    - 43.1.6.7 the motion shall then be opened to debate; and
    - 43.1.6.8 at the conclusion of debate, the motion must be put to the vote;

43.1.7 When all objections to the minutes have been determined, the Chair shall say as necessary:

"The question is that the minutes be confirmed" or

"The question is that the minutes, as amended, be confirmed", and shall put the question to the vote.

43.2 Once the Minutes are confirmed, the last page must be certified by the Chair.

#### **44. *Deferral of Confirmation of Minutes***

The Council may defer the confirmation of minutes until later in the meeting or until the next meeting as appropriate.

### **Part 9 - MOTIONS AND DEBATE**

#### **45. *Chairs Duty***

45.1 The Chair must not accept any motion or amendment, which is:

45.1.1 Defamatory; or

45.1.2 Objectionable in language or nature; or

45.1.3 Vague or unclear in intention; or

45.1.4 Outside the powers of the Council; or

45.1.5 Irrelevant to the item of business on the agenda and has not been admitted as urgent or other business; or

45.1.6 Purports to be an amendment but is not.

#### **46. *Addressing the Meeting***

Except for the Chair, any Councillor or person who addresses the Meeting must direct all remarks through the Chair.

#### **47. *Speaking to Subject Matter***

A Councillor must not digress from the subject matter of the motion, amendment or business under discussion.

#### **48. *Public Addressing the Meeting***

A person other than a Councillor or Officer must not address the Council Meeting until a resolution approving such has been carried by a majority of Councillors present at the Meeting or as a deputation or public question preapproved by the Chief Executive Officer.



**49. Interruptions, Interjections and Relevance**

- 49.1 A Councillor must not be interrupted except by the Chair or upon a point of order.
- 49.2 If a Councillor is interrupted by the Chair or upon a point of order, he or she must remain silent until the Chair has ceased speaking, or the point of order has been determined.
- 49.3 A Councillor must not digress from the subject-matter of the motion or business under discussion.
- 49.4 The mover of a motion must not introduce fresh matter when exercising any right of reply.
- 49.5 At the discretion of the Chair questions from Councillors to Council Officers or to other Councillors may be disallowed if it is considered they are asked for purposed other than the simple soliciting of information.

**50. Form of Motion**

- 50.1 A motion or amendment must:
  - 50.1.1 Relate to the powers or functions of Council;
  - 50.1.2 Be in writing, if requested by the Chair, except in the case of Urgent Business; and
  - 50.1.3 Be relevant to an item of business on the agenda.

**51. Moving a Motion**

- 51.1 The procedure for any motion is:
  - 51.1.1 The mover must state the motion without speaking to it;
  - 51.1.2 The Chair must call for a seconder unless the motion is a call to enforce a point of order or a formal motion that does not require a seconder;
  - 51.1.3 If a motion is not seconded and is not a formal motion, the motion will lapse for want of a seconder;
  - 51.1.4 The Chair may call for discussion;
  - 51.1.5 If the motion is seconded, the Chair must ask: "Is the motion opposed";
  - 51.1.6 If no Councillor indicates opposition, the motion must be declared to be carried without being voted on and will be treated as being passed unanimously;
  - 51.1.7 If a Councillor indicates opposition, then the Chair must request:
    - 51.1.7.1 The mover to address the Council on the motion (who may, without speaking on the motion, reserve his or her address until later in debate); and
    - 51.1.7.2 The seconder to address the Council on the motion (who may, without speaking on the motion, reserve his or her address until later in debate); and
    - 51.1.7.3 Any Councillor opposed to debate the motion; and

51.1.7.4 Any other Councillors for and against the motion to debate in turn.

51.1.8 Except for the raising of a point of order, right of reply or closing comment or with leave of the Chair, no Councillor may speak more than once on any motion.

**52. *Moving an amendment***

- 52.1 A motion having been moved and seconded may be amended by leaving out, inserting or adding words which must be relevant to the original motion and framed so as to complement it as an intelligible and consistent whole.
- 52.2 An amendment should only seek to make the original motion clearer to the meeting and must not change the intent of the original motion. The Chair may offer to treat a proposed amendment which changes the intent of the original motion as a foreshadowed motion.
- 52.3 An amendment must be relevant to the motion upon which it is moved and not negate the original motion.
- 52.4 An amendment may be moved at any time prior to a motion being put to the vote.
- 52.5 A motion to confirm a previous resolution of the Council cannot be amended.

**53. *Who may propose an amendment***

An amendment may be proposed or seconded by any Councillor, other than the mover or seconder of the original motion.

**54. *Who may debate an amendment***

A Councillor may address the meeting once on any amendment, whether or not he or she has spoken to the original motion but debate must be confined to the terms of the amendment.

**55. *How many amendments may be proposed***

- 55.1 Any number of amendments may be proposed to a motion but only one amendment may be accepted by the Chair at any one time.
- 55.2 No second or subsequent amendment, whether to the original motion or an amendment of it, can be taken into consideration until the previous amendment has been dealt with.

**56. *An amendment once carried***

If the amended motion is carried, it then becomes the question before the Chair.

**57. Speaking to a motion or amendment**

- 57.1 Councillors may only speak once on any motion or amendment, except that the mover of a motion may:
- 57.1.1 make a closing comment where the motion or amendment is unopposed; or
  - 57.1.2 exercise a right of reply after debate on a motion, but not an amendment.
- 57.2 Nothing in clause 57.1 prevents a Councillor from calling a point of order or seeking to offer a personal explanation.

**58. Priority of address**

If two or more Councillors wish to speak at the same time, the Chair will determine the order of speakers.

**59. Right of Reply or Closing Comment**

- 59.1 The mover of an original motion which has not been amended may, once debate has been exhausted, has a right of reply to matters raised during debate.
- 59.2 After the right of reply has been taken, the motion must be immediately put to the vote without any further discussion or debate.

**60. No Right of Reply for Amendments**

No right of reply is available where an amendment is before the Council.

**61. Alteration of Motions**

- 61.1 The wording of a motion before the Chair may be modified, with the approval of the mover and seconder and the leave of the Council.
- 61.2 Such modification will not be treated as an amendment to the motion and the modified motion will be recorded in the Minutes of the meeting as the motion put by the Chair.

**62. Withdrawal of Motions**

Before any motion is put to the vote, it may be withdrawn with leave of the Meeting.

**63. Chair May Separate motions**

Where a motion contains more than one part, a Councillor may request the Chair to put the motion to the vote in separate parts.

**64. Motions and Amendments in Writing**

- 64.1 All motions and amendments, except procedural motions, must be in writing, when requested by the Chair.
- 64.2 Where a recommendation in an agenda is to be moved as the actual motion, the motion will be deemed to have been put in writing.
- 64.3 Where a Councillor intends to move a motion which is not substantially the same as a recommendation in an agenda, the motion to be moved shall be in writing.
- 64.4 The Chair may suspend the meeting while a motion or amendment is being written or may request the Council to defer the matter until the motion or amendment has been written, allowing the meeting to proceed.

**65. Repeating a motion and/or Amendment**

The Chair may request a Councillor to read and confirm the motion or amendment to the meeting before the vote is taken.

**66. Debate must be relevant to the Question**

- 66.1 Debate must always be relevant to the question before the Chair, and if not, the Chair may request the speaker to confine debate to the subject motion.
- 66.2 If after being requested to confine debate to the motion before the Chair, the speaker continues to debate irrelevant matters, the Chair may require the speaker to not speak further in respect of the matter then before the Chair.

**67. Speaking times**

- 67.1 A Councillor must not speak longer than the time set out below unless granted an extension by resolution:
  - 67.1.1 the mover of a motion or amendment - 5 minutes
  - 67.1.2 the mover of a motion exercising a right of reply - 2 minutes
  - 67.1.3 any Councillor for the purposes of a Councillor Report - 3 minutes
  - 67.1.4 any other Councillor on any other matter - 3 minutes
- 67.2 A motion for the extension of time will, if carried, allow a Councillor a further 3 minutes to speak but no further extension must be permitted.

**68. Extension of Speaking Times**

- 68.1 An extension of speaking time may be granted by resolution of the Council.
- 68.2 A motion for an extension of speaking time cannot be accepted by the Chair if another speaker has commenced his or her debate.
- 68.3 Any extension of speaking time must not exceed 3 minutes.

**69. Foreshadowing motions**

- 69.1 At any time during debate, a Councillor may foreshadow a motion to inform Council of his or her intention to move a motion at a later stage in the Meeting, but this does not extend any special right to the foreshadowed motion.
- 69.2 A motion foreshadowed may be prefaced with a statement that, in the event that a particular motion before the Chair is resolved in a certain way, a Councillor intends to move an alternative or additional motion.
- 69.3 A motion foreshadowed has no procedural standing and is merely a means to assist the flow of the Meeting.
- 69.4 The Chief Executive Officer is not required to have foreshadowed motions recorded in the Minutes until the foreshadowed motion is formally moved, but may do so if it is considered that this would improve clarity in recording the outcomes of the Meeting.

**70. Personal Explanation**

- 70.1 A Councillor or an Officer may, at any Council Meeting and at a time decided by the Chair, make a personal explanation for a period not exceeding two (2) minutes on any statement made (whether made at a Council Meeting or not) affecting that Councillor or Officer.
- 70.2 A personal explanation must not be debated.

**Part 10 - NOTICE OF MOTION****71. Procedure**

- 71.1 A Notice of Motion must be in writing signed by a Councillor and be lodged with the Chief Executive Officer by 12 noon one week prior to the scheduled Ordinary Meeting of Council. Any Notice of Motion received after that time must, unless withdrawn in writing, be included on the agenda for a Meeting of Council in the following month.
- 71.2 A Councillor may also give a Notice of Motion at a Council meeting. In this case, the item will be listed at the following Council meeting, together with an officer's comment.

**72. Rejection of Vague notices**

- 72.1 The Chief Executive Officer may reject any notice of motion which is vague or unclear in intention but shall:
  - 72.1.1 give the Councillor who lodged it an opportunity to amend it prior to rejection, where it is practicable to do so; and
  - 72.1.2 Notify Councillor who lodged it of the rejection and reasons for the rejection.

**73. Listing Notices on an Agenda**

- 73.1 Unless the notice of motion specifies a particular meeting date, the Chief Executive Officer shall list the notice of motion and where more than one, in the order they were received, on the next appropriate meeting agenda.
- 73.2 A notice of motion cannot be accepted by the Chair unless it has been listed on the agenda for the meeting at which it is proposed to be moved.

**74. Register of Notices**

- 74.1 The Chief Executive Officer shall cause all notices of motion to be sequentially numbered, dated and entered in the Notice of Motion Register, in the order in which they were received.
- 74.2 Except by leave of the Council, each notice of motion before any meeting shall be considered in the order in which they were entered in the Notice of Motion Register.

**75. May be moved by any Councillor**

Where a Councillor who has given a notice of motion is absent from the meeting or fails to move the motion when called upon by the Chair, any other Councillor present may move the motion.

**76. Must be moved as Listed and may be Amended**

- 76.1 A Notice of Motion must be moved in the form of words listed in the Agenda and requires a seconder.
- 76.2 Once moved, a notice of motion may be amended, except where the notice of motion is to confirm a previous resolution of the Council.
- 76.3 Where a notice of motion to confirm a previous resolution of the Council cannot be carried in its original form, it is lost.
- 76.4 Where a notice of motion to confirm a previous resolution of the Council is lost, this does not have the effect of rescinding or otherwise invalidating the original motion.
- 76.5 Where a notice of motion has been given but is not moved at the relevant meeting, the notice of motion lapses.

**77. If Lost**

Unless the Council resolves to re-list at a future meeting a notice of motion which has been lost, a similar motion shall not be put before the Council for at least three months from the date it was last lost.

## **Part 11 - NOTICE OF AMENDMENT OR RESCISSION**

### **78. Notice if Amendment or Rescission**

- 78.1 A Councillor may propose a motion to amend or rescind a decision of Council provided:
- 78.1.1 a notice is delivered to the Chief Executive Officer within 24 hours of the Meeting at which the decision was made outlining:
- 78.1.1.1 The decision proposed to be amended or rescinded; and
- 78.1.1.2 The Meeting and date when the decision was made; and
- 78.1.1.3 The previous motion has not been acted upon.
- 78.2 No action or further action must be taken to implement a resolution of which a notice to rescind or amend has been given.

### **79. Rejection of Notice where Decision Acted Upon**

- 79.1 The Chief Executive Officer may reject any notice of amendment or rescission which relates to a decision of the Council which has been acted upon.
- 79.2 The Chief Executive Officer may seek legal advice to assist her or him in determining whether a notice of amendment or rescission should be rejected under clause 80.1.

### **80. Majority to Amend or Rescind**

For a decision of the Council to be amended or rescinded, the motion for amendment or rescission must be carried by four or more Councillors.

### **81. When not required**

- 81.1 Where the Council intends to review, amend or update its policies, a notice of amendment or rescission of an earlier decision is not required. The new decision, despite being inconsistent with the earlier decision, reflects the Council's changed policy position and does not rescind or amend the earlier decision.
- 81.2 Notwithstanding clause 81.1, the following standards should generally apply where the Council wishes to change policy:
- 81.2.1 Where the policy has been in force in its original or amended form for less than 12 months, a notice of rescission should be presented to the Council; and
- 81.2.2 Any intention to change a Council policy, which may result in a significant impact on any person, should be communicated to those affected and this may include publication and consultation, either formally or informally.
- 81.3 The Council may determine the extent to which these standards should be followed, which will depend on the circumstances of each case.



**82. Listing Notices on an Agenda**

- 82.1 A notice of amendment or rescission shall be in writing, signed by the submitting Councillor and be lodged with the Chief Executive Officer to allow sufficient time for her or him to list it in an agenda and issue the notice of meeting required.
- 82.2 Unless the notice of amendment or rescission specifies a particular meeting date, the Chief Executive Officer shall list the notice of amendment or rescission and where more than one, in the order they were received, on the next appropriate meeting agenda, together with a brief report outlining the criteria under which a decision may be amended or rescinded.
- 82.3 A notice of amendment or rescission cannot be accepted by the Chair unless it has been listed on the agenda for the meeting at which it is proposed to be moved.

**83. Register of Notices**

- 83.1 The Chief Executive Officer shall cause all notices of amendment or rescission to be sequentially numbered, dated and entered in the Notice of Amendment or Rescission Register, in the order in which they were received.
- 83.2 Except by leave of the Council, each notice of amendment or rescission before any meeting shall be considered in the order in which they were entered in the Notice of Amendment or Rescission Register.

**84. May be moved by any Councillor**

- 84.1 Where a Councillor who has given a notice of amendment or rescission is absent from the meeting or fails to move the motion when called upon by the Chair, any other Councillor present may move the motion.
- 84.2 Where a notice of amendment or rescission has been given but is not moved at the relevant meeting, the notice of amendment or rescission lapses.

**85. Cannot be Amended**

A notice of amendment and rescission cannot be amended.

**86. If Lost**

Unless the Council resolves to re-list at a future meeting a notice of amendment or rescission which has been lost, a similar motion shall not be put before the Council for at least three months from the date it was last lost.



## ***Part 12 - FORMAL MOTIONS***

### **87. Formal Motions**

- 87.1 Unless otherwise prohibited, a formal motion may be moved at any time and must be dealt with immediately by the Chair.
- 87.2 Formal motions are not required to be seconded.
- 87.3 The mover of a formal motion must not have moved, seconded or spoken to the question before the Chair or any amendment of it.
- 87.4 A formal motion cannot be moved by the Chair.
- 87.5 Unless otherwise provided, debate on a formal motion is not permitted and the mover does not have a right of reply.
- 87.6 Unless otherwise provided, a formal motion cannot be amended.

Refer to the following table ***Formal Motions Procedure and Effect***

**FORMAL MOTIONS PROCEDURE AND EFFECT**

| FORMAL MOTION                                    | FORM   | WHO CAN MOVE OR SECOND | IS A SECONDER REQUIRED? | MATTER IN RESPECT OF WHICH MOTION MAY BE MOVED | WHEN MOTION PROHIBITED  | EFFECT IF CARRIED  | EFFECT IF LOST              |
|--|--|------------------------|-------------------------|--|---|--|-----------------------------|
| Adjournment of debate to later hour/date         | That this matter be adjourned until .....          | Any <b>Councillor</b>  | Yes                     | Any matter                                     | (a) During the election of the <b>Chair</b><br>(b) When another <b>Councillor</b> is speaking   | Motion and amendments postponed to the stated time/date  | Debate continues unaffected |
| Adjournment of debate indefinitely               | That this matter be adjourned until further notice | Any <b>Councillor</b>  | Yes                     | Any matter                                     | (a) During the election of the <b>Chair</b><br>(b) When another <b>Councillor</b> is speaking (c) When the matter is one in respect of which a call of <b>Council</b> has been made | Motion and amendments postponed but may be resumed: (a) At the same <b>meeting</b> upon motion to resume (b) At any later <b>Meeting</b> if on the <b>Agenda</b> | Debate continues unaffected |
| Adjournment of <b>meeting</b> to later hour/date | That the <b>meeting</b> be adjourned until .....   | Any <b>Councillor</b>  | Yes                     | Any <b>meeting</b>                             | (a) During the election of the <b>Chair</b><br>(b) When another <b>Councillor</b> is speaking   | <b>Meeting</b> adjourns immediately until the stated time (or date)  | Debate continues unaffected |

| FORMAL MOTION                              | FORM   | WHO CAN MOVE OR SECOND   | IS A SECONDER REQUIRED? | MATTER IN RESPECT OF WHICH MOTION MAY BE MOVED | WHEN MOTION PROHIBITED  | EFFECT IF CARRIED  | EFFECT IF LOST              |
|--|--|--|-------------------------|--|---|--|-----------------------------|
| Adjournment of <b>Meeting</b> indefinitely | That this <b>Meeting</b> be adjourned until further notice | Any <b>Councillor</b>  | Yes                     | Any matter                                     | (a) During the election of the <b>Chair</b> (b) When another <b>Councillor</b> is speaking (c) During a <b>meeting</b> which is a call of the <b>Council</b>  | <b>Meeting</b> adjourns until further notice   | Debate continues unaffected |
| The Closure                                | That the question be now put                               | A <b>Councillor</b> who has not moved, seconded or spoken to the motion or any amendment of it | No                      | Any matter                                     | During nominations for <b>Chair</b> (NB A closure motion shall not be accepted by the <b>Chair</b> unless the <b>Chair</b> considers there has been sufficient debate for and against the original motion or amendment) | Motion or amendment in respect of which the closure carried is put to the vote immediately | Debate continues unaffected |

| FORMAL MOTION                    | FORM   | WHO CAN MOVE OR SECOND   | IS A SECONDER REQUIRED? | MATTER IN RESPECT OF WHICH MOTION MAY BE MOVED | WHEN MOTION PROHIBITED  | EFFECT IF CARRIED   | EFFECT IF LOST                          |
|----------------------------------|--|--|-------------------------|--|---|---|---|
| Laying the question on the table | That the matter lie on the table                     | A <b>Councillor</b> who has not moved, seconded or spoken to the motion or any amendment of it   | Yes                     | Any matter                                     | (a) During the election of the <b>Chair</b> (b) During a <b>Meeting</b> which is a call of the <b>Council</b> | Motion and amendments not further discussed or voted on until:<br>(a) <b>Council</b> resolves to take the question from the table at the same <b>Meeting</b> (b) Matter is placed on an <b>Agenda</b> and the <b>Council</b> resolves to take the question from the table | Debate continues unaffected             |
| Proceeding to the Next Business  | That the <b>Meeting</b> proceed to the next business | A <b>Councillor</b> who has not moved, seconded or spoken to the matter which the motion relates | Yes                     | Any matter                                     | (a) During the election of the <b>Chair</b> (b) During a <b>Meeting</b> which is a call of the <b>Council</b> | (a) If carried in respect to a <b>formal motion</b> , its effect is to remove that motion from consideration (b) If carried in respect to an amendment, its effect is to dispose of the amendment and debate resumes upon the substantive motion                          | Debate resumed at point of interruption |

## **Part 13- POINTS OF ORDER**

### **88. Points of Order**

- 88.1 The **point of order** may be taken on the ground that a matter is:
  - 88.1.1 contrary to this Local Law;
  - 88.1.2 defamatory;
  - 88.1.3 irrelevant;
  - 88.1.4 outside Council's functions or powers;
  - 88.1.5 improper; or
  - 88.1.6 frivolous or vexatious.
- 88.2 Expressing a difference of opinion or contradicting a speaker is not a point of order.

### **89. Procedure**

- 89.1 A Councillor raising a point of order must :
  - 89.1.1 state the point of order; and
  - 89.1.2 the clause, paragraph or provision constituting the point of order.
- 89.2 The Chair will decide all points of order by stating the provision, rule, practice or precedent which he or she considers applicable to the point raised without entering into any discussion or comment.
- 89.3 The Chair is the final arbiter of all points of order.

### **90. Chair may adjourn to Consider**

- 90.1 The Chair may adjourn the meeting to consider a point of order otherwise she or he must rule on it as soon as it is raised.
- 90.2 All other matters before the Council are to be suspended until the point of order is decided.

### **91. Dissent from Chairs Ruling**

- 91.1 The ruling of the Chair upon any point of order is not open to any discussion and will be final and conclusive.

## **Part 14 - VOTING**

### **92. How Motion Determined**

- 92.1 To determine a motion, the Chair shall wait for debate or comment to be exhausted and then first call for those in favour of the motion and then those opposed to the motion, and shall then declare the result to the meeting.
- 92.2 For the purposes of voting at a Council Meeting, the Chair must put the motion or amendment first in the affirmative, then in the negative.

### **93. By show of Hands**

Voting at a meeting which is open to the public must be by a show of hands as per section 90(1) of *the Act*.

### **94. Vote to be taken in silence**

Except that a Councillor may call a division, Councillors must remain seated in silence while a vote is being taken.

### **95. Recount of Vote**

The Chair may require that the vote be re-counted as often as may be necessary for him or her to satisfy himself or herself of the result.

### **96. Casting Vote**

- 96.1 In the event of an equality of votes, subject to the *Act* and this Local Law, the Chair has a second vote.
- 96.2 Clause 96.1 does not apply in the event of an equality of votes in respect of the election of the Mayor, or in cases where the *Act* provides that a matter is to be determined by lot.

### **97. Procedure for a Division**

- 97.1 A division may be requested by any Councillor on any matter, except that a request to the Chair for a division on any matter determined by secret ballot shall not be accepted.
- 97.2 The request must be made to the Chair either immediately prior to or immediately after the vote has been taken but cannot be requested after the next item of business has commenced.
- 97.3 A division is a new vote on the matter before the Council and the outcome of the division shall decide the question, motion or amendment. A Councillor may change her or his previous vote when a division is called.

- 97.4 When a division is called for, the Chair shall:
  - 97.4.1 Ask for a show of hands by those Councillors wishing to vote for the motion and state the names of those Councillors.
  - 97.4.2 Ask for a show of hands by those Councillors wishing to vote against the motion and state the names of those Councillors.
  - 97.4.3 Declare the result of the division.
- 97.5 In addition to the outcome of the division, the names of all Councillors who voted for the motion and all Councillors who voted against the motion must be recorded in the official minutes of the meeting.

**98. No Discussion once declared**

Once a vote on any question has been declared no further discussion relating to the question is allowed, except on a notice of rescission, or where a resolution has been rescinded. Nothing in this clause is intended to prevent the movement of a subsequent motion, which supports or complements the original resolution and does not change the intent of the original motion.

**Part 15 - PETITIONS**

**99. Petitions**

- 99.1 A Petition:
  - 99.1.1 must be in a legible and permanent form of writing, typing or printing;
  - 99.1.2 must not be defamatory, indecent, abusive or objectionable in language or substance; and
  - 99.1.3 must not relate to a matter beyond the powers of Council.
- 99.2 Every page of a petition must bear the wording of the petition or request.
- 99.3 Council will liaise and provide response to the head petitioner only unless otherwise resolved by Council.
- 99.4 The Chief Executive Officer shall list all petitions received on the agenda of the next appropriate Ordinary meeting. The listing shall include a description of the purpose of the petition and the number of signatories to it.
- 99.5 With the leave of the Council, any Councillor may table a petition not listed on the agenda of a meeting.
- 99.6 No motion may be made on any petition until the next Ordinary Meeting, except if the matter or issue is already listed for consideration of Council on the Agenda for the Meeting at which it is presented in accordance with this Local Law, or if Council determines by a majority of those present that the matter is urgent and should be dealt with at the Meeting at which it is presented or by a Special Committee.

### **100. Signing Petitions**

Any person who fraudulently signs a petition which is presented to the Council is guilty of an offence.

### **101. Petitioners Speaking to Petitions**

If a petitioner wishes to speak to a petition then the petitioner must do so as part of the Open Forum process outlined in "Part 16 – Public Participation".

### **102. Response**

- 102.1 Petitions not related to a planning permit application or planning scheme amendment matters will then be forwarded to the appropriate General Manager for action.
- 102.2 Any Petition concerning a planning permit application or planning scheme amendment will be referred to the relevant Manager for consideration through the planning process.
- 102.3 Council officers will respond acknowledging the matter and providing procedural advice within 10 working days of the Ordinary Meeting of Council.

## **Part 16 – PUBLIC PARTICIPATION**

### **QUESTIONS OF COUNCIL AND OPEN FORUM**

#### **103. Open Forum and Questions Of Council Time To Be Held**

- 103.1 The Council will hold Open Forum and Questions of Council Time for up to 30 minutes duration at the beginning of each Ordinary Meeting to allow public submissions and questions of Council. Extension of time may be granted by resolution of Council.
- 103.2 Open Forum is an opportunity for the general public to present to Council on a matter listed on the Agenda or any other matter.
- 103.3 Questions of Council are an opportunity for the general public to submit a question prior to the Ordinary Meeting and receive a response from Council in the Questions of Council time.

#### **104. Open Forum and Questions of Council Guidelines**

- 104.1 Questions of Council time and Open Forum will not apply during any period when the Council has resolved to close the meeting in respect of a matter under section 89(2) of the Act.
- 104.2 No more than two questions will be accepted from any person at any one meeting.
- 104.3 Submissions as part of Open Forum and Questions of Council may be on any matter except if it:
  - 104.3.1 is considered malicious, defamatory, indecent, abusive, offensive, irrelevant, trivial, or objectionable in language or substance;



- 104.3.2 relates to Council personnel matters;
  - 104.3.3 relates to the personal hardship of any resident or ratepayer;
  - 104.3.4 relates to commercially sensitive matters;
  - 104.3.5 relates to a matter declared to be confidential under section 77 of the *Act*; or
  - 104.3.6 relates to any other matter which the Council considers would prejudice the Council or any person.
- 104.4 Where the Chief Executive Officer does not accept a question, the submitter is to be informed, both verbally and in writing, of the reason or reasons for which their question was not accepted.
- 104.5 The Chair reserves the right to cease a submission as part of Open Forum if he or she deems the submission inappropriate.
- 104.6 Copies of all questions allowed by the Chief Executive Officer will be provided in writing to all Councillors.
- 104.7 A submission or question submitted in writing by a member of the public, which has been disallowed by the Chief Executive Officer will be provided to any Councillor on request.

## **OPEN FORUM**

### **105. Prior Notice Preferable**

- 105.1 It is preferable for any member of the public who wishes to be heard at Open Forum to give prior notice:
- 105.1.1 in written form;
  - 105.1.2 contain the name, address and email or contact telephone number of the person to be heard;
  - 105.1.3 in a form approved or permitted by the Council (Template available on Council's Website);
  - 105.1.4 in a letter to the Chief Executive Office, PO Box 138, Alexandra 3714; or
  - 105.1.5 in an email to [councilmeeting@murrindindi.vic.gov.au](mailto:councilmeeting@murrindindi.vic.gov.au); or
  - 105.1.6 hand delivery to the Council's Office at Alexandra, Yea or Kinglake.
- 105.2 It is preferable for any group or association that wishes to be heard at Open Forum to nominate a spokesperson for an issue upon which the group or association may wish to be heard.

**106. Open Forum Procedure**

- 106.1 The Chair will allocate a maximum of 5 minutes to each person who wishes to address Council.
- 106.2 The Chair or Chief Executive Officer will first invite any person who has given prior notice to present to Council.
- 106.3 The Chair or Chief Executive Officer will then invite members of the gallery who would like to present to Council.
- 106.4 The Chair or Chief Executive Officer have the discretion to alter the order of persons to be heard.
- 106.5 The person in addressing the Council:
  - 106.5.1 must confine their address to the 5 minute allocation of time;
  - 106.5.2 shall extend due courtesy and respect to the Council and the processes under which it operates; and
  - 106.5.3 shall take direction from the Chair whenever called upon to do.
- 106.6 There will be no discussion or debate with the attendees to Open Forum however Councillors may ask questions of clarification of the attendee.
- 106.7 Standing Orders do not need to be suspended to allow discussion for the purposes of clarification.

**107. Response**

- 107.1 Response to a submission or question raised during the submission in Open Forum may be provided immediately as part of the Open Forum time at the discretion of the Council.
- 107.2 The matter will be referred to the relevant General Manager for investigation and response if required.
- 107.3 Council officers will respond acknowledging the question and providing procedural advice and/or the response within 10 working days of the Ordinary Meeting of Council.

**QUESTIONS OF COUNCIL**

**108. Prior notice of Questions of Council**

- 108.1 Council must receive prior notice of Questions to be heard as part of Questions of Council time.
- 108.2 Questions must be received exactly as intended to be read.
- 108.3 Questions submitted to the Council must be:
  - 108.3.1 in written form;
  - 108.3.2 contain the name, address and email or contact telephone number of the person submitting the question;
  - 108.3.3 in a form approved or permitted by the Council (Template available on Council's website);
  - 108.3.4 addressed to the Chief Executive Officer; and

108.3.5 submitted no later than 4:00pm on the day prior to the next Ordinary Meeting by:

108.3.5.1 letter to the Chief Executive Office, PO Box 138, Alexandra 3714 (letter must be with Council by 4:00pm on the day prior to the Council meeting); or

108.3.5.2 email to [councilmeeting@murrindindi.vic.gov.au](mailto:councilmeeting@murrindindi.vic.gov.au); or

108.3.5.3 hand delivery to the Council's Office at Alexandra, Yea or Kinglake.

#### **109. Question Time Procedure**

- 109.1 The Chair or Chief Executive Officer will read each question submitted and accepted, unless denied under section 104.
- 109.2 The Chair or Councillor at the request of the Chair will provide a response to the question.
- 109.3 No question will be read unless the person who submitted the question is in the gallery at the time it is due to be read, or at the discretion of the Chair or Chief Executive Officer.
- 109.4 All questions and answers shall be as brief as possible, and no discussion shall be allowed other than at the Chair's discretion.
- 109.5 Standing Orders do not need to be suspended to allow discussion for the purposes of clarification.

#### **110. Response**

- 110.1 Following a question and response being heard, the matter will be referred to the relevant General Manager for investigation and response if required.
- 110.2 Council officers will respond acknowledging the question and providing procedural advice and/or the response within 10 working days of the Ordinary Meeting of Council.

### **Part 17- CONDUCT AND DISCIPLINE**

#### **111. Disorderly Expression or Objectionable Remark**

- 111.1 If a Councillor or an Officer uses any expression or remark that is disorderly or offensive to any other Councillor or Officer, the Chair must require the offending Councillor or Officer to withdraw the expression or remark and make a satisfactory apology to the Meeting.
- 111.2 A Councillor or Officer required to withdraw an expression or remark must do so immediately without qualification or explanation.

#### **112. Suspensions**

Council by resolution may suspend from a Meeting, and for the balance of the Meeting, any Councillor whose actions have disrupted the business of Council, and have impeded its orderly conduct.

**113. Gallery to be Silent**

Any person in the Public Gallery must not, during a Council Meeting, interject or take part in the debate and must preserve silence at all times other than where people are permitted to address the Meeting as provided elsewhere in this Local Law.

**114. Improper and Disorderly conduct**

If a person in the Public Gallery is called to order by the Chair and thereafter again acts in breach of this Local Law, the Chair may order him or her to leave.

**115. Removal from the Meeting**

The Chair, or Council in the case of a suspension, may ask any Authorised Officer or member of the Police Force to remove from the Meeting any person who acts in breach of this Local Law or whom the Chair has ordered to be removed from the Public Gallery under the provisions of this Local Law.

**116. Chair May Adjourn Disorderly Meeting**

If the Chair is of the opinion that disorder in the vicinity of the Meeting makes it desirable to adjourn the Meeting, he or she may adjourn the Meeting to a later time on the same day or to some later day as he or she thinks proper.

**Part 18 - SUSPENSION OF STANDING ORDERS**

**117. Suspension of Standing Orders**

- 117.1 The provisions of this Local Law may be suspended for a particular purpose by resolution of Council.
- 117.2 The suspension of such provisions (standing orders) may only be used to enable full discussion of any issue without the constraints of formal Meeting procedure.
- 117.3 The purpose of such suspension is to enable the formalities of Meeting procedure to be temporarily suspended while an issue is discussed.
- 117.4 Such suspension should not be used purely to dispense with the processes and protocol of the government of Council.
- 117.5 Once the discussion has taken place and before any motions can be put, standing orders must be resumed.

**118. No Motions may be accepted during Suspension of Standing Orders**

No motion may be accepted by the Chair or be lawfully dealt with during any suspension of standing orders.

## **Part 19 - SPECIAL COMMITTEES AND ADVISORY COMMITTEES**

### **119. Application Generally**

- 119.1 Except as provided in this Part, if Council establishes a Special Committee composed solely of Councillors, Parts 3 to 17 of this Local Law applies with any necessary modifications.
- 119.2 For the purposes of sub-clause (1), a reference in Parts 3 to 17 to:
  - 119.2.1 a Council Meeting is to be read as a reference to a Meeting of the Special Committee and /or Advisory Committee;
  - 119.2.2 a Councillor is to be read as a reference to a member of the Special Committee and /or Advisory Committee; and
  - 119.2.3 the Mayor is to be read as a reference to the Chair of the Special Committee and /or Advisory Committee.

### **120. Application Specifically**

- 120.1 Where the Council establishes a Special Committee or an Advisory Committee:
  - 120.1.1 the Council may issue written guidelines to that Committee which determine that any provision(s) of Parts A - C is or are (as appropriate) not to apply; or
  - 120.1.2 the Special Committee or Advisory Committee may, with the approval of the Council resolve that any provision(s) of Parts A - C is or are (as appropriate) not to apply, whereupon to the extent permissible under law, the provision(s) shall not apply until the Council resolves, or the Special Committee or Advisory Committee, with the approval of the Council resolves, otherwise.

## **Part 20- ASSEMBLIES OF COUNCILLORS**

### **121. When Constituted**

*As per the Local Government Act, Section 80A – (Requirements to be observed by an Assembly of Councillors) states:*

- 121.1 At an Assembly of Councillors, the Chief Executive Officer must ensure that a written record is kept of:
  - 121.1.1 The names of all Councillors and members of Council staff attending;
  - 121.1.2 The matters considered; and
  - 121.1.3 Any conflict of interest disclosures made by a Councillor attending.
- 121.2 The Chief Executive Officer must ensure that the written record of an Assembly of Councillors is as soon as practicable:
  - 121.2.1 reported at an ordinary meeting of the Council; and
  - 121.2.2 incorporated in the minutes of that Council meeting.

**122. Action Required**

- 122.1 Any Councillor participating in an assembly of councillors must determine whether they have a conflict of interest in any matter being discussed at that assembly and if so:
  - 122.1.1 disclose that conflict of interest in the manner required by the *Act*;
  - 122.1.2 leave the assembly while a matter is being considered, if he or she knows that the particular matter is one that if it was to be considered and decided by Council [s.80A(3)];
  - 122.1.3 A Councillor must disclose the conflict of interest either immediately before the matter is considered, or where the Councillor realises he or she has a conflict of interest after consideration of the matter has begun, as soon as the Councillor becomes aware he or she has a conflict of interest [s.80A(4)].
- 122.2 The Chief Executive Officer must make written records of all assemblies of Councillors and ensure that these written records are maintained and made available to the public, as specified in the *Act*.

**Part 21 - COMMON SEAL**

**123. Council's Common Seal**

- 123.1 The common seal is the corporate signature of Council, and exists in the form of a stamp.
- 123.2 It evidences Council's corporate will, and authenticates decisions taken and acts performed by Council.
- 123.3 The Chief Executive Officer must ensure the security of the Council's common seal at all times.

**124. Use of the Common seal**

- 124.1 The common seal must be affixed to a document only for the purpose of giving effect to a decision which has been:
  - 124.1.1 Made by Council resolution;
  - 124.1.2 Made by resolution of a Special Committee to which power to use the common seal has been delegated; or
  - 124.1.3 Made by the Chief Executive Officer or a General Manager under delegation.
- 124.2 The common seal must have in it the words "Murrindindi Shire Council".
- 124.3 Every document to which the common seal is affixed must be signed by the Chief Executive Officer and a Councillor.
- 124.4 Where Council authorises the Common Seal to be affixed to any document, the Chief Executive Officer must ensure that a Common Seal register is maintained which records each time the Common Seal is affixed to a document and:
  - 124.4.1 A description of the document to which the seal was affixed;
  - 124.4.2 The date on which the Common Seal was affixed; and



124.4.3 The date of the authorising Council resolution or “Sealed under Delegation”.

124.5 Any person who uses the common seal or any device resembling the common seal other than in accordance Part 19 is guilty of an offence.

## **Part 22 - ENFORCEMENT AND PENALTIES**

### **125. Offences under this Local Law**

125.1 It is an **offence**:

125.1.1 For a Councillor to not withdraw an expression or remark considered by the Chair to be offensive or disorderly and to not satisfactorily apologise when called upon twice by the Chair to do so.

**PENALTY: 20 Penalty Units**

125.2 For any person, not being a Councillor, who is guilty of any improper or disorderly conduct to not leave the Council Chamber when requested by the Chair to do so.

**PENALTY: 20 Penalty Units**

125.3 any person to fail to obey a direction of the Chair in relation to the conduct of the Meeting and the maintenance of order.

**PENALTY: 20 Penalty Units**

125.4 any person to append to a petition a signature purporting to be that of any other person or in the name of any other person.

**PENALTY: 10 Penalty Units**

125.5 Is a Councillor to fail or refuse to leave the Council Chamber after being suspended from a Meeting.

**PENALTY: 20 Penalty Units**

125.6 Any person Uses the Council's Common Seal without authority; or

**PENALTY: 20 Penalty Units**

125.7 Uses any replica of the Council's Common Seal without authority.

**PENALTY: 20 Penalty Units**

### **126. Infringement Notice**

126.1 As an alternative to prosecution, an Authorised Officer may, in accordance with *section 117 of the Act* and the provisions of the *Infringements Act 2006*, issue an infringement notice or Official Warning on a person who in the opinion of the Authorised Officer has contravened this Local Law.

126.2 An Authorised Officer may issue an infringement notice.

126.3 Where an authorised officer is not present at the commitment of any offence under this Local Law, the Chief Executive Officer may direct the issuance of an infringement notice for that offence.

**127. *Payment of Penalty***

- 127.1 A person issued with an infringement notice may pay the penalty indicated to the Chief Executive Officer, Murrindindi Shire Council, Perkins Street, Alexandra 3714.
- 127.2 To avoid prosecution, the penalty indicated must be paid within 28 days after the day on which the infringement notice is issued.
- 127.3 A person issued with an infringement notice is entitled to disregard the notice and defend the prosecution in court.



Resolution for making this Local Law was agreed to by the Murrindindi Shire **Council** on ..... and

**THE COMMON SEAL** of the )  
**MURRINDINDI SHIRE COUNCIL** was )  
hereunto affixed in the presence of: )  
)

"I certify that this is a true copy of the Governance Local Law 2 made by the Murrindindi Shire Council on ..... in accordance with the requirements of the *Local Government Act 1989*.

The notices required to be given by Section 119(2) of the Act appeared in the Government Gazette on ..... and in the Alexandra Standard and Yea Chronicle on .....

The notices required to be given by Section 119(3) of that Act were given in the Government Gazette No. G31 on ..... at page ..... and in the Alexandra Standard and Yea Chronicle on ....., the Marysville Triangle on .....

A copy of the Local Law was sent to the Minister for Local Government in a letter dated .....

The Local Law commenced operation on ..... and will expire on ..... unless revoked earlier.

SIGNED CEO

Certification Under National Competition Policy

Maddocks, Lawyers, for the Murrindindi Shire Council, have certified in correspondence dated ..... that, "In our view, the Local Law does not restrict competition, complies with 'Legislative Review Principle' of National Competition Policy and does not engage clause 2(j) of Schedule 8 to the *Local Government Act 1989*".

## Kinglake Community Centre Advisory Committee

|                             |                             |
|-----------------------------|-----------------------------|
| <b>Type:</b>                | <b>Terms of Reference</b>   |
| <b>Adopted:</b>             |                             |
| <b>Last Review Date:</b>    | N/A                         |
| <b>Next Review Date:</b>    | 2016                        |
| <b>Responsible Officer:</b> | Coordinator Governance      |
| <b>Department:</b>          | Governance                  |
| <b>File No:</b>             | SF/1779                     |
| <b>Attachments:</b>         | Conflict of Interest Policy |

### 1. Background

The Kinglake Community Centre Advisory Committee ('the Committee') was established in 2014 as an advisory committee to Murrindindi Shire Council to provide advice on the use, promotion and management of the Kinglake Community Centre. It comprises representatives from the local community and the main user groups.

### 2. Objective

The Committee provides a formal mechanism for Council to consult with key stakeholders, seek advice and enable community input into the use and management of the Kinglake Community Centre.

The key role of the Committee is to provide advice on the following:

- Opportunities to attract and grow utilisation of the Centre and facilities;
- Standards of general maintenance and upkeep of the Centre;
- Relevant Council policies and procedures including but not limited to operational matters and fee structure;
- Promotion of the Centre for local and visiting users / groups/ events;
- Grant opportunities for the Centre use, equipment and events;
- Fundraising initiatives for the Centre;
- Economic sustainability of the Centre; and
- Any other matters pertaining to the use, promotion and management of the Centre

### 3. Definitions

| Reference Term            | Definition  |
|---------------------------|---|
| Kinglake Community Centre | The Kinglake Community Centre located on Extons Road in Kinglake. Includes the Stadium and adjoining meeting rooms. |
|                           |   |
|                           |   |

### 4. Membership

The Committee has a core membership of:

- A Councillor representative (non-voting)
- One Kinglake Basketball Association representative
- One Kinglake senior Citizens Club representative
- One Kinglake Craft Guild representative
- One Kinglake Netball Association representative
- One Community representative

Responsible Officer: Coordinator Governance

"[Insert Date Approved / Adopted]"

Council will appoint the community representative position following a public expression of interest process. Nominations for the user group representative positions must also be formally appointed by Council and Council may, at its discretion; decline to appoint any person nominated.

Membership of the Committee will be for two years. Any vacant positions during this term will be publicly advertised or nomination sought from the user groups. Members of the Committee will be able to re-nominate after the term expires.

## **5. Committee Quorum**

A quorum for the Committee comprises a minimum of three representatives.

## **6. Expression of Interest and Selection Process**

The Council will call for written expressions of interest from members of the community to fill the community representative position. Expressions of Interest will be assessed sought from people who can demonstrate one or more of the following selection criteria:

- (a) Must be residents and/or work within the Murrindindi Shire
- (b) Demonstrated understanding of the community significance of the Kinglake Community Centre
- (c) The ability to access networks and stakeholder groups within the community
- (d) Experience sitting on a community-based committee

A selection panel consisting of the Mayor, the Councillor representative on the Committee and the General Manager Corporate and Community Services will undertake the assessment of submissions, interview applicants (at its discretion) and make recommendations to Council for final endorsement.

Whilst selection will be based on merit, the panel will attempt to ensure a wide representation from across the local community.

User group representatives must be nominated by their respective user group through an election process. Representatives must be elected on the basis that they are an active member of the user group and have a strong understanding of the requirements and operations of the user group.

## **7. Co-opted members**

The Committee may invite suitably skilled persons to take part in meetings for a specified purpose and for a specified period of time. Co-opted members are not entitled to vote.

Council Officers may attend meetings from time to time or at the request of the Committee.

## **8. Members Responsibilities**

In order to fulfil the Committee's objectives, members are expected to:

- (a) Prepare for and actively participate in regular committee meetings;
- (b) Be aware of the activities, interests and concerns surrounding the use of the Kinglake Community Centre;
- (c) Have an understanding of the local communities needs and desires for the use of the Kinglake Community Centre;
- (d) Be a conduit between user groups and Council;
- (e) Be proactive and cooperative in working with Council to manage and maintain the Kinglake Community Centre.

## **9. Reporting Procedures**

The Kinglake Community Centre Advisory Committee is a committee established by Council and therefore reports and recommendations must seek the endorsement of Council before being acted upon.

Minutes of meetings must be submitted to Council and are to be tabled as part of the agenda of an ordinary meeting of Council at the discretion of the Chief Executive Officer (in line with Governance Local law 2, 2014).

## **10. Management of the Committee**

### **(a) The Chairperson**

The Chairperson will be appointed by the Committee annually.

The main responsibilities of the Chairperson are:

- To provide co-ordination, guidance and leadership to ensure the successful functioning of the Committee
- To represent the Committee in the public domain
- To ensure the administrative and other tasks from meetings are carried out
- To chair all meetings of the Committee.
- To act as the liaison person between the Committee and the Council.

The Chairperson has the casting vote where necessary.

### **(b) Meetings**

Meetings shall be scheduled at the discretion of the Committee, but not less than every two months.

### **(c) Administrative support**

The committee will be supported by a Council Officer responsible for preparation of meeting agendas, minutes, reports and other administrative functions.

## **11. Conflict of Interest**

Members of the Committee are considered to be members of Council as per Council's Conflict of Interest Policy (Attachment 1).

If a member has a conflict of interest with a matter that is to be, or is likely to be, discussed at a Committee meeting, the member must:

- (a) disclose the nature of the conflict of interest immediately before the discussion; or
- (b) if not intending to be present at the meeting, disclose the nature of the conflict of interest to the Chairperson or Council Officer.

While any discussion or vote is taken relating to the matter, the member must:

- (a) leave the room and notify the Chairperson that they are doing so; and
- (b) remain outside of view or hearing of the meeting.

After the discussion, the Chairperson must notify the member that they may return to the room.

The declaration and nature of the conflict of interest must be recorded in the minutes of the meeting.

**12. Public Statements**

Members of the Committee cannot make public statements on behalf of Council as an independent group without prior approval of the Chief Executive Officer.

**10. Review**

The Kinglake Community Centre Advisory Committee Terms of Reference will be reviewed every two years prior to the expiry of the membership term.

**Terms of Reference Review**

| <b>Date Approved</b> | <b>Approved By</b> | <b>Review Information</b> |
|----------------------|--------------------|---------------------------|
|                      |                    |                           |
|                      |                    |                           |
|                      |                    |                           |



## **Murrindindi Shire Council Budget Report – 2014/2015**

This Budget Report has been prepared with reference to The Institute of Chartered Accountants "Victorian City Council Model Budget 2014/2015" a best practice guide for reporting local government budgets in Victoria.



**The Institute of  
Chartered Accountants  
in Australia**

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## Mayor's introduction

It gives me great pleasure to present this Budget to the community of the Murrindindi Shire.

We will increase rates by 6.0 percent in the 2014-2015 financial year.

This increase has been kept in line with the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year, despite a number of significant budget impacts including the levy payable to the Victorian Government upon disposal of waste into landfill, reduction in Victorian Grants Commission funding and increases in the cost of insurances that Council undertakes for the numerous community assets under its control. This level allows us to maintain existing service levels and continue to allocate additional funds to renew the Shire's infrastructure.

Whilst Council is pleased to be able to present a Budget for the 2014-2015 financial year that is in line with the projections previously detailed in the 2013-2017 Strategic Resource Plan, the longer term financial sustainability challenges that were detailed last year remain an ongoing issue for the Council.

The population and number of rateable properties in Murrindindi Shire have still not recovered to levels prior to those of the tragic events of the 2009 Bushfires. Furthermore, the additional maintenance, operational, depreciation and insurances costs of the new and enhanced assets received through funding from the Victorian Bushfire Appeal and through Victorian Bushfire Reconstruction & Recovery Authority continues to have a significant impact on the long term financial sustainability of Council.

As detailed in the 2013-2017 Council Plan, Murrindindi Shire Council has been seeking State Government financial assistance to help meet the substantial annual costs of **\$1.8 million** related to these assets, since the completion of the Services Review of 2012 was achieved by Council in an effort to maximise efficiency and minimise costs to ratepayers.

Unfortunately, a commitment by the State Government has not yet been made to Council despite repeated submissions regarding the burden of these costs that have been placed on the Murrindindi Shire following the most devastating natural disaster in our country's history.

In the interests of financial responsibility and responsible forward planning, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address the long term financial sustainability. Council will also need to review the timeframes for upgrading and renewing our existing infrastructure as well as reviewing the capital works program.

For 2014-2015, the Budget has identified total operating expenditure of **\$30.93 million** against forecast revenue of **\$30.65 million**, which will generate an operating deficit of **\$0.28 million**. However, the underlying result, which is adjusted for the deduction of capital grants and contributions and provides a clearer indicator of the longer term financial sustainability of Council, shows a deficit of **\$2.85 million**.

The total Capital Works program will be \$9.578 million, of which \$2.413 million relates to projects carried over from the 2013-2014 year.

Main features of the Capital Works program include:

- Roads and footpaths (\$2.81 million) – including reconstructions, roads to recovery projects, resheeting and footpaths.
- Bridges (\$1.79 million) – including major renewal and upgrade of the Ghin Ghin Bridge
- Buildings and community facilities (\$3.37 million) – including renewal of a large number of community facilities, halls, pools and public toilets.



- Plant and equipment (\$1.57 million) – including information technology, library materials and scheduled replacement of Council's fleet and major machinery.

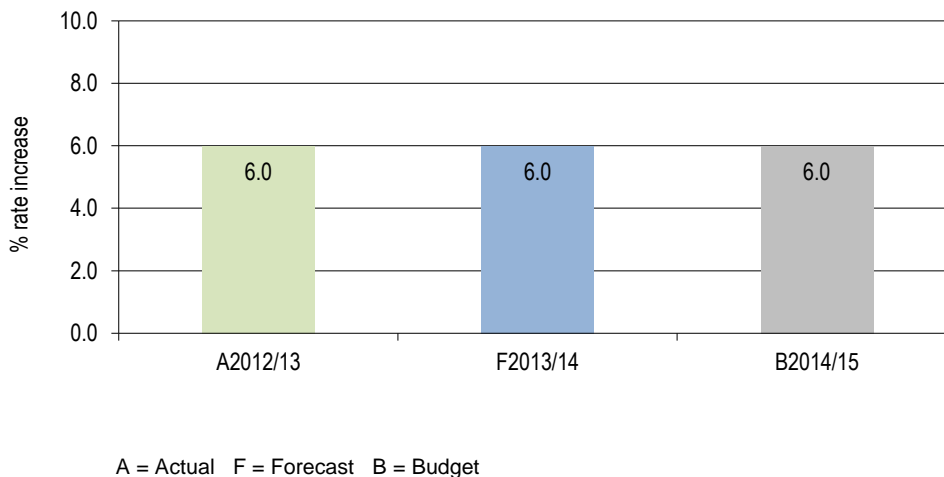
This budget was developed through a rigorous process of internal consultation and review and Council endorses it as financially responsible.

**Cr Margaret Rae**  
**Mayor**

## Chief Executive Officer's summary

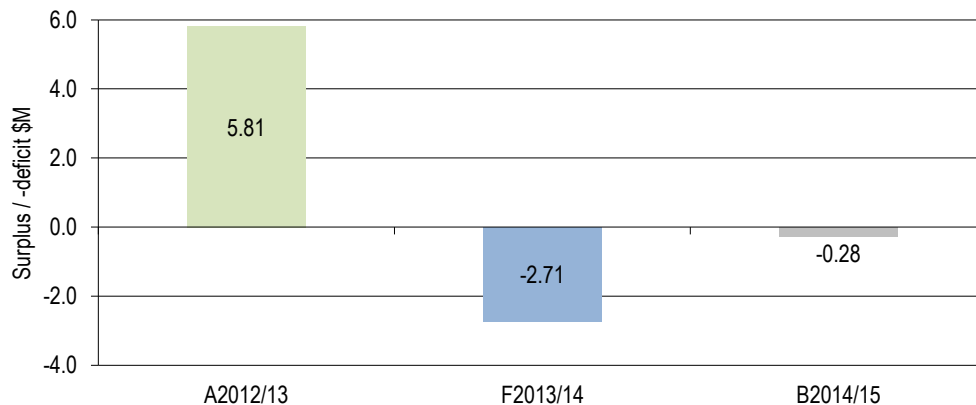
Murrindindi Shire Council has prepared a Budget for the 2014/15 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

### 1. Rates



It is proposed that general rates increase by 6.0% for the 2014/15 year, raising total rates of \$16.72 million, including \$0.13 million generated from supplementary rates. This rate increase is in line with the level foreshadowed in Council's Strategic Resource Plan (SRP).

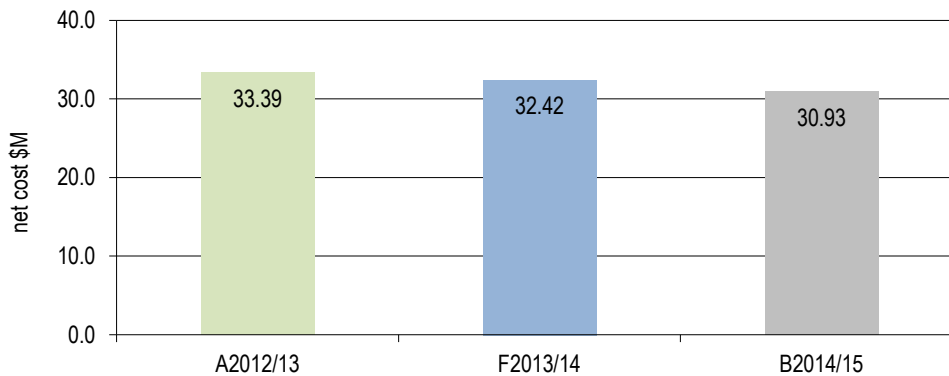
### 2. Operating result



The expected operating result for the 2014/15 year is a deficit of \$0.28 million, which is an improvement of \$2.43 million over the current forecast for 2013/14. The adjusted underlying result, which excludes items such as non-recurrent capital grants is a deficit of \$2.85 million, which is an improvement of \$3.51 million over the 2013/14 forecast - refer to section 7 of the Chief Executive Officer's summary for further information.

