



***HEPBURN SHIRE COUNCIL
ORDINARY MEETING OF
COUNCIL
MINUTES***

TUESDAY 20 APRIL 2010

**TRENTHAM MECHANICS INSTITUTE,
HIGH STREET, TRENTHAM
7PM**

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MINUTES

TUESDAY 16 APRIL 2010

Trentham Mechanics Institute
High Street, Trentham
Commencing 7PM

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KAYLENE CONRICK
 CHIEF EXECUTIVE OFFICER
 23 April 2010

1. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS:

We would like to acknowledge we are meeting on Jaara people country, of which members and elders of the Dja Dja Wurrung community and their forebears have been custodians for many centuries.

On this land the Jaara people have performed age old ceremonies of celebration, initiation and renewal.

We acknowledge their living culture and their unique role in the life of this region.

2. OPENING OF MEETING: The meeting opened at 7.08 pm

PRESENT: Mayor Cr Janine Booth, Deputy Mayor Cr Rod May, Cr Jon Barrell, Cr Tim Hayes, Cr Sebastian Klein, Cr Don Henderson, Cr Bill McClenaghan

IN ATTENDANCE: Chief Executive Officer, General Manager Corporate Services, General Manager Sustainable Development, General Manager Infrastructure, General Manager Community Development, Manager Community Strengthening, Manager Finance.

STATEMENT OF COMMITMENT

“WE THE COUNCILLORS OF HEPBURN SHIRE
DECLARE THAT WE WILL UNDERTAKE ON EVERY OCCASION
TO CARRY OUT OUR DUTIES IN THE BEST INTERESTS
OF THE COMMUNITY
AND THAT OUR CONDUCT SHALL MAINTAIN THE STANDARDS
OF THE CODE OF GOOD GOVERNANCE
SO THAT WE MAY FAITHFULLY REPRESENT
AND UPHOLD THE TRUST PLACED IN THIS COUNCIL BY THE
PEOPLE OF HEPBURN SHIRE”

3. APOLOGIES: Nil.

4. DECLARATION OF CONFLICTS OF INTEREST:

- **Cr Bill McClenaghan declared a direct conflict of interest in Item 13.1 in regards Waste Management fees, due to his ownership of a waste disposal business.**

5. CONFIRMATION OF MINUTES:

Recommendation:

- 5.1 *That the Minutes of the Ordinary Meeting of Council held on 16 March 2010 (as previously circulated to Councillors) be confirmed as required under Section 93(2) of the Local Government Act 1989.*

Motion:

- 5.1 *That the Minutes of the Ordinary Meeting of Council held on 16 March 2010 (as previously circulated to Councillors) be confirmed as required under Section 93(2) of the Local Government Act 1989.*
- 5.2 *That Item 10.1 is amended to correct brackets on pages 68 and 69 to correctly identify under and over expenditure.*

Moved: Cr Bill McClenaghan

Seconded: Cr Don Henderson

Carried.

6. NOTICES OF MOTION:

RECREATION NEEDS STRATEGY

MOTION

That Council requests its' Recreation Advisory Committee and relevant Officers to provide Council at its June Ordinary Meeting a status report on the recommendations of the Hepburn Shire Council Recreation Needs Strategy, Final Report, November 2006, in order to inform and support Council's prioritization and decision making regarding future recreation projects such as a Victoria Park Multi Purpose Facility and/or a Heated Indoor Swimming Pool with Hydrotherapy capability.

Moved: Cr Jon Barrell

Seconded: Cr Rod May

Carried.

BACKGROUND

There has been a lot of public comment recently arguing for one or other or both of the above facilities.

No Community Plan yet exists for the communities of Daylesford & Hepburn Springs to guide Council's decision making regarding recreation infrastructure in the region.

Community Planning should reinforce or compliment the Recreation Needs Strategy.

Council's decisions regarding recreation infrastructure should be guided by the Recreation Needs Strategy.

Hepburn Shire Council's Recreation Advisory Committee Principles, Aims & Objectives are reprinted below from Hepburn Shire Council's webpage

PRINCIPLES

Underlying Principles

The Recreation Advisory Committee will act as the peak advisory body to Council on recreation issues.

The Recreation Advisory Committee will provide a forum to address recreation issues in the region.

Operating Principles

The Hepburn Shire Council is committed to maintaining a co-operative relationship with the community through open, vibrant, two-way communication with the Advisory Committee.

The Advisory Committee will:-

- * Provide representation / support when dealing with member bodies.*
- * Ensure the Council is fully informed as to community needs and priorities.*
- * Encourage two-way co-operation, communication and co-ordination between Council and the community and between community recreation groups.*

The Hepburn Shire Council will:-

- * Receive guidance and advice from the Advisory Committee.*
- * Seek specific advice on policy and funding issues.*
- * Refer issues to the Advisory Committee.*

AIM

To advise the Hepburn Shire Council on strategic and policy issues relating to the development of recreation within the municipality to ensure the most efficient and effective use of resources.

OBJECTIVES

Advise Council on priorities for recreation facility rationalisation, maintenance and development.

Advise Council on the rationalisation and development of programs and services.

Provide a forum for good communication between individuals, organisations and associations to encourage planned and integrated development of recreation facilities programs and services.

Thus I recommend a status report on this matter from the Recreation Advisory Committee.

Councillor Name: Cr Jon Barrell

Councillor Signature: 

CEO Signature: 

REPORT TO BE TABLED

CENTRAL HIGHLANDS AGRIBUSINESS FORUM - Annual Report

Councillor Name: Cr Sebastian Klein

Councillor Signature:

A handwritten signature in black ink, appearing to be "S. Klein", written over a horizontal line.

7. PRESENTATION OF REPORTS:

Mayor's Report

Councillor Janine Booth, Creswick Ward delivered the following report:

This month has seen many opportunities for I as Mayor to join in acknowledging and celebrating with our Communities some wonderful events across our Shire.

I have represented Council at the Smeaton Primary School 150 years birthday celebration, the opening of the refurbished RSL building at Clunes, the Legacy of the Lindsays launch of the Bloomfield Exhibit, the launch of Seniors Broadband facilities at the Creswick Senior Citizens and today the celebration of 10 years of service for 10 of our volunteers at the Daylesford VIC.

I also had the opportunity to welcome to our Shire, Minister Maxine Morand to look over the facilities at the Daylesford Childcare centre in particular their plans for the redevelopment of their playground, and also Minister Bronwyn Pike when she officially opened the new facilities at the Trentham Primary School.

And today Mr. Geoff Howard Member for Ballarat East when He announced the State Governments contribution of \$60,000 for the development of walking tracks at Calembreen Park in Creswick

I would like to acknowledge the important role of our officers and the Recreation advisory committee , in attracting this significant funding which demonstrates the success of setting of priorities based on community consultation, good planning and a strategic approach supported by valid documentation such as the Masterplan and Management plan.

Outside of our Shire I attended the Australian Local Government Women's Association AGM and the Women Can conference hosted by the Melbourne City Council and, yesterday, along with our CEO I attended an interesting and vocal meeting with the Essential Services Commission at their regional consultation Forum in Geelong. It seems that a number of regional Councils are not yet convinced of the value of the proposed new reporting opportunities for Councils. The Essential Services Commission draft report is currently out for comment and information sessions for Councillors and staff are being arranged in various rural locations.

Finally I was very pleased to attend our Hepburn Shire Youth awards recently as part of the celebration of Youth Week. I would like to commend our Youth Development Officer Ms Jane Barclay and Cr Sebastian Klein for their work not only in supporting our YAC- (Youth Advisory Committee) but also for being on constant lookout for ways to engage with and encourage the participation of our young people in programs and events across the Shire.

Councillor Reports

Councillor Rod May, Birch Ward delivered the following report:

I attended the Hepburn Shire Women's Honour Roll event as reported by the Mayor. Grossly outnumbered by the women of the district it was a great honour to be present at the awarding of position of honour for outstanding women from the community.

This week I attended an innovative demonstration carried out for the Shire by Weedtechnics at the invitation of our environmental officer Thea Laidlaw. The demonstration was that of a thermal weed control device based on the use of steam as an alternative to herbicide. There would appear to be some opportunity for the use of a similar device in the urban areas of the shire.

This morning I attended the announcement of recipients of funding under the Victorian Local Sustainability Accord where Minister Gavin Jennings announced \$30,000 funding for our Shire's sustainability strategy. It was announced that \$4.2 million was being made available for climate change initiatives.

Councillor Bill McClenaghan, Holcombe Ward delivered the following report:

Emergency Management came to the fore early on this month as I chaired the Municipal Fire Prevention Committee and the Municipal Emergency Management Planning Committee and considered a general debrief of the most recent summer fire danger period in which we were spared another major wildfire on a large scale. We will be holding another energetic M.E.M.P.C meeting in early May and revising the Municipal Emergency Management Plan. Then it will be time to practically test the Plan and a level crossing incident on the tourist railway is planned for later in the year.

On Monday 12th April, residents of Swords Road Glenlyon again met with Mr, Reeve and me on site. Progress has been made with road safety works and negotiations with DSE. We will be allowed to remove 50 trees immediately as they are less than 480 mm in diameter and growing too close to the carriageway. In addition a further 6 larger dangerously close trees may be removed immediately; six per year for safety purposes. Another 80 more trees will need to be removed but this will need a planning permit and numerous offset plantings. Two dangerous bends will also be straightened out and the road re-aligned as soon as sufficient quotes have come in and the work allocated. These works should create a big difference for long-suffering local residents and afford greater community safety as this road is a dead-end through hilly terrain.

