

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: Monday 24 May 2010

Contact Person: Jo Simms

File Ref: 04/02/11

For Release: Immediate



Message:

Independent auditors to analyse long term reconstruction costs

Gaining an understanding of recurrent costs arising from post-bushfire related rebuilding programs has prompted Murrindindi Shire Council to have international accountant and auditor KPMG evaluate whole-of-life costs associated with project building in the shire.

Projects costing up to \$20 million will become a council responsibility on completion and stem from the replacement of damaged or destroyed infrastructure and other projects identified by the community and funded by all levels of government since the February 2009 fires.

They have been facilitated by the Victorian Bushfire Reconstruction and Recovery Authority (VBRRA) and a number of council initiatives.

Murrindindi Shire Council Mayor Peter Beales describes the independent evaluation process as extremely important to ensure wider community understanding of the links between future recurrent costs and council rates.

Cr Beales also pointed out that he and Acting Council CEO Rob Croxford had raised the recurrent costs issue at Premier John Brumby's Community Cabinet held late last month.

"Some people are giving considerable thought to projects they would like to see developed in their community without considering future recurrent costs and more importantly who carries that financial burden. In contrast, others in the community are aware and are raising concerns," Cr Beales said.

He gave as an example the Gallipoli Park project, with some people asking about Council's capacity to maintain the gardens when developed to the quality set out in the concept plans.

"The KPMG work is vital in providing a sound information base for discussion and decision," Cr Beales said. "Creating awareness of work being done has the twofold benefits of highlighting cost issues to sections of the community not fully understanding such matters and give a degree of comfort to those residents who are very aware of challenges facing us."

Council early this year alerted VBRRA to the possible impact of whole-of-life maintenance costs on ratepayers and VBRRA as part of its partnership approach agreed to fund an independent evaluation.

Cr Beales said the council and VBRRRA see the KPMG process as part of ensuring transparency and awareness of issues presented to the community.

Through a tender process KPMG was appointed to evaluate as many as 30 projects and is expected to report back to council by June.

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Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 2 August 2010

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Royal Commission findings welcomed

Murrindindi Shire Council has welcomed the findings of the Victorian Bushfire Royal Commission and will now focus on preparing a community response and strategy.

Mayor Peter Beales said the recommendations would present a number of challenges for the Council, but there was a resolve to making change.

"The report has highlighted that we do need to work on policy around some areas of strategic planning and the shire's Municipal Emergency Management Plan," Cr Beales said.

"Council and administration will now embark on the task of analysing the report. It is the body of the report that will provide the guidance in terms of the recommendations of the Commission."

Council CEO Margaret Abbey said the report did provide recommendations specific to Murrindindi.

"We need to progress the development and implementation of a bushfire policy in our Local Planning Policy Framework. This will need to take into consideration the views of the community, stakeholders and emergency services.

"We will also work closely with our neighbouring councils, state government and key stakeholders to ensure that we have a united approach in implementing the recommendations.

"It is important that we make a considered response, as we do not want to make major changes to the way we do business only to have a significant impact on our ability to meet future costs and creating an unnecessary cost burden on ratepayers.

"There is no doubt that we have much work to do. One of our biggest tests will be resourcing and funding a number of recommendations.

"The commission has provided a number of significant challenges that are resource intensive, and will require on-going funding commitments.

"Importantly the commission has recognised the impacts of some of its recommendations, particularly on smaller councils such as Murrindindi and our ability to be able to implement them under current funding and staff arrangements.

"This will be one area that we will be keen to get further clarification. It is important that we do not place a greater burden on ratepayers in terms of paying for increased Council activities imposed at a higher level."

A report will be developed highlighting Council's approach to Commission's recommendations. This will be tabled for Council to formally adopt.

- end -

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 24 February 2011

Contact Person: Therese Morris

File Ref: 04/02/11

For Release: Immediate



Significant action on bushfire recommendations

Murrindindi Shire Council's first report on its implementation of the Victorian Bushfire Royal Commission recommendations shows significant action has been taken to comply with the 2010 findings.

Mayor Peter Beales said the report was timed appropriately given the recent recognition of the second anniversary of the 2009 bushfires.

"A number of the 67 recommendations will require legislative changes, however those that we have power over we can see that as an organisation we are making very good progress in modifying our practices," Cr Beales said.

This has included:

- Working with the CFA and the Department of Sustainability and Environment in assessing the Murrindindi Shire Fire Risk, based upon the criteria set out in the Victorian Fire Risk Register;
- Completion of the review of the Municipal Fire Prevention Plan;
- Conduct of training for community care and Aged and Disability services staff in relation to bushfire safety;
- The use of Council's Vulnerable Persons Register in other natural disasters such as prior to the recent floods;
- Promotion of the Red Cross Bushfire Leaving Early Plan;
- Increase in technology changes to the Municipal Emergency Co-ordination Centre (MECC) as a result of the multi-agency debrief in 2009;
- Revised Wildfire Management Overlay mapping being undertaken;
- Commencement of work with the Department of Planning and Community Development on the development of a bushfire policy; and
- Preparation of corporate support and finance tools for tracking expenditure relating to the implementation of the Royal Commission Recommendations.

"While I am pleased with our progress, as a Council we remain concerned at the on-going costs associated with implementing all the recommendations that have a direct impact on the shire." Cr Beales said.

"Very preliminary estimates for this municipality indicate that the initial cost of implementing the recommendations is in the order of \$1.195 million in the first year and more than \$800,000 per annum in subsequent years.

"We do not want to shift responsibility on implementing the recommendations because we want to ensure that our communities are fully engaged and consulted as initiatives and new policies

are rolled out. But what we are saying is that we do need to have the financial support of the government to meet on-going operational costs.”

Cr Beales said Council would continue to lobby for State Government support to meet the commission’s recommendations.

“It is import we have a strong relationship with the State Government so that we can continue to build on the work we have so far successfully reviewed and implemented,” Cr Beales said.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 26 May, 2011

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Council making prudent and responsible budget decisions

Asset sales, operating efficiencies and policy changes are among a range of items that will be considered in reducing demands on Council's longer term finances.

Mayor Peter Beales said significant initiatives included a review of its rating strategy, a review of Council assets, its property portfolio and its fees and charges.

"We are advanced in making further savings in expenditure and developing business cases to realise increases in non-rate revenue," Cr Beales said

"Council has asked for the CEO to report on options for asset sales, policy changes, operating efficiencies, staff reductions, changes in fees and charges and changes in services that will ensure the establishment of an infrastructure renewal reserve sufficient to rectify the current infrastructure gap faced by Council, and provide a sustainable cash flow while limiting further rate increases in the following 10 years to 6 per cent or less.

"This report will determine what strategic approach Council will need to take in reviewing our budget planning with the goal of reducing the rate burden on ratepayers.

"We are committed to reducing expenditure and operational costs. We have met some significant targets with keeping operational cost levels below the Municipal Association of Victoria cost index of 4 per cent and our future commitment is to meet or better this benchmark.

"There has been a reduction in staff numbers with the Kinglake Early Learning Centre becoming a community managed service and we have decided against any new operational initiatives being funded in 2011-12 to achieve our longer term objective of reducing our infrastructure renewal gap.

"There will be a review of our services by October this year, with plans to implement those findings during the 2011-12 financial year."

Cr Beales said the long term financial sustainability of the Council was the clear priority for the current Council and had been emphasised through the impact of significant ongoing operating costs from bushfire assets taken on by Council from the Victorian Bushfire Reconstruction and Recovery Authority.

"Tough decisions have to be made. We are being upfront about our longer term challenges both for the Council and the community," he said.

"Our ratepayers can be assured that while we have proposed an 8 per cent increase in rates in 2011/12, this has been decided through a significantly prudent budget process that is also delivering savings and exploring methods for alternative income.

"A key factor will also be our continued strong advocacy to the State Government for continued financial support."

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 26 May 2011
Contact Person: Damien Cocks
File Ref: 04/02/11
For Release: Immediate



Draft Budget highlights challenges ahead

Murrindindi Shire Council has released its draft 2011-12 Budget which highlights a proposed \$11.84 million capital works program, a level of operating expenditure that ensures a continued effort to maintain the existing range and level of service provisions, and provision for establishing an infrastructure maintenance reserve.

In releasing the draft Budget and Council Plan, which also incorporates the Strategic Resource Plan (SRP), Mayor Peter Beales said there were clear and significant challenges ahead in meeting future maintenance and renewal costs.

"We have taken the significant step of looking at Council's finances across a 10-year timeframe and it shows that we are facing a significant gap on future asset and maintenance cost projections," Cr Beales said.

As a result of the key findings in the Strategic Resource Plan we are proposing a rate increase of 8 per cent of the rate in the dollar for 2011-12. Growth of 1 per cent in the rate base has also been allowed for and together with waste management charges, contributes to the total rate revenue of \$13.714 million.

The percentage increase of the rate in the dollar, combined with the increase in waste management charges, equates to an increase in revenue of rates and charges on the previous year of 10.07 per cent or \$1.254 million.

"Two per cent of the rate rise will be directed to the infrastructure maintenance reserve to meet future demands on buildings across the shire. The increase will also be applied to the municipal charge.

Municipal waste collection charges will rise by 8 per cent to meet State Government levies.

"This will allow Council to meet its existing services levels, fund some new initiatives, but importantly continue to allocate additional funds to renew the municipality's infrastructure," Cr Beales said.

"Our decision to support the infrastructure maintenance reserve will see \$207,000 allocated in 2011-12.

"It is important that our community is aware that we face a massive challenge in meeting future operating and maintenance costs as a result of Victorian Bushfire Reconstruction and Recovery Authority (VBRRA) assets coming under Council's control.

“We are facing additional annual costs over the next decade of \$1.8 million, comprising maintenance and operating costs of \$1.2 million and \$600,000 in depreciation of the new assets. Failure to meet that objective will see Murrindindi Shire Council facing an \$18.9 million renewal gap at 2021-22.”

Cr Beales said Council had opted for a 10 year approach to its Strategic Resource Plan, so that future Councils would be aware of the need for prudent budgeting and financial strategies.

“If we follow the principles of our SRP, we will go a long way in achieving financial stability. We are in a position where we can enjoy a range of new and enhanced assets, but we must be smart in terms of taking on new projects into the future,” Cr Beales said.

“As a Council we are also continually exploring opportunities to reduce demands on Council’s longer term finances.

“This has included a request to the CEO to report options including asset sales, policy changes and operational efficiencies to assist with revenue and saving opportunities to reduce further rate burdens on ratepayers.

“It is important that we also have the support of the State Government and we will continue to advocate and lobby to obtain long-term external funding to meet the future costs of renewal and maintenance of our assets.”

Cr Beales said it was important people made time to review the documents.

“While they show tough times ahead, the documents also highlight our strategies to continue to support our community. It is important that the quality of life and Council services that are enjoyed by communities across the shire are maintained and enhanced– and in a way that does not place a massive rate burden on households, landholders and businesses.

“As a Council we believe that we can provide a financially strong organisation with the support of our community.”

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Date: 26 May 2011

Contact Person: Damien Cocks

File Ref: 04/02/11

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Public information sessions to outline draft Budget details

Four public information sessions will be held across Murrindindi Shire during the draft Budget exhibition period.

Mayor Peter Beales said the sessions were a good opportunity for people to get an overview of Council's budget process, information and objectives contained within Council's Plan, incorporating Strategic Resource Plan.

"The two documents will be available for comment from Thursday 2 June 2011 and while I encourage people to take the time to read the publications, the information sessions will outline some of the more pertinent details contained in those documents," Cr Beales said.

"People will also have the opportunity to talk with our finance staff at these sessions."

They will be held:

- **Tuesday 14 June:** 5.30pm – 7pm Yea, the Semi Circle, Yea.
- **Wednesday 15 June:** 5.30-7pm at the Rebuilding Advisory Centre (RAC), 5 Murchison Street, Marysville.
- **Thursday 16 June:** 7pm-8.30pm at the RAC, 2970 Kinglake-Heidelberg Road, Kinglake.
- **Wednesday 22 June:** 5.30-7pm at Alexandra Council Chambers, Perkins Street, Alexandra.

Written submissions on the draft Budget can be made via email to msc@murrindindi.vic.gov.au or posted to Murrindindi Shire Council, PO Box 138, Alexandra, 3714. Submissions will be accepted until 5pm Friday 1 July 2011.



MINUTES
of the
ORDINARY MEETING OF COUNCIL
held on
WEDNESDAY 25 MAY 2011
at the
ALEXANDRA COUNCIL CHAMBERS
commencing at
11.02 am

INDEX

1.	PRAYER	2
2.	PRESENT	2
3.	CONFIRMATION OF MINUTES	2
4.	DECLARATIONS OF INTEREST	2
5.	OPEN FORUM	3
6.	DEPARTMENTAL REPORTS	3
6.1	Planning and Environmental Services	3
6.1.1	Glenburn Hall.....	3
6.1.2	2010/428 – Bosco Restaurant, Kinglake West	15
6.1.3	House Lot Excision	23
6.1.4	Section 173 Agreement - BM & M Hall	28
6.1.5	Storage Shed – Kinglake West.....	29
6.2	Infrastructure.....	31
6.3	Chief Executive Officer	31
6.3.1	Council Plan Report July – March 2011	31
6.4	Corporate Services	33
6.4.1	Corporate Seal Affixed Under Delegation.....	33
6.5	Reconstruction & Recovery	33
6.5.1	Bushfire Reconstruction Projects Procurement.....	33
6.6	Community Services.....	35
6.6.1	Community Grants Program – 2010-2011	35
7.	INWARDS CORRESPONDENCE	37
7.1	Letter to Chief Executive Officer – Breakaway Bridge Acheron.....	37
8.	COUNCILLOR PORTFOLIO REPORTS	37
8.1	Planning and Environment Portfolio.....	37
8.2	Economic Development and Tourism Portfolio.....	37
8.3	Infrastructure and Assets Portfolio.....	38
8.4	Community and Customer Services Portfolio	38
8.5	Corporate Services Portfolio	38
8.6	Climate Change and Natural Environment Portfolio	38
8.7	Mayor and Delegated Committee Reports.....	38
8.8	General Business	38
8.9	Consideration of Open Forum Presentations from Previous Meeting.....	39
9.	NOTICE OF MOTIONS	39
10.	PETITIONS RECEIVED BY COUNCIL	39
10.1	Petition to Save the Heritage Breakaway Bridge, Acheron.....	39
10.2	Petition – Seventh Street Playground Equipment.....	40
11.	ASSEMBLIES OF COUNCILLORS	41

1. PRAYER

The meeting was opened with Prayer.

2. PRESENT

Crs P Beales (Chairperson), S Abbott Smith, K Bellingham, B Flowers, C Healy, C Ruhr, J Walsh

Chief Executive Officer: Margaret Abbey
General Manager - Sustainability: Michael Chesworth
Executive Director, Reconstruction and Recovery: Dimitri Scordalides
General Manager Corporate & Community Services: Rob Cherry
Manager Communications & Engagement: Damien Cocks

Manager Development and Environmental Services: Matt Parsons
Statutory Planning Co-ordinator: Karen Girvan
Planning Officer: Melissa Crane

3. CONFIRMATION OF MINUTES

- Minutes of the Ordinary meeting of Council held 27 April 2011

RESOLUTION:

Cr K Bellingham / Cr J Walsh

That the Minutes of the Ordinary meeting of Council held 27 April 2011 be confirmed.

CARRIED

- Minutes of the Special meeting of Council held 4 May 2011

RESOLUTION:

Cr S Abbott Smith / Cr K Bellingham

That the Minutes of the Special meeting of Council held 4 May 2011 be confirmed.

CARRIED

- Minutes of the Special meeting of Council held 11 May 2011

RESOLUTION:

Cr K Bellingham / Cr J Walsh

That the Minutes of the Special meeting of Council held 11 May 2011 be confirmed.

CARRIED

4. DECLARATIONS OF INTEREST

File No: 12/01/05

Nil.

5. OPEN FORUM

The Chairperson declared Open Forum and invited questions from the Gallery.

Roma Guerin, of Alexandra, spoke in support of Council adopting the use of Centrepay for payment of rates by pensioners and Healthcare Card holders when considering the budget.

Joe Exton, of Kinglake, spoke regarding a letter about the Kinglake Central Draft Plan in the May edition of Mountain Monthly (*refer Encl 5.1*).

Ellen Hogan, representing Gary King, spoke in support of an application for a house lot excision at Manby Road, Narbethong (Item 6.1.3 on the agenda).

The Mayor indicated a willingness to arrange a meeting at Eildon regarding a Planning permit application.

Peter Williams, of Glenburn, President of Glenburn Hall & Progress Association, spoke in support of the application for Planning Permit for the Glenburn Hall. (Item 6.1.1 on the agenda).

Ross Cope, of Kinglake West, spoke opposing the location of a restaurant in Kinglake West (Item 6.1.2 on the agenda) (*Refer Encl 5.2a*).

The Chair read a letter from Bev Johns regarding an application for a restaurant in Kinglake West (Item 6.1.2 on the agenda) (*refer Encl 5.2b*).

Paul Hixton, of Kinglake West, spoke against an application for a restaurant in Kinglake West (Item 6.1.2 of the agenda).

Jack Walhout, of Toolangi & Castella CRC, provided a report to Council on CRC garden activities (*refer Encl 5.3*).

Cr Abbott Smith thanked Jack for his contribution to the garden projects in Toolangi.

The Chairperson closed Open Forum.

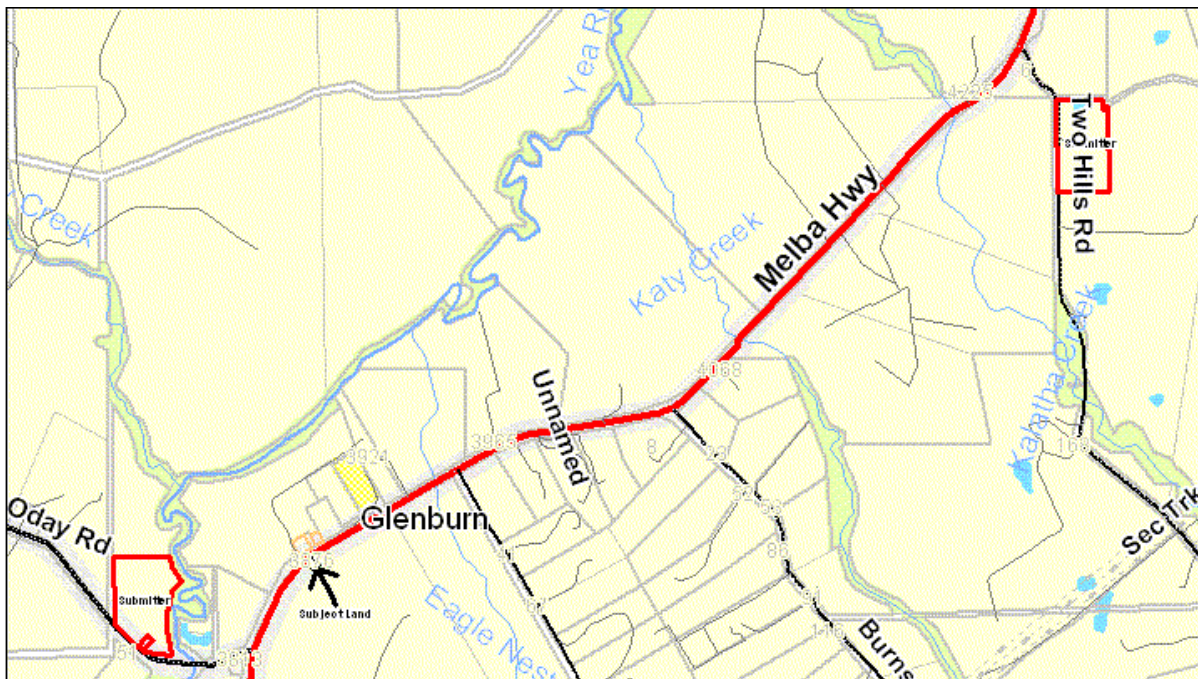
6. DEPARTMENTAL REPORTS

6.1 PLANNING AND ENVIRONMENTAL SERVICES

6.1.1 *Glenburn Hall*

File No: 2011/39
Land: 3777 and 3876 Melba Highway GLENBURN 3717
Proposal: Construction and use of new public hall building; Reduction of car parking requirements and creation of easement
Applicant: Glenburn Hall & Progress Association
Zoning: Farming
Overlays: None
Attachments: Application details (*Refer Encl 6.1.1*) (aerial photograph and submissions distributed separately)

Locality Plan



Purpose:

This report recommends that a Notice of Decision to Grant a Permit be issued for the Construction and use of new public hall building; reduction of car parking requirements and creation of easement at 3777 and 3876 Melba Highway Glenburn 3717.

Proposal:

The application is for the construction of a new hall following the demolition of the existing hall building. This proposal also includes a reduction in car parking requirements and the creation of an easement on 3777 Melba Highway to allow for the formal car parking.

The new hall is set further back on the site, and will be larger than the existing building. The existing hall is approximately 106 square metres in size. The new hall is approximately 406 square metres, with actual usable floor space in the new hall of approximately 216 square metres. This includes the hall, stage and meeting rooms. It is proposed to construct 24 gravel car spaces, and two concrete disabled car spaces. The building is proposed to have weatherboard cladding and a colourbond pitched roof. The application was supported with both a Land Capability Study and a projected usage pattern. The largest group expected to use the hall on a regular basis is the CFA advisory gathering of approximately 80 people, once a year. All other uses listed are for either 50 people or less.

The proposal also includes the creation of a carriageway easement on 3777 Melba Highway, over the section of land that the car parking will be constructed on.

Recommendation:

To recommend that a Notice of Decision to Grant a Permit be issued for the construction and use of new public hall building; reduction in car parking requirements and creation of easement at land known as 3777 and 3876 Melba Highway, Glenburn (Lot: 3 LP 833491 and Lot: 9 LP: 611051) subject to the following conditions:

- (1) The layout of the site and the size and type of the proposed buildings and works, including the materials of construction, as shown on the endorsed plan shall not be altered or modified without the consent in writing of the Responsible Authority.**

- (2) This permit shall expire if the development hereby permitted is not completed within two (2) years of the date hereof, or any extension of such period the Responsible Authority may allow in writing, on an application made before three months after such expiry.
- (3) Prior to the commencement of use associated with the above development, the carriageway easement for parking on Lot 3 TP 833491 must be registered on title.
- (4) All external cladding including the roof and trims of the building allowed must be coloured or painted in muted shades of green, brown or charcoal, or in a colour approved in writing by the Responsible Authority.
- (5) All sewage and sullage waters shall be treated in accordance with the requirements of the Environment Protection Authority and the Council. All effluent shall be disposed of and contained within the curtilage of the land and shall not discharge directly or indirectly to an adjoining property, street or any water course, water storage or dam. Sufficient land shall be set aside and kept available for the purpose of effluent disposal.
- (6) Prior to the commencement of any works, including site works, the applicant shall obtain a septic tank permit from Council.
- (7) At the time of the development all onsite wastewater and stormwater management shall be in accordance with the recommendations outlined within the Land Capability Assessment prepared by Ground Science (Reference Number E2044), with a minimum trench length of 60 m².
- (8) The subject land must be kept neat and tidy at all times and its appearance must not, in the opinion of the Responsible Authority, adversely affect the amenity of the locality.
- (9) Outdoor lighting must be designed, baffled and located to the satisfaction of the Responsible Authority such that no direct light is emitted outside the boundaries of the subject land.
- (10) The maximum number of people allowed on the subject land at any one time must not exceed 100, without prior written approval from the Responsible Authority. Any request for this written approval must be received at least 4 weeks before the event, and must provide a detailed parking proposal plan for overflow parking, including the provision of parking attendants or signage to direct vehicles to alternative car parking areas. All alternative car parking areas must be provided on the southern side of the Melba Highway.
- (11) Prior to the commencement of any buildings or works three (3) copies of a landscaping plan or plans shall be submitted and approved by the Responsible Authority. Such plans must show the area along the south western boundary of 3876 Melba Highway to be set aside for landscaping, and must be planted with trees and shrubs.
- (12) Prior to the commencement of the use associated with the development hereby approved, the area set aside for landscaping must be planted with trees and shrubs in accordance with the approved landscaping plan as per condition 11. This area must then be maintained to the satisfaction of the Responsible Authority.

- (13) Before any use commences or any building or works associated with that use is constructed, an engineering plan must be prepared to the satisfaction of the responsible authority showing all required car spaces, access lanes, driveways and associated works and landscaping. The layout of car spaces and access lanes must be consistent with Clause 52.06-5 or a variation generally in accordance with Australian Standard AS2890.1 - 1993, Parking facilities, Part 1: Off-street car parking.

The plan must be in accordance with the requirements of council's Infrastructure Design Manual.

- (14) Before any use commences or any new building is occupied, the car spaces, access lanes, driveways and associated works and landscaping shown on the plan must, to the satisfaction of the responsible authority, be provided and available for use and be:
- Formed to such levels and drained so that they can be used in accordance with the plan.
 - Treated with an all-weather seal or some other durable surface.
 - Line-marked or provided with some other adequate means of showing the car spaces.
- (15) All car parking spaces must be designed to allow all vehicles to drive forwards both when entering and leaving the property.
- (16) A sign/signs to the satisfaction of the responsible authority must be provided directing drivers to the area(s) set aside for disabled car parking and must be located and maintained to the satisfaction of the responsible authority. The area of each sign must not exceed 0.3 square metres.
- (17) All stormwater and surface water discharging from the building and works must be conveyed to the legal point of discharge, approved by the relevant authority. No stormwater discharge from downpipes or overflow from storage tank and surface water shall be directed or caused to be directed in a concentrated form that will cause erosion and or adverse affects within the site or to adjoining land or properties.

VicRoads

- (18) Only one direct access shall be permitted from the Subject Land to the Melba Highway.
- (19) Prior to the development proceeding, the applicant shall engage a suitably qualified Traffic Engineer, at no cost to VicRoads, to prepare a TIAR in accordance with VicRoads' Guidelines for Transport Impact Assessment Report (attached) to the satisfaction of VicRoads. The report shall address the following issues:
- a) Predicted traffic generation and distribution (particularly traffic peak volumes) from the development onto the arterial road network (Melba Highway).
 - b) Details of any mitigating works that may be required at the intersection of proposed access with the arterial road network (Melba Highway), such as provision for left turn and right turn lanes. Intersection treatments, if required, are to be reviewed in accordance with the Austroads Guide to Traffic Management Part 6: Intersections, Interchanges and Crossings, November 2007 Edition and Austroads Guide to Road Design – Part 4A Unsignalised and Signalised Intersections, August 2009).

- c) **Must demonstrate that Safe Intersection Sight Distance (SISD) as described on Chapter 6 of the Austroads Guide to Traffic Management Part 6: Intersections, Interchanges and Crossings, November 2007 Edition, can be achieved at the proposed access with the arterial road (Melba Highway) intersection.**
 - d) **Scaled plans showing the existing and proposed Arterial Road features including pavement, shoulders, through and turn lanes, pavement marking, and how existing or proposed access intersection operate and interact with the Arterial road network. The functional layout plans must show that all vehicles of a type that could reasonably be expected to access the subject land can turn in and out of local roads from the Arterial Road network.**
- (20) **Prior to development coming into use, the applicant shall complete the mitigating works required (as identified in the TIAR prepared in accordance with the condition above) to the satisfaction of VicRoads in accordance with the final plans approved by VicRoads.**
 - (21) **Prior to the installation of traffic management devices on any road or road related area within the subject land that comprises major traffic control items (STOP, Give Way signs, etc) under the Road Safety (Traffic Management) Regulations 2009, approval shall be obtained from the Murrindindi Shire Council (where such approval is delegated to Council) or from VicRoads (where such approval has not been delegated). Details of these requirements are given in Chapter 2 of the VicRoads Traffic Engineering Manual Volume 1 – Major Traffic Control Items.**
 - (22) **Prior to the commencement of works within the declared Arterial Road (Melba Highway) reserve, the applicant shall:**
 - a) **Submit detailed design plans and specifications for any improvement works required within the road reserve and obtain the written approval of the plan from VicRoads.**
 - b) **Submit an application for consent, in accordance with the Road Management Act (Works and Infrastructure) Regulations 2004, including payment of the prescribed fee (telephone 03 5761 1888 or visit www.vicroads.vic.gov.au for further information).**
 - (23) **The discharge of concentrated drainage or sullage water to the arterial road reserve will not be permitted. The drainage shall discharge at a legal point of discharge as determined by the responsible authority (Murrindindi Shire Council).**
 - (24) **All works associated with the above requirements are to be completed at no cost to VicRoads.**

Melbourne Water

- (25) **No polluted and/or sediment laden runoff is to be discharged directly or indirectly into Melbourne Water's drains or watercourses.**
- (26) **The Melbourne Water water-main is a significant asset, its structural integrity must not be compromised.**
- (27) **Construction equipment, plant or soil must not be stored over the water main or on the pipe reserve.**
- (28) **Construction vehicles, including heavy vibrating equipment, must not be used over the water main.**

- (29) **Vehicles access across or along the pipe reserve for the delivery of construction materials is subject to Melbourne Water approval.**
- (30) **Any damage caused to Melbourne Water's assets may be rectified by Melbourne Water at the client's costs.**

NOTATIONS:***Melbourne Water***

- (1) **If further information is required in relation to Melbourne Water's permit conditions shown above, please contact Melbourne Water on telephone 9235 2517, quoting Melbourne Water reference 190871.**

The Land & Surroundings:

The land containing the hall (3876 Melba Highway) is on the south-eastern side of the Melba Highway, Glenburn. It is bounded by the Melba Highway on the north western boundary and by 3777 Melba Highway on all other boundaries. The subject land contains a 15m wide Melbourne Water easement that runs along the rear of 3876 Melba Highway. Currently this lot contains the Glenburn Hall building, a water tank and an informal car park.

Referrals:

The application was referred to Melbourne Water, VicRoads and Council's Assets and Infrastructure and Environmental Health departments. Melbourne Water had no objections, subject to various conditions, including no access to the easement with heavy machinery. VicRoads had no objections, subject to various conditions, including the preparation of a Traffic Impact Assessment Report and the implementation of the recommendations of this report.

Consultation:

Notice of the application was placed in the Yea Chronicle, via a sign on the site, and with a notice sent to nearby and adjoining owners. Two objections were received. One of the objectors main source of concern was the carriageway easement, and that creation of the easement should be a condition of the permit.

The other objection raised various issues. These included the following:

- The community had been led to believe that the existing hall was going to be refurbished, not demolished. It would be better to refurbish the existing hall.
- As the building was being demolished, Council should consider the site a greenfields site, and consider the implications of the use as well.
- The Melba Highway has been identified as a Significant Landscape in the Shire and should be protected, and this hall does not do that.
- The new hall site does not take advantage of the attributes the site has to offer, ie solar orientation, views to and from the site.
- The site is an important location at the entrance to Glenburn and the shire, and the proposed building is bland with little articulation.
- No landscaping is proposed, but should not be used to mask poor design.
- The application does not address VicRoads requirements, connection with the highway nor overflow car parking.
- The proposed car parking is not sufficient. The new hall will be used more often and by more people than the existing hall, and 26 car spaces is not enough.
- There is no provision for heavy vehicles to deliver goods.

- There is no public transport in Glenburn and car pooling cannot be relied upon to decrease car spaces provided.
- Overflow car parking must not be allowed on the northern side of the Melba Highway. It is 80kph through Glenburn, and this would be very dangerous.
- Not enough detail is provided about the easement, and whether it is a permanent easement and who has rights to this easement.
- Concerned about the ability of the site to treat and retain all wastewater on site.
- The proposal is an overdevelopment of the site.

A draft permit was prepared and forwarded to both objectors. Neither has been withdrawn, and one objector took the opportunity to reiterate the following concerns:

- Limiting the site to 100 people without written approval may address some of the issues, but is hard to enforce and monitor.
- People may chose to park on the northern side of the highway, and this is out of the control of the hall operators.
- Landscaping should be done for the whole site.
- Melbourne Water conditions will prevent construction of 6 car spaces.

Newspaper / Other	Publishing/Consultation Date(s)
Newspaper: Yea Chronicle	2 March 2011
Consultation: Sign on site	28 February 2011
Mail out:	2 March 2011

Planning Considerations:

The site is currently used for a public hall, and the existing use rights can carry over to the new hall. Existing use rights apply to this land and in accordance with Clause 63.10, these rights can be continued as part of a permit approval process. The application is for the construction of a new hall, so officers cannot consider if the refurbishment of the old hall is more appropriate. The permit conditions proposed have tried to address the concerns raised by the objectors, including requiring the easement to be in place prior to the use of the new hall commencing, and that some landscaping be done on the side of the hall that is visible coming from Melbourne. This side was only required for landscaping as any further landscaping on the eastern or southern boundaries will impede the ability of the site to accommodate car parking.

The existing building is of a weatherboard construction with a pitch roof, much like the proposed new building. Whilst the new building is larger, Council officers do not believe the proposed design is out of context with the area. Further, the Significant Landscape Study is not a part of the Planning Scheme, so although it can be considered, it is not a part of the decision guidelines for this site.

VicRoads have required a Traffic Impact Assessment Report to be undertaken and implemented. This will resolve the issues in relation to the highway and access to the site.

Council officers do have concerns about car parking, and believe that parking on the northern side of the Melba Highway should be avoided, due to safety concerns. As the site can accommodate up to 51 cars, and assuming 2 people per car, a condition limiting numbers to 100 is considered fair and reasonable. This is not assuming car pooling will be used. As the proposal itself did not highlight any existing or expected use above this number, Council officers believe this is appropriate. Any number above this would need prior written approval, supported

with traffic management measures to accommodate all car parking on the southern side of the Melba Highway. The existing arrangement does not have any formal arrangement of overflow parking, so this will be a much better solution to excess numbers on the site.

When considering the provision of formal car parking, and the ability of the site to accommodate informal overflow parking, it has been estimated that the Melbourne Water easement at the rear can fit approximately 20 cars, using only one of the formal car spaces to provide access to this area. There is also a small area adjacent to the disabled parking area that could effectively accommodate up to 6 more vehicles. In addition to the 26 (or 25 with the access to the rear) car spaces, there are up to 51 car spaces on site. As the overflow parking is informal in nature, the normal requirements for dimensions of car spaces and access ways would not apply.

Consideration of the use, and its proposed impact on car parking, must be considered. The use of the building as a public hall is not changing, just the structure that houses that use. It is not expected that more people will begin attending public meetings just because the hall is new. It is anticipated that more events may be booked at the hall, as the facilities will be much better than previously available. However, these events will be booked and planned, so compliance with the condition in relation to overflow parking should be able to be complied with.

The construction of the car park over the Melbourne Water easement will need to be done carefully, with hand machinery as appropriate, to comply with the requirements of Melbourne Water. This is a matter that will need to be dealt with at the time of construction. The Land Capability Assessment provided details that the site could contain effluent appropriately, and has been assessed by Council's Environmental Health Officer.

Conclusion:

The use of the land is not changing, even though the new hall is significantly larger than the existing hall. The new building will provide better amenities than previous, including toilets, storage and kitchen facilities. The main issue of concern is the ability of the site to contain car parking, and this is addressed through conditions on the permit. It is believed that the proposed development will provide a much improved asset to the community of Glenburn.

Legal/Policy Issues:

State Planning Policy Framework

12.04-2 Landscapes

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

Strategies: Recognise the natural landscape for its aesthetic value and as a fully functioning system.

Local Planning Policy Framework

21.03 Issues affecting the shire

- Tourism: The protection of the environmental attributes such as National Trust classified landscapes, significant buildings and places that have significance in relation to the natural and social history of the area.
- Environment: The protection of the natural environment from inappropriate development pressures and the availability of large areas of public land for recreational activities.

21.04 Agriculture and Rural Land Strategies

Issues: The use of agricultural land for non agricultural, rural living or hobby farming purposes that may conflict with established or future agricultural and horticultural land uses.

21.06 Tourism

Issues: Ensuring that the landscape and natural features that make the Murrindindi environment unique are not degraded or spoilt.

Zoning

35.07 Farming Zone

Purpose:

- To provide for the use of land for agriculture
- To ensure that non-agricultural uses, particularly dwellings, do not adversely impact the use of the land for agriculture.
- To protect and enhance natural resources and the biodiversity of the area.

Decision Guidelines:

General Issues:

- The capability of the land to accommodate the proposed use or development, including the disposal of effluent.
- Whether the site is suitable for the use or development and whether the proposal is compatible with adjoining or nearby land uses.

Agricultural Issues:

- Whether the use or development will support and enhance agricultural production.

Environmental Issues:

- The location of on-site effluent disposal areas to minimise the impact of nutrient loads on waterways and native vegetation.