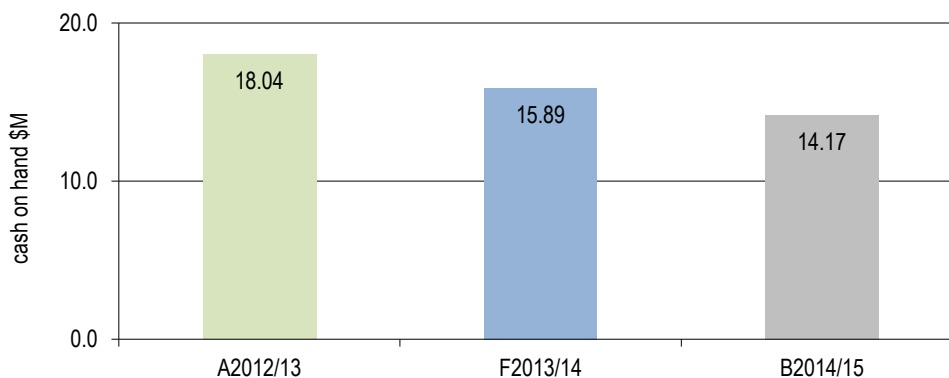
The deficit has arisen due to the costs associated with capital work that were extended from 2013/14 into 2014/15. It is worth noting that the budget 2014/15 deficit of \$0.28 million is an improvement on the \$1.63 million deficit that was forecast in last year's Strategic Resource Plan (SRP).

### 3. Services



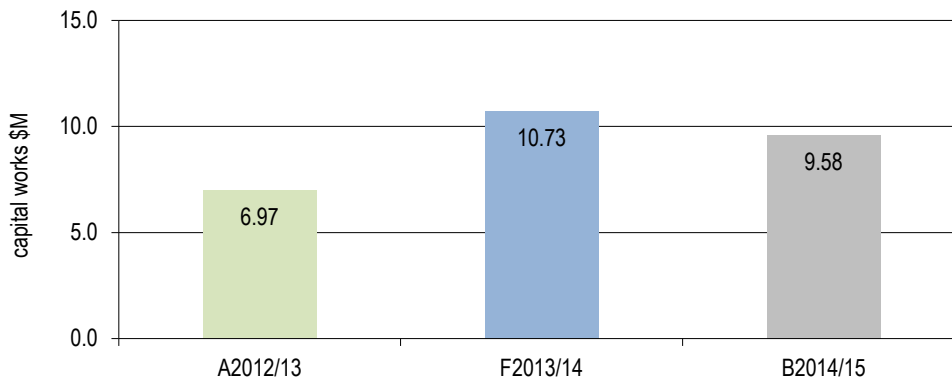
The cost of services delivered to the community for the 2014/15 year is expected to be \$30.93 million which is a decrease of \$1.49 million over 2013/14. A key influencing factor in the development of the 2014/15 budget has been Council's efforts to include the results of the Services Review that was conducted in 2012/13. For the 2014/15 year, service levels have been maintained and a number of initiatives proposed, in addition to Council reviewing the costs and affordability of managing the renewal of its assets.

### 4. Cash and investments



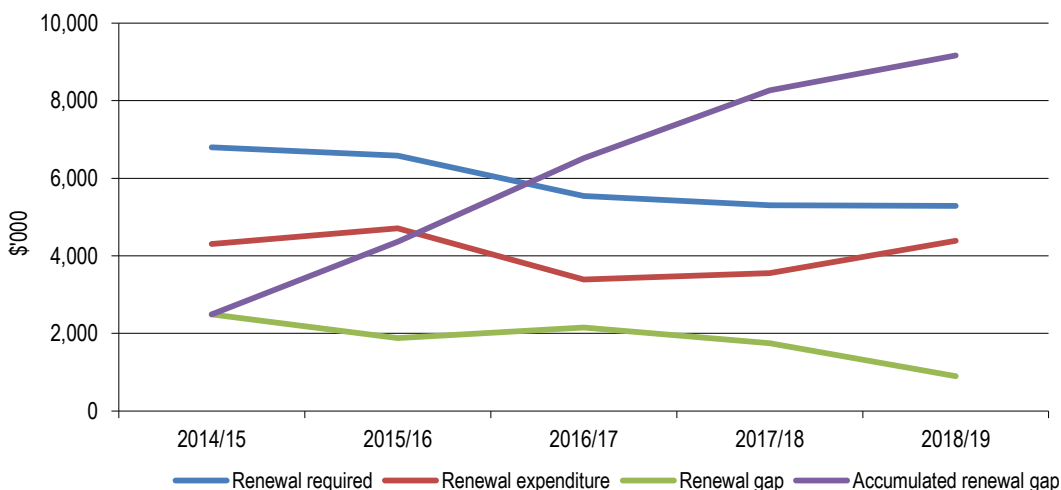
Cash and investments are expected to decrease by \$1.72 million during the year to \$14.17 million by 30 June 2015. This is due mainly to the \$2.0million required for Council to complete the elements of the 2013/14 capital works program that are now due to be finished in 2014/15. The reduction in cash and investments is in line with Council's Strategic Resource Plan (SRP) and further highlights Council's challenge to grow its cash reserves in order to fund future renewal of Council assets to bridge the asset renewal gap which is estimated to grow by more than \$20.0 million over the life of the long term financial plan. Without further financial assistance, Council's cash availability will continue to decline in the coming years.

## 5. Capital works

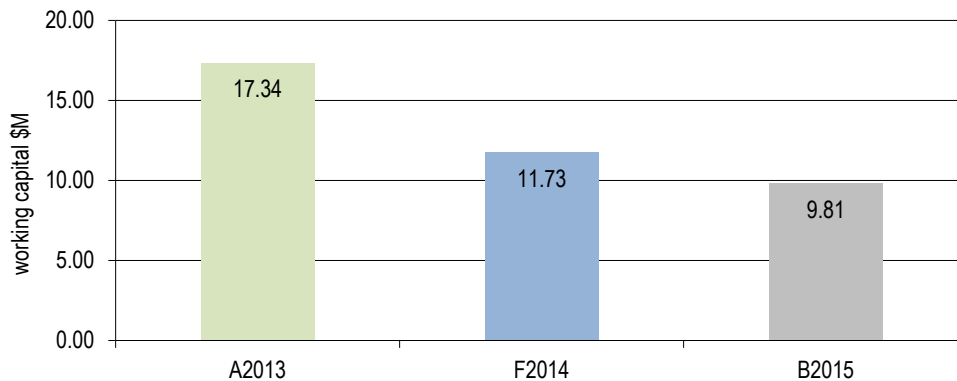


The capital works program for the 2014/15 year is expected to be \$9.58 million of which \$2.41 million relates to projects which will be carried forward from the 2013/14 year. Of the \$9.58 million of capital funding required, \$4.12 million will come from external grants, \$0.5 million from Council borrowings, with the balance of \$4.96 million from Council cash. The Council cash is calculated from cash held at the start of the year (\$15.89 million) and operating cash generated through operations in the 2014/15 financial year (\$7.58 million). The capital expenditure program has been set and prioritised based on a rigorous process of review that has enabled Council to assess needs and condition of current Council assets and facilities.

The graph below sets out the required and actual asset renewal over the life of the current Strategic Resource Plan (SRP) and the renewal gap.

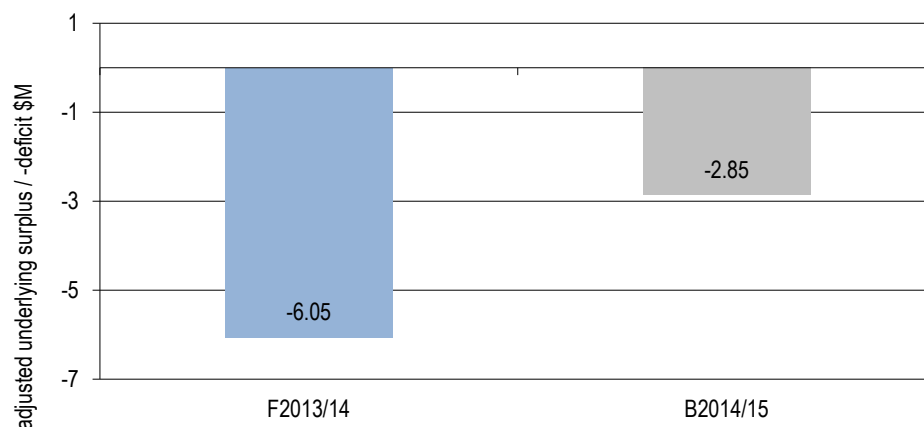


## 6. Working Capital



Working capital is an accounting measure of the net current assets available to fund Council operations. The working capital position of Council is expected to decline in 2014/15 as Council seeks to utilise its cash reserves to assist in funding the capital works program.

## 7. Financial sustainability



The adjusted underlying result is the net surplus or deficit for the year achieved by Council. This value represents the standard operating result which is then adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources.

The 2014/15 Budget shows a \$3.20 million improvement in the adjusted underlying result of Council, although a \$2.85 million deficit is still anticipated to be recorded for the 2014/15. A high level Strategic Resource Plan for the years 2014/15 to 2017/18 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The Strategic Resource Plan (SRP) also assists in highlighting the renewal gap that exists in Council's longer term capital works program and forms the basis of Council's request of State Government for further financial assistance with regards to the costs associated with the new and gifted assets received since the 2009 bushfires.

In the absence of further financial assistance, it will be necessary for Council in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. These options may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address Council's long term financial sustainability. Council will also need to review its timeframe for upgrading and renewing its existing infrastructure as well as reviewing the capital works program. All of these options will need to be considered and discussed with the community as Council attempts to balance its long term financial sustainability with the continued provision of services to the community.

This budget has been developed through a rigorous process of review and management endorses it as financially responsible. More detailed information is available throughout this budget.

**Margaret Abbey**  
**Chief Executive Officer**

## **Budget processes**

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2014/15 budget, is for the year 1 July 2014 to 30 June 2015. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2015 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, officers firstly review and update Council's long term financial projections. Financial projections for ten years are ultimately included in Council's Strategic Resource Plan, which is the key medium term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with officers preparing the operating and capital components of the annual budget during January and February. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 28 days public notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

The requirement is for Council to adopt the budget prior to 31 August and submit a copy to the Minister for Local Government within 28 days after adoption. Council's timeline for the budget process is summarised below:

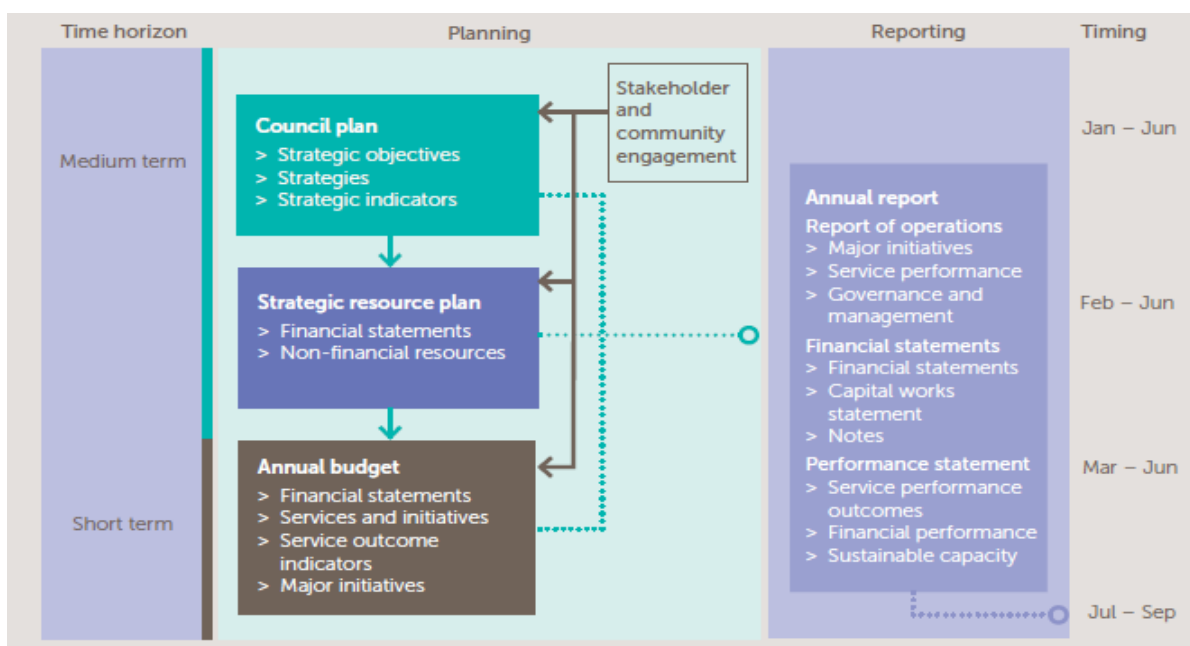
| <b>Budget process</b>  | <b>Timing</b> |
|--|---------------|
| 1. Officers update Council's long term financial projections | Dec/Jan       |
| 2. Officers prepare operating and capital budgets            | Jan/Feb       |
| 3. Councillors consider draft budgets at informal briefings  | Mar/Apr       |
| 4. Proposed budget submitted to Council for approval         | 30-Apr        |
| 5. Public notice advising intention to adopt budget          | 08-May        |
| 6. Budget available for public inspection and comment        | 06-May        |
| 7. Public submission process undertaken                      | May/Jun       |
| 8. Submissions period closes (28 days)                       | 06-Jun        |
| 9. Submissions considered by Council/Committee               | 11-Jun        |
| 10. Budget and submissions presented to Council for adoption | 25-Jun        |
| 11. Copy of adopted budget submitted to the Minister         | 30-Jun        |
| 12. Revised budget where a material change has arisen        | Sep-Jun       |

## 1. Linkage to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (Vision 2030), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

### 1.1 Planning and accountability framework

The Strategic Resource Plan, included in the Council Plan, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget 2014/15 is then framed within the Strategic Resource Plan, taking into account the services and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to Council.



Source: Department of Transport, Planning and Local Infrastructure

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

### 1.2 Our purpose

#### Our vision

Murrindindi Shire will be vibrant and progressive through strong connected communities within a healthy and attractive environment.



## Our values

Murrindindi Shire Council's values drive behaviour throughout the Council and are reflected in working relationships between Councillors, the organisation and the external environment including the community. The values underpin the way we work as an organisation and the way we want the community to perceive us as an organisation. Murrindindi's values are:

- **Integrity** - We will be respectful, open and truthful in our dealings. Council will strive to be valued and trusted by the Murrindindi community.
- **Accountability** - We will accept responsibility for our actions and be consistent in the application of our principles, policies and processes.
- **Innovation** - We will consider new ideas, opportunities and better ways of doing things. Council will constantly seek opportunities to look for new, more efficient and effective ways of providing its services.
- **Respect** - We will respect other people and their opinions and do as we say we will.
- **Service Excellence** - We will ensure that Council services meet quality, cost and efficiency standards; are responsive to need; accessible to members of the community for whom the service is intended; and demonstrate continuous improvement.

## 1.3 Strategic objectives

Council delivers activities and initiatives under 34 major service categories. Each contributes to the achievement of one of the four Goals and relevant Strategic Objectives as set out in the Council Plan for the 2013-17 years. The following table summarises the four Goals and their Strategic Objectives as described in the Council Plan.

| Strategic Objective | Description   |
|---------------------|---|
| 1. Our Community    | Our goal is to create vibrant, interconnected and inclusive communities. Murrindindi Vision 2030 supports a strong sense of pride and belonging across the shire. From arts programs, improved footpaths, on-going support of fire affected communities and new and upgraded recreational facilities we aim to put the pieces in place for healthy and active communities. We will achieve this vision through strong support programs and robust policy decisions.   |
| 2. Our Environment  | Council will continue to look for ways to protect significant environmental values along with balancing the need to develop and manage our built environment. This will be achieved through leadership and cooperation with other agencies and community networks. Our Council will be recognised for its environmental practices as we look to balance our natural surrounds with our need to grow. We aim to achieve communities that are sustainable in the use of natural resources while developing planning policies that embrace and protect our rural landscapes.   |
| 3. Our Economy      | A vibrant economy will attract people to our region and in turn will open further opportunities for business expansion and investment. This will increase employment prospects, social and cultural benefits and population growth. A key focus of our activities will be the further development and enhancement of educational and training options across the shire. While our attention will continue to be focused on a vibrant tourism and agricultural-based economy, we need to also advocate for improved telecommunications networks that will encourage diverse and entrepreneurial businesses opportunities to establish. |

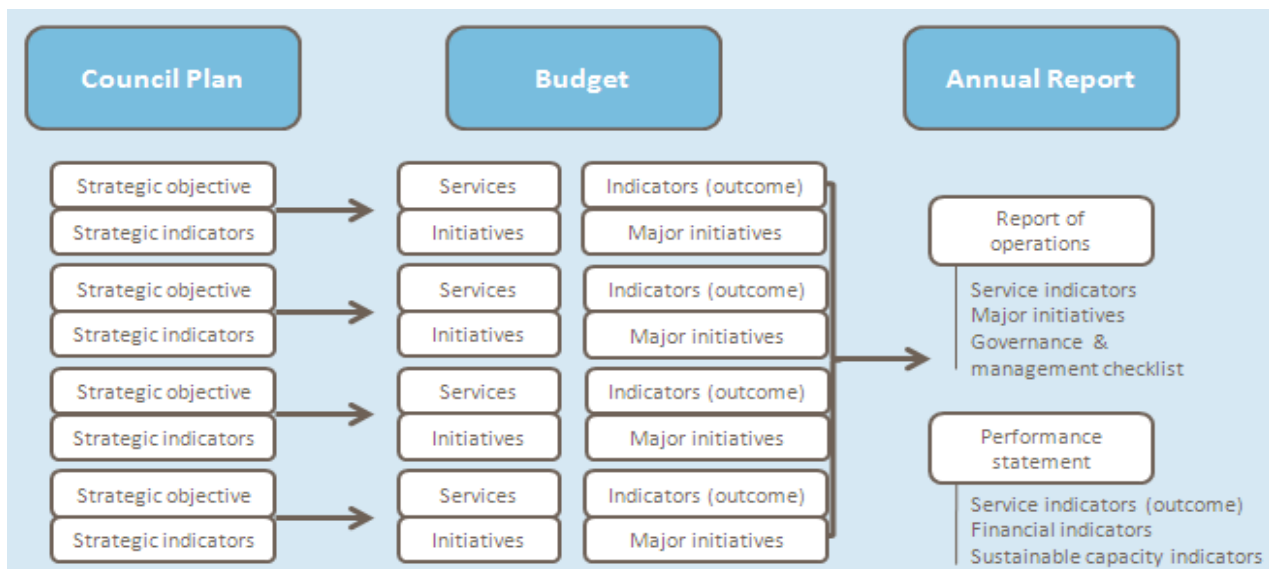
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|                |   |
|----------------|---|
| 4. Our Council | By ensuring our long term financial sustainability, Council's priorities will be directed towards the implementation of the Murrindindi Vision 2030. Achieving the outcomes of this community-driven vision will be our strong advocacy to all levels of government on local needs and issues, the implementation of a master plan to grow the Murrindindi rate base through sound planning and support for economic development and the effective and efficient operation of the Council. By achieving this Murrindindi Shire will be a place of prosperity and opportunity. |
|----------------|---|

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## 2. Activities, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2014/15 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of initiatives, major initiatives and service performance indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan, along with the link to reporting in the Annual Report, is shown below.



Source: Department of Transport, Planning and Local Infrastructure

### 2.1 Strategic Objective 1: OUR COMMUNITY

We will support and promote health and well being, social connectedness and community involvement.

#### Services

| Business area              | Description of services provided   | Expenditure<br>(Revenue)<br>Net Cost<br>\$'000 |
|----------------------------|--|--|
| Aged & Disability Services | This Unit provides a range of services for the aged and people with disabilities including delivered and group meals, domestic support, personal care, social activities and outings, home maintenance and senior citizens clubs.  | 2,200<br>-1,877<br><b>323</b>                  |
| Children & Family Services | This Unit provides family orientated support services including Maternal and Child Health, home and centre based childcare and youth support.  | 1,134<br>-685<br><b>449</b>                    |
| Library Services           | This Unit provides Libraries in Alexandra, Yea and Kinglake and the mobile library visits Marysville, Buxton, Eildon, Flowerdale and Strath Creek. The service caters for cultural, recreational and educational needs of residents and provides a focal point for the community to meet, relax and enjoy the facilities and services offered. | 490<br>-142<br><b>348</b>                      |
| Recreation Services        | This Unit provides strategic planning to inform the development of recreation services and infrastructure and coordinates council services including recreation facilities, swimming pools, the mobile skate ramp, and   | 2050<br>-121                                   |

including recreation facilities, swimming pools, the mobile skate ramp, and all recreation responsibilities within the Municipality.

1,929

#### Service Performance Outcome Indicators

| Service                   | Indicator     | Performance Measure   |
|---------------------------|---------------|---|
| Home and Community Care   | Participation | Participation in HACC service<br>(Percentage of the municipal target population that receive a HACC service)<br><br>Participation in HACC service by CALD people<br>(Percentage of the municipal target population in relation to CALD people that receive a HACC service)              |
| Maternal and Child Health | Participation | Participation in MCH key ages and stages visits<br>(Percentage of children attending the MCH key ages and stages visits)<br><br>Participation in MCH key ages and stages visits by Aboriginal children (Percentage of Aboriginal children attending the MCH key ages and stages visits) |
| Libraries                 | Participation | Active library members<br>(Percentage of the municipal population that are active library members)  |
| Pool Facilities           | Utilisation   | Utilisation of pool facilities<br>(The number of visits to pool facilities per head of municipal population)  |

## 2.2 Strategic Objective 2: OUR ENVIRONMENT

We will manage our natural and built environment in a responsible manner.

### Services

| Business area             | Description of services provided  | Expenditure<br>(Revenue)                |
|---------------------------|---|---|
|                           |   | Net Cost<br>\$'000                      |
| Environmental Management  | Manage the overall impact of council's impact on the environment including roadside biodiversity and weed mapping and pest, plant and animal programs.  | 270<br><u>-42</u><br><b>228</b>         |
| Waste Management Services | Provides kerb side rubbish and recycling collection, management of refuse recovery centres at Alexandra, Yea, Eildon Kinglake and Marysville and a landfill in Alexandra. The service also provides educational programs aimed at reducing the generation of waste. Any surplus from these operations is allocated to a reserve for future waste management works.  | 2,817<br><u>-3,307</u><br><b>-490</b>   |
| Building Control          | Provides statutory building services to the council and community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.   | 376<br><u>-239</u><br><b>137</b>        |
| Local Laws                | Facilitates a safer community through the provision of school crossing supervision, traffic management, domestic animal management, regulation and enforcement of local laws and community fire prevention.   | 334<br><u>-141</u><br><b>193</b>        |
| Development Approvals     | Processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal ("VCAT") where necessary. The service also monitors the Murrindindi Planning Scheme as well as preparing major policy documents shaping the future of the shire. It also prepares and processes amendments to the Murrindindi Planning Scheme. | 729<br><u>-226</u><br><b>503</b>        |
| Environmental Health      | Protects the community's health and well being by coordinating food safety support programs and immunisation.   | 220<br><u>-143</u><br><b>77</b>         |
| Infrastructure Works      | Council has a vast network of infrastructure assets including buildings, quarries, roads, bridges, drains, and footpaths. This expenditure provides for ongoing maintenance of Council's infrastructure assets.   | 12,875<br><u>-5,324</u><br><b>7,551</b> |
| Parks & Gardens           | Provide planning, development and maintenance to our public open space, road reserves and parks.  | 1,035<br><u>0</u><br><b>1,035</b>       |
| Emergency Services        | Funding of Council's emergency services obligations   | 212<br><u>-39</u><br><b>173</b>         |

**Service Performance Outcome Indicators**

| <b>Service</b>     | <b>Indicator</b>  | <b>Performance Measure</b>  |
|--------------------|-------------------|---|
| Statutory planning | Decision making   | Council planning decisions upheld at VCAT<br>(Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)     |
| Waste collection   | Waste diversion   | Kerbside collection waste diverted from landfill<br>(Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill) |
| Roads              | Satisfaction      | Satisfaction with sealed local roads<br>(Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)                |
| Animal Management  | Health and safety | Animal management prosecutions<br>(Number of successful animal management prosecutions)   |
| Food safety        | Health and safety | Critical and major non-compliance notifications<br>(Percentage of critical and major non-compliance notifications that are followed up by Council)                      |

## 2.3 Strategic Objective 3: OUR ECONOMY

We will support the sustainable growth of Murrindindi's businesses and the local economy.

### Services

| Business area        | Description of services provided   | Expenditure<br>(Revenue)<br>Net Cost<br>\$'000 |
|----------------------|--|--|
| Tourism              | Provides a framework for shire wide and cross council co-operation in visitor information services and destination marketing to maximise visitor numbers and economic yield. | 331<br>-104<br><b>227</b>                      |
| Economic Development | This Unit assists business investment and growth and facilitates opportunities for local residents to improve their education and skill levels and access local employment.  | 559<br>-229<br><b>330</b>                      |
| Saleyards            | This area covers the management and operations of the Yea Saleyards.   | 209<br>-338<br><b>-129</b>                     |

### Service Performance Outcome Indicators

| Service              | Indicator         | Performance Measure  |
|----------------------|-------------------|--|
| Economic Development | Economic activity | Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality) |

## 2.4 Strategic Objective 4: OUR COUNCIL

We will provide strategic leadership and effective governance that supports the aspirations of our community.

### Services

| Business area                      | Description of services provided   | Expenditure<br>(Revenue)<br>Net Cost<br>\$'000 |
|------------------------------------|--|--|
| Councillors                        | This includes the cost of Council elections, Council chambers, Mayor and Councillors' expenses and civic events.   | 355<br>0<br><b>355</b>                         |
| Chief Executive and Executive Team | This area includes Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas. Income relates to Victorian Grants Commission Annual Grant.   | 960<br>-2,723<br><b>-1,763</b>                 |
| Communications and Publications    | Communications and publications include a regular Mayor's Chair and Councillor Comment to keep residents informed of Council activities and what's happening across the shire. Regular radio spots are maintained and newsletters issued as well as annual reports and strategy documents. | 316<br>-4<br><b>312</b>                        |
| Community Service Administration   | This includes general administration and the administration of Council's community properties.   | 443<br>-48<br><b>395</b>                       |
| Financial Services                 | Includes the management of Council's finances, payment of salaries, accounts payable & receivable, raising and collection of rates and charges   | 1,033<br>-14,772                               |

|                            |  |                                  |
|----------------------------|--|----------------------------------|
|                            | and valuation of properties throughout the municipality  | <b>-13,739</b>                   |
| Corporate Services         | Provides statutory and corporate support services to council, including coordination of business papers for meetings of the Council and its committees and coordination of procurement. It is responsible for the provision of document and information management support services to Council, including compliance with statutory obligations under Freedom of Information, Public Records, Information Privacy and Local Government Acts. | 604<br><u>-143</u><br><b>461</b> |
| Organisational Development | Has a focus on management of risk and organisational well being and improving performance through the continuous development, improvement and implementation of our strategies, policies and procedures.   | 313<br><u>0</u><br><b>313</b>    |
| Information Technology     | Provides support, and maintains communications and computing systems, facilities and infrastructure to enable staff to deliver services in a smart, productive and efficient way.  | 570<br><u>0</u><br><b>570</b>    |
| Customer Services          | This unit provides front counter services at Alexandra, Yea and Kinglake offices including reception, telephone, receipting of payments, connecting customers with relevant departments, customer request coordination, hall bookings etc.   | 489<br><u>0</u><br><b>489</b>    |

**Service Performance Outcome Indicators**

| <b>Service</b> | <b>Indicator</b> | <b>Performance Measure</b>   |
|----------------|------------------|--|
| Governance     | Satisfaction     | Satisfaction with Council decisions<br>(Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community) |



## 2.5 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2014/15 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 8) and sustainable capacity, which are not included in this budget report. The full set of prescribed performance indicators is audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the report of operations.

## 2.6 Reconciliation with budgeted operating result

|                                       | <b>Net Cost<br/>(Revenue)<br/>\$'000</b> | <b>Expenditure<br/>\$'000</b> | <b>Revenue<br/>\$'000</b> |
|---------------------------------------|--|-------------------------------|---------------------------|
| Our Council                           | -13,514                                  | 4,177                         | 17,691                    |
| Our Community                         | 3,956                                    | 6,781                         | 2,825                     |
| Our Economy                           | 428                                      | 1,099                         | 671                       |
| Our Environment                       | 9,408                                    | 18,868                        | 9,460                     |
| <b>Total services and initiatives</b> | <b>278</b>                               | <b>30,925</b>                 | <b>30,647</b>             |

### **3. Budget influences**

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

#### **3.1 Snapshot of Murrindindi Shire Council**

Our shire is 60 to 90 minutes north east of Melbourne. Our amazing landscape includes beautiful National Parks and State Forests, fertile farming land, the scenic Goulburn River, Lake Eildon and abundant creeks and rivers.

Removed from the fast pace of big city living yet easily accessible from Melbourne and regional hubs, the shire promotes quality of life and a laidback lifestyle. The area has five key service centres in Alexandra, Eildon, Kinglake, Marysville and Yea that provides a range of businesses and facilities, educational hubs, medical services and a range of lifestyle choices and visitor accommodation.

These service centres are complemented by a number of diverse townships including: Acheron • Buxton • Cathkin • Castella • Flowerdale • Glenburn • Gobur • Highlands • Homewood • Kanumbra • Kinglake West • Koriella • Limestone • Molesworth • Murrindindi • Narbethong • Rubicon • Strath Creek • Taggerty • Terip Terip • Thornton • Toolangi • Woodbourne • Yarck.

#### **Our history**

The Wurundjeri and the Taungurung peoples are the traditional owners of the land known as the Murrindindi Shire.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

On 7 February 2009, the Victorian bushfires claimed 95 lives in our shire and burned more than 1500 square kilometres (40 per cent of the shire). Our shire has shown amazing resilience to come back from this natural disaster and we have a community that continues to grow and prosper today.

#### **Population**

We have a small population in a large and diverse Shire. More than 80 per cent of our 13,058 population was born in Australia. Other common countries of birth include England 4.2 per cent, New Zealand 1.1 per cent, Germany 0.7 per cent, Scotland 0.6 per cent and Netherlands 0.6 per cent.

#### **Ageing Population**

Our highest proportion of the population (31.6 per cent) is aged between 45 and 64 and we are getting older. The percentage of those aged over 65 is expected to rise from 18.6 per cent in 2010 to 23.6 per cent in 2021, compared to the Victorian anticipated increase from 13.7 per cent to 20.2 per cent.

#### **Employment**

We have a strong workforce with around 54 per cent employed full time, 34 per cent employed part-time and 4.8 per cent unemployed which is below the state average for unemployment.

Our major employment sectors include management at 18 per cent, technicians and trades workers at 17 per cent, professionals at 15 per cent, labourers at 12 per cent and community and personal service workers at 12 per cent.

Those who have made the choice to live in Murrindindi Shire have at close hand all that a world class city has to offer while living in a special part of the world.

Agriculture, viticulture, horticulture and aquaculture are significant drivers of our economy as is our hospitality and tourism industry.

Our region supplies most of Australia's strawberry runner stock and 80 per cent of Australian trout stock. Our favourable climate conditions allow for the growing of stone fruits, berries and turf production. We also have a vibrant beef, sheep and grain industry.

Education also provides employment opportunities as does medical services and Local Government. With over a million visitors each year, our tourism sector is a key economic driver that provides eco-tourism opportunities through to luxury holiday stays.

### **3.2 External influences**

Several factors outside Council's control have influenced the development of the 2014/15 Budget, as outlined in further detail below:

- Local Government Cost Index (LGCI) increases on goods and services associated with the provision of infrastructure, social and community services is forecast to be 3.5% for the 2014/15 year (typically 1.0% above CPI).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2013 was 4.5% (ABS release 15 August 2013) which is in above Council's current Enterprise Bargaining Agreement. Council must renegotiate a new Agreement during the 2014/15 year as the current Agreement expires on 22 February 2015.
- Increases of 10% (or \$5.30 per tonne) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs. The levy has increased from \$9 per tonne in 2008/09 to \$58.50 per tonne in 2014/15 (550% increase in 6 years).
- The Federal Government introduced the *Clean Energy Legislation (Carbon Tax Repeal) Bill 2013* and related bills to the House of Representatives on the 13th of November 2013, with the intention to abolish the carbon price from 1 July 2014.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.
- Murrindindi Shire Council has been seeking State Government financial assistance to help meet the substantial annual costs of \$1.8 million related to the new and gifted assets received by Council after the 2009 Bushfires. A commitment to provide necessary support has not yet been made to Council by the State Government.
- Funding received through Roads to Recovery has now been extended through to 2019. The funding allocations are based on the recommendations of State Local Government Grant Commissions. Councils can use the funding they receive to make urgent repairs and upgrades to their local road networks. The allocation for the 2014/15 budget is \$833,500.

### **3.3 Budget principles**

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Existing fees and charges to be increased in line with CPI or market levels. A benchmarking exercise across the private and public sector was undertaken to ensure fees are comparable where appropriate;
- Grants to be based on confirmed funding levels;
- New revenue sources to be identified where possible;
- Service levels to be maintained at 2013/14 levels with the aim to use less resources with an emphasis on innovation and efficiency;
- Salaries and wage increases to be kept in line with the current Enterprise Bargaining Agreement;
- Construction and material costs to increase in line with the Local Government Cost Index;
- No new budget initiatives;
- Any employee-related proposals to be considered by Council on the merits of a business case;
- Real savings in expenditure and increases in revenue identified in 2013/14 to be preserved; and
- Operating revenues and expenses arising from completed 2013/14 capital projects to be included.

Although the budget was prepared on a "no new initiatives" basis, Council will continue to consider initiatives that are raised by the community that are supported by a strong business case.

### **3.4 Long term strategies**

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2013/14 to 2016/17 (section 8.), Rating Information (section 9.) and Other Long Term Strategies (section 10.) including borrowings, infrastructure and service delivery.

## 4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2014/15 year.

### 4.1 Budgeted income statement

|  | Ref   | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 | Variance<br>\$'000 |
|--|-------|---|-----------------------------|--------------------|
| Total income                                 | 4.2   | 29,705                                  | 30,647                      | 942                |
| Total expenses                               | 4.3   | (32,416)                                | (30,925)                    | 1,491              |
| <b>Surplus (deficit) for the year</b>        |       | <b>(2,711)</b>                          | <b>(278)</b>                | <b>2,433</b>       |
| Grants – capital non-recurrent               | 4.2.6 | (3,317)                                 | (2,521)                     | 796                |
| Contributions - non-monetary assets          |       | 0                                       | 0                           | 0                  |
| Capital contributions - other sources        | 4.2.4 | (333)                                   | (50)                        | 283                |
| <b>Adjusted underlying surplus (deficit)</b> |       | <b>(6,361)</b>                          | <b>(2,849)</b>              | <b>3,512</b>       |

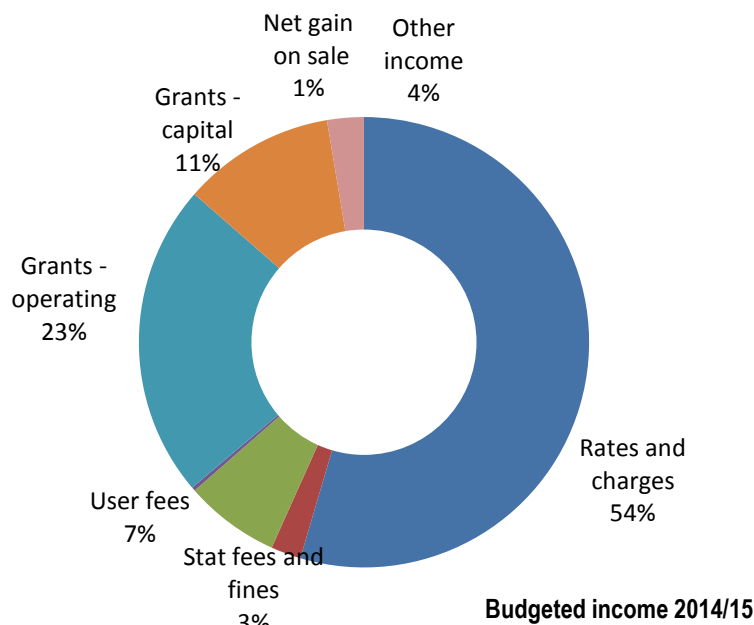
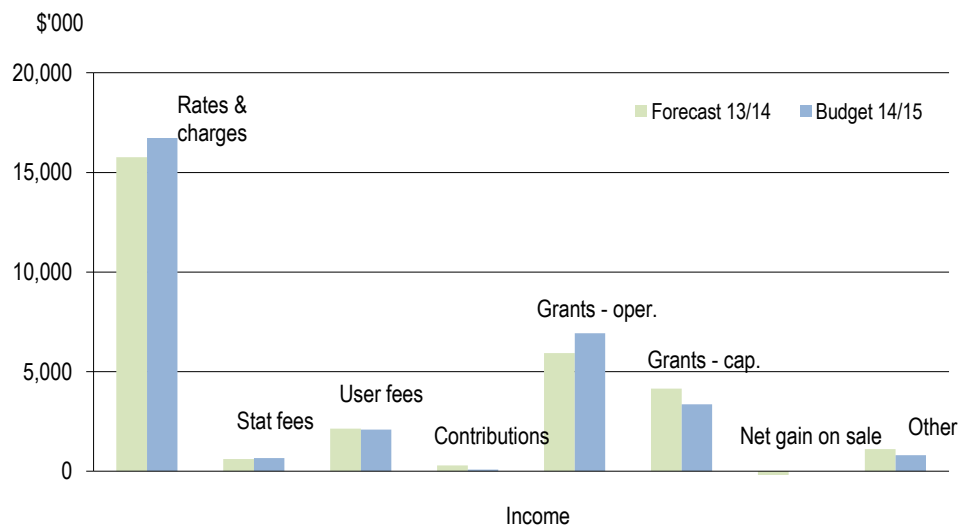
#### 4.1.1 Adjusted underlying deficit (\$3.51 million increase)

The adjusted underlying result is the net surplus or deficit for the year achieved by Council. This value represents the standard operating result which is then adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources.

It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2014/15 year is a deficit of \$2.85 million which, whilst an improvement of \$3.51 million from the 2013/14 year, is still a shortfall in underlying results which are required for longer-term sustainability and details that Council is unable to fund its current service and capital works program without a reliance on already established cash reserves.

### 4.2 Income

| Income Types               | Ref   | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 | Variance<br>\$'000 |
|----------------------------|-------|---|-----------------------------|--------------------|
| Rates and charges          | 4.2.1 | 15,763                                  | 16,721                      | 958                |
| Statutory fees and fines   | 4.2.2 | 620                                     | 662                         | 42                 |
| User fees                  | 4.2.3 | 2,141                                   | 2,093                       | (48)               |
| Contributions - cash       | 4.2.4 | 294                                     | 83                          | (211)              |
| Grants - operating         | 4.2.5 | 5,938                                   | 6,928                       | 990                |
| Grants - capital           | 4.2.6 | 4,150                                   | 3,354                       | (796)              |
| Net gain on sale of assets | 4.2.7 | (310)                                   | 0                           | 310                |
| Other income               | 4.2.8 | 1,109                                   | 806                         | (303)              |
| <b>Total income</b>        |       | <b>29,705</b>                           | <b>30,647</b>               | <b>942</b>         |



Source: Appendix A

#### 4.2.1 Rates and charges (\$0.96 million increase)

It is proposed that general rate income be increased by 6.0% or \$0.96 million over 2014/15 to \$16.72 million. Supplementary rates are forecast to increase to \$0.13 million in 2014/15. Section 9. "Rating Information" includes a more detailed analysis of the rates and charges to be levied for 2014/15. Information on rates and charges specifically required by the regulations is included in Appendix B.

#### 4.2.2 Statutory fees and fines (\$0.04 million increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Public Health and Wellbeing Act 2008 registrations and planning application fees. Increases in statutory fees are made in accordance with legislative requirements.

A detailed listing of statutory fees is included in Appendix D.

#### 4.2.3 User fees (\$0.05 million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate schedules of charges for the use of community facilities and the provision of human services such as family day care and home care services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases are in accordance with market levels, and where appropriate, contribute as much to cost recovery as possible. Council also undertook a benchmarking exercise to ensure that fees for services in the Murrindindi Shire were appropriately matched with similar services across other small rural shires.

A detailed listing of fees and charges is included in Appendix D.

#### 4.2.4 Contributions - cash (\$0.20 million decrease)

Contributions relate to monies paid by developers in regard to public recreation, drainage and car parking in accordance with planning permits issued for property development.

Contributions are projected to decrease by \$0.20 million due to the completion of a number of property developments within the municipality during the 2013/14 year.

#### 4.2.5 Grants - operating (\$0.99 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and contributions from other parties towards property development costs. Overall, the level of operating grants has increased by 16.7% or \$0.99 million compared to 2013/14. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

| Operating Grant Funding Type and Source    | Forecast     |              |              |
|--|--------------|--------------|--------------|
|  | Actual       | Budget       | Variance     |
|  | 2013/14      | 2014/15      |              |
|  | \$'000       | \$'000       | \$'000       |
| <b>Recurrent - Commonwealth Government</b> |              |              |              |
| Grant                                      | 1,225        | 2,723        | 1,498        |
| Funding                                    | 786          | 1,679        | 893          |
| Aged & Disability                          | 371          | 382          | 11           |
| Children Services                          | 322          | 442          | 120          |
| Customer Services                          | 4            | 4            | 0            |
| <b>Recurrent - State Government</b>        |              |              | 0            |
| Aged & Disability                          | 934          | 952          | 18           |
| Children Services                          | 149          | 152          | 3            |
| Emergency Management                       | 39           | 39           | 0            |
| Environmental Health                       | 11           | 12           | 1            |
| Library Service                            | 124          | 128          | 4            |
| Local Laws                                 | 16           | 16           | 0            |
| <b>Total recurrent grants</b>              | <b>3,981</b> | <b>6,529</b> | <b>2,548</b> |

| Operating Grant Funding Type and Source        | Forecast          |                   |                |
|--|-------------------|-------------------|----------------|
|  | Actual            | Budget            | Variance       |
|  | 2013/14<br>\$'000 | 2014/15<br>\$'000 | \$'000         |
| <b>Non-recurrent - Commonwealth Government</b> | -                 | -                 | -              |
| <b>Non-recurrent - State Government</b>        |                   |                   | 0              |
| Aged & Disability                              | 38                | 0                 | (38)           |
| Children Services                              | 16                | 0                 | (16)           |
| Community Development                          | 195               | 125               | (70)           |
| Community Recovery                             | 66                | 0                 | (66)           |
| Development Approvals                          | 5                 | 0                 | (5)            |
| Economic Development                           | 217               | 95                | (122)          |
| Environmental Health                           | 5                 | 5                 | 0              |
| Environmental Management                       | 50                | 42                | (8)            |
| Library Service                                | 6                 | 6                 | 0              |
| Natural Disaster Funding                       | 400               | 0                 | (400)          |
| Recreation Services                            | 1                 | 4                 | 3              |
| Youth Services                                 | 74                | 74                | 0              |
| <b>Other - Victorian Bushfire Appeals Fund</b> |                   |                   | 0              |
| Assistance Package Funding                     | 735               | 0                 | (735)          |
| Community Development                          | 149               | 48                | (101)          |
| <b>Total non-recurrent grants</b>              | <b>1957</b>       | <b>399</b>        | <b>(1,558)</b> |

#### 4.2.6 Grants - capital (\$0.8 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 19.1% or \$0.80 million compared to 2013/14 due mainly to the completion of specific funding for some large capital works projects. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2014/15 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

| Capital Grant Funding Type and Source          | Forecast          |                   |             |
|--|-------------------|-------------------|-------------|
|  | Actual            | Budget            | Variance    |
|  | 2013/14<br>\$'000 | 2014/15<br>\$'000 | \$'000      |
| <b>Recurrent - Commonwealth Government</b>     |                   |                   |             |
| Roads to Recovery                              | 833               | 833               | 0           |
| <b>Recurrent - State Government</b>            | -                 | -                 | -           |
| <b>Total recurrent grants</b>                  | <b>833</b>        | <b>833</b>        | <b>0</b>    |
| <b>Non-recurrent - Commonwealth Government</b> | -                 | -                 | -           |
| <b>Non-recurrent - State Government</b>        |                   |                   |             |
| Buildings                                      | 1167              | 294               | -873        |
| Roads  | 375               | 373               | -2          |
| Bridges  | 625               | 1000              | 375         |
| Footpaths and Cycleways                        | 314               | 314               | 0           |
| Recreational, Leisure & Community Facilities   | 570               | 540               | -30         |
| <b>Other - Victorian Bushfire Appeals Fund</b> |                   |                   | 0           |
| Buildings                                      | 148               | 0                 | -148        |
| Footpaths and Cycleways                        | 118               | 0                 | -118        |
| <b>Total non-recurrent grants</b>              | <b>3,317</b>      | <b>2,521</b>      | <b>-796</b> |
| <b>Total Capital Grant Funding</b>             | <b>4,150</b>      | <b>3,354</b>      | <b>-796</b> |



#### 4.2.7 Net gain on sale of assets (\$0.31 million decrease)

Proceeds from the sale of Council assets is forecast to be \$0 for 2014/15.

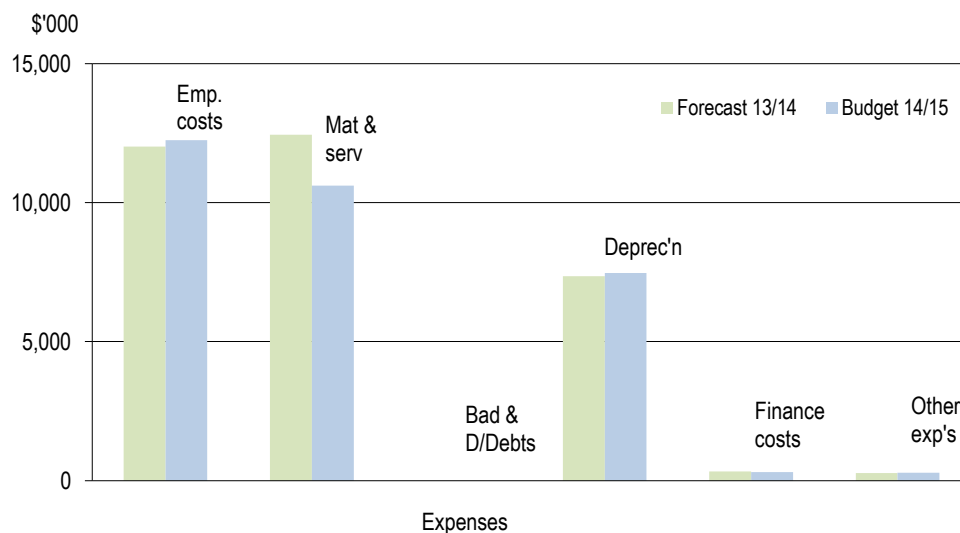
#### 4.2.8 Other income (\$0.30 million decrease)

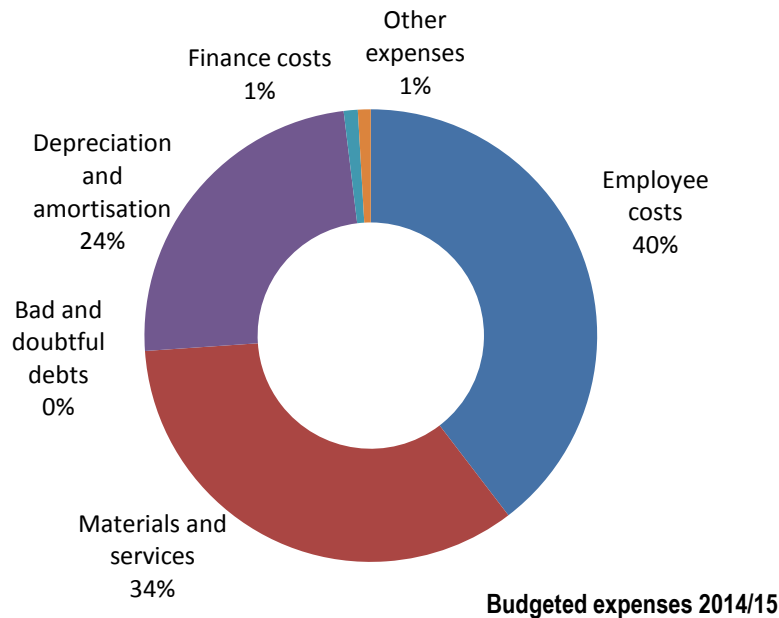
Other income relates to a range of items such as cost recoveries and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to increase by 27.3% or \$0.30 million compared to 2013/14. Interest on investments is forecast to decline compared to 2013/14, due to a forecast reduction in Council's available cash reserves during 2014/15 and lower interest rates. Interest on unpaid rates is forecast to remain steady in 2014/15 as Council continues to pursue long-overdue rates.

### 4.3 Expenses

| Expense Types                 | Ref   | Forecast          |                   |                |
|-------------------------------|-------|-------------------|-------------------|----------------|
|                               |       | Actual            | Budget            | Variance       |
|                               |       | 2013/14<br>\$'000 | 2014/15<br>\$'000 | \$'000         |
| Employee costs                | 4.3.1 | 12,015            | 12,246            | 231            |
| Materials and services        | 4.3.2 | 12,446            | 10,613            | (1,833)        |
| Bad and doubtful debts        | 4.3.3 | 0                 | 0                 | 0              |
| Depreciation and amortisation | 4.3.4 | 7,350             | 7,473             | 123            |
| Finance costs                 | 4.3.5 | 330               | 310               | (20)           |
| Other expenses                | 4.3.6 | 275               | 283               | 8              |
| <b>Total expenses</b>         |       | <b>32,416</b>     | <b>30,925</b>     | <b>(1,491)</b> |





Source: Appendix A

#### 4.3.1 Employee costs (\$0.23 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, etc.

Employee costs are forecast to increase by 1.9% or \$0.23 million compared to 2013/14. This increase relates to three key factors:

- Council's current Enterprise Bargaining Agreement (EBA);
- Minimal increases in staff numbers in 2014/15, with a number of contracted positions scheduled to finish at 30 June 2014, or across the 2014/15 financial year. The full impacts of financial reductions following the Services Review that was undertaken across 2012/13 are now reflected in Council's operating levels and associated cost structure. Current staffing levels for Council are at 138 EFT, which is a decrease of 5.0% from the EFT levels reported in last year's SRP.
- Anticipated non EBA wages growth of 3.0% due mainly to small increases in Family Day Care and General Home Care costs in response to increased community demand for these services.

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

| Department                                   | Budget<br>EFT | Staff<br>Numbers |
|--|---------------|------------------|
| Corporate & Community Services               | 66.9          | 111.0            |
| Infrastructure & Development Services        | 63.2          | 80.0             |
| CEO, Executive Office & Economic Development | 7.4           | 11.0             |
| <b>Total</b>                                 | <b>137.5</b>  | <b>202.0</b>     |

#### **4.3.2 Materials and services (\$1.83 million decrease)**

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 14.7% or \$1.83 million compared to 2013/14.

|   | <b>Forecast</b> | <b>Budget</b>  |                 |
|---|-----------------|----------------|-----------------|
| <b>Materials &amp; Services Expenditure Type (\$'000)</b> | <b>2013-14</b>  | <b>2014-15</b> | <b>Variance</b> |
| Utilities   | 500             | 539            | (39)            |
| Contractors   | 8,375           | 7,444          | 931             |
| Legal Expenses  | 276             | 200            | 76              |
| Insurance   | 509             | 578            | (69)            |
| Materials   | 1,218           | 1,004          | 214             |
| Contributions   | 643             | 553            | 90              |
| Consultants   | 926             | 295            | 631             |
| <b>Total Materials &amp; Services</b>                     | <b>12,447</b>   | <b>10,613</b>  | <b>1,834</b>    |

#### **4.3.3 Bad and doubtful debts**

Bad and doubtful debts are not forecast to increase as Council pursues recovery of all rates that are currently outstanding.

#### **4.3.4 Depreciation and amortisation (\$0.12 million increase)**

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.12 million for 2014/15 is due mainly to the completion of the 2014/15 capital works program and the full year effect of depreciation on the 2013/14 capital works program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2014/15 year.

#### **4.3.5 Finance costs (\$0.02 million decrease)**

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in total borrowing costs results from the planned reduction in borrowings due to the repayment of principal in accordance with relevant loan agreements.

#### **4.3.6 Other expenses (\$0.01 million increase)**

Other expenses relate to rates and charges waived for charitable and not-for-profit organisations, Councillors' allowances and remuneration for auditors and audit committee members.