On Wednesday 14th April, I chaired a public meeting in the Drummond Hall to consider future management plan options for the Drummond Avenue of Honour. It was decided to allocate the project to Malmsbury Landcare which has the immediate incorporation and committee structure rather than form a separate local Committee. Many members of Malmsbury Landcare live in the Drummond area anyhow. Negotiations with Vic Roads have gone well and the green light has been shown to a proposal to “Adopt a Roadside” and maintain the Avenue in a clean, tidy and functional state. Local people keen to be involved can register as volunteers with Vic Roads, do an annual safety course and become accredited to work in the road reserve. Vic Roads have commissioned an Arborist’s Report and will pay for lots of tree surgery, deadwooding and weight reduction. Six old trees are in poor condition and must be removed for safety. Another four of the Dutch Elms have already been removed and one anomalous oak tree has been planted in the Avenue. It will be removed and relocated to the local Primary School before being replaced with an elm like all the rest. Council is supplying the replacement elm trees of a beetle resistant variety. The entire project is a victory for community action and empowerment and it is hoped to have the Drummond Avenue of Honour fully restored and maintained by Remembrance Day this year.

Last Friday I attended the Shire’s Youth Recognition Awards and supported the young people chosen for their skills, achievements and leadership. They are indeed tomorrow’s leading citizens. Congratulations to all recipients.

Yesterday, I attended a Board Meeting in Linton of the Highlands Regional Waste Management Group. Sustainability Victoria is restructuring Regional Groups into only seven and Highlands is to be amalgamated with Grampians and Desert Fringe into a huge area of responsibility. More will be required of the amalgamated groups but there will be fewer resources provided to achieve the identified goals in our Business Plans and in assisting the State Government with its “Towards Zero Waste” Program. We are not optimistic about the future of Regional Waste Management Groups but at least the State Government is leaving them as Statutory Authorities and not complicated “Business Units” with uncertain representation and involvement with the private sector and with the complex commercial and industrial waste streams. Currently we are running a campaign to “Dob In a Dumpsite” to identify isolated areas being used to dump domestic and commercial waste and to help apprehend offenders who dump trailerloads of domestic and commercial rubbish that could just as easily go to a transfer station.

This morning, I visited Calembeen Park Creswick to hear our local State Member, Geoff Howard MLA, announce a State Government recreation grant to build walking trails around and through Calembeen Park. Another achievement for Council, the local community and the volunteer “Friends” group.

Lastly, I would like to offer congratulations to a fellow Councillor who has truly gone beyond the call of duty to protect the community of Clunes from an alleged offender who has been allegedly terrorising the town and stealing from homes and businesses. I refer actually to Cr. Don Henderson from Creswick who owns property in Clunes and who found the alleged offender asleep in a bed in his house before pursuing the man and placing him under arrest. The man is wanted in Tasmania for similar matters but certainly chose the wrong house to break into in Clunes before becoming the unwilling custodial guest of Her Majesty. Not all organizations appreciate good detective work but the township of Clunes is tonight breathing a sigh of relief thanks to Cr. Henderson’s diligence and courage. Well done Cr. Henderson.

Councillor Jon Barrell, Birch Ward forwarded the following report after the meeting to be included in the minutes:

1. **The Wombat Hill Botanical Gardens Advisory Committee** last met 16/03/2010
Challenges and opportunities discussed included a Priority Action List with a recommendation that Council allocate in its 2010/2011 budget for:
 - a. \$3000 to undertake Phase 1 works on the fern Gully & Rustic Cascade;
 - b. \$10000 to develop concise Tree Collection and Weed Management Guidelines and the initial implementation of same; and
 - c. \$10000 to perform minor works and sealing of the main Axial Path which may provide additional opportunities for educational grant funding to increase the skills of our staff with dry stone walling techniques.

2. **Councillors are aware that the Destination Daylesford Campaign Committee** has been wound up:
 - a. As reported previously, a new Hepburn Shire Regional Tourism Association - Tourism Hepburn Incorporated - has evolved.
 - b. I am delighted to report activity by a resurgent Daylesford & District Business Group, seeking to represent Business Tourism & Trades, in Daylesford, Hepburn Springs & surrounds.
 - c. I encourage this Business And Tourism Association to rise to the challenge of representing its region, and I encourage the full range of business operators to support their local BATA.

3. **ARC Advisory Committee** met on Monday 12 April 2010 attended by new Centre manager Ms Lissa McIlldowney
 - a. I am pleased to report that Plaques to commemorate fundraising have been constructed; and
 - b. A range of issues arising from the recent Community Forum are being addressed, and Officers are preparing a report to council regarding future Strategic directions

4. I also enjoyed attending the HSC Youth Recognition Awards 16/04/2010, & the Daylesford VIC 10 Year Volunteers Awards ceremony.

Councillor Tim Hayes, Cameron Ward – NIL REPORT

Councillor Sebastian Klein, Coliban Ward delivered the following report:

Lately at University I have been studying change in rural communities. The basic premise being that rural communities in decline are so because they have 'slipped between the cracks' of an increasingly globalised world and that these communities must act with increasing sophistication similar to that of the businesses, governments and corporations that hold these positions of world shaping in this day and age. In this respect it has been exciting to apply this lense to committees and organizations throughout the shire, observing how different committees function to different degrees of effectiveness. If anyone would like further information on these sociological models for rural community development please contact me.

The meeting of the Quarry St Reserve AGM also highlighted the need for works on the wall of the lake/dam to preserve this favourite fishing and picnic spot.

Bullarto Hall AGM – Also became an impromptu ward meeting.

Trentham Primary Opening – Bronwyn Pike, federal and state members attended. A great example of a community committee really succeeding at a goal.

Monument Consultation – Great outcomes from a sticky situation.

Trentham Art and Craft Fair – Great succession between old and new committees, continues to improve and be a successful draw card of some note.

Ward meeting- no attendees at this my third meeting in Bullarto for the month, but a good chat with Len and Marlene who came to open the hall. Thanks for the portrait of the queen.

Youth Awards – Great to see Trentham represented, look forward to more nominees from community groups next year.

New Residents Welcome Session – great meet and greet session with new resident and community cohesion.

CHAF strategic meeting/ Ordinary – Board seeking to enlarge and grow their capacity.

CHLLEN AGM, Table Annual Report – Powerhouse of an organisation, good to hear that Hepburn Shire Performs well in regard to yr 12 equivalent completion and results. Tabled Annual Report.

YIN – First time attending the Youth Initiative network, exciting to see this group beginning to really form around an agreed set of values goals and strategies.

Councillor Don Henderson, Creswick Ward delivered the following report:

I recently attended the unveiling of a memorial in memory of the many Chinese buried at the Creswick Cemetery. This well run event was attended by well over 150 people. It was great to hear about the contribution that our early Chinese pioneers contributed to Creswick and district.

I was also fortunate to open an art exhibition at the Melbourne University as part of the Legacy of the Lindsay Festival. The exhibition was a valuable record of our landscapes and old gold diggings many of which are disappearing. These mullock heaps have been used as gravel over the years and I have seen many of them disappear in my lifetime. A great example of collecting data today in order that it is not lost forever.

I also attended the launch of the Australasia Mine no 2 Disaster exhibition at the Creswick Museum. A great job done by our volunteers at the museum and strong links have been formed with Sovereign Hill.

An opportunity arose recently to get involved in some community safety work and the result is that Hepburn Shire will be given the opportunity to be on a regional committee regarding community safety run by the district police command.

I attended a number of functions in the shire mentioned by other speakers including the Youth Awards.

The grants received from the State Government to do the walking track at Calemben Park will be a great improvement as will the trees planted by our local landcare group in conjunction with Friends Of Calemben volunteers.

Recommendation:

7.1.1 *That Council receive and note the reports of the Mayor and Councillors.*

Motion:

7.1.1 *That Council receive and note the reports of the Mayor and Councillors.*

Moved: Cr Tim Hayes
Seconded: Cr Sebastian Klein
Carried.

8. PUBLIC PARTICIPATION TIME:

This part of the Ordinary Meeting of Council allows for the tabling of petitions by Councillors and Officers and 30 minutes for the purpose of:

- Responding to questions that have been submitted by members of the community
- Allowing members of the community to address Council.

Community members are invited to submit written questions to the CEO by 12 noon on the day of the Council meeting. If you wish to address Council you must provide a brief synopsis of your address in writing to the CEO by 12 noon on the day of the Council meeting.

Questions may be taken on notice and responded to later. Likewise, some questions of an operational nature may be responded to through usual administrative procedure. Separate forums and Council processes are provided for deputations or for making submissions to Council.

8.1. PETITIONS:

The following petition was received and tabled at the meeting:

We the undersigned residents and property owners of Stanbridge St and adjacent streets request that the council revoke any permits given for the operation of B-Doubles and other heavy vehicles in Stanbridge St, and ensure that in future that Stanbridge street will never be used for this purpose.

We note that there has been no consultation with residents over the issuing of any such permits.