Design and siting issues:

- The need to locate buildings in one area to avoid any adverse impacts on surrounding agricultural uses and to minimise the loss of productive land.
- The impact of the siting, design, height, bulk, colours and materials to be used, on the natural environment, major roads, vistas and water features and the measures to be undertaken to minimise any adverse impacts.
- The impact on the character and appearance of the area
- Whether the use or development will require traffic management measures.

A planning permit is required for the construction of a public hall in the Farming Zone.

Particular Provisions

52.02 Easements, Restrictions and Reserves

A permit is required to create an easement.

52.06 Car Parking

A new use must not commence, or the floor area of an existing use must not be increased, until the required car spaces have been provided on site. A permit may be granted to reduce or waive the number of car spaces required.

For a Place of Assembly, 0.3 car spaces are required for each square metre of net floor area.

In the case of the Glenburn Hall, there is 216 square metres of net floor area, requiring 65 car spaces to be provided. 26 formal car spaces are provided on the site, and the site has the capacity to accommodate a further 25 cars in an informal manner. This would leave a shortfall of 14 car spaces, as per the application to reduce the car parking requirements.

RESOLUTION:

Cr C Ruhr / Cr J Walsh

That a Notice of Decision to Grant a Permit be issued for the construction and use of new public hall building; reduction in car parking requirements and creation of easement at land known as

3777 and 3876 Melba Highway, Glenburn (Lot: 3 LP 833491 and Lot: 9 LP: 611051) subject to the following conditions:

- (1) The layout of the site and the size and type of the proposed buildings and works, including the materials of construction, as shown on the endorsed plan shall not be altered or modified without the consent in writing of the Responsible Authority.
- (2) This permit shall expire if the development hereby permitted is not completed within two (2) years of the date hereof, or any extension of such period the Responsible Authority may allow in writing, on an application made before three months after such expiry.
- (3) Prior to the commencement of use associated with the above development, the carriageway easement for parking on Lot 3 TP 833491 must be registered on title.
- (4) All external cladding including the roof and trims of the building allowed must be coloured or painted in muted shades of green, brown or charcoal, or in a colour approved in writing by the Responsible Authority.
- (5) All sewage and sullage waters shall be treated in accordance with the requirements of the Environment Protection Authority and the Council. All effluent shall be disposed of and contained within the curtilage of the land and shall not discharge directly or indirectly to an adjoining property, street or any water course, water storage or dam. Sufficient land shall be set aside and kept available for the purpose of effluent disposal.
- (6) Prior to the commencement of any works, including site works, the applicant shall obtain a septic tank permit from Council.
- (7) At the time of the development all onsite wastewater and stormwater management shall be in accordance with the recommendations outlined within the Land Capability Assessment prepared by Ground Science (Reference Number E2044), with a minimum trench length of 60 m².
- (8) The subject land must be kept neat and tidy at all times and its appearance must not, in the opinion of the Responsible Authority, adversely affect the amenity of the locality.
- (9) Outdoor lighting must be designed, baffled and located to the satisfaction of the Responsible Authority such that no direct light is emitted outside the boundaries of the subject land.
- (10) The maximum number of people allowed on the subject land at any one time must not exceed 100, without prior written approval from the Responsible Authority. Any request for this written approval must be received at least 4 weeks before the event, and must provide a detailed parking proposal plan for overflow parking, including the provision of parking attendants or signage to direct vehicles to alternative car parking areas. All alternative car parking areas must be provided on the southern side of the Melba Highway.
- (11) Prior to the commencement of any buildings or works three (3) copies of a landscaping plan or plans shall be submitted to and approved by the Responsible Authority. Such plans must show the following areas to be set aside for landscaping, and must be planted with trees and shrubs:
 - (a) The area along the south western boundary of 3876 Melba Highway;
 - (b) All other areas on the site not developed, or to be used for car parking, and landscaped in a way to discourage vehicle access over waste disposal/septic lines.

- (12) Prior to the commencement of the use associated with the development hereby approved, the area set aside for landscaping must be planted with trees and shrubs in accordance with the approved landscaping plan as per condition 11. This area must then be maintained to the satisfaction of the Responsible Authority.
- (13) Before any use commences or any building or works associated with that use is constructed, an engineering plan must be prepared to the satisfaction of the responsible authority showing all required car spaces, access lanes, driveways and associated works and landscaping. The layout of car spaces and access lanes must be consistent with Clause 52.06-5 or a variation generally in accordance with Australian Standard AS2890.1 - 1993, Parking facilities, Part 1: Off-street car parking.

The plan must be in accordance with the requirements of council's Infrastructure Design Manual.

- (14) Before any use commences or any new building is occupied, the car spaces, access lanes, driveways and associated works and landscaping shown on the plan must, to the satisfaction of the responsible authority, be provided and available for use and be:
- Formed to such levels and drained so that they can be used in accordance with the plan.
 - Treated with an all-weather seal or some other durable surface.
 - Permanently line-marked or provided with some other adequate means of showing the car spaces.
- (15) All car parking spaces must be designed to allow all vehicles to drive forwards both when entering and leaving the property.
- (16) A sign/signs to the satisfaction of the responsible authority must be provided directing drivers to the area(s) set aside for disable car parking and must be located and maintained to the satisfaction of the responsible authority. The area of each sign must not exceed 0.3 square metres.
- (17) All stormwater and surface water discharging from the building and works must be conveyed to the legal point of discharge, approved by the relevant authority. No stormwater discharge from downpipes or overflow from storage tank and surface water shall be directed or caused to be directed in a concentrated form that will cause erosion and or adverse affects within the site or to adjoining land or properties.
- (18) Prior to the commencement of works, plans must be provided to show an additional 10 car spaces at the rear of the building on the Melbourne Water easement. These plans must be approved and when approved will be endorsed as part of the permit.
- (19) Prior to the commencement of use, the additional 10 car spaces must be constructed with a gravel surface, to the satisfaction of the responsible authority.

VicRoads

- (20) Only one direct access shall be permitted from the Subject Land to the Melba Highway.
- (21) Prior to the development proceeding, the applicant shall engage a suitably qualified Traffic Engineer, at no cost to VicRoads, to prepare a TIAR in accordance with VicRoads' Guidelines for Transport Impact Assessment Report (attached) to the satisfaction of VicRoads. The report shall address the following issues:
- a) Predicted traffic generation and distribution (particularly traffic peak volumes) from the development onto the arterial road network (Melba Highway).

- b) Details of any mitigating works that may be required at the intersection of proposed access with the arterial road network (Melba Highway), such as provision for left turn and right turn lanes. Intersection treatments, if required, are to be reviewed in accordance with the Austroads Guide to Traffic Management Part 6: Intersections, Interchanges and Crossings, November 2007 Edition and Austroads Guide to Road Design – Part 4A Unsignalised and Signalised Intersections, August 2009).
 - c) Must demonstrate that Safe Intersection Sight Distance (SISD) as described on Chapter 6 of the Austroads Guide to Traffic Management Part 6: Intersections, Interchanges and Crossings, November 2007 Edition, can be achieved at the proposed access with the arterial road (Melba Highway) intersection.
 - d) Scaled plans showing the existing and proposed Arterial Road features including pavement, shoulders, through and turn lanes, pavement marking, and how existing or proposed access intersection operate and interact with the Arterial road network. The functional layout plans must show that all vehicles of a type that could reasonably be expected to access the subject land can turn in and out of local roads from the Arterial Road network.
- (22) Prior to development coming into use, the applicant shall complete the mitigating works required (as identified in the TIAR prepared in accordance with the condition above) to the satisfaction of VicRoads in accordance with the final plans approved by VicRoads.
- (23) Prior to the installation of traffic management devices on any road or road related area within the subject land that comprises major traffic control items (STOP, Give Way signs, etc) under the Road Safety (Traffic Management) Regulations 2009, approval shall be obtained from the Murrindindi Shire Council (where such approval is delegated to Council) or from VicRoads (where such approval has not been delegated). Details of these requirements are given in Chapter 2 of the VicRoads Traffic Engineering Manual Volume 1 – Major Traffic Control Items.
- (24) Prior to the commencement of works within the declared Arterial Road (Melba Highway) reserve, the applicant shall:
- a) Submit detailed design plans and specifications for any improvement works required within the road reserve and obtain the written approval of the plan from VicRoads.
 - b) Submit an application for consent, in accordance with the Road Management Act (Works and Infrastructure) Regulations 2004, including payment of the prescribed fee (telephone 03 5761 1888 or visit www.vicroads.vic.gov.au for further information).
- (25) The discharge of concentrated drainage or sullage water to the arterial road reserve will not be permitted. The drainage shall discharge at a legal point of discharge as determined by the responsible authority (Murrindindi Shire Council).
- (26) All works associated with the above requirements are to be completed at no cost to VicRoads.

Melbourne Water

- (27) No polluted and/or sediment laden runoff is to be discharged directly or indirectly into Melbourne Water's drains or watercourses.
- (28) The Melbourne Water water main is a significant asset, its structural integrity must not be compromised.
- (29) Construction equipment, plant or soil must not be stored over the water main or on the pipe reserve.

- (30) Construction vehicles, including heavy vibrating equipment, must not be used over the water main.
- (31) Vehicles access across or along the pipe reserve for the delivery of construction materials is subject to Melbourne Water approval.
- (32) Any damage caused to Melbourne Water’s assets may be rectified by Melbourne Water at the client’s costs.

NOTATIONS:

Melbourne Water

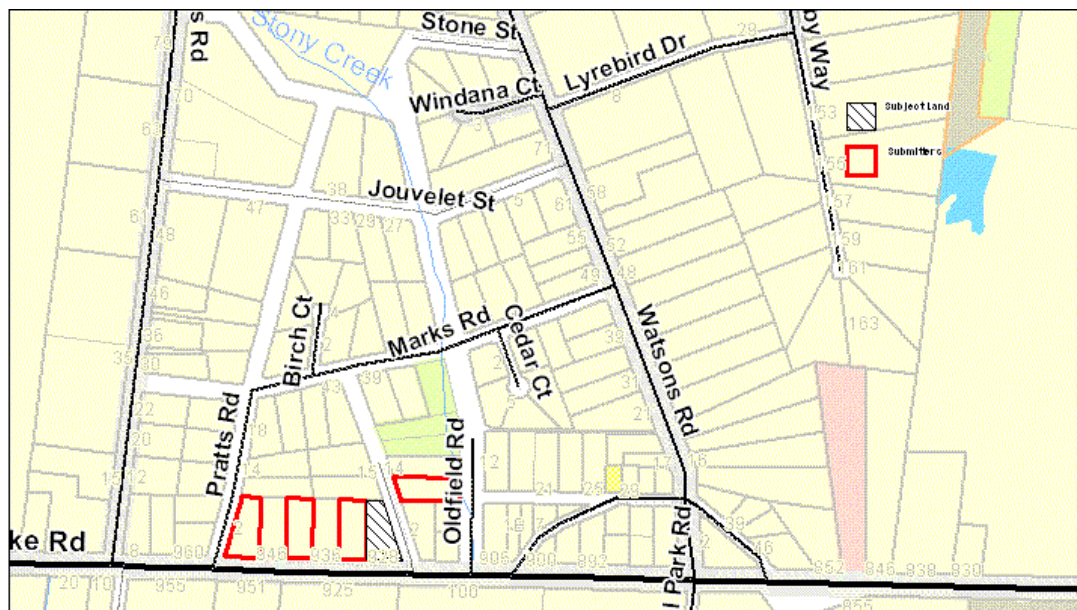
- (1) If further information is required in relation to Melbourne Water’s permit conditions shown above, please contact Melbourne Water on telephone 9235 2517, quoting Melbourne Water reference 190871.

CARRIED (as amended)

6.1.2 2010/428 – Bosco Restaurant, Kinglake West

File No: 2010/428
 Land: 928 Whittlesea-Kinglake Road, Kinglake West
 Proposal: Construction and use of a restaurant; removal of vegetation; reduction of car parking requirements and general liquor licence.
 Applicant: Piece Design Pty Ltd
 Zoning: Township
 Overlays: None
 Attachments: Application details (*Refer Encl 6.1.2*) (aerial photograph and submissions distributed separately)

Locality Plan



Purpose:

This report recommends that a Notice of Decision to Grant a Permit be issued for the construction and use of a restaurant; removal of vegetation; reduction of car parking requirements and general liquor licence at 928 Whittlesea-Kinglake Road, Kinglake West.

Recommendation:

That a Notice of Decision to Grant a Permit be issued for the construction and use of a restaurant, removal of vegetation, reduction in car parking requirements and general liquor licence at 928 Whittlesea-Kinglake Road, Kinglake West (C/A 20; Sec B, Parish of Kinglake), subject to the following conditions:

- (1) The layout of the site and the size and type of the proposed buildings and works, including the materials of construction, as shown on the endorsed plan shall not be altered or modified without the consent in writing of the Responsible Authority.**
- (2) This permit shall expire if the development hereby permitted is not completed and use commenced within two (2) years of the date hereof, or any extension of such period the Responsible Authority may allow in writing, on an application made before three months after such expiry.**
- (3) All sewage and sullage waters shall be treated in accordance with the requirements of the Environment Protection Authority and the Council. All effluent shall be disposed of and contained within the curtilage of the land and shall not discharge directly or indirectly to an adjoining property, street or any water course, water storage or dam. Sufficient land shall be set aside and kept available for the purpose of effluent disposal.**
- (4) Before the removal of native vegetation starts, the applicant must submit an Offset Plan which must be to the satisfaction of and approved by the Responsible Authority. When approved, the Offset Plan will be endorsed and will then form part of the permit. The Offset Plan must clearly define actions. Three copies must be provided. The Offset Plans must show:
 - (a) The gain in vegetation quantity/quality to be achieved by the offset actions**
 - (b) Location of where offsets are to be provided and size of area (to be drawn to scale)**
 - (c) Type of offsets to be provided**
 - (d) Activities that will be forgone within the offset area, such as grazing, removal of fallen timber and standing trees and other development/uses**
 - (e) Management actions that will be undertaken to ensure long term sustainability of offset(s) such as permanent fencing, weed control, revegetation maintenance and other****
- (5) Prior to the commencement of any works, including site works, the applicant shall obtain a septic tank permit from Council.**
- (6) At the time of the development all onsite wastewater and stormwater management shall be in accordance with the recommendations outlined within the Land Capability Assessment prepared by Paul Williams and Associates (Report Number A100908).**
- (7) All refuse and rubbish associated with the use allowed must be removed from the area at least once weekly, and more often if required by the Responsible Authority.**
- (8) The use or development hereby permitted shall not cause nuisance or injury to, or prejudicially affect the amenity of the locality, by reason of the transportation of**

materials, goods and commodities to and from the land, the appearance of any building, works, or materials on the land, the emission of noise, vibration, smell, fumes, smoke, vapour, steam soot, ash, dust, waste water, waste products, grit, oil or the presence of vermin or otherwise.

- (9) The emission of noise from the premises including the surrounding environment and carpark areas either during or immediately after the hours permitted, must not cause annoyance to persons beyond the site.
- (10) The subject land must be kept neat and tidy at all times and its appearance must not, in the opinion of the Responsible Authority, adversely affect the amenity of the locality.
- (11) Outdoor lighting must be designed, baffled and located to the satisfaction of the Responsible Authority such that no direct light is emitted outside the boundaries of the subject land.
- (12) The use hereby permitted must cease trading by 10pm on Sunday to Thursday inclusive, and 11pm on Friday and Saturdays.
- (13) All stormwater and surface water discharging from the building and works must be conveyed to a point of discharge, approved by the relevant authority. No stormwater discharge from downpipes or overflow from storage tank and surface water shall be directed or caused to be directed in a concentrated form that will cause erosion and or adverse affects within the site or to adjoining land or properties.
- (14) Earthworks shall be kept to a minimum and shall be in accordance with Australian Standard AS 3798 "*Guidelines on Earthworks for commercial and Residential Developments.*"
- (15) Appropriate steps must be taken to retain all silt and sediment on site during the construction phase to the satisfaction of the Responsible Authority, in accordance with the sediment control principles outlined in Construction Techniques for Sediment Pollution Control (EPA, 1991) and to the satisfaction of the Responsible Authority.
- (16) Before the commencement of use, the area(s) set aside for the parking of vehicles and access lanes as proposed in Traffic Impact Assessment as prepared by Obrien Traffic dated January 2011 amended with 1.5 m wide footpaths must be:
 - (a) Constructed;
 - (b) Properly formed to such levels that they can be used in accordance with the plans;
 - (c) Surfaced with an all-weather-seal coat;
 - (d) Drained;
 - (e) Line marked to indicate each car space and all access lanes;
 - (f) Clearly marked to show the direction of traffic along access lanes and driveways to the satisfaction of the responsible authority.Car spaces, access lanes and driveways must be kept available for these purposes at all times.
- (17) Prior to the commencement of use a minimum of 5 bicycle storage spaces must be constructed and set aside for both employee and visitor use.
- (18) A sign/signs to the satisfaction of the responsible authority must be provided directing drivers to the area(s) set aside for car parking and must be located and

maintained to the satisfaction of the responsible authority. The area of each sign must not exceed 0.3 square metres.

- (19) Before any works associated with the car parking start, detailed construction plans to the satisfaction of the responsible authority must be submitted to and approved by the responsible authority. When approved, the plans will be endorsed and will then form part of the permit. The design must be accordance with Council Infrastructure Design Manual.

All works constructed or carried out must be in accordance with those plans.

VicRoads

- (20) No direct vehicular access to the Whittlesea-Kinglake Road will be permitted. The accesses to the Lot shall be via the local road Margaret Street. All accesses and associated works shall be constructed to the satisfaction of the Responsible Authority (Murrindindi Shire Council).
- (21) Any redundant accesses to the property shall be removed and reinstated to the satisfaction of the Responsible Authority.
- (22) In relation to any business signs and lighting:
- (a) Any sign, including appurtenances such as lighting must be erected within the property line and must not obstruct a driver's line of sight at any point of egress.
 - (b) All signs must meet the VicRoads' ten point safety checklist (copy attached) for advertisements and hoardings to ensure that they do not constitute a road safety hazard.
- (23) Construction activities within the Arterial Road Reserve must be performed in accordance with the relevant sections of VicRoads' Standard Specification for Roadworks. Traffic Management shall be conducted in accordance with the Road Safety Act and Road Management Act Code of Practice for Worksite Safety – Traffic Management.

Proposal:

The proposal is for the construction and use of a restaurant, with a general liquor licence, the removal of two trees and a reduction in car parking requirements. The proposed building is arranged in a 'u' configuration with a central common area. Parking for up to 40 vehicles is proposed to be on the road reserve in Margaret Street. The orientation of the building is designed to minimise noise to the western residential properties. The building incorporates a produce store, dining areas, courtyard seating, a lounge area and an option for private dining area.

The restaurant can seat up to 80 people and is proposed to operate six days a week, being closed on Monday's. Hours of operation proposed are 5pm till 10pm Tuesday to Thursday; 11.30am till 2.00pm and 5.00pm till 10.30pm on Friday and Saturday and 12pm till 6pm Sundays.

The Land & Surroundings:

The subject land is vacant. It is bounded by the Whittlesea-Kinglake Road to the south, Margaret Street to the east, a single dwelling to the west and a vacant, treed block to the north. Whittlesea-Kinglake Road is a sealed road, with a service road to access the dwellings to the west of the subject land. Margaret Street is a formed gravel road.

The area can be characterised as mixed used residential to the north and west, agricultural to the south and with business and industrial uses to the east.

Referrals:

The application was referred externally to VicRoads and internally to Council's Assets and Infrastructure and Environmental Health departments. No authority had any objections, subject to various conditions.

Consultation:

Notice of the application was placed in the Whittlesea Review, via a sign on the site, and with a notice sent to nearby and adjoining owners. Four objections were received. The issues raised in the objections include that the land is a residential block and a restaurant or tavern is not appropriate. Objectors were therefore concerned that the proposal would create increased noise in a peaceful area. The subject land is adjacent to a service road that provides access to properties along Whittlesea-Kinglake Road, and they also considered that the increased traffic would create a very dangerous situation for vehicles exiting this service road.

Their concerns also were that proposal would bring the commercial area closer to the residential area, which will diminish the value of the residential properties. Objectors also raised the issue that the proposal would increase traffic on the bike path that runs along the road, creating a security issue for people adjacent to the bike path.

One of the submitters did not have any objection to the proposal as such, but objects to the use of the road reserve for the car parking. They believe that the works proposed in Margaret Street will hinder the passage of delivery trucks to their premises. Further, the objector has raised that Margaret Street is a dead end road, and could be a trap in the event of another fire. The angle parking will cause congestion in Margaret Street, and danger of collisions with people reversing from the car parks. The objection further states that all parking and vehicles should be contained within the boundaries of the subject land, and that access and exits should be provided to both Margaret Street and Whittlesea-Kinglake Road as the roadway in Margaret Street is not wide enough to accommodate both the heavy vehicles and the restaurant traffic.

Newspaper / Other	Publishing/Consultation Date(s)
Newspaper: Whittlesea Review	15 February 2011
Consultation: Sign on Site	18 February 2011
Mail out:	11 February 2011

Planning Considerations:

The Township zone does support a range of uses, and the area is quite mixed in development types. The proposal has considered its impact on adjoining and nearby residential properties, and has designed and oriented the building in a manner that will minimise this impact. People exiting the service road must give way to all traffic from both the Whittlesea-Kinglake Road and Margaret Street. A "Give Way" sign placed at the end of the service road could make this clearer.

The application proposes to have the car parking on the road reserve, and Council's Assets and Infrastructure department has made no objection to this proposal. Further, the application is supported by a Traffic Impact Assessment Report, which justifies the reduction of car spaces provide to 40 as being more than adequate for the use. A condition requiring the works be done in accordance with this report is included. This report also requires that the road itself be widened to 6.8m from 5.6m, which will address the concerns of the nearby industrial business concerned about access for heavy vehicles.

Conclusion:

The proposed restaurant is well designed and sited, and adequately addresses the requirements of the planning scheme. Consideration has been given to noise and traffic, and both are addressed with design elements and conditions on the planning permit.

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

13.05 Wildfire

Objective: To assist the minimisation of risk to life, property, the natural environment and community infrastructure from wildfire.

17.03 Tourism

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

Local Planning Policy Framework

21.03 Issues affecting the Shire

- Rebuilding bushfire affected communities.

21.06 Tourism Strategies

- Facilitate tourist uses and developments that are linked to the natural environment.
- Facilitate recreational and tourism activities that attract tourists year round.

21.08 Kinglake Strategies

Issues: Kinglake West/Pheasant Creek industrial/commercial precinct comprising the district's prime light industrial centre and secondary retail focus.

22.03-2 Effluent Disposal and Water Quality

Development that cannot be serviced by a reticulated sewerage system should be designed, sited and developed to prevent pollution of land and water resources.

Zoning

32.05 Township Zone

Purpose:

- To provide for residential development and a range of commercial, industrial and other uses in small towns.
- To encourage residential development that respects neighbourhood character.

Decision Guidelines:

- The protection and enhancement of the character of the town and surrounding area including the retention of vegetation.
- The capability of the lot to treat and retain all wastewater
- The design of buildings, including provision for solar access
- Provision of car parking and loading bay facilities and landscaping

A planning permit is required for the construction and use of a restaurant.

Particular Provisions

52.06 Car Parking

A new use must not commence, or the floor area of an existing use must not be increased, until the required car spaces have been provided on site. A permit may be granted to reduce or waive the number of car spaces required.

For a Restaurant, 0.6 Car spaces are required for each seat available to the public.

This restaurant will have a capacity to seat 80 patrons, thus requiring 48 car spaces to be provided on site. The application is to construct 40 car spaces within the road reserve. The actual amount of car spaces provided on site is nil, requiring the reduction application to be for all 48 car spaces. The actual shortfall, however, is only 8 car spaces.

52.17 Native Vegetation

Purpose:

- To avoid the removal of vegetation
- If the removal of native vegetation cannot be avoided, to minimise the removal of native vegetation through appropriate planning and design.
- To appropriately offset the loss of native vegetation.

A planning permit is required to remove native vegetation on this allotment.

52.27 Licensed Premises

Purpose:

- To ensure that licensed premises are situated in appropriate locations
- To ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.

A planning permit is required for a general liquor licence.

RESOLUTION:

Cr J Walsh / Cr B Flowers

That a Notice of Decision to Grant a Permit be issued for the construction and use of a restaurant, removal of vegetation, reduction in car parking requirements and general liquor licence at 928 Whittlesea-Kinglake Road, Kinglake West (C/A 20; Sec B, Parish of Kinglake), subject to the following conditions:

- (1) The layout of the site and the size and type of the proposed buildings and works, including the materials of construction, as shown on the endorsed plan shall not be altered or modified without the consent in writing of the Responsible Authority.
- (2) This permit shall expire if the development hereby permitted is not completed and use commenced within two (2) years of the date hereof, or any extension of such period the Responsible Authority may allow in writing, on an application made before three months after such expiry.
- (3) All sewage and sullage waters shall be treated in accordance with the requirements of the Environment Protection Authority and the Council. All effluent shall be disposed of and contained within the curtilage of the land and shall not discharge directly or indirectly to an adjoining property, street or any water course, water storage or dam. Sufficient land shall be set aside and kept available for the purpose of effluent disposal.
- (4) Before the removal of native vegetation starts, the applicant must submit an Offset Plan which must be to the satisfaction of and approved by the Responsible Authority. When approved, the Offset Plan will be endorsed and will then form part of the permit. The Offset Plan must clearly define actions. Three copies must be provided. The Offset Plans must show:
 - (a) The gain in vegetation quantity/quality to be achieved by the offset actions
 - (b) Location of where offsets are to be provided and size of area (to be drawn to scale)
 - (c) Type of offsets to be provided
 - (d) Activities that will be forgone within the offset area, such as grazing, removal of fallen timber and standing trees and other development/uses

- (e) Management actions that will be undertaken to ensure long term sustainability of offset(s) such as permanent fencing, weed control, revegetation maintenance and other
- (5) Prior to the commencement of any works, including site works, the applicant shall obtain a septic tank permit from Council.
- (6) At the time of the development all onsite wastewater and stormwater management shall be in accordance with the recommendations outlined within the Land Capability Assessment prepared by Paul Williams and Associates (Report Number A100908).
- (7) All refuse and rubbish associated with the use allowed must be removed from the area at least once weekly, and more often if required by the Responsible Authority.
- (8) The use or development hereby permitted shall not cause nuisance or injury to, or prejudicially affect the amenity of the locality, by reason of the transportation of materials, goods and commodities to and from the land, the appearance of any building, works, or materials on the land, the emission of noise, vibration, smell, fumes, smoke, vapour, steam soot, ash, dust, waste water, waste products, grit, oil or the presence of vermin or otherwise.
- (9) The emission of noise from the premises including the surrounding environment and carpark areas either during or immediately after the hours permitted, must not cause annoyance to persons beyond the site.
- (10) The subject land must be kept neat and tidy at all times and its appearance must not, in the opinion of the Responsible Authority, adversely affect the amenity of the locality.
- (11) Outdoor lighting must be designed, baffled and located to the satisfaction of the Responsible Authority such that no direct light is emitted outside the boundaries of the subject land.
- (12) The use hereby permitted must cease trading by 10pm on Sunday to Thursday inclusive, and 11pm on Friday and Saturdays.
- (13) All stormwater and surface water discharging from the building and works must be conveyed to a point of discharge, approved by the relevant authority. No stormwater discharge from downpipes or overflow from storage tank and surface water shall be directed or caused to be directed in a concentrated form that will cause erosion and or adverse affects within the site or to adjoining land or properties.
- (14) Earthworks shall be kept to a minimum and shall be in accordance with Australian Standard AS 3798 "*Guidelines on Earthworks for commercial and Residential Developments.*"
- (15) Appropriate steps must be taken to retain all silt and sediment on site during the construction phase to the satisfaction of the Responsible Authority, in accordance with the sediment control principles outlined in Construction Techniques for Sediment Pollution Control (EPA, 1991) and to the satisfaction of the Responsible Authority.
- (16) Before the commencement of use, the area(s) set aside for the parking of vehicles and access lanes as proposed in Traffic Impact Assessment as prepared by Obrien Traffic dated January 2011 amended with 1.5 m wide footpaths must be:
 - (a) Constructed;
 - (b) Properly formed to such levels that they can be used in accordance with the plans;

- (c) Surfaced with an all-weather-seal coat;
- (d) Drained;
- (e) Line marked to indicate each car space and all access lanes;
- (f) Clearly marked to show the direction of traffic along access lanes and driveways to the satisfaction of the responsible authority.

Car spaces, access lanes and driveways must be kept available for these purposes at all times.

- (17) Prior to the commencement of use a minimum of 5 bicycle storage spaces must be constructed and set aside for both employee and visitor use.
- (18) A sign/signs to the satisfaction of the responsible authority must be provided directing drivers to the area(s) set aside for car parking and must be located and maintained to the satisfaction of the responsible authority. The area of each sign must not exceed 0.3 square metres.
- (19) Before any works associated with the car parking start, detailed construction plans to the satisfaction of the responsible authority must be submitted to and approved by the responsible authority. When approved, the plans will be endorsed and will then form part of the permit. The design must be accordance with Council Infrastructure Design Manual.

All works constructed or carried out must be in accordance with those plans.

VicRoads

- (20) No direct vehicular access to the Whittlesea-Kinglake Road will be permitted. The accesses to the Lot shall be via the local road Margaret Street. All accesses and associated works shall be constructed to the satisfaction of the Responsible Authority (Murrindindi Shire Council).
- (21) Any redundant accesses to the property shall be removed and reinstated to the satisfaction of the Responsible Authority.
- (22) In relation to any business signs and lighting:
 - (a) Any sign, including appurtenances such as lighting must be erected within the property line and must not obstruct a driver's line of sight at any point of egress.
 - (b) All signs must meet the VicRoads' ten point safety checklist (copy attached) for advertisements and hoardings to ensure that they do not constitute a road safety hazard.
- (23) Construction activities within the Arterial Road Reserve must be performed in accordance with the relevant sections of VicRoads' Standard Specification for Roadworks. Traffic Management shall be conducted in accordance with the Road Safety Act and Road Management Act Code of Practice for Worksite Safety – Traffic Management.

CARRIED

6.1.3 House Lot Excision

File No: 2010/299
Land: 137 Manby Road NARBETHONG 3778
Proposal: Two (2) lot subdivision
Applicant: Ellen Hogan & Associates
Zoning: Farming

Overlays: Wildfire Management Overlay

Attachments: Application details (*Refer Encl 6.1.3*) (aerial photograph distributed separately)

Locality Plan



This application was deferred from the 23 March 2011 Ordinary Council meeting at the request of the applicant. The report is being resubmitted with minor changes in relation to the number of dwellings on the property and the history of the development.

Purpose:

This report recommends a Refusal to Grant a Permit be issued for a two lot subdivision at 137 Manby Road, Narbethong, as it does not comply with Council's local policy on House Lot Excision.

Proposal:

The application is to subdivide a 15.39 hectare property containing two dwellings, reception area and four tourist cabins, into two lots. Lot 1 would be 2.94 hectares, and contain one dwelling, and Lot 2 would be 11.62 hectares, and contain the Manager's residence and reception, and the four tourist cabins. Two common property areas are proposed: an area of 4457 square metres has been allocated over a portion of the existing shared driveway access to proposed Lots 1 & 2, and another area of 4000 square metres covers a watercourse that dissects the property.

Recommendation:

That a Refusal to Grant a Permit is issued for a two (2) lot subdivision at 137 Manby Road, Narbethong (Lot 1, TP 326009), on the following grounds:

- 1. The proposal does not comply with Murrindindi Shire Council's Local Planning Policy Clause 22.01-4 House Lot Excision.**
- 2. The proposal does not comply with the requirements of the Farming Zone as the proposed subdivision does not maintain ongoing agricultural production on the land.**
- 3. The proposal does not comply with the Decision Guidelines of the Farming Zone as it creates a rural living style subdivision in the Farming Zone.**

The Land & Surroundings:

The subject land is predominantly treed and contains two dwellings and four tourist cabins. No agricultural activity takes place on the land. A small watercourse dissects the property. The land to the west and east is Crown Land and is heavily vegetated, land to the north and south is in private ownership and is a mixture of vegetated land with some cleared areas.

Previous Development/Approval:

A planning permit was issued in 1999 for the construction of holiday cottages and owners residence. At that time the property had two existing buildings with one house being rented for tourism (located on the proposed lot 1) and marketed as a 'luxurious house in the Mystic Mountains' with a 4½ star rating from the RACV. The other building (proposed lot 2) was used by the owners as a managers residence. The permit allowed the construction of 6 tourist cottages and an owners residence and reception. Only 4 cottages were built and not the residence. The permit has now expired.

Referrals:

The application was referred to the Country Fire Authority, the Department of Sustainability and Environment, and Council's Engineering Department. All responded with conditions for a permit.

Consultation:

Notice of the application for a planning permit was sent to 6 surrounding landowners, a sign was placed on site, and a notice was published in the Marysville Triangle. Plans were available for viewing at the Alexandra Office and Marysville RAC. No objections were received.

Newspaper / Other	Publishing/Consultation Date(s)
Newspaper: Marysville Triangle	9 December 2010
Sign on site:	9 December 2010
Mail out:	6 December 2010

Planning Considerations:

Clause 35.07-3 *Farming Zone* of the Murrindindi Shire Planning Scheme requires a minimum lot size of 40 hectares for subdivision. As the proposed lots are 2.94 and 11.62 hectares in size, the subdivision is inconsistent with that Clause of the Planning Scheme.

Clause 35.07-3 does allow for smaller lots to be created if the subdivision is a two lot subdivision, a section 173 agreement is registered on title preventing further subdivision, and the subdivision is to create a smaller lot for an existing dwelling.

However, Council's Local Planning Policy Framework, Clause 22.01-4 *House Lot Excision* states that it is policy that:

- Any excision of the land has a relationship with and is required for the continuing operation of the rural and agricultural use of the land.
- 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 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 general area.

- Any excision for an existing dwelling provides:
 - *A maximum area of 2 hectares for the lot with the existing house 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 the vacant balance of land*
 - *A minimum setback of 30 metres from the dwelling on the land to be excised from any agricultural activity or rural activity on any adjoining land*

The applicant has stated that the intention of the excision is to allow for the continuing operation of the tourist facility. This does not support the objectives of the house lot excision policy.

There is no existing or proposed agricultural use on the land, and the proposed subdivision is not required for the continuing operation of any farming practice. The subdivision is to provide for a rural living style lot, which is contrary to the Decision Guidelines of the Farming Zone, and does not comply with Council's House Lot Excision Local Policy.

The proposed subdivision does not comply with other aspects of the House Lot Excision Policy;

- the subdivision does not provide for an area of at least 40 hectares for the balance of Lot 2;
- the proposed Lot 1 is greater than the maximum area of 2 hectares for an excised lot; and
- the incremental creation of excision lots will undermine the purpose of the Farming Zone, creating demands for increased infrastructure in this rural area.

Moreover, the application has not justified the proposed subdivision in terms of why the proposed lot is required to maintain ongoing rural production on the land and the potential impacts on adjoining land.

Conclusion:

As the proposal is inconsistent with the Farming Zone, and the House Lot Excision Local Policy, a Refusal to Grant a Permit should be issued for this application.

Legal/Policy Issues:

State Planning Policy Framework

14.01-1 Protection of agricultural land

Objective

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

Considerations

Ensure that the State's agricultural base is protected from the unplanned loss of productive agricultural land due to permanent changes of land use.

Local Planning Policy Framework

21.04 Agriculture and Rural Land Strategies

Strategies and objectives

- Ensure that the use and development of rural land is both compatible with and complementary to agricultural activities and protect agricultural potential
- Ensure that agricultural land is not developed for primarily residential purposes

22.01-4 House lot excision

Policy basis

- House lot excisions can be detrimental to the efficient operation of farming land if the subdivision does not relate to and is not required for the farming activity on the land. It is essential that any excision of an existing dwelling protects productive rural land and does not create a de facto 'rural living' subdivision.

Objectives

- Ensure that any excision of an existing dwelling protects and maintains the productive agricultural capacity of the land and general area
- Discourage the fragmentation of rural land into lots that are not capable of productive agricultural and rural use
- Ensure that small lot subdivisions do not prejudice primary production activities on the land or in the surrounding rural area
- Ensure that any new lot is provided with an adequate level and standard of infrastructure

Policy

- 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 excision for an existing dwelling provides:
 - A maximum area of 2 hectares for the lot with the existing house located on it
 - An area of at least 40 hectares for the vacant 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

Zoning

35.07 Farming Zone

Purpose:

- To ensure that non-agricultural uses, particularly dwellings, do not adversely affect the use of the land for agriculture.

Decision Guidelines:

General issues:

- The capability of the land to accommodate the proposed use or development including the disposal of effluent
- Whether the site is suitable for the use or development and whether the proposal is compatible with adjoining or nearby uses.