## 5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2014/15 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

### 5.1 Budgeted cash flow statement

|  | Ref   | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 | Variance<br>\$'000 |
|--|-------|---|-----------------------------|--------------------|
| <b>Cash flows from operating activities</b>                    | 5.1.1 |   |                             |                    |
| <i>Receipts</i>  |       |   |                             |                    |
| Rates and charges  |       | 15,836                                  | 16,644                      | 808                |
| User fees and fines  |       | 3,813                                   | 3,325                       | (488)              |
| Grants - operating   |       | 12,237                                  | 10,282                      | (1,955)            |
| Grants - capital   |       | 0                                       | 0                           | 0                  |
| Interest   |       | 554                                     | 342                         | (212)              |
| Other receipts   |       | 0                                       | 0                           | 0                  |
|  |       | <b>32,440</b>                           | <b>30,593</b>               | <b>(1,847)</b>     |
| <i>Payments</i>  |       |   |                             |                    |
| Employee costs   |       | (12,819)                                | (10,861)                    | 1,958              |
| Other payments   |       | (11,843)                                | (12,135)                    | (292)              |
|  |       | <b>(24,662)</b>                         | <b>(22,996)</b>             | <b>1,666</b>       |
| <b>Net cash provided by operating activities</b>               |       | <b>7,778</b>                            | <b>7,597</b>                | <b>(181)</b>       |
| <b>Cash flows from investing activities</b>                    | 5.1.2 |   |                             |                    |
| Proceeds from sales of property, infrastructure, plant & equip |       | 1,685                                   | 861                         | (824)              |
| Repayment of loans and advances                                |       | 0                                       | 0                           | 0                  |
| Deposits   |       | (253)                                   | 70                          | 323                |
| Payments for property, infrastructure, plant and equipment     |       | (10,725)                                | (9,580)                     | 1,145              |
| <b>Net cash used in investing activities</b>                   |       | <b>(9,293)</b>                          | <b>(8,649)</b>              | <b>644</b>         |
| <b>Cash flows from financing activities</b>                    | 5.1.3 |   |                             |                    |
| Finance costs  |       | (269)                                   | (246)                       | 23                 |
| Proceeds from borrowings                                       |       | 500                                     | 500                         | 0                  |
| Repayment of borrowings  |       | (861)                                   | (918)                       | (57)               |
| <b>Net cash used in financing activities</b>                   |       | <b>(630)</b>                            | <b>(664)</b>                | <b>(34)</b>        |
| <b>Net decrease in cash and cash equivalents</b>               |       | <b>(2,145)</b>                          | <b>(1,716)</b>              | <b>429</b>         |
| Cash and cash equivalents at the beg of the year               |       | 18,034                                  | 15,889                      | (2,145)            |
| <b>Cash and cash equivalents at end of the year</b>            | 5.1.4 | <b>15,889</b>                           | <b>14,173</b>               | <b>(1,716)</b>     |

### 5.1.1 Operating activities (\$1.85 million increase)

The decrease in cash inflows from operating activities is due mainly to a \$1.96 million decrease in operating grants which is partially offset by the \$0.81 million increase in rates and charges that are generated through the 6.0% rating increase for 2014/15.

Non-cash items such as depreciation have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

|   | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 | Variance<br>\$'000 |
|---|---|-----------------------------|--------------------|
| <b>Surplus (deficit) for the year</b>                 | <b>(2,711)</b>                          | <b>(278)</b>                | 2,433              |
| Depreciation  | 7,350                                   | 7,473                       | 123                |
| Finance costs (Cash proportion)                       | 269                                     | 246                         | (23)               |
| Loss (gain) on sale of assets                         | 310                                     | 0                           | (310)              |
| Net movement in current assets and liabilities        | 2,560                                   | 156                         | (2,404)            |
| <b>Cash flows available from operating activities</b> | <b>7,778</b>                            | <b>7,597</b>                | <b>(181)</b>       |

### 5.1.2 Investing activities (\$0.64 million decrease)

The decrease in payments for investing activities represents the outcomes of the capital works expenditure disclosed in section 10 of this budget report. Proceeds from sale of assets are also forecast to decrease by \$0.82 million in 2014/15, as 2013/14 represented an above average year in asset sales, due to Council implementing recommendations from the Services Review.

### 5.1.3 Financing activities (\$0.03 million increase)

For 2014/15 the total of principal repayments on loans is \$0.92 million and finance charges is \$0.25 million.

### 5.1.4 Cash and cash equivalents at end of the year (\$1.72 million decrease)

Overall, total cash and investments is forecast to decrease by \$1.72 million to \$14.18 million as at 30 June 2015, reflecting Council's strategy of using cash reserves to renew existing infrastructure. This is consistent with Council's Strategic Resource Plan (see Section 8), which forecasts a need for prudent financial management with respect to the capital works program from 2014/15 onwards to balance future cash budgets.

## 5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement indicates that Council is estimating at 30 June 2014 it will have cash and investments of \$14.18 million, which have been restricted as shown in the following table.

|  | Ref   | Forecast<br>Actual<br>2014<br>\$'000 | Budget<br>2015<br>\$'000 | Variance<br>\$'000 |
|--|-------|--------------------------------------|--------------------------|--------------------|
| <b>Total cash and investments</b>          |       | <b>15,889</b>                        | <b>14,173</b>            | <b>(1,716)</b>     |
| Restricted cash and investments            |       |                                      |                          | 0                  |
| - Statutory reserves                       | 5.2.1 | (1,363)                              | (1,562)                  | (199)              |
| - Discretionary reserves                   | 5.2.2 | (771)                                | (933)                    | (162)              |
| - Cash held to carry forward capital works | 5.2.3 | (7,373)                              | (7,717)                  | (344)              |
| <b>Unrestricted cash and investments</b>   | 5.2.4 | <b>6,382</b>                         | <b>3,961</b>             | <b>(2,421)</b>     |

#### **5.2.1 Statutory reserves (\$1.56 million)**

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes. An example of this is funds held in reserve to prevent any liquidity issues should any future call be issued with regards to Council's defined benefits superannuation scheme.

#### **5.2.2 Discretionary reserves (\$0.93 million)**

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan. An example of this is funds held by Council from developer contributions, which will be used to fund open space development.

#### **5.2.3 Cash held to fund carry forward capital works (\$7.72 million)**

An amount of \$7.72 million is forecast to be held at 30 June 2015 to fund capital works budgeted but not completed in the 2013/14 and 2014/15 financial years. In addition, the majority of the \$0.93 million of cash forecast within discretionary reserves at 30 June 2015 relate to funding for future capital works. Section 6.2 contains further details on capital works funding.

#### **5.2.4 Unrestricted cash and investments (\$3.96 million)**

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

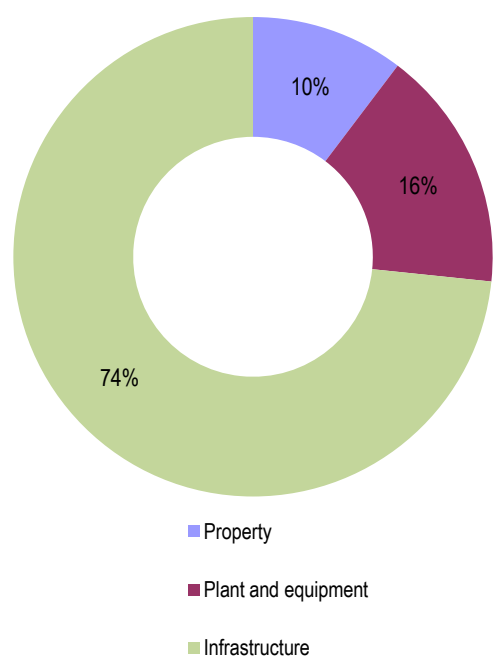
## 6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2014/15 year and the sources of funding for the capital budget.

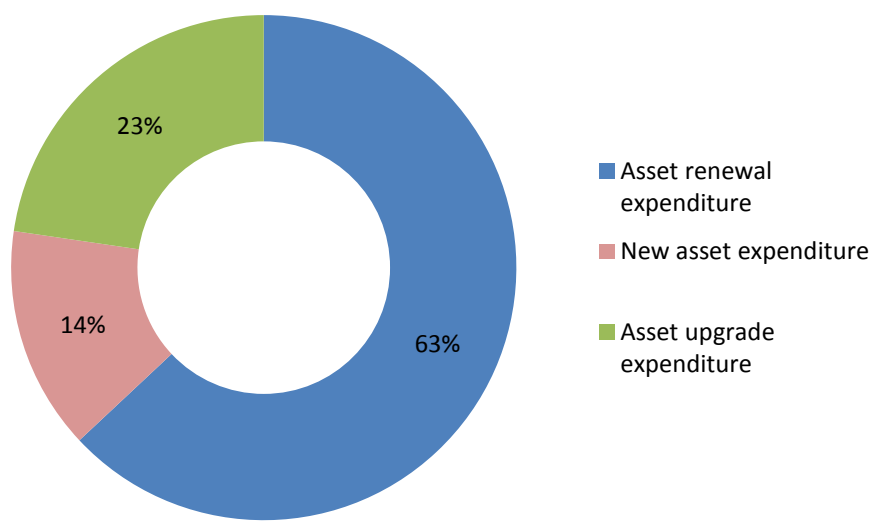
### 6.1 Capital works

| Capital Works Areas                    | Ref   | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 | Variance<br>\$'000 |
|--|-------|---|-----------------------------|--------------------|
| <b>Works carried forward</b>           | 6.1.1 |   |                             |                    |
| <b>Property</b>                        |       |   |                             |                    |
| Land & Improvements                    |       | 0                                       | 0                           | 0                  |
| Buildings                              |       | 2,063                                   | 428                         | (1,635)            |
| Total property                         |       | 2,063                                   | 428                         | (1,635)            |
| <b>Plant and equipment</b>             |       |   |                             |                    |
| Plant, machinery and equipment         |       | 0                                       | 279                         | 279                |
| Computers and telecommunications       |       | 100                                     | 47                          | (53)               |
| Total plant and equipment              |       | 100                                     | 326                         | 226                |
| <b>Infrastructure</b>                  |       |   |                             |                    |
| Roads                                  |       | 268                                     | 610                         | 342                |
| Bridges                                |       | 238                                     | 0                           | (238)              |
| Footpaths and cycleways                |       | 168                                     | 476                         | 308                |
| Drainage                               |       | 100                                     | 0                           | (100)              |
| Rec, leisure and community facilities  |       | 405                                     | 574                         | 169                |
| Parks, open space and streetscapes     |       | 0                                       | 0                           | 0                  |
| Other infrastructure                   |       | 0                                       | 0                           | 0                  |
| Total infrastructure                   |       | 1,179                                   | 1,660                       | 481                |
| <b>Total works carried forward</b>     |       | <b>3,342</b>                            | <b>2,414</b>                | <b>(928)</b>       |
| <b>New works</b>                       |       |   |                             |                    |
| <b>Property</b>                        | 6.1.2 |   |                             |                    |
| Land & Improvements                    |       | 5                                       | 0                           | (5)                |
| Buildings                              |       | 303                                     | 560                         | 257                |
| Building improvements                  |       | 0                                       | 0                           | 0                  |
| Total property                         |       | 308                                     | 560                         | 252                |
| <b>Plant and equipment</b>             | 6.1.3 |   |                             |                    |
| Plant, machinery and equipment         |       | 1,181                                   | 979                         | (202)              |
| Computers and telecommunications       |       | 348                                     | 171                         | (177)              |
| Library books                          |       | 92                                      | 89                          | (3)                |
| Total plant and equipment              |       | 1,621                                   | 1,239                       | (382)              |
| <b>Infrastructure</b>                  | 6.1.4 |   |                             |                    |
| Roads                                  |       | 2,612                                   | 1,600                       | (1,012)            |
| Bridges                                |       | 1,197                                   | 1,795                       | 598                |
| Footpaths and cycleways                |       | 430                                     | 119                         | (311)              |
| Drainage                               |       | 569                                     | 50                          | (519)              |
| Rec, leisure and community facilities  |       | 218                                     | 933                         | 715                |
| Waste Management                       |       | 419                                     | 870                         | 451                |
| Other infrastructure                   |       | 9                                       | 0                           | (9)                |
| Total infrastructure                   |       | 5,454                                   | 5,367                       | (87)               |
| <b>Total new works</b>                 |       | <b>7,383</b>                            | <b>7,166</b>                | <b>(217)</b>       |
| <b>Total capital works expenditure</b> |       | <b>10,725</b>                           | <b>9,580</b>                | <b>(1,145)</b>     |
| <b>Represented by:</b>                 |       |   |                             |                    |
| Asset renewal expenditure              | 6.1.5 | 5,550                                   | 6,037                       | 487                |
| New asset expenditure                  | 6.1.5 | 3,803                                   | 1,370                       | (2,433)            |
| Asset upgrade expenditure              | 6.1.5 | 1,372                                   | 2,173                       | 801                |
| <b>Total capital works expenditure</b> |       | <b>10,725</b>                           | <b>9,580</b>                | <b>(1,145)</b>     |

Budgeted capital works 2014/15



Budgeted capital works 2014/15



Source: Appendix A. A more detailed listing of capital works is included in Appendix C.



## **6.1 Capital Works Commentary**

### **6.1.1 Carried forward works from 2013-14 program (\$2.41 million)**

At the end of each financial year there are projects which are either incomplete or not commenced which are primarily due to the timing of various grant funding applications. For the 2013/14 year it is forecast that \$2.41 million of capital works will be incomplete and be carried forward into the 2014/15 year. The more significant projects include the Yea Pool redevelopment (\$0.50 million), the Eildon Township Project (\$0.39 million) and community space projects (\$0.39 million).

### **New Works (2014-15 capital works program)**

#### **6.1.2 Property (\$0.56 million)**

The property class comprises buildings and building improvements including community facilities, municipal offices, and other public buildings.

For the 2014/15 year, \$0.56 million will be expended on building and building improvement projects. The more significant projects include community building upgrades and renewal (\$0.23 million) and municipal office renewal (\$0.33 million).

#### **6.1.3 Plant and equipment (\$1.24 million)**

This asset class includes plant, machinery, equipment, computers, telecommunications, and library books.

For the 2014/15 year, \$1.24 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$0.97 million), upgrade and replacement of information technology (\$0.17 million) and library material purchases (\$0.09 million).

#### **6.1.4 Infrastructure (\$5.37 million)**

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2014/15 year, \$1.60 million will be expended on road projects. The more significant projects include gravel roads resheeting, funded through Roads to Recovery projects (\$0.83 million), road sealing programs (\$0.49 million) and kerb & channel projects (\$0.11 million)

\$1.79 million will be expended on bridges. The most significant of these is the upgrade and renewal of the Ghin Ghin Bridge (\$1.59 million).

Recreation, leisure and community facilities expenditure of (\$0.93 million) has a spread across all swimming pools with a major renewal and upgrade project of (\$0.54 million) at the Yea Swimming Pool. This together with carried forward funding of (\$0.50 million) take the total project budget to (\$1.04 million).

\$0.87 million will be expended on waste management, mainly in the area of the Alexandra landfill.

Other infrastructure expenditure includes \$0.11 million on footpaths and cycleways and \$0.05 million on drainage.

#### **6.1.5 Asset renewal (\$6.04 million), new assets (\$1.37 million) and upgrade (\$2.17 million)**

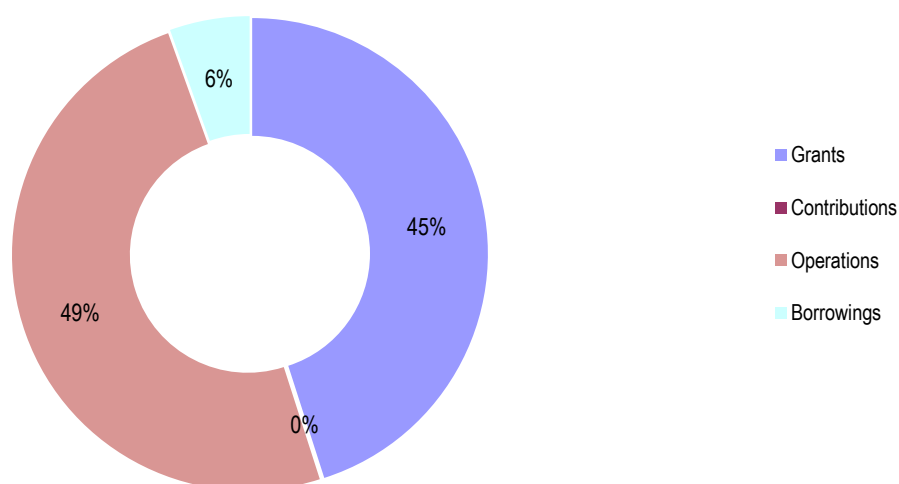
A distinction is made between expenditure on new assets, asset renewal and upgrade. Expenditure on asset renewal is expenditure on an existing asset that returns the service of the asset to its original capability. Expenditure on new assets will result in increased costs for future operation, maintenance and capital renewal.

The major projects included in the above categories, which constitute expenditure on new assets, are the ongoing cyclical replacement of various plant and vehicle (\$0.46 million), landfill cell construction (\$0.25 million) and the Kinglake Art History Walk (\$0.25 million).

## 6.2 Funding sources

| Sources of funding                  | Ref   | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 | Variance<br>\$'000 |
|-------------------------------------|-------|---|-----------------------------|--------------------|
| <b>Works carried forward</b>        |       |   |                             |                    |
| <b>Current year funding</b>         |       |   |                             |                    |
| Grants                              |       | 1,713                                   | 1,735                       | 22                 |
| Contributions                       |       | 308                                     | 0                           | (308)              |
| Borrowings                          |       | 0                                       | 0                           | 0                  |
| Council cash                        |       |   |                             | 0                  |
| - operations                        |       | 1,321                                   | 679                         | (642)              |
| - proceeds on sale of assets        |       | 0                                       | 0                           | 0                  |
| - reserve cash and investments      |       | 0                                       | 0                           | 0                  |
| - unrestricted cash and investments |       | 0                                       | 0                           | 0                  |
| <b>Total works carried forward</b>  | 6.2.1 | <b>3,342</b>                            | <b>2,414</b>                | <b>(928)</b>       |
| <b>New works</b>                    |       |   |                             |                    |
| <b>Current year funding</b>         |       |   |                             |                    |
| Grants                              | 6.2.2 | 3,095                                   | 2,373                       | (722)              |
| Contributions                       |       | 0                                       | 0                           | 0                  |
| Borrowings                          | 6.2.3 | 500                                     | 500                         | 0                  |
| Council cash                        |       |   |                             | 0                  |
| - operations                        | 6.2.4 | 3,680                                   | 3,832                       | 152                |
| - proceeds on sale of assets        | 6.2.5 | 108                                     | 461                         | 353                |
| - reserve cash and investments      |       | 0                                       | 0                           | 0                  |
| - unrestricted cash and investments |       | 0                                       | 0                           | 0                  |
| <b>Total new works</b>              |       | <b>7,383</b>                            | <b>7,166</b>                | <b>(217)</b>       |
| <b>Total funding sources</b>        |       | <b>10,725</b>                           | <b>9,580</b>                | <b>(1,145)</b>     |

Budgeted total funding sources 2014/15



Source: Appendix A

## **6.2 Funding Commentary**

### **6.2.1 Carried forward works from 2013-14 capital works program (\$2.41 million)**

At the end of each financial year there are projects which are either incomplete or not commenced which are primarily due to the timing of various grant funding applications. For the 2013/14 year it is forecast that \$2.41 million of capital works will be incomplete and be carried forward into the 2014/15 year. The more significant projects include the Yea Pool redevelopment (\$0.50 million), the Eildon Township Project (\$0.39 million) and the community space projects (\$0.39 million).

### **New Works (2014-15 capital works program)**

#### **6.2.2 Grants - Capital (\$2.37 million)**

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Ghin Ghin Bridge upgrade (\$1.00 million), Roads to Recovery projects (\$0.83 million), swimming pool infrastructure programs (\$0.54 million).

#### **6.2.3 Council cash - borrowings (\$0.50 million)**

As per the Council Plan, and in accordance with Council's fleet renewal policy, Council will undertake borrowings of \$0.50 million in 2014/15.

#### **6.2.4 Council cash - operations (\$4.12 million)**

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$3.83 million will be generated from operations to fund the 2014/15 capital works program. This amount is funded by the cash generated from operating activities of \$7.60 million as set out in section 5.

#### **6.2.5 Council cash - proceeds from sale of assets (\$0.46 million)**

Proceeds from sale of assets includes motor vehicle and major plant sales in accordance with Council's plant replacement program of \$0.46 million.

## 7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2013/14 and 2014/15. It also considers a number of key performance indicators.

### 7.1 Budgeted balance sheet

|   | Ref   | Forecast<br>Actual<br>2014<br>\$'000 | Budget<br>2015<br>\$'000 | Variance<br>\$'000 |
|---|-------|--------------------------------------|--------------------------|--------------------|
| <b>Current assets</b>                         | 7.1.1 |                                      |                          |                    |
| Cash and cash equivalents                     |       | 15,889                               | 14,173                   | (1,716)            |
| Trade and other receivables                   |       | 2,218                                | 2,244                    | 26                 |
| Financial assets                              |       | 0                                    | 0                        | 0                  |
| Other assets                                  |       | 380                                  | 400                      | 20                 |
| <b>Total current assets</b>                   |       | <b>18,487</b>                        | <b>16,817</b>            | <b>(1,670)</b>     |
| <b>Non-current assets</b>                     | 7.1.1 |                                      |                          |                    |
| Trade and other receivables                   |       | 37                                   | 35                       | (2)                |
| Property, infrastructure, plant and equipment |       | 283,674                              | 284,919                  | 1,245              |
| <b>Total non-current assets</b>               |       | <b>283,711</b>                       | <b>284,954</b>           | <b>1,243</b>       |
| <b>Total assets</b>                           |       | <b>302,198</b>                       | <b>301,771</b>           | <b>(427)</b>       |
| <b>Current liabilities</b>                    | 7.1.2 |                                      |                          |                    |
| Trade and other payables                      |       | 2,417                                | 2,418                    | (1)                |
| Trust funds and deposits                      |       | 485                                  | 555                      | (70)               |
| Interest-bearing loans and borrowings         |       | 842                                  | 901                      | (59)               |
| Provisions                                    |       | 3,015                                | 3,135                    | (120)              |
| <b>Total current liabilities</b>              |       | <b>6,759</b>                         | <b>7,009</b>             | <b>(250)</b>       |
| <b>Non-current liabilities</b>                | 7.1.2 |                                      |                          |                    |
| Interest-bearing loans and borrowings         |       | 2,855                                | 2,378                    | 477                |
| Provisions                                    |       | 1,577                                | 1,656                    | (79)               |
| <b>Total non-current liabilities</b>          |       | <b>4,432</b>                         | <b>4,034</b>             | <b>398</b>         |
| <b>Total liabilities</b>                      |       | <b>11,191</b>                        | <b>11,043</b>            | <b>148</b>         |
| <b>Net assets</b>                             |       | <b>291,007</b>                       | <b>290,728</b>           | <b>(279)</b>       |
| <b>Equity</b>                                 | 7.1.4 |                                      |                          |                    |
| Accumulated surplus                           |       | 124,251                              | 123,482                  | (769)              |
| Asset revaluation reserve                     |       | 158,201                              | 158,201                  | 0                  |
| Other reserves                                |       | 8,555                                | 9,045                    | 490                |
| <b>Total equity</b>                           |       | <b>291,007</b>                       | <b>290,728</b>           | <b>(279)</b>       |

Source: Appendix A

#### 7.1.1 Current Assets (\$1.67 million decrease) and Non-Current Assets (\$0.43 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of six months or less. These balances are projected to decrease by \$1.71 million during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program, depreciation of assets and the sale of property, plant and equipment.

### 7.1.2 Current Liabilities (\$0.25 million increase) and Non-Current Liabilities (\$0.40 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2013/14 levels.

Provisions include accrued long service leave, annual leave and other entitlements owed to employees.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$0.41 million over the year.

### 7.1.3 Working Capital (\$1.92 million decrease)

Working capital is the difference between current assets and current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Council has also committed further current assets to specific and restricted purposes which are represented by statutory and discretionary reserves.

|   | Forecast<br>Actual<br>2014<br>\$'000 | Budget<br>2015<br>\$'000 | Variance<br>\$'000 |
|---|--------------------------------------|--------------------------|--------------------|
| <b>Current assets</b>                         | 18,487                               | 16,817                   | 1,670              |
| <b>Current liabilities</b>                    | 6,759                                | 7,009                    | (250)              |
| <b>Working capital</b>                        | 11,728                               | 9,808                    | 1,920              |
| Restricted cash and investment current assets |                                      |                          |                    |
| - Statutory reserves                          | (1,363)                              | (1,562)                  | (199)              |
| - Discretionary reserves                      | (771)                                | (933)                    | (162)              |
| - Cash held to carry forward capital works    | (7,373)                              | (7,717)                  | (344)              |
| <b>Unrestricted working capital*</b>          | <b>9,594</b>                         | <b>7,313</b>             | <b>1,559</b>       |

\* Unrestricted working capital may also be committed to completion of capital works carried forward from 2013-14. Refer to table 6.2 for funding of capital works carried forward from prior years.

### 7.1.4 Equity (\$0.28 million increase)

Equity is the accounting measure of Council's net assets and is made up of the following components:

- Asset revaluation reserve - an accounting measure which represents the difference between the most recently audited value of assets and their current valuations. No change is recorded in this budget.
- Other reserves are funds that Council wishes to separately identify as being set aside to meet a specific purpose for community assets in the future.

- Accumulated surplus is the value of all net assets less reserves that have accumulated over time. The decrease in accumulated surplus of \$0.77 million results directly from the operating surplus for the year.

## 8. Strategic resource plan and financial performance indicators

This section includes an extract of the adopted Strategic Resource Plan ("SRP") to provide information on the long term financial projections of the Council.

### 8.1 Plan development

The Local Government Act requires a SRP to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan.

Council has prepared a SRP for the four years 2013/14 to 2016/17 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective which underlines the development of the SRP is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives which underpin the SRP are:

- Establish a financial framework over the next 4 years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan (non-financial resources are assumed to include human resources and Council's asset base, which are all referred to in various parts of the SRP).
- Establish a basis to measure Council's adherence to its policies and strategies, and
- Assist Council to comply with sound financial management principles, in accordance with the Local Government Act (1989) and to plan for the long-term financial sustainability of the municipality

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Local Government Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

### 8.2 Financial resources

The following table summaries the key financial results for the next four years as set out in the SRP for years 2014/15 to 2017/18. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

| Indicator                      | Forecast | Budget  | Strategic Resource Plan |         |         | Trend |
|--------------------------------|----------|---------|-------------------------|---------|---------|-------|
|                                | Actual   |         | Projections             |         |         |       |
|                                | 2013/14  | 2014/15 | 2015/16                 | 2016/17 | 2017/18 | +/-   |
|                                | \$'000   | \$'000  | \$'000                  | \$'000  | \$'000  |       |
| Surplus/(deficit) for the year | (2,711)  | (278)   | (1,839)                 | (1,366) | (1,171) | -     |
| Adjusted underlying result     | (6,361)  | (2,849) | (5,391)                 | (4,966) | (4,820) | +     |
| Cash and investments balance   | 15,889   | 14,173  | 13,419                  | 15,848  | 18,628  | +     |
| Cash flows from operations     | 7,778    | 7,597   | 5,707                   | 6,449   | 6,872   | -     |
| Capital works expenditure      | 10,725   | 9,580   | 5,877                   | 6,006   | 6,415   | -     |

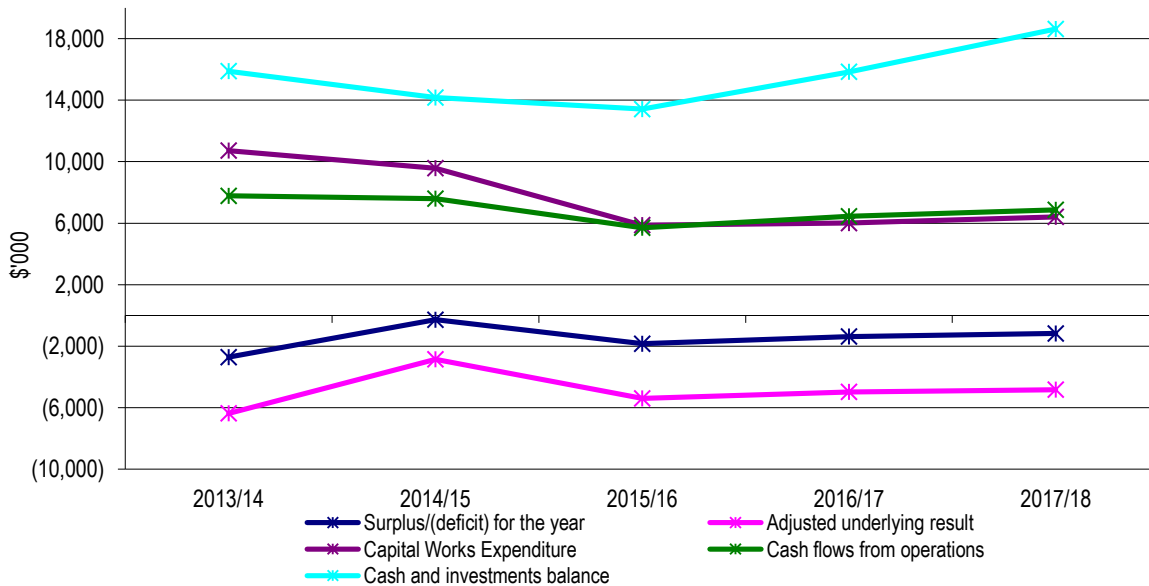




Key to Forecast Trend:

- + Forecast improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecast deterioration in Council's financial performance/financial position indicator

The following graph shows the general financial indicators over the four year period.



The key outcomes of the Plan are as follows:

- **Financial sustainability (section 5)** - Cash and investments is forecast to increase over the four year period from \$15.89 million to \$18.63 million, as Council attempts to increase its reserves in order to manage the ongoing renewal gap
- **Rating levels (section 9)** – Rate increases are forecast over the four years at a consistent level of 6.0%, in accordance with the levels in the SRP. Again, this level was calculated on the assumption that further State Government assistance was required to address the renewal gap that exists, and without a commitment in this area in 2014/15, all areas of Council's financial performance will need to be reviewed.
- **Service delivery strategy (section 10)** – Service levels have been maintained throughout the four year period, subject to further review based on State Government financial assistance. The adjusted underlying result is in deficit over the next four year period, which gradually decreases as Council looks to return to an operating surplus around 2020/21.
- **Borrowing strategy (section 10)** – Borrowings are forecast to reduce from \$3.70 million to \$2.70 million over the four year period. This includes new borrowings of \$0.50 million per annum.
- **Asset Management strategy (section 10)** - Capital expenditure over the four year period will total \$25.46 million at an average of \$6.37 million.

### 8.3 Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators have been developed by State Government and form a key component of the new Local Government Performance Reporting Framework that is being introduced in the 2014/15 financial year. They provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

| Indicator                  | Measure   | Notes | Forecast<br>Actual<br>2013/14 | Budget<br>2014/15 | Strategic Resource Plan<br>Projections |         |         | Trend |
|----------------------------|---|-------|-------------------------------|-------------------|--|---------|---------|-------|
|                            |   |       |                               |                   | 2015/16                                | 2016/17 | 2017/18 | +/-   |
| Operating position         |   |       |                               |                   |  |         |         |       |
| Adjusted underlying result | Adjusted underlying surplus (deficit) / Adjusted underlying revenue | 1     | -22.9%                        | -10.1%            | -12.2%                                 | -9.0%   | -7.6%   | +     |
| Liquidity                  |   |       |                               |                   |  |         |         |       |
| Working Capital            | Current assets / current liabilities                                | 2     | 273.5%                        | 239.9%            | 237.6%                                 | 236.1%  | 235.9%  | o     |
| Unrestricted cash          | Unrestricted cash / current liabilities                             |       | 94.4%                         | 56.5%             | 54.3%                                  | 52.7%   | 49.7%   | -     |
| Obligations                |   |       |                               |                   |  |         |         |       |
| Loans and borrowings       | Interest bearing loans and borrowings / rate revenue                | 3     | 23.6%                         | 19.6%             | 18.4%                                  | 17.2%   | 15.9%   | -     |
| Loans and borrowings       | Interest and principal repayments / rate revenue                    |       | 2.1%                          | 1.9%              | 1.8%                                   | 1.8%    | 1.7%    | o     |
| Indebtedness               | Non-current liabilities / own source revenue                        |       | 22.6%                         | 19.9%             | 18.5%                                  | 16.9%   | 16.2%   | -     |
| Asset renewal              | Asset renewal expenditure / depreciation                            | 4     | 74.7%                         | 93.7%             | 84.7%                                  | 82.6%   | 77.5%   | -     |
| Stability                  |   |       |                               |                   |  |         |         |       |
| Rates concentration        | Rate revenue / adjusted underlying revenue                          | 5     | 59.4%                         | 59.6%             | 59.8%                                  | 59.9%   | 59.9%   | -     |
| Rates effort               | Rate revenue / property values (CIV)                                | 6     | 0.5%                          | 0.5%              | 0.5%                                   | 0.5%    | 0.5%    | o     |
| Efficiency                 |   |       |                               |                   |  |         |         |       |
| Expenditure level          | Total expenditure / no. of assessments                              | 7     | \$3,412                       | \$3,255           | \$3,353                                | \$3,454 | \$3,557 | +     |
| Grant Efficiency           | Specific purpose grants expended / Specific purpose grants received | 8     | 83.7%                         | 106.4%            | 100.0%                                 | 100.0%  | 100.0%  | o     |
| Rate revenue level         | Residential rate revenue / No. of residential assessments           | 9     | \$921                         | \$976             | \$1,035                                | \$1,097 | \$1,162 | +     |

|                    |   |      |      |      |      |      |   |
|--------------------|---|------|------|------|------|------|---|
| Workforce turnover | No. of resignations & terminations / average no. of staff | 6.2% | 5.0% | 5.0% | 5.0% | 5.0% | o |
|--------------------|---|------|------|------|------|------|---|

Key to Forecast Trend:

- + Forecast improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecast deterioration in Council's financial performance/financial position indicator

## Notes to indicators

**1 Adjusted underlying result** – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means a greater reliance on Council's cash reserves or the need to increase debt to maintain current service levels.

**2 Working Capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in 2014/15 year through utilisation of cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

**3 Debt compared to rates** - The trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

**4 Asset renewal** - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

**5 Rates concentration** - This measure reflects extent of reliance on rate revenues to fund all of Council's on-going services. The trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

**6 Rates effort** - This indicator reflects the percentage of rates generated per the total capital improved value ("CIV") of all properties assessed across the Murrindindi Shire. Levels are consistent across forward projections.

**7 Expenditure level** - This indicator details the amount of total expenditure per rateable property located within the Shire.

**8 Grant efficiency** - This indicator measures the percentage of grant revenue expended within the same year that the grant is received. A level of greater than 100% represents that Council is expending grant funds carried forward from a previous financial year.

**9 Rate revenue level** - This indicator calculates the average rate revenue collected by Council for each assessment located within the Murrindindi Shire. This shows an increase of 6% which is in accordance with current projections in the SRP.

## 8.4 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also utilise non-financial resources, in particular human resources. A summary of Council's anticipated human resources requirements for the 2014/15 year is shown below and further detail is included in section 4.3.1 of this budget. A statement of Human Resources is included in Appendix A.

| Indicator               | Forecast | Budget  | Strategic Resource Plan |         |         |
|-------------------------|----------|---------|-------------------------|---------|---------|
|                         | Actual   |         | Projections             |         |         |
|                         | 2013/14  | 2014/15 | 2015/16                 | 2016/17 | 2017/18 |
| Employee costs (\$'000) |          |         |                         |         |         |
| - Operating             | 12,015   | 12,246  | 12,736                  | 13,245  | 13,775  |
| - Capital               | 386      | 205     | 0                       | 0       | 0       |
| Total                   | 12,401   | 12,451  | 12,736                  | 13,245  | 13,775  |
| Employee numbers (EFT)  | 138      | 138     | 138                     | 138     | 138     |

## 9. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations.

### 9.1 Rating context

In developing the Strategic Resource Plan ("SRP") (referred to in Section 8.), rates and charges were identified as an important source of revenue, accounting for 54% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Murrindindi Shire community.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly recent changes in property valuations and subsequently rates for some properties in the municipality. To ensure that deliberations about future rate increases have been made on an informed basis, analysis of Council's capital works requirements, operating costs and underlying SRP principles have been undertaken to determine the level of funding required.

### 9.2 Current year rate increase

It is predicted that the 2014/15 operating position will be impacted by wages, renewal costs and reductions in government funding. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve the operating position as set out in the SRP. Total contribution towards capital investment for the 2014/15 year is \$2.50 million less than the required level of infrastructure renewal and therefore, unless it can be increased, the renewal gap will continue to expand and accumulate.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the general rate will increase by a 6.0%, the municipal charge by 5.8%, the kerbside collection charge by 6.0% and the recycling charge by 6.0%. This will raise total rate and charges for 2014/15 of \$16.72 million, including \$0.13 million generated from supplementary rates.

In the absence of any further commitment of funds from the State Government, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address the long term financial sustainability.

### 9.3 Rating structure

Council has established a rating structure which comprises three key elements. These are:

- Property values, form the central basis of rating under the *Local Government Act 1989*
- A user pays component to reflect usage of certain services provided by Council
- A fixed municipal charge per property to cover some of other administrative costs of the Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council is currently reviewing its rating structure, to be completed in 2014-15 with any outcomes to take effect in the 2015-16 financial year.

The existing rating structure comprises a general rate and one differential rate (Rural 1). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. The Rural 1 rate is set at 75% of the general rate and is applied to any land that is not less than 40ha. Council also levies a municipal charge, a kerbside collection charge and a recycling charge as allowed under the Act.

The following table summarises the rates to be determined for the 2014/15 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

| Rate type                  | How applied  | 2013/14  | 2014/15  | Change |
|----------------------------|--------------|----------|----------|--------|
| General rates              | Cents/\$ CIV | 0.003286 | 0.003222 | -1.95% |
| Commercial rates           | Cents/\$ CIV | 0.003286 | 0.003222 | -1.95% |
| Rural 1 rates              | Cents/\$ CIV | 0.002464 | 0.002416 | -1.95% |
| Rural 2 rates              | Cents/\$ CIV | 0.003286 | 0.003222 | -1.95% |
| Municipal charge           | \$/ property | \$274.00 | \$290.00 | 5.84%  |
| Kerbside collection charge | \$/ property | \$306.00 | \$325.00 | 6.21%  |
| Recycling charge           | \$/ property | \$75.00  | \$79.50  | 6.00%  |

Council is currently reviewing its Rating Strategy that will contain expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

#### **9.4 General revaluation of properties**

During the 2013/14 year, a revaluation of all properties within the municipality was carried out and will apply from 1 January 2014 for the 2014/15 year. The outcome of the general revaluation has been a substantial change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 7.90%. Of this increase, residential properties have increased by an average of 6.63%, commercial properties by 9.45% and rural properties by 8.79%.

In view of the outcomes of the general revaluation of all properties within the Council's municipal district during the 2013/14 year and Council's current strategic priorities, Council has chosen not to make any changes to the existing rate differential. Total income from rates charges includes both a rate increase of 6% and an allowance of 1.0% for growth. This will be achieved by reducing the rate in the dollar as a result of the 7.90% increase in property valuations across the municipal district following the general revaluation.

## 10. Other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan ("SRP") including borrowings, infrastructure and service delivery.

### 10.1 Borrowings

In developing the SRP (see Section 8), borrowings was identified as an important funding source for capital works programs. Council has not changed its longer term financial strategy to contribute \$500k per annum over the life of the SRP as a source of funding for annual capital works. Lower than expected interest rates have allowed Council to source debt more economically.

The SRP includes the results of an analysis of Council's debt position against both State averages and small rural Council averages over a number of different indicators. It also shows the results of the 'obligations' indicators that are part of the prescribed financial reporting indicators. The outcome of the analysis highlighted that Council's current debt levels are well within reasonable parameters for a Council of this size and financial level.

For the 2014/15 year, Council has not changed its debt strategy that was proposed in the SRP. \$500k will be borrowed in 2014/15 to fund capital projects. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2014.

| Year    | New Borrowings<br>\$'000 | Principal Paid<br>\$'000 | Interest Paid<br>\$'000 | Balance 30 June<br>\$'000 |
|---------|--------------------------|--------------------------|-------------------------|---------------------------|
| 2013/14 | 500                      | 861                      | 265                     | 3,697                     |
| 2014/15 | 500                      | 918                      | 242                     | 3,279                     |
| 2015/16 | 500                      | 823                      | 219                     | 2,956                     |
| 2016/17 | 500                      | 659                      | 215                     | 2,797                     |
| 2017/18 | 500                      | 574                      | 206                     | 2,723                     |

The table below shows information on borrowings specifically required by the Regulations.

|   | 2013/14<br>\$ | 2014/15<br>\$ |
|---|---------------|---------------|
| Total amount borrowed as at 30 June of the prior year | 4,058         | 3,697         |
| Total amount to be borrowed                           | 500           | 500           |
| Total amount projected to be redeemed                 | (861)         | (918)         |
| Total amount proposed to be borrowed as at 30 June    | 3,697         | 3,279         |

### 10.2 Asset Management

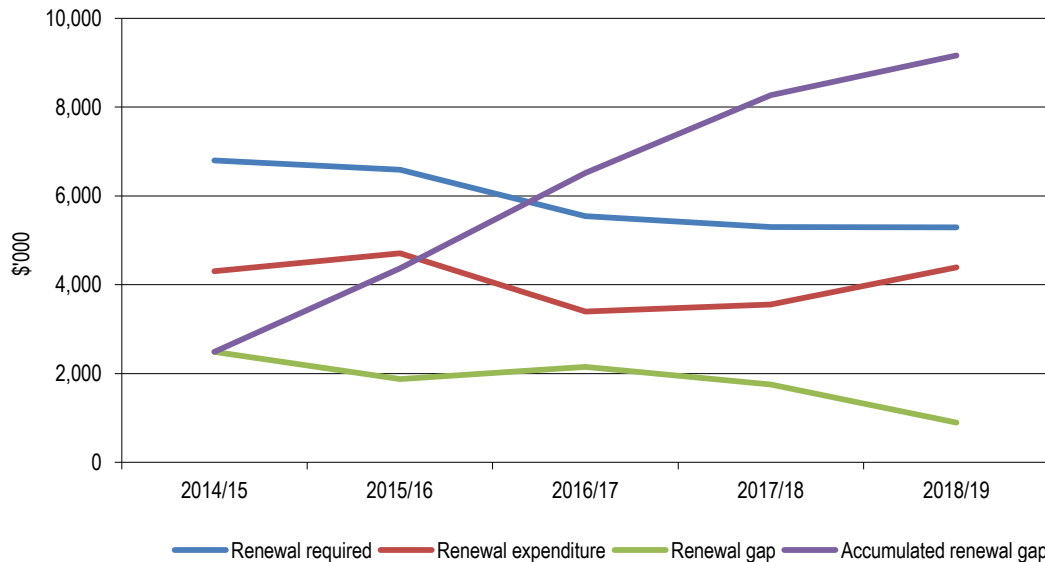
The Council has developed an Asset Management Strategy based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The Strategy has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria
- Methodology for allocating annual funding to classes of capital projects
- Business Case template for officers to document capital project submissions.



A key objective of the Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

The graph below sets out the required and actual asset renewal over the life of the current SRP and the renewal gap.



At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified as a part of its infrastructure operation management. While the Asset Management Strategy is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, the above graph indicates that in later years the required asset renewal is not being addressed creating an asset renewal gap. The increasing requirement of these renewal works that Council is required to fund over the coming years is the key rationale behind the request for further State Government assistance, as the value of this renewal gap has increased substantially since Council absorbed the ongoing costs associated with the new and gifted assets received post-2009 bushfires.

In reviewing the Asset Management Plans for the 2014/15 year, the following influences have had a significant impact:

- Managing the amount of cash and investment reserves to fund future capital expenditure programs.
- Environmental issues at the Alexandra Landfill requiring attention and the development of plans for expansion on the current site.
- Availability of significant Federal funding for upgrade of roads.

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has cash reserves that are also used to fund some capital projects where possible. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

### **10.3 Service delivery**

The key objectives in Council's SRP (referred to in Section 8.) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve a breakeven operating result within five to six years. The rating information (see Section 9.) also refers to rate increases into the future of 6%, pending the outcome of Council's submission to State Government relating to the costs associated with the new and gifted assets received since the 2009 bushfires. With these key objectives as a basis, a number of internal and external influences has been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the coming years.

It is worth reiterating, that in the interests of financial responsibility and responsible forward planning, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address Council's long term financial sustainability. Council will also need to review the timeframes for upgrading and renewing existing infrastructure as well as reviewing the capital works program.

The general influences affecting all operating revenue and expenditure include the following:

|                                | <b>2014/15</b> |
|--------------------------------|----------------|
|                                | <b>%</b>       |
| Local Government Cost Index    | 3.7            |
| Consumer Price Index           | 2.5            |
| Average Weekly Earnings        | 4.5            |
| Engineering Construction Index | 3.2            |
| Non-residential Building Index | 3.5            |
| Rate increases                 | 6.0            |
| Property growth                | 1.0            |
| Wages growth                   | 4.5            |
| Government funding             | 2.0            |
| Statutory fees                 | 2.0            |
| Investment return              | 5.5            |

## **Appendices**

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 10 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that whilst the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

| <b>Appendix</b> | <b>Nature of information</b> | <b>Page</b> |
|-----------------|------------------------------|-------------|
| A               | Budgeted Statements          | 58          |
| B               | Rates and charges            | 65          |
| C               | Capital works program        | 70          |
| D               | Fees and charges schedule    | 78          |

## **Appendix A**

### **Budgeted Statements**

This appendix presents information in regard to the Budgeted Financial Statements and Statement of Human Resources.

At the end of each financial year Council is required to include in the Financial Statements in its Annual Report a comparison of actual income and expenditure compared with the income and expenditure in the financial statements in the Budget.

The appendix includes the following budgeted information:

- Budgeted Comprehensive Income Statement
- Budgeted Balance Sheet
- Budgeted Statement of Changes in Equity
- Budgeted Statement of Cash Flows
- Budgeted Statement of Capital Works
- Budgeted Statement of Human Resources

## Budgeted Comprehensive Income Statement

|   | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 |
|---|---|-----------------------------|
| <b>Income</b>   |   |                             |
| Rates and charges   | 15,763                                  | 16,721                      |
| Statutory fees and fines  | 620                                     | 662                         |
| User fees   | 2,141                                   | 2,093                       |
| Contributions - cash  | 294                                     | 83                          |
| Contributions - non-monetary assets   | 0                                       | 0                           |
| Grants - Operating (recurrent)  | 3,981                                   | 6,529                       |
| Grants - Operating (non-recurrent)  | 1,957                                   | 399                         |
| Grants - Capital (recurrent)  | 833                                     | 833                         |
| Grants - Capital (non-recurrent)  | 3,317                                   | 2,521                       |
| Net gain on disposal of property, infrastructure,<br>plant and equipment                                      | (310)                                   | 0                           |
| Other income  | 1,109                                   | 806                         |
| Fair value adjustments for investment property  | 0                                       | 0                           |
| Share of net profits/(losses) of associated and<br>joint ventures accounted for by the equity<br>method       | 0                                       | 0                           |
| <b>Total income</b>   | <b>29,705</b>                           | <b>30,647</b>               |
| <b>Expenses</b>   |   |                             |
| Employee costs  | 12,015                                  | 12,246                      |
| Materials and services  | 12,446                                  | 10,613                      |
| Bad and doubtful debts  | 0                                       | 0                           |
| Depreciation and amortisation   | 7,350                                   | 7,473                       |
| Finance costs   | 330                                     | 310                         |
| Other expenses  | 275                                     | 283                         |
| <b>Total expenses</b>   | <b>32,416</b>                           | <b>30,925</b>               |
| <b>Surplus (deficit) for the year</b>   | <b>(2,711)</b>                          | <b>(278)</b>                |
| <b>Other comprehensive income</b>   |   |                             |
| <b>Items that will not be reclassified to<br/>surplus or deficit:</b>   |   |                             |
| Impairment of fire impacted infrastructure  | 0                                       | 0                           |
| Net asset revaluation increment /(decrement)  | 0                                       | 0                           |
| Share of other comprehensive income of<br>associates and joint ventures accounted for by<br>the equity method | 0                                       | 0                           |
| <b>Comprehensive result</b>   | <b>(2,711)</b>                          | <b>(278)</b>                |

## Budgeted Balance Sheet

|   | Forecast<br>Actual<br>2014<br>\$'000 | Budget<br><br>2015<br>\$'000 |
|---|--------------------------------------|------------------------------|
| <b>Assets</b>                               |                                      |                              |
| <b>Current assets</b>                       |                                      |                              |
| Cash and cash equivalents                   | 15,889                               | 14,173                       |
| Trade and other receivables                 | 2,218                                | 2,244                        |
| Financial assets                            | 0                                    | 0                            |
| Inventories                                 | 160                                  | 225                          |
| Other assets                                | 220                                  | 175                          |
| <b>Total current assets</b>                 | <b>18,487</b>                        | <b>16,817</b>                |
| <b>Non-current assets</b>                   |                                      |                              |
| Trade and other receivables                 | 37                                   | 35                           |
| Investments in regional library corporation | 0                                    | 0                            |
| Property, infrastructure, plant & equipment | 283,674                              | 284,919                      |
| Investment property                         | 0                                    | 0                            |
| Intangible assets                           | 0                                    | 0                            |
| <b>Total non-current assets</b>             | <b>283,711</b>                       | <b>284,954</b>               |
| <b>Total assets</b>                         | <b>302,198</b>                       | <b>301,771</b>               |
| <b>Liabilities</b>                          |                                      |                              |
| <b>Current liabilities</b>                  |                                      |                              |
| Trade and other payables                    | 2,417                                | 2,418                        |
| Trust funds and deposits                    | 485                                  | 555                          |
| Provisions                                  | 3,015                                | 3,135                        |
| Interest-bearing loans and borrowings       | 842                                  | 901                          |
| <b>Total current liabilities</b>            | <b>6,759</b>                         | <b>7,009</b>                 |
| <b>Non-current liabilities</b>              |                                      |                              |
| Provisions                                  | 1,577                                | 1,656                        |
| Interest-bearing loans and borrowings       | 2,855                                | 2,378                        |
| <b>Total non-current liabilities</b>        | <b>4,432</b>                         | <b>4,034</b>                 |
| <b>Total liabilities</b>                    | <b>11,191</b>                        | <b>11,043</b>                |
| <b>Net assets</b>                           | <b>291,007</b>                       | <b>290,728</b>               |
| <b>Equity</b>                               |                                      |                              |
| Accumulated surplus                         | 124,251                              | 123,483                      |
| Reserves                                    | 166,756                              | 167,245                      |
| <b>Total equity</b>                         | <b>291,007</b>                       | <b>290,728</b>               |

## Budgeted Statement of Changes in Equity

|  | Total<br>\$'000 | Accumulated<br>Surplus<br>\$'000 | Revaluatio<br>n Reserve<br>\$'000 | Other<br>Reserves<br>\$'000 |
|--|-----------------|----------------------------------|-----------------------------------|-----------------------------|
| <b>2015</b>                                      |                 |                                  |                                   |                             |
| Balance at beginning of the financial year       | 291,006         | 124,250                          | 158,201                           | 8,555                       |
| Adjustment on change in accounting policy        | -               | -                                | -                                 | -                           |
| Comprehensive result                             | (278)           | (278)                            | -                                 | -                           |
| Net asset revaluation increment(decrement)       | -               | -                                | -                                 | -                           |
| Impairment losses on revalued assets             | -               | -                                | -                                 | -                           |
| Reversal of impairment losses on revalued assets | -               | -                                | -                                 | -                           |
| Transfer to reserves                             | -               | (1,446)                          | -                                 | 1,446                       |
| Transfer from reserves                           | -               | 956                              | -                                 | (956)                       |
| <b>Balance at end of the financial year</b>      | <b>290,728</b>  | <b>123,482</b>                   | <b>158,201</b>                    | <b>9,045</b>                |

## Budgeted Statement of Cash Flows

|   | Forecast<br>Actual<br>2013/14<br>\$'000<br>Inflows<br>(Outflows) | Budget<br>2014/15<br>\$'000<br>Inflows<br>(Outflows) |
|---|--|--|
| <b>Cash flows from operating activities</b>                   |  |  |
| Rates and charges   | 15,836   | 16,644   |
| Statutory fees and fines                                      | 0  | 0  |
| User fees   | 3,813  | 3,325  |
| Contributions - cash  | 0  | 0  |
| Grants - operating  | 12,237   | 10,282   |
| Grants - capital  | 0  | 0  |
| Interest  | 554  | 342  |
| Other receipts  | 0  | 0  |
| Net GST refund / payment                                      | 0  | 0  |
| Employee costs  | (12,819)   | (10,861)   |
| Materials and consumables                                     | (11,843)   | (12,135)   |
| External contracts  | 0  | 0  |
| Utilities   | 0  | 0  |
| Other payments  | 0  | 0  |
| Net cash provided by operating activities                     | <u>7,778</u>   | <u>7,597</u>   |
| <b>Cash flows from investing activities</b>                   |  |  |
| Payments for property, plant and equipment                    | (10,725)   | (9,580)  |
| Proceeds from sale of property, plant and                     | 1,685  | 861  |
| Trust funds and deposits                                      | (253)  | 70   |
| Repayment of loans and advances                               | 0  | 0  |
| Net cash used in investing activities                         | <u>(9,293)</u>   | <u>(8,649)</u>                                       |
| <b>Cash flows from financing activities</b>                   |  |  |
| Finance costs   | (269)  | (246)  |
| Proceeds from borrowings                                      | 500  | 500  |
| Repayment of borrowings                                       | (861)  | (918)  |
| Net cash provided by (used in) financing activities           | <u>(630)</u>   | <u>(664)</u>   |
| <b>Net (decrease) increase in cash &amp; cash equivalents</b> | <u>(2,145)</u>   | <u>(1,716)</u>                                       |
| Cash and cash equivalents at beginning of the financial year  | 18,034   | 15,889   |
| <b>Cash and cash equivalents at end of the financial year</b> | <u>15,889</u>  | <u>14,173</u>  |



## Budgeted Statement of Capital Works

|  | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 |
|--|---|-----------------------------|
| <b>Property</b>                                |   |                             |
| Land   | 5                                       | 0                           |
| Land improvements                              | 0                                       | 0                           |
| Total land                                     | 5                                       | 0                           |
| Buildings                                      | 2,354                                   | 983                         |
| Building improvements                          | 0                                       | 0                           |
| Leasehold improvements                         | 0                                       | 0                           |
| Heritage buildings                             | 12                                      | 5                           |
| Total buildings                                | 2,366                                   | 988                         |
| <b>Total property</b>                          | <b>2,371</b>                            | <b>988</b>                  |
| <b>Plant and equipment</b>                     |   |                             |
| Plant, machinery and equipment                 | 1,166                                   | 1,233                       |
| Fixtures, fittings and furniture               | 15                                      | 25                          |
| Computers and telecommunications               | 448                                     | 218                         |
| Heritage plant and equipment                   | 0                                       | 0                           |
| Library books                                  | 92                                      | 89                          |
| <b>Total plant and equipment</b>               | <b>1,721</b>                            | <b>1,565</b>                |
| <b>Infrastructure</b>                          |   |                             |
| Roads  | 2,880                                   | 2,210                       |
| Bridges  | 1,435                                   | 1,795                       |
| Footpaths and cycleways                        | 598                                     | 595                         |
| Drainage                                       | 669                                     | 50                          |
| Recreational, leisure and community facilities | 623                                     | 1,507                       |
| Waste management                               | 419                                     | 870                         |
| Parks, open space and streetscapes             | 0                                       | 0                           |
| Aerodromes                                     | 0                                       | 0                           |
| Off street car parks                           | 0                                       | 0                           |
| Other infrastructure - Saleyards               | 9                                       | 0                           |
| <b>Total infrastructure</b>                    | <b>6,633</b>                            | <b>7,027</b>                |
| <b>Total capital works expenditure</b>         | <b>10,725</b>                           | <b>9,580</b>                |
| <b>Represented by:</b>                         |   |                             |
| New asset expenditure                          | 3,803                                   | 1,370                       |
| Asset renewal expenditure                      | 5,550                                   | 6,037                       |
| Asset expansion expenditure                    | 0                                       | 0                           |
| Asset upgrade expenditure                      | 1,372                                   | 2,173                       |
| <b>Total capital works expenditure</b>         | <b>10,725</b>                           | <b>9,580</b>                |

## Budgeted Statement of Human Resources

|                                | Forecast<br>Actual<br>2013/14<br>\$'000 | Budget<br>2014/15<br>\$'000 |
|--------------------------------|---|-----------------------------|
| <b>Staff expenditure</b>       |   |                             |
| Employee costs - operating     | 12,015                                  | 12,246                      |
| Employee costs - capital       | 386                                     | 205                         |
| <b>Total staff expenditure</b> | <b>12,401</b>                           | <b>12,451</b>               |
|                                |   |                             |
|                                | EFT                                     | EFT                         |
| <b>Staff numbers</b>           |   |                             |
| Employees                      | 138                                     | 138                         |
| <b>Total staff numbers</b>     | <b>138</b>                              | <b>138</b>                  |

## Appendix B Rates and charges

This appendix presents information which the Act and the Regulations require to be disclosed in the Council's annual budget.