We would also like to draw to council's attention the fact that Stanbridge St runs through a residential area and terminates at the primary school. There is a skateboard park and children often skate on the road while getting there. There are pedestrians who use this road, including women with prams, as there are no footpaths. The road is steep and intensifies truck engine noise through labouring uphill and engine braking. Buildings in Stanbridge Street and adjacent streets are all residential, and their occupants are entitled to peace and quiet. Many have gardens that form part of an extended Wombat Hill Botanical Gardens precinct. Businesses that operate in the area are tourism-related, including bed-and-breakfasts, holiday cottages, massage businesses, etc, all of which are highly sensitive to negative impacts from heavy trucks.

Motion:

8.1 *That the petition lay on the table for one month and a report be presented to Council at the next Ordinary Meeting in May 2010.*

Moved: Cr Jon Barrell

Seconded: Cr Bill McClenaghan

Carried.

8.2 QUESTIONS:

SUBMITTED BY DAVID MARSHALL, DAYLESFORD

Question 1:

In view of widespread opposition by residents of Stanbridge Street (see tabled petition with 42 signatures), will council revoke the permit to operate B-Doubles in Stanbridge St issued by council officers, without community consultation and “without Council being informed”?

Stanbridge St runs through a residential area and terminates at the primary school. There is a skateboard park and children often skate on the road while getting there. There are pedestrians who use this road, including women with prams, as there are no footpaths. The road is steep and intensifies truck engine noise through labouring uphill and engine braking. Buildings in Stanbridge Street and adjacent streets are all residential, and their occupants are entitled to peace and quiet. Many have gardens that form part of an extended Wombat Hill Botanical Gardens precinct. Businesses that operate in the area are tourism-related, including bed-and-breakfasts, holiday cottages, massage businesses, etc., all of which are highly sensitive to negative impacts from heavy trucks.

Answer by General Manager Infrastructure:

This issue is considered by Council in Item 13.2.

9 EXECUTIVE SERVICES:

NIL REPORTS

Motion:

That the order of the Agenda be changed and that Item 13.1 be considered before Item 10.1.

Moved: Cr Rod May

Seconded: Cr Don Henderson

Carried.

8.12 pm, Cr Bill McClenaghan left the meeting due to his declared conflict of interest in regards Item 13.1

8.16 pm Cr Bill McClenaghan returned to the meeting

10 CORPORATE SERVICES:

10.1 BUDGET FOR THE FINANCIAL YEAR 2010/11

(A/O – Manager Finance)

Introduction

A report on the proposed 2010/11 budget has been tabled for Council's consideration.

The report is in the form of the model budget template recommended as best practice for reporting local government budgets in Victoria. The report contains the necessary statutory information required under the *Local Government Act 1989* and *Local Government Regulations 2004*.

The recommendations below are the formal resolutions to be passed by Council to prepare the budget, which will be on public display until Monday 24 May 2010.

Submissions on the budget can be made until 5.00pm on Monday 24 May 2010. It is proposed that Council meets to consider any submissions at a Special Meeting on Tuesday 8 June 2010 and to adopt the budget at a Special Meeting scheduled for Tuesday 22 June 2010.

Report

The draft budget provides for an operating surplus of \$2.9m and an underlying result of \$473,000.

The draft budget proposes expenditure on capital projects of \$9.9 million and also makes provision for a loan of \$380,000 for the Council contribution to the Doug Lindsay Reserve Multi Purpose Facility project and Cameron Court units, Clunes to be taken out during 2010/11.

Some of the new initiatives included in this budget are:-

- Doug Lindsay Reserve Multi Purpose Facility (\$2,757,000)
- Preparing main street revitalisation plans for our key towns (\$60,000)
- Review of the waste management strategy (\$60,000) and development of an organic waste treatment strategy (\$15,000)
- Emergency Management Officer to organise and implement emergency management services as a result of climate change (\$65,000)
- Energy **Descent¹** Action Plan (\$43,500)

¹ Amendment from Discount to Descent

- Development of asset management plans for roads, bridges and Council buildings (\$60,000)
- Developing a Community Plans Funding Program which will provide communities with assistance to implement their Community Plans (\$30,000)
- An increase in infrastructure renewal (\$250,000)

The budget papers which will be circulated separately to this report have been prepared based on the “Victorian City Council Model Budget 2010/11” best practice guide and contain details of the operational budget and the capital works to be undertaken in 2010/11. The budget papers contain the necessary statutory information required under the *Local Government Act 1989* and *Local Government Regulations 2004*.

The 2010/11 budget has been prepared on the basis of an overall 7.6% increase in rates and municipal charges. This budget continues the existing practice of applying rate differentials.

One change in the differentials has been proposed for 2010/11. Vacant land has been split into two differentials, township and other. Only the vacant land - township differential has been set at 125% of the residential rate as Council has identified that vacant land outside townships may not be appropriate for development and therefore should not attract the higher rate.

The Rate Differentials that will be applied are as follows:-

Type of Property	2009/10 Differential	2010/11 Differential
General rate for rateable residential properties	100%	100%
Farm rate for rateable farm land properties	70%	70%
Commercial rate for rateable commercial properties	110%	110%
Industry rate for rateable industry properties	110%	110%
Mixed use rate for mixed use properties	110%	110%
Vacant land rate - township	125%	125%
Vacant land rate -other	125%	100%
Rate concession for rateable trust for nature properties	50%	50%
Rate concession for rateable recreational properties	50%	50%

Council has been phasing out the administration municipal charge over the past 5 years which has seen it reduce from \$110 to \$22, however it is proposed to retain the charge at its present level for the 2010/11 financial year so that a review of the rating options can be undertaken during the year.

The budget proposed to raise total rates and municipal charges of \$11.75 million, including \$150,000 generated from supplementary rates.

It is proposed that a new environmental levy of \$22 per assessment be charged for three years from 2010/11 – 2012/13. This levy will raise \$648 thousand over three years and will be crucial to meeting the objectives in the Council Plan and becoming a leader in this area.

Environmental initiatives to be funded by this charge are as follows:-

- Emergency Management Officer (\$48,900 per year)
- Environmental Officer (\$65,000 per year)
- Development of an Energy **Descent²** Action Plan (\$43,500 over 3 years)
- Control of the Elm Leaf Beetle (\$180,000 over 3 years)
- Installation of Tanks For Stormwater Collection (\$30,000 over 3 years)
- Roof Mounted Voltaic Panels (\$90,000 over 3 years)
- Utility Tracking (\$3,500)
- ICLEI Pathway Program (\$3,500)
- Statutory weed management (\$7,000 over 3 years)

The proposed garbage, recycling and waste management charges are as follows:-

Type of Charge	Per Rateable Property	Per Rateable Property
	2009/10	2010/11
	\$	\$
Kerbside collection (garbage)	76	96
Recycling	66	66
Commercial garbage charge	188	199
Waste management charge	90	101

² Amendment from Discount to Descent

The waste management charge on all properties will increase by \$11 to \$101. The garbage collection and disposal charge will increase by \$20 to \$96, the commercial garbage charge will increase by \$10 to \$199 and the recycling charge remains unchanged at \$66. These charges will raise a total of \$1.82 million. These charges are set to recover the costs associated with this area of service. As the cost of contractors, transport and associated levies have increased by an average of 9%, the charges have increased proportionately.

The recommendations that appear at the end of this report are the formal resolutions to be passed by Council to prepare the budget, which will be on public display until Monday 24 May 2010.

Submissions on the budget can be made until 5.00pm on 24 May 2010. It is proposed that Council meets to consider any submissions at a Special meeting on Tuesday, 8 June 2010 and at a Special meeting on Tuesday, 22 June 2010 to adopt the budget.

Allowances

It is proposed that Council fix the allowance amounts for Councillors at \$18,278 (includes allowance of 9%) and the amount for the Mayor to be fixed at \$33,513 (includes allowance of 9%).

Council is required to place these proposed amounts on public exhibition in accordance with Section 223 of the Act along with the 2010/11 budget.

Strategic Resource Plan

Council is required to develop a Strategic Resource Plan in accordance with Section 126 of the *Local Government Act 1989* as part of the development of the Council Plan and in conjunction with the annual budget process. The Strategic Resource Plan is a document which specifies which financial and non-financial resources are required in order for Council to complete the objectives identified in the Council Plan for the next four years.

The Draft Strategic Resource Plan 2010-2014 has been developed and will be placed on public exhibition with the Council Budget. Submissions will be invited in accordance with Section 223 of the *Local Government Act 1989*.

It is anticipated that Council will be in a position at the end of June to adopt the 2010/11 Budget and the Strategic Resource Plan at the same meeting.

Community / Engagement / Communication / Consultation

The Draft Budget will be publicly advertised in the local newspapers seeking submissions from interested parties in accordance with Section 223 of the *Local Government Act 1989* and community information evenings will be run during the submission period across the shire.

Relevant Policies / Council Plan Objectives

Local Government Act 1989 - Council has a statutory responsibility to prepare a budget and advertise it for public comment.

Financial & Resource Implications Initial & Ongoing

The budget setting process is necessary to ensure that funds are set aside to achieve the most important objectives as prioritised by Council after consulting the community.