Design and Siting Issues:

- The impact of the siting, design, height, bulk, colours, and materials to be used, on the natural environment, major roads, vistas and water features and the measures to be undertaken to minimise any adverse impacts
- The impact on the character and appearance of the area or features of architectural, historic or scientific significance or of natural scenic beauty or importance

Overlays

44.06 Wildfire Management Overlay

Purpose:

- To identify areas where the intensity of wildfire is likely to pose a threat to life and property.
- To ensure that development which is likely to increase the number of people in the overlay area:
 - Satisfies the specified fire protection objectives.
 - Does not significantly increase the threat to life and surrounding property from wildfire.
- To detail the minimum fire protection outcomes that will assist to protect life and property from the threat of wildfire.

A permit is required to subdivide land.

RESOLUTION:

Cr S Abbott Smith / Cr B Flowers

That a Refusal to Grant a Permit is issued for a two (2) lot subdivision at 137 Manby Road, Narbethong (Lot 1, TP 326009), on the following grounds:

1. The proposal does not comply with Murrindindi Shire Council's Local Planning Policy Clause 22.01-4 *House Lot Excision*.
2. The proposal does not comply with the requirements of the Farming Zone as the proposed subdivision does not maintain ongoing agricultural production on the land.
3. The proposal does not comply with the Decision Guidelines of the Farming Zone as it creates a rural living style subdivision in the Farming Zone.

CARRIED

6.1.4 Section 173 Agreement - BM & M Hall

File No: 3/2009/27

Land: 1 U T Creek Road ALEXANDRA 3714

Purpose:

This report enables Council to sign and seal the Section 173 Agreement in accordance with Condition 6 of planning permit 2009/183 being for a 2 lot subdivision in Alexandra.

Recommendation:

That Council resolves to sign and seal the Section 173 Agreement as required by Condition 6 of Planning Permit No. 2009/183.

Background:

Planning permit 2009/183 requires a Section 173 Agreement to ensure the following:

- (6) Prior to the issue of a Statement of Compliance a Section 173 Agreement must be entered into at no cost to Council, which ensures the following:
 - Building exclusion zones 30 metres from any waterways and major drainage lines on the allotment.
 - Effluent exclusion zones 60 metres from any waterways and major drainage lines on the allotment.
 - Formal protection of remnant vegetation.

The Section 173 Agreement must be either prepared or checked by Council's solicitors, to the satisfaction of the Responsible Authority and must be registered at the Office of Titles pursuant to Section 181 of the Planning and Environment Act 1987.

All fees associated with the preparation or checking of the documentation must be fully paid by the applicant.

RESOLUTION:

Cr C Healy / Cr J Walsh

That Council resolve to sign and seal the Section 173 Agreement as required by Condition 6 of Planning Permit No. 2009/183.

CARRIED

Referrals:

Nil

Consultation:

Notification of the application was not given as the application represents a prohibited use.

Planning Considerations:

In the Low Density Residential Zone a storage shed ('store') is a Section 2 use (a permit required use), subject to a condition requiring the storage shed to be used in conjunction with the occupation of a resident of a dwelling on the lot. If a condition for a Section 2 use cannot be met, the use then becomes a prohibited use. For the current application, as there is no dwelling constructed on the subject land, the storage shed is not able to be used in conjunction with it, and therefore the condition cannot be met. Moreover, as this is a prohibited use, an application cannot be considered, and must be refused.

In the Low Density Residential Zone, a planning permit is not required to construct a single dwelling on the lot provided it has an approved effluent disposal system, has a potable water supply, and is connected to an energy source (ie. reticulated electricity).

Once a dwelling is approved on a lot, no planning permit is required to construct an outbuilding associated with the dwelling. Alternatively, no planning permit is required when a building application is lodged for a dwelling and an outbuilding at the same time.

Whilst this was explained to the applicant, they have quite clearly stated that they have no intention of building a dwelling on the lot in the near future.

These provisions of the Low Density Residential Zone are the same across the state of Victoria.

Conclusion:

As the proposal is prohibited in the Low Density Residential Zone, a Refusal to Grant a Permit must be issued for this application.

Legal/Policy Issues:Zoning

31.02 Section 2 Uses

- A use in Section 2 requires a permit. Any condition opposite the use must be met. If the condition is not met, the use is prohibited.

32.03 *Low Density Residential Zone*

Purpose:

- To provide for low-density residential development on lots which, in the absence of reticulated sewerage, can treat and retain all wastewater.

This zone is intended for areas that are shown to have lots that are both large enough to contain all wastewater on site and small enough to be maintained without the need for agricultural techniques or equipment.

A storage shed is a Section 2 Use, accompanied by a condition. A planning permit is required for a storage shed, providing it complies with this specified condition. As this condition cannot be met, a storage shed in this zone is prohibited.

RESOLUTION:

Cr S Abbott Smith / Cr C Healy

That a Refusal to Grant a Permit is issued for the construction of a storage shed at 224 Edenvale Crescent, Kinglake West (Lot 31, LP 110475), on the following grounds:

4. The proposal is a prohibited use in the Low Density Residential Zone.

CARRIED

6.2 INFRASTRUCTURE

No report.

6.3 CHIEF EXECUTIVE OFFICER**6.3.1 *Council Plan Report July – March 2011***

File No: 10/01/15

(Refer Encl 6.3.1)

Purpose:

This report provides an update on the progress on activities listed in the Council Plan 2009 – 2013 (2010 review) to the end of March 2011.

Recommendation:

That the report to the end of March 2011 on the status of Council Plan activities be received.

Background:

The Council Plan for the period 2009 -2013 was prepared following the Council election in November 2008. Due to the impact and uncertainty created by the February fires, the first version of the plan focussed largely on the first year, 2009-2010. The plan was reviewed to include year two activities (2010-2011).

Council Plan/Strategies:

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

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

The *Council Plan* is a key document for local community groups, residents, investors, and other levels of government who play a vital role in helping the Council deliver on its commitments. It sets out what we expect to achieve over a four year period and guides the allocation of finances through the *Strategic Resource Plan*.

Legal/Policy Issues:

Nil.

Financial/Resources/Risk

Nil.

Options Analysis:

21% of scheduled activities have been completed and 64% are on schedule (included ongoing activities) 8 items are overdue. Highlights include:

- The work of the Bushfire Recovery Committee has concluded. The committee was a valuable forum for information sharing between the CRCs, Council and various Victorian Government departments and agencies.
- Evaluation of the Transport Connections program is complete.
- The Reform and Recovery Plan has been completed and adopted by Council. This plan, along with the Council Plan will guide Council's activities over the next three years.
- Consultation with the young people in relation to the design of the Marysville Skatepark is complete and the successful tenderer appointed to complete the works.
- The Marysville swimming program was an outstanding success. The program having commenced with six participants for 10 weeks was extended twice. By the end of the season there was 27 people enrolled in the program with an average of 22 attending each week.
- Youth Development grants allocated to
 - support students from Alexandra Secondary College to participate in the Australian Student Leadership Conference.
 - support a local university student to attend a course related activity in New South Wales
 - support a young resident with a trip to rural Africa to work with disadvantaged communities
 - conduct a Hip Hop workshop in Alexandra
- Hard and Green waste program was extended to cover the Easter holiday period and was well received by residents.
- Promotional and financial support was provided for a range of events in the period including Marysville's Worlds Longest Lunch, Yea Autumn Festival and the Bushrodders.

Consultation:

Community consultation in relation to projects and activities from the Council Plan continues at a high level.

Conclusion:

Progress on the plan to date is positive and the Council Plan continues to be a key focus for implementing Council's objectives and priorities for the municipality.

RESOLUTION:

Cr B Flowers / Cr K Bellingham

That the report to the end of March 2011 on the status of Council Plan activities be received.

CARRIED

6.4 CORPORATE SERVICES

6.4.1 Corporate Seal Affixed Under Delegation

File Reference	Date Seal Affixed	Description of Documents	Signatures of Persons Sealing
24/13/1105	17 May 2011	Formal Instrument of Agreement between Murrindindi Shire Council and Castlereagh Building & Constructions for the redevelopment Marysville Caravan & Holiday Park.	Cr J Walsh M Abbey
24/13/1041	17 May 2011	Formal Instrument of Agreement between Murrindindi Shire Council and Contract Control Pty Ltd for the construction of Yea Multipurpose Clubrooms.	Cr J Walsh M Abbey
24/13/1107	17 May 2011	Formal Instrument of Agreement between Murrindindi Shire Council and Bryant Alsop Architects Pty Ltd for the supply of project management services at the Environmental Interpretation & Visitor Information Centre, Yea Wetlands.	Cr J Walsh M Abbey

Recommendation: For information.

Noted.

6.5 RECONSTRUCTION & RECOVERY

6.5.1 Bushfire Reconstruction Projects Procurement

File No: 24/03/12

(Refer Encl 6.5.1a, Encl 6.5.1b, Encl 6.5.1c, and Encl 6.5.1d)

Purpose:

The report presents for Council's consideration a Bushfire Reconstruction Projects Procurement Policy to facilitate the efficient delivery of Bushfire related construction projects.

Recommendation:

That Council adopt the Bushfire Reconstruction Projects Procurement Policy.

Background:

Council has now commenced the delivery of VBRR Reconstruction Projects as well as the existing obligation to deliver a number of other bushfire reconstruction projects from other funding sources.

The timely delivery of these projects relies on an efficient procurement process. The project management team delivering these works has established procurement systems based on

State Government procurement policy and these systems have proven to be a successful component in the delivery of reconstruction projects to date.

To continue to achieve this, Council would need to provide for a revised policy with respect to procurement processes for various expenditure limits and the acceptance of procurement through the Construction Suppliers Register.

The Construction Suppliers Register (the CSR) is a register of contractors and consultants who have been pre-qualified for financial viability, compliance with legislative and regulatory requirements of occupational health and safety and industrial relations, skills, expertise and performance. State Government departments and agencies are able to undertake selective public tenders from over 500 pre-qualified contractors and 1000 pre-qualified consultants registered with the CSR. The CSR is administered by the Department of Transport (DOT) on behalf of the State Government (*refer Encl 6.5.1a*).

In order to provide Local Government with enhanced procurement systems through its 'Better business' program, the former Minister for Local Government, the Hon. Richard Wynne MP, acting under section 186(5)(c) of the *Local Government Act 1989* (the Act), granted local government access to the CSR. In acting under section 186(5)(c) of the Act, the Minister has approved contracts between councils and pre-qualified contractors and consultants registered with the CSR as arrangements for the purposes of section 186(5)(c) of the Act. The Minister's approval means that councils, similar to State Government departments and agencies, are able to undertake selective tenders from pre-qualified contractors and consultants registered with the CSR.

Council Plan/Strategies:

To enhance the sustainability of our infrastructure, recognising the changing needs and expectations of our communities, in particular rebuild community infrastructure damaged or destroyed by the February 2009 fires.

Legal/Policy Issues:

Procurement Policy - Council's Procurement Policy was adopted in September 2010. The policy prescribes processes for various procurement limits; *Encl 6.5.1b* provides the relevant extract of the Policy.

Under the Ministerial approval, to comply with section 186 of the Act, councils need only seek a minimum of three (3) tenders from:

- (a) consultants pre-qualified by the CSR for building and construction projects related services with a value exceeding \$150,000 (inclusive of GST); and
- (b) contractors pre-qualified by the CSR for building and construction projects with a value exceeding \$200,000 (inclusive of GST).

Financial/Resources/Risk

Use of the CSR panel by Council requires a \$2000 per annum registration.

The proposed modifications to policy would provide time saving efficiencies by project managers in the administration and processing associated with the procurement of construction works and services. Advertising costs associated with tendering would also be a saving. The reduced procurement processing timeframes would assist in reducing the overall project delivery period, assist in meeting grant milestones and delivering bushfire reconstruction projects to the community in a more timely manner.

Discussion:

In order to provide efficiencies through improved procurement processes and mindful of the value of services and works associated with construction, a specific Bushfire Reconstruction Projects Procurement Policy has been drafted (*refer Encl 6.5.1d*).

This policy is primarily based on the current Organisational Procurement Policy however adopts procurement limits used by the State Government for construction as specified in the Ministerial Direction No. 1 – Tender Provision for Public Construction (*refer Encl 6.5.1c*).

This essentially provides for procurement of construction works and services with:

- one written quotation for purchases up to \$25,000,
- three written quotations for purchased between \$25,000 and \$150,000 for construction services; and
- three written quotations for construction works between \$25,000 and \$200,000.

The policy modification will also allow for the use of the CSR as an option for procurement in excess of these limits as per the Ministerial approval.

VBRA to date has successfully incorporated local contractors using this process and, consistent with Council policies, this would continue under the Council bushfire procurement process.

Consultation:

There is no specific consultation associated with this proposal. The CSR panel process has been operating for Local Government use since late 2009.

Conclusion:

It is expected that this procurement process will enhance the delivery of bushfire reconstruction projects.

RESOLUTION:

Cr B Flowers / Cr K Bellingham

That Council adopts the Bushfire Reconstruction Projects Procurement Policy.

CARRIED

6.6 COMMUNITY SERVICES**6.6.1 Community Grants Program – 2010-2011**

File No: 24/07/139-8

Purpose:

This report provides further information in relation to the application for a Council Community Grant by the Eildon Action Tourism Sub Committee.

Recommendation:

That Council supports the application from the Eildon Action Tourism Sub-Committee under the Community Grants Program and provides a grant of \$2,800.

Background:

At the ordinary meeting of Council on 27 April 2011, a decision with regard to awarding a Council Community Grant to the Eildon Action Tourism Sub Committee was deferred pending further information.

The Eildon Action Tourism Sub Committee operated to increase tourism to Eildon by staging various events that showcased the area. The tourism sub committee re forms as required and at the time of the Great Victorian Bike Ride was a sub committee of the Eildon Action group.

The grant application was for financial assistance to support the provision of entertainment and a tourism type expo that linked with the Great Victorian Bike Ride. The aim of the event was to showcase Eildon and increase tourism to the area. The event was organised in consultation with Council's Events Co-ordinator who, in a letter of support, noted that the success of the event was due to the huge effort put in by the tourism sub committee. The officer did not commit council to any financial support but did in the letter of support request the panel give recognition of the success of the event in the form of funding.

Council has now received all financial documentation that supports the expenditure claimed by the tourism sub committee

Council Plan/Strategies:

The Community Grants process is an operational outcome of Council's Community Theme to provide a seed funding pool to match community initiated projects.

Legal/Policy Issues:

Implementation of the program is in accordance with the policy for the Community Grants Program.

Financial/Resources/Risk

The allocation of \$2,800 will be drawn from an unallocated pool of \$15,107 in the 2010-11 budget.

Discussion:

The Eildon Action Tourism Sub Committee operated to increase tourism to Eildon by staging various events that showcased the area. The tourism sub committee re forms as required and at the time of the Great Victorian Bike Ride was a sub committee of the Eildon Action group.

The grant application was for financial assistance to support the provision of entertainment and a tourism type expo that linked with the Great Victorian Bike Ride. The aim of the event was to showcase Eildon and increase tourism to the area.

Council has now received all financial documentation that supports the expenditure claimed by the tourism sub committee

Consultation:

Nil with respect to this report.

Conclusion:

This project meets the eligibility requirements of the Community Grants Program in that its aim was to increase visitor numbers, length of stay and/or yield. It is suggested that the Eildon Action Tourism Sub Committee be advised to apply for any future funding for events through and with the endorsement of Eildon Action.

RESOLUTION:

Cr C Healy / Cr K Bellingham

That Council not supports the application from the Eildon Action Tourism Sub-Committee under the Community Grants Program until further advice from Eildon Action is received.

CARRIED

7. INWARDS CORRESPONDENCE**7.1 LETTER TO CHIEF EXECUTIVE OFFICER – BREAKAWAY BRIDGE
ACHERON**

File No: 52/04/11

(Refer Encl 7.1)

Purpose:

A letter from the Breakaway Twin Rivers Caravan Park was received by the Chief Executive Officer with regards to saving the historic Breakaway Bridge in Acheron.

Recommendation:

That the letter to save the Breakaway Bridge in Acheron be received, noted and referred to the Acting General Manager Infrastructure Services for a response.

RESOLUTION:

Cr J Walsh / Cr K Bellingham

That the letter to save the Breakaway Bridge in Acheron be received, noted and referred to the Acting General Manager Infrastructure Services for a report to Council.

CARRIED

8. COUNCILLOR PORTFOLIO REPORTS**8.1 PLANNING AND ENVIRONMENT PORTFOLIO**

No report.

8.2 ECONOMIC DEVELOPMENT AND TOURISM PORTFOLIO

Cr J Walsh has attended meetings of Transport Connections, Timber Towns Victoria, Murrindindi Training Institute and Yea Saleyards over the past month and advised:

- A project manager has been appointed for the erection of a roof over the Yea Saleyards and one of his first tasks will be to develop a detailed plan and schedule for the work.
- Timber Towns Victoria presented the revised TIRES report which identified \$95 million funding required for road maintenance and some establishment of roads to support expected timber transport demands across Victoria based on timber harvesting projections over the next five years. Of concern was an initial response from the Government that the \$160 million allocated to rural councils over the next four years covered the timber road costs. TTV has sought urgent talks with relevant ministers to highlight the TIRES funding has always been treated as a different category to standard infrastructure costs.
- Transport Connections is now focused on wider issues than trial bus routes. The Murrindindi group is looking to address the underlying needs for transport and seeing if there are ways other than surface transport buses and taxis to meet the requirements. The working group is looking closely at trips related to medical and health support. Could some trips be replaced by video conferencing supported by local nursing staff undertaking basic checks and with better transmission of medical documents and images, for example. It is anticipated that lessons learned in relation to medical trips could be applied to other areas such as education, community briefings and interagency meetings?

8.3 INFRASTRUCTURE AND ASSETS PORTFOLIO

No report.

8.4 COMMUNITY AND CUSTOMER SERVICES PORTFOLIO

Cr Ruhr advised that community consultation sessions on memorials had been held in Yea, Flowerdale and Kinglake. He noted that attendance at Flowerdale and Yea was disappointing, adding it appears that memorials consultation will be a long term process and that perhaps it is appropriate to slow the process down.

Cr Bellingham advised that the Marysville memorial session was very well attended.

8.5 CORPORATE SERVICES PORTFOLIO

Cr Bellingham advised that Corporate Services has been working hard on preparing the Budget and thanked finance staff for their contribution.

8.6 CLIMATE CHANGE AND NATURAL ENVIRONMENT PORTFOLIO

Cr Abbott Smith attended the Marysville Environmental Advisory Committee and the Committee recommends "that the Murrindindi Shire Council reviews its core values and ensures that they reflect the embedded value of the ethical purchase of all materials including paper".

8.7 MAYOR AND DELEGATED COMMITTEE REPORTS

Cr Beales advised that:

- He and Cr Walsh met with the Minister for Planning, Matthew Guy, regarding planning issues at Lake Eildon. Cr Healy also met with the Minister regarding planning issues round Eildon.
- The Murrindindi Woodburn CFA shed was opened on 22 May 2011.

8.8 GENERAL BUSINESS

Cr C Ruhr raised a motion without notice:

MOTION:

That Murrindindi Shire Council record all publicly accessible Special and Ordinary Council meetings, excluding confidential items, pursuant to the Act and make these recordings available in MP3 format as a podcast on the Murrindindi Shire Council website www.murrindindi.vic.gov.au.

RESOLUTION:

Cr C Ruhr / Cr J Walsh

That Council receive a report on the use of Centrepay in regards to payment of rates by pensioners and Healthcare Card holders.

CARRIED

Cr Abbott Smith requested a briefing on memorials.

Cr Walsh, referring to Timber Towns and the Yarra Ranges Council motion that the Municipal Association Victoria (MAV) sign the ethical paper pledge, requested that Council not support the ethical paper pledge at the upcoming MAV Conference.

RESOLUTION:

Cr J Walsh/ Cr K Bellingham

That Murrindindi Shire Council does not support the ethical paper pledge at the MAV Conference.

CARRIED

Cr Flowers raised the matter of Constitutional recognition of local government for which the Australian Local Government Association (ALGA) is seeking resolutions of support from Councils.

RESOLUTION:

Cr B Flowers / Cr K Bellingham

That Murrindindi Shire Council declares its support for financial recognition of local government in the Australian Constitution so that the Federal Government has the power to fund local government directly and also for inclusion of local government in any new Preamble to the Constitution if one is proposed, and calls on all political parties to support a referendum by 2013 to change the Constitution to achieve this recognition.

CARRIED

8.9 CONSIDERATION OF OPEN FORUM PRESENTATIONS FROM PREVIOUS MEETING

Nil.

9. NOTICE OF MOTIONS

Nil.

10. PETITIONS RECEIVED BY COUNCIL

10.1 PETITION TO SAVE THE HERITAGE BREAKAWAY BRIDGE, ACHERON

File No: 52/04/11

Purpose:

A petition with 498 signatories has been received by the Chief Executive Officer with regards to saving the heritage Breakaway Bridge, Acheron.

Recommendation:

That the petition to save the heritage Breakaway Bridge, Acheron be received, noted and referred to the Acting General Manager Infrastructure Services for a report to Council.

RESOLUTION:

Cr C Healy / Cr K Bellingham

That the petition to save the heritage Breakaway Bridge, Acheron be received, noted and referred to the Acting General Manager Infrastructure Services for a report to Council.

CARRIED

10.2 PETITION – SEVENTH STREET PLAYGROUND EQUIPMENT

File No: 48/02/09

Purpose:

The purpose of this report is to provide background and context to the proposal for removal of playground equipment located at the Seventh Street Playground, Eildon.

Recommendation:

That a copy of this report be forwarded to Ms. Lora Mitrachowitsch, organiser of the petition.

Background:

A petition was received by Council at its meeting of 27 April 2011 from Ms. Lora Mitrachowitsch of Eildon, containing 78 signatures. The petition, entitled 'Please save Seventh Street Playground,' protested against removal of two pieces of playground equipment at the Seventh Street Playground.

The Seventh Street playground was positioned at the current site, in order to support the Eildon kindergarten/Playgroup building formerly located adjacent to the site. In 2003-04 the Kindergarten/Playgroup was moved to share a site with Eildon Primary School. Subsequent to this relocation, the Kindergarten/Playgroup building was demolished.

In April 2010, Council's Recreation Officer and Technical Officer completed a third party audit on all Council's playgrounds. The recommendation emanating from this audit was for the removal of the Seventh Street Playground due to several factors including the cost of maintaining the site (\$4000 annually); the Moore Street Park was larger and accessible; the Seventh Street Playground was more prone to vandalism and misbehaviour due to its inconspicuous location; little evidence of it being utilised and that the Recreation Reserves and Play Strategy had identified removal of the playground.

In addition to the petition Council has received various letters from concerned residents in Eildon, citing in the main, that the Seventh Street Playground is used on a consistent basis by younger children and that in terms of access, it is far safer for families to use than traversing busy roads in order to utilise nearby Moore Park.

Council Plan/Strategies:

The Council Plan theme of Community is underpinned by the Strategic Objective for communities to enjoy good health and well being.

Legal/Policy Issues:

Due to the nature of its situation in a residential area between two streets, Seventh and Eighth streets, there is the increased potential for vandalism and inappropriate behaviour.

Financial/Resources/Risk:

The potential cost saving by removal of the playground is approximately \$4000 per annum. A further advantage to closure of the playground is that the two items of existing play equipment (valued at approximately \$1400 each) could be used to supplement and enhance other parks in the Shire, thereby defraying the cost of additional equipment required.

Discussion:

Following the most recent meeting with residents and from the letters received to date from concerned families it is clear that the playground equipment located at the Seventh Street Playground was being utilised by children from surrounding streets and that the use of the playground was safer to access than Moore's Park. The feedback from both the meetings and

letters suggest that the intention to remove the playground equipment required further consideration by Council.

Consultation:

A letter was sent to residents in the vicinity of Seventh Street Playground from the Coordinator Recreation Development on 18 March 2011, notifying them of the intention to remove two pieces of playground equipment. The letter also provided some brief explanation as to the reason for the proposal. Residents were advised that Council Officers would be in attendance on site on the 1 April 2011 to discuss the matter further. The meeting comprised an exchange of information and views which resolved to consider the matter further.

Conclusion:

The proposal to relocate the two pieces of playground equipment and to close the Seventh Street Playground was intended to enact the recommendations arising out of the audit of Council's playgrounds and the Recreation Reserves and Play Strategy.

However, it is quite evident that recreational amenity is provided to a number of families with small children in close proximity to the playground and that the playground provides a safer alternative to accessing Moore's Park. It would therefore be imprudent of Council to remove the equipment at this time.

RESOLUTION:

Cr C Healy / Cr B Flowers

That a copy of this report be forwarded to Ms. Lora Mitrachowitsch, organiser of the petition.

CARRIED

11. ASSEMBLIES OF COUNCILLORS

File No: 12/01/06

The following assemblies of Councillors occurred in the period 26 March 2011 to 17 May 2011:

- **Planning Application for Telstra tower in Murrindindi meeting – 29 March 2011**
Councillors present: B Flowers, J Walsh
- **Councillor Briefings – 13 April 2011**
Councillors present: P Beales, S Abbott Smith, K Bellingham, C Healy, J Walsh
- **Councillor Briefings – 20 April 2011**
Councillors present: P Beales, S Abbott Smith, K Bellingham, J Walsh
- **Economic Development Advisory Committee – 20 April 2011**
Councillors present: P Beales, K Bellingham, J Walsh
- **Councillor Briefings – 27 April 2011**
Councillors present: P Beales, S Abbott Smith, K Bellingham, C Healy, C Ruhr, J Walsh
- **Councillor Briefings – 4 May 2011**
Councillors present: P Beales, S Abbott Smith, K Bellingham, C Healy, J Walsh
- **Murrindindi Shire Council Bushfire Appeal Trust – 4 May 2011**
Councillors present: S Abbott Smith, C Healy

- **Yea Saleyards Committee – 10 May 2011**
Councillors present: J Walsh
- **Councillor Briefings – 11 May 2011**
Councillors present: P Beales, S Abbott Smith, K Bellingham, J Walsh
- **Councillor Briefings – 17 May 2011**
Councillors present: P Beales, S Abbott Smith, K Bellingham, C Healy, J Walsh

Recommendation:

That the information be noted.

RESOLUTION:

Cr J Walsh/ Cr K Bellingham
That the information be noted.

CARRIED

RESOLUTION:

Cr C Ruhr / Cr K Bellingham
That the meeting be adjourned.

CARRIED

The meeting was adjourned at 1.03 pm.

RESOLUTION:

Cr C Ruhr / Cr J Walsh
That the meeting be resumed.

CARRIED

The meeting resumed at 1.31 pm.

RESOLUTION:

Cr C Ruhr / Cr J Walsh
That the meeting be closed to the public pursuant to s.89(2)(h) of the *Local Government Act 1989* due to matters which may prejudice the Council or any person.

CARRIED

The meeting closed to the public at 1.32 pm.

RESOLUTION:

Cr K Bellingham / Cr S Abbott Smith
That the meeting re-open to the public.

CARRIED

The meeting re-opened to the public at 1.46 pm.

There being no further items of Business, the Chairperson declared the meeting closed at 1.47 pm.

CONFIRMED THIS _____

CHAIRPERSON _____

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 28 February 2012

Contact Person: Annette Reddon

File Ref: 04/02/11 & 10/08/05

For Release: 29 February 2012



Header:

COUNCIL ACTION PLAN FOR A FINANCIAL FUTURE

The Murrindindi Shire Council will consult widely with individuals and community groups in implementing the recommendations of a wide-ranging review of Council services.

Last May the Council requested the *Services Review* be undertaken to provide options that would help address a significant infrastructure gap, provide a sustainable cash flow and limit rate increases to 6 per cent per year over 10 years.

Asset sales, policy changes, operating efficiencies, changes in fees and charges and other savings have been recommended by the *Services Review* to help the Council meet ongoing financial challenges.

The Mayor of Murrindindi, Councillor John Walsh, said significant pressures on Council's budget meant that action was needed now to secure its long-term financial viability.

"While there is no doubt we received generous support from around the world after the bushfires, we now have \$57 million worth of new or replacement assets that require an additional \$1.8 million a year to operate and maintain," Cr Walsh said.

"This cost, along with other factors such as the Shire's small rate base, has placed a severe strain on Council's budget.

"Council does not believe it's reasonable to expect the Murrindindi community to bear this long term cost and will continue to advocate strongly to the State Government for assistance to meet this burden into the future.

"In the meantime we need to make some tough decisions to ensure we manage our growing costs effectively, while placing as little pressure as possible on residents and ratepayers."

Cr Walsh said that, if adopted, the recommendations of the *Services Review* would form the basis of a four point Action Plan to secure a sustainable future for Murrindindi.

"Through our action plan we would expect to achieve more than \$1.6 million in savings every year over the next ten years, as well as a one-off capital injection of \$4.5 million.

"This action plan will provide a framework to build a secure financial footing for the future, while minimising the impact on ratepayers and the broader community," he said.

Proposed measures in the action plan include:

- **Streamlining council services and operations:** \$1.5 million is expected to be saved each year through a council restructure to improve services to the community; achieving greater efficiencies in Council practices and business planning and: changing services to better reflect community use such as the operating hours of services, to better reflect patronage and demand.
- **Bringing fees and charges in line with those of other comparable councils:** proposed fees and charges are expected to result in an average increase of ten per cent for charges levied by Council on such matters ranging from building permits and photocopying through to local laws and food premises registrations. This would result in an additional \$167,000 per year.
- **Introducing policies that will deliver cost savings:** new policies will provide an appropriate framework for recovering costs. For example a Facilities Management Policy will provide a framework for recovering costs from the maintenance and insurance of non-Council facilities, buildings and reserves rather than the current ad hoc approach.

While the *Services Review* also identifies some areas where, following further investigations and community consultation, additional savings may be found the council is not currently planning to pursue these further cost savings.

Cr Walsh said the action plan would put the Council in a strong financial position and help to manage the legacy of its new and expanded asset base.

“We value the input of the community who will have a say about these changes and be consulted on an ongoing basis around all aspects of the action plan,” he said.

“People can find out more about the plan at upcoming public information sessions, on our website and provide feedback through written submissions”.

The following information sessions will be held:

- Thursday 15 March, 7pm, Alexandra Shire Hall
- Tuesday 20 March, 7pm, Yea Shire Hall
- Wednesday 21 March, 7pm, Kinglake Temporary Kitchen
- Thursday 22 March, 7pm, Marysville Community Centre

A full summary of the report is available on the council's website and written submissions on the can be made via email to msc@murrindindi.vic.gov.au or posted to Murrindindi Shire Council, PO Box 138, Alexandra, 3714. Submissions will be accepted until 31 March, 2012.

Distributed to: (mark boxes)

All local publications

- Alexandra Standard
- Marysville Triangle
- North Central Review
- Eyes on Eildon
- Talking Toolangi
- Council web site
- UGFM Radio

- Yea Chronicle
- Mountain Monthly
- Flowerdale Flyer
- The Granite News
- webmaster@yea.com.au
- Councillors

Others

- Seymour Telegraph
- Mountain Views
- Whittlesea Leader
- Mainstream eg. Herald Sun/Weekly Times/Age

- Euroa Gazette
- Kilmore Free Press
- Yarra Valley Leader
- Mansfield Courier

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 18 June 2012

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Council adopts 2012-13 Budget

Murrindindi Shire Council has adopted its 2012-13 Budget which has been developed to underpin the financial security of the Council into future years.

Mayor John Walsh said key to the adoption of the Budget had been significant community consultation and input as a result of a Council Services Review that had run concurrently with the Budget development.

The 2012-13 Budget incorporates recommendations from the Services Review which aim to reduce ongoing costs, keep rate increases at 6 per cent or less for the next 10 years and ensure the shire's long term viability.

It includes:

- Asset sales worth \$1 million, with a further \$3.45 million in asset sales forecast for future years;
- Spending cuts worth \$1.059 million, including \$862,000 in reduced wages and \$197,000 in organisational efficiencies; and
- Changes to fees and charges to bring them into line with those of other comparable councils. This will see an extra 10 per cent increase in fees, on average, and provide around \$167,000 in additional revenue.

In order to meet its financial commitments, Council will increase municipal rate revenue by 6 per cent, in keeping with its long term aim. This will take the total of general rates and charges to \$14.4 million for the year. This will allow Council to meet its long term infrastructure costs into the future as well as a 10 per cent increase in EPA levies.

"The Budget adoption is a significant step in delivering services to the Murrindindi Shire for the next decade," Cr Walsh said.

"While there are many priorities when it comes to service delivery, the key objective of this Council has been creating the platform for a fiscally sustainable future that would reduce impacts on ratepayers by continuing to build the infrastructure renewal fund, streamline services and allow rate increases to be limited to 6 per cent or less.

"Although the savings emanating from the Services Review greatly assist in reducing ongoing costs, there is still a need for State Government assistance to support the burden of maintenance, operational and renewal costs of acquired bushfire and flood assets.

“It has been a difficult and challenging Budget, and it has seen major changes across the organisation through the adoption of recommendations contained in the Services Review.

“Council has worked closely with senior management to develop a key framework for the organisation to meet its future obligations in asset management and the community expectations for service delivery.”

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 6 July 2012
Contact Person: Damien Cocks
File Ref: 04/02/11
For Release: Immediate



Information session to outline Council's rating review strategy

The findings of a rating review strategy implemented by Murrindindi Shire Council will be delivered at a public information session in Yea on Monday, 16 July.

MicroPlan Australia was engaged to review Council's 2009 rates strategy and provide options in determining an equitable rating structure as well as opportunities to grow Council's rate base.

Mayor John Walsh said the Murrindindi Rating Strategy Review outlined a number of considerations and it was critical that the community had input in developing the findings further.

"Council made the decision in May to seek the services of an experienced firm to review our rating strategy that was developed in 2009. The findings presented by MicroPlan Australia do have impacts across the shire and it is important that we engage with the community," Cr Walsh said.

The report will be released at the public information session and continue on public exhibition until 10 August.

"During the exhibition period, people will have the opportunity to make comment. Community involvement will allow Council to make informed decisions in relation to any changes to its rating system."

The study takes into consideration the overall revenue target for Murrindindi Shire Council, and investigates a rating structure that:

- ensures the equitable imposition of rates and charges across the community,
- ensures transparency and accountability in Council decision making; and
- addresses the funding needs to maintain Council's long term financial sustainability.

The information session will be held at the Yea Council Chambers at 7.30pm, Monday 16 July, 2012.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 19 July 2012

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Community to set its sights on the future

A long term vision for Murrindindi Shire Council will be explored and developed at a Community Visioning Day to be held in Yea on Sunday 12 August.

Mayor John Walsh said the facilitated day would be an interactive opportunity to discuss and develop the issues and priorities most important to the community.

“The Visioning Day will provide the platform to improve the amenity and well being of our citizens and is the first step in developing a 2030 Vision for Murrindindi Shire,” Cr Walsh said.

“The day will bring community leaders and community members together to determine what makes Murrindindi Shire special and to gather ideas about how they experience life today and what they would like to see into the future.

“The Visioning Day will provide significant input to future Councils in developing their four year plans,” Cr Walsh said. “While new Councils will have their own goals and objectives, the Visioning Day will provide an outline of the needs, wants and aspirations of the community.

“It is important that people do register for the day. This will allow the Council and its facilitator to develop a program that is all inclusive.”

To be part of this exciting Visioning Day, you must register by:

Calling: (03) 5772 0333

Emailing: msc@murrindindi.vic.gov.au with the subject Vision Interest (please include your name and telephone contact)

Writing: PO Box 138 Alexandra, 3714 with a heading Vision Interest and include your name and telephone contact.

The Visioning Day will be held Sunday 12 August 2012, 1pm –5pm, Sacred Heart Parish Primary School, Yea. Numbers are limited. Registrations will be accepted up until Friday 3 August 2012.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 17 July 2012
Contact Person: Damien Cocks
File Ref: 04/02/11
For Release: Immediate



Public comment sought on rating review

Rating options that could influence how Murrindindi Shire Council sets its future rating categories is on exhibition and open for public comment.

MacroPlan Australia was engaged by Council to review the current rates strategy that was developed in 2009.

Mayor John Walsh said the rates strategy determined how rate revenue is shared across the community and did not determine the amount of money raised through rates. The review proposed a number of options in determining an equitable rating structure as well as opportunities to grow Council's rate base.

"The review explores a range of options Council should consider in terms of economic development and supporting key industries as well as providing indicative bench-marking that compares Murrindindi Shire Council with smaller rural and neighbouring Councils in terms of their rating categories," Cr Walsh said.

"It is important to note that the review only proposes options, and Council has not made any decision on changing its rating structure.

"Alternatively Council could remain with its current rating system.

"However we do recognise there is a need to be proactive and look at the bigger picture in terms of maximising opportunities to grow our ratepayer base into the future.