### Rates and charges

#### 1. Rates and charges

1.1 The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

| Type or class of land                             | 2013/14<br>cents/\$CIV | 2014/15<br>cents/\$CIV | Change |
|---|------------------------|------------------------|--------|
| General rate for rateable residential properties  | 0.3286                 | 0.3222                 | -1.95% |
| General rate for rateable commercial properties   | 0.3286                 | 0.3222                 | -1.95% |
| Differential rate for rateable Rural 1 properties | 0.2464                 | 0.2416                 | -1.95% |
| General rate for rateable Rural 2 properties      | 0.3286                 | 0.3222                 | -1.95% |

1.2 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

| Type or class of land                             | 2013/14<br>\$     | 2014/15<br>\$     | Change      |
|---|-------------------|-------------------|-------------|
| Residential                                       | 5,063,974         | 5,323,184         | 5.1%        |
| Commercial  | 524,551           | 565,451           | 7.8%        |
| Rural 1   | 2,821,185         | 3,015,033         | 6.9%        |
| Rural 2   | 2,384,919         | 2,542,854         | 6.6%        |
| <b>Total amount to be raised by general rates</b> | <b>10,794,629</b> | <b>11,446,522</b> | <b>6.0%</b> |

1.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

| Type or class of land              | 2013/14<br>\$ | 2014/15<br>\$ | Change       |
|------------------------------------|---------------|---------------|--------------|
| Residential                        | 5,957         | 5,988         | 0.52%        |
| Commercial                         | 474           | 471           | -0.63%       |
| Rural 1                            | 1,299         | 1,316         | 1.31%        |
| Rural 2                            | 1,753         | 1,727         | -1.48%       |
| <b>Total number of assessments</b> | <b>9,483</b>  | <b>9,502</b>  | <b>0.20%</b> |

1.4 The basis of valuation to be used is the Capital Improved Value (CIV)

1.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

| Type or class of land      | 2013/14<br>\$        | 2014/15<br>\$        | Change       |
|----------------------------|----------------------|----------------------|--------------|
| Residential                | 1,549,436,000        | 1,652,113,500        | 6.63%        |
| Commercial                 | 160,338,000          | 175,497,000          | 9.45%        |
| Rural 1                    | 1,145,288,000        | 1,247,944,000        | 8.96%        |
| Rural 2                    | 726,643,000          | 789,216,000          | 8.61%        |
| <b>Total value of land</b> | <b>3,581,705,000</b> | <b>3,864,770,500</b> | <b>7.90%</b> |

**1.6 The municipal charge under section 159 of the Act compared with the previous financial year**

| Type of Charge | Per Rateable Property<br>2013/14<br>\$ | Per Rateable Property<br>2014/15<br>\$ | Change       |
|----------------|--|--|--------------|
| Municipal      | 274.00                                 | <b>290.00</b>                          | <b>5.84%</b> |

**1.7 The estimated total amount to be raised by municipal charges compared with the previous financial year**

| Type of Charge | 2013/14<br>\$ | 2014/15<br>\$    | Change       |
|----------------|---------------|------------------|--------------|
| Municipal      | 2,508,373     | <b>2,654,660</b> | <b>5.83%</b> |

**1.8 The rate or unit amount to be levied for each type of service rate or charge under section 162 of the Act compared with the previous financial year**

| Type of Charge                                     | Per Rateable Property<br>2013/14<br>\$ | Per Rateable Property<br>2014/15<br>\$ | Change       |
|--|--|--|--------------|
| Kerbside collection (120 litre mobile garbage bin) | 306.00                                 | <b>325.00</b>                          | <b>6.21%</b> |
| Recycling (240 litre recycling bin)                | 75.00                                  | <b>79.50</b>                           | <b>6.00%</b> |
| <b>Total</b>                                       | <b>381.00</b>                          | <b>404.50</b>                          | <b>6.17%</b> |

For the purposes of clarification of "defined properties" for garbage and recycling charges, defined properties for compulsory garbage and recycling charges are described as follows;

- all townships (residential)
- all townships and low density residential zones;
- all other residential properties within the area as defined previously by Council. (no change).

For Commercial properties 75% of the garbage charge & recycling charge will be waived upon production of satisfactory evidence to Council that an alternative commercial waste disposal arrangement is in operation.

**1.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year**

| Type of Charge      | 2013/14<br>\$    | 2014/15<br>\$    | Change       |
|---------------------|------------------|------------------|--------------|
| Kerbside collection | 1,840,590        | <b>1,951,087</b> | <b>6.00%</b> |
| Recycling           | 453,036          | <b>476,285</b>   | <b>5.13%</b> |
| <b>Total</b>        | <b>2,293,626</b> | <b>2,427,372</b> | <b>5.83%</b> |

**1.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year**

| Type of Charge                                 | 2013/14<br>\$     | 2014/15<br>\$     | Change       |
|--|-------------------|-------------------|--------------|
| Rates and charges                              | 15,596,628        | <b>16,528,554</b> | <b>5.98%</b> |
| Agreement in lieu of rates (Power Station)     | 57,969            | <b>59,418</b>     | <b>2.50%</b> |
| Supplementary rates (pro-rata within the year) |                   | <b>133,030</b>    | <b>1.00%</b> |
| <b>Total Rates &amp; Charges</b>               | <b>15,654,597</b> | <b>16,721,002</b> | <b>6.81%</b> |

### **1.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges**

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2014/15: estimated \$133,030, 2013/14: \$124,325)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

## **2. Differential rates**

### **2.1 Rates to be levied**

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.3222% (0.3222 cents in the dollar of CIV) for all rateable residential properties, commercial properties and Rural 2 properties; and
- A differential rate of 0.2416% (0.2416 cents in the dollar of CIV) for all rateable Rural 1 properties (75% of general rate).

Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below.

### **2.2 Rural 1 Land**

Rural 1 land is any rateable land, which is:

- Not less than 40 hectares in area; and
- shall include non-contiguous assessments within the Shire operating as a single farm enterprise.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services;
- Provision of general support services; and
- Recognition of the capital intensive nature of farming within the Shire and limited access to some services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land.

### **2.3 Rural 2 land**

There is no rating differential for land classified as Rural 2 land. Rural 2 land is any rural land that does not meet the criteria for Rural 1 land and is between 4 and 40 hectares in size.

## Appendix C

### Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2014/15 year.

The capital works projects are grouped by class and include the following:

- New works for 2014/15
- Works carried forward from the 2013/14 year.

### Capital works program

For the year ending 30 June 2015

#### 1. New works

| Capital Works Area   | Summary of funding sources |                  |                         |                |                      |
|--|----------------------------|------------------|-------------------------|----------------|----------------------|
|  | Project                    | Council          |                         |                |                      |
|  | Cost<br>\$'000             | Grants<br>\$'000 | Contributions<br>\$'000 | Cash<br>\$'000 | Borrowings<br>\$'000 |
| <b>PROPERTY</b>  |                            |                  |                         |                |                      |
| <b>LAND</b>  | 0                          | 0                | 0                       | 0              | 0                    |
| <b>BUILDINGS</b>   |                            |                  |                         |                |                      |
| <b>New asset expenditure</b>                                 |                            |                  |                         |                |                      |
| Community facilities: Yea Pioneer Reserve                    | 4                          | 0                | 0                       | 4              | 0                    |
| Total new asset expenditure - buildings                      | 4                          | 0                | 0                       | 4              | 0                    |
| <b>Asset renewal expenditure</b>                             |                            |                  |                         |                |                      |
| Public Convenience Renewal - Rotary & Leckie Park, Alexandra | 56                         | 0                | 0                       | 56             | 0                    |
| Municipal Offices - Alexandra                                | 335                        | 0                | 0                       | 335            | 0                    |
| Alexandra Senior Citizens                                    | 48                         | 0                | 0                       | 48             | 0                    |
| UGFM Building, Alexandra                                     | 9                          | 0                | 0                       | 9              | 0                    |
| Yea Pre-School   | 7                          | 0                | 0                       | 7              | 0                    |
| House - 13 Webster St Alexandra                              | 8                          | 0                | 0                       | 8              | 0                    |
| Alexandra Library  | 40                         | 0                | 0                       | 40             | 0                    |
| Other buildings  | 14                         | 0                | 0                       | 14             | 0                    |
| Total asset renewal expenditure - buildings                  | 517                        | 0                | 0                       | 517            | 0                    |
| <b>Asset upgrade expenditure</b>                             |                            |                  |                         |                |                      |
| Public Convenience Upgrade: Rotary Park, Alexandra           | 4                          | 0                | 0                       | 4              | 0                    |
| Alexandra Senior Citizens                                    | 30                         | 0                | 0                       | 30             | 0                    |
| Total asset upgrade expenditure - Buildings                  | 34                         | 0                | 0                       | 34             | 0                    |
| <b>TOTAL BUILDINGS</b>                                       | <b>555</b>                 | <b>0</b>         | <b>0</b>                | <b>555</b>     | <b>0</b>             |
| <b>HERITAGE BUILDINGS</b>                                    |                            |                  |                         |                |                      |
| <b>Asset renewal expenditure</b>                             |                            |                  |                         |                |                      |
| Princess Alexandra Statue - refurbishment                    | 5                          | 0                | 0                       | 5              | 0                    |
| Total asset renewal expenditure - Heritage buildings         | 5                          | 0                | 0                       | 5              | 0                    |
| <b>TOTAL HERITAGE BUILDINGS</b>                              | <b>5</b>                   | <b>0</b>         | <b>0</b>                | <b>5</b>       | <b>0</b>             |
| <b>TOTAL PROPERTY</b>  | <b>560</b>                 | <b>0</b>         | <b>0</b>                | <b>560</b>     | <b>0</b>             |

| Capital Works Area                              | Summary of funding sources |                  |                         |                |                    |
|---|----------------------------|------------------|-------------------------|----------------|--------------------|
|   | Project                    | Council          |                         |                |                    |
|   | Cost<br>\$'000             | Grants<br>\$'000 | Contributions<br>\$'000 | Cash<br>\$'000 | Borrow's<br>\$'000 |
| <b>PLANT AND EQUIPMENT</b>                      |                            |                  |                         |                |                    |
| <b>PLANT, MACHINERY AND EQUIPMENT</b>           |                            |                  |                         |                |                    |
| <b>New asset expenditure</b>                    |                            |                  |                         |                |                    |
| Motor vehicles and plant                        | 461                        | 0                | 0                       | 461            | 0                  |
| Total new asset expenditure - PM & E            | 461                        | 0                | 0                       | 461            | 0                  |
| <b>Asset renewal expenditure</b>                |                            |                  |                         |                |                    |
| Motor vehicles and plant                        | 518                        | 0                | 0                       | 18             | 500                |
| Total asset renewal expenditure - PM&E          | 518                        | 0                | 0                       | 18             | 500                |
| <b>TOTAL PLANT, MACHINERY &amp; EQUIPMENT</b>   | <b>979</b>                 | <b>0</b>         | <b>0</b>                | <b>479</b>     | <b>500</b>         |
| <b>COMPUTERS AND TELECOMMUNICATIONS</b>         |                            |                  |                         |                |                    |
| <b>Asset renewal expenditure</b>                |                            |                  |                         |                |                    |
| Information technology: GIS                     | 31                         | 0                | 0                       | 31             | 0                  |
| Information technology: PCs and servers         | 36                         | 0                | 0                       | 36             | 0                  |
| Information technology: Network infrastructure  | 29                         | 0                | 0                       | 29             | 0                  |
| Total asset renewal expenditure - IT            | 96                         | 0                | 0                       | 96             | 0                  |
| <b>Asset upgrade expenditure</b>                |                            |                  |                         |                |                    |
| Information technology: Asset system            | 45                         | 0                | 0                       | 45             | 0                  |
| Information technology: GIS                     | 14                         | 0                | 0                       | 14             | 0                  |
| Information technology: PCs and servers         | 9                          | 0                | 0                       | 9              | 0                  |
| Information technology: Network infrastructure  | 7                          | 0                | 0                       | 7              | 0                  |
| Total asset upgrade expenditure - IT            | 75                         | 0                | 0                       | 75             | 0                  |
| <b>TOTAL COMPUTERS &amp; TELECOMM'S</b>         | <b>171</b>                 | <b>0</b>         | <b>0</b>                | <b>171</b>     | <b>0</b>           |
| <b>LIBRARY BOOKS</b>                            |                            |                  |                         |                |                    |
| <b>New asset expenditure</b>                    |                            |                  |                         |                |                    |
| Books: Product purchases                        | 45                         | 0                | 0                       | 45             | 0                  |
| Total new asset expenditure - library books     | 45                         | 0                | 0                       | 45             | 0                  |
| <b>Asset renewal expenditure</b>                |                            |                  |                         |                |                    |
| Books: Product purchases                        | 44                         | 0                | 0                       | 44             | 0                  |
| Total asset renewal expenditure - library books | 44                         | 0                | 0                       | 44             | 0                  |
| <b>TOTAL LIBRARY BOOKS</b>                      | <b>89</b>                  | <b>0</b>         | <b>0</b>                | <b>89</b>      | <b>0</b>           |

| Capital Works Area                        | Project | Summary of funding sources |               |        |          |
|---|---------|----------------------------|---------------|--------|----------|
|   |         | Council                    |               |        |          |
|   | Cost    | Grants                     | Contributions | Cash   | Borrow's |
|   | \$'000  | \$'000                     | \$'000        | \$'000 | \$'000   |
| ROADS                                     |         |                            |               |        |          |
| New asset expenditure                     |         |                            |               |        |          |
| Road Safety - Street Lighting             | 41      | 0                          | 0             | 41     | 0        |
| Total new asset expenditure - roads       | 79      | 0                          | 0             | 79     | 0        |
| Asset renewal expenditure                 |         |                            |               |        |          |
| Sealed Roads                              | 353     | 2                          | 0             | 351    | 0        |
| Bituminous Sealing                        | 133     | 0                          | 0             | 133    | 0        |
| Shoulder Resheeting                       | 50      | 0                          | 0             | 50     | 0        |
| Traffic devices                           | 0       | 0                          | 0             | 0      | 0        |
| Street lighting                           | 0       | 0                          | 0             | 0      | 0        |
| Traffic signals                           | 0       | 0                          | 0             | 0      | 0        |
| Kerb & Channel                            | 108     | 0                          | 0             | 108    | 0        |
| Gravel Road Re-sheeting                   | 831     | 831                        | 0             | 0      | 0        |
| Parking                                   | 0       | 0                          | 0             | 0      | 0        |
| Traffic investigations                    | 0       | 0                          | 0             | 0      | 0        |
| Total asset renewal expenditure - roads   | 1,475   | 833                        | 0             | 642    | 0        |
| Asset upgrade expenditure                 |         |                            |               |        |          |
| Road Safety - Pioneer Reserve carpark     | 5       | 0                          | 0             | 5      | 0        |
| Kerb & Channel                            | 41      | 0                          | 0             | 41     | 0        |
| Total asset upgrade expenditure - roads   | 46      | 0                          | 0             | 46     | 0        |
| TOTAL ROADS                               | 1,600   | 833                        | 0             | 767    | 0        |
| BRIDGES                                   |         |                            |               |        |          |
| Asset renewal expenditure                 |         |                            |               |        |          |
| Ghin Ghin Bridge, Highlands               | 797     | 500                        | 0             | 297    | 0        |
| Moores Bridge, Flowerdale                 | 30      | -                          | 0             | 30     | 0        |
| Kangaroos Creek Culvert, Strath Creek     | 30      | -                          | 0             | 30     | 0        |
| Homewood Hall Bridge, Homewood            | 12      | -                          | 0             | 12     | 0        |
| Swamp Creek Bridge, Gobur                 | 32      | -                          | 0             | 32     | 0        |
| Various Bridge & Culvert Works            | 33      | -                          | 0             | 33     | 0        |
| Total asset renewal expenditure - Bridges | 934     | 500                        | -             | 434    | -        |
| Asset upgrade expenditure                 |         |                            |               |        |          |
| Ghin Ghin Bridge, Highlands               | 797     | 500                        | 0             | 297    | 0        |
| Moores Bridge, Flowerdale                 | 20      |                            | 0             | 20     | 0        |
| Homewood Hall Bridge, Homewood            | 3       |                            | 0             | 3      | 0        |
| Swamp Creek Bridge, Gobur                 | 8       |                            | 0             | 8      | 0        |
| Various Bridge & Culvert Works            | 33      |                            | 0             | 33     | 0        |
| Total asset upgrade expenditure - Bridges | 861     | 500                        | -             | 361    | -        |
| TOTAL BRIDGES                             | 1,795   | 1,000                      | -             | 795    | -        |



| Capital Works Area                                    | Project<br>Cost<br>\$'000 | Summary of funding sources |                             |                |                        |
|---|---------------------------|----------------------------|-----------------------------|----------------|------------------------|
|   |                           | Council                    |                             |                |                        |
|   |                           | Grants<br>\$'000           | Contrib<br>utions<br>\$'000 | Cash<br>\$'000 | Borrow'<br>s<br>\$'000 |
| <b>FOOTPATHS AND CYCLEWAYS</b>                        |                           |                            |                             |                |                        |
| <b>New asset expenditure</b>                          |                           |                            |                             |                |                        |
| Footpath - Missing Links: Petchell St Yea             | 8                         | 0                          | 0                           | 8              | 0                      |
| Total new asset expenditure - paths                   | 8                         | 0                          | 0                           | 8              | 0                      |
| <b>Asset renewal expenditure</b>                      |                           |                            |                             |                |                        |
| Footpaths - renewal                                   | 63                        | 0                          | 0                           | 63             | 0                      |
| Total asset renewal expenditure - paths               | 63                        | 0                          | 0                           | 63             | 0                      |
| <b>Asset upgrade expenditure</b>                      |                           |                            |                             |                |                        |
| Footpaths - upgrade                                   | 48                        | 0                          | 0                           | 48             | 0                      |
| Total asset upgrade expenditure - paths               | 48                        | 0                          | 0                           | 48             | 0                      |
| <b>TOTAL FOOTPATHS AND CYCLEWAYS</b>                  | <b>119</b>                | <b>0</b>                   | <b>0</b>                    | <b>119</b>     | <b>0</b>               |
| <b>DRAINAGE</b>                                       |                           |                            |                             |                |                        |
| <b>New asset expenditure</b>                          |                           |                            |                             |                |                        |
| Downey St, Alexandra                                  | 10                        | 0                          | 0                           | 10             | 0                      |
| Duke & Matheson Sts, Yea                              | 25                        | 0                          | 0                           | 25             | 0                      |
| Total new asset expenditure - drainage                | 35                        | 0                          | 0                           | 35             | 0                      |
| <b>Asset upgrade expenditure</b>                      |                           |                            |                             |                |                        |
| Road drain: Shamrock St, Alexandra                    | 15                        | 0                          | 0                           | 15             | 0                      |
| Total asset upgrade expenditure - drainage            | 15                        | 0                          | 0                           | 15             | 0                      |
| <b>TOTAL DRAINAGE</b>                                 | <b>50</b>                 | <b>0</b>                   | <b>0</b>                    | <b>50</b>      | <b>0</b>               |
| <b>RECREATIONAL, LEISURE AND COMMUNITY FACILITIES</b> |                           |                            |                             |                |                        |
| <b>Asset renewal expenditure</b>                      |                           |                            |                             |                |                        |
| Rotary Park Alexandra- BBQ's                          | 15                        | 0                          | 0                           | 15             | 0                      |
| Terip Terip Tennis Courts                             | 13                        | 0                          | 0                           | 13             | 0                      |
| Playground Equipment - Moores Park Eildon             | 6                         | 0                          | 0                           | 6              | 0                      |
| Alexandra Swimming Pool                               | 17                        | 0                          | 0                           | 17             | 0                      |
| Yea Swimming Pool                                     | 270                       | 270                        | 0                           | 0              | 0                      |
| Eildon Swimming Pool                                  | 50                        | 0                          | 0                           | 50             | 0                      |
| Marysville Swimming Pool                              | 109                       | 0                          | 0                           | 109            | 0                      |
| Shade Sails Renew & Repair - Swimming Pools           | 21                        | 0                          | 0                           | 21             | 0                      |
| Timber Tramway Museum, Alexandra                      | 50                        | 0                          | 0                           | 50             | 0                      |
| Glenburn Community Centre                             | 14                        |                            |                             | 14             |                        |
| Terip Terip Recreation Reserve Clubhouse              | 20                        | 0                          | 0                           | 20             | 0                      |
| Total asset renewal expenditure - RL & CF             | 585                       | 270                        | 0                           | 315            | 0                      |
| <b>Asset upgrade expenditure</b>                      |                           |                            |                             |                |                        |
| Alexandra Swimming Pool                               | 22                        | 0                          | 0                           | 22             | 0                      |
| Yea Swimming Pool                                     | 270                       | 270                        | 0                           | 0              | 0                      |
| Eildon Swimming Pool                                  | 22                        | 0                          | 0                           | 22             | 0                      |
| Marysville Swimming Pool                              | 9                         | 0                          | 0                           | 9              | 0                      |
| Shade Sails Upgrade - Leckie Park, Alexandra          | 25                        | 0                          | 0                           | 25             | 0                      |
| Total asset upgrade expenditure - RL&CF               | 348                       | 270                        | 0                           | 78             | 0                      |
| <b>TOTAL REC, LEISURE &amp; COMM FACILITIES</b>       | <b>933</b>                | <b>540</b>                 | <b>0</b>                    | <b>393</b>     | <b>0</b>               |

| Capital Works Area                              | Summary of funding sources |                  |                         |                |                    |
|---|----------------------------|------------------|-------------------------|----------------|--------------------|
|   | Project                    | Council          |                         |                |                    |
|   | Cost<br>\$'000             | Grants<br>\$'000 | Contributions<br>\$'000 | Cash<br>\$'000 | Borrow's<br>\$'000 |
| <b>WASTE MANAGEMENT</b>                         |                            |                  |                         |                |                    |
| <b>New asset expenditure</b>                    |                            |                  |                         |                |                    |
| Resource Recovery Centres                       | 85                         | 0                | 0                       | 85             | 0                  |
| Landfill Cell Construction                      | 246                        |                  |                         | 246            |                    |
| <b>Total new asset expenditure - Waste</b>      | <b>331</b>                 | <b>0</b>         | <b>0</b>                | <b>331</b>     | <b>0</b>           |
| <b>Asset renewal expenditure</b>                |                            |                  |                         |                |                    |
| Resource Recovery Centres                       | 62                         | 0                | 0                       | 62             | 0                  |
| Landfill - Fencing & Roadworks                  | 43                         |                  |                         | 43             |                    |
| <b>Total asset renewal expenditure - Waste</b>  | <b>105</b>                 | <b>0</b>         | <b>0</b>                | <b>105</b>     | <b>0</b>           |
| <b>Asset upgrade expenditure</b>                |                            |                  |                         |                |                    |
| Resource Recovery Centres                       | 20                         | 0                | 0                       | 20             | 0                  |
| Landfill - Cell Construct & Leachate Management | 414                        | 0                | 0                       | 414            | 0                  |
| <b>Total asset upgrade expenditure - Waste</b>  | <b>434</b>                 | <b>0</b>         | <b>0</b>                | <b>434</b>     | <b>0</b>           |
| <b>TOTAL WASTE MANAGEMENT</b>                   | <b>870</b>                 | <b>0</b>         | <b>0</b>                | <b>870</b>     | <b>0</b>           |
| <b>OTHER INFRASTRUCTURE</b>                     |                            |                  |                         |                |                    |
| <b>New asset expenditure</b>                    |                            |                  |                         |                |                    |
| Total new asset expenditure - other structures  | 0                          | 0                | 0                       | 0              | 0                  |
| <b>TOTAL OTHER STRUCTURES</b>                   | <b>0</b>                   | <b>0</b>         | <b>0</b>                | <b>0</b>       | <b>0</b>           |
| <b>TOTAL INFRASTRUCTURE</b>                     | <b>5,367</b>               | <b>2,373</b>     | <b>0</b>                | <b>2,994</b>   | <b>0</b>           |
| <b>TOTAL NEW CAPITAL WORKS 2014/15</b>          | <b>7,166</b>               | <b>2,373</b>     | <b>0</b>                | <b>4,293</b>   | <b>500</b>         |
| <b>REPRESENTED BY:</b>                          |                            |                  |                         |                |                    |
| Asset renewal expenditure                       | 4,342                      | 1,603            | 0                       | 2,239          | 500                |
| New asset expenditure                           | 963                        | 0                | 0                       | 963            | 0                  |
| Asset upgrade expenditure                       | 1,861                      | 770              | -                       | 1,091          | -                  |
| <b>TOTAL NEW CAPITAL WORKS 2014/15</b>          | <b>7,166</b>               | <b>2,373</b>     | <b>0</b>                | <b>4,293</b>   | <b>500</b>         |

2.Works carried forward from the 2013/14 year

| Capital Works Area                            | Summary of funding sources |                  |                         |                |                        |
|---|----------------------------|------------------|-------------------------|----------------|------------------------|
|   | Project                    | Council          |                         |                |                        |
|   | Cost<br>\$'000             | Grants<br>\$'000 | Contrib'<br>s<br>\$'000 | Cash<br>\$'000 | Borrow'<br>s<br>\$'000 |
| <b>PROPERTY</b>                               |                            |                  |                         |                |                        |
| <b>LAND</b>                                   |                            |                  |                         |                |                        |
| <b>BUILDINGS</b>                              |                            |                  |                         |                |                        |
| <b>Asset renewal expenditure</b>              |                            |                  |                         |                |                        |
| Community Space Projects                      | 392                        | 314              | 0                       | 78             | 0                      |
| Public Convenience Renewal                    | 15                         | 0                | 0                       | 15             | 0                      |
| Yea Shire Hall                                | 13                         | 0                | 0                       | 13             | 0                      |
| Alexandra Senior Citizens                     | 8                          | 0                | 0                       | 8              | 0                      |
| Total asset renewal expenditure - buildings   | 428                        | 314              | 0                       | 114            | 0                      |
| <b>TOTAL BUILDINGS</b>                        | <b>428</b>                 | <b>314</b>       | <b>0</b>                | <b>114</b>     | <b>0</b>               |
| <b>TOTAL PROPERTY</b>                         | <b>428</b>                 | <b>314</b>       | <b>0</b>                | <b>114</b>     | <b>0</b>               |
| <b>PLANT AND EQUIPMENT</b>                    |                            |                  |                         |                |                        |
| <b>PLANT, MACHINERY AND EQUIPMENT</b>         |                            |                  |                         |                |                        |
| <b>Asset renewal expenditure</b>              |                            |                  |                         |                |                        |
| Major Plant & Machinery                       | 254                        | 0                | 0                       | 254            | 0                      |
| Total asset renewal expenditure - PM&E        | 254                        | 0                | 0                       | 254            | 0                      |
| <b>TOTAL PLANT, MACHINERY &amp; EQUIPMENT</b> | <b>254</b>                 | <b>0</b>         | <b>0</b>                | <b>254</b>     | <b>0</b>               |
| <b>FIXTURES, FITTINGS AND FURNITURE</b>       |                            |                  |                         |                |                        |
| <b>New asset expenditure</b>                  |                            |                  |                         |                |                        |
| Pool capital equipment                        | 25                         | 0                | 0                       | 25             | 0                      |
| Total new asset expenditure - F F & F         | 25                         | 0                | 0                       | 25             | 0                      |
| <b>COMPUTERS AND TELECOMMUNICATIONS</b>       |                            |                  |                         |                |                        |
| <b>Asset renewal expenditure</b>              |                            |                  |                         |                |                        |
| Information technology: PCs and servers       | 47                         | 0                | 0                       | 47             | 0                      |
| Total asset renewal expenditure - IT          | 47                         | 0                | 0                       | 47             | 0                      |
| <b>TOTAL COMPUTERS &amp; TELECOMM'S</b>       | <b>47</b>                  | <b>0</b>         | <b>0</b>                | <b>47</b>      | <b>0</b>               |
| <b>TOTAL PLANT AND EQUIPMENT</b>              | <b>326</b>                 | <b>0</b>         | <b>0</b>                | <b>326</b>     | <b>0</b>               |

| Capital Works Area                                    | Summary of funding sources |                  |                         |                |                        |
|---|----------------------------|------------------|-------------------------|----------------|------------------------|
|   | Project                    |                  | Council                 |                |                        |
|   | Cost<br>\$'000             | Grants<br>\$'000 | Contrib'<br>s<br>\$'000 | Cash<br>\$'000 | Borrow'<br>s<br>\$'000 |
| <b>INFRASTRUCTURE</b>                                 |                            |                  |                         |                |                        |
| <b>ROADS</b>  |                            |                  |                         |                |                        |
| <b>New asset expenditure</b>                          |                            |                  |                         |                |                        |
| Vegetation Projects                                   | 106                        | 0                | 0                       | 106            | 0                      |
| Total asset renewal expenditure - roads               | 106                        | 0                | 0                       | 106            | 0                      |
| <b>Asset renewal expenditure</b>                      |                            |                  |                         |                |                        |
| Eildon Township Project                               | 392                        | 392              | 0                       | 0              | 0                      |
| Traffic devices                                       | 0                          | 0                | 0                       | 0              | 0                      |
| Integrated transport plan                             | 0                          | 0                | 0                       | 0              | 0                      |
| Total asset renewal expenditure - roads               | 392                        | 392              | 0                       | 0              | 0                      |
| <b>Asset upgrade expenditure</b>                      |                            |                  |                         |                |                        |
| Yarck - Streetscape                                   | 20                         | 0                | 0                       | 20             | 0                      |
| Myers Creek Road - Upgrade TIRES Funding              | 92                         | 79               | 0                       | 13             | 0                      |
| Total asset upgrade expenditure - roads               | 112                        | 79               | 0                       | 33             | 0                      |
| <b>TOTAL ROADS</b>                                    | <b>610</b>                 | <b>471</b>       | <b>0</b>                | <b>139</b>     | <b>0</b>               |
| <b>FOOTPATHS AND CYCLEWAYS</b>                        |                            |                  |                         |                |                        |
| <b>New asset expenditure</b>                          |                            |                  |                         |                |                        |
| Kinglake Ranges Art History Walk                      | 250                        | 250              | 0                       | 0              | 0                      |
| Footpaths - Missing Links                             | 26                         | 0                | 0                       | 26             | 0                      |
| Total asset renewal expenditure - footpaths           | 276                        | 250              | 0                       | 26             | 0                      |
| <b>Asset upgrade expenditure</b>                      |                            |                  |                         |                |                        |
| Taggerty Walking Trail & Township Upgrade             | 200                        | 200              | 0                       | 0              | 0                      |
| Total asset upgrade expenditure - Paths               | 200                        | 200              | 0                       | 0              | 0                      |
| <b>TOTAL FOOTPATHS AND CYCLEWAYS</b>                  | <b>476</b>                 | <b>450</b>       | <b>0</b>                | <b>26</b>      | <b>0</b>               |
| <b>RECREATIONAL, LEISURE AND COMMUNITY FACILITIES</b> |                            |                  |                         |                |                        |
| <b>Asset renewal expenditure</b>                      |                            |                  |                         |                |                        |
| Yea Swimming Pool                                     | 500                        | 500              | 0                       | 0              | 0                      |
| Kinglake Memorial Park                                | 14                         | 0                | 0                       | 14             | 0                      |
| Alexandra Scout Hall                                  | 60                         | 0                | 0                       | 60             | 0                      |
| Total asset renewal expenditure - RL&CF               | 574                        | 500              | 0                       | 74             | 0                      |
| <b>TOTAL REC, LEISURE &amp; COMM FACILITIES</b>       | <b>574</b>                 | <b>500</b>       | <b>0</b>                | <b>74</b>      | <b>0</b>               |
| <b>WASTE MANAGEMENT</b>                               | <b>0</b>                   | <b>0</b>         | <b>0</b>                | <b>0</b>       | <b>0</b>               |
| <b>TOTAL INFRASTRUCTURE</b>                           | <b>1,660</b>               | <b>1,421</b>     | <b>0</b>                | <b>239</b>     | <b>0</b>               |
| <b>TOTAL CARRIED FWD WORKS 2013/14</b>                | <b>2,414</b>               | <b>1,735</b>     | <b>0</b>                | <b>679</b>     | <b>0</b>               |
| <b>REPRESENTED BY:</b>                                |                            |                  |                         |                |                        |
| Asset renewal expenditure                             | 1,695                      | 1,206            | 0                       | 489            | 0                      |
| New asset expenditure                                 | 407                        | 250              | 0                       | 157            | 0                      |
| Asset upgrade expenditure                             | 312                        | 279              | 0                       | 33             | 0                      |
|   | <b>2,414</b>               | <b>1,735</b>     | <b>0</b>                | <b>679</b>     | <b>0</b>               |

### 3. Summary

| Capital Works Area         | Summary of funding sources |                  |                         |                |                    |
|----------------------------|----------------------------|------------------|-------------------------|----------------|--------------------|
|                            | Project                    | Council          |                         |                |                    |
|                            | Cost<br>\$'000             | Grants<br>\$'000 | Contributions<br>\$'000 | Cash<br>\$'000 | Borrow's<br>\$'000 |
| Asset renewal expenditure  | 6,037                      | 2,809            | 0                       | 2,728          | 500                |
| New asset expenditure      | 1,370                      | 250              | 0                       | 1,120          | 0                  |
| Asset upgrade expenditure  | 2,173                      | 1,049            | -                       | 1,124          | -                  |
| <b>TOTAL CAPITAL WORKS</b> | <b>9,580</b>               | <b>4,108</b>     | <b>0</b>                | <b>4,972</b>   | <b>500</b>         |

## Appendix D

### Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2014/15 year.

| <b>Fees &amp; Charges - 2014-15</b>                                  | <b>Ref</b>                  | <b>2013-14</b>          | <b>2014-15</b>          |
|--|-----------------------------|-------------------------|-------------------------|
| <b>Administration Charges</b>  |                             |                         |                         |
| Photocopy Charges - A4 Black & White                                 | Per copy                    | 0.30                    | 0.30                    |
| Photocopy Charges - A4 Black & White - double sided                  | Per double sided copy       | 0.60                    | 0.60                    |
| Photocopy Charges - A4 Colour  | Per copy                    | 0.60                    | 1.00                    |
| Photocopy Charges - A4 Colour - double sided                         | Per double sided copy       | 1.20                    | 2.00                    |
| Photocopy - A3 Black & White   | Per copy                    | 0.60                    | 0.60                    |
| Photocopy - A3 Black & White - double sided                          | Per double sided copy       | 1.20                    | 1.20                    |
| Photocopy - A3 Colour  | Per copy                    | 1.20                    | 2.00                    |
| Photocopy - A3 Colour - double sided                                 | Per double sided copy       | 2.40                    | 4.00                    |
| Photocopy - AO B&W Photocopies                                       | Per copy                    | 7.70                    | 8.00                    |
| Photocopy - A1 B&W Photocopies                                       | Per copy                    | 6.60                    | 6.80                    |
| Photocopy - A2 B&W Photocopies                                       | Per copy                    | 5.40                    | 5.50                    |
| Photocopy Charges - Planning Photo A3                                | Per copy                    | 1.00                    | 1.00                    |
| Freedom of Information Request - Statutory (photocopying additional) | Per application             | 25.70                   | 26.30                   |
| Freedom of Information - Search Charges                              | \$20.00 per hour            | \$20 per hour           | \$20 per hour           |
| Freedom of Information requests - Supervision Charges                | \$5.00 per qtr hour         | \$5 per qtr hour        | \$5 per qtr hour        |
| Freedom of Information requests - B & W photocopy (A4)               | Per copy                    | 0.30                    | 0.30                    |
| Sale of Yea History Book   | Per book                    | 31.00                   | 31.00                   |
| <b>General - Rates etc.</b>  |                             |                         |                         |
| Land Information Certificate Receipt                                 | Per certificate             | 20.00                   | 20.00                   |
| <b>Streets &amp; Open Space</b>                                      |                             |                         |                         |
| A frame sign   | Per sign for 2 years        | 54.50                   | 60.00                   |
| <b>Assets &amp; Development</b>                                      |                             |                         |                         |
| Drainage Point of Discharge information (BCA Scheduled fee)          | Per information certificate | 59.70                   | 61.50                   |
| Works Maintenance Bonds (Refundable)                                 |                             | 5% of Cost of works     | 5% of Cost of works     |
| Checking Engineering Plans   | Per application             | 0.75% of value of works | 0.75% of value of works |
| Supervision Fees of Works  | Per application             | 2.5% of value of works  | 2.5% of value of works  |
| <b>Municipal Roads &lt;50kph</b>                                     |                             |                         |                         |
| Major Works (A)  | Per application             | 256.80                  | 264.60                  |

| <b>Fees &amp; Charges - 2014-15</b>   | <b>Ref</b>      | <b>2013-14</b>   | <b>2014-15</b>   |
|---|-----------------|--|--|
| Major Works (B)   | Per application | 64.20  | 66.20  |
| Minor Works (A)   | Per application | 147.70   | 152.20   |
| Minor Works (B)   | Per application | 64.20  | 66.20  |
| <b>Municipal Roads &gt;50kph</b>  |                 |  |  |
| Major Works (A)   | Per application | 577.80   | 595.20   |
| Major Works (B)   | Per application | 321.00   | 330.70   |
| Minor Works (A)   | Per application | 147.70   | 152.20   |
| Minor Works (B)   | Per application | 64.20  | 66.20  |
| (A) On Roadway, shoulder or pathway   |                 |  |  |
| (B) Not on Roadway, shoulder or pathway   |                 |  |  |
| Driveway crossings and service connections are generally considered as minor works  |                 |  |  |
|   |                 |  |  |
| <b>Building</b>   |                 |  |  |
| <b>Domestic Building Applications:</b>  |                 |  |  |
| <b>Dwellings additions / alterations</b>  |                 |  |  |
| <b>Up to \$40,000</b>   | Per permit      | 430.00   | 473.00   |
| Up to \$120,000 in value ( 4 inspections )  | Per permit      | -  |  |
| Up to \$153,000 in value (4 inspections)  | Per permit      | 766.70   | 843.30   |
| Over \$120,000 in value (4 inspections )  | Per permit      | -  |  |
| Over \$153,000 in value (4 inspections)   | Per permit      | \$cost / 200 +<br>gst                                      | \$cost/200 +<br>gst  |
| <b>New Dwellings</b>  |                 |  |  |
| Up to \$200,000   | Per permit      | -  |  |
| Up to \$255,000   | Per permit      | 1274.00  | 1401.40  |
| Over \$200,000  | Per permit      | -  |  |
| Over \$255,000  | Per permit      | \$cost/200 +<br>gst  | \$cost/200 +<br>gst  |
| e.g. cost of works new dwelling \$250,000 / 200 = \$1,250<br>+ gst + \$30 Lodgement fee + government levy   |                 |  |  |
| Shed / Carport / Verandas   | Per permit      | 429.50   | 470.00   |
| Sheds over 50m2   | Per permit      | 580.00   | 638.00   |
| Swimming Pools  | Per permit      | 580.00   | 638.00   |
| Re-stumping   | Per permit      | 290.00   | 319.00   |
| Underpinning  | Per permit      | 290.00   | 319.00   |
| <b>Demolition Permits</b>   |                 |  |  |
| - Dwellings   | Per permit      | 300.00   | 330.00   |
| - Commercial / Industrial up to 200m2   | Per permit      | 580.00   | 638.00   |
| Fences  | Per permit      | 232.50   | 255.00   |
| <b>Commercial Building Applications:</b>  |                 |  |  |
| as per AIBS Guidelines 4 (\$cost / 2000 + V cost)   |                 |  |  |
| e.g. cost of works \$250,000 / 2000 = \$125, V\$250,000<br>= \$500, \$125 + \$500 = \$625 x 4 = \$2,500 + GST +<br>\$35.70 Lodgement fee + govt. levy |                 | as per AIBS<br>Guidelines<br>4(\$cost/2000+<br>Sart\$cost) | as per AIBS<br>Guidelines<br>4(\$cost/2000<br>+Sart\$cost) |
| Construction value \$100,000  | Per application | 1611.39  | 1611.39  |
| Construction value \$250,000  | Per application | 2760.00  | 2760.00  |
| <b>Building Commission's Operations Levy</b>  |                 |  |  |
| Domestic Building Permits - where value of works is greater than \$10,000   | Levy per permit | 0.128% of \$   | 0.128% of \$   |
| Commercial Building Permits - where value of works is greater than \$10,000   | Levy per permit | 0.128% of \$   | 0.128% of \$   |
| Extension of Time   | Per application | 190.00   | 196.00   |

| <b>Fees &amp; Charges - 2014-15</b>                            | <b>Ref</b>            | <b>2013-14</b>  | <b>2014-15</b> |
|--|-----------------------|-----------------|----------------|
| Amendment to Permit  | Per application       | 63.00 to 255.00 |                |
| Inspection of dwelling - relocation (plus deposit \$50.00 )    | Per application       | 405.00          | 417.00         |
| Inspection Fees - expired permits - final certificate required | Per application       | 190.00          | 196.00         |
| Copy of Plans- (Dwellings)                                     | Per set               | 50.00           | 51.20          |
| Copy of Plans- (Commercial/Industrial)                         | Per set               | 76.80           | 78.70          |
| Building Permit Search Fee                                     | Per search            | 70.00           | 71.70          |
| Modification to siting requirements                            | Per application       | 235.00          | 235.00         |
| Application to build over easement                             | Per application       | 190.00          | 196.00         |
| Building Information Certificate                               | Per certificate       | 47.50           | 47.50          |
| Solicitor's Inquiries  | Per inquiry           | 47.50           | 47.50          |
| Complex Property Inquiry - Commercial/Industrial               | Per inquiry           | 76.50           | 76.50          |
| Building Control Lodgement Fees (Domestic & Commercial)        | Per lodgement         | 47.50           | 35.70          |
|  |                       |                 |                |
| <b>Health</b>  |                       |                 |                |
| Septic Tank Fees domestic                                      | Per permit            | 461.00          | 505.00         |
| Septic Tank Alteration   | Per permit            | 255.50          | 280.00         |
| Septic Tank Fees commercial                                    | Per permit            | 461.00          | 505.00         |
| <b>Food Premises Registration (New categories)</b>             |                       |                 |                |
| Category 3   | Per registration      | 151.00          | 166.00         |
| Category 2   | Per registration      | 268.00          | 295.00         |
| Category 1   | Per registration      | 337.00          | 370.00         |
| <b>Prescribed Accommodation Registration</b>                   |                       |                 |                |
| Level 1 - up to 25 beds  | Per registration      | 127.00          | 140.00         |
| Level 2 - 26 to 50 beds  | Per registration      | 174.00          | 191.00         |
| Level 3 - 51 to 74 beds  | Per registration      | 233.00          | 256.00         |
| Level 4 - 75 to 100 beds                                       | Per registration      | 290.00          | 319.00         |
| Level 5 - 101 to 125 beds                                      | Per registration      | 349.00          | 384.00         |
|  |                       |                 |                |
| Hair Dressers Registration                                     | Per registration      | 151.00          | 166.00         |
| Skin Penetration Registration                                  | Per registration      | 151.00          | 166.00         |
| Caravan Parks Registration - per site                          | Per site registration | 2.60            | 3.25           |
| Business Registration Transfers - Health                       | Per transfer          | 133.00          | 135.00         |
| Inspections - Health   | Per inspection        | 133.00          | 135.00         |
| Flu shots to external organisations                            | Per shot              | 17.50           | 18.00          |
|  |                       |                 |                |
| <b>Local Laws</b>  |                       |                 |                |
| Disabled Parking Permits                                       | Per permit            | 5.60            | 6.10           |
|  |                       |                 |                |
| <b>Animal Impoundment Fees (Daily)</b>                         |                       |                 |                |
| Dog  | Per dog               | 70.00           | 77.00          |
| Dog (Concession owner)   | Per dog               | 42.00           | 46.00          |
| Cattle - first   | Per head              | 76.00           | 84.00          |
| Goats & Pigs   | Per head              | 41.00           | 45.00          |
| Horses   | Per head              | 76.00           | 84.00          |
| Sheep Pound  | Per head              | 20.50           | 22.50          |
| Each additional animal   | Per head              | 3.10            | 3.40           |
| Sustenance   | Per head              | 17.40           | 19.00          |
| All other animals (birds & poultry)                            | Per head              | 1.60            | 1.80           |
| - sustenance   | Per head              | 1.20            | 1.30           |



| <b>Fees &amp; Charges - 2014-15</b>                                      | <b>Ref</b>      | <b>2013-14</b>      | <b>2014-15</b>      |
|--|-----------------|---------------------|---------------------|
| <b>Animal Registrations</b>  |                 |                     |                     |
| Dog Tag Replacement Fee  | Per tag         | 3.40                | 3.70                |
| Cat Tag Replacement Fee  | Per tag         | 3.40                | 3.70                |
| New dog/cat registration - not desexed                                   | Per dog/cat     | 108.00              | 119.00              |
| New dog cat registration - not desexed (Concession)                      | Per dog/cat     | 54.00               | 59.00               |
| Dog/cat Re-registration - not desexed or micro chipped                   | Per dog/cat     | 108.00              | 119.00              |
| Dog/cat Re-registration - not desexed or micro chipped (Concession)      | Per dog/cat     | 54.00               | 59.00               |
| New Dog/cat Registration - <b>Desexed</b> and micro chipped              | Per dog/cat     | 36.00               | 40.00               |
| New Dog/cat Registration - <b>Desexed</b> and micro chipped (Concession) | Per dog/cat     | 18.00               | 20.00               |
| Dog/cat Re-registration - <b>Desexed</b> or micro chipped                | Per dog/cat     | 36.00               | 40.00               |
| Dog/cat Re-registration - <b>Desexed</b> or micro chipped (Concession)   | Per dog/cat     | 18.00               | 20.00               |
| Guide dog registration & re-registration                                 | Per dog         | 0.00                | 0.00                |
| Restricted breeds/Declared Animals                                       | Per animal      | 203.00              | 223.00              |
|  |                 |                     |                     |
| <b>Planning Charges</b>  |                 |                     |                     |
| <b>Advertising fee</b>   |                 |                     |                     |
| Public notice in paper (to be inserted by Council)                       | Per notice      | 122.00              | 126.00              |
| Public notice on site (when erected for applicant)                       | Per notice      | 75.00               | 77.00               |
| Admin. Charge  | Per notice      | 37.00               | 38.00               |
|  |                 |                     |                     |
| <b>Satisfaction Matters</b>  |                 |                     |                     |
| <b>Satisfaction matters - As prescribed in regulation</b>                |                 |                     |                     |
| Assessing a Plantation Development Notice                                | Per assessment  | 128.50              | 132.00              |
| Assessing a Timber Harvesting Plan                                       | Per assessment  | 128.50              | 132.00              |
|  |                 |                     |                     |
| <b>Subdivision Certification Fees</b>                                    |                 |                     |                     |
| Public Open Space Contributions  |                 | 5% of land value    | 5% of land value    |
| Preparation of Engineering Plans By Council                              | Per set         | 3.5% of works value | 3.5% of works value |
|  |                 |                     |                     |
| <b>Planning Certificates</b>   |                 |                     |                     |
| Planning Certificates - As prescribed in regulation                      | Per certificate | 18.20               | 18.20               |
| Fast Tracking of Planning Certificates                                   | Per certificate | 36.40               | 36.40               |
|  |                 |                     |                     |
| <b>Planning Fees</b>   |                 |                     |                     |
| Shed, tree removal   | Per application | 102.00              | 102.00              |
| House \$10,000 - \$100,000   | Per application | 239.00              | 239.00              |
| House > \$100,000  | Per application | 490.00              | 490.00              |
| Building works \$10,001 - \$250,000                                      | Per application | 604.00              | 604.00              |
| Building works >\$250,001 - \$500,000                                    | Per application | 707.00              | 707.00              |
| Building works >\$500,001  | Per application | 815.00              | 815.00              |
| 2 lot subdivision  | Per application | 386.00              | 386.00              |
| Other subdivision  | Per application | 781.00              | 781.00              |
| Change in use  | Per application | 502.00              | 502.00              |
| Creation of easement   | Per application | 404.00              | 404.00              |
|  |                 |                     |                     |
| <b>Section 173 Agreements</b>  |                 |                     |                     |
| Administrative fee   | Per agreement   | 121.50              | 121.50              |

| <b>Fees &amp; Charges - 2014-15</b>  | <b>Ref</b>         | <b>2013-14</b> | <b>2014-15</b>   |
|--|--------------------|----------------|------------------|
| Applicant must also pay the full cost of assessment of a Section 173 agreement by council's solicitors                   |                    |                |                  |
|  |                    |                |                  |
| <b>Planning Permit / Consent Fees</b>  |                    |                |                  |
| Planning Consents  | Per application    | 102.00         | 102.00           |
| Extension of time for Planning Permit & Consents   | Per application    | 130.00         | 130.00           |
| Approval of Endorsed Plan/s  | Per approval       | 130.00         | 134.00           |
| Amendment of Endorsed Plan/s   | Per amendment      | 130.00         | 134.00           |
| Planning Permit / Consent archive search fee   | Per item           | 70.00          | 72.00            |
|  |                    |                |                  |
| <b>Planning Scheme Amendments</b>  |                    |                |                  |
| Amendments - As prescribed in regulations  |                    |                |                  |
| When an independent panel report is required, the proponent must pay full panel charges for the hearing and panel report |                    |                |                  |
|  |                    |                |                  |
| <b>Planning Enforcement</b>  |                    |                |                  |
| Planning enforcement - As prescribed in regulation   |                    | 704.20         | 704.20           |
|  |                    |                |                  |
| <b>Community Services</b>  |                    |                |                  |
| <b>Children's Services</b>   |                    |                |                  |
| <b>Family Day care - \$0.80 retained by Council per hour as administration fee.</b>                                      | Per child per hour | \$6.50-\$10.00 | \$6.50 - \$10.00 |
| Baby Capsule Loan Receipt - fee  | Per item           | 30.00          | 30.00            |
| Baby Capsule Loan Receipt - deposit  | Per item           | 20.00          | 20.00            |
| <b>Community Bus rental per day</b>  |                    |                |                  |
| - Not for Profit   | Half day           | 66.50          | 90.00            |
| - Not for Profit   | Full day           | 112.00         | 125.00           |
| - Business   | Half day           | -              | n/a              |
| - Business   | Full day           | -              | n/a              |
| Refundable Bond  |                    | 50.00          | 50.00            |
| <b>HACC charges</b>  |                    |                |                  |
| <b>Cheviot Planned Activity Group</b>  |                    |                |                  |
| - Low Income   | Per service        | 7.10           | 7.30             |
| - Medium Income  | Per service        | 7.10           | 7.30             |
| - High Income (Core)   | Per service        | 12.60          | 12.80            |
| - High Income (High Care)  | Per service        | 17.70          | 18.00            |
| <b>Allied Health Support</b>   |                    |                |                  |
| - Low Income   | Per consultation   | 9.30           | 9.40             |
| - Medium Income  | Per consultation   | 14.20          | 14.50            |
| - High Income (Core)   | Per hour           | 93.80          | 95.60            |
| <b>Food Services (Meals)</b>   |                    |                |                  |
| - Low Income   | Per meal           | 8.50           | 8.70             |
| - Medium Income  | Per meal           | 8.50           | 8.70             |
| - High Income  | Per meal           | 15.50          | 15.15            |
| <b>Home Care</b>   |                    |                |                  |
| - Low Income   | Per hour           | 5.70           | 5.80             |
| - Medium Income  | Per hour           | 14.20          | 14.50            |
| - High Income  | Per hour           | 30.90          | 31.50            |
| <b>Property Maintenance</b>  |                    |                |                  |
| - Low Income   | Per hour           | 11.40          | 11.60            |
| - Medium Income  | Per hour           | 17.00          | 17.40            |
| - High Income  | Per hour           | 44.90          | 45.80            |
| <b>Personal Care</b>   |                    |                |                  |