Recommendation:

That having complied with the procedures enunciated within the Local Government Act 1989 and Local Government Regulations 2004 regarding the method of preparation and content of the budget for the 2010/11 financial year:

10.1.1 *The Hepburn Shire Council hereby determine that the budget for the 2010/11 year as presented to this meeting be prepared.*

10.1.2 *That the following details are provided in relation to the 2010/11 Hepburn Shire Council budget, which commences on 1 July 2010.*

- *As at 30 June 2010 the total amount borrowed by Council will be \$3.493 million*
- *There will be new borrowings of \$380,000 during the financial year.*
- *The total amount of borrowings projected to be repaid during the year will be \$418 thousand.*
- *The total amount of borrowings at 30 June 2010³ is projected to be \$3.455 million.*
- *The expected cost of servicing the borrowings during the financial year is \$220 thousand.*
- *It provides for six Councillor Allowances of \$18,278 each.*
- *It provides a Mayoral allowance of \$33,513.*

³ Amendment from 2010 to 2011

- *It be recorded that Council considers that differential rates will contribute to the equitable and efficient carrying out of Council functions. The respective types or classes of land which are subject to each differential rate are those defined in the schedule to this recommendation.*
- *Council proposes the following rate in the dollar for each type of rate to be levied for the period 1 July 2010 to 30 June 2011.*

Category	Rate Cents in \$
Residential (General)	0.3891
Farmland	0.2723
Commercial	0.4280
Mixed Use	0.4280
Industrial	0.4280
Vacant Land- township	0.4779 0.4864 ⁴
Vacant Land – other	0.1942 0.3891 ⁵
Recreational	0.1946
Trust for Nature	0.1946

- *Council proposes that a Municipal Charge be declared for the purpose of covering some of the administrative cost to Council. For the 2010/11 financial year the municipal charge is \$22 for each rateable land (or Part) in respect of which a municipal charge may be levied.*
- *Council proposes to levy a Waste Management Charge of \$101 for the period 1 July 2010 to 30 June 2011 on all properties. Owners of 'farm rated' properties will pay only one charge for farm rated properties.*
- *Council proposes to levy a Garbage Collection Charge of \$96 on those properties receiving a service for the period 1 July 2010 to 30 June 2011.*
- *Council proposes to levy a Commercial Garbage Collection Charge of \$199 on those commercial properties receiving a service for the period 1 July 2010 to 30 June 2011.*

⁴ Verbal amendment to Vacant Land – township figure

⁵ Verbal amendment to Vacant Land – other figure

- *Council proposes to levy a Recycling Collection Charge of \$66 for each property receiving the fortnightly recyclables collection service for the period 1 July 2010 to 30 June 2011*
- *Council proposes that an Environmental Charge be declared for the purpose of covering the cost of new environmental initiatives to Council. For the 2010/11 financial year the environmental charge is \$22 for each rateable land (or Part) in respect of which a charge may be levied.*

10.1.3 *That Council give public notice in the Ballarat Courier and Hepburn Advocate of the preparation of the budget for 2010-2011, the Strategic Resource Plan 2010-2011 and the proposed Councillor and Mayoral allowances.*

The proposed budget will be available for inspection at the Hepburn Shire offices in Vincent St Daylesford, Duke St Daylesford, Albert Street Creswick, at Branch Libraries at Creswick Daylesford and Clunes, Trentham newsagency and on Council's website during the inspection period.

Any person may make a written submission up until 5.00pm thirty days from the first publication of such notice, addressed to the Chief Executive Officer.

Council intends to meet on Tuesday, 8 June 2010 in order to consider submissions received.

Council intends to meet on Tuesday, 22 June 2010 to consider and determine upon the adoption of the 2010/11 budget, Strategic Resource Plan and Councillor and Mayoral allowances.

10.1.4 *That public information evenings be conducted during the exhibition period across the shire.*

Motion:

That having complied with the procedures enunciated within the Local Government Act 1989 and Local Government Regulations 2004 regarding the method of preparation and content of the budget for the 2010/11 financial year:

10.1.1 *The Hepburn Shire Council hereby determine that the budget for the 2010/11 year as presented to this meeting be prepared.*

10.1.2 *That the following details are provided in relation to the 2010/11 Hepburn Shire Council budget, which commences on 1 July 2010.*

- *As at 30 June 2010 the total amount borrowed by Council will be \$3.493 million*
- *There will be new borrowings of \$380,000 during the financial year.*
- *The total amount of borrowings projected to be repaid during the year will be \$418 thousand.*
- *The total amount of borrowings at 30 June 2011 is projected to be \$3.455 million.*
- *The expected cost of servicing the borrowings during the financial year is \$220 thousand.*
- *It provides for six Councillor Allowances of \$18,278 each.*
- *It provides a Mayoral allowance of \$33,513.*

- *It be recorded that Council considers that differential rates will contribute to the equitable and efficient carrying out of Council functions. The respective types or classes of land which are subject to each differential rate are those defined in the schedule to this recommendation.*
- *Council proposes the following rate in the dollar for each type of rate to be levied for the period 1 July 2010 to 30 June 2011.*

Category	Rate Cents in \$
<i>Residential (General)</i>	<i>0.3891</i>
<i>Farmland</i>	<i>0.2723</i>
<i>Commercial</i>	<i>0.4522</i>
<i>Mixed Use</i>	<i>0.4522</i>
<i>Industrial</i>	<i>0.4522</i>
<i>Vacant Land- township</i>	<i>0.4864</i>
<i>Vacant Land – other</i>	<i>0.3891</i>
<i>Recreational</i>	<i>0.1946</i>
<i>Trust for Nature</i>	<i>0.1946</i>

- *Council proposes that a Municipal Charge be declared for the purpose of covering some of the administrative cost to Council. For the 2010/11 financial year the municipal charge is \$22 for each rateable land (or Part) in respect of which a municipal charge may be levied.*

- Council proposes to levy a Waste Management Charge of \$101 for the period 1 July 2010 to 30 June 2011 on all properties. Owners of 'farm rated' properties will pay only one charge for farm rated properties.
- Council proposes to levy a Garbage Collection Charge of \$96 on those properties receiving a service for the period 1 July 2010 to 30 June 2011.
- Council proposes to levy a Commercial Garbage Collection Charge of \$199 on those commercial properties receiving a service for the period 1 July 2010 to 30 June 2011.
- Council proposes to levy a Recycling Collection Charge of \$66 for each property receiving the fortnightly recyclables collection service for the period 1 July 2010 to 30 June 2011
- Council proposes that an Environmental Charge be declared for the purpose of covering the cost of new environmental initiatives to Council. For the 2010/11 financial year the environmental charge is \$22 for each rateable land (or Part) in respect of which a charge may be levied.

10.1.3 That Council give public notice in the Ballarat Courier and Hepburn Advocate of the preparation of the budget for 2010-2011, the Strategic Resource Plan 2010-2011 and the proposed Councillor and Mayoral allowances.

The proposed budget will be available for inspection at the Hepburn Shire offices in Vincent St Daylesford, Duke St Daylesford, Albert Street Creswick, at Branch Libraries at Creswick Daylesford and Clunes, Trentham newsagency and on Council's website during the inspection period.

Any person may make a written submission up until 5.00pm thirty days from the first publication of such notice, addressed to the Chief Executive Officer.

Council intends to meet on Tuesday, 8 June 2010 in order to consider submissions received.

Council intends to meet on Tuesday, 22 June 2010 to consider and determine upon the adoption of the 2010/11 budget, Strategic Resource Plan and Councillor and Mayoral allowances.

10.1.4 That public information evenings be conducted during the exhibition period across the shire.

10.1.5 That per Item 13.1 the tipping fee in Appendix D of the proposed budget be adjusted as follows:

- Car Tyres from \$12.00 ⇨ \$4.00
- Light Truck Tyres \$25.00 ⇨ \$30.00
- Heavy Truck Tyres \$25.00 ⇨ \$60.00

10.1.6 That in order to raise an additional \$100,000 in rate revenue and to ensure that Commercial, Industrial and Mixed Use properties make an equitable contribution to Council's Economic Development and Tourist Promotion initiatives, the Rate in the \$ for such properties be set at 0.4522 cents representing a differential rate of 16% above the General Rate.

10.1.7 That given the total increase in rate revenue of \$100,000 the Budget be amended to include the following initiatives: -

-Library Review	\$15,000
-Consultancy Fees (Funding Applications)	\$20,000
-Economic Development Promotion	\$7,500
-Regional Tourism Promotion	\$7,500
-Creswick Information Centre Advertising	\$2,000
-Economic Development Strategy Implementation	\$15,000
-Great Dividing Trail Association	\$7,500
-Business Pack & Economic Development Website for Shire	\$10,000
-Wombat Hill Botanic Gardens Restoration Plan	\$3,000
-Wombat Hill Botanic Gardens Lineal Path	\$10,000
Total	\$97,500

Moved: Cr Tim Hayes

Seconded: Cr Rod May

Carried

A Division was Called:

FOR: Cr Jon Barrell, Cr Tim Hayes, Cr Janine Booth, Cr Sebastian Klein, Cr Rod May

AGAINST: Cr Bill McClenaghan, Cr Don Henderson

***Attachment - SEPARATE
Item 10.1***

20-04-2010 Minutes – Item 10.1 Draft Budget

10.2 MONTHLY FINANCE REPORT

(Action Officer –Manager Finance)

Introduction

A summary report on the Council's financial performance for the financial year to 31 March 2010 is provided for information.

Report

This report provides information on Council's operating performance for the 9 months to 31 March 2010 against the revised budget adopted by Council on 15 December 2009. The report considers year to date revised budgets against year to date actuals for each operating program, including projects and for all capital works.

Statutory Requirements

Under Section 138 of the *Local Government Act 1989*, at least quarterly a report comparing expenses and revenue to budget must be presented to the Council in a meeting which is open to the public.