"There are a number of considerations that Council needs to take into account including revenue changes following a steep reduction in Government grants as the bushfire rebuilding process comes to an end; the impact of natural disasters on business and communities and their ability to pay; and equity in the existing rating structure between and within the different rating categories of residential, commercial and rural."

The Murrindindi Rating Strategy Review can be downloaded from Council's website www.murrindindi.vic.gov.au (home/public comment) and copies are available from Council's Alexandra, Yea and Kinglake offices.

The review will remain on public exhibition until Friday 10 August. Comments on the findings of the review will also be accepted until the end of the exhibition period. Written submissions can be made via email at msc@murrindindi.vic.gov.au, or by writing to Murrindindi Shire Council PO Box 138 Alexandra, Victoria 3714.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 27 July 2012

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Rating options: Council wants your feedback

Murrindindi Shire Council is calling for public comment on a review of its rating strategy.

MacroPlan Australia was engaged by Council to review the current rating strategy that was developed in 2009 and provides a range of options that could assist in determining how rate revenue was shared across the community

Mayor John Walsh said that no decision had been made to implement a new structure and the review was not suggesting an increase in rate revenue.

“These options are not about increasing the amount of rate revenue collected each year but rather, they provide Council with a number of scenarios, if it chooses to implement them, in terms of how our current rate collection could be redistributed to make it as equitable as possible.

“Under the options prepared by MacroPlan Australia, Council could consider one option, combine a range of options or keep the current structure in place,” Cr Walsh said.

“It is important that we get feedback from all sections of the community. We do want to hear from landholders, business owners and operators and of course homeowners.”

The Rating Options include:

- A tourism levy
- A commercial levy
- A tiered farming differential
- A separate farm and appurtenant area for rating purposes.
- Change the farming differential to a farming rebate system.
- An unimproved differential to facilitate land development on vacant properties,
- A tourism rebate to provide financial relief to tourism business
- Keep the current structure.

For a full assessment and explanation of the rating options, the Murrindindi Rating Review Strategy can be accessed online at www.murrindindi.vic.gov.au and look to the rating strategy banner on the home page, or hard copies are available at Council's Alexandra, Kinglake and Yea offices.

Written submissions can be made via email at msc@murrindindi.vic.gov.au, or by writing to Murrindindi Shire Council PO Box 138 Alexandra, Victoria 3714. Submissions will be accepted until the close of businesses Friday, 10 August, 2012.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 3 August 2012

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Public comment period extended for rates review strategy

Murrindindi Shire Council has extended the public consultation period for submissions regarding its rating strategy review.

Mayor John Walsh said Council was consulting with a range of landholders and business operators regarding the review and wanted to provide more time for people to get their submission in.

“It is important that we do get a good cross representation of the community’s views in relation to the document,” Cr Walsh said.

Further consultation will also take place with farming operators and business associations and their executive members.

MacroPlan Australia was engaged by Council to review the current rating strategy that was developed in 2009 and provides a range of options that could assist in determining how rate revenue was shared across the community

“Under the options prepared by MacroPlan Australia, Council could consider one option, combine a range of options or keep the current structure in place,” Cr Walsh said.

“This has certainly created some interest and we are pleased with some of the feedback we have received from the community. It is important that those comments are put in writing to guide us in developing a report that outlines the community’s wishes in terms of how rate revenue collection is shared across the shire.”

For a full assessment and explanation of the rating options, the Murrindindi Rating Review Strategy can be accessed online at www.murrindindi.vic.gov.au and look for the rating strategy banner on the home page, or hard copies are available at Council’s Alexandra, Kinglake and Yea offices.

Written submissions can be made via email at msc@murrindindi.vic.gov.au, or by writing to Murrindindi Shire Council PO Box 138 Alexandra, Victoria 3714. Submissions will be accepted until 5pm 17 August 2012.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 27 November 2012

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Council implements service review outcomes at Alexandra Library

Murrindindi Shire Council is implementing a number of recommendations as part of its on-going services review that will create a library service across the shire that will be sustainable in the long term, applies best practice systems and continues to serve the community.

As a result of the review, three positions in library headquarters, located at the Alexandra Library, have been made redundant.

Council CEO Margaret Abbey said the current restructure was a difficult decision.

“Three positions have been made redundant and while those affected staff have been offered redeployment across the organisation, it is still a stressful time for those members and their families,” Ms Abbey said.

“We appreciate that this review has taken sometime and the patience and participation of our library staff in the review process has been greatly valued.”

Under the review:

- Current library service openings across all three (Alexandra, Kinglake and Yea) branches will remain the same.
- There will be no impact on staff hours at these branches.
- Further analysis on the mobile library will take place over the coming months, but it will continue to deliver its current service level.
- A Library Coordinator has been seconded through Yarra Plenty Regional Library Service for a six month period to oversee operation and compliance.
- Library headquarter functions will be absorbed at the library branches and the coordinator.
- There will be no impact on program funding.
- New book stock will remain above the best practice standard.

“We will continue to work with our staff and community through this transition phase,” Ms Abbey said.

The changes are expected to save Council \$50,000 per year.

The Services Review has resulted in Council developing a four-point Action Plan to rectify the current infrastructure gap as a result of the 2009 fires, provide a sustainable cash flow and limit rate increases over the next decade.

Council's Action Plan provides a framework to build a secure financial footing for the future, while minimising impacts on ratepayers and the broader community.

It is expected to achieve more than \$1.6 million in savings every year, as well as providing a one-off capital injection of \$4.45 million.

Action Plan includes:

1. Disposing of some land, buildings, plant and equipment considered to be surplus to needs
2. Assessing fees and charges to bring them in line with those of other comparable Councils
3. Introducing policies that will deliver cost savings
4. Streamlining Council services and operations including restructuring Council

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 22 November 2012

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Council meets with Minister for Local Government

Minister for Local Government Jeanette Powell has held positive talks with Murrindindi Shire Councillors and senior staff following a three hour meeting in Alexandra.

Mayor John Walsh welcomed the opportunity to highlight the work the Council and officers were doing across a range of issues and challenges.

"We have a commitment from Minister Powell that our Council is being heard in Spring Street," Cr Walsh said.

"Our meeting was highly productive. The Minister was open in her comments and is well aware of our challenges and the measures we are putting in place to deliver for the Murrindindi Shire community.

"There were a range of topics and issues raised, including our call for State Government financial support following the recommendations of the KPMG report into Council's finances.

"We also spoke of the need to develop and grow our rate base which needs to be supported through infrastructure – particularly mobile and broadband communication – and the sustainability of training institutes such as the Murrindindi Training Institute.

"Importantly we have the strong feeling that Council is being heard in Melbourne, and the Minister indicated her willingness to advocate on Council's behalf. We are very pleased with the outcome."

Council CEO Margaret Abbey said it was important the work of Council was being recognised by senior government ministers and bureaucrats.

"We have seen a willingness by Minister Powell and the Department of Planning and Community Development to explore further the findings of the KPMG report. This has included the establishment of a special investigations team to progress our request for assistance," Ms Abbey said.

"We have had the opportunity to talk about the impacts the defined benefits superannuation liability calls are having on our Council as well as the buy-back scheme as a result of the Bushfires Royal Commission.

"Minister Powell acknowledges that Council was grappling with issues that went across a number of portfolios, however she was willing to ensure that these were raised with the appropriate ministers.

“The meeting was also attended by Member for Seymour Cindy McLeish who continues to work and advocate on behalf of Council and the community.

“We believe that we will see positive outcomes from what was an extremely important conversation.”

Photograph: Member for Seymour Cindy McLeish, Mayor John Walsh, Local Government Minister Jeanette Powell, Cr John Kennedy, CEO Margaret Abbey, Cr Christine Challen and Cr Margaret Rae had productive talks during the Minister’s visit to Alexandra.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 22 February 2013

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Rates strategy needs further consideration following State Government reviews

Two State Government probes into rating practices across Victorian councils will need to be taken into consideration by Murrindindi Shire Council as part of its rating strategy review.

Mayor John Walsh said an Auditor General's report on Rating Practices in Local Government had only just been released and the government's development of Guidelines for the Application of Differential Rates has yet to be finalised.

"Further work on Council's rating strategy will need to be deferred until we are fully across the impacts of the current reviews," Cr Walsh said.

"The Auditor General's report contains many recommendations that will have to be addressed and we do not expect any proposed changes to the differential rating methods for at least a month.

"We have to complete the new four year Council Plan, the 2013-14 Budget and any revised rating strategy based on the outcomes of the reports by 1 July. Because of the mandatory consultation periods it was considered that the major rating strategy review should be deferred to the second half of 2013.

"With respect to rates, we all dislike rate increases and while most of us understand the reasons behind the planned limit of 6 per cent increase or less per year we would all like that level to go down.

"Through the Services Review, Council has already made cuts and improved efficiencies in our operations in order to keep within the limit. We will continue to look for more efficiencies.

"We have started to dispose of unnecessary assets. But in the long term there is no escaping that to reduce the annual increase in rates we need more people to use and contribute to the maintenance of the assets we currently have.

"Increasing the number of ratepayers is a major challenge that the four year Council Plan will have to address."

Cr Walsh said an increase in properties cannot be done in isolation.

"Preserving the amenity of the area, providing an environment for increased employment, improved education facilities, health support and aged care as well as covering expanded social activities to maintain high community well being, all have to be integrated in the long term plan.

"Having the community provide positive ideas and advice through their Councillors will be essential in developing a successful plan," Cr Walsh said.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 8 March 2013
Contact Person: Damien Cocks
File Ref: 04/02/11
For Release: Immediate



Council continues to meet planned expectations

Murrindindi Shire Council continues to meet the goals of its 2009-13 Council Plan.

In the latest report tabled to the Council, more than 80 activities had started, were in progress, or had been completed.

Mayor John Walsh said the figures were pleasing, but the challenge remained to deliver on the four year plan.

“Council has continued its advocacy to the State Government on the securing of resources to contribute to the cost of the operating, maintaining and renewing of the gifted and novated assets as a result of the 2009 bushfires,” Cr Walsh said.

“This process has been positive and our CEO Margaret Abbey continues to meet with State Government- appointed consultants providing advice to Local Government Victoria who are investigating the full extent of our circumstances.

“We are providing addition information information to the government consultant and we are continuing to get a good response from Spring Street.”

Cr Walsh said other activities highlighted under the plan including an up-to- date Vulnerable Persons Register that could be accessed by a number of emergency service providers.

“We also continue to recognise the great work of our volunteers including the annual Volunteer Week events. And of course our Positive Ageing community event held in February was an outstanding event with around 90 participants and we have worked with the Alexandra District Hospital on an integrated Diversity Plan.

Tourism and economic development have seen some outstanding work completed assisting in the support and development of the new Marysville Hotel and Conference Centre. Council provided a strong role in an open day that was held in November last year for members of the public and business operators to view the plans and discuss opportunities with the developers and operators.

“And Council officers continue to fulfil the agreed outcomes of the Goulburn River Valley Tourism agreement including the conduct of the second Tourism Industry Leadership Program. All 12 Murrindindi participants graduated from this program.

“As I say it is very important to promote the heart of Victoria.”

Cr Walsh said another key achievement was the adoption of the Murrindindi and Lake Mountain Draft Municipal Fire Management Plan.

“Council and our staff are committed to delivery great things for our community,” Cr Walsh concluded.

Murrindindi Matters

COUNCIL NOTICEBOARD

DRAFT BUDGET 2013-14 AND DRAFT COUNCIL PLAN 2013-17

At its meeting on Wednesday 15 May 2013 the Council of the Murrindindi Shire resolved that the Budget presented to that meeting be prepared.

The Budget relates to the financial year commencing 1 July 2013 and

1. Discloses that as at 30 June 2013 the total amount borrowed by the Council will be \$4,058,301;
2. Proposes that \$500,000 be borrowed by Council during the financial year;
3. Projects that \$858,260 of the amount borrowed by Council will be redeemed during the financial year;
4. Projects that, as at 30 June 2014 the total amount of Council borrowings will be \$3,700,041;
5. Projects that the cost of servicing the Council borrowings during that financial year will be \$335,957;
6. Proposes that a uniform general rate of 0.3286 per cent (or \$0.003286 of each \$) of the Capital Improved Value be declared, except in relation to rateable land having the characteristics of Rural 1 Land (in which case the rate payable will be 0.2464 per cent or \$0.002464 of each \$) of Capital Improved Value;
7. Proposes that a municipal charge of \$274.00 be declared; and
8. Proposes that annual service charges be declared and that the unit cost of these charges be:-

Garbage services

\$306.00 All occupied residential properties (as defined and unless covered by other garbage service definitions) for 1 x 120 litre mobile garbage bin to be provided by Council.

\$306.00 All occupied commercial properties (as defined and unless covered by other garbage service definitions) for 1 x 120 litre mobile garbage bin to be provided by Council. 75% of charge to be waived upon production of satisfactory evidence to Council that an alternate waste disposal arrangement is in operation.

\$306.00 Rural properties (as defined and unless covered by other garbage service definitions) receiving a garbage collection for 1 x 120 litre mobile garbage bin to be provided by Council.

\$306.00 Common garbage collection points receiving a garbage collection for 1 x 120 litre mobile garbage bin, to be provided by Council.

\$306.00 All occupied properties within the Taylor Bay area which have access to the garbage collection service.

Recycling services

\$75.00 All occupied residential properties (as defined) for 1 x 240 litre recycling bin to be provided by Council.

\$75.00 All occupied commercial properties (as defined) for 1 x 240 litre recycling bin, to be provided by Council. 75% of charge to be waived upon production of satisfactory evidence to Council that an alternate waste disposal arrangement is in operation.

\$75.00 Rural properties (as defined) receiving a garbage and recycling collection for 1 x 240 litre recycling bin, to be provided by Council.

\$75.00 Common recycling collection points receiving a recycling collection for 1 x 240 litre recycling bin, to be provided by Council.

Copies of the Draft Budget are available for inspection from Monday 20 May 2013 at the Alexandra, Yea and Kinglake Municipal Offices, located at:-

Alexandra Office:
28 Perkins Street, Alexandra 3714

Yea Office:
The Semi Circle, Yea 3717

Kinglake Office:
19 Kinglake Whittlesea Road, Kinglake 3763

And also the:

Eildon Resource Centre:
Main Street, Eildon 3713

Marysville Lake Mountain Visitor Information Centre:
5 Murchison Street, Marysville 3779

Any person requiring further information concerning the Draft Budget 2013-14, the making of a written submission or wishing to be heard in support of their submission at the Council meeting on Thursday 20 June 2013 should contact the General Manager Corporate and Community Services on telephone (03) 5772 0333.

Any person proposing to make a submission under Section 223 of the Local Government Act 1989 must do so before 5pm on Thursday 20 June 2013.

Submissions should be addressed to the General Manager Corporate and Community Services, Murrindindi Shire Council, P.O. Box 138, Alexandra, 3714, or email msc@murrindindi.vic.gov.au with the subject line Budget Submission.

DIFFERENTIAL RATE

Rural 1 Land' (properties, including non-contiguous assessments within the Shire operated as a single farming enterprise, with area greater than 40 hectares);

The differential rate so declared was expressed by reference to a uniform rate 0.3286 per cent or (0.003286 cents in the \$), so that the differential rate payable by each owner of rateable land in this category will be determined by multiplying the Capital Improved Value of the land by the percentage indicated on the following table:-

Category	% (percentage)
1. Rural 1 Land	75% of Uniform Rate (or 0.2464 cents in the \$ of Capital Improved Value)

Any person proposing to make a submission under Section 223 of the Local Government Act 1989 must do so before 5pm on Thursday 20 June 2013.

A person may only make a submission relating to the:-

- (a) Declaration of a differential basis of rating; and/or
- (b) Exclusion of certain land by Council from a category of a differential basis of rating.

Submissions should be addressed to the General Manager Corporate and Community Services, Murrindindi Shire Council, P.O. Box 138, Alexandra, 3714, or email msc@murrindindi.vic.gov.au with the subject line Budget Submission.

Any person requiring further information concerning the declaration of this differential basis of rating, the making of a written submission or wishing to be heard in support of their submission at the Council meeting on Thursday 20 June 2013 should contact the General Manager Corporate and Community Services on telephone (03) 5772 0333.

COUNCIL PLAN 2013-17

(Incorporating the Strategic Resource Plan)

At its meeting on Wednesday 15 May 2013 Murrindindi Shire Council resolved that the proposed Council Plan 2013-2017 incorporating the Strategic Resource Plan be put on public display for consideration of submissions before adoption in its final form on 26 June 2013.

The proposed Council Plan 2013-2017 may be viewed on Council's website at www.murrindindi.vic.gov.au. Copies are also available for inspection as from Monday 20 May 2013 at the Alexandra, Yea and Kinglake Municipal Offices, located at:-

Alexandra Office:
28 Perkins Street, Alexandra 3714

Yea Office:
The Semi Circle, Yea 3717

Kinglake Office:
19 Kinglake Whittlesea Road, Kinglake 3763

And also the:

Eildon Resource Centre:
Main Street, Eildon 3713

Marysville Lake Mountain Visitor Information Centre:
5 Murchison Street, Marysville 3779

Any person requiring further information concerning the Council Plan 2013-2017, the making of a written submission or wishing to be heard in support of their submission at the Council meeting on Thursday 20 June 2013 should contact the General Manager Corporate and Community Services on telephone (03) 5772 0333.

Any person proposing to make a submission under Section 223 of the Local Government Act 1989 must do so before 5pm on Thursday 20 June 2013.

Submissions should be addressed to the General Manager Corporate and Community Services, Murrindindi Shire Council, P.O. Box 138, Alexandra, 3714, or email msc@murrindindi.vic.gov.au with the subject line Council Plan Submission.

COMMUNITY MEETINGS AND SUBMISSION PROCESS

The Draft Budget and Draft Council Plan are available at Council's Alexandra, Kinglake and Yea Offices, Eildon Resource Centre and Marysville Lake Mountain Visitor Information Centre. Electronic copies are available on Council's website at www.murrindindi.vic.gov.au under the rolling banner on the home page.

Council will hold five information sessions over the next two weeks outlining the Draft Budget and submission process:

Those meetings will be held:

7pm: 27 May 2013 Alexandra Council Chambers, Perkins Street, Alexandra

7pm: 29 May 2013 Primary School Multi Purpose Room, 45 High Street, Eildon

7pm: 30 May 2013 Yea Chambers, 15 The Semi Circle, Yea

7pm: 3 June 2013 Buxton Memorial Hall, 2192 Maroondah Highway, Buxton

7pm: 13 June 2013 Senior Citizens Room, Kinglake Community Centre, Whittlesea Kinglake Road, Kinglake

Any person wanting to make a submission on the Draft Budget, Draft Council Plan (incorporating the Strategic Resource Plan) and Differential Rate must do so before 5pm on 20 June 2013. Submissions will be identified in a public report.

Submissions should be addressed to the General Manager Corporate and Community Services, Murrindindi Shire Council, P.O. Box 138, Alexandra, 3714, or email msc@murrindindi.vic.gov.au with the subject line 'Council Plan Submission' and/or 'Budget Submission'.

Council will meet at 7pm on Thursday 20 June 2013 at the Alexandra Council Chambers to consider any written submissions or verbal submission in support of a written submission.

Following consideration of submissions Council will then meet for the adoption of the Council Plan at the Ordinary Meeting of Council scheduled for 6pm on 26 June 2013 in the Marysville Community Centre, Falls Road, Marysville.

Any person requiring further information concerning the Draft Council Plan or Draft Budget, the making of a written submission or wishing to be heard in support of their submission at the Special meeting of Council on 20 June 2013 should contact the General Manager Corporate and Community Services on telephone (03) 5772 0333.

Murrindindi Shire Council
PO BOX 138 Alexandra 3714
General Enquiries 5772 0333
www.murrindindi.vic.gov.au

Authorised by M Abbey
Chief Executive Officer

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 15 May 2013

Contact Person: Jo Simms

File Ref: 04/02/11

For Release: Immediate



Capital works program supports existing infrastructure

Murrindindi Shire Council's \$10.2 million capital works will focus primarily on renewal and upgrade projects across 2013/14.

Mayor John Walsh said it was important that Council consolidated capital infrastructure that was already established across the shire.

"By taking this approach we can work towards ensuring existing infrastructure can provide reasonable levels of service and meet community expectations," Cr Walsh said.

"We have endorsed a modest program that primarily focuses on existing infrastructure and commitments rather than the creation of new assets. It is a sensible approach that takes into consideration our longer term financial footing."

Key features of the program include:

- \$910,000 on waste management improvement including a new waste cell and weighbridge at the Alexandra Landfill and building upgrades across the shire's transfer stations.
- \$860,000 on bridge renewal including completion of Allendale Road Bridge and Ghin Ghin bridge replacement design.
- \$842,000 sealed road works and renewal across the shire.
- \$833,000 gravel roads resheeting works.
- \$392,000 Eildon township project which includes a streetscape upgrade to the shopping precinct including improvements to footpath connectivity and renewal works for the community centre, bowling club and recreation reserve.
- \$392,000 Community building renewal program which relates to works at the Yea Pioneer Reserve Hall, Alexandra Shire Hall, Yea chambers and community house, Thornton Hall and Thornton Recreation Reserve.
- \$366,000 on footpath construction under the missing links program and renewal projects
- \$350,000 on drainage works including Yea Drainage study initiatives, Buxton flood study and Kinglake Memorial Park drainage works.
- \$150,000 intersection improvements in Castella, Alexandra and Yea
- \$40,000 public toilet upgrades at Eildon and Kinglake
- \$80,000 Yarck streetscape. This is a Council contribution of \$20,000 and the balance anticipated through grant funding.
- Completion of the Y Water Centre at Yea Wetlands and the Yea Shire Hall
- Completion of the Marysville Carpark upgrade

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 13 May 2013

Contact Person: Jo Simms

File Ref: 04/02/11

For Release: Immediate



Building our future: Draft Council Plan released for comment

The development of the draft Council Plan 2013-17 has been built on the important community feedback as part of Council's Murrindindi Vision 2030.

The community-led visioning exercise has presented Council with many community goals, aspirations and initiatives that will support and enhance the Shire into the future.

Mayor John Walsh said the draft Plan – which incorporated the high level Strategic Resource Plan – set challenging, yet achievable goals.

“The community visioning exercise has set our themes and aspirations for the next four years,” Cr Walsh said.

The Plan represents four goals:

Our Community: Aims to support and promote health and wellbeing, social connectedness and community involvement. The goal of Council and our community is to create vibrant, interconnected and inclusive communities.

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. Council aims to achieve communities that are sustainable in the use of natural resources while developing planning policies that embrace and protect our rural landscapes.

Our Economy: By supporting the sustainable growth of Murrindindi Shire's businesses and local economy, the on-going benefits could see business expansion, a growing population and increased investment.

Our Council: Developing the foundations for the Murrindindi Vision 2030 is a key goal of the four-year plan. Achieving the outcomes of this community-driven vision will be the basis of our advocacy to all levels of government on local needs and issues. A master plan will be established to grow the Murrindindi Shire rate base through sound planning and support for economic development and the effective and efficient operation of the Council.

“Incorporated into the draft Council Plan is our Strategic Resource Plan which identifies the resources required to meet the goals and aspirations of the Plan. These documents will be reviewed annually as part of our budget deliberations,” Cr Walsh said.

“The Council Plan is the community's plan. It is a collaborative approach to building on what makes Murrindindi Shire great. By working together we can achieve great outcomes.”

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 15 May 2013

Contact Person: Jo Simms

File Ref: 04/02/11

For Release: Immediate



Council delivers conservative Draft Budget

Murrindindi Shire Council has delivered a conservative 2013/14 Draft Budget taking into account service delivery and the community's capacity to pay.

In delivering the Draft Budget tonight, Mayor John Walsh said Council had taken a responsible financial approach to the present and future challenges faced within the shire.

"The Draft Budget is conservative in terms of overall spending and is responsive to the delivery of services to the Murrindindi Shire community," Cr Walsh said.

"It sees wages savings, the delivery of a modest works program and a rate rise of 6 per cent for 2013/14.

"We have also recognised that while our 2013-14 Draft Budget keeps Council on a stable financial footing, forward years, as indicated by our Long Term Financial Plan (LTFP) which incorporates the Strategic Resource Plan (SRP), clearly indicates that Council requires State Government assistance to be able to effectively cover the cost of gifted and novated assets as a result of the 2009 bushfires.

"Clearly without State Government assistance there is no ability to establish any financial reserves for unforeseen contingencies or to expand services to the community beyond the current service levels."

Cr Walsh said importantly there was a recognition that even though much of the Bushfire Reconstruction and Recovery projects were complete, there was still support required for communities in the process of overall recovery.

"In the past year there has been extensive consultation with Local Government Victoria to establish a basis for State Government Assistance. Out of this process an evaluation is well underway by the State Government to assess the financial assistance to be provided to Council," Cr Walsh said

The Draft Budget includes:

- \$10.2 million capital works program.
- \$2.05 million for aged and disability services
- \$1.9 million for recreation services
- \$1.2 million for parks, gardens and environmental programs
- \$684,000 for economic development

The Draft Budget also takes into account savings made as part of the Services Review which has included \$860,000 reduction in labour related costs.

The Draft Budget also highlights increases in the municipal charge and garbage collection charges which rise by six per cent.

Cr Walsh said the Draft Budget had been guided by the Draft Council Plan 2013-17 and Strategic Resource Plan.

“Our Draft Council Plan highlights many of the initiatives of the community that have been developed under the Murrindindi Vision 2030 community visioning exercise,” Cr Walsh said.

The Draft Budget and Draft Council Plan are available at Council’s Alexandra, Kinglake and Yea Offices, Eildon Resource Centre and Marysville Lake Mountain Visitor Information Centre. Electronic copies are available on Council’s website at www.murrindindi.vic.gov.au via the rolling banner on the home page from Monday 20 May.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 15 May 2013

Contact Person: Jo Simms

File Ref: 04/02/11

For Release: 16 May 2013



Have your say: Draft Council Plan and Budget

Through releasing the draft Budget and Council Plan, Council is seeking community submissions on the key documents.

The draft Budget and Council Plan are available at Council's offices in Alexandra, Kinglake and Yea, Eildon Resource Centre and Marysville Lake Mountain Visitor Information Centre. Electronic copies are available on Council's website at www.murrindindi.vic.gov.au via the rolling banner on the home page from Monday, May 20.

Mayor John Walsh said community comment was welcomed.

"These key documents set our goals not only for the next 12 months, but the next four years. We encourage our community to become actively involved in the consultation period and make submissions," Cr Walsh said.

Council will hold five information sessions over the next two weeks:

They will be held:

7pm	27 May 2013	Alexandra Council Chambers, Perkins Street
7pm	29 May 2013	Eildon Primary School Multi Purpose Room, 45 High Street
7pm	30 May 2013	Yea Council Chambers, 15 The Semi Circle
7pm	3 June 2013	Buxton Memorial Hall, 2192 Maroondah Highway
7pm	13 June 2013	Senior Citizens Room, Kinglake Community Centre, Whittlesea Kinglake Road

Any person wanting to make a submission must do so before 5pm on 20 June 2013. Submissions will be identified in a public report.

Council will meet at 7pm on Thursday 20 June 2013 at the Alexandra Council Chambers to consider any written submissions or verbal submission in support of a written submission.

Following consideration of submissions Council will then meet for the adoption of the Budget and, Council Plan and Strategic Resource Plan at the Ordinary Meeting of Council scheduled for 6pm on 26 June 2013 in the Marysville Community Centre, Falls Road, Marysville.

Any person requiring further information concerning the Draft Council Plan or Budget, the making of a written submission or wishing to be heard in support of their submission at the Special meeting of Council on 20 June 2013 should contact the General Manager Corporate and Community Services on telephone 5772 0333.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: Thursday 27 June 2013

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Council adopts Budget and Council Plan

Murrindindi Shire Council has adopted the 2013-14 Budget and 2013-17 Council Plan incorporating the Strategic Resource Plan.

Mayor John Walsh said the guiding documents put the new Council on a strong footing in delivering for the Murrindindi Shire community.

"We have delivered a modest Budget that has kept rate rises to 6 per cent while our plan for the next 12 months sets achievable goals and challenges," Cr Walsh said.

"Importantly the development of the 2013-17 Council Plan has been guided by the community, particularly from the input of the visioning day held in August last year.

"We have also provided the community the opportunity to comment on the documents and we have welcomed the feedback at both community meetings and through the submission process.

"It is important we receive buy-in and I thank those who made the effort to come to one of the five information sessions or made a written submission.

"The budget has been a challenging process, but as a Council we have been mindful of the community's ability to pay and Council subsidization of services that now have been brought into line with neighbouring councils or those of a similar size."

As the 2013-14 rates notices are prepared, Cr Walsh said the notices would also include the fire services levy.

"The fire services levy is not a Council charge, however we are the collection agency and as such the levy will appear as a separate charge on notices."

Those with questions or seeking further information regarding the collection of the Fire Services Levy can visit www.firelevy.vic.gov.au.

Those with questions relating to their insurance premiums and levies can contact the Fire Services Levy Monitor at www.firelevymonitor.vic.gov.au which has a range of information on consumer rights.

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 4 October 2013

Contact Person: Damien Cocks

File Ref: 04/02/11

For Release: Immediate



Mayor's Chair by Cr John Walsh Koriella Ward

I have recently been asked about the progress of our request to the State Government for an additional \$14 million to cover the operating, maintenance and depreciation costs of the upgraded and gifted assets following the 2009 fires.

We have had a series of comments from Parliamentarians and senior departmental officials confirming the validity of our case and assurances that the matter is being considered seriously. But we are yet to receive a decision on the request.

To ensure our long term sustainability, our strategy is to increase the number and quality of properties in the Shire over the next ten years. Approximately 2000 new homes are required to generate enough rates funds to cover the extra costs while maintaining services.

But without the requested support from the State Government we will not be able to cover the new building costs over the coming decade while the rate base is increased. Without the financial support we will have little option but to implement increases in individual property rates.

Meeting the new home target will not be easy. Compounding the required expansion are limitations arising from fire threat planning restrictions on where and how homes can be built in large areas of our shire. We also need to protect as much as possible our good farmlands for food security, employment and to preserve the amenity of the shire - a major draw card to attract and retain residents.

Clearly we will need to expand our main townships but we must also provide a range of property options to attract the numbers of newcomers we need. We need to be flexible in our approach and look at all options that will enable realistic expansion especially where there is already supporting infrastructure that can limit the costs to Council.

In coming months Council will be drafting a series of planning proposals that will be exhibited for public consultation.

Finally, many thanks to Tom Hammer for his many years of community service and interest in the shire through Eildon Action, the Alexandra Race Club and Advancing Country Towns Program. I wish him all the best with his move to the ACT.



Asset Management and Maintenance by Councils

VICTORIA

Victorian
Auditor-General

Asset Management and Maintenance by Councils

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The Hon. Bruce Atkinson MLC
President
Legislative Council
Parliament House
Melbourne

The Hon. Christine Fyffe MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers


Under the provisions of section 16AB of the *Audit Act 1994*, I transmit my report on the audit *Asset Management and Maintenance by Councils*.

The audit assessed whether local councils effectively manage their physical infrastructure assets. It examined whether they have developed and applied sound strategic frameworks for asset management, and implemented efficient and effective asset management practices. It also reviewed the guidance and support provided to councils in managing these assets.

The report identified significant deficiencies in asset renewal planning and practice, the quality of asset management plans, the linking of service levels to these plans, the development of asset management information systems, and in councils' monitoring, evaluation and reporting on asset management.

The continuing growth in councils' asset renewal gaps remains of considerable concern. Local Government Victoria should provide improved asset management guidance and support to councils, as outlined in the report, and work more closely with them on this, and other common issues identified.

Yours faithfully



John Doyle
Auditor-General

19 February 2014

Contents

Auditor-General's comments	vii
Audit summary	ix
Conclusions	ix
Findings	x
Recommendations	xiii
Submissions and comments received	xiv
1. Background	1
1.1 Assets managed by local councils	1
1.2 Previous audits	6
1.3 Audit objectives and scope	8
1.4 Audit method and cost	8
1.5 Structure of the report	8
2. Councils' asset management frameworks.....	9
2.1 Introduction	10
2.2 Conclusion	10
2.3 Elements of a sound asset management framework	10
2.4 Measuring the adequacy of asset management frameworks.....	17
2.5 Guidance and support provided to councils	19
3. Councils' asset management practices.....	23
3.1 Introduction	24
3.2 Conclusion	24
3.3 Asset management practices	24
Appendix A. <i>Audit Act 1994</i> section 16—submissions and comments.....	35

Auditor-General's comments



John Doyle
Auditor-General

Victoria's 79 councils manage a significant number of infrastructure assets—including buildings, parks and gardens, roads, bridges, council land and drainage networks—which support the delivery of a wide range of important council services. These include home and community care, maternal and child health care, recreation and leisure facilities, waste and environment management, transport and economic development.

Asset management and maintenance is complex and impinges on many areas of council responsibilities and operations. Councils need to ensure that there is a close match between the assets they have and their operational condition on the one hand, and the service uses to which those assets are put, on the other. They also have legislative obligations to manage financial risks prudently and to ensure that their asset management decisions take into account economic circumstances and their financial effects on future generations. This is especially important in the current economic climate and in an environment where reliance on sources of revenue such as government grants cannot be assured.

A 1998 report to government warned that unless steps were taken to address councils' asset renewal gaps, the budget councils require for renewal would more than double by 2012. These predictions have materialised despite this warning, and the renewal gap has almost doubled as a proportion of total asset value over the past 16 years. A number of previous reports from my office have identified persistent issues with council asset management practices and recommended that councils improve their asset management frameworks and their related policies, strategies and plans. This should in turn improve asset management investment decisions and planning for capital expenditure. Although some improvements have been made, many of the previously identified deficiencies still exist.

This audit has found that in recent years councils have improved their asset management practices by applying available asset management guidance, self-assessing their asset management performance annually, and developing asset management systems, frameworks, strategies and plans. This provides a good foundation on which to build more advanced asset management practices. However, significant deficiencies remain in areas such as asset renewal planning and practice, the quality of asset management plans, linking of service levels to these plans, the development of asset management information systems, and in monitoring, evaluation and reporting on asset management.

Audit team

Andrew Evans
Acting Sector Director

Michael Demetrious
Team Leader

Peter Rorke
Analyst

Kate Kuring
*Engagement Quality
Control Reviewer*

There is a pressing need for councils to address growing asset renewal gaps. Councils are generally budgeting less than is required to renew their assets and consequently the funding needed for asset renewal continues to grow each year. Without appropriate and concerted corrective action, the provision of council services to communities is likely to be put at risk. While this may require some hard financial decisions and trade-offs, failure to address this problem now will only lead to more difficult decisions in the future.

I have made a set of recommendations for councils and Local Government Victoria. Adoption of these will significantly advance asset management practices within councils and help to address the key deficiencies and issues identified in this audit. I am pleased that the councils we audited have recognised the importance of the recommendations, have welcomed the report as raising the profile and significance of sound asset management within councils and the wider community, and are committed to improving their asset management practices.

I am therefore confident this report will contribute substantially to improvements in asset management and maintenance within Victorian councils, and councils' financial sustainability.

Lastly, I would like to acknowledge Local Government Victoria and the Ararat, Cardinia, Kingston, Port Phillip and Wodonga councils and their staff for their cooperation and invaluable assistance during this audit.

A handwritten signature in black ink, appearing to read 'John Doyle', with a stylized, cursive script.

John Doyle
Auditor-General

February 2014

Audit summary



*South Melbourne Town Hall,
photograph courtesy of
Port Phillip City Council.*

Local councils manage and maintain a substantial number of assets that underpin their many critical economic and community activities. In 2012–13, the physical infrastructure assets held by Victorian councils—buildings, parks and gardens, roads, bridges, land and drains—were valued at around \$73 billion. Councils spend over \$2 billion every year to maintain, renew or replace existing assets.

How councils manage assets has direct implications for their communities. The primary aim of council asset management is to maintain an asset portfolio that allows councils to effectively meet current and future demand for services. These services include home and community care, maternal and child health care, recreation and leisure facilities, waste and environment management, transport and economic development. Poor asset management can lead to deteriorating levels of service by councils, higher council rates and an increased financial burden on future generations.

This audit assessed whether local councils are effectively managing their physical infrastructure assets. The audit focused on five local councils: Kingston City Council (inner metropolitan), Port Phillip City Council (inner metropolitan), Cardinia Shire Council (outer metropolitan), Wodonga City Council (rural city), and Ararat Rural City Council (small rural). The audited councils collectively manage around \$5.4 billion in physical infrastructure assets.

Conclusions

In recent years councils have improved their asset management practices by applying available asset management guidance, self-assessing their asset management performance annually, and developing asset management systems, frameworks, strategies and plans. This has provided a foundation on which to build more advanced asset management practices, but there is still substantial room for improvement.