| <b>Fees &amp; Charges - 2014-15</b>                               | <b>Ref</b>                    | <b>2013-14</b> | <b>2014-15</b> |
|---|-------------------------------|----------------|----------------|
| - Low Income  | Per hour                      | 4.30           | 4.30           |
| - Medium Income   | Per hour                      | 8.50           | 8.50           |
| - High Income   | Per hour                      | 35.30          | 35.30          |
| <b>Respite Care</b>   |                               |                |                |
| - Low Income  | Per hour                      | 2.80           | 2.90           |
| - Medium Income   | Per hour                      | 4.20           | 4.40           |
| - High Income   | Per hour                      | 31.30          | 32.50          |
| <b>Respite Care in home overnight</b>                             |                               |                |                |
| - Low Income  | Per 10 hours                  | 15.90          | 16.20          |
| - Medium Income   | Per 10 hours                  | 20.25          | 20.65          |
| - High Income   | Per 10 hours                  | 141.60         | 144.45         |
| <b>Nursing</b>  |                               |                |                |
| - Low Income  | Per visit                     | 3.50           | 3.60           |
| - Medium Income   | Per visit                     | 30.60          | 31.90          |
| - High Income   | Per visit                     | 85.90          | 87.60          |
| <b>Cheviot Program - Social Support</b>                           |                               | 8.70           | 8.90           |
| <b>PRIVATE CLIENTS - AGED AND DISABILITY SERVICES</b>             |                               |                |                |
| <b>Home Care, Personal Care and Respite Care</b>                  |                               |                |                |
| Mon - Fri - 6am - 6pm   | Per hour                      | 43.05          | 43.90          |
| Mon - Fri - outside above hours - and Saturday (first 2 hours)    | Per hour                      | 51.35          | 52.40          |
| Mon - Fri - outside above hours - and Saturday (hours thereafter) | Per hour                      | 60.50          | 61.70          |
| Sunday all day  | Per hour                      | 67.40          | 68.75          |
| Public Holidays   | Per hour                      | 70.60          | 72.00          |
| Travel rate   | Per hour                      | 43.05          | 43.90          |
| Travel cost   | Per kilometre                 | 1.33           | 1.36           |
| <b>Home Maintenance</b>   |                               |                |                |
| Mon - Fri 6am - 6pm   | Per hour                      | 57.20          | 58.35          |
| Mon - Fri (outside above hours)                                   | Per hour                      | 62.20          | 63.45          |
| Travel rate   | Per hour                      | 42.65          | 43.50          |
| Travel cost   | Per kilometre                 | 1.42           | 1.45           |
| <b>Food Services (Meals)</b>                                      | Per meal                      | 15.20          | 15.50          |
| <b>Cheviot Social Support</b>                                     |                               |                |                |
| - High  | Per hour                      | 22.15          | 22.60          |
| - Core Meal   | Per meal                      | 15.20          | 15.50          |
| <b>Case Management</b>  | Per case                      | 104.55         | 106.65         |
|   |                               |                |                |
| <b>Swimming Pools</b>   |                               |                |                |
| <b>Admissions</b>   |                               |                |                |
| Adults  | Per adult                     | 5.50           | 6.00           |
| Children  | Per child                     | 4.50           | 5.00           |
| Family  | 2 Adults + 1 or more children | 11.00          | 17.00          |
|   |                               |                |                |
| <b>Seasons Tickets *</b>  |                               |                |                |
| Senior  | Per person                    | 75.00          | 75.00          |
| Junior / Concession   | Per person                    | 52.00          | 52.00          |
| 1 Adult and 1 Dependent Child                                     |                               | 78.00          | 81.00          |
| 1 Adult and 2 or more Dependent Children                          |                               | 125.00         | 130.00         |
| 2 Adults with 1 or more Dependent Children                        |                               | 150.00         | 156.00         |
| * Season Tickets for Public Hours Only                            |                               |                |                |

| <b>Fees &amp; Charges - 2014-15</b>                                       | <b>Ref</b>            | <b>2013-14</b> | <b>2014-15</b> |
|---|-----------------------|----------------|----------------|
| Multi Pass- Adult   | Per adult - 10 visits | 36.00          | 36.00          |
| Multi Pass- Child   | Per child - 10 visits | 29.00          | 29.00          |
| <b>School Fees</b>  |                       |                |                |
| Schools/all private hirers  | Per hour              | 35.00          | 35.00          |
| Hirers who require Lifeguard  | Per hour              | 60.00          | 65.00          |
| <b>Public Hire Facilities</b>   |                       |                |                |
| <b>Yea Shire Hall Hire (New Charging system)</b>                          |                       |                |                |
| Commercial  | Per 1/2 day           | \$113.00       | \$116.00       |
| Commercial  | Per Full day          | \$226.00       | \$233.00       |
| Bond  | Per rental period     | \$226.00       | \$233.00       |
|   |                       |                |                |
| Non commercial  | 1/2 day               | \$57.00        | \$59.00        |
| Non commercial  | Full day              | \$114.00       | \$118.00       |
| Bond  | Per rental period     | \$114.00       | \$118.00       |
| Public Liability Insurance  | Per hire              | \$30.00        | \$35.00        |
|   |                       |                |                |
| <b>Yea Chambers (New Charging system)</b>                                 |                       |                |                |
| Commercial  | Per 1/2 day           | \$57.00        | \$59.00        |
| Commercial  | Per Full day          | \$114.00       | \$118.00       |
| Bond  | Per rental period     | \$114.00       | \$118.00       |
|   |                       |                |                |
| Non commercial  | Per 1/2 day           | \$28.00        | \$29.00        |
| Non commercial  | Per Full day          | \$56.00        | \$58.00        |
| Bond  | Per rental period     | \$56.00        | \$58.00        |
| Public Liability Insurance  | Per hire              | \$30.00        | \$35.00        |
|   |                       |                |                |
| <b>Alexandra Shire Hall Charges</b>                                       |                       |                |                |
| Commercial  | 1/2 day               | \$113.00       | \$116.00       |
| Commercial  | Full day              | \$226.00       | \$233.00       |
| Bond  | Per rental period     | \$226.00       | \$233.00       |
|   |                       |                |                |
| Non commercial  | 1/2 day               | \$57.00        | \$59.00        |
| Non commercial  | Full day              | \$114.00       | \$118.00       |
| Bond  | Per rental period     | \$114.00       | \$118.00       |
|   |                       |                |                |
| Piano Hire Fee  | Per hire              | \$114.00       | \$118.00       |
| Public Liability Insurance - per session of Hire                          | Per hire              | \$30.00        | \$35.00        |
|   |                       |                |                |
|   |                       |                |                |
| <b>Library Charges</b>  |                       |                |                |
| Murrindindi Library - Photocopy Charges - A4 Black & White                | Per copy              | 0.30           | 0.30           |
| Murrindindi Library - Photocopy Charges - A4 Black & White - double sided | Per double sided copy | 0.60           | 0.60           |
| Murrindindi Library - Photocopy Charges - A4 Colour                       | Per copy              | 0.60           | 1.00           |
| Murrindindi Library - Photocopy Charges - A4 Colour - double sided        | Per double sided copy | 1.20           | 2.00           |
| Murrindindi Library - Photocopy - A3 Black & White                        | Per copy              | 0.60           | 0.60           |
| Murrindindi Library - Photocopy - A3 Black & White - double sided         | Per double sided copy | 1.20           | 1.20           |
| Murrindindi Library - Photocopy - A3 Colour                               | Per copy              | 1.20           | 2.00           |

| <b>Fees &amp; Charges - 2014-15</b>                                  | <b>Ref</b>                   | <b>2013-14</b> | <b>2014-15</b>     |
|--|------------------------------|----------------|--------------------|
| Murrindindi Library - Photocopy - A3 Colour - double sided           | Per double sided copy        | 2.40           | 4.00               |
| Murrindindi Library - Inter Library Loan Fees (Non Academic Library) | Per item                     | 10.00          | 10.00              |
| Murrindindi Library - Academic Library Loan Fees                     | (\$10 + \$16.50)<br>Per item | 26.50          | 16.50              |
| Murrindindi Library Overdue Fees                                     | Per day per item             | 0.25           | 0.30               |
| Murrindindi Library Reimbursement Lost Item                          | Per Item                     | Item cost      | \$5 plus book cost |
| Murrindindi Library Internet Printing - A4 Black & white             | Per page                     | 0.30           | 0.30               |
| Murrindindi Library Internet Printing - A4 colour                    | Per page                     | 0.60           | 1.00               |
| Murrindindi Library Internet Printing - A3 Black & white             | Per page                     | 0.60           | 0.60               |
| Murrindindi Library Internet Printing - A3 Colour                    | Per page                     | 1.20           | 2.00               |
| Replacement Membership Cards   | per Card                     |                | 3.50               |
| Value Added Library Programs (Holiday Activities)                    | per participant              |                | Min \$2.00         |
|  |                              |                |                    |
|  |                              |                |                    |
| <b>Saleyards</b>   |                              |                |                    |
| Yea Saleyard Agent Fees  | Per head                     | 0.40           | 0.45               |
| Yea Saleyard Fees - Cow & Calf                                       | Per head                     | 8.20           | 9.00               |
| Yea Saleyard Fees - Cattle   | Per head                     | 7.40           | 8.00               |
| Yea Saleyard Fees - Bulls  | Per head                     | 9.00           | 10.00              |
| Yea Saleyard Fees - Scanning   | Per head                     | 2.20           | 2.50               |
| Yea Post Breeder Tags  | Per head                     | 30.00          | 33.00              |
| Yea Non-Sale Day Fee (Private)                                       | Per head                     | 1.00           | 1.10               |
| Yea Non-Sale Day Fee (Agent)   | Per annum                    | 250.00         | 250.00             |
|  |                              |                |                    |

## WASTE

| <b>Waste direct to landfill (over weighbridge)</b>  |                 |        |        |
|---|-----------------|--------|--------|
| Compacted Commercial / Business (Industrial) Waste (Direct to Landfill)                         | per tonne       |        | 145.00 |
| Construction/Demolition material (Industrial) (direct to landfill)                              | per tonne       |        | 145.00 |
| Commercial/Business (Industrial) Waste - general  | per tonne       |        | 145.00 |
| Residential/Municipal General Waste (direct to landfill)  | per tonne       |        | 95.00  |
| Concrete, masonry, rock (clean)   | per tonne       |        | 95.00  |
| Clean fill  | per tonne       |        | 55.00  |
| Asbestos cement sheet (direct to landfill) - wrapped - max 10m2 per day, no commercial disposal | per tonne       |        | 145.00 |
| Account card replacement fee  | per item        |        | 30.00  |
| <b>Transfer Station &amp; Tipping Fees</b>  |                 |        |        |
| <b>Shire Residents and Ratepayers</b>   |                 |        |        |
| Commercial/Business (Industrial) Waste - loose garbage  | per cubic metre | 84.00  | 95.00  |
| Commercial/Business Waste (Industrial) - rubble   | per cubic metre | 84.00  | 95.00  |
| Residential (Municipal) Waste – all kinds   | per cubic metre | 33.00  | 37.00  |
| Loose Garbage Bags  | per bag         | 5.00   | 5.00   |
| Car Tyre  | per cubic metre | 8.00   | 8.00   |
| Motor Cycle Tyre  | each            | 4.00   | 4.00   |
| 4wd / Light truck tyre  | each            | 10.00  | 10.00  |
| Truck Tyre  | each            | 25.00  | 26.00  |
| Tractor Tyre  | each            | 80.00  | 82.00  |
| Earthmover Tyre   | each            | 160.00 | 165.00 |

| <b>Fees &amp; Charges - 2014-15</b>   | <b>Ref</b>       | <b>2013-14</b>      | <b>2014-15</b>      |
|---|------------------|---------------------|---------------------|
| Tyre dirty  | each             | add \$4.00 per tyre | add \$4.00 per tyre |
| Tyre with rim   | each             | add \$4.00 per tyre | add \$4.00 per tyre |
| Greenwaste Cuttings   | per cubic metre  | 13.00               | 13.00               |
| Natural timber >25cm diameter   | per metre        | 2.00                | 2.00                |
| Comingled Recyclables (Commercial)  | per cubic metre  | 10.00               | 15.00               |
| Comingled Recyclables (Residential)   | per cubic metre  | 0.00                | 0.00                |
| Recycle Cardboard paper - commercial  | per cubic metre  | 10.00               | 0.00                |
| Recyclable Cardboard paper - Residential  | per cubic metre  | 0.00                | 0.00                |
| Waste Motor Oil   | per litre        | 0.00                | 0.00                |
| Domestic Gas Bottle - small   | per bottle       | 6.00                | 6.00                |
| Domestic Gas Bottle - medium  | per bottle       | 8.00                | 8.00                |
| Domestic Gas Bottle - large   | per bottle       | 15.00               | 15.00               |
| Plastic Chemical Containers - not eligible for "DrumMuster" collection (must still be clean) - less than 20 litres. | Per container    | 6.00                | 6.00                |
| Plastic Chemical Containers - not eligible for "DrumMuster" collection (must still be clean) - more than 20 litres. | Per container    | 8.00                | 8.00                |
| Mattress - any size   | per item         | 25.00               | 25.00               |
| Couch - 1 seat  | per item         | 25.00               | 25.00               |
| Couch - 2/3 seat  | per item         | 35.00               | 35.00               |
| White Goods   | per item         | 0.00                | 0.00                |
| Car Batteries   | per item         | 0.00                | 0.00                |
| Scrap Steel   | per item         | 0.00                | 0.00                |
| TV's, computers, peripherals  | per item         | 0.00                | 0.00                |
| <b>Non-Shire Residents and Ratepayers</b>   |                  |                     |                     |
| Commercial/Business (Industrial) Waste - all kinds  | per cubic metre  | 160.00              | 190.00              |
| Residential (Municipal) Waste – all kinds   | per cubic metre  | 65.00               | 70.00               |
| Loose Garbage Bags  | per bag          | 10.00               | 10.00               |
| General garbage - 0.25m3- eg 240 lt bin   | per cubic metre  | 17.00               | 19.00               |
| General garbage - 1m3 - eg 6x4 trailer to water level   | per cubic metre  | 65.00               | 70.00               |
| General garbage - 2m3 - eg tandem trailer at water level  | per cubic metre  | 130.00              | 140.00              |
| Asbestos cement sheet (direct to landfill) - wrapped - max 10m2 per day, no commercial disposal                     | per square meter |                     | Charge removed      |
| Car Tyre  | per cubic metre  | 11.00               | 11.00               |
| Motor Cycle Tyre  | each             | 7.00                | 7.00                |
| 4wd/ Light Truck Tyre   | each             | 16.00               | 16.00               |
| Truck Tyre  | each             | 45.00               | 45.00               |
| Tractor Tyre  | each             | 102.00              | 102.00              |
| Earthmover Tyre   | each             | 182.00              | 182.00              |
| Tyre dirty  | each             | add \$4.00 per tyre | add \$4.00 per tyre |
| Tyre with rim   | each             | add \$4.00 per tyre | add \$4.00 per tyre |
| Greenwaste  | per cubic metre  | 25.00               | 27.00               |
| Natural timber >25cm diameter   | per metre        | 4.00                | 4.00                |
| Recyclables (Commercial)  | per cubic metre  | 14.00               | 15.00               |
| Recyclables (Residential)   | per cubic metre  | 13.00               | 13.00               |
| Recyclables (Residential)   | per bag          |                     | 0.00                |
| Waste Motor Oil   | per litre        | 1.00                | 1.00                |
| Domestic Gas Bottle - small   | per bottle       | 10.00               | 10.00               |

| <b>Fees &amp; Charges - 2014-15</b>   | <b>Ref</b>    | <b>2013-14</b> | <b>2014-15</b> |
|---|---------------|----------------|----------------|
| Domestic Gas Bottle - medium  | per bottle    | 15.00          | 15.00          |
| Domestic Gas Bottle - large   | per bottle    | 22.00          | 22.00          |
| Plastic Chemical Containers - not eligible for "DrumMuster" (either unsuitable or unclear). | Per container | 10.00          | 10.00          |
| Plastic Chemical Containers - not eligible for "DrumMuster" (either unsuitable or unclear). | Per container | 15.00          | 15.00          |
| Mattress - any size   | per item      | 50.00          | 50.00          |
| Couch - 1 seat  | per item      | 50.00          | 50.00          |
| Couch - 2-3 seat  | per item      | 70.00          | 70.00          |
| White Goods   | per item      | 0.00           | 0.00           |
| White goods requiring refrigerant recovery  | per item      | 0.00           | 15.00          |
| Car Batteries   | per item      | 0.00           | 0.00           |
| Scrap Steel   | per item      | 0.00           | 0.00           |
| TV's, computers, peripherals  | per item      | 0.00           | 0.00           |
| <b>Commercial collection charges</b>  |               |                |                |
| Commercial garbage bin hire   | per item      | 8.80           | 12.00          |
| Commercial garbage bin per lift   | per item      | 12.00          | 16.00          |
| Commercial recycle bin hire   | per item      | 8.80           | 12.00          |
| Commercial recycle bin per lift   | per item      | 9.00           | 10.00          |
| <b>Event bin charges</b>  |               |                |                |
| Event bin delivery  | per item      | 0.00           | 4.00           |
| Event bin top hire  | per item      |                | 0.00           |
| Garbage bin - clear and remove  | per item      | 12.00          | 16.00          |
| Recycle bin - clear and remove  | per item      | 12.00          | 10.00          |

## Appendix E

### Glossary of Terms

| Abbreviation | Term                                    |
|--------------|---|
| "the Act"    | Local Government Act 1989               |
| ABN          | Australian Business Number              |
| CALD         | Culturally and Linguistically Diverse   |
| CEO          | Chief Executive Officer                 |
| CIV          | Capital Improved Value                  |
| Cr           | Councillor                              |
| EBA          | Enterprise Bargaining Agreement         |
| EFT          | Equivalent Full Time                    |
| ha           | Hectares                                |
| HACC         | Home and Community Care                 |
| MCH          | Maternal and Child Health               |
| SRP          | Strategic Resource Plan                 |
| VCAT         | Victorian Civil Administrative Tribunal |





DRAFT

# COUNCIL PLAN REVIEW

## 2013 – 2017

25 June 2014

## **Foreword**

### **Mayor and CEO Message**

We are very pleased to present Murrindindi Shire Council's updated 2013-2017 Council Plan, which is our key strategic document outlining how we, as a Council, will deliver for our community. It also contains our 10 year Strategic Resource Plan which provides a blueprint for our long term financial sustainability

Adopted in 2013, the Council Plan has been updated to reflect our progress over the first twelve months and the actions we propose to undertake in the coming year.

During our first year we sought to embrace and promote a Murrindindi Shire Culture: A single voice, a whole of Shire approach. Our aim is to continue this path over the coming year to build trust between the community and the Council.

No more is this evident than in our ongoing endeavour to build a vision for the future of the Murrindindi Shire together with the community. This updated Council Plan reflects many of the goals and aspirations the community has put forward as part of our shire-wide visioning exercise.

Whilst the Goals we have set are individually challenging, we believe in total they remain modest and achievable within the limits of our carefully managed resources.

Although we continue to face some hurdles on our four year journey, as a Council we are committed to delivering our services and projects in a professional and dedicated manner.

The key to our success is the working relationships that we will continue to nurture – working with our community, significant stakeholders and importantly the State Government.

Our most significant and challenging priority is ensuring we have the financial means to continually rejuvenate our community infrastructure across the Shire as it ages.

We are mindful of the legacy of our rebuilding success following the 2009 bushfires. Whilst we now have fantastic community infrastructure, the challenge remains in meeting the on-going costs of our new and gifted assets.

To this end we will remain vigilant in our advocacy for further funding support from the State Government.

However in the absence of such assistance, planning for 2015/16 and future years cannot be ignored. Over the coming months therefore we will evaluate a range of potential measures to meet our financial challenges and secure our financial future. We will work with the community to explore these options.

Together we will examine ways to grow our ratebase; opportunities for well planned development that supports growth in our key townships; assess the potential for obtaining the best value from our property rating system by exploring differential rating options; and assess our capital works priorities, our program delivery capacity and re-evaluate our asset maintenance levels.

We will also assess the capacity of our community facilities to be self sustaining and whether identified assets might be closed or sold, as well as determining the levels of service that can realistically be delivered.

The four Goals in the Council Plan - Our Community, Our Economy, Our Environment and Our Council – align our organisation with the community's expectations that we continue to deliver leadership, advocacy and financial sustainability.

The Council Plan is a collaborative approach to building on what makes Murrindindi Shire great. By working together we can achieve the successes that this Plan outlines.

## **Introduction**

After Council elections held every four years, Council establishes a new Council Plan. The Council Plan sets out a four year roadmap of strategic objectives and strategies to work toward the community vision for Murrindindi into the future. Each year, Council presents to the community an updated set of strategies and actions for implementing the four year Council Plan.

The Council Plan plays a vital role in articulating Council's vision and shaping the future for Murrindindi over the four year period. It sets out local and regional challenges and opportunities for our community within the framework of the community's long term vision.

The annual review of the strategies in this Plan ensures that Council takes a comprehensive look at the way it conducts its business, encouraging continuous improvement and cost effectiveness. It ensures that all Council planning, strategies, policies and processes take their lead from the directions within this plan.

Council has identified four goals on which it will focus over the 2013-2017 four year period. These are:

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

## **Council Values**

*Our Values drive behaviour throughout the Council and are reflected in working relationships between Councillors, the organisation and the external environment including the community. The values underpin the way we work as an organisation and the way we want the community to perceive us as an organisation. Murrindindi's values are:*

### ***Integrity***

*We will be respectful, open and truthful in our dealings. Council will strive to be valued and trusted by the Murrindindi community.*

### ***Accountability***

*We will accept responsibility for our actions and be consistent in the application of our principles, policies and processes.*

### ***Innovation***

*We will consider new ideas, opportunities and better ways of doing things. Council will constantly seek opportunities to look for new, more efficient and effective ways of providing its services.*

### ***Respect***

*We will respect other people and their opinions and do as we say we will.*

### ***Service Excellence***

*We will ensure that Council services meet quality, cost and efficiency standards; are responsive to need; accessible to members of the community for whom the service is intended; and demonstrate continuous improvement.*

## **Council Vision**

Murrindindi Shire will be vibrant and progressive through strong connected communities within a healthy and attractive environment.

## **The Council / Councillors**

Murrindindi Shire Council is made up of seven wards with one Councillor representative per ward. Councillors are elected for a 4 year-term. The Councillors elected on 27 October 2012 were:



Cr Margaret Rae    Cr John Kennedy    Cr Christine Challen    Cr Bernie Magner



Cr Andrew Derwent    Cr Cris Ruhr    Cr John Walsh

- Cr Margaret Rae (Mayor) represents the Redgate Ward
- Cr John Kennedy (Deputy Mayor) represents the Cheviot Ward and holds the Natural Environment and Climate Change portfolio.
- Cr Christine Challen represents the Cathedral Ward and holds the Economic Development portfolio.
- Cr Bernie Magner represents Eildon Ward and holds the Infrastructure and Waste Management portfolio.
- Cr Andrew Derwent represents Kinglake Ward and holds the Community Services portfolio.
- Cr Cris Ruhr represents King Parrot Ward and holds the Corporate and Customer Services portfolio.
- Cr John Walsh represents the Koriella Ward and holds the Land Use and Planning portfolio.

## **Organisational Structure**

### **Murrindindi's Executive Management Team**

To support the Council in its role, the Chief Executive Officer is appointed to manage staff and the day-to-day operational activities of Council. Council staff provide advice and expertise to the Council to assist with policy development and decision making.

The Chief Executive Officer is responsible for overseeing the implementation of Council's decisions. Murrindindi Shire Council operates under a corporate management model, headed by the Chief Executive Officer, Margaret Abbey.



Margaret Abbey – Chief Executive Officer



Michael Chesworth



Tamara Johnson

The Chief Executive Officer reports directly to Council and is supported by two General Managers, pictured left to right above:

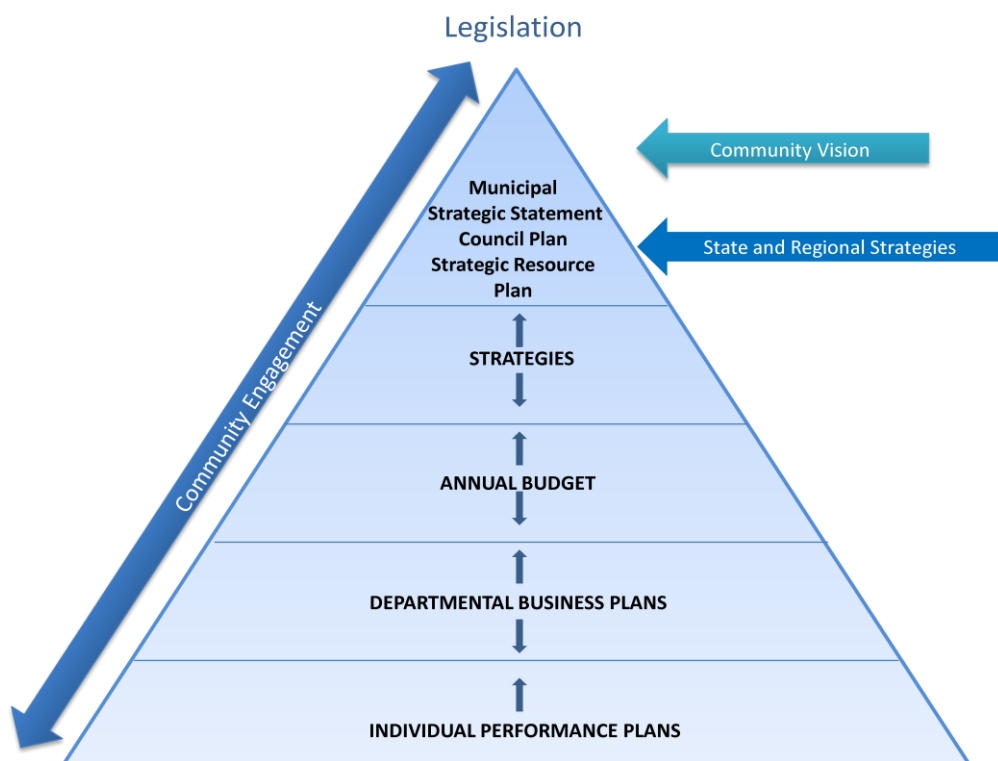
- Michael Chesworth – General Manager Corporate and Community Services
- Tamara Johnson – General Manager Infrastructure and Development Services



## Planning framework

Council's Planning Framework recognises the importance of the Council Plan as the overarching document that will articulate Council's priorities. It is informed by a community vision that is a priority for development by Council, along with state and regional strategies. The Council Plan brings together a range of strategies that has been developed by Council over recent years. The strategies, for example the Economic Development Strategy or the Youth Strategy, outline the actions that Council will undertake to achieve its overall objectives.

### Council's Corporate Planning Framework



## **Best Value**

Best Value is a commitment by Council to provide the best value for the resources we use and the best possible service for our community.

Councils are required by the *Local Government Act 1989* to consider Best Value principles in service planning and delivery to ensure that services:

- meet their agreed quality and cost
- are responsive to the needs of our community
- are accessible to those members of the community for whom the service is intended
- achieve continuous improvement in the provision of services for the community
- include consultation with its community in relation to the services it provides
- are regularly reported to the community on Council's performance.

Murrindindi Shire Council will apply these principles to ensure continuous improvement in service planning and delivery. This ongoing commitment to improvement will assist Council to provide the resources required to deliver high quality, cost effective services within the framework of the Murrindindi Services Review.

## **Managing Risks**

Murrindindi Shire Council continues to build on its commitment to managing its risks as an integral part of its corporate governance and operations. The Murrindindi Risk Management Strategy 2011 provides the framework for this to be achieved.

## **Snapshot of Murrindindi**

### **Where we live:**

Our shire is 60 to 90 minutes north east of Melbourne. Our amazing landscape includes beautiful National Parks and State Forests, fertile farming land, the scenic Goulburn River, Lake Eildon and abundant creeks and rivers.

Removed from the fast pace of big city living yet easily accessible from Melbourne and regional hubs, the shire promotes quality of life and a laidback lifestyle. The area has five key service centres in Alexandra, Eildon, Kinglake, Marysville and Yea that provides of businesses and facilities, educational hubs, medical services and a range of lifestyle choices and visitor accommodation.

These service centres are complemented by a number of diverse townships including: Acheron • Buxton • Cathkin • Castella • Flowerdale • Glenburn • Gobur • Highlands • Homewood • Kanumbra • Kinglake West • Koriella • Limestone • Molesworth • Murrindindi • Narbethong • Rubicon • Strath Creek • Taggerty • Terip Terip • Thornton • Toolangi • Woodbourne • Yarck • Yea.

### **Our history**

The Wurundjeri and the Taungurung peoples are the traditional owners of the land known as the Murrindindi Shire.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold. The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

On 7 February 2009, the Victorian bushfires claimed 95 lives in our shire and burned more than 1500 square kilometres (40 per cent of the shire). Our shire has shown amazing resilience to come back from this natural disaster and we have a community that continues to grow and prosper today.

### **Who we are:**

We have a small population in a large and diverse Shire. More than 80 per cent of our 13,058 population was born in Australia. Other common countries of birth include England 4.2 per cent, New Zealand 1.1 per cent, Germany 0.7 per cent, Scotland 0.6 per cent and Netherlands 0.6 per cent.

Our landscape, clean air and beautiful countryside are major attractors to our region. Our highest proportion of the population (31.6 per cent) is aged between 45 and 64 and we are getting older. The percentage of those aged over 65 is expected to rise from 18.6 per cent in 2010 to 23.6 per cent in 2021, compared to the Victorian anticipated increase from 13.7 per cent to 20.2 per cent.

We have a strong workforce with around 54 per cent employed full time, 34 per cent employed part-time and 4.8 per cent unemployed which is below the state average for unemployment.

Our major employment categories include management at 18 per cent, technicians and trades workers at 17 per cent, professionals at 15 per cent, labourers at 12 per cent and community and personal service workers at 12 per cent.

Those who have made the choice to live in Murrindindi Shire have at close hand all that a world class city has to offer while living in a special part of the world.

**What we do:**

Our community has a strong affinity to the land. This is a strong attraction for people to come to our area to enjoy the natural beauty.

Agriculture, aquaculture, horticulture and viticulture are significant drivers of our economy as is our hospitality and tourism industry.

Our region supplies most of Australia's strawberry runner stock and 80 per cent of Australian trout stock. Our favourable climate and soil conditions allow for the growing of stone fruits, berries and turf production. We also have a vibrant beef, sheep and grain industry.

Education also provides employment opportunities as does medical, aged and community care and Local Government.

With over a million visitors each year, our tourism sector is a key economic driver that provides ecotourism experiences through to luxury holiday stays. We truly offer a diverse range of opportunities across our shire.

## Council Goals, Strategic Objectives and Strategies

### *Vision 2030*

During 2012, Murrindindi Shire Council embarked upon the development of a community vision for the municipality in 2030. The initial work that has been completed to date has been inspired by a Community Workshop held on 12 August 2012 and a community survey that was completed by almost 300 residents in late 2012. Council intends to undertake further work on the community vision during 2014.

A number of key themes have emerged from the feedback that Council received. These themes have helped shape the initial priorities of the Council Plan and will continue to be a benchmark against which the implementation of the strategies within the Council Plan will be assessed. All strategies will be implemented in a manner which assists Council and the community in achieving their 2030 vision for Murrindindi.

The themes arising from the community workshop are based upon:

.... the place – Murrindindi is a place of rural landscapes and beauty.

.....the communities – Murrindindi communities are vibrant, involved and inter-connected.

.....the opportunity – Murrindindi is a place of prosperity and opportunity.

### *Financial Sustainability*

Whilst much of the public reconstruction following the 2009 bushfires has been completed, there is ongoing effort directed to support the affected communities and to enable individual property owners to rebuild. Despite this, Murrindindi Shire has experienced a drop in its population numbers and rateable assessments.

Furthermore, the impact of the operation, maintenance, insurance and depreciation costs of the new and enhanced assets received from the Victorian Bushfire Reconstruction and Recovery Authority that were funded through the Victorian Bushfire Appeal Fund has had a significant impact upon Council's long term financial sustainability.

This means that without further State Government financial assistance, the Council Plan strategies over the next four years will be very modest and no new initiatives or activities will be undertaken. It also means that Council's priorities over the four years of the Council Plan will be primarily directed towards growing our rate base through diligent planning, especially in and around the shire's main towns, in supporting economic development and in developing financial strategies to strengthen Council's longer term financial position.

### *The Framework of the Council Plan*

The Council Plan is structured under a series of key goals and strategic objectives as outlined below:

**Goals:** The four goals establish the framework for the Council Plan and describe what Council wishes to achieve in the four years of the Plan.

**Strategic Objectives:** Each goal is supported by a number of strategic objectives which provide more specific details on what Council wishes to achieve.

**Strategies:** The strategies guide the work to achieve the strategic objectives. The strategies will be carefully monitored and reviewed each year to assess their effectiveness and where required, modifications will be made.

**Strategic Indicators:** These Indicators are performance measures that have been developed to monitor Council's progress in achieving its strategic objectives.

**Year 2 Actions:** These actions are Council's commitment of activities that will be undertaken during year 2 (ie 2014-2015) of the Council Plan. Council reports to the community on its progress in implementing these actions on a quarterly basis.

## **Goal - Our Community**

We will support and promote health and well being, social connectedness and community involvement.

Our goal is to create vibrant, interconnected and inclusive communities. Murrindindi Vision 2030 supports a strong sense of pride and belonging across the shire. From arts programs, improved footpaths, on-going support of fire affected communities and new and upgraded recreational facilities we aim to put the pieces in place for healthy and active communities. We will achieve this vision through strong support programs and robust policy decisions.

## **Health and Wellbeing**

*Strategic Objectives – What we will do*

We will advocate for and support the lifelong needs of our communities at all ages and all stages.

*Strategies – How we will do it*

- Advocate for and support flexible delivery of early years services.
- Promote and deliver effective transition through integrated aged care options.
- Support older people to remain active and healthy and connected to their community.
- Strengthen partnerships with service providers to meet the demonstrated health needs of our communities.
- Actively engage with community health and wellbeing issues through implementation of the Municipal Public Health and Wellbeing Plan.
- Work with young people and service providers to identify and respond to youth priorities across their respective communities.
- Support participation in a range of sport recreation and leisure activities.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>  | <b>What our targets are</b>     | <b>Source</b>                    |
|---|---------------------------------|----------------------------------|
| Implementation of actions in the Municipal Public Health and Wellbeing Plan                               | 100% completion by June 2015.   | Council quarterly report         |
| Home and Community Care (HACC) services delivered to the community in accordance with Service Agreements. | 95% of all HACC targets reached | Annual Minimum Data Set reports. |
| Recreation and leisure planning elements are incorporated into Council Strategic Planning.                | Complete by December 2015       | Council quarterly report         |



*Year 2 Actions – What Action We Are Taking in 2014/15*

- Implement recommendations of the Early Years Social Media and Communications Strategy.
- Review the delivery of the Planned Activity Program to enhance flexibility and access.
- Progress the Social Connections project in partnership with residential aged care facilities to improve the social connections of older people in the community.
- Coordinate a Health and Wellbeing Consortium of services across Murrindindi Shire to support joint planning and coordinated service provision.
- Coordinate and support the Murrindindi Youth Partnership to plan and deliver joint initiatives to address the needs of young people.
- Progress the redevelopment of the Yea Swimming Pool.

**Social Connectedness**

*Strategic Objectives – What we will do*

*We will encourage inclusive, creative and resilient communities.*

*Strategies – How we will do it*

- Prioritise the activities of Council and engage other stakeholders to improve people's access and inclusion.
- Ensure access and social connectedness is considered in the planning and development of facilities and infrastructure.
- Support participation in a wide range of artistic and cultural pursuits.
- Work with communities to build resilience and prepare for future unplanned events.
- Support people and groups to work together to strengthen connections and community networks.
- Recognise, support and value volunteers.
- Advocate for better access to public and social housing options.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>   | <b>What our targets are</b>  | <b>Source</b>                 |
|--|--|-------------------------------|
| Facilitate an increase in multi-community participation in artistic and cultural events.                 | Measured participation is more than or equal to the Victorian average. | Community Indicators Victoria |
|  | Support of a minimum of four events per annum                          | Council quarterly report      |
| Progress the Urban Access Program (pathways and related infrastructure, total identified projects – 101) | 100% of annual identified projects completed per annum                 | Council quarterly report      |
| Update and progress on the Missing Links program (total projects identified – 29)                        | 5 projects per annum   | Council quarterly report      |

|   |   |                          |
|---|---|--------------------------|
| Audit of disability access issues regarding pathways and missing links.                         | Audit of disability access issues complete by June 2015   | Council quarterly report |
| Number of community network building activities initiated by Council                            | 1 event between July and December and 1 event between January and June per annum  | Council quarterly report |
| Promote and acknowledge volunteers  | Minimum of: <ul style="list-style-type: none"> <li>• 1 Council initiated event per annum</li> <li>• 1 Community event initiative in partnership with Council per annum</li> </ul> | Council quarterly report |
| Feasibility study and advocacy plan to governments to improve public and social housing options | Study and Advocacy Plan completed and recommendations implemented   | Council quarterly report |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Promote Council's social support programs to allow and encourage innovative service delivery to meet the needs of people with a disability.
- Complete the Access Yea project in partnership with local traders and community to promote access friendly venues.
- Enable community groups to coordinate and participate in arts and cultural events through the Community Grants program and other initiatives.
- Work with the Murrindindi Learn Local Network to support community and neighbourhood houses.
- Work in partnership with key partners to support the coordination of volunteer recruitment and training.
- Work with the Health and Wellbeing Consortium to develop an advocacy plan to communicate the need for additional public and social housing options in Murrindindi to State and Federal Governments.

**Community Engagement**

*Strategic Objectives – What we will do*

[We will actively engage with our communities to increase participation and community input.](#)

*Strategies – How we will do it*

- Trial and evaluate locality-based planning, that involves local communities.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>   | <b>What our targets are</b>  | <b>Source</b>                 |
|--|--|-------------------------------|
| Locality-based planning process trialled                           | One locality by December 2014  | Council quarterly report      |
| Community perceptions of performance for health and human services | The Community Satisfaction Survey achieves a score in this category that is more than or equal to the indexed mean of 77 | Community Satisfaction Survey |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Initiate locality-based planning process with an identified community.

## Goal - Our Environment

We will manage our natural and built environment in a responsible manner.

Council will continue to protect significant environmental values and assets whilst balancing the need to develop and manage our built environment. This will be achieved through leadership and cooperation with other agencies and community networks. Our Council will be recognised for its environmental practices as we look to balance our natural surrounds with our need to grow. We aim to achieve communities that are sustainable in the use of natural resources while developing planning policies that embrace and protect our rural landscapes.

### Conservation of Resources

*Strategic Objectives – What we will do*

We will use resources more efficiently and effectively.

*Strategies – How we will do it*

- Reduce our corporate footprint by using energy, water and materials more responsibly.
- Encourage and recognise environmentally responsible behaviour and practices within Council and across the Murrindindi community.
- Strengthen Council's capacity to use resources more sustainably by cooperating with the Goulburn Broken Greenhouse Alliance (GBGA) and community networks.
- Implement the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources.

*Strategic Indicators – How we measure our progress*

| Strategic Indicator   | What our targets are  | Source                   |
|---|---|--------------------------|
| Our practices show a reduction in the use of energy, waste, paper and water resources | 35% diversion of waste from landfill<br><br>Overall reduction of 5% annually in paper consumption is targeted on 2013-2014 baseline information.<br><br>Overall reduction of 5% in energy consumption across a selection of high use Council buildings per annum. | Council quarterly report |
| Implementation of the Waste Management Strategy                                       | Implementation of year one actions  | Council quarterly report |
| Implementation of Environment Strategy actions  | Implement annual plans for existing actions   | Council quarterly report |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Implement the system that will identify baseline for corporate resource consumption and enable the organisation to set targets to reduce this baseline into the future.
- Design and identify strategies to fund a pilot program for energy improvements in selected Council buildings.
- Implement year two of the Watts Working Better Program.
- Implement the Climate Smart Agriculture Program.
- Implement year one actions from the Waste Management Strategy.

**Protection of the Natural Environment**

*Strategic Objectives – What we will do*

*We will protect and enhance the natural environment.*

*Strategies – How we will do it*

- Ensure Council operations are managed in a way that minimises impact on the natural environment.
- Conserve high value sites on Council controlled land and roadside reserves by reducing environmental threats.
- Encourage property development across the Shire that protects and enhances environmental values.
- Strengthen Council's capacity to work with key agencies that have responsibility for delivering local, regional, state and federal environmental policies and programs.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>  | <b>What our targets are</b>  | <b>Source</b>            |
|---|--|--------------------------|
| Plans, policies and processes to protect the environmental values on Council owned land are developed and continually refined | Annual action plans for managing the environment on Council owned land are implemented | Council quarterly report |
| Partnerships developed that deliver regionally funded projects across the Murrindindi Shire                                   | Number of partnerships with other organisations developed                              | Council quarterly report |
| Number of communication materials planned and delivered with and/or to agencies, households and business groups               | At least one environmental communication activity is held with each group              | Council quarterly report |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Adopt the Roadside Management Plan and Code of Practice for managing environmental values in Council roadside reserves.
- Deliver environmental initiatives with agencies, schools, households and businesses.
- Implement Council's Roadside Weeds and Pest Animal Control Program.
- Continue collaborating with key local Landcare networks, as well as regional, state and federal agencies to identify and deliver environmental projects in Murrindindi.

**Planning for Future Growth**

*Strategic Objectives – What we will do*

*We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs.*

*Strategies – How we will do it*

- Improve the flexibility of the Murrindindi Planning Scheme to respond to growth in a way that balances environmental values and improves the level of safety of our community.
- Ensure that Council's emergency management planning responds to community safety needs.
- Improve Council and community capacity to respond to the impacts of extreme weather events and longer term climate change.
- Adopt and implement the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan.
- Promote environmentally sustainable design in future developments to achieve more energy and water efficient outcomes in our built environment.
- Review and progress Council's implementation of its Urban Design Frameworks for settlements within the Shire.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>   | <b>What our targets are</b>   | <b>Source</b>               |
|--|---|-----------------------------|
| Adoption of environmentally sustainable design principles                                    | Increase in the capacity to implement environmentally sustainable principles into the planning scheme | Council quarterly report    |
| Regular review of municipal emergency management plan and the Municipal Fire Management Plan | Statutory review conducted by 2015  | Council quarterly report    |
| Implementation of ongoing changes to the Murrindindi Planning Scheme (MPS)                   | Implementation of year two actions  | Murrindindi Planning Scheme |
| Implementation of the MSS  | Completed by June 2015  | Murrindindi Planning        |

|   |   |   |
|---|---|---|
| in the Planning Scheme  |   | Scheme                                      |
| Implement the Kinglake Ranges, Flowerdale and Toolangi (KFT) Plan and Design Framework                    | Complete Streetscape Design Frameworks for Kinglake Ranges, Flowerdale and Toolangi Townships by June 2015. | Kinglake Flowerdale and Toolangi (KFT) Plan |
| Strategic and settlement planning adequately addresses bushfire risk and strengthens community resilience | Implementation of Bushfire protection measures  | Murrindindi Planning Scheme                 |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Update the Murrindindi Planning Scheme (MPS), and incorporate the outcomes of the following major strategic studies:
  - MSS,
  - KFT Plan,
  - Hume Regional Growth Plan,
  - Yea Structure Plan and
  - Flowerdale Flood Study.
- Commence implementation of the Kinglake Ranges, Flowerdale and Toolangi Plan and Streetscape Design Framework.
- Undertake a Structure Plan for Eildon.
- Advocate for funding assistance to support initiatives linked to the Hume Regional Growth Plan implementation.
- Conduct a review of the Significant Landscapes Study.

**Asset Management**

*Strategic Objectives – What we will do*

We will apply a whole of life approach to the management and maintenance of Council's assets.

*Strategies – How we will do it*

- Manage and renew our existing infrastructure assets in a responsible manner.
- Engage with relevant communities on the development of community infrastructure and services.
- Develop and deliver services with consideration of the impacts on the natural environment that meet community needs.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>                            | <b>What our targets are</b>  | <b>Source</b>            |
|---|--|--------------------------|
| Reduction in the infrastructure renewal gap           | Develop strategies to ensure resources are appropriately allocated across all asset groups to reduce the infrastructure renewal gap over time. | Council Quarterly Report |
| Delivery of the capital works program                 | Deliver 95% of annual scheduled Capital Works projects   | Council Quarterly Report |
| Defined levels of service for maintenance activities. | Develop and implement draft levels of service for roads and drainage maintenance by June 2015  | Council Quarterly Report |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Develop and implement levels of service for roads and drainage maintenance.
- Develop a policy which guides Council's decision making in relation to new infrastructure development.
- Develop an Asset Disposal Policy.
- Develop a Road Renewal Plan which seeks to outline priorities and actions in relation to the renewal of Council's road network.
- Seek infrastructure funding grants to support future capital works programs to assist in reducing the infrastructure renewal gap.
- Assist community groups in the development of grant applications for infrastructure or services.



## **Goal - Our Economy**

**We will support the sustainable growth of Murrindindi's businesses and the local economy.**

A vibrant economy will attract people to our region and in turn will open further opportunities for business expansion and investment. This will increase employment prospects, social and cultural benefits and population growth. A key focus of our activities will be the further development and enhancement of educational and training options across the shire. While our attention will continue to be focused on a vibrant tourism and agricultural-based economy, we need to also advocate for improved telecommunications networks that will encourage diverse and entrepreneurial businesses the opportunity to establish.

### **Workforce Development**

*Strategic Objectives – What we will do*

**We will maximise the potential of the local workforce through education, training and employment opportunities.**

*Strategies – How we will do it*

- Advocate for and support initiatives to improve post-secondary education opportunities in the Shire, including further development of the Murrindindi Training Institute.
- Support initiatives and activities of the Murrindindi Strategic Skills Training and Employment Network .
- Work closely with the Central Ranges Local Learning and Employment Network (CRLLEN), Workspace Australia and other organisations to improve local workforce development opportunities

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>  | <b>What our targets are</b>  | <b>Source</b>            |
|---|------------------------------|--------------------------|
| Number of training and/or workforce development initiatives implemented that address needs identified in the Murrindindi Training Needs Analysis 2013               | 2 new initiatives per annum. | Council quarterly report |
| The proportion of youth aged between 15 and 19 years, who are considered to be either learning (attending an educational or training course) or earning (employed). | Greater than 78%             | CRLLEN                   |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Work as part of the Murrindindi Strategic Skills Training and Employment Network to implement the recommendations of the Murrindindi Training Needs Analysis Report 2013.
- Advocate to Federal and State Governments for ongoing funding to support the Central Ranges Local Learning and Employment Network (CRLLEN) or similar organisations in providing local training and employment programs.

### **Improving Business Infrastructure**

#### *Strategic Objectives – What we will do*

**We will advocate for the provision of infrastructure and services that support business growth.**

#### *Strategies – How we will do it*

- Support the development and implementation of the Hume ICT (Digital) Strategy and the Hume NBN Business Readiness Plan.
- Support further growth and development of the Yea Sale Yards subject to the availability of grant and reserve funds.
- Facilitate opportunities to increase utilisation of available land (eg. industrial, commercial and government owned) in the Shire.

#### *Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>   | <b>What our targets are</b>         | <b>Source</b>            |
|--|-------------------------------------|--------------------------|
| Number of actions implemented from the Council's Economic Development Strategy | 4 initiatives implemented per annum | Council quarterly report |
| No. of initiatives to improve business infrastructure and service              | 2 initiatives per annum             | Council quarterly report |

#### *Year 2 Actions – What Action We Are Taking in 2014/15*

- Participate in the Indi Electorate Mobile Blackspots project.
- Implement the business case for the potential lease of additional land to support further enhancement of facilities at the Yea Saleyards for Council's consideration.

### **Investment Attraction**

#### *Strategic Objectives – What we will do*

We will support local business retention and growth and attract new business and residential investment to the Shire.

*Strategies – How we will do it*

- Implement a business attraction and investment campaign.
- Investigate opportunities to attract investment in residential facilities for retiree and aged sectors.
- Identify and promote opportunities for growth in housing and business development in and around the Shire's main townships.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>                                   | <b>What our targets are</b> | <b>Source</b>                                       |
|--|-----------------------------|---|
| Value of new commercial and industrial building developments | 3% increase per annum       | Building Unit Permit approvals – Authority Database |
| Number of investment attraction events/initiatives delivered | 2 per annum                 | Council quarterly report                            |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Develop and implement the Murrindindi Business Prospectus.
- Promote opportunities to expand residential and business investment in and around the Shire's major townships including associated Open Days.

**Tourism Development**

*Strategic Objectives – What we will do*

We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector.

*Strategies – How we will do it*

- In partnership with Goulburn River Valley Tourism, actively encourage investment and support development of new tourism product and attractions as a result of the Destination Management Plan.
- Assess the feasibility of extending the Great Victorian Rail Trail from Alexandra to Eildon.
- Maintain strong relationships with government departments and agencies to promote enhanced tourism opportunities and infrastructure in the Shire such as the Giant Trees Trail and the Toolangi Zip Line.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b> | <b>What our targets are</b>  | <b>Source</b>         |
|----------------------------|------------------------------|-----------------------|
| Tourism visitation to the  | 5% per annum increase in day | Goulburn River Valley |

|                                 |  |  |
|---------------------------------|--|--|
| Shire                           | trips                                    | Tourism Quarterly Visitors Survey (2 year rolling average)                       |
| Tourism visitation to the Shire | 3% per annum increase in overnight stays | Goulburn River Valley Tourism Quarterly Visitors Survey (2 year rolling average) |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Complete a feasibility assessment of a trail link between Alexandra and Eildon.
- Support Murrindindi Inc in enabling local business and tourism associations to engage with Government departments and agencies.
- Work with key stakeholders to advocate for a feasibility study on the development of a major walking trail (Giant Trees Trail) linking all our State and National Parks.
- Support investment opportunities arising from the Goulburn River Valley Tourism Destination Management Plan.
- Support the development of a Master Plan for the Alexandra Railway Precinct.

## Goal - Our Council

We will provide strategic leadership and effective governance that supports the aspirations of our community.

By ensuring our long term financial sustainability, Council's priorities will be directed towards the implementation of the Murrindindi Vision 2030. Achieving the outcomes of this community-driven vision will be our strong advocacy to all levels of government on local needs and issues, the implementation of a master plan to grow the Murrindindi rate base through sound planning and support for economic development and the effective and efficient operation of the Council. By achieving this Murrindindi Shire will be a place of prosperity and opportunity.

## Leadership

*Strategic Objectives – What we will do*

We will deliver visible leadership and advocacy.

*Strategies – How we will do it*

- Involve community leaders in regular advocacy to State and Federal Governments on local needs and issues
- Actively develop and implement a long term vision for Murrindindi Shire.
- Build community relationships and trust through community forums and engagement.
- Communicate key Council decisions and strategies to the community in a variety of ways.

*Strategic Indicators – How we measure our progress*

| Strategic Indicator   | What our targets are  | Source                   |
|---|---|--------------------------|
| Community participation in forums:<br>Number of forums held | Deliver a minimum of one non-statutory community forum a year that actively encourages community participation. | Council quarterly report |
| Advocacy to the State and Federal Governments               | Advocate on behalf of the community on a minimum of 10 issues a year  | Council quarterly report |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Commence implementation of Council's 2030 vision.
- Investigate the utility of social media for Council as a communications and engagement tool.
- Advocate on behalf of the community on relevant local issues.
- Continue to provide opportunities for community input and engagement.

## **Customer Service**

*Strategic Objectives – What we will do*

*We will deliver quality customer outcomes by continuing to find better ways of doing things.*

*Strategies – How we will do it*

- Build on our customer service and communications with the community.
- Continue to improve our processes to enhance the efficiency and effectiveness of the organisation.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>                               | <b>What our targets are</b>   | <b>Source</b>                 |
|--|---|-------------------------------|
| Community perception of performance for customer service | Achieve a score of 66 or more in the annual community satisfaction survey | Community Satisfaction survey |
| Number of business processes implemented                 | Improve a minimum of five business processes a year                       | Council quarterly report      |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Implement the following business process and efficiency improvements:
  - Governance – improve Council's existing policy framework in line with audit outcomes and best practice guidelines.
  - Procurement – establish electronic tendering and contract management processes.
  - Electronic document management - utilise the new system to reduce reliance on paper-based processes and to improve archiving practices.
  - Finance systems – incorporate the new Local Government Performance Reporting Framework into Council's existing financial reporting processes.
  - Risk Management – review policy and establish improved monitoring, controls and reporting of strategic organisational risks.
- Further develop Council's customer response tracking processes and establish indicators of Council's responsiveness.

## **Financial Sustainability**

*Strategic Objectives – What we will do*

*We will administer sound financial management practices.*

*Strategies – How we will do it*

- Grow our rate base through diligent planning.
- Provide value for money through the delivery of long term financial plans.

- Practice responsible grants management and how we access grants.
- Promote an equitable rating strategy for all ratepayers.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>   | <b>What our targets are</b>   | <b>Source</b>   |
|--|---|---|
| Rate base increased by: <ul style="list-style-type: none"> <li>• Overall Capital Improved Value</li> <li>• New and quality developable lots</li> </ul> | <p>Increase the shire's Capital Improved Value by 1.5 % each year</p> <p>Increase the number of developable lots across the shire</p> | <p>Council rates data base</p> <p>Council planning applications</p> |
| Completion of the Rating Strategy  | Complete the Rating Strategy by 31 December 2014  | Council quarterly report  |

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Develop and coordinate a master plan for growing the rates base.
- Complete and implement the Council's Rating Strategy.
- Complete the alignment of the Council's Planning Zones with the rating system.
- Increase capacity to attract grants to support the achievement of Council's strategic objectives.

**Staff**

*Strategic Objectives – What we will do*

**We will have engaged and professional staff.**

*Strategies – How we will do it*

- Ensure a healthy and safe workplace for all staff.
- Provide staff training and professional development opportunities.
- Provide workforce development and succession planning opportunities.