Operating Summary:

The year to date operating result is \$6.8m, which is \$590,000 ahead of year to date budget. While there are a number of variances contributing to this result the following items are of note:

- Unbudgeted grants totaling \$233,000 for; Bush Fire Community recovery \$30,000, Youth Bush Fire Response Gift \$53,000, \$50,000 DCDP Community Grant, \$50,000 Front Seat Grant and DHS \$50,000 Bushfires Community Assistance Gift).

These grants will be spent on projects in the current financial year or carried forward to next year, refer to table on project expenditure for further details.

Capital Works and Major Projects:

Expenditure on the capital works program has totaled \$3.3M to date out of the revised annual budget of \$10M. Of this \$2M in expenditure is anticipated to be carried forward until the next financial year, the majority being in relation to the Doug Lindsay Recreation Reserve. Expenditure on projects has totaled \$531,000 to date out of a revised annual budget of \$1.1M. Of this \$158,000 in expenditure is anticipated to be carried forward to next year.

Major infrastructure expenditure has occurred in March and will continue into April and May.

Balance Sheet

Current Assets:

Cash and investments at 31 March 2010 total \$4.9 million, this is in line with expectations given that major road constructions costs have been paid in March. Refer to the investment table below for details on current amount invested:

Investments Schedule As at 31 March 2010

	Maturing	Rate	Balance
CBA Investment Account		Variable	\$499,497.63
FIIG Securities	8/29/2014	Variable	\$250,000.00
Defence Force Credit Union Ltd	4/19/2010	4.90%	\$1,000,000.00
Westpac	4/30/2010	5.30%	\$500,000.00
Westpac	4/5/2010	5.10%	\$1,000,000.00
			\$3,249,497.63
LSL Reserve Funds			
Bendigo Bank Floating Rate	12/12/2011	Floating	\$484,850.00
CBA Investec	2/27/2014	Floating	\$489,300.00
			\$974,150.00
		Total Investments	\$ 4,223,647.63

\$974,000 has been invested for long service leave, however the provision is only \$899,000. The investment balance will be adjusted on 12/12/2011 when it matures.

Net current receivables are \$4.6 million including \$3.8 million in rates. Trade debtors at 31 March 2010 are \$500,000. Debtors include Department of Planning (\$38,000), Department of Health (\$125,000) and various other minor government grants.

Council is generally owed money for the GST input tax credit and BAS's are lodged monthly. All legislative requirements are being met.

The reduction in other assets represents the reversal of prepayments recorded at 30 June 2009 that apply to the 2009/10 financial year.

Current Liabilities:

The major items are the creditors' control which includes accrued contractors payments, current loan liability, provision for landfill rehabilitation and employee provisions. Deposits and Securities are reviewed quarterly and refunds or transfers made where applicable.

Non-Current Assets:

These include all infrastructure assets and for the purpose of this report the net cost of current capital and major works has been treated as works in progress and included in this figure in the balance sheet.

It should be noted depreciation is not taken into account until year end.

Financial Assets of \$0.9 million are held for the Long Service Leave Provision.

Non-Current Liabilities:

Major items include loan liability, provision for landfill rehabilitation and provision for long service leave.

Note new borrowings of \$300,000 for the Doug Lindsay Recreation Reserve project and new corporate IT finance system will be received in April 2010.

Refer to the attached table and graph on current bank loans for further details.

Level of Council Debtors

Attached for Councilors' information are two graphs which show the level of Rate Debtors for 2009/10 in comparison to the previous year and the level of Sundry Debtors to the average level of sundry debtors for the previous year.

~~2010/11~~ 2009/10⁶ Performance Targets

Attached are details on the performance targets set for 2010/11 and status year to date.

Conclusion:

The reviewed budget should now be closely monitored by all managers to ensure that it comes in as adopted.

Relevant Policies

Council Plan – Good Governance

Community Engagement

Not Applicable

⁶ Amendment from 2010/11 to 2009/10

Financial Implications

The reports attached provide the opportunity for constant review of Council's financial position to ensure compliance with budgets. The reports presented show the revised annual budget, revised year to date budget, year to date actual and year to date variance. The reports note any variances against the year to date actual amount and as required, provide explanations for the variance.

Recommendation:

10.2.1 That Council receives the Monthly Financial Report for the nine months from 1 July 2009 to 31 March 2010

Motion :

10.2.1 That Council receives the Monthly Financial Report for the nine months from 1 July 2009 to 31 March 2010

Moved: Cr Tim Hayes
Seconded: Cr Sebastian Klein
Carried.

Attachment 1
Item 10.2

Variance - Surplus/(Deficit) 000's				\$	590
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010					
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	
OVERALL					
INCOME					
Corporate Services	12,919	12,310	12,368	58	
Community Services	2,379	1,604	1,994	390	
Regional Development & Promotion	596	411	445	34	
Public Safety	343	255	249	-7	
Recreation	505	367	418	50	
Infrastructure	1,882	1,575	1,575	1	
Waste Management	1,695	1,664	1,681	17	
Total Income	20,319	18,186	18,729	543	
EXPENDITURE					
Corporate Services	4,785	3,443	3,410	33	
Community Services	3,549	2,390	2,369	21	
Regional Development & Promotion	2,337	1,623	1,553	70	
Public Safety	812	603	585	18	
Recreation	1,537	1,111	1,139	-28	
Infrastructure	2,368	1,718	1,719	-1	
Waste Management	1,582	1,080	1,146	-66	
Total Expenditure	16,970	11,967	11,921	46	
NET	3,349	6,218	6,808	590	

Variance - Surplus/(Deficit) 000's						\$91
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010						
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	YTD Variance %	Note
CORPORATE SERVICES						
INCOME						
Revenue Services (Rates & M/C)	10,796	10,779	10,791	12	0%	1
Grants Commission	1,752	1,314	1,314	0	0%	
Other Income	370	217	263	46	21%	2
Total Income	12,919	12,310	12,368	58	0	
EXPENDITURE						
Council & Executive Services	750	499	502	-3	-1%	
Financial Services	906	696	681	15	2%	
Technical Services	874	603	593	10	2%	
Governance & IT	1,100	777	763	14	2%	3
Organisational Development	377	260	277	-17	-6%	4
Other Administration	779	607	594	13	2%	5
Total Expenditure	4,785	3,443	3,410	33	0	
NET	8,134	8,867	8,958	91	0	
NOTES						
<p>1. Interest on rates is \$4k ahead of what was anticipated for the year and \$22k ahead of YTD budget. These rates are currently with the debt collection agency.</p> <p>2. \$33k in additional interest has been earned on our cash investments, and the Council has received \$21k in insurance re-coups which were not anticipated at the time of setting the budget.</p> <p>3. Delay in commencement of archiving project to May 2010.</p> <p>4. Increase in recruitment due to staff vacancies.</p> <p>5. Expenditure varies month to month - includes office operations, telephone and postage. It is anticipated that total budget will be spent by year end.</p>						

Variance - Surplus/(Deficit) 000's						\$411
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010						
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	YTD Variance	Note
COMMUNITY SERVICES						
INCOME						
Community Development	582	287	613	327	114%	6
Family & Children's Services	153	140	139	-1	0%	
Aged & Disability Services	1,156	871	881	10	1%	
Housing	87	40	43	3	8%	
Contract Services	400	267	317	50	19%	7
Total Income	2,379	1,604	1,994	390	24%	
EXPENDITURE						
Community Development	1,391	790	881	-91	-11%	6
Family & Children's Services	365	277	221	56	20%	8
Aged & Disability Services	1,389	1,023	941	82	8%	9
Housing	44	36	39	-3	-9%	
Contract Services	360	264	287	-23	-9%	7
Total Expenditure	3,549	2,390	2,369	21	1%	
NET	-1,170	-786	-375	411	-52%	
NOTES						
<p>6. Higher income is mainly due to unbudgeted funding received for Bush Fire recovery \$133k (\$30K Bush Fire community Recovery: \$53k Youth Bush Fire response: \$50k Community Assistance Gift); \$50k DPCD Community Grant and \$52k Front SEEAT Grant. Refer to table on project expenditure for further details.</p> <p>7. Additional contract services requested are offset by additional expenditure, a small gross margin is being made.</p> <p>8. \$50k government grant has been received, however only \$13k has been spent YTD. Will all be spent at year end.</p> <p>9. Personal Care and Housekeeping demand is less than budget YTD, resulting in decreased wages costs in these areas.</p>						

Variance - Surplus/(Deficit) 000's						\$104
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010						
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	YTD Variance	Note
REGIONAL DEVELOPMENT						
INCOME						
Planning & Heritage Services	170	133	158	25	19%	10
Building Services	125	97	111	14	15%	11
Tourism & Economic	257	175	168	-7	-4%	
Other Cultural Activities	39	2	6	4	222%	
Public Halls	6	5	3	-2	-42%	
Total Income	596	411	445	34	8%	
EXPENDITURE						
Planning & Heritage Services	845	529	532	-2	0%	
Building Services	164	115	112	3	3%	
Tourism & Economic	488	369	312	57	16%	12
Community Amenities	165	114	117	-3	-3%	
Library Services	405	309	307	2	1%	
Other Cultural Activities	194	128	127	2	1%	
Public Halls	77	58	47	12	20%	13
Total Expenditure	2,337	1,623	1,553	70	4%	
NET	-1,741	-1,212	-1,108	104	-9%	
NOTES						
10. Permit fees collected are \$17k greater than budget.						
11. Certificate fees and lodgement fees are both \$5k ahead of YTD budget and are ahead of total budget for the year.						
12. Project expenditure in relation to a number of council planned initiatives is behind budget by \$30k at end of March, but anticipated to be spent by year end. Subscriptions and memberships are also \$20k behind YTD budgeted expenditure.						
13. Cyclic painting maintenance on the Town Halls has not been completed as yet. This should be finalised in May 2010.						