Progress towards better practice has been relatively slow. This is despite warnings as early as 1998 that Victoria's councils needed to improve their asset management practices and address growing asset renewal gaps. The asset 'renewal gap' refers to the difference between the funding that councils need to renew their existing assets and the money they actually allocate to this purpose. Since 1998, asset renewal gaps have almost doubled. The audited councils are generally budgeting less than is required to renew their assets and the funding needed for asset renewal continues to grow each year. This is likely to lead to council assets becoming more difficult and less affordable to manage in the years ahead. This will also likely make the council services supported by those assets less sustainable.

The effectiveness of asset management is undermined by weaknesses with councils' asset management planning, implementation and information systems. For councils to more efficiently and effectively manage their physical assets substantial improvements are required in a number of areas:

- better asset renewal planning and practice
- higher quality asset management plans, more effective implementation of these plans, and better linking of service levels and standards to these plans
- further developing asset management information systems that are integrated with other corporate information management systems
- recruiting and developing skilled and competent staff to manage assets
- improving the monitoring, evaluation and reporting on asset management.

There are numerous examples of successful collaboration between councils on asset management initiatives. Further collaboration, encouraged and supported by Local Government Victoria (LGV), would assist councils to address asset management challenges more quickly, including those related to skills, knowledge and information systems development.

Findings

Asset management frameworks

The audited councils have not yet fully developed and applied sound strategic asset management frameworks and have not yet met the better practice requirements of most framework elements.

While improvements have been made, councils need to enhance the quality of asset management plans and obtain council support for them. They also need to better link council service levels and standards to their plans, and use the plans to drive their asset management practices.

Asset management governance

There is wide variation in the adequacy of council governance arrangements for asset management. The audited councils had often not effectively integrated asset management with other corporate functions, such as finance and service planning, which poses a risk to a council's ability to achieve its overall asset management objectives. All councils acknowledged that greater effort is required to involve all relevant departments to achieve better, whole-of-organisation asset management outcomes.

Asset management strategies and plans

Asset management strategies were generally underdeveloped. However, it is positive that all five councils had developed improvement plans outlining the actions needed to improve their management of assets.

While all five councils had prepared various strategies for the services they deliver, none had well developed plans for their major services that linked to asset management plans or considered asset requirements. All audited councils acknowledged that establishing service standards, and linking service delivery to asset requirements, are priorities in developing 'second generation' asset management plans.

Continuous improvement in asset management

In 2010, the Municipal Association of Victoria (MAV) set a target for councils to achieve a 'core' level of maturity in asset management by December 2012, as assessed using the National Asset Management Assessment Framework. Few Victorian councils achieved this, and none of the audited councils have achieved core maturity in all elements of the framework. Most of the audited councils are at a low to intermediate level of maturity in developing and applying these elements.

MAV delayed the original 2012 target to December 2013 when it was apparent that few councils would attain it. However, this new target for core asset maturity has not been met, with only 23 of 79 councils achieving core maturity. We also observed that small and regional councils are finding it more difficult than metropolitan ones to improve their asset management performance against the national framework, which may be partly due to resourcing issues.

Furthermore, there are weaknesses in the National Asset Management Assessment Framework and assessment process and it is timely that these be reviewed to support improved asset management practices and accountability.

Participation in MAV asset management initiatives demonstrates a commitment by councils to improve their asset management practices. However, delays in councils reaching core maturity in asset management heighten the risks associated with ineffective asset management. These risks include deteriorating and failing assets, the adverse financial implications of growing renewal gaps, and reducing the quality and number of council services available to the community.



*Carrum foreshore,
photograph courtesy of
Kingston City Council.*

Asset management practices

Capital works budgets and asset renewal requirements

Significant under expenditure of capital works budgets for several of the audited councils suggests there is scope to better integrate capital works programs with asset management and long-term financial planning to minimise such variations.

In most cases, spending on renewing or replacing existing assets is not keeping pace with their rate of deterioration. The audited councils are generally not able to meet existing asset renewal requirements, resulting in cumulative renewal gaps that grow each year. This situation adversely affects the condition of assets, community service levels, and councils' long-term financial sustainability.

Overall, council progress in addressing their renewal gaps has been relatively slow, despite the risks of not acting early being highlighted at least 15 years ago in a report to government *Facing the Renewal Challenge – Victorian Local Government Infrastructure Study*. While addressing the renewal gap may require some hard decisions, failure to make those decisions quickly will only lead to even harder decisions in the future, and will result in the continuing deterioration of assets and services.

There is a pressing need for councils to carefully balance asset renewal spending against a sustainable level of service delivery.

Capacities and capabilities to support effective asset management

Effective asset management is also being compromised by underdeveloped asset management information systems and a lack of skilled resources, particularly in smaller and regional councils.

Councils continue to rely on poor asset data and information systems and they are still not confident that all their assets have been identified and recorded. This reduces the capacity of councils to effectively monitor, evaluate and report on asset performance or to properly plan for asset rehabilitation. The audited councils recognise the importance of this, and some are currently investing heavily to improve their asset data and information systems. The costs of doing this, however, can be considerable and smaller councils find this particularly challenging.

Four of the five audited councils had not yet fully assessed the skills and knowledge they needed to effectively manage infrastructure assets. None of the five councils had developed a structured professional development program for staff with asset management responsibilities. This is critical for sound asset management, and not addressing this promptly will undermine council performance.

All five audited councils acknowledged the potential benefits of collaboration in asset management. Collaboration can generate efficiencies and cost savings, and provide support to councils less advanced than others in their asset management practices, expertise and resources. There may be some scope for considering whether the shared development of asset data and information systems could contribute to efficiency and effectiveness in this area.

None of the audited councils had robust monitoring, evaluation and reporting practices on asset management. Without these, councils cannot know, or demonstrate to their communities, how well they are meeting their asset management needs and priorities.

There is substantial scope for improving reporting to the community on asset management against performance measures and long-term financial plans by providing more detailed explanations on budget variances in capital works programs. Councils also need to improve the asset information on their websites and provide a greater awareness of asset management challenges faced by councils, their approach to them, and how they are performing.

Support and guidance by Local Government Victoria

There is an abundance of guidance available from LGV and other sources to assist councils, but councils are not making best use of this material. LGV provides limited targeted asset management support.

LGV guidance on asset management is also out of date. It does not address common challenges such as developing appropriate asset management information systems, developing a set of asset management performance indicators that will enable comparability between councils, and dealing with the growing renewal gap. This guidance should be reviewed and updated to focus more attention on these areas, and could be supplemented by other initiatives and types of support.

LGV is involved in council asset management practices in a number of other ways, including through annual surveys that measure council improvements in these practices. It should consider whether Victoria's legislative approach to asset management might be strengthened, as has been done in some other jurisdictions, to require minimum standards for certain asset management practices.

LGV should continue to work with the MAV in assisting councils. MAV's STEP program, which includes the use of the National Asset Management Assessment Framework tool, has been useful in helping councils improve their asset management frameworks and practices. However, there are limits to the program and the tool, and more could be done to support councils to improve their asset management and maintenance capabilities, as well as the reliability of their self-assessments.

Recommendations

Number	Recommendation	Page
Local councils should:		
1.	accelerate efforts to review and update their asset management frameworks, policies and strategies to meet better practice standards	22
2.	make sure they have comprehensive asset management plans covering all major asset categories	22
8.	as a priority, develop a strategy for more effectively reducing their asset renewal gaps	34
9.	improve their asset management information systems and knowledge of their asset portfolios to ensure they have up-to-date information on all assets	34
10	identify and review the skills and resources required to effectively manage infrastructure assets, including developing a skills matrix and action plan to address identified skill and resource requirements and gaps	34
11.	improve the provision of information to, and engagement with, the community on asset management	34
12.	develop and implement comprehensive asset management monitoring, reporting and evaluation systems, and publicly report their progress and performance against plans and strategies, including against capital works budgets.	34

Recommendations – continued

Number	Recommendation	Page
Local Government Victoria should:		
3.	review and update its asset management guidance material for councils	22
4.	review the support it provides to councils and make sure it is targeted to address common issues	22
5.	consider, in conjunction with councils, developing a set of comprehensive asset management performance indicators that will enable comparability between councils on asset management performance	22
6.	in conjunction with councils and the Municipal Association of Victoria, review the use and application of the National Asset Management Assessment Framework and its appropriateness for driving improvement in asset management performance	22
7.	consider making aspects of asset management mandatory, such as the development of asset management policies, strategies and plans	22
13.	investigate options for supporting councils to develop and upgrade their asset management information systems, including by reviewing practices in other jurisdictions.	34

Submissions and comments received

In addition to progressive engagement during the course of the audit, in accordance with section 16(3) of the *Audit Act 1994*, a copy of this report was provided to Ararat Rural City Council, Cardinia Shire Council, Kingston City Council, Port Phillip City Council, Wodonga City Council and the Department of Transport Planning and Local Infrastructure with a request for submissions or comments.

Agency views have been considered in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report. Their full section 16(3) submissions and comments are included in Appendix A.

1 Background

1.1 Assets managed by local councils

In 2012–13, Victorian local councils managed over \$73 billion in physical assets within their municipalities. These assets represent investments that have been built up over a long period of time, and include buildings, parks and gardens, roads, bridges, council land and drainage networks. The mix of assets varies with different types of councils. For example, for inner metropolitan councils land makes up the largest proportion of assets in terms of their value, while roads and bridges make up the greatest proportion for outer metropolitan and regional councils. Across all councils in Victoria, land makes up around 40 per cent of the total value of assets, roads 30 per cent and buildings 10 per cent.

1.1.1 Purpose of asset management

The physical assets managed by councils support the delivery of core services, facilitate economic activity and strengthen the economy in the long term. These infrastructure assets also support community activities throughout Victoria.

The primary aim of council asset management is to maintain an asset portfolio that effectively meets current and future demand for services. These services include:

- roads and drainage
- traffic and parking
- health and food safety
- waste management and the environment
- leisure facilities and public space
- cultural heritage and libraries
- welfare and community services
- land use planning and enforcement
- business and economic development.



Wodonga Aquatic Venue and Exercise Space, photograph courtesy of Wodonga City Council.

The way councils plan, acquire, operate, maintain, renew and dispose of assets can have a significant impact on council service delivery and long-term financial sustainability. Councils should manage assets effectively and efficiently to achieve the best outcomes for the community.

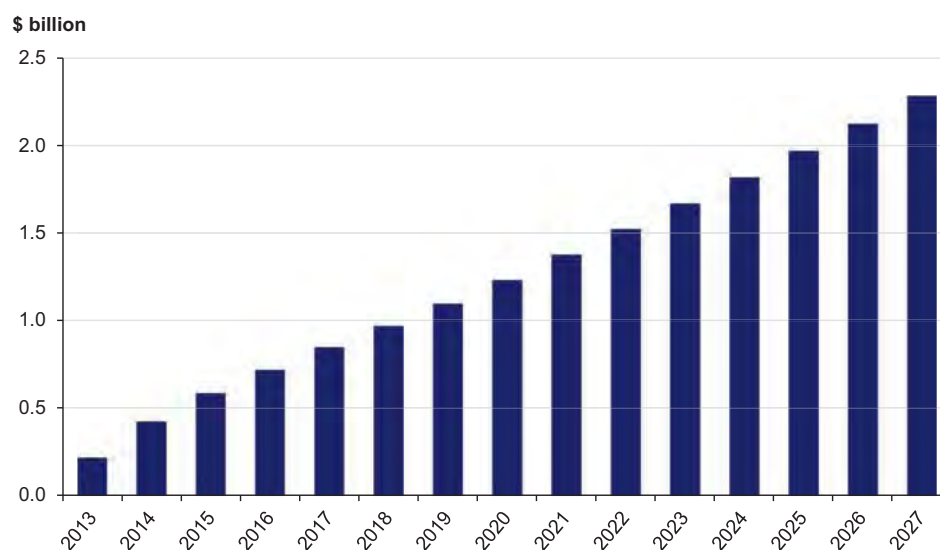
1.1.2 Asset maintenance and renewal

All councils face the problem of ageing assets. As the condition of assets deteriorates, the level of service supported by those assets diminishes. Councils must invest in maintaining and replacing those assets if they wish to maintain the same level of service.

The asset ‘renewal gap’ refers to the difference between the funding that councils need to renew their existing assets and the money they actually allocate to this purpose. What they need and are able or prepared to fund is determined by councils after weighing up available data and evidence, competing priorities, and differing viewpoints. The renewal gap for Victorian councils is estimated to be \$225.3 million in 2012 with the cumulative asset renewal gap predicted to grow to almost \$2.3 billion by 2026. The nature of the renewal gap, and which types of assets it applies to, varies from council to council. Some audited councils are struggling to renew assets such as buildings and swimming pools, while others are more challenged by renewing roads and drainage systems.

Figure 1A shows the predicted cumulative growth in the renewal gap across all Victorian councils.

Figure 1A
Cumulative aggregate renewal gap



Source: Municipal Association of Victoria’s STEP program overview and results, 2012–13.

The consequences of not effectively managing the renewal gap are reduced levels of services, poorer quality of community life and lower economic activity. Of course, spending more money on assets requires raising revenue by increasing council rates, increasing debt via further borrowings, or spending less on other services, so there is a need to carefully balance renewal spending against a sustainable level of service delivery.

Other potential consequences of not addressing the renewal gap are:

- the accelerated deterioration of assets if timely maintenance is not undertaken
- more expensive rectification treatments and/or earlier than planned renewal costs for some assets that have deteriorated beyond their critical intervention levels
- risks to community service levels and potential safety risks to the public if assets deteriorate to the point of failure.

Councils' cumulative renewal gaps will be significantly affected by how well they determine their maintenance, renewal, upgrade, disposal and new asset requirements each year, and how much funding they allocate towards these various elements. This balance will also have an impact on councils' cumulative renewal gap, and their asset and service outcomes well into the future.

In some circumstances, councils may choose to reduce community service levels in exchange for savings from reduced investment in asset maintenance and renewal.



Chelsea foreshore playground, photograph courtesy of City of Kingston.

1.1.3 Key Victorian bodies

Councils

Local government is recognised under the Victorian *Constitution Act 1975* as a distinct and essential tier of government consisting of democratically elected councils having the functions and powers necessary to ensure the peace, order and good government of each municipal district. Victoria has 79 local councils.

Local Government Victoria

Local Government Victoria (LGV) is a division of the Department of Transport, Planning and Local Infrastructure that oversees the administration of the *Local Government Act 1989*. It works with the local government sector and other parts of government to strengthen business, governance and funding practices to ensure councils function effectively. LGV provides support and guidance to councils in a range of areas, including asset management. This involves developing and disseminating better practice guides, conducting annual asset management performance surveys, and other specific initiatives.

Municipal Association of Victoria

The Municipal Association of Victoria (MAV) is the peak body for Victoria's 79 councils and is governed by the *Municipal Association Act 1907*. The role of MAV includes advocating local government interests, building the capacity of councils and providing guidance and support in a range of areas, including asset management. MAV has taken a long and strong interest in promoting better asset management within councils through various initiatives, including its STEP program. The STEP Asset Management Improvement Program commenced in 2002 with a self-assessment model based on the International Infrastructure Management Manual. This is a capacity building program developed to assist councils to improve their asset management capability and long term sustainability.

1.1.4 Key legislation and frameworks

Local Government Act 1989

The *Local Government Act 1989* states that the primary objective of local councils is 'to endeavour to achieve the best outcomes for the local community having regard to the long-term and cumulative effects of decisions'.

Councils must seek to ensure that resources are used efficiently and effectively and that services are provided to best meet the needs of the local community.

Section 136 of the Act requires councils to implement principles of sound financial management, which include:

- managing financial risks faced by councils prudently having regard to economic circumstances—including the management and maintenance of assets
- ensuring that decisions are made and actions are taken having regard to their financial effects on future generations.

The Act specifies the functions of a council, which include planning for and providing services and facilities for the local community, and providing and maintaining community infrastructure within the municipality.

There are also other Acts that govern council actions in relation to asset management, for example the *Road Management Act 2004*.

National Asset Management Assessment Framework

In 2006, in response to a series of reports highlighting issues with local councils' asset management practices, particularly in regard to the growing asset renewal gap, the federal government's Local Government and Planning Ministers' Council (LGPMC) agreed to develop a series of nationally consistent frameworks on financial sustainability for local government. One of these frameworks was for asset planning and management.

Following consultation with local governments and other relevant bodies, LGPMC endorsed the nationally consistent frameworks in March 2007.

The National Asset Management Assessment Framework (NAMAF) is a methodology for assessing the maturity of a council's asset management practices. It was developed jointly by the Australian Centre of Excellence for Local Government and the Institute of Public Works Engineering Australia. It is a self-assessment tool to assist local councils to identify their progress in implementing best practice asset management processes.



Skate park, photograph courtesy of Port Phillip City Council.

NAMAF includes a set of elements and sub-elements against which councils can judge how they are managing their asset portfolios. The key elements include:

- strategic long-term plan
- annual budget
- annual report
- asset management policy
- asset management strategy
- asset management plans
- governance and management
- levels of service
- data and systems
- skills and processes
- evaluation.

In 2009, LGPMC agreed to enhance the national asset and financial management framework and committed to an accelerated implementation. Since 2010, MAV's STEP program has also incorporated NAMAF. Councils in Victoria self-assess against the NAMAF each year and report their results to MAV following a review and feedback on their assessments, conducted by consultants engaged by MAV.

1.2 Previous audits

Local Government: Results of the 2011–12 Audits, November 2012

This audit provided a detailed analysis of council financial and performance reporting, financial results and key internal controls. The audit analysed the trends of six key financial sustainability indicators, including capital replacement and renewal gap.

Findings relevant to asset management were:

- capital budgeting should have a longer-term focus connected to councils' strategic objectives and plans
- the majority of councils—77 per cent—did not demonstrate links between their operational and capital budgets, and minimal consideration was given to asset depreciation or the ageing of existing assets in order to achieve an appropriate balance between maintaining older assets and investing in new assets
- 37 councils departed from their approved capital works budgets by 20 per cent and 45 by more than 10 per cent.

Business Planning for Major Capital Works and Recurrent Services in Local Government, September 2011

This audit found that councils' long-term financial plans were not supported by equivalent strategic plans, or service and asset management plans. There was little evidence that councils regularly reviewed their services in accordance with best value principles to inform future spending decisions.

The audit made a number of recommendations including that councils review their asset management frameworks to assure their asset policies, strategies and plans were up to date, covered all major asset classes, and adequately informed future investment decisions. The audit also recommended that LGV provide better targeted support and assistance to councils to address identified weaknesses, and that LGV monitor the impact of these support initiatives to inform its future efforts.

Management of Road Bridges, December 2011

This audit found that councils had not developed strategies for high-risk structures. Councils needed to define meaningful levels of service for road users, set targets that take account of community expectations, and publish information that measures past achievements and the expected implications of future levels of resourcing.

The audit recommended that councils define levels of service for their bridges that capture the outcomes that are important to road users, and incorporate associated targets and measures in their plans.

Results of Special Reviews and Other Investigations, May 2005

This audit found that there was a lack of forward planning by local councils and their capital budgets were seldom based on detailed analysis of actual capital requirements. Councils were not managing their capital expenditure programs well, and had not implemented comprehensive asset management plans that allowed them to plan their capital expenditure.



Moyston Hall, photograph courtesy of Ararat Rural City Council.

1.3 Audit objectives and scope

The audit objective was to assess whether local councils effectively manage their physical infrastructure assets by examining whether councils have:

- developed and applied a sound strategic framework for asset management
- implemented efficient and effective asset management practices that are consistent with better practice
- been provided with appropriate guidance and support to manage assets.

The audit focused on LGV and five local councils, which collectively manage around \$5.4 billion in physical infrastructure assets:

- Ararat Rural City Council
- Cardinia Shire Council
- Kingston City Council
- Port Phillip City Council
- Wodonga City Council.

1.4 Audit method and cost

The audit was conducted in accordance with section 15 of *the Audit Act 1994* and Australian Auditing and Assurance Standards. Pursuant to section 20(3) of the *Audit Act 1994*, any persons named in this report are not the subject of adverse comment or opinion.

The cost of the audit was \$450 000.

1.5 Structure of the report

This report is set out as follows:

- Part 2 examines the asset management frameworks used by local councils and the guidance and support available.
 - Part 3 examines the asset management practices used by local councils.
-

2 Councils' asset management frameworks

At a glance

Background

Better practice asset management requires councils to develop and apply a sound asset management framework that includes a policy, strategy, plans and governance arrangements for the effective management of all infrastructure assets.

Conclusion

Councils have improved their asset management frameworks. However, they do not yet meet better practice standards. Progress has been made with the guidance and support available to the sector, but it has been relatively slow. Local Government Victoria guidance and support needs to be reviewed and updated.

Findings

- There is wide variation in the level of competency achieved by councils in developing effective governance arrangements, strategies and plans for asset management.
- There are significant deficiencies in the asset management plans of most councils which inhibit their effective implementation. Many plans do not adequately link to councils' intended community service levels, and some are incomplete.

Recommendations

Local councils should:

- accelerate efforts to review and update their asset management frameworks, policies and strategies to meet better practice standards
- make sure they have comprehensive asset management plans for all major asset categories.

Local Government Victoria should:

- update its asset management guidance material and review its support and guidance to ensure it targets common issues facing councils
- in conjunction with councils and the Municipal Association of Victoria, review the use and application of the National Asset Management Assessment Framework and its appropriateness for driving improvement in asset management performance.

2.1 Introduction

To be able to manage their assets effectively and efficiently, councils should have a sound asset management framework that includes appropriate governance arrangements and asset management policies, strategies and plans that are well developed and integrated.

2.2 Conclusion

While improvements have been made in recent years, the audited councils remain below the 'core' level of maturity in the development of their asset management frameworks, as measured by national benchmarks. This is in keeping with the performance of most Victorian councils, the vast majority of which are below core competency.

Some areas have improved, such as the quality of asset management plans and the effectiveness of their implementation. However, intended service levels and standards need to be more clearly and urgently linked to asset management plans.

Local Government Victoria (LGV) needs to review and update its asset management guidance material. More assistance from LGV to councils with their asset management challenges could see quicker progress towards councils achieving best practice. LGV could provide more targeted support for councils to address common challenges such as developing appropriate asset management information systems, developing a set of asset management performance indicators to compare council performance, and providing advice on dealing with the growing renewal gap.

2.3 Elements of a sound asset management framework

Key components of a sound asset management framework include:

- **governance arrangements** incorporating an accountability structure that identifies roles and responsibilities
- an agreed **policy** that establishes the principles and requirements for asset management
- a **strategy** that sets out the actions needed to implement the policy and links the asset portfolio to service delivery needs
- asset management **plans** that link to the policy, strategy, long-term financial plans and intended levels of service
- current and planned **levels of service** established in asset management plans, prepared in consultation with the community.

2.3.1 Governance arrangements

Better practice governance arrangements include:

- identifying asset management roles and responsibilities
- establishing mechanisms to provide high-level oversight by the council, chief executive officer and executive management
- encouraging all relevant organisational areas to become involved in asset management processes.

All the audited councils have documented their governance structures and have established formal mechanisms to facilitate high-level oversight by the council, chief executive officer and executive management team. Their governance structures incorporate a hierarchy of responsibilities, accountabilities and reporting, and these are described in policy and strategy documents.

All five councils have established an asset management steering group, or equivalent, with specific responsibilities for promoting and monitoring the implementation of the asset management strategy and plans.

However, there is wide variation in the level of competency achieved by councils in developing effective governance arrangements for asset management:

- Three councils have developed a policy that identifies the positions which have responsibilities for determining levels of service, and for managing assets to meet service delivery needs. The remaining councils have yet to define or develop asset management responsibilities.
- One council noted that 'whole-of-life' costs are not considered when making capital investment decisions and that a formal assessment of asset management skills is yet to be done.



Rotunda, photograph courtesy of Cardinia Shire Council.

Despite all councils having governance arrangements in place, each acknowledged it is a challenge to integrate asset management with other corporate functions. This requires, for example, more effective working relationships between the engineers responsible for asset performance, the staff responsible for service planning and delivery, and the finance staff. All councils advised that greater effort is required to involve all the relevant departments in asset management activities to achieve better outcomes.

Councils have traditionally located asset management functions within their technical or engineering areas, rather than within the broader corporate context. This inhibits the development of relationships between those who plan for future services, those who deliver the services, and those who maintain and develop infrastructure to support the delivery of those services. During this audit, Port Phillip adopted a new corporate structure that aims to address this organisational misalignment and promote better integration of asset management with financial management.

2.3.2 Asset management policies

A good asset management policy:

- establishes clear goals and objectives for asset management
- integrates asset management with other corporate and strategic planning processes
- requires an asset management strategy and plans to be adopted for each category of assets
- defines governance arrangements for asset management including roles and responsibilities, and communication and training, including monitoring the evaluation and reporting of asset performance
- outlines an asset performance reporting process, including internal and community reporting
- includes audit and review procedures.

All five councils had an asset management policy that is consistent with their Council Plan—a plan developed every four years outlining council's strategic objectives—and is formally approved by council. In most cases the policy provides clear directions for asset management and incorporates elements of best practice, including objectives for integration with other corporate and strategic planning processes. However, there were some exceptions:

- One council's policy does not contain sufficient detail to guide progress towards better practice asset management. Other than stating the council goals and objectives for asset management and a requirement to develop an asset management strategy and plan for each asset category, it contains no additional information, such as the importance of integrating asset management with other corporate and strategic planning, defining governance arrangements or identifying an asset performance reporting process.

- Another council's policy does not adequately demonstrate links with other corporate activities, for example, with the long-term financial plan and the annual planning processes. This makes it difficult for the council as a whole to work effectively towards achieving its objectives for asset management.

One council commented that its asset policy is due for review in early 2014 and believes the Department of Transport, Planning and Local Infrastructure (DTPLI) should provide guidance on a current, standardised approach to asset management policies for all councils.

2.3.3 Asset management strategies

Better practice asset management strategies:

- provide current details of infrastructure assets and their management, including current and future forecast needs and the adequacy of funding
- demonstrate how the asset portfolio can meet the service needs of the community in the short, medium and long term, with available resources
- are linked to the asset management policy and integrated into strategic long-term financial planning and the annual budget process
- incorporate actions required to implement the policy, including developing asset data information systems, identifying resource requirements and establishing time frames and performance measures for implementing the strategy.

All five councils had developed and formally adopted an asset management strategy. These vary in the quality and level of detail provided. One council provided only a brief overview of particular aspects of asset management, such as recognition of the renewal gap challenge, whereas other councils provided a more detailed analysis.

A good practice by all five councils is the inclusion of improvement plans documenting the actions needed to advance their management of assets. While these plans allocate responsibilities and set time frames to implement actions, it is too early to assess progress against them. Councils have indicated that the actions in these plans must compete with other council priorities for funding. Councils do not publicly report progress against their improvement plans.



Carrum foreshore and Surf Life Saving Club, photograph courtesy of Kingston City Council.

2.3.4 Asset management plans

Best practice asset management plans include a description of assets and services and the current condition of assets, set agreed levels and standards of service, and incorporate risk management strategies.

All five councils had developed asset management plans for their major asset categories. We reviewed a sample of 15 plans within the five councils, focusing on the asset categories listed below:

- **Kingston**—drainage, pavements, footpaths, community facilities, pavilions
- **Port Phillip**—parks and open spaces, stormwater drainage, facilities such as buildings and recreational facilities
- **Cardinia**—bridges, drainage
- **Wodonga**—bridges, buildings
- **Ararat**—buildings, drainage, parks and recreational facilities.

Figure 2A summarises the results of our assessment of councils' asset management plans against better practice criteria.

Figure 2A
Assessment of asset management plans against key criteria

Better practice criteria	VAGO assessment		
	Met	Partially met	Not met
Is consistent with government policy objectives	15	0	0
Is adopted by the council	8	0	7
Describes the assets and services to be delivered	15	0	0
Is clearly linked to the council's asset management policy, strategy, strategic long-term financial plans, and capital works and maintenance programs	12	3	0
Provides clear linkages with current and future community service needs	2	2	11
Sets agreed levels and standards of service for each asset class and significant asset	4	4	7
Describes the current condition of assets	11	0	4
Contains demand forecasts and long-term cash flow projections for various types of costs, such as maintenance and operational, renewal, upgrade, replacement, disposal, etc.	9	1	5
Incorporates risk management strategies	11	0	4
Explains how the performance of the plan will be monitored	0	3	12
Contains evidence of engagement and consultation with the local community	5	10	0
Provides for periodic reviews of the plan document	12	0	3

Source: Victorian Auditor-General's Office.

The quality of the sample asset management plans was mixed. There were some good practices identified in our assessment of the plans, including:

- consistency with government policy
- clear descriptions of assets and services to be delivered
- initiatives in plans to determine the condition of assets.

However, there were also deficiencies in the quality of plans, which inhibit their implementation:

- Some plans were still incomplete after almost three years in development.
- None of the sample plans included a comprehensive process to monitor and evaluate the progress of implementing the plans.
- Eleven plans did not adequately connect current and future community service delivery needs to asset management plans.
- Seven of the sample plans had not been formally adopted by the council but are considered to be working documents.
- Seven plans did not adequately establish levels and standards of service for each asset class. Levels and standards of service were based primarily on historical experience and the results of general community surveys.

Among other things, these deficiencies indicate:

- different levels of commitment by councils to the importance of having approved asset management plans
- that the development of plans may not adequately support current and future council services
- a lack of monitoring and measurement mechanisms that can provide objective assurance that the plans are working.

The current asset management plans are considered by councils to be 'first generation' plans under the national framework. Our review identified significant scope for improving these plans, although Kingston's plans were closer to better practice.



The Cube, photograph courtesy of the Wodonga City Council.

In our review of asset management plans, we did not specifically assess the management of roads, although they account for a substantial portion of councils' physical infrastructure assets. Previous VAGO audits such as *Management of Road Bridges 2011*, and *Maintaining the States Regional Arterial Road Network 2008*, focused on the road network and it was scoped out of the current audit.

It is worth noting that roads, bridges and paths form a substantial part of a council's asset management business. These assets are governed by the *Road Management Act 2004* and supporting regulations which prescribe the way councils must manage these assets under a Road Management Plan. Some councils have suggested that a more rigorous approach to other asset categories along these lines would improve council asset management generally.

2.3.5 Levels of service

The primary purpose of a council's asset portfolio is to effectively support its community's current and future service needs. Councils should prepare service delivery plans that establish both current and desired levels of service and that identify the optimal mix and capability of assets needed to support these services.

While all five councils had prepared various strategies for the services they deliver to the community, none has well-developed plans for their major services that link to asset management plans or asset requirements. One council was more advanced in developing service delivery plans, although their current and desired service levels and standards are not yet fully developed. Another council advised it has no service plans and that it believes most councils are struggling in this area.

All five councils had established and documented service levels for their drainage assets in compliance with the requirements of the *Road Management Act 2004*. However, councils acknowledged in their plans that more work is required to develop service level matrices which address service levels and standards, that link to asset requirements.

All five councils' asset management plans indicated that service levels and standards of service are determined largely on the basis of results from the annual community satisfaction survey undertaken by DTPLI. However, these surveys are generally conducted over the phone and do not constitute robust consultation or engagement on service levels and standards, and the information is of limited relevance to asset management. To illustrate, two councils' asset management plans—for bridges and drainage—indicated there is no specific area in the DTPLI survey that is designed solely for these asset categories and that standards are inferred from the results of more general survey questions. The surveys should not be used as a substitute for councils' own local engagement activities on service levels and standards.

All five councils consulted with their communities on specific asset initiatives, such as the use of playgrounds and the future of an outdoor swimming pool.

All audited councils identified that establishing service standards, and linking service delivery to asset requirements, are priorities in the development of 'second generation' asset management plans.

2.4 Measuring the adequacy of asset management frameworks

In 2010, councils were directed to achieve a 'core' level of maturity under the National Asset Management Assessment Framework (NAMAF) by December 2012. Few Victorian councils achieved this, and none of the audited councils had achieved 'core' maturity in all elements. Most of the audited councils are at 'low' to 'intermediate' levels of maturity in the development and application of key elements.

However, the audited councils have shown some improvement since 2010. The five councils' improvement in their aggregate NAMAF scores over the period 2010 to 2012 ranged from 3 per cent to 37 per cent, averaging around 17 per cent. The average improvement of all Victorian councils over this period was around 30 per cent.

Because the majority of Victorian councils did not meet the original 2012 target—only 14 of 79 councils achieved 'core' maturity by December 2012—this target was extended to December 2013. Twenty-three councils had achieved this level by December 2013. In this context it is important to note that 'core' maturity is still not best practice. Under NAMAF, best practice is the highest level of competence, called 'advanced' maturity.

2.4.1 Issues with the National Asset Management Assessment Framework

NAMAF scores are based on councils' annual self-assessments, with some moderation by external consultants appointed by the Municipal Association of Victoria (MAV) who review the scores.

We undertook our own assessment of each of the five councils by reviewing key documents related to asset management. Although VAGO's assessment criteria were similar to those for NAMAF, they were not identical. We focused on a smaller set of sub-elements within each NAMAF element that we considered to be the most important for councils to achieve. We did not set out to replicate each council's full self-assessment process or the MAV STEP Asset Management Improvement Program consultant's review process.

Overall, VAGO's assessment results for councils were similar to the scores councils gave themselves, however, we found there is a slight bias in councils towards overestimating maturity levels. One example is where a council gave itself a high rating for defining asset management roles, responsibilities and a reporting framework, yet there was no detail in its policy document regarding these.

The audited councils advised us that their assessments were fair and accurate using the NAMAf rules and validation process. We agree that the councils' own assessments are consistent with the current rules and process. However, our assessment suggests there are weaknesses in the framework itself and in the assessment process. These affect the reliability of NAMAf scores as indicators of asset maturity, and raises concerns about their consistency and comparability over time and across councils.

Our assessment and advice from councils identified several issues with NAMAf:

- Element and sub-element are often ambiguously defined. This increases the likelihood of subjectivity in self-assessments.
- Methods for converting NAMAf scores into conclusions about asset management competency are inconsistent. MAV suggests that 'core' maturity is achieved when a council reaches a score of 95–100 for each asset management element. However, MAV also considers that 'core' maturity overall is achieved when the aggregate score across all elements is above 1 000, which requires an average element score of only 91.
- Councils have pointed out the crudeness of the scoring system whereby councils with very close scores can end up in very different asset maturity groups.
- Councils also emphasised that while their self-assessment scores were previously externally audited, they no longer are.
- One council cautioned that a distinction should be made between 'strategic asset management' which has a corporate-centred approach and 'on-ground asset management', which has a traditional engineering department approach. Many councils are still in transition towards implementing a strategic approach to asset management which requires councils to apply more resources. However, high NAMAf scores do not register the difference and may not always indicate better 'on-ground asset management' practices.
- Another council advised that while it submits NAMAf self-assessment reports annually, it doesn't see itself as part of the MAV STEP process and is planning to align itself with the new ISO-55000 Asset Management standard. This reflects the council's view that there are deficiencies in NAMAf in its current form.

Having an unbiased and accurate assessment of asset management maturity is important because it will inform councils of what is required to address deficiencies. Overestimating competencies and relying solely on NAMAf to reflect councils' asset maturity creates the risk that significant problems are not adequately addressed.

This all points to a need to review NAMAf to improve how its elements are defined and measured, and how scores should be interpreted by councils and independent auditors. Validation processes for councils' self-assessments should also be reviewed to ensure reliable and consistent methods are used across all councils. Improving these areas would likely lead to greater council confidence in NAMAf benchmarking, and greater transparency and accountability about councils' asset management performance. The results should be made publicly available through councils' annual reports, as well as via a central website to allow easy comparison between councils.

While it is timely to review the use of NAMAFA, councils and MAV acknowledge that it has helped to put asset management more firmly on councils' agendas, provided useful guidance and direction for self-assessment of asset performance, and encouraged councils to improve against shared benchmarks.

2.5 Guidance and support provided to councils

There is an abundance of guidance available to assist councils but they are not making best use of this material. Figure 2B summarises selected asset management better practice guidance material available to councils.

Figure 2B
Better practice guidance material

Title	Description	Provided by
<i>Sustaining Local Assets</i> (2003)	Provides the overall policy framework to guide the strategic management of council infrastructure assets	LGV
<i>Asset Management Policy, Strategy and Plan</i> (2004)	Guidelines for developing an asset management policy, strategy and plan	LGV
National Asset Management Assessment Framework	A self-assessment tool to assist councils to identify progress in implementing best practice asset management	Institute of Public Works Engineering Australia (IPWEA)/Australian Centre of Excellence for Local Government (ACELG)
STEP asset management improvement program (since 2003)	A program for councils covering asset management and planning as essential for the effective delivery of services	MAV
<i>Local Government Asset Investment Guidelines</i> (2006)	Guidelines for planning and business case analysis through to asset investment and evaluation for significant capital investments	LGV
<i>International Infrastructure Management Manual</i> (2011)	Provides best practice guidance on asset and financial management practice for infrastructure assets	New Zealand National Asset Management Steering Group/ IPWEA
<i>Australian Infrastructure Financial Management Guidelines</i> (2012)	Provides guidance on developing best practice asset and financial management for infrastructure assets	IPWEA
<i>Long-term Financial Planning</i> (2012)	Developed to assist organisations that are involved in service delivery and long-term asset management in preparing a long-term financial plan	IPWEA/ACELG

Source: Victorian Auditor-General's Office.