*Strategic Indicators – How we measure our progress*

| <b>Strategic Indicator</b>    | <b>What our targets are</b>   | <b>Source</b>  |
|-------------------------------|---|--|
| Staff Satisfaction            | <p>Improve internal staff satisfaction results year on year</p> <p>Reduce staff sick leave days by 1% per annum</p> | <p>Staff Satisfaction survey</p> <p>Council quarterly report</p> |
| Number of staff training days | Increase staff training days  | Council quarterly report   |

|                   |  |                          |
|-------------------|--|--------------------------|
| Health and safety | by 1% per annum<br><br>Reduce Time Lost through workplace injury by 5% per annum | Council quarterly report |
|-------------------|--|--------------------------|

*Year 2 Actions – What Action We Are Taking in 2014/15*

- Continue to develop Council's policy framework and monitoring systems to improve workplace health and safety practices.
- Provide staff training and professional development opportunities.
- Progress the development of a voluntary staff rotation program across work areas within the organisation.



## Supporting Strategic Plans

The Murrindindi Council Plan 2013-2017 provides a four year outline of how we, as a Council, will deliver for our community. The Plan is supported by a range of strategies that have been developed over recent years.

These strategies include:

|   | Community<br>Our | Environment<br>Our | Economy<br>Our | Council<br>Our |
|---|------------------|--------------------|----------------|----------------|
| Legend:   |                  |                    |                |                |
| • Denotes Primary Foundation for this goal  |                  |                    |                |                |
| ▽ Denotes Secondary Foundation for this goal  |                  |                    |                |                |
| Alexandra Landfill Environmental Improvement Plan   |                  | •                  |                |                |
| Alexandra Township Drainage Network Analysis (2012)   |                  | •                  |                |                |
| Asset Management Plans (Roads, Bridges, Paths, Kerb & Channel, Buildings etc.)                      |                  | •                  |                |                |
| Asset Management Policy 2014  |                  | •                  |                |                |
| Asset Management Strategy   |                  | •                  |                |                |
| Community Engagement Guidelines 2012 - 2015   |                  |                    |                | •              |
| Community Vision 2030   | •                | •                  | •              | •              |
| Domestic Animal Management Plan 2013-2017   |                  | •                  |                |                |
| Economic Development Strategy 2011-2016   | ▽                | ▽                  | •              |                |
| Industrial Land Demand Study  |                  | •                  | ▽              |                |
| IT Strategic Plan 2008-2012   |                  |                    |                | •              |
| Kinglake Ranges, Flowerdale and Toolangi Plan & Design Framework 2014                               |                  | •                  |                |                |
| Kinglake Ranges, Flowerdale and Toolangi Plan & Design Framework Implementation Strategy (Feb 2014) |                  | •                  |                |                |
| Lake Eildon Land and On Water Management Plan   | ▽                |                    |                |                |
| Linking Murrindindi – Accessibility and Liveability Strategic Plan 2011-2013                        | •                | ▽                  |                |                |
| Management of Significant Landscapes in Murrindindi and Baw Baw                                     |                  | •                  |                |                |
| Municipal Emergency Management Plan (2013)  | ▽                | •                  |                |                |
| Municipal Public Health and Wellbeing Plan 2013-2017  | •                | ▽                  | ▽              | ▽              |
| Municipal Recovery Plan (2012)  | •                | ▽                  |                |                |
| Municipal Strategic Statement   | ▽                | •                  | ▽              |                |
| Murrindindi Shire & Lake Mountain Municipal Fire Management Plan                                    | ▽                | •                  |                |                |
| Murrindindi Shire Council Advocacy Plan   |                  |                    |                | •              |
| Murrindindi Shire Council Environment Strategy 2011-2015  |                  | •                  |                |                |
| Murrindindi Shire Heritage Study  |                  | •                  |                |                |
| Murrindindi Shire Land Capability Assessment  |                  | •                  |                |                |
| Murrindindi Youth Strategy 2012-2015  | •                |                    | ▽              | ▽              |
| Railtrail Integrated Marketing and Wayfinding Strategy - Name and Branding                          |                  | •                  |                |                |
| Rating Strategy 2009  |                  |                    | ▽              | •              |
| Recreation Reserves: Overall Plans of Development   | •                | ▽                  |                |                |
| Risk Management Strategy 2011   |                  |                    |                | •              |

Legend:

- Denotes Primary Foundation for this goal
- ▽ Denotes Secondary Foundation for this goal

|   | Community<br>Our | Environment<br>Our | Economy<br>Our | Council<br>Our |
|---|------------------|--------------------|----------------|----------------|
| Road Management Plan 2013 - 2017              |                  | ▽                  |                | •              |
| Roadside Weed and Pest Animal Control Plan    |                  | ▽                  |                | •              |
| Rural Residential Study                       |                  | •                  |                |                |
| Urban Design Framework Alexandra              | •                | •                  | •              |                |
| Urban Design Framework Eildon                 | •                | •                  | •              |                |
| Urban Design Framework Marysville             | •                | •                  | •              |                |
| Urban Design Framework Small Towns            | •                | •                  | •              |                |
| Urban Design Framework Yea                    | •                | •                  | •              |                |
| Yea Township Drainage Network Analysis (2012) |                  | •                  |                |                |



**DRAFT**

# **STRATEGIC RESOURCE PLAN 2013 TO 2017**

**(Year 1 Revision)**

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**Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)****1. INTRODUCTION**

Council is required under the *Local Government Act (1989)*, to prepare a Strategic Resource Plan (SRP).

The SRP outlines the resources required to achieve Council's strategic objectives expressed in the Council Plan. The SRP must include:

- Details of financial resources (Standard Statements), and
- Details of non-financial resources, including human resources
- Council must adopt its SRP by 30 June each year. The SRP is intended to have a 10-year time frame to enable a longer term perspective to be analysed
- Significant features of this revised Strategic Resource Plan 2014/2018 are:
  - Council will increase municipal rates and municipal charge collections by 6.00 percent in the 2014/15 financial year, as forecast in this SRP. This level allows Council to maintain existing service levels and continue to allocate additional funds to renew the municipality's infrastructure
  - Capital Expenditure is \$9.578 million in 2014/15, and
  - New borrowings of \$500,000 in 2014/15
- Purpose of the SRP
- Objectives of the SRP
- Financial strategic direction
- Key strategic directions

**1.1 Purpose of SRP**

Council is required to prepare a SRP under Section 126 of the *Local Government Act (1989)*.

The purpose of the SRP is to:

- Establish a financial framework over the next 4 years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved.
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan (non-financial resources are assumed to include human resources and Council's asset base, which are all referred to in various parts of the SRP).
- Establish a basis to measure Council's adherence to its policies and strategies, and
- Assist Council to comply with sound financial management principles, in accordance with the *Local Government Act (1989)* and to plan for the long-term financial sustainability of the municipality.

While compliance with the legislation can be achieved with the development of long-term (four-year) financial statements, the 10-year approach undertaken by Council is more comprehensive.

A 10-year timeframe more fully supports strategic asset management as many of Council's assets have long lives.

The diagram below details the key strategic areas covered by the SRP and the integration required between Council's financial strategies.



## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)



**Figure 1: Strategic Resource Plan – Key Strategic Areas**

### 1.2 SRP Assumptions

The 2013-2017 SRP is based upon the following assumptions in the 10 year timeframe:

- Rate increases are limited to 6% plus 1% growth in each year; a third of the 6% increase for each year (around \$249,000) is allocated to an Infrastructure Reserve.
- The organisational establishment will remain static with only 0.5 EFT of new positions added for the 2014/15 financial year, although a small number of contract positions that were scheduled to finish at 30 June 2014 have been temporarily continued into the 2014/15 financial year in order to ensure continuation of service delivery to the community.
- Limited new initiatives or programs other than those that have been included in the 10 year capital improvement plan.
- Operating and capital savings from the Murrindindi Services Review have been factored in over successive years.
- Maintenance and operating costs of \$1.2M and \$0.6M depreciation costs are factored in for new and gifted assets arising from the February 2009 reconstruction and rebuilding program.
- Capital works will occur in accordance with the Ten Year Capital Improvement program.
- Provision each year has been made to expense \$300,000 as a contingency for future defined benefits superannuation calls and to quarantine this until such time as a call is made on Council.

**Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)**

- Rebuilding of the Long Service Leave reserve with 25% of the current liability component (\$1.59M) being cash backed. This commenced in 2013-14 and is aimed to be completed over a 4 year period by 2016-17.

**1.3 Strategic Financial Direction**

Councils are required to provide services and facilities for their local communities that are equitable and accessible. They must also promote the economic viability and sustainability of the municipal district and in doing so have regard to the long term financial viability of their Council.

Since the 2009 Bushfires, much of the public reconstruction has been completed. However, there is ongoing effort directed to support the affected communities and to enable individual property owners to rebuild. Despite this, the population numbers and rateable assessments in the Murrindindi Shire remain below what they were prior to the 2009 Bushfires. Furthermore, the impact of the operation, maintenance, insurance and depreciation costs of the new and enhanced assets received from the Victorian Bushfire Reconstruction and Recovery Authority that were funded through the Victorian Bushfire Appeal Fund have had a significant impact upon Council's long term financial sustainability.

A number of strategic challenges remain ahead including renewing existing assets, continuing to provide an appropriate range and level of services to a community where there is limited growth, maintaining a sound financial position and addressing the need for capital renewal. The other related issues are the risks and liabilities that Council and the community face if Council does not invest in asset renewal at an adequate rate.

The SRP, within the Long Term Financial Plan (LTFP), establishes the strategic financial direction for Council to meet the funding and investment challenges that lie ahead in the next 10 years. The SRP is prepared in conjunction with the Council Plan to ensure the affordability of activities included in the Council Plan.

It is clear from the 10 year outlook in the Long Term Financial Plan, included within this document, that with inclusion of the costs associated with gifted assets namely the \$1.20 million for maintenance and operating costs and the \$0.60 million for depreciation, that Council is unable to cover its Infrastructure Renewal Gap, nor has capacity to generate cash to cover unforeseen expenditure or to operate beyond its current level of service delivery. The impact of costs associated with the gifted assets results in recurrent operating deficits through to 2020 and with underlying results reflecting deficits for the life of the plan.

Unfortunately, a commitment to provide necessary financial support has not yet been made to Council by the State Government despite repeated submissions regarding the burden of these costs that have been placed on the Murrindindi Shire following the most devastating natural disaster in our country's history.

In the interests of financial responsibility and responsible forward planning, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address Council's long term financial sustainability. Council will also need to review the timeframe for upgrading and renewing its existing infrastructure as well as reviewing the capital works program.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

### 1.4 Key Strategic Directions

The following table highlights the key strategies of this SRP. Each section includes detailed analysis to support the strategies. The key strategies provide direction for the preparation of the 2014/15 Budget.

| Section   | Strategic Direction  |
|---|--|
| Section 3: Murrindindi Shire Financial Indicators | <ol style="list-style-type: none"> <li>1. That Murrindindi Shire Council continues to benchmark with other Victorian councils and those within the small rural council category.</li> <li>2. That Council has applied the outcomes of this SRP to the 2014/15 Budget.</li> <li>3. That in order to reduce ongoing underlying operating deficits without reviewing both its service delivery obligations and revenue generation from ratepayers, Council will require a commitment from State Government for financial assistance beyond 2014/15, or Council will need to evaluate a range of potential measures that might be applied in the absence of additional financial support.</li> </ol>   |
| Section 5: Capital Works                          | <ol style="list-style-type: none"> <li>1. That Murrindindi Shire Council initially focuses capital works on renewal investment based on current service levels and maintaining the majority of assets above desired intervention levels indicated in Table 7 (Section 6.5 Condition Assessment), with the last priority being adding further assets to the Shire.</li> </ol>   |
| Section 7: Long-term Borrowing Strategies         | <ol style="list-style-type: none"> <li>1. That Murrindindi Shire Council, based on compliance with the State Government Prudential Guidelines, borrows funds for plant and vehicle replacements that provide intergenerational equity; and</li> <li>2. That Murrindindi Shire Council retains its debt servicing and redemption costs at or below 8.0 cents in the rate revenue dollar, towards interest and principal, over the life of this SRP.</li> </ol>  |
| Section 8: Restricted Assets                      | <ol style="list-style-type: none"> <li>1. That Murrindindi Shire Council builds into its 10 year financial plan the estimated movements in restricted assets and provides for at least \$6 million to \$8 million in working capital to meet day to day needs.</li> <li>2. That to ensure sufficient funds are available to meet operational needs, Murrindindi Shire Council retains a cash position of at least \$1.0 million to \$2.0 million after deducting restricted assets, i.e. cash received but not spent or cash to be spent for specific purposes such as developer contributions (infrastructure), waste facility development, employee long service leave payments, security deposits etc.</li> </ol>   |
| Section 9: Rating and Other Revenue Strategies    | <p>That Murrindindi Shire Council:</p> <ol style="list-style-type: none"> <li>1. retains the capital improved value (CIV) as its valuation base</li> <li>2. provides a municipal charge that remains less than the maximum 20 percent of rate revenue plus a municipal charge that ensures an equitable contribution towards the unavoidable fixed costs of Murrindindi Shire Council</li> <li>3. considers future increases based on EPA, regulatory and safety requirements and the need to sustain the Council's long term waste operations strategy</li> <li>4. in 2014/15, adopts a 6.00% increase in total revenue for general rates and municipal charges and a 6.00% increase in total revenue for waste collection including funding the cost of disposal of domestic waste, recycling collection and the environment levy</li> </ol> |

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

| Section                              | Strategic Direction  |
|--------------------------------------|--|
|                                      | <p>5. pursues recurrent grant funding and strategic capital funding aligned with Council Plan objectives, including benchmarking of results with other Councils</p> <p>6. seeks State Government support of approximately \$1.8 million per annum, which will confirm recognition of the impact of the gifted and novated assets upon the long term financial sustainability of the Murrindindi Shire Council.</p>   |
| Section 10: Human Resources          | That Murrindindi Shire Council plans, manages and delivers activities that support the goals of the Council Plan within the capacity of the current organisational structure and workforce profile.  |
| Section 11: Strategic Financial Plan | <p>The SRP represents the short to medium term of 4 years within the Long Term Financial Plan which presents a financial perspective of the organisation over 10 years. In the medium and long term it is clear that Council's ongoing sustainability will depend on receiving assistance from the State Government if Council services and community assets are to be maintained at their current level.</p> <p>State Government assistance is being sought to offset the impact of gifted Bushfire assets which has an average effect on the bottom line of \$1.80 million per year for the life of the plan.</p> <p>In the interests of financial responsibility and responsible forward planning, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address Council's long term financial sustainability. Council will also need to review the timeframe for upgrading and renewing its existing infrastructure as well as reviewing the capital works program.</p> <p>Council will continue to ensure it practises prudent financial management, however without State Government assistance, its capacity to manage programs and activities will be severely limited. Hence the 2013/17 Council Plan contains a modest range of activities whilst its priorities will be focused on growing its rate base and pursuing further funding sources to assist in asset maintenance and service delivery.</p> |

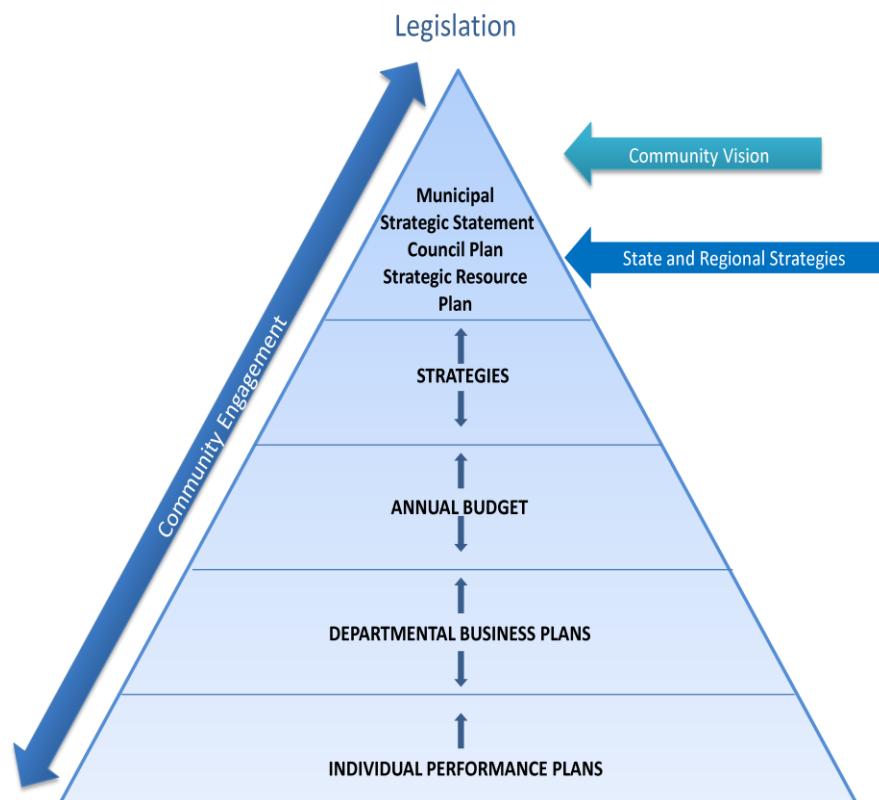
Table 1: Key Strategies – 2014/15

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

## 2. LINK BETWEEN STRATEGIC RESOURCE PLAN AND COUNCIL PLAN

### 2.1 Integrated Planning Framework

Murrindindi Shire Council has developed a corporate planning framework which identifies the relationship between the Council Plan, its various strategies and the individual departmental business plans and staff performance plans.



**Figure 2: Integrated Planning Framework**

The planning framework provides for the Council plan strategies to be linked to the implementation of adopted strategies that are funded and resourced through the Annual Budget.

The Council then measures and monitors its performance and reports both internally and to its community as required.

Council receives formal reports on a quarterly basis detailing progress against the Council Plan, the Annual Budget and the Capital Works program.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

### 3. MURRINDINDI SHIRE COUNCIL FINANCIAL SUSTAINABILITY

#### 3.1 Introduction

In considering Council's financial sustainability, a number of reports have been undertaken.

Firstly, Council has participated in a project sponsored by small rural municipalities which has led to the Local Government Financial Sustainability Review. This report highlighted the challenges faced by small and medium sized rural municipalities in achieving long term financial sustainability. This is due to these Councils having small populations, low density and for the most part, very high dispersion and remoteness. All of these indicators are relevant to the Murrindindi Shire.

A second piece of work undertaken by Murrindindi Shire Council related specifically to the new and gifted assets arising from the February 2009 bushfires. This report by KPMG highlighted both the value of the new assets as well as the costs of their operation, maintenance, insurance and renewal. As a result, Council presented this report to the Victorian Government which identifies the preferred approach being the provision of \$14.1 million which will ensure that:

- Council will have flexibility to invest the upfront payment and earn a return to assist in meeting future recurrent obligations.
- It will reduce the amount of external funding required over the timeframe of the analysis.
- It provides funding certainty for Council and does not require an additional increase in rates over and above the assumed 'business as usual' rate increase of 6%, which is already incorporated in Council's Strategic Resource Plan.

Council has progressed this report through the appropriate levels of the Victorian Government with limited success since last year's Budget and Strategic Resource Plan. Efforts continue to seek a commitment from State Government, though as highlighted throughout this SRP and this year's Budget, without a commitment for additional funding being received by Council during the 2014/15 financial year, Council will need to evaluate a range of measures to address its long term financial sustainability. This work will commence in the near future in preparation for the 2015/16 financial year and beyond.

#### 3.2 Benchmarking

The benchmarking program in this SRP is derived from financial data contained in annual reports from other councils. This benchmarking ensures data are comparable under the current regulations.

The State Government measures the performance of councils by benchmarking between like councils using a number of Key Performance Indicators (KPIs) for each council. The measurement of the KPIs has been derived from Council's Annual Reports.

The number of councils in each category is shown in the table below – please note that Murrindindi Shire Council is classified as a Small Rural Shire.

| Category Description | Councils within Category |
|----------------------|--------------------------|
| Inner Melbourne      | 16                       |
| Outer Melbourne      | 15                       |
| Regional Cities      | 11                       |
| Large Rural Shires   | 16                       |
| Small Rural Shires   | 21                       |
| Total                | 79                       |

Table 2: Number of Councils in each Category– 2013/14



**Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)**

These key performance indicators are detailed within the relevant sections of the SRP, and assist Council to compare its position to other small rural councils.

**3.3 Analysis of Council's Financial Sustainability****3.3.1 Financial Sustainability**

The concepts most people use in their personal and business lives are basically the same as those that should be applied to local government; however, those concepts need some modification.

Councils are organisations that manage intergenerational community services and assets. Councils provide the legal framework by which communities own infrastructure and assets collectively.

The Australian Local Government Association's (ALGA's) definition of financial sustainability is worth noting:

*"A Council's long-term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."*

It is against this definition then that the sustainability of Murrindindi Shire Council can be assessed.

***Underlying Operating Position (Surplus/Deficit)***

The underlying operating result as defined by the Institute of Chartered Accountants (2009) is a measure of the financial sustainability of a Council. Continuous underlying operating deficits lead to a loss in equity, reduction in asset base, drop in service standards over time and a deferral of costs to future generations.

The underlying operating result is the operational result (balanced, surplus or deficit) less gifted assets, developer contributions, asset revaluations, and write offs and impacts of asset sales. Capital income is further deducted on the grounds it represents an "unmatched" income (expenditure is not included) and it is a non-recurring income source.

Murrindindi Shire Council is projecting an operating deficit at 30 June 2014 of \$2.71 million, and with projections of a deficit position for the next 8 years from 2014/15 onwards. This means that Council is unable to cover its Infrastructure Renewal Gap, generate cash to cover unforeseen expenditure or to operate beyond its current level of service delivery from 2013-14 onwards.

***Liquidity***

The MAV assessment asserts a working capital ratio of 100 percent is generally considered desirable. However, the analysis considers that Councils with working capital above 150 percent over the life of the plan is not a favourable indicator when considering the Infrastructure Renewal Gap shortfall of \$15.73 million by the end of the current 10 Year Long Term Financial Plan.

***Rate effort***

The ability to increase rate revenue is a significant factor in determining whether Council is potentially at risk. Council's rating effort has been satisfactory although when benchmarked was below the average effort of the small rural council group.

***Capital expenditure efficiency***

Capital expenditure measured as a percentage of adjusted total expenditure for 2012/2013 is 27.1 percent compared to the small rural council average of 33.7 percent.

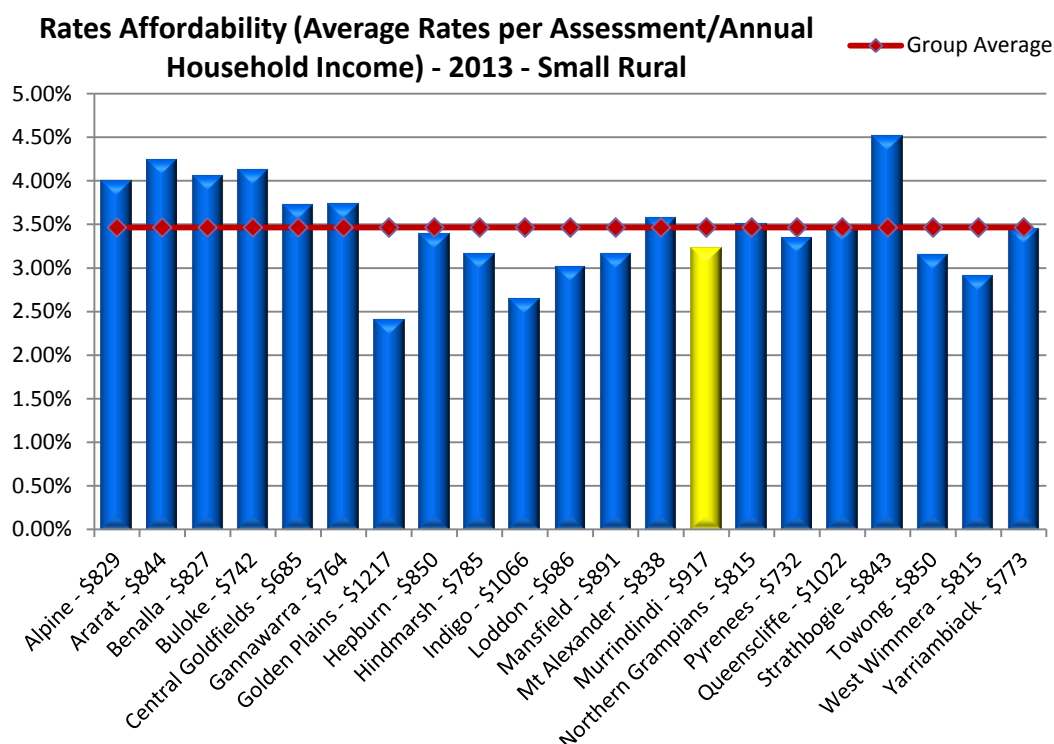
***Rates affordability***

Australian Taxation Office (ATO) income data for wage and salary earners (PAYE) can be used to give some indication of rates affordability.

The Australian Bureau of Statistics (ABS) produces a set of social and economic indices known as SEIFA.

This work noted that Murrindindi's capacity to raise revenue from rates and charges is moderately low relative to other like Councils.

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**Chart 1: Rates Affordability Small Rural – 2012/13**

### **Population growth**

Population changes have a direct impact on Council costs. For example, population declines can result in higher unit costs of service delivery because of the fixed nature of some costs. There is a direct correlation to population and Council's comparatively low rate base. From 14,157 in 2006 to 13,434 in 2012 the overall population of the Shire declined by some 5.1% over these years with the 2009 Bushfires significantly contributing to this overall decline, which compares to a state-wide population growth rate of 11.2% in the same timeframe. Another contributor to Council's reduced rate base is the effect of the State Government Buy Back scheme which has also diminished Council's revenue from rates by some 0.2%.

### **3.3.2 Victoria Auditor General**




The Victoria Auditor General's Office (VAGO) in late 2007 prepared a report on Local Government which outlines for the first time a detailed analysis on the financial sustainability of Councils and Regional Library Corporations.







The 2012/13 Result compared to the five (5) year average for VAGO's indicators of Council viability is:



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## Risk Ledger

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

| Indicator                | Calculation                                     | Description   | Results 2012/13 | Five (5) Year Ave | Actual Trend  |
|--------------------------|---|---|-----------------|-------------------|---|
| <b>Underlying result</b> | Adjusted net surplus / total underlying revenue | A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long-term.<br><br>Underlying revenue does not take into account non-cash developer contributions and other one-off (non-recurring) adjustment   | 14.73%          | 3.68%             |    |
| <b>Liquidity</b>         | Current Assets / Current Liabilities            | This measures the ability to pay existing liabilities in the next 12 months.<br><br>A ratio one or more means there is more cash and liquid assets than short-term liabilities.   | 3.29            | 2.57              |    |
| <b>Indebtedness</b>      | Non-current liabilities/ own sourced revenue    | Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher the percentage, the less able to cover non-current liabilities from the revenues they generate themselves.<br><br>Own-sourced revenue is used (rather than total revenue) because it does not include capital grants, which are usually tied to specific projects.  | 25.04%          | 26.24%            |    |
| <b>Self-financing</b>    | Net Operating cash flow/ underlying revenue.    | Measures the ability to replace assets using cash generated by their operations.<br><br>The higher the percentage, the more effectively this can be done.   | 33.75%          | 26.82%            |  |
| <b>Investment Gap</b>    | Capital Spend: Depreciation                     | Comparison of the rate of spending on infrastructure with its depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciating rate.<br><br>This is a long-term indicator, as capital expenditure can be deferred in the short-term if there are insufficient funds available from operations, and borrowing is not an option  | 4.13            | 7.4               |  |
| <b>Renewal gap</b>       | Renewal and upgrade expenditure / Depreciation  | Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets. Ratios higher than 1:1 indicate that spending on existing assets is greater than the depreciation rate.<br><br>Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option | 1.64            | 1.65              |  |

**Table 3: Murrindindi Shire Council VAGO Indicators of Council Viability**

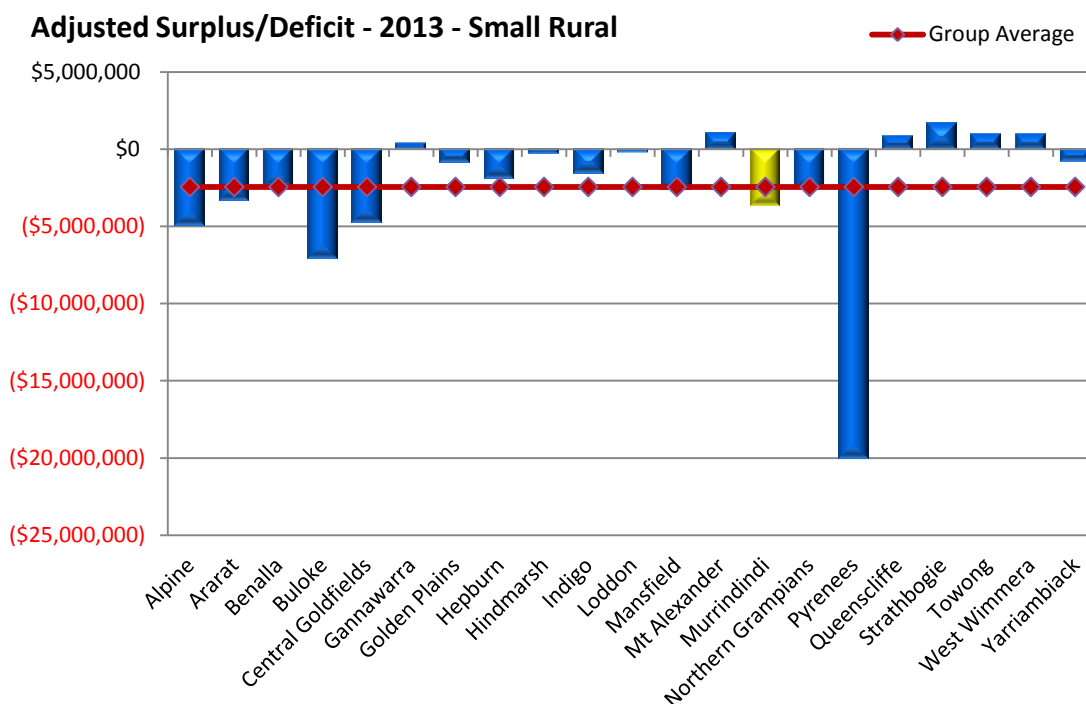
Whilst Council's liquidity ratio in 2012/13 was 1:3.29 and is projected as favourable in 2014/15, when taking into account the cash required for restricted purposes and the investment required to meet the

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

renewal gap, cash is not being generated at sufficient levels. This is exacerbated by the incidence of recurrent deficits and reflects the impact of costs associated with maintaining gifted assets.

### 3.4 Operating Surplus Exclusive of Capital Income and Abnormal Items

One of Murrindindi Shire Council's long-term financial goals is to achieve an operational surplus without the inclusion of any capital income (against which there is no matching expenditure in the operating statement) and abnormal items such as granted assets.



**Chart 2: Adjusted Surplus / Deficit – 2012/13**

As detailed in Chart 2, this is an area that all small rural Councils struggle to achieve, with the majority recording adjusted operating deficits. Council's 2012/13 position compares marginally behind the average for the small rural council category at \$2.14 million for underlying operating deficit. Council's underlying position for coming years as detailed in the LTFP shows that Council will continue to have difficulties in this area going forward as it attempts to address the ongoing renewal costs of the new and gifted assets that it received post 2009. It is clear that with ongoing underlying operating deficits over the majority of the next ten years, that without financial assistance from the State Government, Council will need to address both its service delivery structure and revenue model from 2015/16 onwards.

#### 3.4.1 Strategic Direction

1. That Murrindindi Shire Council continues to benchmark with other Victorian councils and those within the small rural council category.
2. That Council has applied the outcomes of this SRP to the 2014/15 Budget.

That in order to reduce ongoing underlying operating deficits without reviewing both its service delivery obligations and revenue generation from ratepayers, Council will require a commitment from State Government for financial assistance beyond 2014/15, or Council will need to evaluate a range of potential measures that might be applied in the absence of additional financial support.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

### 4. SERVICE PROVISION AND PLANNING

#### 4.1 Introduction

The range and level of services that Council can provide were considered as part of the development of the Murrindindi Services Review 2012.

This review recognised that as a result of the new and gifted assets arising from the February 2009 bushfires, Council must reconsider the level of services that can be provided. The Services Review actions, in relation to specific service levels, were completed in 2012-13, however, opportunities for further efficiency gains and income from asset sales will be continued through the life of this SRP. Council's new organisational restructure that was recommended as a part of the Murrindindi Assistance Package that was completed during the 2013-14 financial year.

In addition, as part of the work being undertaken as part of Council's Asset Management Planning processes, service levels will also be considered.

##### 4.1.1 *Departmental Business/Operation Plans*

Council has instituted a process whereby departmental business plans define concise actions/plans and outline a department's commitment for the next financial year.

They illustrate core functions, service improvements and assist with forward planning and resource allocation and demonstrate relationships and expectations, both from within and external to the organisation.

##### 4.1.2 *Murrindindi Shire Council Budget*

Council's operation includes provision of building, planning, economic development services, community services, infrastructure planning, operations and corporate support services including finance, information technology, asset management and organisation development.

The LTFP Model generated the key results and reports which were transferred to the Murrindindi Shire Council Budget 2014/15.

Council's operating costs and revenues for 2014/15 are \$30.65 million and \$30.93 million respectively with forecasts for the next 10 years contained in Appendix C. The Capital Works Program is explained in more detail in Section 5.

##### 4.1.3 *Benchmarking Murrindindi Shire Council Financial Performance*

When benchmarked to other small rural councils, Murrindindi Shire Council is characterised by:

- Underlying deficit.
- Slightly below average overall operational costs (including employee costs) in comparison to Councils in the category.
- Average rating effort.
- Acceptable to low debt ratios, and
- Inadequate capital works program for asset renewal causing widening of the infrastructure renewal gap.

#### 4.2 Conclusion

Managing its financial sustainability and the range and level of services provided will remain an ongoing challenge for Council. This work continues in the context of improving financial sustainability, linking infrastructure planning to service planning and as well as Council's ongoing advocacy for State Government assistance with regard to infrastructure related costs post-2009 bushfires.

Council has demonstrated clear decision making in allocating scarce resources as part of the implementation of the Murrindindi Services Review. However, this SRP demonstrates that even with prudent financial management cash is not generated to sufficient levels.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

## 5. CAPITAL WORKS PROGRAM

### 5.1 Introduction

The previous section discusses the long-term issues with respect to *Service Planning*.

It should be noted that 91 per cent of the capital expenditure is on renewal and upgrade type projects in the capital works program for 2014/15.

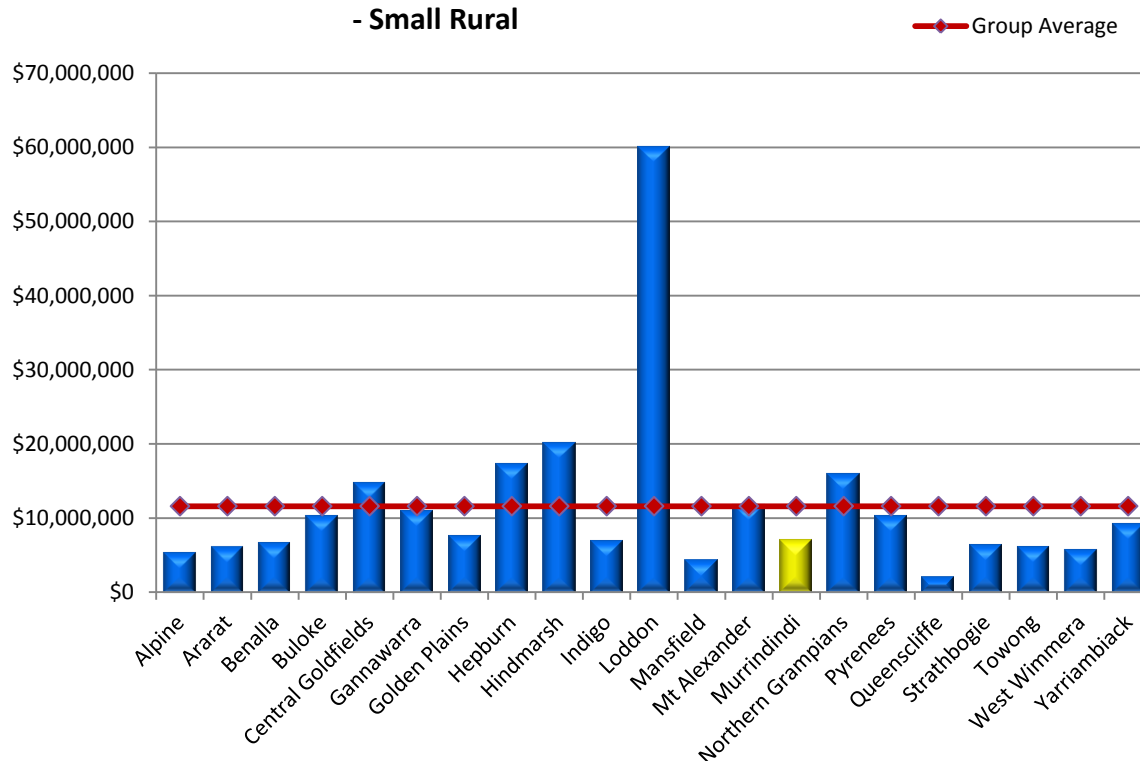
The total capital program of \$9.58 million is composed of only \$0.86 million in new assets and \$8.72 million in renewal and upgrade.

This section includes:

- Level and nature of capital works.
- Capital funding sources.

Capital expenditure represents 57.28 percent of rate revenue in 2014/15. The benchmark for 2012/13 capital expenditure levels by small rural councils is illustrated below:

**Capital Expenditure (as per Capital Works Statement) - 2013**  
**- Small Rural**



**Chart 3: Capital Expenditure per Capital Works Statement – 2012/13**

The level of capital expenditure when compared to previous periods represents a significant shift away from the abnormal amounts of expenditure attributable to Bushfire and Natural Disaster funded works in prior years. The focus from 2013/14 onwards has been on renewal works as opposed to new and upgrade works in order to address the Infrastructure Renewal Gap and therefore a return to 'normal' levels of expenditure. This becomes even more prevalent in the 2014/15 budget year as less than 10% of the capital expenditure budget is allocated to new assets.

### 5.2 Level and Nature of Capital Works

The following are the key objectives around which the 2014/15 capital works program has been developed:

Draft Strategic Resource Plan

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- Show proposed total available capital funding across the life of the program,
- Continue to invest more heavily in renewal of existing infrastructure, with less of the capital works budget being allocated to new and upgraded assets.
- Demonstrate the effect of generating an infrastructure reserve, and
- Identify funding sources for capital funding.

In terms of the longer term program to 2023/24 the following parameters/assumptions apply:

- Large one-off projects flagged in subsequent years require accurate costing to be undertaken and their timing and priority finalised.
- Priority will continue on renewal, followed by upgrade, with new assets being the most discretionary.
- Expenditure growth is required to a level of sustainable renewal to meet the community's service level requirements (based on current Asset Management Plans) by 2020/21.
- Income assumptions are to remain conservative given they are less predictable, and
- Roads to Recovery income is assumed to continue at current level spread across relevant projects within the Roads Program.
- Investment on reducing the renewal gap has been factored in for the life of the Long Term Financial Plan.
- Whilst Council's focus is to invest in renewal projects through to 2023, there is insufficient generation of cash to close the unfunded Infrastructure renewal gap over the next 10 years. The overarching concern is that without State Government assistance, the Infrastructure Renewal Gap will continue to accumulate for the life of the Long Term Financial Plan and beyond.

**5.3 2014/15 Capital Investment Levels**

The 2014/15 capital works program by expenditure type is detailed hereunder:

**Table 4: Capital Works Summary – 2014/15**

| Capital Expenditure Type | 2014/15<br>\$    | 2014/15<br>% |
|--------------------------|------------------|--------------|
| <b>Renewal</b>           | <b>6,037,000</b> | <b>63%</b>   |
| <b>Upgrade</b>           | <b>2,173,000</b> | <b>23%</b>   |
| <b>New</b>               | <b>1,370,000</b> | <b>14%</b>   |
| <b>TOTAL</b>             | <b>9,580,000</b> | <b>100%</b>  |

**5.4 Capital Funding Sources**

The development of a 10-year capital improvement program has enabled a cash flow budget to be developed. External capital funding sources primarily include capital grants. Internal capital funding sources include land sales, asset sales, special charge schemes and general rates. The SRP forecasts capital funding sources conservatively.

Over the longer term there is insufficient cash to close the Infrastructure Renewal Gap which increases per annum on a variable level depending on the estimated life of assets and the forecast schedule of works required to maintain assets at their current level of utility. There is little capacity in terms of cash to consider the expansion of new and upgrade capital works projects.

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### **5.5 Conclusion**

Council's capital works program underpins the needs and priorities as determined by Council's 10 year capital improvement plan.

Council has met the challenge of preparing Asset Management Plans to achieve NMAF core competency and is now progressing the implementation of the Improvement Actions from these Plans. Their input into the annual review of the capital works program will ensure that Council's objective of addressing its renewal gap is appropriately resourced.

Council's 10 year capital improvement program is modest in scope and is underpinned by limited financial capacity.

#### **5.5.1 Strategic Direction**

That Murrindindi Shire Council initially focuses capital works on renewal investment based on current service levels and maintaining the majority of assets above desired intervention levels indicated in Table 7 (Section 6.5 Condition Assessment), with the last priority being adding further assets to the Shire.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

### 6. ASSET MANAGEMENT

#### 6.1 Introduction

Linking asset management to Council's strategic financial direction is fundamental to achieving the goal of long-term financial sustainability.

This section includes:

- Background to Council's total asset portfolio at 30 June 2014.
- Summary of fixed assets.
- Key questions to determine service level/investment.
- Sustainability index.
- Condition assessments.
- Strategic asset management, and
- Future asset management.

#### 6.2 Background to Council's Total Asset Portfolio at 30 June 2014

Accounting for an asset requires the recognition of all costs associated with asset ownership including creation/acquisition, operations, maintenance, renewal, depreciation and disposal. This "life cycle" approach needs to be recorded at an individual asset level to enable all costs of owning and operating assets to be known and understood.

For accounting purposes assets are grouped into current and non-current assets. Current assets are cash or those assets that are considered to be readily convertible to cash. This asset grouping includes cash at bank, investment funds, stock on hand, debtors and land held for resale. The projected balance of current assets held by Murrindindi Shire Council at 30 June 2014 is projected to be \$16.82 million.

Non-current assets consist of Council's debtor accounts not expected to be collected in the coming 12 months and Council's fixed assets. Fixed assets consist of land, buildings, plants, furniture, roads, drains, playgrounds and other similar infrastructure assets. The projected total value of fixed assets at 30 June 2014 is \$284.92 million. The balance of this section will focus on the fixed assets and the management strategies that Council is pursuing.

#### 6.3 Summary of Fixed Assets

Councils across Australia are facing the problem of ageing assets in need of renewal. Many of these assets were not initially funded by councils, but came about by State and Federal government grants, developer contributions, or from a shift of responsibilities for State owned assets to Local Government.

In December 1998, the then Department of Infrastructure (DOI) undertook a Victorian Local Government Infrastructure Study – "Facing the Renewal Challenge". Council has subsequently increased its investment in renewal and maintenance to the present level. Council's projected fixed assets at 30 June 2015 are detailed below:



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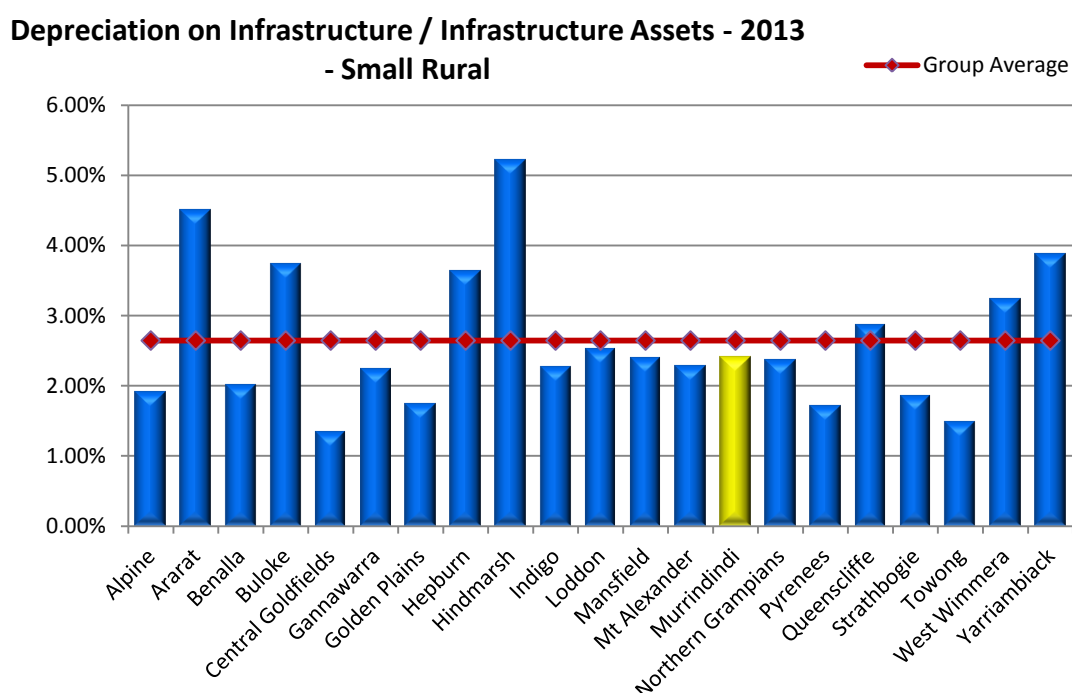
| Fixed Assets                 | WDV 30 June 2014<br>\$000's |
|------------------------------|-----------------------------|
| Property Plant and Equipment | 29,272                      |
| Infrastructure Assets        | 255,647                     |
| <b>TOTAL</b>                 | <b>284,919</b>              |

**Table 5: Fixed Assets and Land Held for Resale – 2013/14**

Depreciation charges, that is, the useful life and the rate at which the economic benefits are consumed, is reassessed following asset condition assessments and when general valuations are undertaken.

All changes to depreciation charges have been passed by Council's external auditor and reported to Council's Audit Committee prior to being adopted by Council. The increase in depreciation charges going forward has the effect or requirement to set aside additional cash for renewal of new and gifted assets.

Council's depreciation charges as a percentage of its total assets are benchmarked and depicted in the following graph:



**Chart 4: Depreciation on Infrastructure/Infrastructure Assets – 2012/13**

### 6.4 Sustainability Index

The Department of Infrastructure's (DOI's) "infrastructure study" calculated a sustainability index for each Victorian council. The sustainability index indicates the extent of the gap between a council's current investment in asset renewal and the required level of investment to ensure the asset remains



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serviceable for its useful life. This is determined largely by historical factors and the long term sustainable level of costs for the existing assets. The index measures future management requirements of each council.

| Type of Expenditure   | Definition   | Purpose/Example   |
|---|--|---|
| <b>Maintenance</b>  | Expenditure on an asset that maintains the asset in use, but does not increase its service potential or life.  | Life extension: Extending asset lives by repair, reducing average annual consumption costs and renewal rates, eg. Repairing a single pipe in a drainage network or a pothole. |
| <b>Capital Renewal</b>  | Expenditure on an existing asset or a portion of an infrastructure network which returns the service potential, or extends the life of the asset, to its original potential. | Retains an existing service level, e.g. Re-sheeting and road reseals, resurfacing an oval.  |
| <b>Capital Upgrade</b>  | Expenditure on upgrading the standard of an existing asset to provide a higher level of service.   | Increases the quality of service provided to ratepayers, eg. Widening the pavement of a sealed area of an existing road.  |
| <b>New Assets</b>   | Expenditure on creating a new infrastructure asset to be enjoyed by existing residents.  | Creates services or utilisation to residents of the Shire, eg. Extending a road, drainage network, or new pre-school.   |
| <i>*The average annual asset consumption is a measure of the asset consumption costs being incurred today. To the extent that they are not funded by today's ratepayers, the annuity becomes one for future generations</i> |  |   |

Table 6: Sustainability Index – Definitions – 2013/14

The sustainability index is an accounting measure based on the difference, expressed as a percentage, between Council's annual depreciation charge and renewal annuity.

Murrindindi Shire Council's Sustainability Index projected at 30 June 2014 is 65.00%. The sustainability Index (renewal) indicates the extent to which current ratepayers are contributing to the assets they are now consuming.

As identified in Section 1.3 Council has also participated in the Local Government Financial Sustainability Review. This has highlighted the challenges facing small rural municipalities in maintaining their long term financial sustainability.

## 6.5 Condition Assessment

Monitoring asset condition and performance relates to the ability of the asset to meet targeted levels of service.

Asset condition reflects the physical state of the asset and the functional level of service it is capable of providing.

Monitoring asset condition and performance throughout the asset life cycle is important in order to identify underperforming assets or those which are about to fail – that is, assets at the critical renewal level where if reinvestment is not funded the cost of future renewal will exponentially increase along with the risk of the asset being below accepted service levels .

Murrindindi Shire Council has continued to develop its Asset Management System to readily monitor asset condition and performance and to:

- Identify those assets which are under performing.
- Forecast potential asset failure in order to determine when intervention will be required.
- Ascertain the reasons for performance deficiencies, and
- Determine what corrective action is required and when (maintenance, rehabilitation, renewal).

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The Asset Management System records asset condition and asset defects/inspection details; it is also capable of providing financial management and year-end accounting and valuation data. Priority is on funding the annual renewal annuity based on predetermined service levels which are shown in the table below.

| MURRINDINDI COUNCIL – ASSET CONDITION INTERVENTION LEVELS |          |
|---|----------|
| ASSET SET   | IL LEVEL |
| Pavement (High Traffic) Urban                             | 8.0      |
| Pavement (Low Traffic) Urban                              | 8.0      |
| Pavement (High Traffic) Unsealed                          | 8.0      |
| Pavement (Low Traffic) Unsealed                           | 8.0      |
| Spray Seal (High Traffic) Urban                           | 6.0      |
| Spray Seal (Low Traffic) Urban                            | 6.0      |
| All Kerbs   | 8.0      |
| Pavement (High Traffic) Rural                             | 8.0      |
| Pavement (Low Traffic) Rural                              | 8.0      |
| Spray Seals (High Traffic) Rural                          | 6.0      |
| Spray Seals (Low Traffic) Rural                           | 6.0      |
| Carpark Pavements   | 8.0      |
| Carpark Seal  | 6.0      |
| Concrete Pathways & areas                                 | 9.0      |
| Brick Paved Pathways & areas                              | 8.0      |
| Sealed Pathways   | 8.0      |
| All other Pathways  | 9.0      |
| Long Life Bridges   | 8.0      |
| Short Life Bridges  | 7.5      |
| Pits  | 9.0      |
| Pipes   | 9.0      |
| Community Build Structure Long Life                       | 8.0      |
| Community Build Structure Short Life                      | 8.0      |
| Community Build Roof Structure                            | 8.0      |
| Community Build Mechanical Services                       | 8.0      |
| Community Build Building Fit Out                          | 8.0      |
| Playground Equipment                                      | 7.0      |
| Corporate Build Structure Long-Life                       | 8.0      |
| Corporate Build Structure Short-Life                      | 8.0      |
| Corporate Build Roof-Structure                            | 8.0      |
| Corporate Build Mechanical-Services                       | 8.0      |
| Corporate Build Building Fit-Out                          | 8.0      |

**Table 7: Asset Condition Intervention Levels– 2013/14**

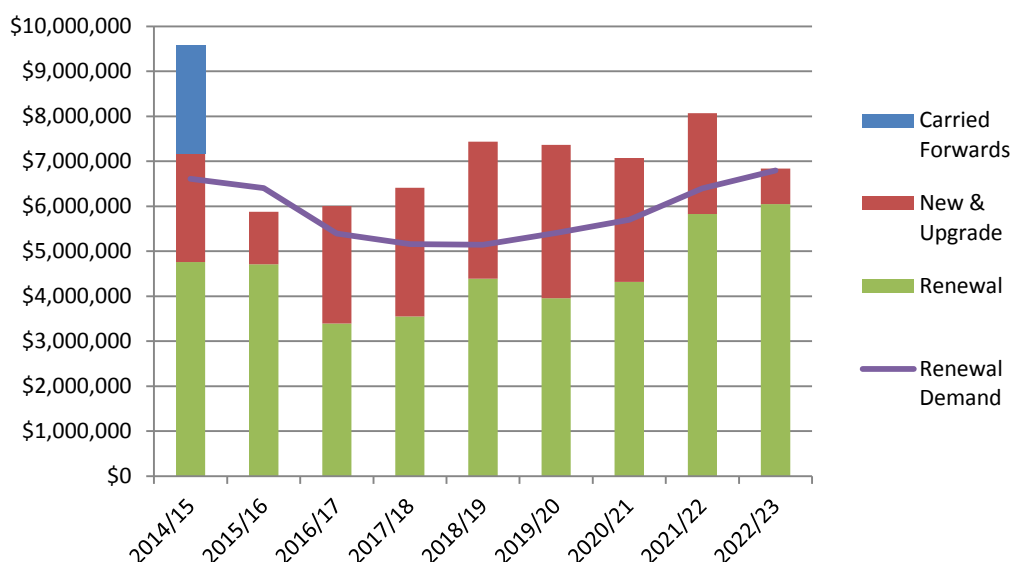
Council has recent condition data for the majority of its major asset categories and has completed Asset Management Plans.

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The benefits of knowing the current condition and performance (level of service) an asset provides are:

- Ability to plan for and manage the delivery of the required level of service.
- Avoid premature asset failure, leaving open the option of cost-effective renewal.
- Manage risk associated with asset failures.
- Accurate prediction of future expenditure requirements, and
- Refinement of maintenance and rehabilitation strategies.

Council, as asset manager, assesses the relative merits of rehabilitation, renewal or replacement as options and identifies the optimum long-term solution. The following graph depicts the predicted level of renewal expenditure required across all asset categories for Murrindindi Shire Council from 2014-2023. The key changes to this chart when compared to last year's SRP, is the updated 10 year capital works projections which now includes the impact of the renewal and upgrade of Council's landfill site and resource recovery centres.