Variance - Surplus/(Deficit) 000's						\$11
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010						
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	YTD Variance	Note
PUBLIC SAFETY						
INCOME						
Fire Prevention	41	15	16	1	5%	
Animal control	91	50	49	-1	-1%	
Compliance	30	23	24	1	6%	
Health	162	151	144	-7	-5%	
School Crossing	8	4	4	0	0%	
Emergency Management	12	12	12	0	0%	
Total Income	343	255	249	-6	-2%	
EXPENDITURE						
Fire Prevention	60	49	57	-8	-16%	14
Animal control	33	25	25	0	1%	
Compliance	243	178	169	9	5%	
Health	282	194	188	6	3%	
Environmental Initiatives	111	82	78	4	5%	
School Crossing	26	19	22	-3	-17%	
Emergency Management	57	55	46	9	17%	14
Total Expenditure	812	603	585	18	3%	
NET	-469	-348	-336	11	-3%	
NOTES						
14. \$8k additional has been spent on road side slashing in the fire prevention area due to additional grant received. \$10k is remaining to be spent in relation to bushfire disaster management.						

Variance - Surplus/(Deficit) 000's						\$22
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010						
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	YTD Variance	Note
RECREATION						
INCOME						
Parks & Gardens	1	1	0	-1	-65%	
Reserves	9	6	6	0	-6%	
Mineral Springs Reserves	480	360	411	51	14%	15
Indoor Recreation	15	0	0	0		
Total Income	505	367	418	50	14%	
EXPENDITURE						
Parks & Gardens	176	132	130	2	2%	
Reserves	728	546	584	-39	-7%	16
Mineral Springs Reserves	248	178	162	16	9%	
Swimming Areas	240	176	179	-3	-2%	
Cemeteries	1	1	0	1	98%	
Recreation Projects	145	78	84	-6	-7%	17
Total Expenditure	1,537	1,111	1,139	-28	-3%	
NET	-1,033	-743	-721	22	-3%	
NOTES						
15. Lease income running ahead of budget (linked to performance)						
16. Higher expenditure due to storm damage, \$144k remains to be spent for the year for reserves.						
17. Refer to table on project expenditure for further details.						

Variance - Surplus/(Deficit) 000's						\$0
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010						
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	YTD Variance	Note
INFRASTRUCTURE						
INCOME						
Road Maintenance	889	667	667	0	0%	
Other Transport	992	908	908	0	0%	
Total Income	1,882	1,575	1,575	1	0%	
EXPENDITURE						
Road Maintenance	1,912	1,376	1,388	-12	-1%	
Depots	51	38	41	-3	-8%	
Other Transport	405	304	289	14	5%	
Total Expenditure	2,368	1,718	1,719	-1	0%	
NET	-487	-143	-144	0	0%	
NOTES						

Variance - Surplus/(Deficit) 000's						-\$49
DEPARTMENTAL REPORT FOR THE PERIOD ENDING 31 MARCH 2010						
	Revised Annual Budget 000's	Revised YTD Budget 000's	YTD Actual 000's	YTD Variance 000's	YTD Variance	Note
WASTE MANAGEMENT						
INCOME						
Waste Revenue	1,685	1,654	1,671	17	1%	18
Land Management	10	10	10	0	0%	
Total Income	1,695	1,664	1,681	17	1%	
EXPENDITURE						
Street Cleaning	127	95	74	21	22%	19
Waste Management	1,437	972	1,060	-89	-9%	20
Land Management	18	13	11	1	12%	
Total Expenditure	1,582	1,080	1,146	-66	-6%	
NET	114	584	535	-49	-8%	
NOTES						
18. Income ahead of budget due to higher number of properties than estimated in supplementary valuations.						
19. The level of Litter trap cleaning is down compared to budget/prior years.						
20. Transfer stations/Recycling departments have incurred higher than budgeted contractor costs. Green waste expenditure higher due to free fire reduction waste and grinding costs. Part of this increase has been offset by the addition waste management charge and garbage charge revenue, however this area will exceed budget for the 2009/10 year.						

CAPITAL WORKS

ASSET DESCRIPTION	December 2009 Forecast (Revised Budget)	Expenditure as at 31 March	Reforecast to Expenditure 30 June 2010	Anticipated over/(under expenditure) at 30 June 2010	Notes
	\$	\$	\$	\$	
TOTAL LAND & BUILDINGS	4,156,509	1,182,334	2,199,557	-1,956,952	1
TOTAL ENVIRONMENTAL INITIATIVES	317,000	77,727	192,000	-125,000	2
TOTAL INFRASTRUCTURE	3,609,810	1,534,772	2,341,237	0	
TOTAL OFFICE EQUIPMENT	410,000	125,065	410,000	0	
TOTAL PLANT & MACHINERY	1,093,000	208,932	710,500	0	
TOTAL WASTE MANAGEMENT	155,000	49,173	155,000	0	
TOTAL OTHER STRUCTURES	279,733	79,425	139,733	0	
GRAND TOTAL -CAPITAL WORKS	10,021,052	3,257,428	6,148,027	-2,081,952	
NOTES					
<p>1. \$349k from an estimated \$1.8m will be spent on the Doug Lindsay Recreation Reserve Project (\$70k spent as at end of March). Therefore the majority of the budgeted works will be completed in 2010/11 and together with the year 2 costs, will be treated as a carry forward. Further, the \$250k anticipated to be spent on the Cameron Court Units will not be completed until next financial year. \$70.5k to be spent on the CDDA Magic Pudding Playground will also be carried forward until the next financial year as the Council are awaiting copyright resolution and a funding variation. Only minor spend has occurred on the Calembreen Park Dive Tower, therefore \$123k will be carried forward until 2010/11.</p> <p>2. 50% of the \$125k Newlyn & Clunes Reserves Water Tank Projects is anticipated to be spent this financial year as additional quotes to align with changed internal processes are currently being sought. DSE has advised that funding for the Calembreen Park Caravan Park direct Sullage to Sewer System will not be received therefore as this project was depending on this grant, it has not gone ahead.</p>					

PROJECT EXPENDITURE

ASSET DESCRIPTION	December 2009 Forecast (Revised Budget)	Expenditure as at 31 March	Reforecast to Expenditure 30 June 2010	Anticipated over/(under expenditure) at 30 June 2010	Notes
	\$	\$	\$	\$	
TOTAL LAND & BUILDINGS	44,331	21,589	30,025	-14,306	1
TOTAL ENVIRONMENTAL INITIATIVES	84,106	67,766	84,106	0	
TOTAL INFRASTRUCTURE	38,760	0	20,000	-18,760	2
TOTAL OTHER STRUCTURES/PROJECTS	398,349	184,641	394,668	-3,681	3
TOTAL SPECIAL PROJECTS	504,500	256,993	383,139	-121,361	4
GRAND TOTAL - PROJECTS	1,070,046	530,989	911,938	-158,108	
<p>1. Interpretive Centre - Walking Track Project anticipated expense of \$14k is unlikely to be spent this year as Council are still awaiting resolution of copyright issues and require further negotiation with RDV.</p> <p>2. The Glenlyon Barkly St Tree Works (\$18k) are unlikely to be completed this financial year.</p> <p>3. \$9k anticipated to be spent on "Celebrating 150 Years Of Local Government" will be spent in the next financial year due to other commitments.</p> <p>4. Special projects include Recovery Management, Fire Hazards, Transport Connections and Hepburn L2p Program where additional funding above the forecast budget has been received during the year, total grants year to date total \$470k of which budgeted expenditure is \$504k. \$121k in Recovery Management grants will not be spent until 2010/11.</p>					

Balance Sheet		
As at 31 March 2010		
	\$000's	\$000's
	30-Jun-09	31-Mar-10
Assets		
Current assets		
Cash and cash equivalents	5,661	4,923
Trade and other receivables	1,739	4,670
Inventories	25	54
Other assets	94	0
Total current assets	7,519	9,647
Non-current assets		
Trade and other receivables	2	0
Financial assets	899	899
Investments in associates accounted for using the equity method	447	447
Property, plant and equipment, infrastructure	160,605	164,217
Total non-current assets	161,953	165,563
Total assets	169,472	175,210
Liabilities		
Current liabilities		
Trade and other payables	899	135
Trust funds and deposits	795	766
Provisions	1,660	1,531
Interest-bearing loans and borrowings	419	86
Total current liabilities	3,773	2,518
Non-current liabilities		
Provisions	736	736
Interest-bearing loans and borrowings	3,193	3,193
Total non-current liabilities	3,929	3,929
Total liabilities	7,702	6,447
Net Assets	161,770	168,764
Equity		
Accumulated surplus	96,311	96,311
Operating result for period	0	6,900
Reserves	65,459	65,554
Total Equity	161,770	168,764

Attachment 2
Item 10.2

Key strategic activities

In the 2009/10 budget, key performance targets were set to measure the Council's performance against its four key strategic objectives of:

- Good Governance
- A More Prosperous Economy
- Healthy, Safe and Vibrant Communities
- Environmental Sustainability

The following tables show status as at March 2010 and/or forecast to 30 June 2010.