2.5.1 Local Government Victoria

LGV's role includes working in partnership with local councils to improve business and governance practices that maximise community value and accountability.

As part of this, LGV has developed and promoted asset management guidance materials. The guidelines, *Asset Management Policy, Strategy and Plan*, were developed around 10 years ago. Audited councils advised that many councils developed their asset management frameworks some time ago using these guidelines, and that updated guidance that provides a standardised approach for all councils would be helpful. LGV advised VAGO that its 2004 asset management guidelines will be reviewed and updated in 2014.

The audited councils advised that support from LGV, though appreciated, is limited, so they do not often seek guidance or assistance with developing their asset management frameworks and practices directly from LGV. Three councils advised they have used some of LGV's guidance material to develop sustainable asset management practices. There is scope for LGV to provide more targeted guidance and support to councils to address common problems, such as improving their asset management planning and practices, and dealing with the renewal gap challenge.

Councils advised that the State Library of Victoria previously provided open access to a website portal for sharing asset management information. This was extensively used and valued by councils and other organisations, but is no longer available. LGV, councils and MAV should collaborate to review the value of such a central asset management website. We understand MAV is already doing some work in this area.

LGV also coordinates annual surveys designed to identify improvements in asset management practices and assess progress by councils. Some councils have queried the usefulness of these surveys and suggested that LGV could engage councils on how the surveys could be of greater mutual benefit.

LGV is currently developing a Local Government Performance Reporting Framework to be applied by councils from July 2014. However, the asset management indicators proposed are not sufficiently detailed to support comprehensive monitoring and reporting of councils' asset management practices. LGV advises that the indicators proposed have been developed to provide a high level view of a council's asset management performance and strategies. In addition to these indicators, it would be desirable to consider further disaggregated or detailed indicators and information to support deeper analysis. Councils have also raised the issue of duplication of asset data requirements by LGV and MAV, and as part of this, the under-utilisation of Victorian Grants Commission data. LGV could work more closely with councils and MAV to discuss and resolve such data issues.

In Victoria, the *Local Government Act 1989* is silent on how councils should manage their assets. In other states, legislation has been put in place to promote better asset management planning. In 2005 South Australia legislated that councils prepare a long-term financial plan and an infrastructure and asset management plan, both covering a period of at least 10 years. In 2009, New South Wales introduced the same requirements.

LGV should review the relative merits of different legislative approaches with a view to strengthening Victorian legislation to help achieve best practice asset management. Legislation has recently been passed by Parliament to strengthen performance reporting and accountability across a wide range of areas within councils. LGV expects this to result in greater alignment between asset management and financial planning, and better council benchmarking on asset management.

2.5.2 Municipal Association of Victoria

The MAV STEP program, which commenced in 2003, was designed to assist councils improve their asset management capabilities. It is built on a continuous improvement model and setting 'stretch' targets. Since 2010, the STEP program has incorporated NAMAFA to assist councils in a practical way to meet national framework standards for asset management.

MAV has also collected data around asset management practices from Victorian councils, and benchmarked this data to gain an understanding of councils' asset management maturity. MAV was also provided \$1.4 million from the federal government's Local Government Reform Program in 2010 for the Regional Asset Management Program.

Under NAMAFA, and with MAV and LGV support, councils have improved their asset management practices. However, two audited councils questioned the ongoing usefulness of the STEP program for asset management, especially in terms of value for money. Another suggested it was timely for MAV to review the relevance of its current asset management support programs via a survey.



Bridge, photograph courtesy of Ararat Rural City Council.

Recommendations

Local councils should:

1. accelerate efforts to review and update their asset management frameworks, policies and strategies to meet better practice standards
2. make sure they have comprehensive asset management plans covering all major asset categories.

Local Government Victoria should:

3. review and update its asset management guidance material for councils
 4. review the support it provides to councils and make sure it is targeted to address common issues
 5. consider, in conjunction with councils, developing a set of comprehensive asset management performance indicators that will enable comparability between councils on asset management performance
 6. in conjunction with councils and the Municipal Association of Victoria, review the use and application of the National Asset Management Assessment Framework and its appropriateness for driving improvement in asset management performance
 7. consider making aspects of asset management mandatory, such as the development of asset management policies, strategies and plans.
-

3 Councils' asset management practices

At a glance

Background

Better asset management practice helps councils to manage their infrastructure planning and spending well. To achieve this they must implement, monitor and review their asset plans, and report on their progress to the council and their communities.

Conclusion

While council asset management practices are improving in various areas, they do not yet meet better practice. Councils are not adequately addressing asset renewal. This affects the level of service councils can provide to their communities and, without timely and appropriate action, will likely affect council financial sustainability in the longer term.

Effective asset management is being inhibited by a combination of underdeveloped asset management information systems and a lack of skilled resources. This prevents councils from effectively monitoring, evaluating and reporting on their progress in implementing plans.

Findings

- Spending on existing assets is not keeping pace with the consumption of these assets. Councils are not able to meet existing asset renewal requirements, resulting in renewal gaps growing and accumulating each year.
- None of the councils has adequate monitoring, evaluation and reporting processes in place for asset management.
- Community engagement around assets is poor.

Recommendations

Local councils should:

- develop a strategy for reducing their asset renewal gaps
- improve their asset management information systems
- improve the provision of information to the community, and engagement with the community on asset management
- develop and implement monitoring, reporting and evaluation systems and publicly report on their asset management performance.

3.1 Introduction

Councils should operate within a sound and strategic asset management framework, but for this framework to be effective they must also follow through with robust asset management practices. This requires them to make many complex decisions and take appropriate action in asset operation, maintenance, renewal, upgrade and disposal, including new capital spending when needed to meet changing community demands and service levels.

If councils are making these decisions well, it will be evident in a number of areas including the state of their asset management plans, their capital works budgets, the management of their renewal gaps, and how they monitor, evaluate and report progress on asset management.

3.2 Conclusion

Council asset management practices have improved, but do not yet meet best practice in a number of areas.

Audited councils have underdeveloped asset management information systems and a lack of skilled resources, particularly the smaller and regional councils. Councils also have poor systems for monitoring, evaluating and reporting on the progress of implementing plans. Community engagement around assets is generally poor.

Spending on existing assets is not keeping pace with the consumption of these assets. Audited councils are not able to meet existing asset renewal requirements, resulting in cumulative renewal gaps growing every year. This situation is likely to adversely impact the condition of assets, service levels and councils' long-term financial sustainability.

There are significant differences in expenditure against capital works budgets for the audited councils. Underspending by several councils suggests there is scope to better integrate capital works programs with asset management and long-term financial planning.

3.3 Asset management practices

In order to assess how well councils in our sample perform in their asset management practices, we focused on whether they had:

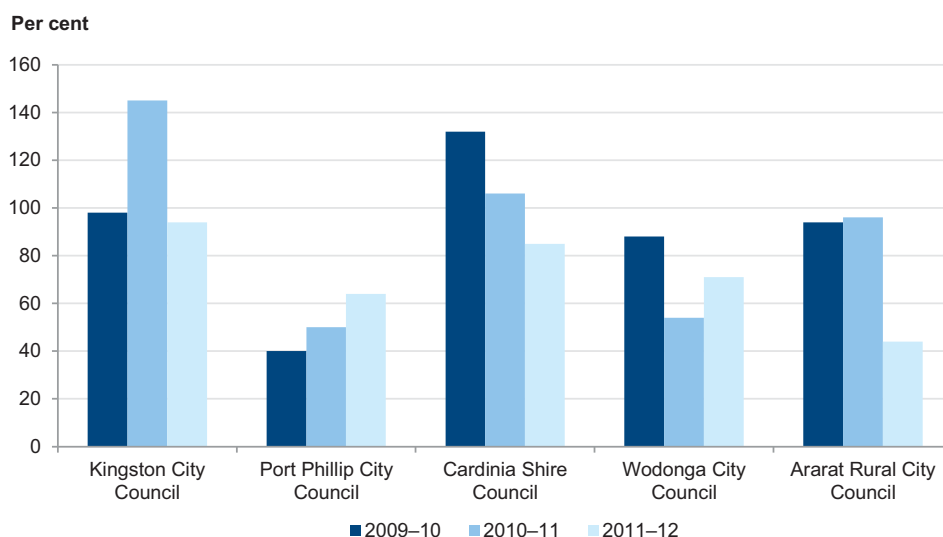
- implemented asset management plans as intended
- effectively managed their capital works budgets and the asset renewal gap
- made the best use of the available resources to effectively deliver the intended services to their local communities
- evaluated and reviewed the implementation of their asset management strategies and plans.

3.3.1 Delivery of the budgeted capital works program

Developing and adhering to a capital works budget is a key aspect of effective asset management. We analysed councils' capital works budgets against their actual capital spend from 2009–10 to 2011–12.

Figure 3A illustrates the wide fluctuations between audited councils, with several significantly underspending against their capital works budget targets over the three-year period. Adhering to capital works budgets is an indicator of sound financial planning and management and is consistent with good asset management practice, although variations from budget may occur for a range of reasons, some of which may be outside the control of councils. It is therefore important that there is transparent reporting on the reasons for budget variations.

Figure 3A
Comparison of actual capital spend to capital budget



Source: Victorian Auditor-General's Office.

Councils are required to provide explanations in their annual reports for major differences between budgeted and actual capital works expenditure. Common explanations are work delays, reprioritised and reallocated works, works carried over from the previous year, unplanned works, and capital works brought forward. However, these explanations were more descriptive than explanatory and often did not fully detail the reasons for such significant variations. For example, councils frequently reported that the project was delayed, but usually did not identify the underlying cause of the delay or the potential impacts. This provides limited transparency and accountability to ratepayers.

The large deviations from budgets points to a need for some councils to better integrate their capital works budgets and programs with asset management plans and long-term financial plans. They should also set realistic and achievable levels of capital expenditure that are determined by identified community service needs and standards. Several councils commented that when they rely significantly on federal or state grants, it is more difficult to match budgeted and actual capital spend.

3.3.2 Managing the renewal gap

A key challenge for councils is to ensure their municipalities' assets are adequate for supporting the services the council provides to its community. This requires councils to systematically plan for, and continually invest in, asset maintenance, renewal and replacement. Failure to invest in these in a timely way results in an asset renewal gap that grows and becomes worse over time, putting the quantity and quality of council services at risk.

The need for action to address the renewal gap is not new. A report prepared in 1998 for Local Government Victoria's (LGV) predecessor, *Facing the Renewal Challenge – Victorian Local Government Infrastructure Study*, warned that unless steps were taken to address the renewal gap, the amount required for renewal would more than double by 2012. In 1997, the five-year renewal cost for Victorian councils was around 4 per cent of total asset value, but by 2011–12, this figure had risen to 7.5 per cent. Overall, councils are not making sufficient progress in addressing their renewal gaps. While addressing the renewal gap may require some hard decisions, failure to make those decisions will only lead to harder decisions in the future, and will result in the continuing deterioration of assets and services.

Renewal gap analysis in audited councils

Each year, councils determine their asset renewal requirements, which include the costs of renewing, restoring and replacing existing assets. Figure 3B shows the estimated funding needed to renew assets for the audited councils.

Figure 3B
Infrastructure renewal, 2011–12 to 2015–16

	Kingston (\$mil)	Port Phillip (\$mil)	Cardinia (\$mil)	Wodonga (\$mil)	Ararat (\$mil)	All audited councils (\$mil)
Year 1 renewal cost (2011–12)	22.4	17.7	24.7	5.4	3.6	73.8
Year 1 council budgeted funding	19.2	11.2	24.7	3.4	5.4	63.9
Year 1 renewal gap variance	3.2	6.5	0	2.0	-1.8	9.9
5-year renewal cost (2011 to 2016)	120.6	94.1	123.5	25.6	21.2	385.0
5-year council budgeted funding	93.5	55.9	123.5	23.1	26.8	322.8
5-year renewal gap variance	27.1	38.2	0	2.5	-5.6	62.2
5-year average annual renewal gap	5.4	7.6	0	0.5	-1.1	12.4

Note: In Ararat's case, only 2010–11 data was available.

Source: Victorian Auditor-General's Office, using data from Municipal Association Victoria's benchmarking survey – reported in STEP Program Overview and Results 2012–13.

This analysis shows that for 2011–12, funding of \$73.8 million was needed to renew assets in the five audited councils. However, councils collectively budgeted for around \$63.9 million—14 per cent less than required.

The estimated required funding for the five-year period to 2015–16 is \$385 million, but councils budgeted \$322.8 million, a shortfall of 16 per cent. This suggests that some councils are unable or unwilling to fund their identified asset renewal requirements. As a result, their asset renewal gaps continue to grow annually. This will likely adversely impact the condition of asset portfolios and levels of service that councils can provide to their communities.

For councils individually, Figure 3B highlights that:

- Kingston planned to underspend in 2011–12 by \$3.2 million, or 15 per cent, and planned to underspend over the five years to 2016 by \$5.4 million per year, or 22 per cent
- Port Phillip and Wodonga both planned to underspend in 2011–12 by 37 per cent and Port Phillip by a proposed 41 per cent over the 5-year period
- Cardinia planned to fully meet its renewal requirements in the short and medium terms
- Ararat's budgeted renewal funding exceeded demand by an average of \$1.1 million per year, or 27 per cent, over five years.

Figure 3B also shows that renewal expenditure estimates and the capacity to meet these varied considerably across the audited councils. Many factors account for these differences including:

- council size
- asset profiles
- the historical approach to asset management
- funding sources
- staff skills and capabilities
- the council's appetite for debt and borrowing.



Market, photograph courtesy of Port Phillip City Council.

One council commented that councils estimate their renewal budgets based on their own capacity to fund their asset requirements, and do not take into account future state or federal grants that may also be applied to renewal needs, or the possibility of using council reserves. These additional funding sources could significantly reduce a council's renewal gap.

Councils' approach to managing renewal gaps

The audited councils have identified a number of key challenges in managing their renewal gaps, including:

- having a complete understanding of their physical assets, especially their true value and condition, and the associated costs of maintaining, renewing and replacing them—this requires improved asset information systems for collecting, processing and analysing large volumes of asset data
- developing more sophisticated asset data models—the data models currently used to forecast renewal funding requirements have significant limitations
- employing and retaining skilled staff to properly develop and effectively use asset management information systems
- managing various service level risks associated with timely asset intervention works, and the risk of community dissatisfaction, including through asset disposal decisions.

Most councils provided only limited information on how they manage their renewal gaps. While they generally demonstrated a good understanding of the challenges and risks they face in managing their renewal gaps, they were less able to provide clear evidence of having effective strategies to mitigate those risks, or plans outlining how they intend to manage their renewal gaps.

One council suggested that grants to councils from state and federal governments for new infrastructure should be tied to council asset renewal performance. It argued that whole-of-life costing of asset renewal requirements be undertaken at the time of grant applications and that future council costs be stated in terms of equivalent rate increases to ensure better investment decisions. The same council advised that it uses a benchmark of 3 per cent of assets past their intervention point as an indicator of a poorly performing council, and has kept its own close to 1 per cent.

The Municipal Association of Victoria found in 2011 that only 31 councils were fully funding their asset renewal needs, and the remaining 48 had a renewal funding gap. In 2012, the former Department of Planning and Community Development commissioned a review of the status of council asset management practices. It found that on three key asset management issues councils have not made significant progress since 1998 when the *Facing the Renewal Challenge* report was completed. Persistent issues included the continued expansion of the asset base and increased service levels, the need for good asset management information, and the need for asset management plans with targeted and affordable service levels.

Improving asset management practices would reduce the magnitude of forecast renewal gaps. This view is supported by LGV.

Reporting requirements on renewal gaps

There are major differences between the use of 'greenfield' versus 'brownfield' asset valuation methods when assessing renewal requirements and reporting on asset renewal gaps. Greenfield valuations are based on the costs of the initial acquisition or construction of an asset at an undeveloped site. On the other hand, the cost to rebuild or replace an existing asset includes such costs as demolition, disposal and site restoration. When renewing assets, these costs form part of the real costs to the council and are referred to as brownfield unit rates. These two methods can produce widely varying estimates when calculating renewal requirements because:

- the greenfield method meets financial reporting requirements, but for councils' practical asset management purposes, may significantly underestimate the actual cost of renewing the infrastructure
- the brownfield method usually provides a more accurate picture of the funding required to meet present and future infrastructure requirements and is more likely to be used by councils for estimating their renewal requirements.

The impact of these different methods of determining the renewal gap can be illustrated by the very different unit rates or costs associated with each method. For instance, for footpaths and cycle paths the average brownfield renewal rate used by one council was \$150 per square metre compared to its greenfield rate for new construction of \$73 per square metre. Similarly, for kerb replacement, its greenfield rate was \$63 per lineal metre compared to \$180 per metre for its brownfield rate. Brownfield rates factor in additional costs that enable the asset to be constructed, including any demolition and removal of existing infrastructure, and site preparation.



Amphibitheatre, Public Artworks by Heather B Swann, photograph courtesy of Cardinia Shire Council.

The valuation of assets issue is further complicated by other factors, such as the age and condition of assets and different definitions of asset renewal. For instance, a council with a relatively young asset base indicated that when using accounting definitions of asset depreciation its 2012–13 annual depreciated asset value is about \$8 million, while if using brownfield rates its estimated real renewal requirements are closer to \$4 million.

The valuation of assets in council balance sheets is based on greenfield rates and calculates the assets' current replacement cost in accordance with Australian Accounting Standards.

Another important valuation and measurement issue is how councils determine the useful life of an asset. For instance, some councils will use 88 years as the average life of a road pavement and others 160 years. Such differences have a major impact on asset renewal estimates. Councils should be required to report the basis of their renewal estimates and to use consistent approaches.

3.3.3 Asset disposal practices

Asset disposal is one strategy councils can use to reduce their asset management liabilities when assets have reached the end of their useful life or are no longer needed. We came across many examples of assets that audited councils consider surplus to their needs, including council buildings and public swimming pools.

The appropriate disposal of assets is an integral part of the asset life cycle and is an essential part of the asset management strategy. Asset disposal decisions should consider what new assets will be acquired and how assets being disposed of will be replaced. An asset disposal plan should establish why and when assets may be disposed of and how this can be done most effectively.

None of the five councils was able to provide evidence of a documented asset disposal policy, and there was limited evidence provided by them of a systematic approach to asset disposal.

Managing 'gifted' and non-council assets

Some assets held by local councils are 'gifted' assets—assets that are built or purchased by other government authorities and then given to local councils to operate and maintain. Some councils indicated they would prefer not to have the responsibility for managing those assets, which commonly include buildings and parks and recreational facilities, because they are unable to dispose of them but are obliged to maintain them at a substantial cost.

3.3.4 Asset information systems and knowledge resources

Effective asset management requires complete, reliable and useful information about the assets. However, councils are struggling to achieve best practice in the information systems they use to manage assets.

Over many years, the effectiveness of asset management has been limited by poor asset data and information systems. Two audited councils advised that during the local government amalgamations that occurred in the mid-1990s, they inherited a myriad of asset data and information systems that were fragmented and lacked complete and reliable asset information, particularly about the condition of assets.

Councils are still not confident that all assets under their control have been identified and recorded. For example, one council's current road pavements asset management plan notes the council's historical records are incomplete. Similarly, another council advised that it is still finding drains that are not on the council records. This situation reduces the capacity of councils to effectively monitor, evaluate and report asset performance and properly plan for maintenance and renewal.

Condition assessment information

Without comprehensive, timely and reliable information about the age and condition of all council assets, sound strategic planning and management of those assets is compromised.

We found that all councils had undertaken periodic condition reviews of their major infrastructure assets. We mentioned the challenges councils had following the council amalgamations in producing a complete inventory of the assets within their municipalities. The current challenge for many councils is being able to collect, store and effectively use the large volumes of asset information they need to plan strategically to meet their asset maintenance and renewal requirements.

One council advised it regularly undertakes condition reviews of its infrastructure assets, but does not have up-to-date condition information on all of its assets. For example, it does not undertake condition surveys of its drainage assets because pipes are mostly inaccessible and unsafe to enter, and expensive to survey. Other councils have indicated they are hampered by poor asset management information systems and insufficient resources to address this problem.



Karkarook Park, photograph courtesy of Kingston City Council.

Upgrading asset management information systems

Over the past few years councils have recognised the importance of obtaining a more thorough understanding of their asset portfolios in order to effectively manage assets. Consequently, there has been a push within councils to upgrade their asset management information systems or develop new systems that are compatible with their other corporate systems and activities.

These systems must be capable of performing multiple, complex functions. They need to have comprehensive asset data storage and retrieval capabilities and strong asset management and analysis capabilities. They also need to link to key financial and service data in related systems.

Kingston is the most advanced in implementing a comprehensive asset management information system that integrates with other corporate systems, although this is still under development. Other councils are endeavouring to implement similar integrated asset management information systems, but this is proving a major challenge for them in terms of time, skills and the resources required to make systems work effectively.

In Victoria, councils have assessed their own requirements and sourced a variety of systems. This is in contrast to Western Australia and Queensland where state governments have provided common asset information management systems. LGV should investigate the merits of this approach for Victoria.

3.3.5 Skills and resources for asset management activities

Better practice requires councils to determine what skills and knowledge they require to effectively undertake asset management functions, and to identify and facilitate training for staff. Councils should develop an asset management skills matrix, which identifies staff training needs and details scheduled training.

Only one audited council has developed a skills matrix, although it needs to review and update it to incorporate asset management and financial planning skills. Four councils had not yet assessed the skills and knowledge they need to effectively manage infrastructure assets, and had not developed a matrix. One council indicated this action is a priority for its next asset management strategy review.

None of the five councils had developed a structured professional development program for staff with asset management responsibilities. While larger councils believe they have a high level of skills and knowledge across their organisation in asset management, smaller and regional councils experience difficulties in attracting people with the relevant skills and knowledge.

Councils operate in an environment of limited resources and capacity constraints. Collaboration between councils can potentially generate efficiencies for them, including in asset management. Efficiencies may be derived through increased purchasing power, skills and knowledge sharing, or through agreements about the funding and management of common areas.

We noted a successful collaborative project between a regional group of five councils, including one in our audit sample. This involved a joint tender for road sealing works that generated substantial savings for each of the participating councils, estimated at \$3 million, or 15 per cent of the total project cost. This project was supported by LGV's collaborative procurement program as part of the Local Government Reform Fund. Being a member of Procurement Australia is another successful collaborative venture. Procurement Australia source a range of goods and services contracts for councils, and assure their quality, including within the asset management area.

All five audited councils acknowledged the potential benefits of collaboration in asset management and have been actively involved in collaboration in some capacity.

Some councils noted that one difficulty of collaboration was in determining common aims, methods, costs or outcomes that might be achieved. Greater standardisation in asset management practices across local government may improve this.

3.3.6 Monitoring, evaluation and reporting

Sound asset management should include robust monitoring and evaluation processes and the preparation of timely, comprehensive reports that inform council decision-making and the community.

None of the audited councils had fully developed or documented monitoring, evaluation and reporting practices for assessing and reporting their asset performance against their strategies and plans. While councils' policy and strategy documents identify monitoring roles and responsibilities for asset management, they do not describe the processes to be followed in sufficient detail.

None of the councils had developed an asset performance evaluation methodology incorporating performance measures, targets and indicators that would enable an informed assessment of their progress in implementing asset management strategies and plans. This inhibits councils' ability to assess and report asset performance and to make sound and timely decisions.

Internal reporting includes quarterly performance reports that contain progress on the implementation of asset plans and capital works programs, and quarterly financial reports including explanations for any variance between budgeted and actual expenditure. A sample of these reports indicated a common lack of detailed and strategic reporting.

All five councils had established reporting requirements that incorporate asset management information. However, reporting practices do not sufficiently detail their progress in implementing strategies and plans, or report the outcomes achieved.

Reporting to the community

Councils are required to produce an annual report containing audited financial statements and standard performance statements. We found that these reports provide little information on asset management and outcomes.

Council websites are also generally at a very rudimentary level in terms of providing adequate and readily accessible information on councils' management of assets, or asset issues generally.

There is considerable scope to improve reporting to the community on asset management, by reporting against performance measures and long-term strategic plans and by including more detailed explanations on budget variances in capital works programs. Councils also need to address the lack of useful information on their websites, to provide a greater awareness to their communities of the asset management challenges they face, their approach to them, and how they are performing.

Recommendations

Local councils should:

8. as a priority, develop a strategy for more effectively reducing their asset renewal gaps
9. improve their asset management information systems and knowledge of their asset portfolios to ensure they have up-to-date information on all assets
10. identify and review the skills and resources required to effectively manage infrastructure assets, including developing a skills matrix and action plan to address identified skill and resource requirements and gaps
11. improve the provision of information to, and engagement with, the community on asset management
12. develop and implement comprehensive asset management monitoring, reporting and evaluation systems, and publicly report their progress and performance against plans and strategies, including against capital works budgets.

Local Government Victoria should:

13. investigate options for supporting councils to develop and upgrade their asset management information systems, including by reviewing practices in other jurisdictions.
-

Appendix A.

Audit Act 1994 section 16— submissions and comments

Introduction

In accordance with section 16(3) of the *Audit Act 1994*, a copy of this report was provided to Ararat Rural City Council, Cardinia Shire Council, Kingston City Council, Port Phillip City Council, Wodonga City Council and the Department of Transport Planning and Local Infrastructure.

The submissions and comments provided are not subject to audit nor the evidentiary standards required to reach an audit conclusion. Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses were received as follows:

Department of Transport Planning and Local Infrastructure	36
Ararat Rural City Council.....	38
Cardinia Shire Council	40
Kingston City Council	44
Port Phillip City Council.....	47
Wodonga City Council.....	50

RESPONSE provided by the Secretary, Department of Transport Planning and Local Infrastructure



**Department of Transport,
Planning and Local Infrastructure**

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Ref: CSEC004250

Mr John Doyle
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000



Dear Mr Doyle

PROPOSED PERFORMANCE AUDIT REPORT *ASSET MANAGEMENT AND MAINTENANCE BY COUNCILS*

Thank you for your letter of 31 January 2014 and the opportunity to provide comment on the proposed report *Asset Management and Maintenance by Councils*. I am pleased to read you find Victorian councils have improved their asset management practices in recent years.

I acknowledge the findings of the report and note further improvements in asset management practices are necessary.


Your report highlights that councils manage physical infrastructure assets valued at around \$73 billion and spend over \$2 billion every year to maintain, renew or replace existing assets. In order for councils to meet the challenges of longer term financial sustainability it is therefore increasingly important for them to implement and embed sound asset management practices.

My Department supports your recommendations for Local Government Victoria and I can update you on the following work we are doing in relation to a number of your recommendations.

The review and update of existing asset management guidance material for councils has already commenced. In addition, as you note in the report, my Department is also currently implementing a Local Government Performance Reporting Framework which includes a range of asset management performance measures. In addition asset management data is currently collected from Victorian councils, via *The Local Government Victoria Asset Management Performance Measures Survey*. However on the basis of your findings, my Department will consider additional asset management performance indicators which might be incorporated into this survey.

Two significant reforms were made when the Local Government Amendment (Performance Reporting and Accountability) 2013 Act was given Royal Assent on 11 February 2014. Firstly, Strategic Resource Plans (SRPs) will now need to take account of the resources required in all other plans (including asset management plans) a council adopts.

Secondly the guidance accompanying the remaking of the Local Government (Finance and Reporting) Regulations in April this year will require much more systematic reporting in relation to non-current assets in the SRP and budget.

Department of
Transport, Planning and
Local Infrastructure 

RESPONSE provided by the Secretary, Department of Transport Planning and Local Infrastructure – continued

These reforms will result in a requirement for councils to provide a greater level of detail and standardisation around planned capital expenditure by asset class and expenditure type which will in turn drive greater alignment between asset management and financial planning. These improvements will also enable benchmarking between councils and opportunities for councils to observe best practice due to the improved consistency of reported information.

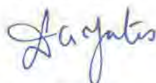
My Department will shortly issue better practice guidance and data templates to support implementation of these reforms and is currently trialling the Strategic Resource Planning tools with the group of ten Melbourne interface councils.

Taken together these reforms will immediately drive greater alignment between capital and asset management and all other planning undertaken by councils. The merit of going further to require the production of a formal asset management plan will be considered in this context.

As noted in your report, the National Asset Management Assessment Framework (NAMAF) is a national framework and Victoria has worked in partnership with the Australian Centre for Excellence in Local Government (ACELG), other jurisdictions and peak associations in its development and implementation. All councils are currently able to self-assess their asset management progress against nationally agreed standards.

A review of the use and application of the framework and its appropriateness for driving improved asset management practices is supported and my Department will continue to work with the ACELG on this.

Yours sincerely



Dean Yates
Secretary

12 / 2 / 2014

RESPONSE provided by the Chief Executive Officer, Ararat Rural City Council

Mr. John Doyle
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
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Ararat Rural City

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Dear Mr Doyle

Thank you for your letter of 31 January, 2014 (File No: 29155/01) inviting comment on the report titled, *Asset Management and Maintenance by Councils*.

I confirm that I am satisfied that the report provides a fair and reasonable overview of Ararat Rural City Council's current position and capabilities regarding our Asset Management and Maintenance.

For several years now, the Ararat Council has struggled to attract and retain suitably qualified and skilled asset managers and this has resulted in below par ratings in the MAV STEP program.

However, during the six months leading up to the VAGO audit, our Senior Managers substantially increased their resolve to reinforce our asset management capabilities and they recently employed a number of very skilled people in this crucial area. We now have a new and highly skilled asset management leadership team who are rapidly rebuilding our capabilities and systems.

With reference to the recommendations in your report, I provide the following observations:

Asset management frameworks, policies and strategies

Ararat Council has recently determined to align our asset management processes with the new *ISO 55000 Asset Management Framework* and the *ISO 9000 Quality Management System*. These are best-practice frameworks that will drive and influence all of Council's policies, strategies, operating plans etc.

Asset management plans

Council has a comprehensive suite of asset management plans that cover all major asset categories, and over the coming period these will be reviewed and redeveloped to align with the above ISO standards.

Asset renewal gap

Council recognizes the importance of addressing our Asset Renewal Gap – and in this regard we are developing new systems to clearly define the "amenity" that each of our major assets provides to our Community so that we can direct our scarce resources towards those assets that provide the greatest amenity and, where possible, eliminate assets that bring limited amenity.

Asset management information systems

Our new Asset Management Team is currently reviewing our information systems for functionality and interconnectivity with our other business systems to ensure we have the right systems in place to provide Council with accurate and up to date information about our assets. This will be a whole of Council strategic approach that considers all aspects of asset management, financial management and operational requirements.

Skills and resources

As noted above, we have recently employed two (2) new Asset Managers who are now responsible for implementing our systems in accordance with the aforementioned ISO standards, including the requirement to document an appropriate skills matrix and action plans to address identified skill and resource requirements and gaps.

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**RESPONSE provided by the Chief Executive Officer, Ararat Rural City Council –
continued**

Community Engagement

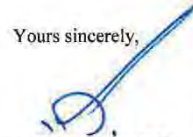
Ararat Council has a long history of actively engaging with its community, including ongoing discussions about our assets. In many instances this is a difficult conversation, but one that our Council does not shy away from. For example, we have been discussing the disposition and ongoing costs of our Outdoor Pool with our community for more than 5 years now – and will actively continue this discussion until the matter is resolved.

Asset management monitoring, reporting and evaluation systems

Our Asset Management team is currently evaluating the best value system to support our asset management monitoring, reporting and evaluation needs, which should be capable of reporting our progress and performance against our asset management plans, strategies and capital works budgets.

In summary, I am pleased to report that the Ararat Rural City Council is making good progress towards rebuilding our asset management systems, and in designing the data and business processes needed to allow Council to control and hopefully close our Asset Renewal Gap. This will not be an easy journey, but I believe we have the right people in place to drive this outcome.

Yours sincerely,



17.02.2014

ANDREW EVANS
CHIEF EXECUTIVE OFFICER

RESPONSE provided by the Chief Executive Officer, Cardinia Shire Council

Our ref: 70-75-30 / OUT144799



14 February 2014

John Doyle
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000



Dear John

RE: Proposed Performance Audit Report – Asset Management and Maintenance by Councils

Please find attached Council's Proposed Action Plan in response to the recommendations in the Proposed Performance Audit Report.

I would like to thank the Victorian Auditor-General's Office for giving Cardinia Shire Council the opportunity to be part of this audit and for taking into consideration information submitted by Council at each stage. I note the Proposed Performance Audit Report contains information provided directly and information on Cardinia Shire Council sourced from other agencies.

Cardinia Shire Council agrees with the need for local government to have comprehensive asset management practices in place and this is acknowledged by Council through increased expenditure in asset management and asset renewal.

Council supports the need for increased involvement and guidance by Local Government Victoria (LGV). The recent publishing of the International Standards for Asset Management will have an impact on asset management expectations across all levels of government once Standards Australia has also considered and in the likely situation adopted these standards later in the year.

Yours sincerely

Garry McQuillan
Chief Executive Officer

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RESPONSE provided by the Chief Executive Officer, Cardinia Shire Council – continued

Cardinia Shire Council - Action Plan addressing recommendations of Performance Audit Report – Asset Management and Maintenance by Councils

Number	Recommendation	Proposed Action	Completion Date
1.	Accelerate efforts to review and update their asset management frameworks, policies and strategies to meet better practice standards	NAMAF to be reviewed with a plan developed to meet better practice standards Improvement plan to be developed from NAMAF and included in the AM Strategy Asset Management Policy and Strategy to be reviewed and present to Council for adoption.	March 2014 August 2014 August 2014
2.	Make sure they have comprehensive asset management plans covering all major asset categories	*Roads: The Council adopted AMP is currently being reviewed. *Bridges: The Council adopted AMP to be reviewed. *Pathways: The Council adopted AMP to be reviewed on completion of condition assessments currently underway. *Drainage: To improve this AMP a review of the condition of underground assets is required along with completion of mapping Council's open drain network. <ul style="list-style-type: none"> • Condition inspections of a reasonable sample of underground assets from across the municipality to be undertaken. • Complete the mapping of Council open drains. *Buildings: Draft Plan being reviewed for inclusion of modelling of renewal	30 July 2014 30 September 2014 31 December 2014 31 December 2015 30 September 2016 31 December 2014

RESPONSE provided by the Chief Executive Officer, Cardinia Shire Council – continued

Number	Recommendation	Proposed Action	Completion Date
		<p>components. Present to Council for Adoption.</p> <p>Open Space: AMP is in first stage of development with inventory audit currently underway. Council to adopt core Open Space AMP.</p> <p>*All Council adopted AMPs will need to be reviewed in light of Audit findings and amended where required. This includes the addition of a section on monitoring & reporting performance of plans and linking to service standards.</p>	30 June 2015
8.	As a priority, develop a strategy for more effectively reducing their asset renewal gaps	<p>Ensure that the Asset Management Policy includes the objective to fund the required asset renewal.</p> <p>Review the current strategy to ensure that the appropriate levels of renewal funding continue to be provided.</p>	Annual review Annual review
9.	Improve their asset management information systems and knowledge of their asset portfolios to ensure they have up to date information on all assets	<p>Open Space: inventory & condition assessment project, currently in progress, to be completed.</p> <p>Public Lighting: All public lighting that Council is responsible for maintaining to be identified and entered into Asset Management Information System</p> <p>Signage: All road and open space signage to be collected</p> <p>Open Drains: Inventory collection to be completed.</p>	31 December 2014 Progressing implementation as funding is available Progressing implementation as funding is available 30 June 2016
10.	Identify and review the skills and resources required to effectively manage infrastructure assets, including	Complete development of a Service and Asset Management Roles & Responsibilities Matrix.	15 August 2014 31 December 2014

RESPONSE provided by the Chief Executive Officer, Cardinia Shire Council – continued

Number	Recommendation	Proposed Action	Completion Date
	developing a skills matrix and action plan to address identified skill and resource requirements and gaps	Develop a skills matrix based on the above document. Creation of an action plan to address any gaps identified and implement as part of staff annual Position Description reviews including identification of training needs.	31 August 2015
11.	Improve the provision of information to, and engagement with, the community on asset management	Establish representative focus groups for major categories of asset/ service provision: <ul style="list-style-type: none"> • Roads and Drainage • Open Space • Community Buildings & Facilities Review of content on website in relation to asset management with a view to creating a consolidated asset management page that brings together asset management related information Developing a regular series of articles in Council's magazine provided to residents about how Asset Management is implemented by Council.	31 October 2014 30 June 2015 30 June 2015
12.	Develop and implement comprehensive asset management monitoring, reporting and evaluation systems and publicly report their progress and performance against plans and strategies, including against capital works budgets	The Asset Management Steering Committee will develop a report to monitor and evaluate systems and report on a quarterly basis to Senior Management Team on progress and performance. Senior Management Team to include above report as a dedicated section pertaining to asset management in the Council Quarterly Report.	30 June 2015 30 June 2015

RESPONSE provided by the Acting Chief Executive Officer, Kingston City Council



City of
KINGSTON

13 February 2014

Mr John Doyle
Victorian Auditor-General
Level 24
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MELBOURNE VIC 3000



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Dear Mr Doyle

Re: Response to Performance Audit: Asset Management and Maintenance by Councils

Thank you for the opportunity to provide comment on the Proposed Performance Audit Report on Asset Management and Maintenance in Councils.