**Chart 5: Proposed / Predicted Renewal Expenditure Chart – 2022/23**

## 6.6 Strategic Asset Management

Council reviews its Asset Management Policy on a triennial basis.

Other major elements are the Asset Management Strategy which details specific actions to be undertaken by Council to improve asset management capability and achieve specific strategic objectives and the Asset Management Plans that are subsequent components where long-term plans (10-years and beyond) outline renewal requirements for each asset category.

The following table explains the purpose and typical contents of these documents:

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| Asset Management Strategy   | Asset Management Plans  |
|---|---|
| Specific actions to be undertaken by Council in order to improve or enhance asset management capability and achieve specific strategic objectives.  | Long-term plans (usually 20 years or more for infrastructure assets) that outline the asset activities for each service area.   |
| <i>Develops a structured set of actions aimed at enabling improved asset management by Council.</i>   | <i>Outlines actions and resources to provide a defined level of service in the most cost effective way.</i>   |
| <ul style="list-style-type: none"> <li>• A description of the current status of asset management practices (processes, asset data and information systems).</li> <li>• Organisation's future vision of asset management.</li> <li>• A description of the required status of asset management practices to achieve the future vision.</li> <li>• Identification of the gap between the current status and the future vision (a "gap analysis").</li> <li>• Identification of strategies and actions required to close the gaps, including resource requirements and timeframes.</li> </ul> | <ul style="list-style-type: none"> <li>• A summary of Council's strategic goals and key asset management policies.</li> <li>• Definition of levels of service and performance standards.</li> <li>• Demand forecasts and management techniques.</li> <li>• Description of the asset portfolio.</li> <li>• A broad description of the lifecycle management activities for operating, maintaining, renewing, developing and disposing of assets.</li> <li>• A cash-flow forecast.</li> <li>• Key asset management improvement actions including resources/ timeframes.</li> </ul> |

**Table 8: Asset Management Plan Objectives & Document Content**

Council has identified the asset renewal demand, however planned renewal expenditure is insufficient to avoid an accumulating renewal gap over the next 10 years.

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**7. LONG-TERM BORROWING STRATEGIES**

This section includes:

- Measuring what level of debt is appropriate.
- Loan borrowings policy.
- Financial indicators.
- Prudent debt level, and
- Council's current and projected debt portfolio.

**7.1 Measuring which level of Debt is Appropriate**

Deciding on a prudent debt level is a difficult task.

Each Council is different and the level of debt that is appropriate for Council may not be acceptable for another Council.

The following factors are important issues for Council:

- level of debt servicing as a proportion of rate revenue.
- ability to raise revenue in addition to rates.
- level of realisable assets to support the indebtedness.
- achieving the right mix of capital works and debt commitments.
- growth rate of municipality.
- community needs, and
- demographics

The table below highlights the relative debt levels of Councils within the Small Rural Council grouping at 30 June 2013. Council's relative debt level is also shown.

| Council            | Total Debt /<br>Rate<br>Revenue | Debt<br>Commitment<br>/ Rates | Debt<br>Commitment<br>per Capita | Debt<br>Commitment<br>per Rating<br>Assessment |
|--------------------|---------------------------------|-------------------------------|----------------------------------|--|
| Alpine             | 9.44%                           | 2.62%                         | \$163                            | \$235  |
| Ararat             | 2.24%                           | 0.97%                         | \$240                            | \$223  |
| Benalla            | 55.45%                          | 9.26%                         | \$223                            | \$398  |
| Buloke             | 16.05%                          | 4.70%                         | \$353                            | \$394  |
| Central Goldfields | 39.70%                          | 9.49%                         | \$292                            | \$455  |
| Gannawarra         | 20.01%                          | 5.54%                         | \$228                            | \$352  |
| Golden Plains      | 32.64%                          | 5.41%                         | \$137                            | \$255  |
| Hepburn            | 23.05%                          | 5.31%                         | \$155                            | \$214  |
| Hindmarsh          | 0.00%                           | 1.12%                         | \$230                            | \$264  |
| Indigo             | 22.77%                          | 5.26%                         | \$127                            | \$238  |
| Loddon             | 5.42%                           | 2.10%                         | \$298                            | \$298  |
| Mansfield          | 12.48%                          | 5.43%                         | \$196                            | \$212  |
| Mt Alexander       | 21.44%                          | 3.84%                         | \$124                            | \$204  |

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| Council            | Total Debt / Rate Revenue | Debt Commitment / Rates | Debt Commitment per Capita | Debt Commitment per Rating Assessment |
|--------------------|---------------------------|-------------------------|----------------------------|---------------------------------------|
| Murrindindi        | 27.77%                    | 8.01%                   | \$241                      | \$332                                 |
| Northern Grampians | 18.75%                    | 3.95%                   | \$45                       | \$59                                  |
| Pyrenees           | 30.02%                    | 5.63%                   | \$338                      | \$390                                 |
| Queenscliff        | 17.39%                    | 9.65%                   | \$163                      | \$178                                 |
| Strathbogie        | 17.27%                    | 4.87%                   | \$201                      | \$275                                 |
| Towong             | 6.45%                     | 2.09%                   | \$196                      | \$261                                 |
| West Wimmera       | 0.00%                     | 0.00%                   | \$263                      | \$260                                 |
| Yarriambiack       | 6.98%                     | 0.55%                   | \$223                      | \$264                                 |

Table 9: Council Comparison Debt Levels within Small Rural Council Group – 2012/13

In terms of total debt levels, Murrindindi Shire Council is generally higher than the Small Rural Council grouping, as shown in the chart below. However, over the life of the Long Term Financial Plan, Council's debt level diminishes from \$3.70 million in 2013/14 to \$2.17 million in 2022/23.

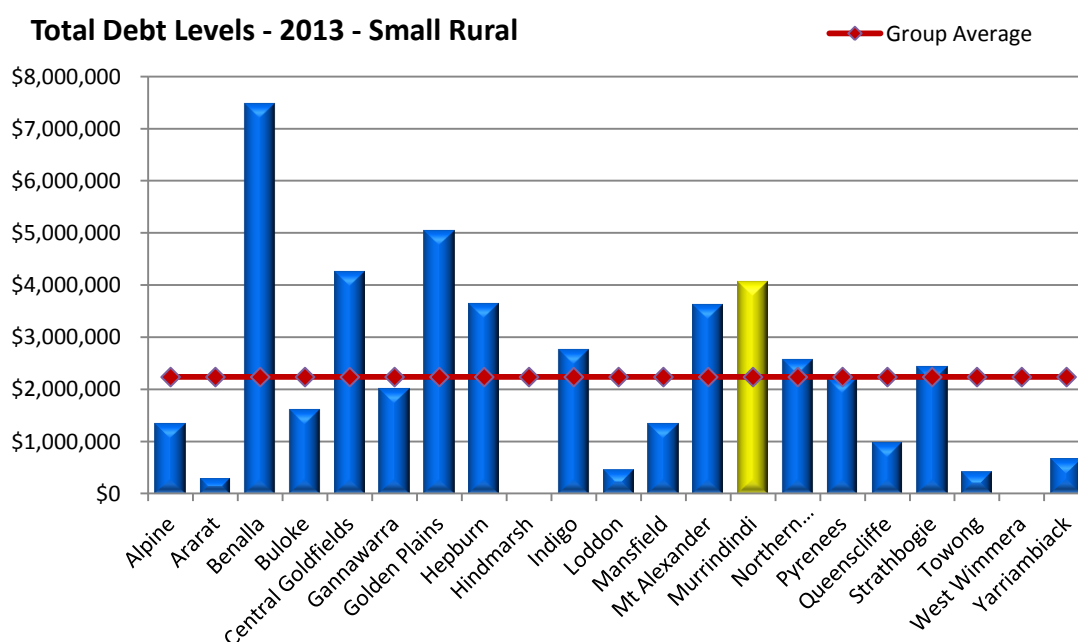


Chart 6: Comparison of Total Debt Levels within Small Rural Group

In order to track the trend in Council debt position, the table below confirms that debt levels will continue to decrease, by \$0.779 million from 30 June 2013 to 30 June 2015, the end of the second year's budget developed as part of the 2013-2017 Council Plan.

Relative debt ratios for the Council remain well within State Government Prudential Guidelines throughout the life of the SRP and become more favourable as the level of debt reduces over the life of the Long term Financial Plan.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

|           | Actual     | Forecast   | Budget     |
|-----------|------------|------------|------------|
| Debt Type | 30/06/2013 | 30/06/2014 | 30/06/2015 |
| Loans     | 4,058      | 3,698      | 3,279      |

Table 10: Council's Interest Bearing Liabilities

## 7.2 Borrowing Assessment Policy

Murrindindi Shire Council assessed its capacity to borrow against the Victorian State Government's Prudential Guidelines.

The administration of the Local Government sector's borrowing involves:

- The collation of the sector's borrowing requirements through an annual survey.
- The assessment of individual Murrindindi Shire Council's borrowings, and
- Recommendation to the Department of Treasury and Finance (DTF) of the aggregate net new borrowing requirement of the sector.

All borrowings by individual Councils are assessed under a borrowings assessment policy adopted by the Local Government Division.

The policy identifies key areas of financial management with certain thresholds that are required to be met.

Detailed below is Murrindindi Shire Council's current and projected performance on a number of the financial indicators which are necessary for borrowing approval by State Government.

Table 11: State Government Prudential Guidelines– 2012/13 to 2014/15

| Area           | Financial Indicator                            | Threshold (Prudential Guidelines) | Position 2012/13 | Forecast 2013/14 | Budget 2014/15 |
|----------------|--|-----------------------------------|------------------|------------------|----------------|
| Liquidity      | Current Assets to Current Liabilities          | 1.5                               | 3.29             | 2.35             | 2.39           |
| Debt Exposure  | Total liabilities over total realisable assets | 50%                               | 4.1%             | 3.7%             | 3.7%           |
| Debt Servicing | Debt Servicing Costs as a % of Total Revenue   | 5%                                | 1.0%             | 1.1%             | 1.0%           |

## 7.3 What do the Financial Indicators Mean?

Murrindindi Shire Council is well within the State Government Prudential Guidelines as at 30 June 2015.

The graphs below detail the previously mentioned financial indicators and present the council's position graphically.

The threshold detailed against each indicator is the minimum level council must meet in order to achieve approval to borrow from the State Government.

To encourage longer term planning by councils, the framework also includes an assessment of reasons for the new borrowings. This rationale is explained in the council's policy, which is to fund long term intergenerational assets from loan funds to ensure intergenerational equity.

Murrindindi Shire Council's forecast is within the State Government prudential guidelines at 30 June 2013 for most indicators and continue to trend on a favourable basis through to 2022/23. However,



## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

whilst these indicators may seem favourable, Council's liquidity, as expressed in the liquidity ratio and in terms of being able to meet an accumulated unfunded infrastructure renewal gap is insufficient.

### 7.3.1 Liquidity

How measured Current assets over current liabilities

Threshold 110% or higher

Description This indicator reflects the short-term liquidity position. That is, the council's ability to repay current commitments from cash or near cash assets.

Councils with a ratio of 110% and below or with a deteriorating trend may be financially at risk of not being able to meet creditors. Whilst the liquidity ratio trends above 110% for the life of the SRP and long term financial plan, it is not sufficient to cover the cash requirement needs to address an accumulating infrastructure renewal gap.

Current Assets / Current Liabilities - 2013 - Small Rural

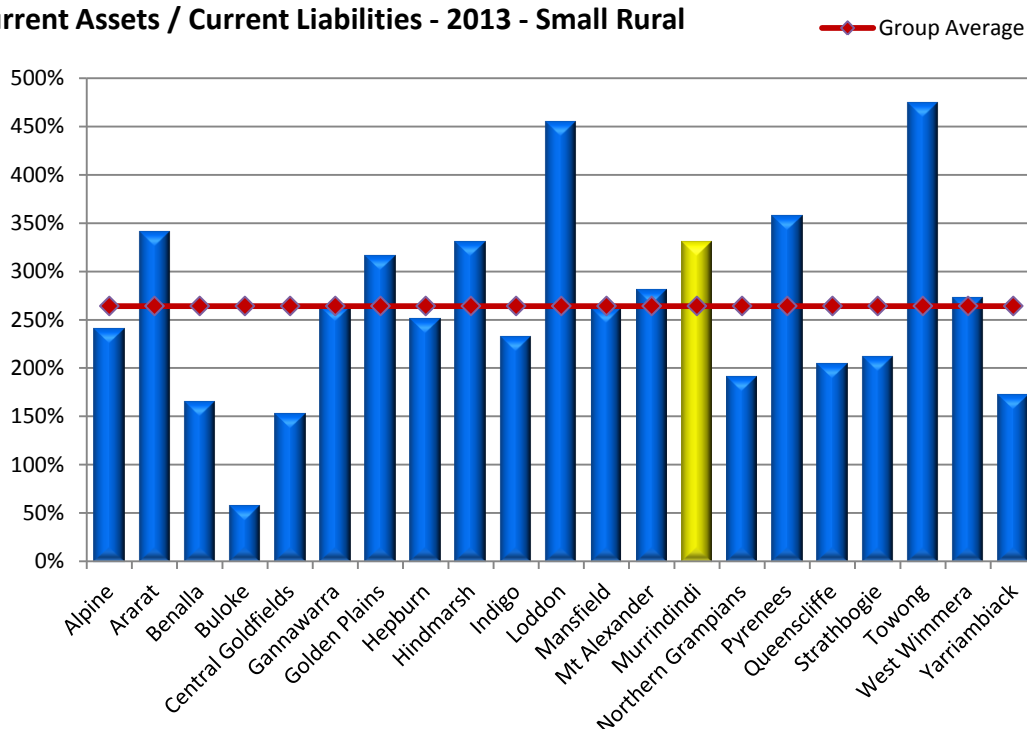


Chart 7: Current Assets / Current Liabilities – 2012/13

Murrindindi Shire Council's working capital ratio as at June 30, 2013 was 329 percent (that is, current assets over current liabilities), which is well in excess of the 110 percent benchmark, which would be the minimum acceptable level. The significant improvement in this area over the last 12 months reflects Council's efforts to reduce debt, in addition to increasing cash reserves to fund future capital renewal projects.

### 7.3.2 Debt Exposure

How measured Total liabilities over total realisable assets

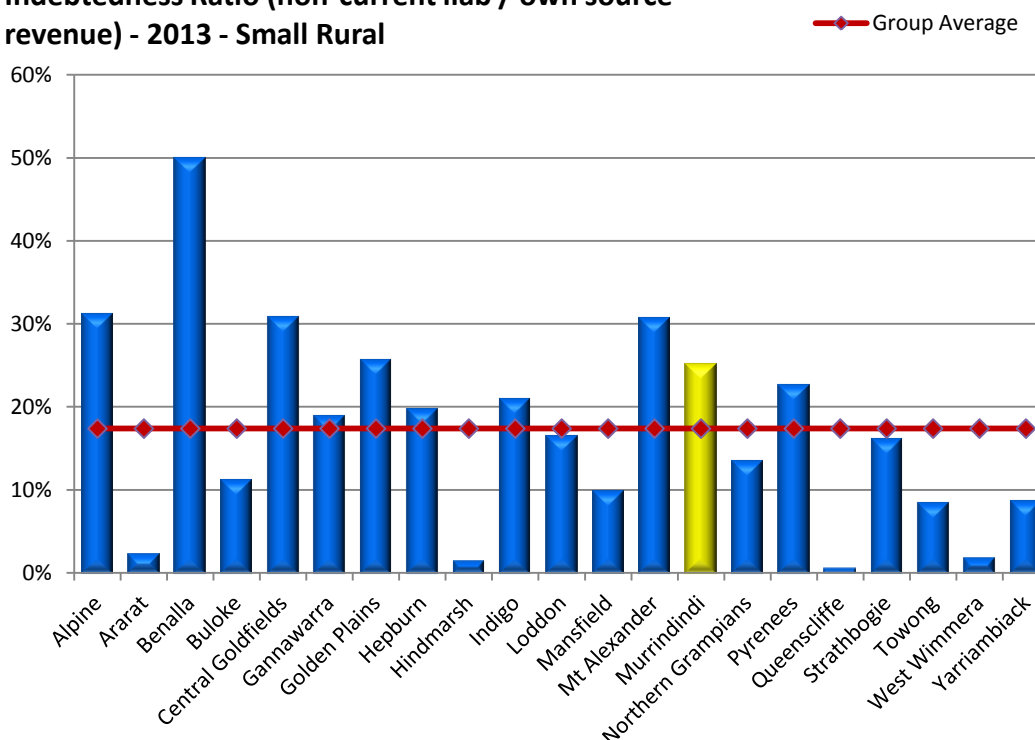
Threshold 50 percent or below

Description This indicator reflects the ability to acquit liabilities with the proceeds from the disposal of its realisable assets. Ideally, total liabilities should be less than 50 percent of realisable assets.



## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

**Indebtedness Ratio (non-current liab / own source revenue) - 2013 - Small Rural**



**Chart 8: Debt Exposure – Total Liabilities / Total Realisable Assets – 2012/13**

Murrindindi Shire Council's indebtedness ratio at June 30, whilst above the average for small rural councils, has continued to gradually decrease over the last few years as Council reduces its liabilities, whilst managing its limited revenue base.

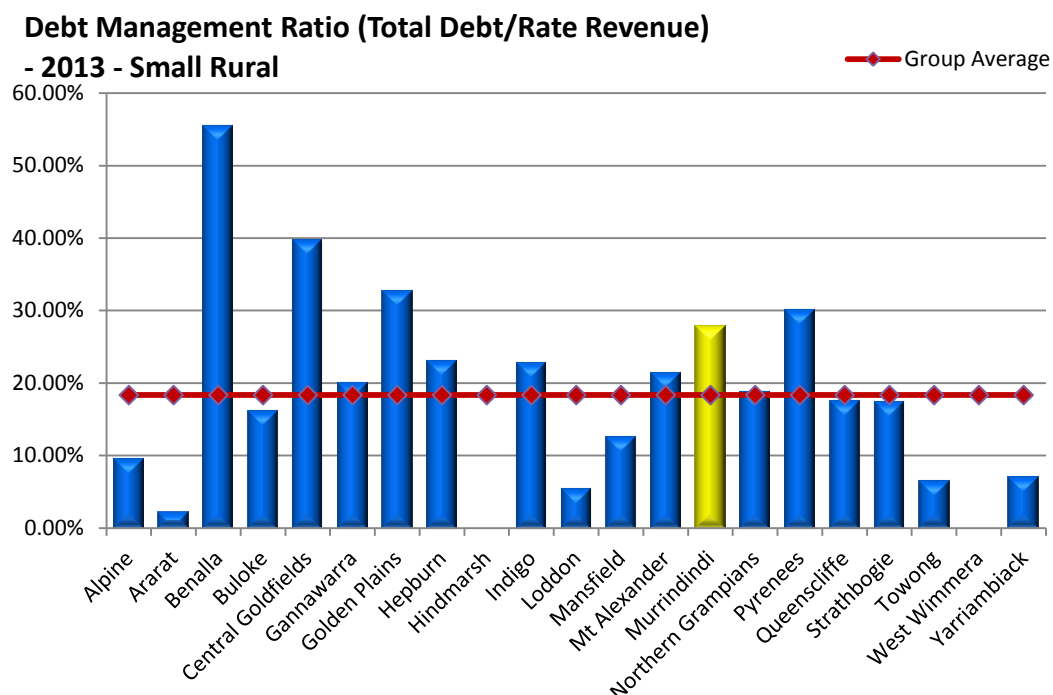
### 7.3.3 Debt Management

How measured Total debt as a percentage of rate revenue

Threshold 80 percent or below

Description The Local Government Act 1989 requires that all loans are secured against the revenue stream from rates. A council with total debt in excess of the revenue from rates would be unable to meet all debt commitments from rate revenue should they be required to be paid at one time. A threshold of 80 percent has been set.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)



**Chart 9: Total Debt as a Percentage of Rate Revenue – 2012/13**

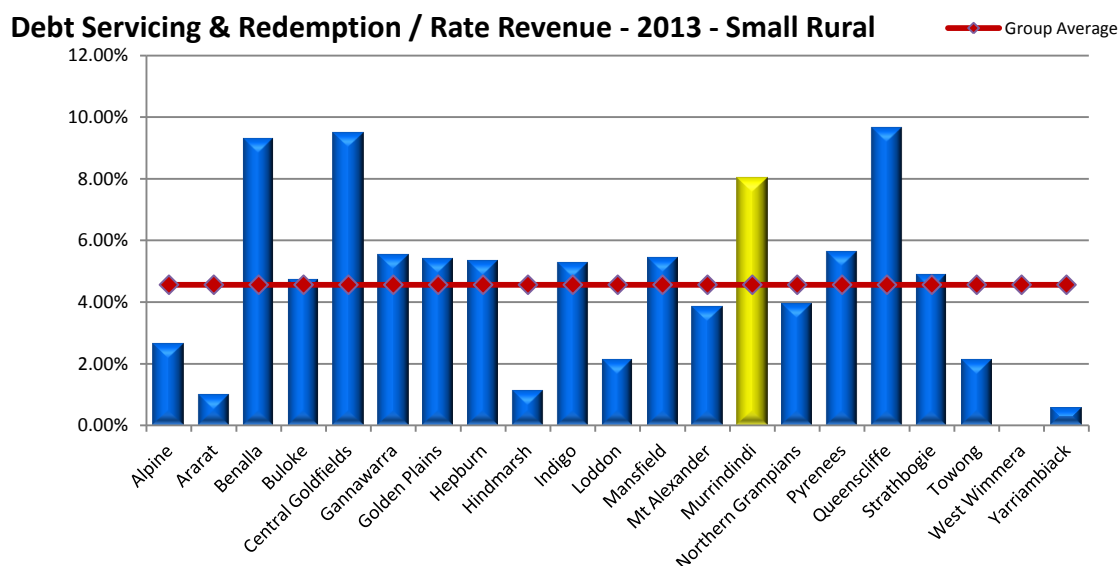
Murrindindi Shire Council's debt as a percentage of rate revenue as at June 30, 2013 was 27.7 percent, which is well below the 80 percent benchmark and both the state and Small Rural's average. This is currently forecast to reduce further over the life of the LTFRP to 8.2% in 2022/23.

### 7.4 What is a Prudent Level of Debt?

The following graph introduces an additional financial ratio namely debt commitment costs per each rateable assessment. Debt commitment costs include principal and interest repayments in a year. The ratio details how much of the Council's rate dollar is being spent to repay debt and interest as an overall percentage of the Council's rate revenue.

This ratio is the most important ratio as it provides the best indicator of the affordability of debt for a community and Council.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)



**Chart 10: Debt Commitment Ratio (per assessment) – 2012/13**

Council has determined that a prudent level of debt will not exceed \$500,000 in new borrowings per annum over the next 10 years. On that basis, Council's overall debt level is projected to diminish.

In 2013/14 8.01 cents in the rate dollar received serviced debt – both principal and interest payments. Whilst higher than the average of small rural Councils in Victoria, this represents a steady decrease from levels of a few years ago, where debt commitment per assessment exceeded 13 cents in the dollar. Current levels are affordable and with added benefit of lower interest rates, reflects the benefit of taking out loans over a longer period.

In 2014/15 it is proposed that this figure will decrease to 7.0 cents in the rate dollar received. Debt is generally used to fund capital expansion projects and for 2014/15 these projects have been earmarked as plant and fleet replacement (i.e. It should not be used for renewal or maintenance) when the asset life is greater than one generation (i.e. often described as intergenerational equity).

The intergenerational equity theory is based on the premise that successive generations and new residents should contribute to infrastructure or facilities that they will enjoy and benefit from.

By borrowing, the Council ensures today's ratepayers are not fully funding these facilities. There are limits on borrowings due to the costs of interest payments. If the council was to borrow too heavily it would result in an inability to invest in capital works due to funds being consumed in debt repayment. Therefore a balance is important.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

## 7.5 Future Loan Program

The table and chart below highlight the forecast borrowings. Borrowings are decreasing over time with the extinguishing of pre 2013/14 loans by 2018. The Chart below includes the split between current (payable within 12 months) and the total interest bearing liabilities.

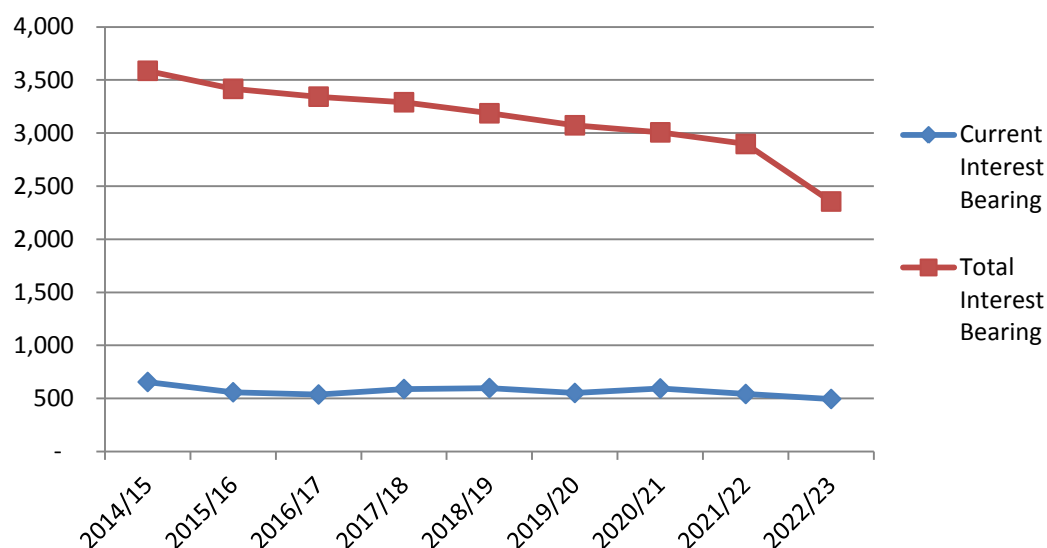


Chart 11: Total and Current Interest bearing Liabilities – 2014/15 – 2022/23

## 7.5.1 Strategic Direction

1. That Murrindindi Shire Council based on compliance with the State Government Prudential Guidelines, borrows funds for plant and vehicle replacements that provide intergenerational equity, and
2. That Murrindindi Shire Council retains its debt servicing and redemption costs at or below 8.0 cents in the rate revenue dollar, towards interest and principal, over the life of this SRP.

**Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)****8. RESTRICTED ASSETS****8.1 Introduction**

Victorian Councils have traditionally operated with reserve funds that are allocated for specific purposes.

These funds do not have bank accounts of their own but are a theoretical split-up of Council's equity. Discretionary reserves are used only as an indicator of funds for specific purposes and represent what those functions have earned.

**8.2 Nature and Purpose of Restricted Assets**

Murrindindi Shire Council allocates expenditure for known outlays and revenues, directly to the financial year where the expenditure will be incurred, rather than to specific reserve funds. The traditional transfer to and from reserves is generally no longer undertaken as it is contrary to the requirements of the accounting standards and regulated standard reporting that now applies under the Local Government (Financial and Reporting) Regulations 2004. The Strategic Resource Plan is framed around having sufficient cash reserves to cover restricted assets which are primarily developer open space contributions, long service entitlements and grant funding.

Murrindindi Shire Council also generally provides for a working capital ratio of 1.5 to meet day to day needs, however, the level of cash is insufficient from 2013/14 onwards with an accumulating Infrastructure Renewal Gap. This is a reflection of ongoing recurrent deficits due to the inclusion predominantly of the cost of gifted assets.

**8.2.1 Long Service leave**

The *Local Government (Long Service Leave) Regulations 2012* were enacted on 7 February 2012. The changes to the regulations removed the requirement to have a fully funded cash provision based on previous LSL taken. As a consequence of relaxing of this requirement, Council utilised this reserve to offset the call of \$1.9 million from the Defined Benefits Superannuation fund in 2012/13. In recognition that Council needs to fund Long Service Leave calls into the future, Council commenced providing allocations in 2013/14 and will look to continue this over the next four years aggregating to 25% of the current Long Service Leave liability when determining its restricted cash requirements, which are held separately from Council's general operating cash accounts. Council continues to recognise employee long service leave entitlements as a liability in accordance with applicable Accounting Standards.

**8.2.2 Developer Contributions**

Development contribution receipts are payments or in-kind works, facilities or services provided by developers towards the supply of infrastructure (generally by the Murrindindi Shire Council) required to meet the future needs of a particular community, of which the development forms part. This type of contribution is not a stream of revenue that Council can rely on or have discretion over in terms of allocation to a purpose.

**8.2.3 Waste Reserve**

All income and expenditure relating to waste services is transferred in and out of the Waste Reserve, including capital and operating expenditure. The Waste reserve is effectively a pool of funds reserved for landfill operations, long term rehabilitation of landfills, the operation of kerbside garbage and recycling collection together with the cost of State Government levy increases

**8.2.4 Notional Reserves, Amounts held in Trust**

It is a requirement of Council to separately identify trust funds or refundable deposits as "restricted assets". While the council is able to access these funds in its day to day treasury management, the financial statements must recognise that a component of its cash balances relates to deposits that may be refundable in the future. Council is required to quarantine cash or accumulate restricted cash to meet these requirements.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

| Restricted Assets              | Estimate<br>30 June 2014<br>\$000's |
|--------------------------------|-------------------------------------|
|                                |                                     |
| <b>Reserves</b>                | <b>9,044</b>                        |
| <b>Amounts held in Trust</b>   |                                     |
| - Refundable Building Deposits | <b>70</b>                           |
| - Refundable Contract Deposits | <b>290</b>                          |
| - Refundable Security Deposits | <b>113</b>                          |
| - Other Refundable Deposits    | <b>170</b>                          |
| <b>Total</b>                   | <b>643</b>                          |

Table 12: Restricted Assets – 2013/14

**8.2.5 Strategic Direction**

1. That Murrindindi Shire Council builds into its 10 year financial plan the estimated movements in restricted assets and provides for at least \$6 million to \$8 million in working capital to meet day to day needs.
2. That to ensure sufficient funds are available to meet operational needs, Murrindindi Shire Council retains a cash position of at least \$1 million to \$2 million after deducting restricted assets, i.e. cash received but not spent or cash to be spent for specific purposes such as developer contributions (infrastructure), waste facility development, employee long service leave payments, security deposits etc.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

## 9. RATING AND OTHER REVENUE STRATEGIES

### 9.1 Introduction

This section includes:

- Valuations.
- Components of Murrindindi Shire Council's rating base.
- Background to present rating system.
- Rates Affordability.
- Rating Strategy.
- Rates and Charges Budget 2014/15.
- Waste services.
- Grant revenue.
- Victoria Grants Commission, and
- Fees and charges revenue.

### 9.2 Valuations

Valuations are conducted under the provisions of the *Valuation of Land Act (1960)* with each separate occupancy on rateable land computed at its net annual value (NAV), capital improved value (CIV), and site value (SV).

Valuations are carried out using *Valuation Best Practice Principles* as set down by the State Government Valuer General. In Murrindindi Shire Council the Valuer is appointed via a competitive process on a two year cycle as general valuations are required every two years to ensure a common date is used for all valuations. Data on every property are recorded and used by the appointed valuer, along with sales, rentals and other information to determine the valuations.

A general valuation (revaluation) establishes the value of a property relative to all other properties, that is, its market relativity. Valuations form the basis of Murrindindi Shire Council's rating system; therefore, their accuracy is of paramount importance.

The 2014 revaluation was undertaken based on property values at 1 January 2014.

The revaluation does not in itself raise the total rate income for Murrindindi Shire Council, as the rates are distributed based on the property value of all properties across the municipality. As a result of the revaluation, some property owners may pay more in rates and others less, depending on their new property valuation, relative to others.

#### 9.2.1 Definitions of valuations

Murrindindi Shire Council uses the capital improved method of valuation (CIV), which is the market value of a property including land, buildings and improvements. CIV has the following long-term advantages relative to other valuation bases:

- flexibility to apply an unlimited range of strategic differentials.
- does not prejudice the industrial, commercial and retail sectors in terms of the rate burden, and
- is easier for people to understand.

The other valuation bases the Valuer is required to return are:

- Site value (SV) which is the market value of land excluding improvements, and
- Net annual value (NAV) which represents the reasonable annual rental of a property, minus specified outgoings. In most cases this is five percent of the CIV.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

### **9.2.2      *Supplementary valuations***

Supplementary valuations are made during the financial year when a significant change to the valuation occurs. The most common causes for supplementary valuations are:

- construction of a new dwelling or building;
- subdivision of a property; or
- consolidation of properties.

Murrindindi Shire Council presently undertakes this task on a quarterly basis. As a result of a supplementary valuation, a rate notice is issued to reflect any change in rates. Supplementary rate valuations effectively provide Council with a small amount of growth to its rate base. In 2014-15 and successive years this has been factored in as 1.0%. Supplementary valuations are reported in the Long Term Financial Plan as Rate and Charge Revenue and are not listed separately.

### **9.2.3      *Components of Council's Rating Base***

Murrindindi Shire Council levies differential rates, annual service charges and a municipal charge, to raise its annual rates and charges revenue.

The legislative basis of how they apply to Murrindindi Shire Council are available upon request:

- Differential Rates – Legislation;
- Municipal Charges;
- Special Rates and Charges;
- Service Rates and Charges; and
- Rebates and Concessions.

### **9.2.4      *Assessment of Current Rating Levels***

Comparing the relativity of rating levels between Councils can be a difficult exercise due to debate over the most appropriate methods to use and the inability to take into account the intricacies of rating structures in different councils.

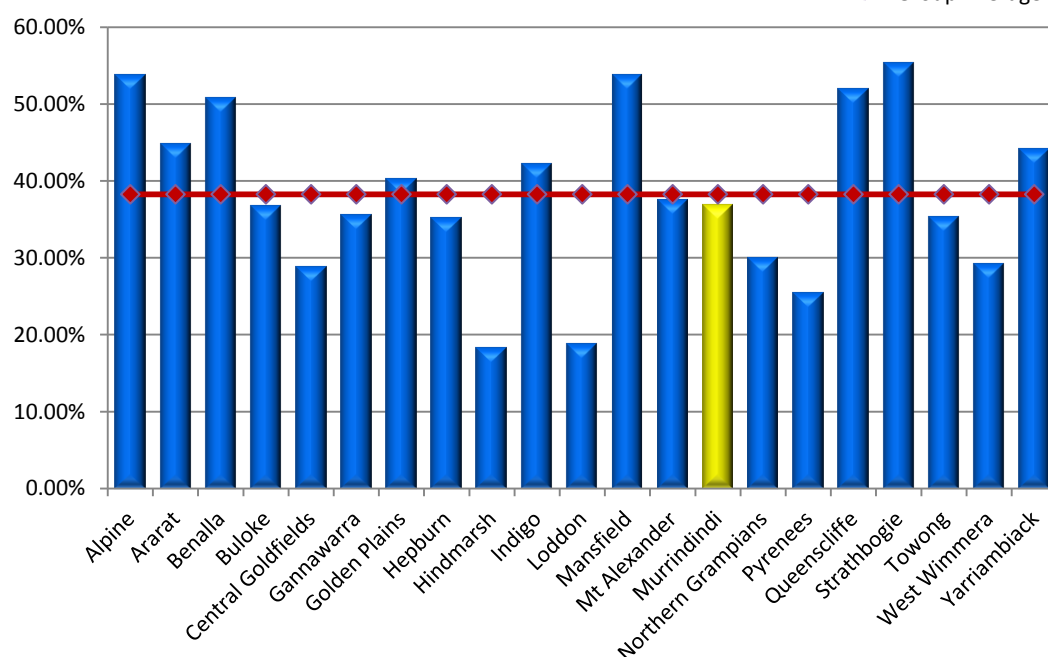
Each local government sets rates based on an assessment of the desires, wants and needs of its community and as each community is different, direct comparisons can be difficult. For example, cash holdings of municipalities vary and councils have significantly different infrastructure needs and geographic sizes.

Council's access to grant funding has also declined since the peak of the post-2009 bushfire years, resulting in a higher percentage of rate revenue as a portion of total revenue.



# Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

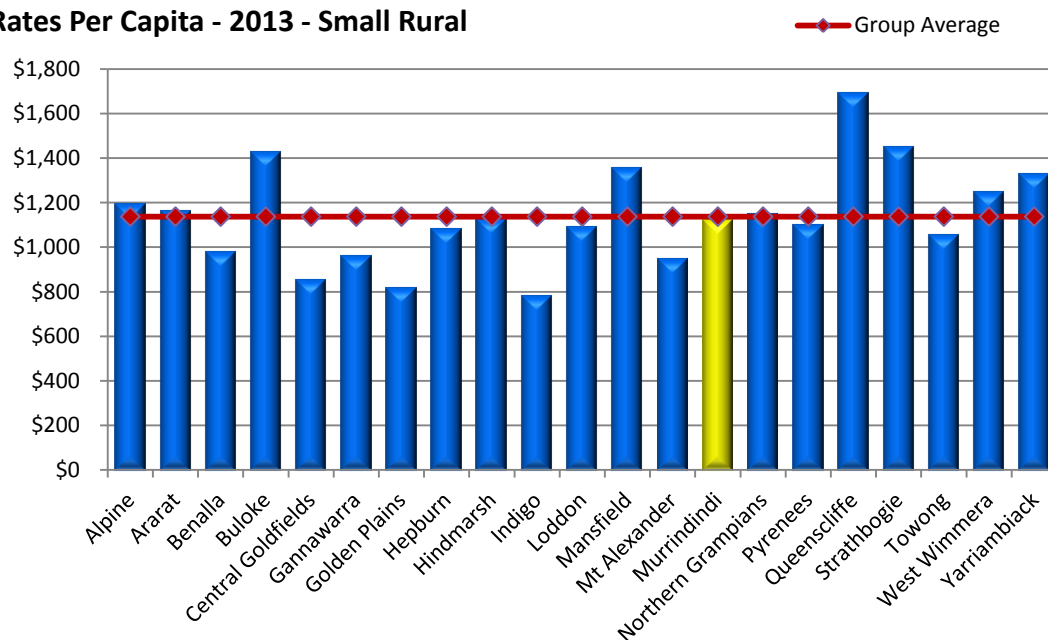
**Rates as % of Total Revenue - 2013 - Small Rural**



**Chart 12: Rates as % of Total Revenue– 2012/13**

On a rates per capita basis in the 2012/13 financial year, Murrindindi Shire Council was almost equal to the average level for the Small Rural Council group.

**Rates Per Capita - 2013 - Small Rural**



**Chart 13: Rates Per Capita – 2012/13**

**Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)**

Council has maintained its commitment to limit rate rises to no more than 6% for the financial year 2014/15 and this is a key budget principle. This same rate has been utilised in determining rate revenue in successive years within the Long Term Financial Plan through to 2022/23.

In the interests of financial responsibility and responsible forward planning, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address Council's long term financial sustainability. Council will also need to review its timeframe for upgrading and renewing its existing infrastructure as well as reviewing the capital works program.

**9.2.5 Background to the Present Rating System**

The following tables summarise the rates in the dollar proposed for the 2014/15 year including a comparison with 2013/14. The effect going forward within the SRP and Long Term Financial Plan is for an increase in rates to be no more than 6%.

| Differential Rate Type | Rate in the \$/cost per |            | %     |
|------------------------|-------------------------|------------|-------|
|                        | 2013/2014               | 2014/2015  |       |
|                        | \$0.003286              | \$0.003483 | 6.00% |
| General                | \$0.003286              | \$0.003483 | 6.00% |
| Commercial             | \$0.003286              | \$0.003483 | 6.00% |
| Rural 1                | \$0.002464              | \$0.002612 | 6.00% |
| Rural 2                | \$0.003286              | \$0.003483 | 6.00% |
| Municipal Charge       | \$274.00                | \$290.00   | 5.84% |

**Table 13: Rates and Charges Annualised – 2013/14**

The table below outlines the individual annualised rates for 2014/15:

| Rate Type  |                     |
|--|---------------------|
|  | 2014/2015           |
|  | Budget              |
| General  | \$5,367,813         |
| Commercial                                       | \$556,024           |
| Rural 1  | \$2,990,456         |
| Rural 2  | \$2,528,014         |
| Municipal Charge                                 | \$2,658,875         |
| Agreement in lieu of rates                       | \$59,418            |
| Supplementary Valuation – (pro-rata within year) | \$133,030           |
| Waste Services                                   | \$2,466,018         |
| <b>TOTAL ALL RATES &amp; CHARGES</b>             | <b>\$16,759,648</b> |

**Table 14: Individual Rates Annualised 2014/15**

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

### 9.2.6 *Rating Strategy*

Murrindindi Shire Council's rating establishes a framework by which rates and charges will be shared by the community. In developing a long-term financial plan, rates and charges are an important source of revenue.

The rating system determines how Murrindindi Shire Council will raise money from properties within the municipality. It does not influence the total amount of money to be raised, only the share of revenue contributed by each property.

The total money to be raised is taken from the Long Term Financial Plan.

Use was also made of long-established principles in the public finance and economics literature, as well as some of the principles outlined in recent financial sustainability reports around the nation. The proposed principles below are further explained in Appendix A:

- Sustainable financial management.
- Evaluating and setting priorities.
- Core functions.
- Identifying cost of service delivery.
- Prudent borrowings for infrastructure.
- Rate setting and pricing for services.
- Openness and transparency, and
- Providing services on behalf of other tiers of government.

The wider and more rigorous application of the principles offers Murrindindi Shire Council a way to determine more effectively which services local communities really want or value and how much they are prepared to pay for them.

### 9.2.7 *Rates and Charges Budget – 2014/15*

The SRP reflects a Rates and Charges budget that is presently geared to no more than a 6% increase in rates in successive years through to 2022/23.

The outcome of a 6.0 percent increase in rates and charges in 2014/15 is an additional \$1.065 million over the 2014/15 financial year.

A Municipal Charge is a fixed charge per property or assessment regardless of the valuation of that property. It operates in combination with the charge based on Capital Improved Value, and any rates collected by the municipal charge reduce the remaining rates revenue collected by the Capital Improved Value basis.

The municipal charge for 2014/15 is \$290 which is set at 15.87 percent of the total revenue from rates and municipal charges. The maximum revenue allowable for the municipal charge is 20.00 percent of total revenue from rates and municipal charges per Section 159 of the Local Government Act. The municipal charge ensures all properties pay an equitable contribution towards Murrindindi Shire Council's unavoidable fixed costs. Over the life of the SRP it is also assumed to be the same percentage total as for 2013/14.

### 9.2.8 *Waste Service Charges*

Murrindindi Shire Council is empowered under Section 162(1) (b) of the Local Government Act (1989) to levy a service charge for the collection and disposal of refuse.

The purpose of this charge is to meet the costs of waste disposal and recycling activities throughout the Murrindindi Shire, including development and rehabilitation of landfill sites and the operating costs of Resource Recovery Centres. The reserve is projected to be maintained and used progressively in order to meet the demand for landfill and waste requirements over the long term financial plan.

Murrindindi Shire Council has typically used this option through the raising of garbage and recycling charges on the annual rate assessment.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

Murrindindi Shire Council's Waste Services include<sup>1</sup>:

- Weekly kerbside waste collection service;
- Fortnightly kerbside recycling collection service;
- Public recycling and waste disposal facilities at Alexandra, Eildon, Ghin Ghin, Marysville and Kinglake Resource Recovery Centres;
- Street litter and public place recycling bins; and
- Forward planning and for capital budget requirements.

Murrindindi Shire Council's proposed garbage charges are as described below. A total income of \$2.47 million will be received for garbage and recycling services in 2014/15 to support recurrent operating expenditure.

| Service Charges | Charge per Service |           | \$ Change | %     |
|-----------------|--------------------|-----------|-----------|-------|
|                 | 2013/2014          | 2014/2015 |           |       |
| Garbage         | \$306.00           | \$325.00  | \$19.00   | 6.21% |
| Recycling       | \$75.00            | \$79.50   | \$4.50    | 6.00% |

Table 15: Projected Garbage Charges 2014/15

### 9.2.9 Grant Revenue

As at 30 June 2013 Murrindindi Shire Council was below average in terms of receiving government grant revenue, compared to its like Council grouping as outlined in the graph below.

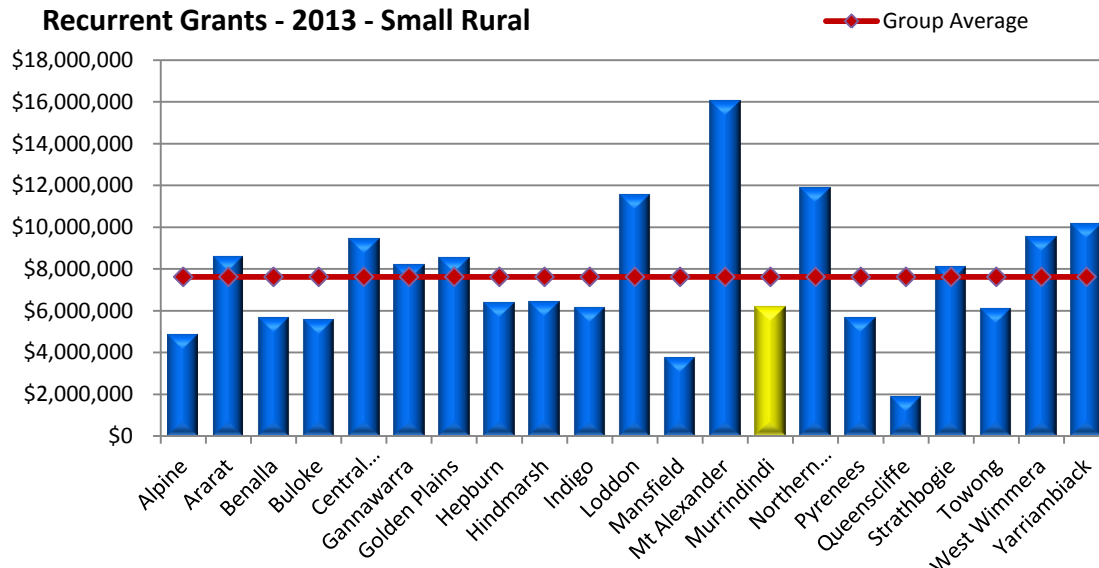


Chart 14: Recurrent Grants – 2012/13

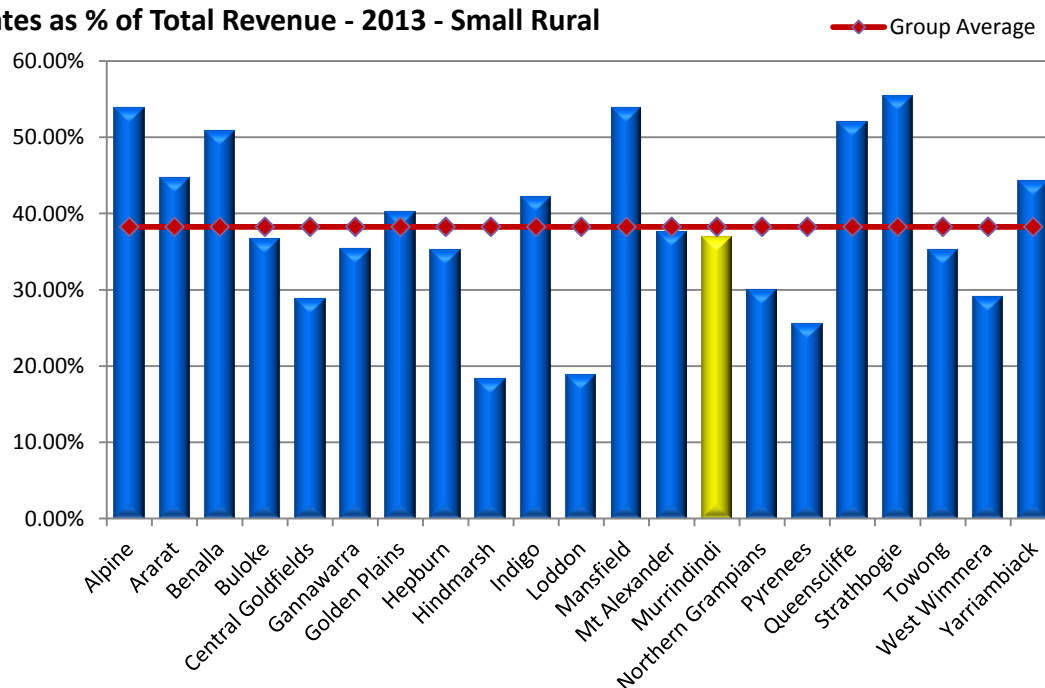
Murrindindi Shire Council will continue its strong focus on securing grant revenue, particularly for capital works. Operating grants as at 30 June 2013 totalled \$6.16 million. With a longer term capital works program in place Council will be able to target and focus on grants that align with the 10 year capital improvement plan.

<sup>1</sup>The waste collection service is compulsory in urban areas and optional in rural areas  
Draft Strategic Resource Plan

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

**9.2.10 Fees and Charges Revenue**

Murrindindi Shire Council's fees and charges revenue as a percentage of its total revenue, represented at Chart 15, is marginally below the average for Small Rural Councils. The capacity for Small Rural Councils to grow revenue in this area is quite limited. Council has taken steps to review all fees and charges in this year's budget through a benchmarking exercise, comparing Murrindindi's fees to similar Councils, to increase where appropriate all discretionary fees and charges over which it has the power to set.

**Rates as % of Total Revenue - 2013 - Small Rural****Chart 15: Fees & Charges/Total Revenue – 2012/13****9.2.11 Strategic Direction**

That Murrindindi Shire Council:

1. retains the capital improved value (CIV) as its valuation base
2. provides a municipal charge that remains less than the maximum 20 percent of rate revenue plus a municipal charge that ensures an equitable contribution towards the unavoidable fixed costs of Murrindindi Shire Council
3. considers future increases based on EPA, regulatory and safety requirements and the need to sustain the Council's long term waste operations strategy
4. in 2014/15, adopts a 6.00 % increase in total revenue for general rates and municipal charges and a 6.00 percent increase in total revenue for waste collection including funding the cost of disposal of domestic waste, recycling collection and the environment levy
5. pursues recurrent grant funding and strategic capital funding aligned with the Council Plan objectives, including benchmarking of results with other Councils
6. seeks State Government support of approximately \$1.8 million per annum, which will confirm recognition of the impact of the gifted and novated assets upon the long term financial sustainability of the Murrindindi Shire Council.

## Murrindindi Shire Council Strategic Resource Plan 2013 / 2017 (year 1 revision)

**10. HUMAN RESOURCES****10.1 Human Resources**

Council employees enable Council to work with and for our communities, to plan, manage and deliver the many activities to achieve the goals of the Council Plan. The Chief Executive Officer is ultimately accountable for ensuring the organisational structure and workforce profile is able to effectively manage the operations in accordance with the Council Plan.

Staff numbers are reported by actual numbers and equivalent full time (EFT) staff numbers. Council employs a workforce profile that is a mix of full time, part time and fixed term, contract or casual positions. Fixed term staff and contractors are usually employed for either seasonal positions such as pool staff, or for projects and services that are largely grant funded for specific purposes.

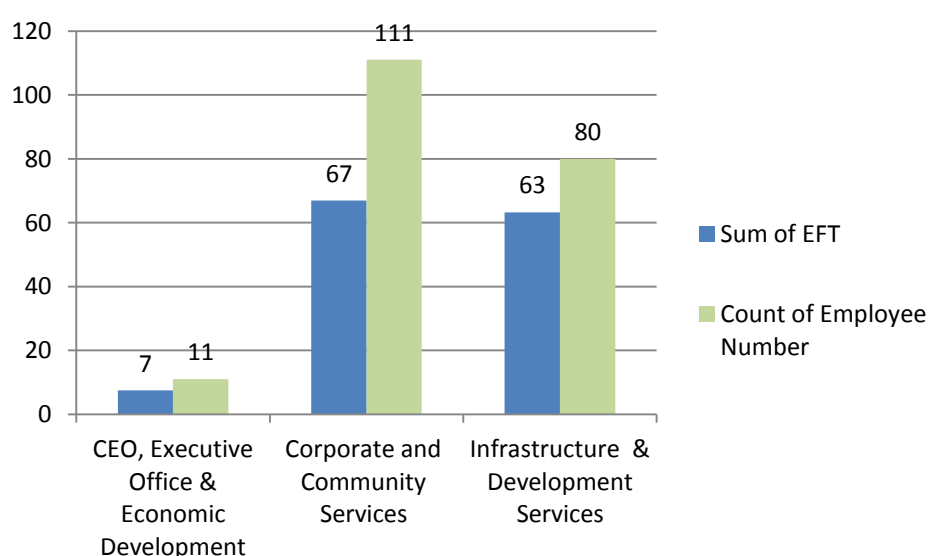
Over the past year, Murrindindi Shire Council has finalised the majority of the additional fixed term staff contracts funded through municipal assistance and disaster recovery packages. These staff worked with permanent staff to deliver a number of reconstruction and recovery projects and programs and to restore operations following the 2009 bushfires and a number of flood events.

In addition Council completed the service review of all its operations which resulted in some restructuring of staffing to ensure the right profile into the future. This enables Council to manage and maintain new assets, programs and services; as well as retaining and improving the existing assets and services that are identified priorities of our communities, as established through the Council Plan. Part of Council's organisational restructure following the implementation of the Murrindindi Assistance Package involved reduction in the Executive Management team, reducing the organisational structure from 3 to 2 Divisions.

It is expected that as of June 2014, Council staffing will be at 202 staff (138 EFT). Over the preceding 12 months, 262 people have been employed to the equivalent of 151 EFT, which includes temporary and casual staffing, peaking over the summer. Council now has EFT levels less than pre-2009 figures, which fluctuated from 143-160 with seasonal adjustments.

Within the life of the SRP there is no provision for growth in staffing numbers beyond current levels.

Chart 17 below indicates the number of staff and the equivalent EFT in each of Council's divisions.