GOOD GOVERNANCE

Strategic Activity	Performance Measure	Performance Target	
		2009/10 financial year	Forecast 30 June 2010
Community Consultation	Increase in community satisfaction with Councils consultative processes	Annual customer contact increased to 74%	Annual data has not been collected as yet.
Financial Performance	Underlying result ratio – Adjusted net operating result	-\$1668,000	-\$918,000
Financial Performance	Current Ratio – Current assets/current liabilities	111%	160%
Financial Performance	Operating Cash flow ratio – Net operating cash flows/underlying revenue	39%	27%
Financial Performance	Borrowing ratio – Non current liabilities/own sourced revenue	28%	26%

A MORE PROSPEROUS ECONOMY

Strategic Activity	Performance Measure	Performance Target	Status at March 2010
Supporting Jobs and Investment Growth through Economic Development Strategy	Council will develop a draft Economic Development Strategy	Draft strategy developed by 30 June 2010	Five specialist individuals and businesses have been selected to submit a quote with a focus on ensuring local regional businesses were given the opportunity to participate. Submissions have now closed and an appointment is expected to be made shortly. The schedule aims for on-time completion of the plan and presentation to the June meeting of Council.

HEALTHY, SAFE AND VIBRANT COMMUNITIES

Strategic Activity	Performance Measure	Performance Target	Status at March 2010
Community Planning Support	Council will assist with the development of community plans	Two new Community Plans developed by 30 June 2010	Two plans have been completed in 2009-10. The Lyonville Community Plan process commenced July and the plan was finalised in August 2009 and the Newlyn/Rocklyn Plan was completed in December 2009. The Community Planning Liaison Officer is currently working with communities in the Leonards Hill/ Sailors Falls/Muskvale area and in Glenlyon to start the community planning process. Additional funding to resource this process has been provided by the Department of Planning and Community development as part of the community recovery process.
Aged & Disability Services	Council will provide Home & Community Care Services to all eligible residents	Council will provide during the 2009/10 financial year a minimum of :- • 13,200 hours of Housekeeping • 3,200 hours of Personal care • 2,800 hours of Respite Care	For the period 1 July - 31 March 2010 Council has provided 8,023 hours of Housekeeping, 2,384 hours of personal care and 956 hours of Respite Care.

ENVIRONMENTAL SUSTAINABILITY

Strategic Activity	Performance Measure	Performance Target	Forecast 30 June 2010
Reduced Carbon Footprint	Reduce the carbon output from Council's passenger fleet	Carbon output from Council's passenger fleet reduced by 10% by 30 June 2010	Carbon output from Council's passenger fleet estimated to reduce by 19% from 2009
Reducing waste to landfills	Increase the level of recyclable collection processed at the Daylesford Municipal Recycling Facility (MRF)	Process in excess of 1,100 tonnes of recyclable collection at MRF in 2009/10	Estimated processing of recyclables at MRF is 1,321 tonnes for 2009/10

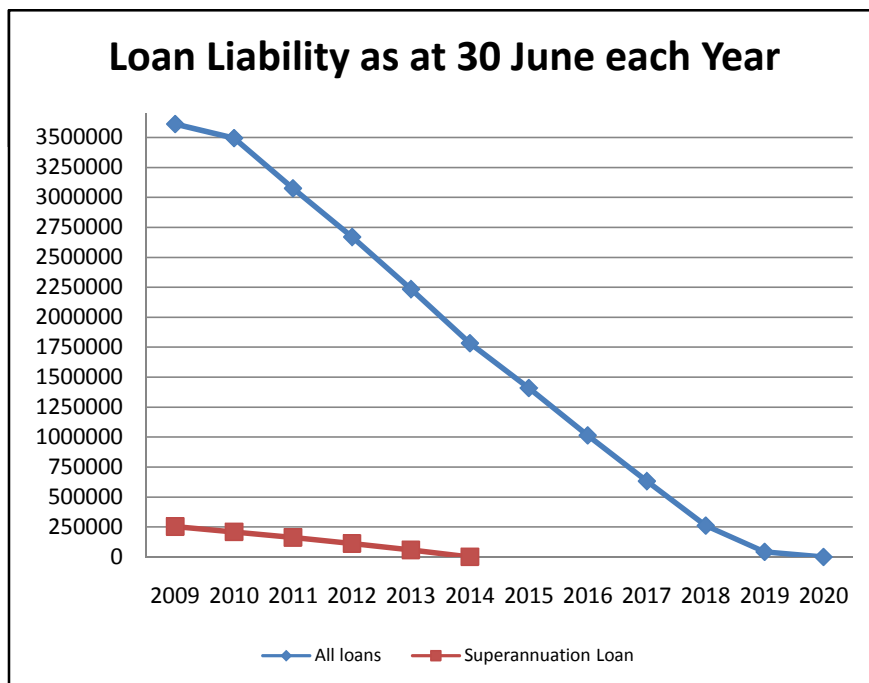
Attachment 3
Item 10.2

LOANS OUTSTANDING AT 31 MARCH 2010

The following is a list of all Council loans currently outstanding.

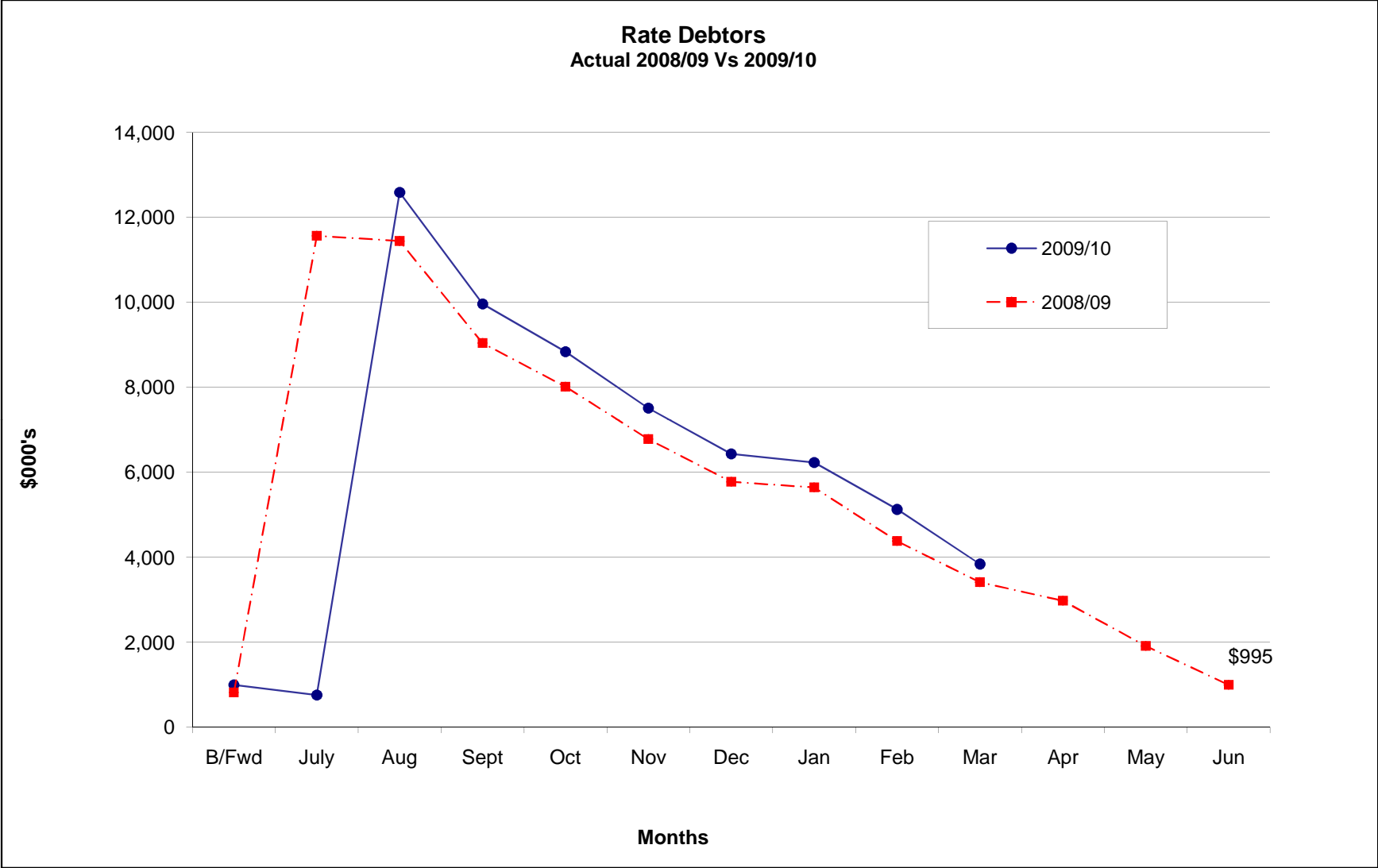
Loan Number	Amount	Purpose	Mature Date	Balance at 31/3/10
8	\$280,000	Creswick Transfer Station	22/12/2011	\$ 53,724
10	\$80,000	Daylesford Waste Transfer Station	23/06/2013	\$ 33,074
11	\$435,000	Superannuation	28/01/2014	\$ 207,721
12	\$346,000	Wombat Gardens New Toilet Block	18/06/2014	\$ 184,123
13	\$200,000	Road Construction	30/06/2010	\$ 22,937
14	\$295,000	Indoor Recreation Centre (ARC)	30/06/2016	\$ 214,000
15	\$250,000	Creswick Public Toilets	30/06/2017	\$ 203,044
16	\$1,200,000	Bathhouse Construction	31/01/2018	\$ 1,024,656
17	\$1,450,000	Daylesford New Depot	18/02/2019	\$ 1,336,151
TOTAL				\$ 3,279,430

This graph shows the balances at 30 June 2009 - 30 June 2020. If no further loans are taken out loans will be repaid by 2020.