Kingston City Council recognises the importance of the sound asset management policies and practices and is committed to delivering sustainable asset management for the benefit of our community. We agree with the major findings of the report.

I note the recommendations for improvements to governance, performance monitoring and management practices and would like to confirm that Kingston City Council accepts all the recommendations relating to Local Government.

Council has already commenced addressing some of these recommendations and a proposed action plan addressing all the recommendations is attached at Attachment 1.

Yours sincerely

Paul Franklin
ACTING CHIEF EXECUTIVE OFFICER

cc: Mr Michael Demetrious

14/16791

1

RESPONSE provided by the Acting Chief Executive Officer, Kingston City Council – continued

Attachment 1: Proposed Action Plan - Asset Management and Maintenance for Kingston City Council

Recommendation	Council Response	Completion
(1): Local Councils should accelerate efforts to review and update their asset management frameworks, policies and strategies to meet better practice standards.	The Asset Management Policy and Strategy was revised and confirmed by Council in November 2013. This was post the documentation discovery exercise by VAGO mid-2013. The Asset Management Strategy identifies an improvement plan for Kingston to achieve NAMAF Core Maturity and better practise standards by the end of this calendar year.	Part of NAMAF Core Maturity. December 2014
(2): Local Councils should make sure they have comprehensive asset management plans covering all major asset categories	Kingston has existing asset management plans for all its major asset classes. These are considered first generation plans as they are primarily focused on assessing long term asset renewal requirements. Second generation asset management plans are to be developed during 2014/2015 that link asset performance to community levels of service.	To complete second generation update of all major asset groups by Mid 2015
(8): Local Councils should as a priority, develop a strategy for more effectively reducing their asset renewal gaps	Kingston has a robust Long Term Financial Strategy with a ten year outlook. Our asset renewal modelling is aligned to these financial provisions and gives consideration to required renewal expenditure out to 20 years. Our renewal modelling is conservatively based upon Council's financial capacity to self-fund its renewal obligations. We make no forward assumptions of grant incomes or use of Council reserves unless they have been specifically approved. This historically can provide several \$million per annum toward works on existing assets. This conservative model predicts Kingston to eliminate any renewal backlog works by 2032; however with additional funding such as grants or debt financing realised this could be reduced by 5 years. Kingston will continue the annual review of its Long Term Financial Strategy.	Strategy is in place. Annual reviews
(9): Local Councils should improve their asset management information systems and knowledge of their asset portfolios to ensure they have up to date information on all assets	Kingston invested in the purchase of corporate asset management software (AMS) in Feb 2011 which can be fully integrated with other core financial and customer services applications. The AMS is nearing completion of is development phase, which included establishing asset registers for our major asset classes and building of system integrations. The next phase, to commence in 2014, is the implementation phase, which will roll out the functional aspects of the AMS for works management, inspections and compliance to the organisation.	Kingston has invested in a corporate AMS and has an implementation plan to realise the organisational benefits. Ongoing program
(10): Local Councils should identify and review the skills and resources required to effectively manage infrastructure assets, including developing a skills matrix and action plan to address identified skill and resource requirements and gaps	Kingston has a stable base of long serving, dedicated and very experience asset managers. As part of our program toward NAMAF Core maturity we will be undertaking the skills analysis during 2014. Working toward building organisational capacity and flexibility that will address potential losses of intellectual knowledge and facilitate succession planning.	Part of NAMAF Core Maturity. December 2014

14/16791

2

RESPONSE provided by the Acting Chief Executive Officer, Kingston City Council – continued

<p>(11): Local Councils should improve the provision of information to, and engagement with, the community on asset management</p>	<p>Kingston has undertaken an extensive community engagement and communication program to develop its recently adopted "One Vision" Community Plan. Over 15,000 comments were received and contributed to the formation of capital work forward plan priorities. As individual service plans and asset management plans are updated, key stakeholders will be engaged to confirm the alignment of asset management to service requirements.</p>	<p>Part of NAMA Core Maturity. Process established by December 2014</p>
<p>(12): Local Councils should develop and implement comprehensive asset management monitoring, reporting and evaluation systems, and publicly report their progress and performance against plans and strategies, including against capital works budgets</p>	<p>Kingston has been industry recognised for the quality and content of its published annual report. The current annual report contains a detailed section on Asset Management as well as progress and performance of individual plans and strategies. As part of NAMA Core Maturity, Kingston will explore opportunities to improve performance measures and reporting on asset management issues.</p>	<p>Part of NAMA Core Maturity. December 2014</p>

RESPONSE provided by the Chief Executive Officer, Port Phillip City Council

Enquiries: John Williams
Telephone: (03) 9209 6550
File Ref: 38/03/07-02

11 February 2014

John Doyle
Auditor-General
Victorian Auditor-General's Office
Level 24
35 Collins Street
MELBOURNE VIC 3000



Dear Mr Doyle

Performance Audit - Asset Management and Maintenance by Councils

Thank you for the opportunity to provide comment on the Proposed Performance Audit Report on *Asset Management and Maintenance by Councils*.

The City of Port Phillip is pleased to be one of the five Victorian Councils to be audited on this matter. We recognise the importance of best practice asset management in enabling our organisation to deliver on the Council Plan and meet its current and future service delivery objectives efficiently and effectively.

I am pleased that the audit has found an improvement in asset management practices in recent years. I note that the audit found progress towards better practice has been relatively slow and there is still substantial room for improvement.

Opportunities for improvement identified in the audit include updating asset management frameworks, policies, strategies and plans; reducing the renewal gap; improved asset management information systems; review skills and develop better monitoring, reporting and evaluation systems that will inform the community on asset management progress and performance.

The recommendations contain seven improvement opportunities for Council and six for Local Government Victoria. I would like to confirm that the City of Port Phillip accepts all thirteen of the report's recommendations.

The City of Port Phillip has already commenced addressing a number of the audit recommendations as a result of the development and implementation of our organisational "Community First" Strategy which aims to strengthen our delivery on the Council Plan.

To build our capability, the Community First Strategy has five key priorities:

1. Enterprise Program Management
2. Great Places & Precincts
3. Continuous Service & Business Process Improvement
4. Aligned Organisation Culture & Capability
5. Good Governance

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**RESPONSE provided by the Chief Executive Officer, Port Phillip City Council –
continued**

2

The Strategy identified a need to re-align the organisation structure to improve capability and generate efficiencies in service delivery. In doing this, a new Division with a focus on Organisational Performance was created. This new Division brings together five Departments:

- Finance – annual budget and long term financial plan
- Enterprise Portfolio Management Office – co-ordinated project planning and reporting
- Service and Business Improvement – co-ordinated service planning and reporting
- Business Technology – information systems
- Asset Planning – policy, strategy and plans across all asset classes.

This new arrangement will promote better integration of asset management, financial management and service planning as noted in the audit report.¹ The establishment of the Enterprise Portfolio Management Office will address another issue identified in the audit report - the inadequate planning, delivery and reporting on Capital Works projects.²

I am confident that the Community First Strategy and the proposed actions set out in Attachment 1 will lead to best practice asset management and sustainable service delivery at the City of Port Phillip.

Once again, I thank you for the opportunity to comment on the proposed report.

Yours sincerely



TRACEY SLATTER
Chief Executive Officer

Encl. Attachment 1 – Proposed Action Plan

¹ See p 11 Audit Report - 2.3.1 Governance arrangements.

² See p 25 Audit Report - 3.3.1 Delivery of the budgeted capital works program

RESPONSE provided by the Chief Executive Officer, Port Phillip City Council – continued

Attachment 1 – Proposed Action Plan – Asset Management and Maintenance by Councils

No.	VAGO Recommendation	Proposed Action	Completion Date
	<i>Local Councils:</i>		
1	Accelerate efforts to review and update their asset management frameworks, policies and strategies to meet better practice standards.	Council will review and update its asset management frameworks, policies and strategies to meet ISO 55000 Asset Management Standards.	31/12/2015
2	Make sure they have comprehensive asset management plans covering all major asset categories	Council will adopt "first cut" asset management plans for roads, drains, buildings and parks assets to IPWEA/NAMS Standards, including an improvement plan and a review timeline.	30/06/2014
8	As a priority, develop a strategy for more effectively reducing their asset renewal gaps	Council will develop its Strategic Resource Plan to address the asset renewal gap identified in the Asset Management Plan and incorporate this into the Long Term Financial Plan.	31/12/2014
9	Improve their asset management information systems and knowledge of their asset portfolios to ensure they have up to date information on all assets	<ul style="list-style-type: none"> Council will upgrade/replace its existing asset management information system (Hansen 7) through a public procurement process. Council will implement the upgrade/replacement asset information system for all major asset classes (roads, drains, parks and buildings). Council will undertake asset condition audits every three years on each major asset class to ensure current data is available 	<ul style="list-style-type: none"> 30/6/2014 30/06/2015 Ongoing
10	Identify and review the skills and resources required to effectively manage infrastructure assets, including developing a skills matrix and action plan to address identified skill and resource requirements and gaps	Council will identify and review the skills and resources required to effectively manage infrastructure assets by developing a skills matrix and action plan to address skill and resource gaps (in conjunction with an organisation wide review of skills and resources required to deliver services efficiently and effectively).	31/12/2015
11	Improve the provision of information to, and engagement with, the community on asset management	Council will utilise a range of communication platforms, including the internet and printed media, to provide information to, and engagement with, the community on asset management.	Ongoing
12	Develop and implement comprehensive asset management monitoring, reporting and evaluation systems and publicly report their progress and performance against plans and strategies, including against capital works budgets.	Council will develop and implement asset management monitoring, reporting and evaluation systems to report progress and performance against plans and strategies, including capital works budgets.	31/12/2015

RESPONSE provided by the Chief Executive Officer, Wodonga City Council

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14th February 2014

Enquiries: Charles Mitchell
Reference: OUT14/3D1EE0F6

Mr John Doyle
Auditor-General
Victorian Auditor General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000



Dear Mr Doyle

**Re: Performance audit –
Asset management and maintenance by councils**

Wodonga City Council as a participating council has appreciated the opportunity to contribute to the performance audit report and acknowledges the range of potential improvements for Victorian councils.

The review undertaken is supported by Wodonga City council as it identifies areas of enhancement in community services through improvements in infrastructure management and maintenance that underpin these services.

Wodonga regularly evaluates its asset infrastructure renewal requirements based on quality data to manage its infrastructure. Accurate information allows specifically targeted works to be undertaken to renew community assets in a timely manner and allows council to regularly benchmark its performance. Asset management indicators that are administrative expedient, such as depreciation and other variants provided in annual financial reports can at times be too simplistic and inaccurate.

Council is fully committed to continually improving its knowledge and the condition of its assets to deliver quality services for the community that are sustainable in the long-term. Annually council considers its renewal and capital expenditure for existing services and also the needs associated with a growing city. The annual council plan and budget with proposed capital expenditure projects is distributed and advertised to the public, with submissions invited from the community.



**RESPONSE provided by the Chief Executive Officer, Wodonga City Council –
continued**

Long-term financial strategies, as detailed in the annual Strategic Resource Plan with specific chapters on asset management and capital works identifies Council's commitment and priorities to the community.

Improvements in financial reporting and transparency to the public are always welcomed. Council takes into account future apportionment commitments for developer projects. At times this prudent financial approach may lead to annual capital under-expenditure when economic and business factors impact of developers proceeding with capital works. The financial approach taken by Wodonga City Council is both prudent and financially responsible.

Yours faithfully



**Patience Harrington
Chief Executive Officer
Wodonga City Council**

Auditor-General's reports

Reports tabled during 2013–14

Report title	Date tabled
Operating Water Infrastructure Using Public Private Partnerships (2013–14:1)	August 2013
Developing Transport Infrastructure and Services for Population Growth Areas (2013–14:2)	August 2013
Asset Confiscation Scheme (2013–14:3)	September 2013
Managing Telecommunications Usage and Expenditure (2013–14:4)	September 2013
Performance Reporting Systems in Education (2013–14:5)	September 2013
Prevention and Management of Drugs in Prisons (2013–14:6)	October 2013
Implementation of the Strengthening Community Organisations Action Plan (2013–14:7)	October 2013
Clinical ICT Systems in the Victorian Public Health Sector (2013–14:8)	October 2013
Implementation of the Government Risk Management Framework (2013–14:9)	October 2013
Auditor-General's Report on the Annual Financial Report of the State of Victoria, 2012–13 (2013–14:10)	November 2013
Portfolio Departments and Associated Entities: Results of the 2012–13 Audits (2013–14:11)	November 2013
WoVG Information Security Management Framework (2013–14:12)	November 2013
Public Hospitals: Results of the 2012–13 Audits (2013–14:13)	November 2013
Occupational Health and Safety Risk in Public Hospitals (2013–14:14)	November 2013
Racing Industry: Grants Management (2013–14:15)	November 2013
Local Government: Results of the 2012–13 Audits (2013–14:16)	December 2013
Managing Victoria's Native Forest Timber Resources (2013–14:17)	December 2013
Water Entities: Results of the 2012–13 Audits (2013–14:18)	December 2013
Tourism Strategies (2013–14:19)	December 2013
Oversight and Accountability of Committees of Management (2013–14:20)	February 2014
Managing Emergency Services Volunteers (2013–14:21)	February 2014

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Phone: +61 3 8601 7000
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Email: comments@audit.vic.gov.au
Website: www.audit.vic.gov.au

Margaret Abbey

First Name Surname
Title
Business/Company
Address Line 1
Address Line 2

Dear First Name,

Re: Murrindindi 2030 Visioning Workshop No. 2

You may be aware that in August 2012 Council commenced a project to gain community ideas as to what Murrindindi Shire could be like in 2030. Since that time quite a deal of work has been undertaken.

As well as a community leaders workshop, close to 300 residents spent time in sending their comments to Council about what their community and the Shire as a whole should be in 2030 and the actions needed to achieve this. Council was very pleased with both the level of response and the positive manner in which the responses were provided.

Since that time Council has used the outcomes of the workshop and resident feedback to shape the Council Plan 2013-2017. In addition, Councillors and staff have refined the vision for each of the themes arising from the workshop and given considerable thought to what we value now and wish to see improved by 2030.

We would like to invite you to a workshop where we will discuss further the themes that have been developed since the initial work as well as discuss what needs to be undertaken to achieve our vision for Murrindindi in 2030.

The workshop will be held on Sunday 11 May 2014 from 1:30pm to 4:30pm at the recently refurbished Yea Shire Hall. It would be greatly appreciated if you could advise Tammy Fallon on 5772 0337 or Annette Reddon 5772 0384 if you are able to attend the workshop.

Enclosed is a copy of the workbook which includes some of the work that has been undertaken since 2012 and the questions for discussion at the workshop.

Yours sincerely,

Margaret Abbey
Chief Executive Officer

Encl



Murrindindi 2030 Vision

Workshop No. 2

11 May 2014

1:30 pm

Yea Shire Hall



Murrindindi 2030: Our Vision

In 2030 we are sustainable, vibrant and resilient. We focus on growing our business opportunities. Our communities are safe and connected, enjoying a healthy and productive lifestyle within our wonderful natural environment.

The Community:

Our vision for 2030

The communities of Murrindindi Shire retain the rural character and charm that has defined them for generations. Communities embrace new arrivals who share a desire for our quality lifestyle and who expand our rich and diverse culture. People in our communities choose to become actively involved in community and civic affairs. Our communities are inter-connected and have access to quality services.



What we value now and what we want to improve by 2030

We value:

- A relaxed rural lifestyle and a strong commitment to our natural environment.
- The vast range of leisure and recreational opportunities that provide quality and varied options for all ages and interest groups.
- The diverse range of recreational and leisure opportunities can be accessed by residents and visitors.
- Our safe, resilient and socially connected communities that have a strong culture of volunteering.



What we want to improve:

- The diversity of our communities whilst maintaining a sense in communities that we all belong to Murrindindi.
- Access to community, health and education services which sustain the health and wellbeing of our residents in every stage of their lives.
- A vibrant community arts culture that is expressed in events, activities and programs.
- The physical connection between communities by enhanced public and private transport opportunities.
- Access to the most efficient and effective connectivity (e.g., broadband and mobile phone coverage) available to aid the connection of our residents locally, nationally and globally



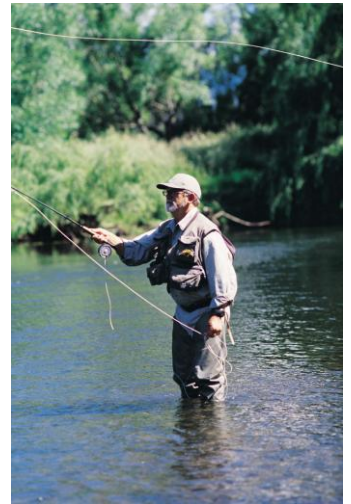
Questions to be asked at the workshop:

1. Is this what you value now and want to see improved by 2030?
2. What actions are needed to achieve the vision for The Community?

The Place:

Our Vision for 2030

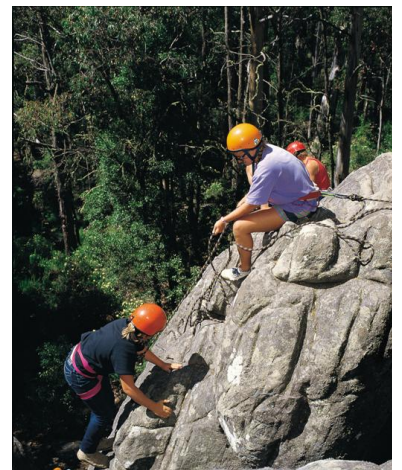
In the year 2030, Murrindindi Shire is a place that cherishes its rural environment and mountain ranges. It extends from the peri-urban communities of the Kinglake Ranges through to the rural townships of Yea, Alexandra and Eildon and the communities around Marysville. Murrindindi Shire treasures and protects its environment, its rolling hills and landscapes. This includes its charming townships, beautiful rural areas, pristine rivers and waterways, and National Parks. In 2030, the population of Murrindindi Shire has grown within the constraints of planning controls to protect rural areas. As a result, we have retained our unique main street and village environments with the landscape and scenic aspects protected. Murrindindi Shire is a place of natural outstanding beauty.



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- A commitment to welcoming all to experience our sense of place and natural attractions in Murrindindi.
- A strong sense of community involvement and participation which is demonstrated in the quality of our townships.
- The vibrant range of both natural and built tourism attractions which encourage strong visitation to our area.



We want to improve:

- The level of population growth in and around our established townships to enhance the sustainability of our services and facilities.
- The message around the liveability of our townships and settlements, as well as improving the sense of place for all residents.
- The health, wellbeing and lifestyle of our community through the provision of quality services and infrastructure.
- The retention and enhancement of our natural environment through support to agricultural, outdoor education and tourism activities.
- Our ability to adjust to a changing climate by exploring alternative energy sources and the adaptation of agricultural activities.



Questions to be asked at the workshop:

1. Is this what you value now and want to see improved by 2030?
2. What actions are needed to achieve the vision for The Place?

The Opportunity:

Our Vision for 2030

In 2030, Murrindindi Shire will have capitalised on its rural economic strength and created new value adding opportunities. We have protected the natural surrounds and the environments that are critical to our economic success. Our townships are healthy and growing with the offer of a diverse range of attractions including tourism, food and hospitality; we have created a package of lifestyle, education and business opportunities that appeals to a local and international audience. Our proximity to the metropolitan area will offer opportunities for personal and business success.



What we value now and what we want to improve by 2030

We value:

- The educational opportunities offered for our young children, primary and secondary students as well as post secondary learners.
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- The quality agricultural land, water supply and diversity in farming practices which all enable an innovative and broad agricultural sector.
- The combination of the proximity to markets and the lifestyle balance that can be achieved which has helped it become a place of choice for niche, home based and small to medium businesses.



We want to improve:

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Questions to be asked at the workshop:

1. Is this what you value now and want to see improved by 2030?
2. What actions are needed to achieve the vision for The Opportunity?

SF/425 MA:ar

14 May 2014

Margaret Abbey

«Title» «First_Name» «Surname»
«Company»
«Address_1»
«Address_2»
«Town» «Post_code»

Dear «First_Name»,

Re: Murrindindi 2030 Vision Workshop

We had a very good attendance, and lively discussion at the workshop held last Sunday 11 May 2014.

Although you were not able to attend, we do not want you to miss the opportunity to contribute your views.

Enclosed is an amended workbook, similar to the one enclosed with my letter of 14 April 2014.

It would be appreciated if your responses to the questions discussed at the workshop were received by Monday 23 June 2014.

If you would like a soft copy of the workbook please email us at eaceo@murrindindi.vic.gov.au.

Yours faithfully,

Margaret Abbey
Chief Executive Officer

Encl.

Margaret Abbey

First Name Surname
Business/Company
Address Line 1
Address Line 2

Dear First Name,

Re: Murrindindi 2030 Visioning

You may be aware that in August 2012 Council commenced a project to gain community ideas as to what Murrindindi Shire could be like in 2030. Since that time quite a deal of work has been undertaken.

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Since that time Council has used the outcomes of the workshop and resident feedback to shape the Council Plan 2013-2017. In addition, Councillors and staff have refined the vision for each of the themes arising from the workshop and given considerable thought to what we value now and wish to see improved by 2030.

Council wishes to invite your organisation to participate in the ongoing work to develop the Murrindindi 2030 vision.

Enclosed is a copy of the workbook which includes some of the work that has been undertaken since 2012 and the questions for that we invite your organisation to respond to.

It would be appreciated if your responses to the questions were received by Monday 23 June 2014.

If you would like a soft copy of the workbook please email us at eaceo@murrindindi.vic.gov.au.

Yours sincerely,

Margaret Abbey
Chief Executive Officer

Encl



Murrindindi 2030 Vision

Community Feedback

‘Have your say’

Comments invited until Monday 23 June 2014



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We welcome your feedback on **The Community:**

1. Is this what you value now and want to see improved by 2030? If not, then what do you want to see improved?

2. In your opinion, what top five actions are needed to achieve the vision for **The Community**?

Action 1:

Action 2:

Action 3:

Action 4:

Action 5:

The Place:

Our Vision for 2030

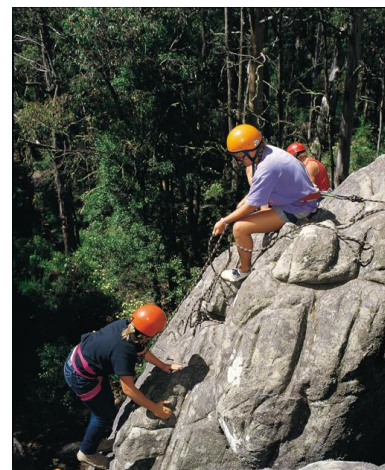
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We welcome your feedback on **The Place:**

3. Is this what you value now and want to see improved by 2030? If not, then what do you want to see improved?

4. In your opinion, what top five actions are needed to achieve the vision for **The Place**?

Action 1:

Action 2:

Action 3:

Action 4:

Action 5:

The Opportunity:

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- The capacity for residents and visitors to move around the shire and find what they are looking for with special attention paid to all forms of signage and accessibility considerations.
- The range and quality of accommodation options and visitor attractions.





We welcome your feedback on **The Opportunity:**

5. Is this what you value now and want to see improved by 2030? If not, then what do you want to see improved?

6. In your opinion, what top five actions are needed to achieve the vision for **The Opportunity?**

Action 1:

Action 2:

Action 3:

Action 4:

Action 5:



The next step:

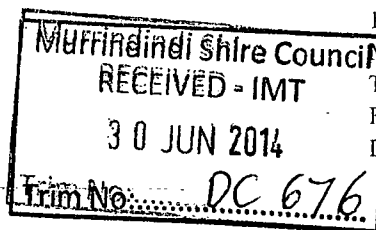
We welcome feedback to these questions until Monday 23 June 2014.

We look forward your contribution as we work towards a united
Murrindindi 2030.



Minister for Local Government

Ref CMIN052276
File 10/003773-02



1 Spring Street
Melbourne, Victoria 3000
Telephone: (03) 8392 6050
Facsimile: (03) 8392 6051
PO Box 210098

Ms Margaret Abbey
Chief Executive Officer
Murrindindi Shire Council
PO Box 138
ALEXANDRA VIC 3714

Dear Ms Abbey

MURRINDINDI SHIRE COUNCIL FINANCIAL ASSISTANCE

Thank you for the opportunity to meet with you and your Mayor Cr Rae, Deputy Mayor Cr Kennedy and councillors Walsh and Magner last week and for the briefing you provided me on the KPMG report on council's gifted assets following the Black Saturday bushfires.

As you are aware, the Victorian Government has provided significant financial support to Council since 2009 through, amongst many other initiatives, the *Murrindindi Assistance Package*. This package has totalled more than \$11.6 million and has included the most recent augmentation, announced by my predecessor, to allow the council to commit over \$730,000 in unspent monies from the package to your 2013-14 capital works program.

While I understand Murrindindi Shire Council continues to face considerable challenges, the Government has no plans to provide further financial assistance in relation to your gifted assets. The Government, however, remains committed to working with you to ensure the long-term sustainability of the municipality and I note that senior members of my department will be meeting with you in the coming days to discuss how they may be able to assist you with their expert advice.

I note the second part of the KPMG recommendation is that Council continues to focus on revenue and cost measures to improve the financial position over time. My Department is currently working with a range of councils to implement cost savings through better procurement and shared services. I encourage you to meet with Mr Mark Grant, Acting Director, Sector Development to explore opportunities in this regard.

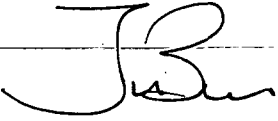
In relation to further support to bushfire affected communities, the Government is assisting councils and residents in establishing the Bushfire Planning Assistance Fund, which will provide grants to councils to develop localised schedules to the Bushfire Management Overlay to streamline permit requirements. Support will also be provided through the Rural Planning Flying Squad, which will be able to directly support rural councils with any backlog in permit applications.

The government has also extended emergency management funding support to 64 councils through the Municipal Emergency Resourcing Program with a two-year funding commitment of \$9.12 million to better prepare and protect communities in the event of an emergency. Both Murrindindi and Mitchell shire councils will benefit from this funding.

7

Thank you for bringing your concerns on this issue to my attention. I look forward to continuing to work closely with you and your Council into the future.

Yours sincerely



TIM BULL MLA
Minister for Local Government

26/6/2014

BF14/JR

22 August 2014

[Click here and type name of contact person]

[Click here and type address]

(Version 4: 22/8/14)

Dear Sir/Madam,

Re: Council's Funding Shortfall: consideration of options regarding community assets

I am writing to inform you of a funding situation currently faced by Murrindindi Shire Council which might affect your organisation or group and the facilities which you help manage or use.

You might be aware that Council is currently facing an annual \$1.76 million funding shortfall. This situation arose following the substantial assistance from the State Government, through the Victorian Bushfire Reconstruction and Recovery Authority (VBRRA) to rebuild public infrastructure which was damaged and destroyed across fire-affected areas in the Shire. New and expanded community assets such as buildings, trails and bridges and recreational assets like sporting facilities were then gifted to Council, along with the substantially increased costs associated with their operation, management, maintenance and, ultimately, renewal.

Before the fires, the annual cost to Council of managing these assets was \$1,040,000. After the fires this jumped to \$2,804,000. This represents an average annual additional cost to Council of \$1.76 million per annum over the next decade which is currently unfunded.

Council has worked hard to find savings internally to meet these new costs, including through a substantial restructure following a Services Review which was undertaken in 2012 and 2013 (which is delivering a one-off capital injection of \$4.45 million arising from sale of assets over four years and \$1.6 million in savings annually). Council has also had to raise rates by 6% annually. Without these measures, our funding shortfall would be considerably greater than it now is.

Since 2012, Council has conducted a funding advocacy campaign aimed at securing funding support from the Victorian Government. In response, on 26 June 2014, the Minister for Local Government, the Hon. Tim Bull, wrote to Council to say “the Government has no plans to provide further assistance in relation to your gifted assets”. Since then, Council has increased its advocacy efforts, aimed at informing the community of its situation and increasing pressure on the Government to assist. You might have seen local and regional press or heard about this in radio interviews with Councillors and senior officers.

While our advocacy efforts will continue, in the absence of a decision to assist by the Victorian Government, Council has had to look at other options available to it. Cr Margaret Rae, Mayor of Murrindindi Shire Council, will shortly write to all ratepayers advising them that Council is currently considering a range of options which would either cut its costs or raise revenue to help address the funding shortfall.

I wanted to advise you in advance of that letter that one of the six options under consideration is that of changing arrangements relating to Council’s ongoing support in managing a range of community assets.

Option 4 - Transfer of support for community assets:

State Government-owned assets

Council has, over time, taken on the responsibility of operating, maintaining, renewing and/or insuring many community assets. Most of these assets are on Crown land and are the ultimate responsibility of the State Government.

Due to the costs associated with the new and expanded assets gifted to Council after the 2009 Bushfires, Council will review the option of transferring responsibility for assets located on Crown land back to the State Government.

Assets owned and/or managed by Council

Many of these assets are managed by the community through committees of management, incorporated associations or not-for-profit groups. Each of these groups across the Shire has demonstrated varying capacity to raise revenue.

Council will be encouraging those groups that currently manage Council-owned facilities to consider their capacity to further contribute to the ongoing costs of managing these assets. Without such support, Council may need to consider other options such as offloading or leasing assets to assist in meeting the financial demands Council now faces..

Council is also encouraging community groups to develop viable business plans to generate sufficient revenue to provide for the annual recurrent and maintenance costs of managing assets.

Assets leased from Council

Wherever possible, Council will also look to recover the full cost of managing assets from those organisations which use or lease facilities from Council. This could be achieved by including rent arrangements which cover the running costs of the asset within existing formal agreements.

For assets owned by Council, some maintenance and operational tasks will always remain the responsibility of Council, such as assessing asset conditions and essential safety audits.

I should reiterate that the possible transfer of support for assets is only one of the six options currently under active consideration by Council. You can read more about these options on our website at www.murrindindi.vic.gov.au/fundingadvocacy

Please note that as Council is still examining the range of options before it, no decision has yet been made as to which assets might be affected. As such, Council is not yet able to provide you with any specific information about possible effects for your organisation or for your use of particular buildings or assets at this time.

Council will be looking to discuss the issues raised in this letter with groups and organisations which might be affected over coming weeks and months.

In the meantime, I'd encourage you to get involved in Council's advocacy campaign, aimed at securing additional funding from the Victorian Government to assist with the unintended side effects of the gifting of new and improved assets. Your assistance would be invaluable in demonstrating to the Victorian Government how important this issue is to our community. This will be particularly helpful in the lead up to the 29 November 2014 State Election. More details on how you can assist are available on our website or like us on Facebook at www.facebook.com/mscfundingadvocacy

I hope you will understand that, in the absence of funding assistance from the Victorian Government, Council is currently faced with some difficult options. In addressing its funding shortfall, Council will need to weigh up a range of complex and competing issues which will affect our community. Council appreciates the work that committees of management and other community groups do, and understands the importance of such groups within the Shire. I would be grateful for your support and assistance over coming months in helping us arrive at the best possible solution to our funding situation.

Yours faithfully,

Margaret Abbey

CEO

Media Release

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 29 September 2014

Contact Person: Jo Simms

File Ref: BF/14

For Release: Immediate



CEO response to Minister

You will have seen the front page of last week's paper where the Minister responded to Council's claims regarding its expectation that the State Government would assist with the consequences of Council's funding shortfall, arising from the gifting of assets after 2009. In it, the Minister quoted from an agreement which seemed to suggest Council had agreed no more support from the State Government would be forthcoming.

You would be forgiven for getting a little sick of the back and forth on this issue between the State Government and Council. I debated about whether to respond to the Minister's article, but felt I had to set the record straight. After all, Council operates in this community, and I don't believe I should leave an incorrect statement in the local papers about what I said or did unchallenged. The community has a right to know the truth and have trust that what I say as the CEO is correct.

Unfortunately, the Minister quoted in the paper from an agreement governing the wrapping up of the Victorian Bushfire Reconstruction and Recovery Authority (VBRRA) and the transfer of VBRRA functions and assets to Council. This document clarified that Council was responsible for completion of projects that VBRRA had started and that no further funding to complete those projects would be forthcoming. This is entirely fair and reasonable and Council is not seeking funds for that purpose.

This quote is therefore accurate, but is unrelated to the question of funding assistance Council has been discussing with the State Government for the last few years. Our request for assistance from the State Government is not for completion of VBRRA projects, but rather for operating, maintenance, insurance and renewal costs arising from the gifting of new and expanded assets to Council by the State Government.

The covering letter that accompanied the Funding Agreement dated 5 July 2011 shows the clear distinction between the once-off funding agreement for VBRRA project completion agreed by State Government and Council, and the separate need for funding "to defray the twin pressures of increased infrastructure expenses and reduced rate income".

I am writing to the Minister to clarify the situation and to try to seek a way through the current impasse including by meeting again to discuss the range of options Council is considering to address the funding shortfall.

Margaret Abbey.

Murrindindi Matters Advertisement/Public Notice

Phone: (03) 5772 0333 Fax: (03) 5772 2291

Date: 25 September 2014

File Reference: CY14/70

Contact Person: Jo Simms



Funding Advocacy feedback period drawing to a close

Since late August, Murrindindi Shire Council has sought feedback from the community on the options it is exploring to address Council's funding shortfall. The \$1.76 million annual shortfall has arisen from the gifting of new and expanded assets to Council by the State Government following bushfire reconstruction.

Council advises that the period during which it will accept feedback from the community will draw to a close on **Tuesday 7 October 2014**.

Through the month of September, Council has received a steady stream of responses from members of the community via its dedicated Facebook page at www.facebook.com/mscadvocacy and also by email to Councillors and via the online form on Council's webpage at www.murrindindi.vic.gov.au/fundingadvocacy.

All responses will be collated at the end of the comment period to assist Councillors in deciding which option or combination of options they will choose to bridge Council's funding gap.

Council is grateful for the engagement from the community thus far and encourages those who wish to learn more and make their views known to please visit Council's webpage.

Distributed to:

	Issue Date	P/Order No.		Issue Date	P/Order No.
* Alexandra Standard	1/10/14	59577	* Yea Chronicle	01/10/14	59578
* Marysville Triangle	03/10/14	59579	Mountain Monthly		
* North Central Review	30/09/14	59580	Flowerdale Flyer		
Eyes on Eildon			The Granite News		
Talking Toolangi			webmaster@yea.com.au		
Council web site			Councillors		

* **Statutory Requirement Advertising (Public Notices)**

In reply please quote **BF/14 14/31240**

Your Reference

Telephone Enquiries

Margaret Abbey

2 October 2014



Murrindindi

Shire Council

Hon Tim Bull
Minister for Local Government
Level 22, 1 Spring Street
MELBOURNE VIC 3000

Dear Minister,

I refer to your article published in the Alexandra Newspapers on 24 September 2014 regarding arrangements between the State Government and Murrindindi Shire Council in relation to Council's request for additional funding to address the issues arising from the new and gifted assets.

Rather than try to resolve this through a further media exchange, I believe it would be helpful to clarify Council's understanding of the agreements at the time which is very different to the advice that you appear to be receiving.

You referred in that article to the "official funding agreement" signed by the then Premier Ted Baillieu and I on 7 June 2011. The Funding Agreement in fact reflected cessation of works done by the Victorian Bushfire Reconstruction and Recovery Authority (VBRRA) and finalised the handover of VBRRA projects to Council. The Agreement acknowledged that a number of projects needed to be completed and a payment of \$1 million was made to Council to achieve that goal and to assist with related costs. Council agreed that this was a one-off payment, as it was consequent to the handover of VBRRA functions and assets to Council and related specifically to Council's completion of those projects.

The quote you included in your article is therefore accurate, but entirely unrelated to the question of funding assistance Council has been discussing with the State Government for the last few years. Our request for assistance from the State Government is not for completion of VBRRA projects, but rather for operating, maintenance, insurance and renewal costs arising from the gifting of new and expanded assets to Council by the State Government.