**Chart 16: Current Staff Numbers: Actual and EFT**

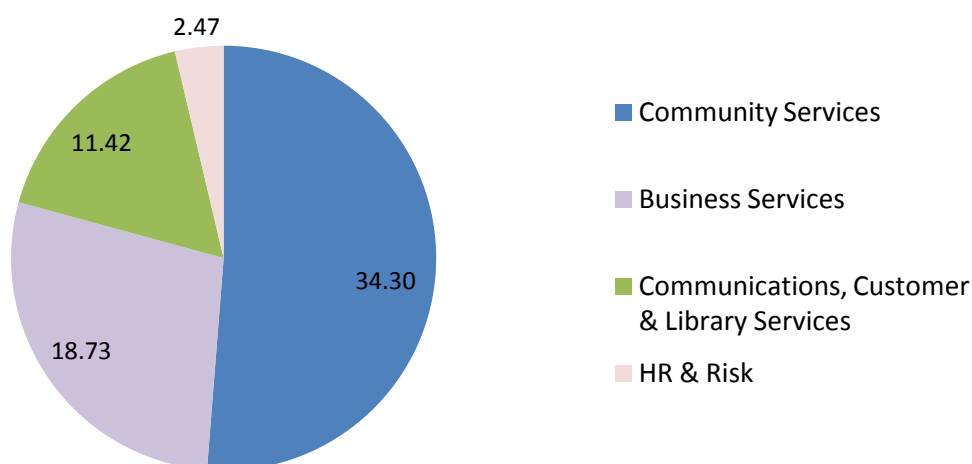
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In addition to workforce planning, other key human resources strategies to ensure that Council is able to engage and retain appropriately skilled staff include:

- Learning and development including leadership programs
- Performance coaching
- Health and well-being
- Transparent and open policy and systems
- Staff engagement and satisfaction survey

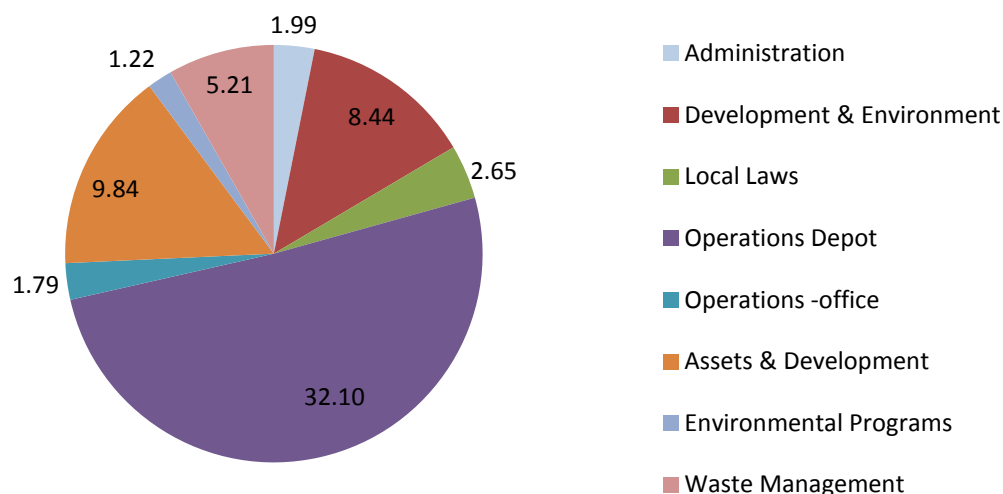
Charts 17-19 indicate the distribution of EFT between each of Council's divisions.

111 staff (66.93 EFT)



**Chart 17: Corporate and Community Services**

80 staff (63.23 EFT)



**Chart 18: Infrastructure & Development Services**

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11 staff (7.44 EFT)

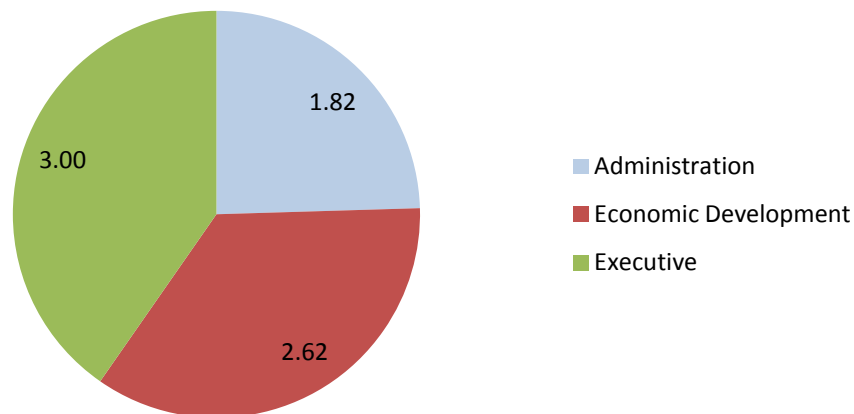


Chart 19: CEO Office, Executive and Economic Development

### 10.2 Strategic Direction

Murrindindi Shire Council plans, manages and delivers activities that support the goals of the Council Plan within the capacity of the current organisational structure and workforce profile.



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**11. STRATEGIC FINANCIAL PLAN****11.1 Introduction**

There is a number of dynamic variables that may influence the outcomes expressed in this SRP. They include:

- Rating levels and supplementary rate income.
- Government grant revenue (both recurrent and capital).
- Granted asset amounts.
- Asset revaluations (major impact on fixed asset value and depreciation).
- Asset sales.
- Mix of funding between capital works/special projects (new initiatives), and
- Level of growth factor applied to expenditure items / rate of expenditure/activity level.

This section includes:

- Modelling methodology.
- Financial assumptions.
- Adopted financial strategy, and
- Conclusion

**11.2 Modelling Methodology**

The SRP establishes a framework for Council to benchmark its performance and an industry developed long term financial software model has been utilised to verify the data. The base point used for financial modelling has been the Council budget for 30 June 2014.

The Standard Statements (financial statements) are the result of the modelling and are reproduced from the long term financial software model, refer Appendix C.

**11.3 Financial Assumptions**

The following information explains the major financial assumptions applicable to the financial option considered by Council prior to community input.

**11.3.1 Labour and on-costs**

Increases in labour and on-costs are composed of two elements. The elements are enterprise agreement increments and superannuation and on-cost movements. The table below highlights these assumptions.

| Year                                     | 2012/13    | 2013/14    | 2014/15    | 2015/16    |
|--|------------|------------|------------|------------|
|  | %          | %          | %          | %          |
| <b>EBA Banding Increase/Other</b>        | <b>4.0</b> | <b>4.0</b> | <b>4.0</b> | <b>4.0</b> |
| <b>Superannuation and other on-costs</b> | <b>0.5</b> | <b>0.5</b> | <b>0.5</b> | <b>0.5</b> |
| <b>Total</b>                             | <b>4.5</b> | <b>4.5</b> | <b>4.5</b> | <b>4.5</b> |

**Table 16: Labour and On-Costs**

**11.3.2 Depreciation**

Depreciation estimates are based on the projected capital spending contained within each assumption. Depreciation estimates are influenced by future asset revaluations and depreciation charges are assessed following condition assessments. The overall depreciation charge is also impacted by the amount of granted and gifted assets to the municipality.

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### **11.3.3 Materials and Services**

These works are essentially one-off expenditures that do not constitute the creation of an asset and have decreased with the winding down of Bushfire and Natural Disaster projects.

The broad assumption in materials and contracts is for an increase matching CPI. Outside of the broad parameters are one off expenses such as election expenses, valuation contract amounts and insurances. A subsidiary record of one off items and how they are factored into the model is recommended instead of a series of individual adjustments within the model.

### **11.3.4 Special projects/consultancies**

These works are essentially one-off expenditures that do not constitute the creation of an asset and have decreased below 2013/14 levels also as a result of the winding down of Bushfire and Natural Disaster projects.

### **11.3.5 Debt servicing and redemption**

Debt redemption is calculated according to the restructured loan schedules. Council borrowings are dealt with in detail in Section 9.

### **11.3.6 Written-down values of assets sold**

All written-down values relate to plant and land sold as part of the 10-year program. These are based on information from Council's Asset Registers.

### **11.3.7 Rate revenue**

The 2014/15 Budget is based on an increase of 6.00% for rates and municipal charges collected. Council's Rating Strategy is dealt with in detail in Section 9.2.7.

The mechanism to estimate supplementary revenue is based on historical historical dollar returns and net of the impact of the State Government Buy Back scheme. This assumption has been factored in successive years of the SRP and the Long Term Financial Plan.

### **11.3.8 Service charges**

The 2013/14 Budget is based on a service charge and waste management charge which experienced a 6.00% increase and this effect has been maintained throughout the life of the SRP and Long term Financial Plan.

Funds raised are ultimately deployed to waste management (operating and capital) activities. This is discussed in Section 9.2.8 in more detail.

### **11.3.9 Grant revenue**

An allowance of \$6.93 million has been made for operating grant revenue for services and projects in 2014/15. In broad terms, a 2.50 percent per annum increase over successive years has been allowed for operating grants reflecting the nature of this revenue type, which has seldom increased by CPI across the board. Reimbursements from the State Revenue Office for land valuations have also been included in the appropriate years. An allowance of a 3.00 per cent increase has been allowed for the Victoria Grants Commission Grant.

### **11.3.10 Fees and charges**

Fees and charges that Council has discretion over have been reviewed and benchmarked against similar levels for like services. Fees and charges of \$1.46 million have been provided for in 2014/15. It has been assumed that these charges will increment by 3% in successive years in the long term financial plan.

### **11.3.11 Statutory Fees and Fines**

Council has no control over a large amount of statutory fees prescribed by the State Government. Fines include town planning, local laws and the animal pound. Fees and fines are included in the

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above.

### **11.3.12 Interest on investments**

Interest on investments has been estimated based on current investment rates.

### **11.3.13 Proceeds from sale of assets**

Proceeds from sale of assets are those relating to vehicle/plant changeover and land sales. No proceeds are indicated in the years inclusive of and following 2014/15 as assets have been deemed to be disposed of at their written down value.

### **11.3.14 Capital grants**

Capital grants have been forecast conservatively. Funds raised above or below the forecast amount will directly impact on the level of capital expenditure achievable. While conservative amounts have been included, it should be noted that Council does not pursue part-funded capital works that do not fit with its strategic direction.

### **11.3.15 Granted assets**

Granted assets are those handed over to Council following the completion of a subdivision. These include roads, footpaths, kerb, channel, drainage etc.

The level of granted assets is forecast to continue at low-levels based on predicted levels of property development. However, estimates beyond 2014/15 are not based on any reliable data at this point. While granted assets add to Council's overall asset base, they also add to the future obligations to maintain and replace these assets at the end of their useful lives.

### **11.3.16 Capital expenditure**

Capital expenditure amounts for renewed, new and upgraded assets, have been directly budgeted for during the life of the SRP (next 4 years) and for the remaining years of the Long Term Financial Plan (through to 2023/24). Capital works expenditure over the ensuing 10 years from 2014/15 has been drawn from Council's 10 Year Capital improvement program.

## **11.4 Conclusion**

The SRP continues to provide a financial framework for Council, enabling an assessment of Council resources and assisting Council to plan and fund capital infrastructure and meet future community aspirations. The Standard Statements (financial statements) are detailed in Appendix C.

### **11.4.1 Strategic Direction**

The SRP represents the short to medium term of 4 years within the Long Term Financial Plan which presents a financial perspective of the organisation over 10 years. In the medium and long term it is clear that Council's ongoing sustainability will depend on receiving assistance from the State Government if Council services and community assets are to be maintained at their current level.

State Government assistance is being sought to offset the impact of gifted Bushfire assets which has an average effect on the bottom line of \$1.80 million per year for the life of the Plan.

In the interests of financial responsibility and responsible forward planning, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address Council's long term financial sustainability. Council will also need to review its timeframe for upgrading and renewing its existing infrastructure as well as reviewing the capital works program.

Council will continue to ensure it practises prudent financial management, however without State Government assistance, its capacity to manage programs and activities will be severely limited. Hence the 2013/17 Council Plan contains a modest range of activities whilst its priorities will be

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focused on growing its rate base and pursuing further funding sources to assist in asset maintenance and service delivery.

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## 12. APPENDIX A PRINCIPLES FOR RATING, VICTORIAN LOCAL GOVERNMENT CONTEXT

(a) Sustainable financial management

*The aggregate revenue raised by Council plus that received from grants needs to be sufficient to cover the aggregate long-run cost of delivering the services provided measured on an accrual-accounting basis. Sustainable financial management requires the application of multi-year framework to financial management, asset management, planning, spending and revenue decisions.*

(b) Evaluating and setting priorities

*Council is aware of and will have regard to the views of its communities with respect to the priority areas for Council services. Council will heighten the communities awareness of the short and long-term financial implications of potential service priorities and key decisions, including trade-offs between service priorities.*

(c) Core Functions

*Council will continue to provide a full range of municipal goods and services in accordance with its statutory and community service obligations.*

*Where Council engages in the provision of services, that resemble those of private sector markets, the application of competitive neutrality principles requires Council to aim to recover the full costs of a significant business activity, including the direct costs of providing goods and services, rate and tax equivalent payments and a commercial rate of return on investment.*

(d) Identifying the cost of service delivery

*Council will understand the cost of delivering its services as an acknowledgement that this information is useful in determining the range of services, and the level of service provision, and the corresponding structure for rates and charges.*

(e) Prudent borrowings for infrastructure

*Borrowings when undertaken prudently are an appropriate means for local government to finance long lived infrastructure assets as the cost of servicing of debt through rates or user charges enables the cost of the asset to be matched with the benefits from consumption of the services over the life of the asset, thereby promoting intergenerational equity.*

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**(f) Rate setting and pricing of services**

*The appropriate setting of rates and prices for goods and services is essential for the efficient recovery of the costs of providing council services and Council recognises that by choosing the appropriate instrument (rates, fees, user charges) it can achieve a better indication of the willingness of the community to pay for services and minimize the economic distortions that may arise when an inappropriate instrument is used.*

*Council will recover costs for services directly from the users of those services if a service benefits identifiable individuals or groups. If the benefit directly cannot be identified and/or if those that benefit directly cannot be excluded from using the service the costs should be allocated to the community.*

*Where infrastructure costs are directly attributable to individual property owners, Council will recover those costs through the application of special charge schemes, developer charges or contributions.*

*Fees and charges should be applied as far as practicable to raise revenue for the provision of services that are not pure public services, with efficient pricing, to ensure that services provided by local government are supplied to those who are willing to pay the opportunity cost of supply.*

*Council will also take consideration of the community's ability to pay as well as the benefits derived from the provision of services.*

**(g) Openness and transparency**

*Council is accountable and responsible for the policy decisions with respect to the range of services provided, the expenditure and delivery of the services and the way services are funded and paid for by the community. Open and transparent processes for decision making of Council include the making of information openly available to people in the local community and seeking active participation by the community with respect to choices regarding the range and level of services provided and how they are funded.*

**(h) Providing services on behalf of other tiers of government**

*Effective interaction between Council and other tiers of government is important to ensure delivery of some essential services to the community. Where Council enters into the delivery of services on behalf of other tiers of government, the supply of these services should be delivered on commercial terms based on the incremental cost to Council. In situations where Council determines to provide subsidies for the delivery of these services Council will make the costs transparent and inform the community about the purpose and amount of the subsidy and how it is to be funded.*



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# 13. APPENDIX B GLOSSARY OF TERMS – DEFINITIONS

Table 17: Glossary of Terms / Definitions

| TERM   | DEFINITIONS  |
|--|--|
| <b>Accumulated Cash Surplus</b>                          | Balance Sheet calculation of accumulated cash being Current Assets (excl Land for resale) minus Current and Non-Current Liabilities (excluding Debt and Landfill Remediation Provision) minus Reserves.  |
| <b>Adjusted Operating Surplus / (Deficit)</b>            | Operating surplus/deficit less revenue from Capital (Non-recurrent ) grants, Developer contributions (ie. assets contributed), Asset Revals, Sale of Assets plus expenditure from Asset Revals, WDV of assets sold, Landfill Remediation Provision increases (through Income Statement) and unfunded superannuation expense. |
| <b>Adjusted Total Operating Expenses</b>                 | Total Operating expenses as per the "Income Statement" - net of asset revals, unfunded superannuation expense and WDV of asset sold. (Also excludes any Income Statement amounts for Landfill Remediation Provision increases)   |
| <b>Adjusted Total Revenue</b>                            | Total Revenue from "Income Statement" - net of asset sales, asset contributions in kind, capital grant funding & contributions and revaluation adjustments.  |
| <b>Asset renewal &amp; upgrade</b>                       | per Capital Works Statement / note.  |
| <b>Assets &amp; Contributions by Developers</b>          | Total value of assets & contributions received from developers as per the "Income Statement" or as disclosed in note in some Council's statements. (include contributions for Open Space).   |
| <b>Capital Grants &amp; Contributions(non-recurrent)</b> | Capital or non-recurrent grants and contributions as disclosed in notes.   |
| <b>Cash &amp; Investments on hand</b>                    | Cash & investments per "Balance Sheet".  |
| <b>Change in Equity (income)</b>                         | As per the "Income Statement" or as disclosed in note in some Council's statements - for example revaluation adjustments / correction fundamental error (income) - include Library profit here.  |
| <b>Change in Equity (income)</b>                         | As per the "Income Statement" or as disclosed in note in some Council's statements - for example revaluation adjustments / correction fundamental error (expense) - include Library loss here.   |
| <b>Current Assets</b>                                    | Total current assets from "Balance Sheet".   |
| <b>Current Liabilities</b>                               | Total current liabilities from "Balance Sheet".  |
| <b>Debt Redemption</b>                                   | Debt repayments including DBS superannuation liability repayment.  |
| <b>Debt Servicing Costs (Interest)</b>                   | Total borrowing costs or interest expense as per the "Income Statement" or as disclosed in note in some Council's statements.  |
| <b>Employee Costs</b>                                    | Employee costs in the "Income Statement"   |
| <b>Fees &amp; Charges Revenue</b>                        | Total Fees & Charges revenue as per the "Income Statement" or as disclosed in note in some Council's statements.(includes fines and rent.)   |
| <b>Interest Earnings</b>                                 | Total interest received as per the "Income Statement" or as disclosed in note in some Council's statements. (includes interest on rates).  |

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| TERM   | DEFINITIONS  |
|--|--|
| <b>Land Held for Resale (current)</b>                                    | per Balance Sheet or disclosed in note.  |
| <b>Landfill Remediation Provision (expense)</b>                          | Any amounts set aside in a provision for future Landfill remediation (increase in provision per Income Statement)  |
| <b>Liquidity Alert</b>   | Cash assets less LSL provision and reserves (assumes cash backing required for LSL and reserves). Calculated figure shows funds available after cash backing LSL and reserves.       |
| <b>Long Service Leave Liability (Current + Non Current)</b>              | Long Service Leave liability (Current plus Non-current) per note.  |
| <b>Loss from sale of non-current assets</b>                              | Net loss from asset sales as per the "Income Statement" or as disclosed in note in some Council's statements.  |
| <b>No of Rateable Properties</b>   | Number of rateable properties per Grants commission advice.  |
| <b>Non-Current Liabilities</b>   | Total non-current liabilities from "Balance Sheet"   |
| <b>Operating Surplus (Deficit)</b>                                       | Operating result from Income Statement.  |
| <b>Population</b>  | Population per ABS.  |
| <b>Proceeds from New Borrowings</b>                                      | Amount of any new borrowings/loans per the "Cash flow statement".  |
| <b>Profit from sale of non-current assets</b>                            | Net profit from asset sales as per the "Income Statement" or as disclosed in note in some Council's statements.  |
| <b>Rate Revenue</b>  | Total Rate revenue as per the "Income Statement" or as disclosed in note in some Council's statements.   |
| <b>Rates Outstanding at End of Year</b>                                  | Rate debtor amount as disclosed in "Receivables" note.   |
| <b>Recurrent Grant Income &amp; Re-imbursements</b>                      | Recurrent grants revenue as per the "Income Statement" or as disclosed in note in some Council's statements. (includes VicRds sometimes shown as "reimbursements" by some Councils.) |
| <b>Reserve Funds (excluding Asset Reval)</b>                             | per Balance Sheet or disclosed in note.  |
| <b>Superannuation debt repayment</b>                                     | Any repayments for unfunded superannuation liability (DBS) per notes or in "Cash flow statement"   |
| <b>Superannuation Liability</b>  | Any remaining liability for unfunded superannuation (DBS) as disclosed in notes.   |
| <b>Total Assets</b>  | Total assets from "Balance Sheet".   |
| <b>Total Capital Expenditure</b>   | Capital expenditure per the "Capital Works" note or Standard Capital Works Statement.  |
| <b>Total Cash Inflows from Operations, Finance &amp; Investment Act</b>  | Total inflows per the "Cash flow statement".   |
| <b>Total Cash Outflows from Operations, Finance &amp; Investment Act</b> | Total outflows per the "Cash flow statement".  |
| <b>Total Debt</b>  | Total interest bearing liabilities (current and non-current) from "Balance Sheet" plus outstanding Defined Benefits Superannuation liability, plus overdrafts.                       |
| <b>Total Depreciation</b>  | Total depreciation expense as per the "Income Statement" or as disclosed in note in some Council's statements.   |



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| TERM   | DEFINITIONS  |
|--|--|
| <b>Total Depreciation on Infrastructure Assets</b> | Total Depreciation on Infrastructure Assets as disclosed in "Depreciation expense" note.   |
| <b>Total Infrastructure Assets</b>                 | Total infrastructure assets from "Balance Sheet" or as disclosed in note. (written down value.) Infrastructure includes roads, bridges, drains, road structures, other structures, playground equip., parking meters and other like categories. Heritage assets have been deemed to be building assets. Work in progress where not separately split has been included as infrastructure. |
| <b>Total Net Realisable Assets</b>                 | Total assets less total infrastructure assets.   |
| <b>Total Operating Expenses</b>                    | Total Operating expenses as per the "Income Statement" plus Loss on sale of assets where net method used, plus loss on associates.   |
| <b>Total Revenue</b>                               | Total Revenue from "Income Statement" plus gains from asset sales (net method) and net profit from Associates.   |

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## 14. APPENDIX C - STANDARD FINANCIAL STATEMENTS

The Standard Statements present a full 10 year perspective (The Long term Financial Plan) of Council's financial operations and position and includes the short to medium term perspective of the SRP (2014-2018).

The Standard Statements include the:

- Standard income statement.
- Standard balance sheet.
- Standard statement of cash flows.
- Standard statement of capital works, and
- Financial indicators.

These statements are required under Part 2 Section 5 of the *Local Government (Finance and Reporting) Regulations 2004*. The Regulations commenced on 20 April 2004.

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Standard income statement

| Period start   |        | 1 Jul 13  | 1 Jul 14  | 1 Jul 15  | 1 Jul 16  | 1 Jul 17  | 1 Jul 18  | 1 Jul 19  | 1 Jul 20  | 1 Jul 21  | 1 Jul 22  | 1 Jul 23  |
|--|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Period end   |        | 30 Jun 14 | 30 Jun 15 | 30 Jun 16 | 30 Jun 17 | 30 Jun 18 | 30 Jun 19 | 30 Jun 20 | 30 Jun 21 | 30 Jun 22 | 30 Jun 23 | 30 Jun 24 |
| <b>Revenue from Operating Activities</b>               |        |           |           |           |           |           |           |           |           |           |           |           |
| Rate and Charge Revenue                                | \$'000 | 15,654    | 16,721    | 17,580    | 18,635    | 19,753    | 20,938    | 22,194    | 23,526    | 24,938    | 26,434    | 28,020    |
| Special Charges  | \$'000 | 108       | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Rate Assistance Package                                | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Grants - Operating (Recurrent)                         | \$'000 | 4,815     | 7,362     | 6,552     | 6,739     | 6,932     | 7,131     | 7,335     | 7,546     | 7,762     | 7,985     | 8,225     |
| Grants - Operating (Non-recurrent)                     | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Grants - Capital (Recurrent)                           | \$'000 | -         | -         | 1,928     | 1,976     | 2,025     | 2,076     | 2,128     | 2,181     | 2,236     | 2,292     | 2,349     |
| Grants - Capital (Non-recurrent)                       | \$'000 | 5,274     | 2,920     | 1,400     | 1,400     | 1,400     | 1,400     | 1,400     | 1,400     | 1,400     | 1,400     | 1,400     |
| Contributions (Assets)                                 | \$'000 | 294       | 84        | 224       | 224       | 224       | 224       | 224       | 224       | 224       | 224       | 224       |
| Contributions (Cash)                                   | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Reimbursements and Subsidies                           | \$'000 | 334       | 187       | 116       | 116       | 116       | 116       | 116       | 116       | 116       | 116       | 116       |
| User Charges   | \$'000 | 1,443     | 1,484     | 1,523     | 1,569     | 1,616     | 1,665     | 1,715     | 1,766     | 1,819     | 1,874     | 1,929     |
| Statutory Fees and Fines                               | \$'000 | 620       | 622       | 632       | 650       | 668       | 687       | 706       | 726       | 746       | 767       | 790       |
| Waste Charges  | \$'000 | 625       | 660       | 714       | 785       | 864       | 950       | 1,045     | 1,150     | 1,265     | 1,391     | 1,531     |
| Rates & Valuations recoup                              | \$'000 | 10        | 90        | 10        | 90        | 10        | 90        | 10        | 90        | 10        | 90        | 20        |
| Economic Development Contributions - YRRM              | \$'000 | 20        | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Contributions cash - Operating                         | \$'000 | -         | -         | 56        | 56        | 56        | 56        | 56        | 56        | 56        | 56        | 56        |
| <b>Total Revenue from Operating Activities</b>         | \$'000 | 29,217    | 30,131    | 30,735    | 32,240    | 33,665    | 35,333    | 36,930    | 38,780    | 40,571    | 42,628    | 44,660    |
| <b>Revenue from Outside of Operating Activities</b>    |        |           |           |           |           |           |           |           |           |           |           |           |
| Interest Revenue                                       | \$'000 | 256       | 256       | 256       | 256       | 256       | 256       | 256       | 256       | 256       | 256       | 256       |
| Other Revenue Outside of Operating Activities          | \$'000 | 543       | 261       | 241       | 248       | 255       | 263       | 271       | 279       | 287       | 296       | 305       |
| <b>Total Revenue from Outside Operating Activities</b> | \$'000 | 799       | 516       | 497       | 504       | 511       | 519       | 527       | 535       | 543       | 552       | 561       |
| <b>Total Revenue</b>                                   | \$'000 | 30,016    | 30,647    | 31,232    | 32,744    | 34,176    | 35,852    | 37,456    | 39,315    | 41,114    | 43,180    | 45,221    |
| <b>Operating Expenses from Ordinary Activities</b>     |        |           |           |           |           |           |           |           |           |           |           |           |
| Employee Benefits                                      | \$'000 | (12,015)  | (12,246)  | (12,572)  | (13,138)  | (13,729)  | (14,347)  | (14,993)  | (15,668)  | (16,373)  | (17,109)  | (17,879)  |
| Employee Benefits Provisioned                          | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Materials & Consumables                                | \$'000 | (11,246)  | (9,413)   | (9,851)   | (10,172)  | (10,502)  | (10,843)  | (11,196)  | (11,560)  | (11,935)  | (12,323)  | (12,662)  |
| Utilities  | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Bad and Doubtful Debts                                 | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

| Period start  |        | 1 Jul 13  | 1 Jul 14  | 1 Jul 15  | 1 Jul 16  | 1 Jul 17  | 1 Jul 18  | 1 Jul 19  | 1 Jul 20  | 1 Jul 21  | 1 Jul 22  | 1 Jul 23  |
|---|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Period end  |        | 30 Jun 14 | 30 Jun 15 | 30 Jun 16 | 30 Jun 17 | 30 Jun 18 | 30 Jun 19 | 30 Jun 20 | 30 Jun 21 | 30 Jun 22 | 30 Jun 23 | 30 Jun 24 |
|   |        |           |           |           |           | -         |           |           |           |           |           |           |
| Depreciation  | \$'000 | (7,350)   | (7,473)   | (8,112)   | (8,274)   | (8,440)   | (8,609)   | (8,781)   | (8,956)   | (9,135)   | (9,318)   | (9,504)   |
| Other Operating Expenses                                  | \$'000 | (275)     | (283)     | (935)     | (1,000)   | (1,056)   | (1,101)   | (1,227)   | (1,309)   | (1,387)   | (1,477)   | (1,567)   |
| Other Expenses  | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Contributions   | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Interest on Borrowings (Finance Costs)                    | \$'000 | (330)     | (310)     | (232)     | (215)     | (206)     | (199)     | (195)     | (192)     | (190)     | (167)     | (157)     |
| Interest on Unwinding of Discount on Provisions           | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Regulatory Valuation Expenses                             | \$'000 | -         | -         | (145)     | (15)      | (145)     | (15)      | (145)     | (15)      | (145)     | (15)      | (145)     |
| Election Related Expenses                                 | \$'000 | -         | -         | -         | (85)      | -         | -         | -         | (85)      | -         | -         | -         |
| Maintenance on Gifted Assets                              | \$'000 | (1,200)   | (1,200)   | (1,200)   | (1,200)   | (1,200)   | (1,200)   | (1,200)   | (1,200)   | (1,200)   | (1,200)   | (1,200)   |
| Natural Disaster Fund - Non Capital - refundable          | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Interest on Borrowings (Finance Costs) - adjust           | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| [Blank Expense Line Item 2]                               | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Superannuation Call                                       | \$'000 | -         | -         | (300)     | (300)     | (300)     | (300)     | (300)     | (300)     | (300)     | (300)     | (300)     |
|   |        |           | -         |           |           |           |           |           |           |           |           |           |
| <b>Total Operating Expenses</b>                           | \$'000 | (32,416)  | (30,926)  | (33,347)  | (34,399)  | (35,579)  | (36,615)  | (38,037)  | (39,285)  | (40,666)  | (41,911)  | (43,414)  |
| <b>Net Surplus/(Deficit) from Operations</b>              | \$'000 | (2,710)   | (278)     | (2,116)   | (1,655)   | (1,403)   | (763)     | (581)     | 30        | 448       | 1,269     | 1,807     |
| <b>Adjustments</b>  |        |           |           |           |           |           |           |           |           |           |           |           |
| Net Gain/(Loss) on Disposal of Property Plant & Equipment | \$'000 | (310)     | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Gain on Sale of Assets Held for Resale                    | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Share of Net Profit/(Loss) of Associated Entity           | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Unrealised Gain/(Loss) on investment in Associates)       | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Net Gain/(Loss) on Infrastructure Replaced                | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| <b>Total Adjustments</b>                                  | \$'000 | (310)     | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| <b>Adjusted Operating Surplus/(Deficit)</b>               | \$'000 | (3,020)   | (278)     | (2,116)   | (1,655)   | (1,403)   | (763)     | (581)     | 30        | 448       | 1,269     | 1,807     |
| <b>Underlying Position</b>                                | \$'000 | (6,050)   | (2,849)   | (5,668)   | (5,255)   | (5,052)   | (4,463)   | (4,333)   | (3,775)   | (3,412)   | (2,647)   | (1,942)   |

Figure 3: Standard Income Statement 2013/14

# Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

## Standard balance sheet

| Period start                            |        | 1 Jul 13  | 1 Jul 14  | 1 Jul 15  | 1 Jul 16  | 1 Jul 17  | 1 Jul 18  | 1 Jul 19  | 1 Jul 20  | 1 Jul 21  | 1 Jul 22  | 1 Jul 23  |
|---|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Period end                              |        | 30 Jun 14 | 30 Jun 15 | 30 Jun 16 | 30 Jun 17 | 30 Jun 18 | 30 Jun 19 | 30 Jun 20 | 30 Jun 21 | 30 Jun 22 | 30 Jun 23 | 30 Jun 24 |
| <b>Current Assets</b>                   |        |           |           |           |           |           |           |           |           |           |           |           |
| Cash and Cash Equivalents               | \$'000 | 15,889    | 11,622    | 14,055    | 15,664    | 17,703    | 18,909    | 21,830    | 25,357    | 27,856    | 31,103    | 35,585    |
| Receivables                             | \$'000 | 2,217     | 2,244     | 4,076     | 4,280     | 4,483     | 4,703     | 4,917     | 5,146     | 5,398     | 5,670     | 5,890     |
| Inventory                               | \$'000 | 160       | 160       | 160       | 160       | 160       | 160       | 160       | 160       | 160       | 160       | 160       |
| Accrued Income                          | \$'000 | 50        | 50        | 50        | 50        | 50        | 50        | 50        | 50        | 50        | 50        | 50        |
| Prepayments                             | \$'000 | 170       | 170       | 170       | 170       | 170       | 170       | 170       | 170       | 170       | 170       | 170       |
| Financial Assets                        | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Assets held for resale                  | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Other Current Assets                    | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Total Current Assets                    | \$'000 | 18,487    | 16,817    | 18,511    | 20,324    | 22,566    | 23,992    | 27,127    | 30,883    | 33,634    | 37,153    | 41,855    |
| <b>Non Current Assets</b>               |        |           |           |           |           |           |           |           |           |           |           |           |
| Land Under Roads                        | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Property Plant and Equipment            | \$'000 | 29,533    | 29,533    | 28,303    | 26,836    | 26,236    | 25,522    | 25,383    | 23,899    | 23,792    | 21,894    | 21,264    |
| Infrastructure Assets                   | \$'000 | 268,583   | 270,689   | 271,035   | 268,918   | 269,637   | 268,139   | 268,378   | 266,146   | 267,764   | 267,052   | 267,362   |
| Investment in Associates                | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Trade and Other Receivables (Long Term) | \$'000 | 36        | 36        | 36        | 36        | 36        | 36        | 36        | 36        | 36        | 36        | 36        |
| Other Financial Assets                  | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Total Non Current Assets                | \$'000 | 283,711   | 284,955   | 284,374   | 285,791   | 285,910   | 283,697   | 283,797   | 280,081   | 281,592   | 288,982   | 288,662   |
| Total Assets                            | \$'000 | 302,197   | 301,772   | 302,885   | 306,115   | 308,476   | 307,689   | 310,924   | 310,964   | 315,226   | 316,135   | 320,517   |
| <b>Current Liabilities</b>              |        |           |           |           |           |           |           |           |           |           |           |           |
| Payables                                | \$'000 | 2,417     | 2,418     | 1,296     | 1,338     | 1,394     | 1,440     | 1,504     | 1,556     | 1,622     | 1,679     | 1,729     |
| Trust Funds                             | \$'000 | 485       | 485       | 485       | 485       | 485       | 485       | 485       | 485       | 485       | 485       | 485       |
| Current Provisions                      | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Current Employee Benefits               | \$'000 | 2,582     | 2,582     | 2,582     | 2,582     | 2,582     | 2,582     | 2,582     | 2,582     | 2,582     | 2,582     | 2,582     |
| Current Interest Bearing Liabilities    | \$'000 | 841       | 901       | 632       | 548       | 543       | 479       | 516       | 443       | 416       | 418       | 442       |
| Total Current Liabilities               | \$'000 | 6,759     | 7,009     | 4,995     | 4,953     | 5,004     | 4,986     | 5,087     | 5,066     | 5,105     | 5,165     | 5,238     |
| <b>Non Current Liabilities</b>          |        |           |           |           |           |           |           |           |           |           |           |           |
| Non Current Employee benefits           | \$'000 | 494       | 494       | 494       | 494       | 494       | 494       | 494       | 494       | 494       | 494       | 494       |
| Non Current Provisions                  | \$'000 | 1,306     | 1,306     | 1,306     | 1,306     | 1,306     | 1,306     | 1,306     | 1,306     | 1,306     | 1,306     | 1,306     |

# Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

| Period start  |        | 1 Jul 13  | 1 Jul 14  | 1 Jul 15  | 1 Jul 16  | 1 Jul 17  | 1 Jul 18  | 1 Jul 19  | 1 Jul 20  | 1 Jul 21  | 1 Jul 22  | 1 Jul 23  |
|---|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Period end  |        | 30 Jun 14 | 30 Jun 15 | 30 Jun 16 | 30 Jun 17 | 30 Jun 18 | 30 Jun 19 | 30 Jun 20 | 30 Jun 21 | 30 Jun 22 | 30 Jun 23 | 30 Jun 24 |
| Non Current Interest Bearing Loans and Borrowings             | \$'000 | 2,856     | 2,378     | 2,277     | 2,202     | 2,133     | 2,128     | 2,085     | 2,116     | 2,173     | 1,755     | 1,725     |
| Total Non Current Liabilities                                 | \$'000 | 4,432     | 4,034     | 4,077     | 4,002     | 3,933     | 3,928     | 3,885     | 3,916     | 3,973     | 3,555     | 3,525     |
| Total Liabilities   | \$'000 | 11,191    | 11,044    | 9,072     | 8,955     | 8,937     | 8,913     | 8,972     | 8,982     | 9,078     | 8,719     | 8,763     |
| Net Assets  | \$'000 | 291,006   | 290,728   | 293,813   | 297,160   | 299,539   | 298,776   | 301,952   | 301,982   | 306,148   | 307,416   | 311,754   |
| <b>Equity</b>   |        |           |           |           |           |           |           |           |           |           |           |           |
| Accumulated Surplus   | \$'000 | 124,250   | 123,761   | 121,645   | 119,990   | 118,587   | 117,824   | 117,243   | 117,273   | 117,721   | 118,990   | 120,797   |
| Reserve Land Under Roads                                      | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Public Open Space   | \$'000 | 404       | 454       | 383       | 383       | 383       | 383       | 383       | 383       | 383       | 383       | 383       |
| Infrastructure Contributions - Parking                        | \$'000 | 41        | 41        | 65        | 65        | 65        | 65        | 65        | 65        | 65        | 65        | 65        |
| Infrastructure Reserve - Rates Contribution (2%)(Capital)     | \$'000 | 684       | 950       | 252       | 262       | 580       | 914       | 268       | 644       | 1,042     | 464       | 911       |
| Infrastructure Maintenance- Gifted & Novated Assets (2013/14) | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Waste Reserve   | \$'000 | 3,383     | 3,450     | 2,290     | 2,327     | 2,394     | 2,211     | 2,339     | 2,479     | 2,632     | 2,798     | 2,931     |
| Coster Street Units   | \$'000 | 42        | 40        | 34        | 34        | 34        | 34        | 34        | 34        | 34        | 34        | 34        |
| Shaw Avenue Redevelopment                                     | \$'000 | 44        | 44        | 44        | 44        | 44        | 44        | 44        | 44        | 44        | 44        | 44        |
| Alexandra community Leisure Centre                            | \$'000 | 5         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Road Maintenance Reserve                                      | \$'000 | 16        | 16        | 16        | 16        | 16        | 16        | 16        | 16        | 16        | 16        | 16        |
| Yea Saleyards Reserve   | \$'000 | 139       | 189       | 80        | 80        | 80        | 80        | 80        | 80        | 80        | 80        | 80        |
| Alexandra Saleyards Reserve                                   | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Yea Caravan park Reserve                                      | \$'000 | 26        | 33        | 12        | 12        | 12        | 12        | 12        | 12        | 12        | 12        | 12        |
| Marysville Caravan Park Reserve                               | \$'000 | 101       | 147       | 81        | 81        | 81        | 81        | 81        | 81        | 81        | 81        | 81        |
| Unfunded Superannuation - Defined Benefits                    | \$'000 | 300       | 300       | 900       | 1200      | 1200      | 1200      | 1200      | 1200      | 1200      | 1200      | 1200      |
| Infrastructure Maintenance - New & Expanded (\$1.2 Council)   | \$'000 | 3,370     | 2,678     | 4,379     | 9,034     | 8,650     | 8,499     | 9,017     | 8,501     | 7,951     | 8,362     | 7,868     |
| Asset Revaluation Reserve                                     | \$'000 | 158,201   | 158,201   | 163,632   | 163,632   | 167,413   | 167,413   | 171,170   | 171,170   | 174,887   | 174,887   | 177,332   |
| Total Equity  | \$'000 | 291,006   | 290,728   | 293,813   | 297,160   | 299,539   | 298,776   | 301,952   | 301,982   | 306,148   | 307,416   | 311,754   |

Figure 4: Standard Balance Sheet 2013/14

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Standard statement of cash flows

| Period start  |        | 1 Jul 13  | 1 Jul 14  | 1 Jul 15  | 1 Jul 16  | 1 Jul 17  | 1 Jul 18  | 1 Jul 19  | 1 Jul 20  | 1 Jul 21  | 1 Jul 22  | 1 Jul 23  |
|---|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Period end  |        | 30 Jun 14 | 30 Jun 15 | 30 Jun 16 | 30 Jun 17 | 30 Jun 18 | 30 Jun 19 | 30 Jun 20 | 30 Jun 21 | 30 Jun 22 | 30 Jun 23 | 30 Jun 24 |
| <b>Cash flows from Operating Activities</b>                   |        |           |           |           |           |           |           |           |           |           |           |           |
| Rates and Charges Received                                    | \$'000 | 15,591    | 16,644    | 17,398    | 18,518    | 19,635    | 20,809    | 22,067    | 23,388    | 24,784    | 26,267    | 28,020    |
| Grants - Operational Received                                 | \$'000 | 8,835     | 7,314     | 6,484     | 6,697     | 6,891     | 7,087     | 7,293     | 7,501     | 7,714     | 7,934     | 8,132     |
| Grants - Capital Received                                     | \$'000 | 4,521     | 2,933     | 3,294     | 3,355     | 3,405     | 3,455     | 3,508     | 3,560     | 3,613     | 3,668     | 3,693     |
| Interest Received   | \$'000 | 276       | 341       | 253       | 254       | 254       | 254       | 255       | 255       | 254       | 254       | 254       |
| User Fees Received  | \$'000 | 3,433     | 3,324     | 1,508     | 1,559     | 1,607     | 1,654     | 1,705     | 1,756     | 1,808     | 1,862     | 1,912     |
| Statutory Fees and Fines Received                             | \$'000 | -         | -         | 625       | 646       | 664       | 682       | 702       | 721       | 741       | 762       | 779       |
| Other Revenue Received  | \$'000 | -         | -         | 1,125     | 1,287     | 1,293     | 1,466     | 1,489     | 1,681     | 1,723     | 1,937     | 2,045     |
| Employee Benefits Paid  | \$'000 | (11,843)  | (12,135)  | (12,561)  | (13,117)  | (13,701)  | (14,324)  | (14,960)  | (15,641)  | (16,338)  | (17,079)  | (17,879)  |
| Materials and Consumables Paid                                | \$'000 | (12,819)  | (10,861)  | (9,842)   | (10,155)  | (10,480)  | (10,826)  | (11,171)  | (11,540)  | (11,910)  | (12,302)  | (12,662)  |
| External Contracts Paid                                       | \$'000 | -         | -         | (145)     | (15)      | (145)     | (15)      | (145)     | (15)      | (145)     | (15)      | (145)     |
| Utilities Paid  | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Other Expenses Paid   | \$'000 | -         | -         | (2,432)   | (2,581)   | (2,551)   | (2,597)   | (2,721)   | (2,889)   | (2,881)   | (2,972)   | (2,972)   |
| <b>Net Cash flows from Operating Activities</b>               | \$'000 | 7,777     | 7,597     | 5,707     | 6,449     | 6,872     | 7,646     | 8,021     | 8,778     | 9,364     | 10,315    | 11,045    |
| <b>Cash flows from Investing Activities</b>                   |        |           |           |           |           |           |           |           |           |           |           |           |
| Payment for Property Plant and Equipment and Infrastructure   | \$'000 | (10,725)  | (9,579)   | (6,455)   | (5,803)   | (4,855)   | (4,967)   | (6,571)   | (5,354)   | (5,501)   | (6,913)   | (7,047)   |
| Proceeds from Property Plant and Equipment and Infrastructure | \$'000 | 1,684     | 861       | 844       | 492       | 389       | 414       | 399       | 454       | 485       | 208       | 562       |
| Proceeds from/(to) Investments                                | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| <b>Net Cash flows from Investing Activities</b>               | \$'000 | (9,039)   | (8,718)   | (5,311)   | (4,466)   | (4,553)   | (6,172)   | (4,900)   | (5,016)   | (6,705)   | (6,485)   | (6,485)   |
| <b>Cash flows from Financing Activities</b>                   |        |           |           |           |           |           |           |           |           |           |           |           |
| Trust Funds and Deposits                                      | \$'000 | (254)     | 70        | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Proceeds/(Payments) from/for Financial Assets                 | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Proceeds from Interest Bearing Loans and Borrowings           | \$'000 | 500       | 500       | 500       | 500       | 500       | 500       | 500       | 500       | 500       | 500       | 500       |
| Repayments of Interest Bearing Loans and Borrowings           | \$'000 | (861)     | (714)     | (1,009)   | (782)     | (659)     | (574)     | (570)     | (505)     | (542)     | (470)     | (416)     |
| Finance Costs   | \$'000 | (278)     | (275)     | (232)     | (215)     | (206)     | (199)     | (195)     | (192)     | (190)     | (167)     | (162)     |
| <b>Net Cash flows from Financing Activities</b>               | \$'000 | (883)     | (594)     | (514)     | (374)     | (280)     | (269)     | (201)     | (235)     | (160)     | (583)     | (78)      |
| <b>Net Change in Cash Held</b>                                | \$'000 | (2,145)   | (1,716)   | (118)     | 1,609     | 2,039     | 1,206     | 2,921     | 3,527     | 2,499     | 3,247     | 4,482     |
| <b>Cash at Beginning of the Financial Year</b>                | \$'000 | 18,034    | 15,889    | 14,173    | 14,055    | 15,664    | 17,703    | 18,909    | 21,830    | 25,357    | 27,856    | 31,103    |

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

| Period start                      |        | 1 Jul 13  | 1 Jul 14  | 1 Jul 15  | 1 Jul 16  | 1 Jul 17  | 1 Jul 18  | 1 Jul 19  | 1 Jul 20  | 1 Jul 21  | 1 Jul 22  | 1 Jul 23  |
|-----------------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Period end                        |        | 30 Jun 14 | 30 Jun 15 | 30 Jun 16 | 30 Jun 17 | 30 Jun 18 | 30 Jun 19 | 30 Jun 20 | 30 Jun 21 | 30 Jun 22 | 30 Jun 23 | 30 Jun 24 |
| Cash at End of the Financial Year | \$'000 | 15,889    | 14,173    | 14,055    | 15,664    | 17,703    | 18,909    | 21,830    | 25,357    | 27,856    | 31,103    | 35,585    |
| Cash and Cash Equivalents         | \$'000 |           |           |           |           |           |           |           |           |           |           |           |
| Unrestricted Cash                 | \$'000 | 6,381     | 3,961     | 8,987     | 10,241    | 11,879    | 13,914    | 16,331    | 19,320    | 22,244    | 24,878    | 28,650    |
| Restricted Cash (due to reserves) | \$'000 | 9,507     | 10,212    | 5,068     | 5,423     | 5,824     | 4,995     | 5,499     | 6,037     | 5,612     | 6,225     | 6,935     |
| Cash and Cash Equivalents         | \$'000 | 15,889    | 14,173    | 14,055    | 15,664    | 17,703    | 18,909    | 21,830    | 25,357    | 27,856    | 31,103    | 35,585    |

Figure 5: Standard Statement of Cash Flows 2013/14



Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Standard statement of capital works

| Period start                    |        | 1 Jul 13  | 1 Jul 14  | 1 Jul 15  | 1 Jul 16  | 1 Jul 17  | 1 Jul 18  | 1 Jul 19  | 1 Jul 20  | 1 Jul 21  | 1 Jul 22  | 1 Jul 23  |
|---------------------------------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Period end                      |        | 30 Jun 14 | 30 Jun 15 | 30 Jun 16 | 30 Jun 17 | 30 Jun 18 | 30 Jun 19 | 30 Jun 20 | 30 Jun 21 | 30 Jun 22 | 30 Jun 23 | 30 Jun 24 |
| Land                            | \$'000 | -         | -         | -         | -         | -         | 117       | -         | -         | -         | 48        | -         |
| Buildings                       | \$'000 | 3,270     | 3,365     | 391       | 284       | 130       | 673       | 595       | 481       | 630       | 93        | 252       |
| Roads                           | \$'000 | 3,478     | 2,805     | 120       | 111       | 614       | 41        | 204       | 41        | 254       | 128       | 362       |
| Footpaths                       | \$'000 | -         | -         | 135       | -         | 17        | 47        | -         | -         | -         | -         | -         |
| Bridges                         | \$'000 | 1,435     | 1,795     | 32        | -         | -         | 163       | -         | -         | -         | -         | -         |
| Drainage                        | \$'000 | 669       | 50        | 108       | 232       | 28        | 29        | 30        | 173       | 32        | 254       | 165       |
| Works in Progress               | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Heritage Assets                 | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Furniture & Equipment           | \$'000 | 598       | 218       | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Plant & Machinery               | \$'000 | 1,166     | 1,258     | -         | 70        | -         | -         | -         | -         | -         | 714       | -         |
| Environment                     | \$'000 | -         | -         | -         | 6         | -         | 351       | -         | -         | -         | -         | -         |
| Recreation                      | \$'000 | 13        | -         | 75        | 28        | 53        | 29        | 36        | 110       | 30        | 124       | 134       |
| Commerce                        | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Other                           | \$'000 | -         | -         | 4,614     | 4,021     | 3,989     | 4,983     | 4,297     | 4,548     | 5,783     | 5,474     | 5,351     |
| Kerb and Channel                | \$'000 | -         | -         | -         | -         | 5         | 4         | 24        | -         | 6         | 17        | -         |
| Road Safety                     | \$'000 | -         | -         | 43        | 55        | 57        | 58        | 90        | 93        | 95        | 117       | 65        |
| Other Community Facilities      | \$'000 | -         | -         | 16        | 17        | 17        | 18        | 18        | 19        | 19        | 26        | -         |
| Library bookstock               | \$'000 | 92        | 89        | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| Saleyards                       | \$'000 | -         | -         | 269       | 32        | 57        | 58        | 60        | 37        | 63        | 52        | 43        |
| Additional Renewal to Close Gap | \$'000 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         |
| <b>Total Capital Works</b>      | \$'000 | 10,725    | 9,580     | 5,803     | 4,855     | 4,967     | 6,571     | 5,354     | 5,501     | 6,913     | 7,047     | 7,893     |
| <b>Represented by:</b>          |        |           |           |           |           |           |           |           |           |           |           |           |
| Renewal Investment              | \$'000 | 5,550     | 7,002     | 4,614     | 4,021     | 3,989     | 4,983     | 4,297     | 4,548     | 5,783     | 5,474     | 6,740     |
| Upgrade Investment              | \$'000 | 1,372     | 1,721     | 597       | 321       | 818       | 815       | 145       | 290       | 388       | 381       | 431       |
| Expansion/New Investment        | \$'000 | 3,803     | 857       | 592       | 513       | 160       | 773       | 912       | 663       | 742       | 1,192     | 722       |
| <b>Total Capital Works</b>      | \$'000 | 10,725    | 9,580     | 5,803     | 4,855     | 4,967     | 6,571     | 5,354     | 5,501     | 6,913     | 7,047     | 7,893     |
| Renewal Demand                  | \$'000 | 6,948     | 8,614     | 7,142     | 6,175     | 6,068     | 6,221     | 6,719     | 7,279     | 8,391     | 9,164     | 9,933     |
| Renewal Gap = Not Funded        | \$'000 | 1,455     | 1,612     | 2,528     | 2,154     | 2,079     | 1,238     | 2,422     | 2,731     | 2,608     | 3,690     | 3,193     |
| Accumulated Renewal Gap         | \$'000 | 1,455     | 3,067     | 5,595     | 7,749     | 9,828     | 11,066    | 13,489    | 16,220    | 18,828    | 22,517    | 25,710    |

Figure 6: Standard Statement of Capital Works 2013/14

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## Summary Community and Emergency Grants March 2014 – May 2014

File No: SF/1704

| No | Org/Club  | Contact Person                | Address                                     | Phone                                | Project Name/Brief Description  | Grant Type      | Project Value | Amount Requested | Amount Allocated | Previous Grant?                                       | Assessment Committee Recommendation  |
|----|---|-------------------------------|---|--------------------------------------|---|-----------------|---------------|------------------|------------------|---|--|
| 1  | Victorian Off Road Racing Association, Inc      | Andrew Djeric                 | PO Box 185<br>Glen Iris<br>VIC 3146         | 0419 325 318                         | <i>ARB Highlands 150 Buggy Race</i> is an annual event organised by VORRA for its members. It is a 2 day event. The event tests drivers, co drivers, navigators and their vehicles over different track conditions. The event is being planned for 4 and 5 October 2014 on private property in Highlands. | Community Grant | \$10250       | \$5000.00        | \$0              | No  | <b>Not supported</b><br>The Committee considered that the application did not meet with eligibility criteria as the group is not locally based in Murrindindi Shire. In addition it was felt that the activities did not meet a demonstrated need within the Shire nor facilitate community participation. |
| 2  | Upper Goulburn Landcare Network (UGLN)          | Judy Watts                    | PO Box 74<br>Yea<br>Vic 3717                | Judy: 5736 0105 or<br>0418 595 928   | Purchase of a mobile educational trailer and equipment for environmental workshops, field days, promotional days, public events and school programs.  | Community Grant | \$40,537.00   | \$5,000.00       | \$5,000          | No  | <b>Supported</b>   |
| 3  | Alexandra Timber Tramway & Museum Inc.          | Jane Laws                     | Po Box 288<br>Alexandra<br>Vic 3714.        | Jane: 0427 509 988                   | "Full Steam Ahead" A 100+ year pictorial history of the rail heritage of Alexandra & District exhibition.   | Community Grant | \$8,200.00    | \$4,100.00       | \$3,000          | Council Community Grant<br>October 2012<br>\$1,014.00 | <b>Supported to the provision of \$3,000</b><br>The Committee considered that whilst there was an in-kind contribution from the organisation there was not a financial contribution.   |
| 4. | Alexandra & district Open Garden Committee Inc. | Lindy Sloan & Mandy Valsinger | 37 Myrtle Street,<br>Alexandra<br>Vic 3714. | Lindy: 57721 432<br>Mandy: 57721 999 | <i>Come; Be inspired Big Spring Weekend in Alexandra 24-26 October 2014.</i><br>Promotion in print media of events over the weekend, in and around Alexandra, including Open Garden Weekend, Alexandra Race Club Picnic Races Meeting & Alexandra Festival of Flowers at St John church.                  | Community Grant | \$38,120.00   | \$5,000.00       | \$5,000          | No  | <b>Supported</b>   |