The covering letter (dated 5 July 2011) that accompanied the Funding Agreement shows the clear distinction between the one-off funding for VBRRA project completion agreed by the State Government and Council, and the separate requirement for funding related to Council's operating costs "to defray the twin pressures of increased infrastructure expenses and reduced rates income".

ALEXANDRA
Perkins Street,
Alexandra, 3714

Ph: 03 5772 0333
Fax: 03 5772 2291
Local call: 1800 633 792

KINGLAKE
19 Whittlesea-
Kinglake Road,
Kinglake, 3763

Ph: 03 5786 1522
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YEA
Civic Centre,
Semi Circle,
Yea, 3717

Ph: 03 5797 2209
Fax: 03 5797 2900
Local call: 1800 672 719

Please address all
correspondence to
P.O. Box 138,
Alexandra, 3714
DX: 71402

Email:
msc@murrindindi.vic.gov.au

Website:
www.murrindindi.vic.gov.au

ABN 83 600 647 004

There is nothing in this letter to indicate that this additional funding was to cease or was a one-off. In fact, the letter acknowledges the ongoing effects of reduced rate income and increased operating costs arising from the gifting of assets to Council. It is a fair and reasonable reading of this letter that further funding support would be made available to Council. This is further supported by the "Activity Schedule" also signed by Council.

You also refer in the media article to Council's ability to seek grants to assist with long term asset renewal. We acknowledge that grants are a useful way for councils to access funds which can enhance assets, but these are not available to meet operating and maintenance costs. They are also usually part of a competitive process which offers little certainty in terms of asset renewal planning. Many also come with a provision to add a new element, thus further expanding future management and renewal costs.

As the Department of Justice was advancing the implementation of the Buyback Scheme, Council raised with the Department its concerns regarding loss of rate revenue and the option of possible compensation. Council officers were advised at the time that this would be considered as part of Council's overall advocacy for additional financial support. This is also certainly an area where grants are not available and yet uniquely affects Murrindindi Shire.

It was proposed by Local Government Victoria that they might engage a consultant to assess our costings in relation to the new and expanded gifted assets' management and renewal. This has not been progressed to date. In any event, I am confident of our costing in relation to the new and gifted assets as these service levels have been reviewed by an independent and experienced asset management expert.

Council is very keen to meet with you again to discuss a way through the current impasse, including by providing to you some practical options regarding possible transfer of management responsibility of Crown-owned assets back to the State Government. Council would be keen to do so at your earliest convenience, so that it can keep its commitment to the community in regards to making decisions about funding challenges currently facing Murrindindi Shire Council and, by extension, the community of Murrindindi Shire.

I look forward to hearing from your office and/or Local Government Victoria on this matter.

Yours faithfully,



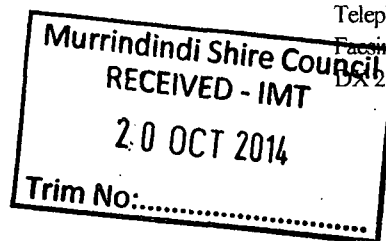
Margaret Abbey
Chief Executive Officer



Minister for Local Government

Cr Margaret Rae
 Mayor
 Murrindindi Shire Council
 PO Box 138
 ALEXANDRA VIC 3714

Level 22, 1 Spring Street
 Melbourne, Victoria 3000
 Telephone: (03) 8392 6050
 Facsimile: (03) 8392 6051
 DX 210292



Dear Cr Rae,

MURRINDINDI ASSISTANCE PACKAGE

Thank you for the letter from Ms Margaret Abbey, Chief Executive Officer, dated 2 October 2014, regarding the assistance provided by the Victorian Government and community to the Murrindindi Shire Council in the wake of the 2009 bushfires and specifically the official Funding Agreement between the State and the Council signed in front of witnesses by the CEO on 27 May 2011 and by the then Premier, the Hon. Ted Baillieu MLA, on 7 June 2011.

The Victorian Coalition Government has a strong record of investment in Murrindindi Shire over the past four years and remains firmly committed to supporting the community and council to build a strong financial future.

Given our Government's firm commitment to continue supporting Murrindindi Shire into the future, as the Coalition supports all rural and regional communities, there is limited value in trawling over past agreements. However, given media reports, it was necessary to respond by putting the facts on the table and allowing community members to make up their own minds.

For the benefit of councillors who may not have the full recollection of history, I re-state clearly the key aspects of the 2011 agreement between the State of Victoria and Council regarding the transfer of around \$31 million in assets including brand new community centres, sporting facilities and trails.

In the Victorian Coalition Government's first budget, a one-off lump sum payment of \$920,000 was provided to the Council, to be paid over two years, "... to assist with the maintenance and operation of new and renovated community facilities...".

On 7 June 2011 the official funding agreement was signed by the then Premier after having been signed by Ms Abbey on behalf of Council on 27 May 2011. This agreement provides for the transfer of assets (including ongoing responsibility) to the Council and in clause 2(a)(v) for:

"making a lump sum Funding contribution to MSC, including for the operating costs of new, enhanced or expanded assets."

This being for the Government's 2011-12 State Budget allocation referred to above, as was later acknowledged in the minutes of the 15 November 2011 meeting of the Murrindindi Assistance Package Advisory Panel (paragraphs 4(l)-(m)), attended by Ms Abbey.

The funding agreement also provides, at clause 16(a) [emphasis added]:

"MSC acknowledges that the State's involvement in the Projects is limited to the provision of Funding and assistance in accordance with this Funding Agreement and the State is in no way responsible for undertaking or completing the Project and the State is under no obligation to provide further assistance, financial or otherwise, for any costs that are incurred subsequent to the completion of a Project."

The letter of 5 July 2011 from Ms Pam White, then Chief Executive Officer of the Victorian Bushfire Reconstruction and Recovery Authority (VBRRRA), referred to in Ms Abbey's recent letter, primarily discusses the separate and additional VBRRRA \$1 million funding allocation to the Council, with only passing reference to the Coalition Government's one-off budget allocation. There is no commitment in that letter to further State funding for future operating and maintenance costs of gifted assets, nor is there any other statement that contradicts the formal agreement signed between the then Premier and Council CEO.

In previous correspondence I have responded to the Council's request for the State to fund the Council's recurrent costs of operating, maintaining and making provision for renewal of the gifted assets. The Victorian Government does not provide funding to any council to pay for recurrent costs of managing general council assets, including the costs of paying council staff (operating expenditure) or as your website states, "ensure that appropriate funds are accumulated and preserved" for future asset renewal. Such costs are core expenditure to be funded from Council budgets.

There are questions regarding the veracity of the alleged additional costs the Council claims to be incurring for the maintenance and operation of gifted assets. I note some community members using the Council's facebook page have also queried published costs.

To take one example from the asset list, I understand the Moore's Road Reserve at Flowerdale comprises toilets, a barbeque (under a pergola), picnic tables (all established and fully funded by the Altona Lions Club, according to the Flowerdale Recovery Committee, 5 July 2009) and a walking track. Apparently there is not even a rubbish bin at the site requiring council collection, with visitors having to take any rubbish home with them. Prior to the 2009 bushfires, Council claims zero annual maintenance and only \$2,019 in operating costs for the reserve. Post fires, Council now claims \$7,962 annual maintenance and \$73,020 annual operating costs.

I am pleased to support the CEO's request for Local Government Victoria to send a suitably qualified person in to assess the Council's costings on gifted asset maintenance and operating costs. My Department has already been in contact with Ms Abbey and it has been agreed former Surf Coast Shire CEO, Mr Mark Davies, will be engaged to undertake this evaluation, as well as undertaking a detailed analysis of the Council's Strategic Resource Plan. I understand Mr Davies commenced his investigation this week.

Any discussions about transferring management of assets to the State Government should be undertaken direct with the relevant State agency and/or Minister.

The Victorian Coalition Government will continue to support the community and council in other ways where appropriate. The Council has received \$2.14 million from the Local Government Infrastructure Program, which can be allocated to maintenance of gifted assets, and the Council will be able to apply for more funding from this program if the Coalition is re-elected. As previously discussed, the State will strongly consider any future council applications to the Regional Growth Fund and Council shares in the \$9.12 million Municipal Emergency Resourcing Program, the \$160 million Country Roads and Bridges Program and the Roadside Weeds and Pests Management program, to name a few. Council can also seek support from the Bushfire Planning Assistance Fund and Planning Flying Squad.

Yours sincerely



TIM BULL MLA
Minister for Local Government

15 / 10 / 2014

Murrindindi Matters

Advertisement/Public Notice

Phone: (03) 5772 0333 Fax: (03) 5772 2291



Date: 29 January 2015

File Reference: SF/1406

Contact Person: Andrew Bond

Community Comment sought on Murrindindi Rating Strategy

Notice is given pursuant to section 223 of the *Local Government Act 1989* that the Murrindindi Shire Council ('Council') invites comment from community members on the new Rating Strategy that was endorsed by Council at its Ordinary Meeting of 28 January 2015.

The purpose of this strategy is to determine the principles underlying Council's ratings framework, not to determine how much Council raises through rates, which is determined as a part of Council's Annual Budget process.

A copy of the Rating Strategy is available online at www.murrindindi.vic.gov.au/publiccomment or at the following locations during opening hours:

- Alexandra Office, Perkins Street, Alexandra
- Kinglake District Services Centre, 19 Whittlesea-Kinglake Road, Kinglake
- Yea Council Office, The Semi Circle, Yea
- Eildon Community Resource Centre (Visitor Information Centre), Main Street, Eildon
- Marysville Visitor Information Centre, 5 Murchison Street, Marysville

Any person may make a written submission to the Council on the proposed Rating Strategy.

All submissions received by the Council on or before Thursday 5 March 2015 will be considered in accordance with section 223 of the *Local Government Act 1989*, by Council at a Special Meeting of Council on Wednesday 11 March 2015 commencing at 6.00pm at the Alexandra Council Chambers.

If a person wishes to be heard in support of their submission they must include the request to be heard in the written submission and this will entitle them to appear in person, or by a person acting on their behalf, before a meeting of Council.

Written submissions should be marked 'Murrindindi Rating Strategy' and addressed to the Manager Business Services, Murrindindi Shire Council, PO BOX 138, Alexandra, 3714, or email at msc@murrindindi.vic.gov.au.

For further information, contact the Manager Business Services on (03) 5772 0333.

Distributed to:

	Issue Date	P/Order No.		Issue Date	P/Order No.
* Alexandra Standard	4 Feb-15	60972	* Yea Chronicle	4 Feb-15	60975
* Marysville Triangle	5 Feb-15	60976	Mountain Monthly		
* North Central Review	3 Feb-15	60977	Flowerdale Flyer		
Eyes on Eildon			The Granite News		
Talking Toolangi			webmaster@yea.com.au		
Council web site			Councillors		
Others:					
Seymour Telegraph			Euroa Gazette		
Mountain Views			Kilmore Free Press		
Whittlesea Leader			Yarra Valley Leader		
Local Gov. Gazette			Mansfield Courier		

* **Statutory Requirement Advertising (Public Notices)**



Murrindindi
Shire Council

Premier Hon Daniel Andrews
Office of the Premier
1 Treasury Place
MELBOURNE VIC 3002

Dear Premier,

Re: Victoria's Regional Statement

The release of Victoria's Regional Statement marks a significant commitment by you and your government and is to be commended.

The identification of the Goulburn region as a key player in new Regional Partnerships offers tremendous synergy with initiatives already under way in our region. Through the Goulburn River Valley Tourism Board (GRVT), our Council has already established robust partnerships with our local government colleagues in the Goulburn region and we believe there is great strength in such relationships. Murrindindi Shire Council also looks forward to working with all levels of government in these new Regional Partnerships.

In recent years Council has been working hard to mitigate the worst effects of the aftermath of the February 2009 bushfires on our community. We are looking forward to a new phase which focuses on growth and development as well as finding solutions to obstacles to this growth. It was therefore very reassuring to read in Victoria's Regional Statement that the Shire of Murrindindi is located on the cusp of a growing Melbourne and a perfect place for a weekend getaway or to settle down. We definitely agree !!

Over the past year, Council has taken the opportunity to meet with various State Government Ministers to discuss how your Government can assist us in advancing a number of initiatives that will contribute to achieving increased growth and development as well as assisting in the management of consequences arising from the 2009 bushfires. It is regularly acknowledged that Murrindindi Shire's situation warrants a different level of commitment and support from your Government to assist us in attaining our vision for a bright economic future for our community. It was therefore very reassuring to read in Victoria's Regional Statement that your Government will continue to provide support to this region, and in particular to the Murrindindi Shire, to recover from the significant impact of the bushfires.

ALEXANDRA
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Alexandra, 3714

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Fax: 03 5772 2291
Local call: 1800 633 792

KINGLAKE
19 Whittlesea-
Kinglake Road,
Kinglake, 3763

Ph: 03 5786 1522
Fax: 03 5786 1515
Local call: 1800 651 821

YEA
Civic Centre,
Semi Circle,
Yea, 3717

Ph: 03 5797 2209
Fax: 03 5797 2900
Local call: 1800 672 719

Please address all
correspondence to
P.O. Box 138,
Alexandra, 3714
DX: 71402

Email:
misc@murrindindi.vic.gov.au

Website:
www.murrindindi.vic.gov.au

ABN 83 600 647 004

I would welcome the opportunity to meet with you in the very near future to discuss the actions being undertaken by Council in focusing on growth and development in order to ensure a sustainable future for our Shire and our communities, together with what this support from your Government as indicated in the Regional Statement may actually entail.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Margaret Rae". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Cr Margaret Rae
Mayor

Cc Hon Jaala Pulford,
Minister for Regional Development

Hon Natalie Hutchins
Minister for Local Government
Shop 11/28A Hume Drive
SYDENHAM VIC 3037

Dear Minister,

Re: Fair Go Rates

Further to our meeting earlier this year which provided the opportunity to bring you and your office up to date on the work Murrindindi Shire has been undertaking with its community to develop and implement a framework for its financial sustainability into the future, the current passage of the *Fair Go Rates Bill* through Parliament now offers an additional opportunity to present our plans in this context.

As you will recall, over the past eighteen months we have conducted an extensive outreach campaign that set out a range of options for consideration by our community and sought their feedback and suggestions on the best options for future implementation. Their responses gave us the set of priorities on which we have constructed the framework for our Rating Strategy, our Ten Year Strategic Resource Plan and our Annual Budget. A clearly articulated component of our Strategic Resource Plan is how we can best manage the challenges that have arisen from past events and deal with the impacts into the future. Whilst significant savings have been made across the organisation as the result of the Services Review and other initiatives, nevertheless we have had to acknowledge that rate increases are inevitable to enable us to maintain our asset base and to continue to deliver the level of services our community expects.

As a small rural shire we have neither the capacity to gain from economies of scale, nor do we have the capability to earn extraneous income through such means as car parking fees. Conversely the services our community expects and deserves are often the ones that present the greatest financial and resourcing demands.

The Strategic Resource Plan has been developed to enable this level of service delivery, of which we are rightly very proud, to continue without cuts; it sets out the required annual rate increases over the ten year period and also shows these diminishing over the life of the plan. This Plan was on exhibition in April-May this year and received no negative comments from our community. Given the extent of the consultation that has been undertaken both last year and this year, it is clear that our community now well understands what needs to be done to meet our financial challenges. We understand that the Government wants Councils to be accountable and responsible. Murrindindi's unique circumstances have necessitated that we be highly disciplined in this regard. Consequently the framework we have



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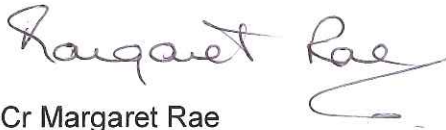
developed is founded on a responsible, accountable and transparent long term strategy. I believe, therefore, that we have a clearly articulated case that you, as the Minister, could consider for the declaration of a special rate as provided for in the current Bill should this be enshrined in the final Act.

The benefits of such a determination would be multiple – not only would it enable us to maintain our planned framework into the future but it would also allow us to continue working with our community on a 'no surprises' basis and with the confirmation that our projections are well founded. In addition, the operations of Council would not be impacted negatively by the need to develop an alternative budget nor go through an application for variation process to the Essential Services Commission, all of which would incur significant costs for the organisation both in dollar terms and in resourcing. This would in turn create more undesirable pressures on the rate revenue and on our community.

Extensive data exist on our operations and forward projections that have been provided to Local Government Victoria, and verified by its adviser Mark Davies, regularly over recent times and we would be happy to meet with you and your advisers again in order to further clarify the aims and objectives of our Strategic Resource Plan for the next ten years and how our proposed rating strategy is an essential component of this.

I look forward to the opportunity to discuss this with you in more detail at your convenience.

Yours faithfully,

A handwritten signature in cursive script that reads "Margaret Rae". The signature is written in dark ink and is positioned to the right of the typed name.

Cr Margaret Rae
Mayor



**Working in partnership
for a vibrant and
sustainable future**



Murrindindi
Shire Council

Working in partnership for a vibrant and sustainable future

Small rural councils, like Murrindindi Shire Council, have limited resources with which to deliver the projects and services required by the community. Council needs support from its partners in order to deliver on a range of services and functions to ensure the future prosperity of the Shire. To this end, Council is looking to boost efforts to engage partners in order to advance these goals together.

Murrindindi Shire has faced a set of unique challenges in recent years. The 2009 bushfires were Australia's most devastating natural disaster and Murrindindi Shire was the municipality most affected. The scale of the

disaster which affected the Shire was unprecedented with 95 lives lost and 1,397 homes destroyed. 75 businesses and shops were also lost, 16 community facilities destroyed (and a further 9 damaged) and 234 sheds on vacant land destroyed. While over 40% of the Murrindindi Shire was burnt, 100% of the Murrindindi Shire was affected.

While the consequences of the fires on our Shire's people and landscape are still evident, the scars are healing.

Importantly, the fires do not define the region nor its people. The focus of the community is now very much on the future.



The Shire

Murrindindi Shire is situated on Melbourne's peri-urban fringe. The Shire spans 3879 square kilometres and encompasses the charming rural townships of Alexandra, Marysville, Yea, Kinglake and Eildon. The Shire benefits from great natural beauty and tourist attractions such as Lake Eildon, picturesque national parks, the Great Victorian Rail Trail and access to Victoria's snowfields. The majority of the land in the Shire is classified as 'agricultural' and agribusiness encompasses beef production, forestry and fishing and horticulture. The Shire is located within close proximity to Melbourne, a lovely 60 to 90 minute drive from Melbourne, depending on your route.

Despite its close proximity to Melbourne, the Shire is one of the few fringe areas

bordering Melbourne which has not yet seen large population increases and resultant housing development and job creation. While this has slowed the pace of economic development in the region, it has allowed the Shire to retain much of its intrinsic natural beauty and the rural character of its towns and landscapes. Respect for, and appreciation of, the natural environment remain very important to the local community.

In Council's '2030 vision' exercise, the community emphasised the need to balance the benefits of economic growth and infrastructure development with retaining the beauty and charm of the area. Getting this balance right will remain a significant challenge for Council in future years.



The population of Murrindindi Shire is projected to be around 17,000 by 2031. This represents a significant increase on the 2011 population (+3,700 residents). Population growth in the Shire is forecast to accelerate after 2016.

Council is looking for opportunities to engage with State and Federal Government in creating new opportunities and development to ensure a bright and self-sufficient future for residents of the Shire. Council is working with the community and community leaders in identifying and auctioning advocacy priorities.

Council's engagement

Following the 2009 fires, the Shire received very generous assistance from the community and successive state and federal governments, mainly in the form of construction of new and improved assets throughout the Shire (parks, sporting facilities, trails and buildings). While this assistance did much to help life return to normal, it also resulted in a range of new, and unintended challenges for Council.

The assets (around \$33 million worth) were then gifted to Council, without additional funding support to pay for their management, maintenance, insurance and renewal. The size and standard of the new and gifted assets are considerably greater than facilities normally developed and managed by small rural municipalities. As a result, the operating, insurance, maintenance and renewal costs of these new assets are also considerable greater. Council is left with the practical reality of having to find \$1.76 million annually to manage these assets against the back drop of a community which is still recovering from the long term effects of the devastation wrought by the fires.

Council has worked with successive governments to advocate for ongoing assistance to meet the costs of these new and expanded facilities and assets into the future, to ensure the burden of these costs is managed prudently and not shifted to future generations.

Council's relationship with its partners in state and federal government is evolving. Council continues to seek assistance to meet these costs, but is also engaging with its partners to focus on removing obstacles to growth and to provide a more solid foundation for the Shire's future economic development, including

by creating the necessary infrastructure for expansion and prosperity.

Increased dependency on grant funding from Federal and State governments and the inherent uncertainty around the future and/or success in attracting such funding creates increased challenges for a small rural council, and Council is keen to work through these issues with its government partners.

Council has also engaged the community through a funding advocacy campaign, designed to elicit community views on how best to manage the funding situation and prioritise Council's services. In drawing on community feedback about its preferences for reducing costs to Council, Council is looking to its government partners to help facilitate a review of existing joint use management arrangements and responsibilities for a range of State government-owned or managed public facilities in the Shire with a view to reducing Council's obligations.

The challenges for Council are also a consequence of the geography of the region. Unlike many small rural councils, Murrindindi Shire Council has a population of just over 13,000 spread across multiple small townships, with no single central town around which investment and jobs would naturally coalesce. Additionally, the Shire is spread across a large geographical area in a challenging topography, divided by a mountain range. Combined, these elements challenge road and communications infrastructure, which in turn act as a limitation on growth. The absence of a rail network in the Shire is also a significant inhibitor of growth.

We are keen to work together with partners to help mitigate the effects of these challenges on the Shire.

Council's priorities



Council's overarching goal is to ensure its long term financial sustainability.

In addition to seeking additional funding to manage its new and gifted assets, Council is seeking to transition government-owned assets back to responsible government agencies.

Council is keen to attract state and federal grants and to gain greater

certainty about grant funding sources that are critical to the financial sustainability of small rural shires.

In addition, Council hopes to work with its partners in seeking positive outcomes to a range of goals outlined in our Council Plan, under the categories of 'Our Community'; Our Environment and 'Our Economy'.

According to the 2011 Census, there are 4,115 jobs located in the Shire. 16% of jobs are in agriculture, forestry and fishing, which is much higher than the average across rural Victoria. Primary production also plays a significant role within the Murrindindi economy.

Our Environment

We will manage our natural and built environment in a responsible manner.



Council is seeking funding assistance for road infrastructure. As a major route into the Shire (Yarra Valley to the High Country) **Maroondah Highway upgrades through the Black Spur** are essential, to ensure reliability of road access, reduce road closures and provide more safe passing opportunities – for business and tourism. A road link between the townships of **Narbethong and Toolangi** would also provide a much needed link between the eastern and western sides of the Shire, and cut travel times considerably.

Council is seeking funding for infrastructure renewal. Council is looking to **reinvigorate the streetscapes and recreational areas** in a number of its townships and wants to work with its partners in taking a strategic approach to this work. One proposed project is the **Yea Transport Infrastructure and Streetscape Works**, aimed at improved parking management, traffic management/control works and vegetation management planning.

Council is keen to work with partners in ensuring assistance with the **Great Victorian Rail Trail** network maintenance.

Council looks forward to seeing the commencement of major sewerage upgrade works at **Jerusalem Creek**. The project will involve a new sewerage pump out barge for houseboats at Jerusalem Creek and a pump station and pipeline connecting Jerusalem Creek to Goulburn Valley Water's Eildon

Wastewater Management Facility. This upgrade will not only assist in preserving the long term health of Lake Eildon but provide economic benefits to the area.

Council wants to work with the State Government and CFA in its **implementation of the Bushfire Management Overlay** to ensure a best practice approach is taken in considering future development and planning controls in higher bushfire risk areas.

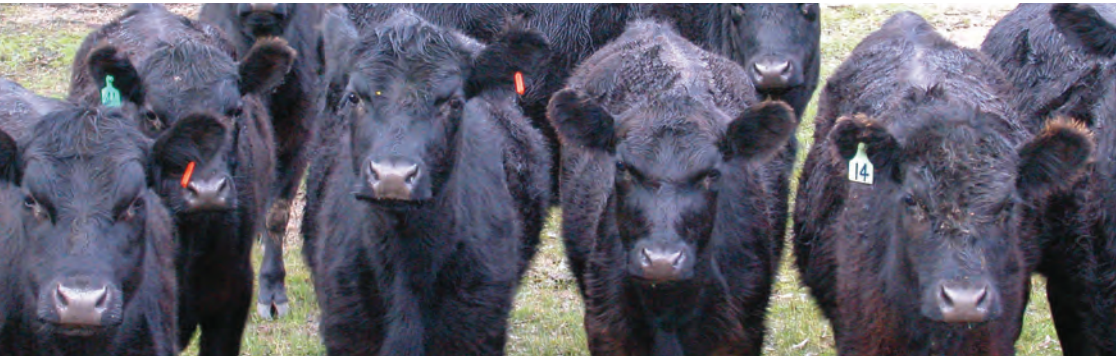
Council wants to ensure continuity and certainty of funding around management of pest plant and animals, following shifting of costs to councils and communities for this issue.

Assistance is sought in gaining planning implementation of the **Kinglake Ranges, Flowerdale and Toolangi Plan** which remains unresolved to date.

Support for State Emergency Services continues to be an important goal: VICSES deserves recognition as an equal emergency response agency.

Council wants to work with government partners in addressing ongoing issues with the **Murray Darling Basin Authority Constraints Management Strategy**. Council is keen to address and resolve the potential negative impacts of the proposed strategy upon landholders and facilities of proposed environmental flows and the lack of mitigation mechanisms for tributary catchments.

Our Economy



Council will support the sustainable growth of Murrindindi Shire's businesses and the local economy

Economic growth is the key to sustainability and prosperity, improved quality of life and the creation of education and employment opportunities.

Business investment and growth is reliant on improvements in infrastructure; communications, transport, power and water supply.

Council's focus is on strengthening existing businesses and attracting new investment.

Key to the Shire's development will be improved communications – expansion of the broadband network, NBN rollout and improved mobile service coverage across the Shire, with priority areas including Yea Saleyards and surrounds, will enhance business opportunities and liveability across the Shire.

Council is looking for funding assistance in implementing the Yea Saleyards Business Plan and to complete the development, in addition to assistance to resolve outstanding water/sewage issues.

Council is listening to all sides of the timber, forestry and environment discussion underway in the Shire. Council is a member of 'Timber Towns' group and meets with VicForests to discuss the future of the timber industry; Council is also actively interested in ensuring forests and wilderness habitat are retained, including to ensure

preservation of Leadbeater's possum habitat, with a view to expansion of the eco-tourism market.

Council is seeking assistance from its partners in supporting Murrindindi Employers Training (MET) and post-secondary education to assist with addressing skills gaps in trades training and transitional education programs in the Shire and surrounds. Funding will support the MET Facility and ongoing business development of the MET.

The house boat industry has become a major business sector which requires upgraded infrastructure in the Shire. Council is seeking funding to enable the upgrade of infrastructure necessary for the expansion of businesses servicing the house boat industry. Council is also seeking funding to enable the development of an Economic Benefit Analysis of the impact of the house boat industries.

Council is keen to work with government in advancing increased business investment and attraction to the Shire. Council continues to work with RDV in accessing its Regional Jobs and Infrastructure Fund to assist local businesses in applying for funds to aid growth; advocate on behalf of local business to address the obstacles to their growth (Lake Mountain Alpine Resort, Eildon Houseboat Owners' Association) and to assist businesses to navigate grants and government processes.

Our Community

Our communities are vibrant, interconnected and inclusive and Council will work to support and promote health and well-being and a sense of pride and belonging across the Shire.



Council is keen to ensure Early Years Services are fully funded, including ongoing funding for family day care and kindergarten programs and to foster greater integration and co-location of services across the Shire.

Aged and Disability services will be increasingly important in the Shire, given our ageing population. We are keen to work with government partners in ensuring confirmation that funding for HACC, and maintenance of HACC service levels, will be maintained, particularly during transition to Federal Government management of HACC program from

2016 and beyond. Council is also looking for confirmation that the new model for HACC will incorporate the Victorian system.

Council is also seeking improved access to 24 hour residential respite services and in home respite services for people with disabilities and their carers.

Council is looking to replace Alexandra Football / Netball Club clubrooms and pavilion and wants to work with partners to look at the whole precinct to include an upgrade of the showgrounds and the caravan park.

Analysis of Impact of Rate Capping on Murrindindi Shire Council's Long Term Financial Plan

Current Budget & SRP Projections	Budget	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP	Total Rate Cap Years
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		16/17 - 24/25
Rateable Assessments	9,531	9,560	9,589	9,619	9,648	9,677	9,707	9,736	9,766	9,796		
Rate Revenue	\$ 12,581,509	\$ 13,273,492	\$ 14,003,534	\$ 14,773,728	\$ 15,512,415	\$ 16,288,036	\$ 17,020,997	\$ 17,786,942	\$ 18,498,420	\$ 19,238,357		\$ 146,395,920
Municipal Charge	\$ 2,819,795	\$ 2,974,884	\$ 3,138,502	\$ 3,311,120	\$ 3,476,676	\$ 3,650,510	\$ 3,814,783	\$ 3,986,448	\$ 4,145,906	\$ 4,311,742		\$ 32,810,570
Total Rate Revenue	\$ 15,401,304	\$ 16,248,376	\$ 17,142,036	\$ 18,084,848	\$ 18,989,091	\$ 19,938,545	\$ 20,835,780	\$ 21,773,390	\$ 22,644,326	\$ 23,550,099		\$ 179,206,491
Rate Growth		5.5%	5.5%	5.5%	5.0%	5.0%	4.5%	4.5%	4.0%	4.0%		
Average Assessment	\$ 1,615.92	\$ 1,699.61	\$ 1,787.63	\$ 1,880.21	\$ 1,968.21	\$ 2,060.33	\$ 2,146.50	\$ 2,236.27	\$ 2,318.64	\$ 2,404.05		
N&G A Reserve	\$ 6,173,573	\$ 6,507,583	\$ 6,859,963	\$ 7,231,724	\$ 7,588,277	\$ 7,962,657	\$ 8,316,446	\$ 8,686,156	\$ 9,029,576	\$ 9,386,732		

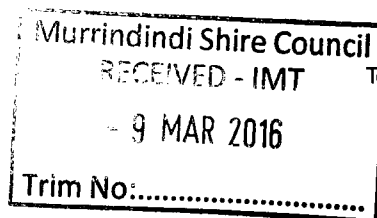
Rate Capped Budget & SRP Projections	Budget	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP	Total Rate Cap Years
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		16/17 - 24/25
Rateable Assessments	9,531	9,560	9,589	9,619	9,648	9,677	9,707	9,736	9,766	9,796		
Rate Revenue	\$ 12,581,509	\$ 12,896,047	\$ 13,218,448	\$ 13,548,909	\$ 13,887,632	\$ 14,234,823	\$ 14,590,693	\$ 14,955,461	\$ 15,329,347	\$ 15,712,581		\$ 128,373,940
Municipal Charge	\$ 2,819,795	\$ 2,890,290	\$ 2,962,547	\$ 3,036,611	\$ 3,112,526	\$ 3,190,339	\$ 3,270,098	\$ 3,351,850	\$ 3,435,646	\$ 3,521,538		\$ 28,771,445
Total Rate Revenue	\$ 15,401,304	\$ 15,786,337	\$ 16,180,995	\$ 16,585,520	\$ 17,000,158	\$ 17,425,162	\$ 17,860,791	\$ 18,307,311	\$ 18,764,993	\$ 19,234,118		\$ 157,145,384
Rate Cap		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		
Average Assessment	\$ 1,615.92	\$ 1,651.28	\$ 1,687.41	\$ 1,724.33	\$ 1,762.06	\$ 1,800.62	\$ 1,840.02	\$ 1,880.28	\$ 1,921.42	\$ 1,963.46		
Effective Rate		1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%		

Revenue Lost	\$ 462,039	\$ 961,041	\$ 1,499,328	\$ 1,988,933	\$ 2,513,384	\$ 2,974,989	\$ 3,466,079	\$ 3,879,332	\$ 4,315,980	\$ 4,315,980		\$ 22,061,106
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Hon Natalie Hutchins MP

Minister for Local Government
Minister for Aboriginal Affairs
Minister for Industrial Relations



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Ref: MIN011333

Cr Margaret Rae
Mayor
Murrindindi Shire Council
PO Box 138
ALEXANDRA VIC 3714

Dear Cr Rae

FAIR GO RATES - MURRINDINDI SHIRE COUNCIL

Thank you for your letter of 26 November 2015 regarding the Victorian Government's Fair Go Rates System and I apologise for the delay in responding.

To establish the legislative framework for the Fair Go Rates System, the Government introduced the Local Government Amendment (Fair Go Rates) Bill to Parliament on 20 October 2015. With the support of the Opposition it was adopted by Parliament on 26 November 2015, and will be implemented in time for the 2016-17 financial year.

As you would be aware, I have determined the cap for the 2016/17 financial year to be set at 2.5% based upon the Consumer Price Index forecast by the Department of Treasury and Finance for 2016/17.

Pursuant to these legislative amendments, the ESC will be able to approve a higher cap by special Order if it is satisfied that the cap proposed by the council is appropriate. There is no equivalent ministerial power to approve a higher cap.

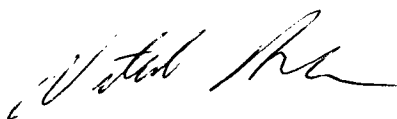
Under the Fair Go Rates System all councils are encouraged to publicly demonstrate adherence to best practice planning and budgetary requirements regardless of whether they will be making an application for a higher cap.

It is pleasing to note the extensive community consultation already undertaken by the Murrindindi Shire to establish strategic priorities. In addition, I understand the extensive data analysis conducted in conjunction with Local Government Victoria enhances the robustness of the Shire's forward projections. Given the extent and scope of the work already undertaken to establish a balanced financially stable approach, I would expect the Shire is in a strong position to make good decisions about its budget and how to respond to the needs of its community.

The Victorian Government has commenced a comprehensive review of the Local Government Act 1989. The review will provide opportunities for the sector and the community to make submissions about potential improvements to all aspects of the legislation, including rating provisions. Details of how the review will be conducted and how you can participate are available from: www.yourcouncilyourcommunity.vic.gov.au

Thank you for your letter and the important considerations of Murrindindi Shire Council.

Yours sincerely



HON NATALIE HUTCHINS MP
Minister for Local Government

- 3 MAR 2016



The Hon Jaala Pulford MP

Minister for Agriculture
Minister for Regional Development

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Victoria 8002 Australia
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Ref: CMIN160920R

Cr Margaret Rae
Mayor
Murrindindi Shire Council
PO Box 138
ALEXANDRA VIC 3714

Dear Cr Rae *Margaret*

VICTORIA'S REGIONAL STATEMENT

Thank you for your letter dated the 26 November 2015 to the Premier regarding Victoria's Regional Statement. Your letter has been referred to me for my consideration and response as the matter you raise falls within my portfolio of responsibilities. I apologise for the delay in responding.

The Victorian Government is setting in place a new way of working with Regional Victoria to ensure it is responsive to community opportunities, challenges and aspirations. I understand Murrindindi Shire faces unique challenges, particularly since the February 2009 bushfires.

As you note in your letter, Regional Partnerships will provide regional communities with a voice directly into the heart of government. The new partnerships, including local government representatives, will oversee the development of priorities for the region. Through collaboration with existing leadership groups and by engaging directly with communities, Regional Partnerships will:

- establish ways to drive local action on regional priorities;
- provide strategic advice on regional economic, social and environment issues to the Victorian Government;
- encourage partnerships, networks and relationship building across sectors for the betterment of the region; and
- monitor and report on the prosperity, wellbeing and sustainability of the region.

The Goulburn Regional Partnership will be established by 1 July 2016. As the Minister for Regional Development I have consulted with leaders from across Victoria, including the Goulburn Region, on the best way to design and implement Regional Partnerships.


I am committed to ensuring government is working for regional Victoria and that the Regional Partnerships build on the work of existing leadership groups and support the work of councils.

To support the Regional Partnership model, and as a commitment to rural and regional Victoria, the Victorian Government is significantly strengthening the seniority of regional executive leadership in Regional Development Victoria (RDV).

I am pleased to affirm that Mr Matthew Nelson has been appointed as the RDV Regional Director for the Hume Region. Matthew will play an important role, along with other senior government officials, in progressing local priorities through the Regional Partnerships and the Victorian Government. I would encourage you to make contact with Matthew who will, together with the regional RDV team, be able to assist Council to realise growth and development opportunities that will support creating a sustainable future for the Shire.

I thank you for your interest in this matter.

Yours sincerely



Hon Jaala Pulford MP

Minister for Regional Development

Date 8 / 3 / 2016