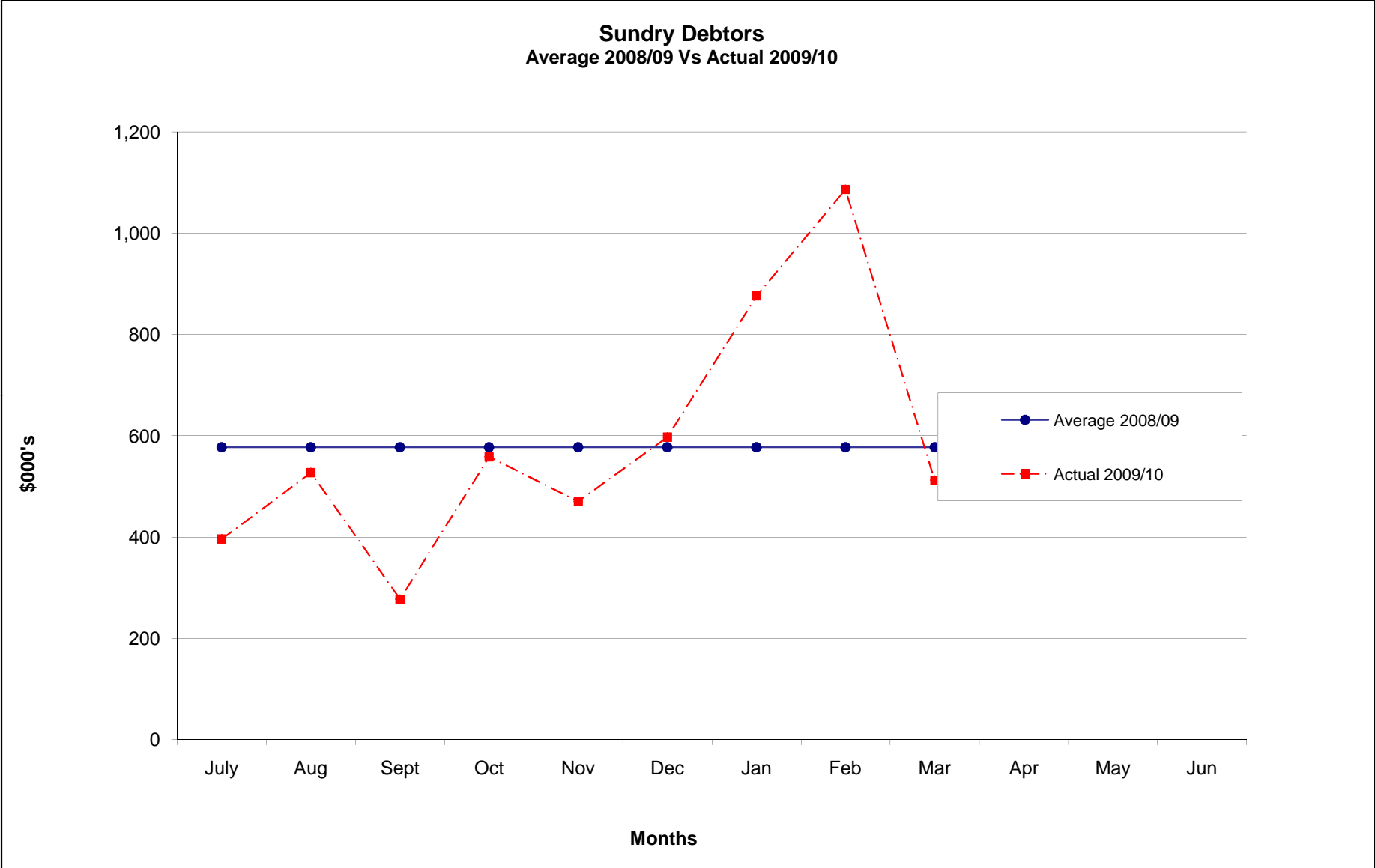


Attachment 4
Item 10.2

Chart Number 1.1



Attachment 5
Item 10.2



11. COMMUNITY DEVELOPMENT

11.1 DISABILITY HOUSING TRUST PROJECT

(A/O – A/General Manager Community Development)

Introduction

The purpose of this report is for Council to consider finalising the transfer of Lot 2 PS 628990G at 79A Raglan Street, Daylesford to Disability Housing Limited and to enter into a Partnering Agreement with the Disability Housing Limited for to the development of 3 housing units.

Report

The availability and affordability of housing has been an issue in Hepburn Shire, particularly in Daylesford and Hepburn Springs. The specific housing needs of people with disabilities are of particular concern as there is no supported housing available within the municipality and all Supported Residential Services, which were home to many people with disabilities, have closed.

In 2006, Council successfully submitted an *Expression of Interest (EOI) for Innovative Housing* to the Disability Housing Trust. In the EOI Council agreed to provide land for construction of units by the Disability Housing Trust.

In August 2008 Council:

- Committed to subdivide and transfer 905sqm of land at 79A Raglan Street, ('land') to Daylesford to Disability Housing Limited ('DHL') for the development of 3 housing units for people with disabilities;
- Authorised the signing of a letter of intent which also confirmed the intention to enter into a Partnering Agreement as required by Section 189 of the Local Government Act 1989 advertised its intention to transfer by private treaty the land for the above purpose; and
- Invited public submissions about the proposed transfer.

Public notice about the intention to transfer the land was given between 7 October and 4 November 2009. No submissions were received.

The subdivision process is in the final stages of completion and the Plan of Subdivision will be lodged at the titles office for registration and issue of new titles in due course.

The DHL solicitors provided a Partnering Agreement (Attachment 6) which was reviewed on behalf of Council by BJT Legal. A number of amendments were suggested and referred back to DHL and since agreed. The Agreement is in final form for execution.

The Agreement is mutual and contains the following essential parts:-

- A commitment that each party will co-operate, not use confidential information inappropriately, not unreasonably delay and make decisions in good faith;
- DHL through a project manager has responsibility for the development works;
- Financially, Council is responsible for the subdivision and land transfer, DHL for the works;
- Council continues to be responsible to maintain a drainage trap which will remain on the land – an appropriate easement was created on the subdivision;
- Council will not entertain a similar project in Daylesford with another organisation until this project is fully tenanted;
- Council retains equity in the project based around market value (valuation costs to be shared) and if the property is ever sold, Council will receive its share of equity;
- DHL is responsible for all insurances, building maintenance;
- Liaison regarding prospective tenants, although final selection of tenants remains with the DHL housing manager;
- Termination conditions including sale of the property;
- Dispute resolution provisions; and
- Confirmation that apart from what is stated in the Agreement there is no 'partnership' between the parties.

Relevant Policies / Council Plan implications

Council Plan – “We will assist our residents improve the health, safety and vibrancy of our communities.”

Policy # 9 Council Owned and Controlled Property – although Council is relinquishing control of the property, having proper arrangements in place vide the above Agreement is appropriate.

Community / Engagement / Communication / Consultation

A range of consultation processes have taken place as this project has developed, including site meetings with adjoining owners, the planning permit process and finally the statutory advertising for transfer of the land.

Financial Implications

\$12,000 is allocated in the current Budget to cover subdivision, transfer and Agreement costs associated with this project.

The land is valued at \$130,000 and is to be transferred to DHL effectively without cost as Council's contribution toward this project.

Recommendation:

That Council:

- 11.1.1 *Having given the required public notice and as no submissions were received for consideration now authorises, subject to final certification of the Plan of Subdivision, the transfer without monetary consideration of Lot 2 PS 628990G to Disability Housing Limited and the sealing of Transfer of Land documents; and*
- 11.1.2 *Sign and seal the Hepburn Shire Disability Housing Project Partnering Agreement with Disability Housing Limited. .*

Motion:

That Council:

- 11.1.1 *Having given the required public notice and as no submissions were received for consideration now authorises, subject to final certification of the Plan of Subdivision, the transfer without monetary consideration of Lot 2 PS 628990G to Disability Housing Limited and the sealing of Transfer of Land documents; and*
- 11.1.2 *Sign and seal the Hepburn Shire Disability Housing Project Partnering Agreement with Disability Housing Limited. .*

Moved: Cr Don Henderson
Seconded: Cr Sebastian Klein
Carried.

Attachment 6
Item 11.1

Hepburn Shire Disability Housing Project Partnering Agreement

Disability Housing Limited

Hepburn Shire Council

MOORES LEGAL
9 Prospect Street
BOX HILL VIC 3128

TEL: 9898 0000
FAX: 9898 0333
REF: APB 092587

THIS AGREEMENT is made the day of 2010.

PARTIES

- 1 **DISABILITY HOUSING LIMITED (A COMPANY LIMITED BY GUARANTEE)**
(ACN 118 571 547) acting as trustee of **DISABILITY HOUSING TRUST** of Level 4, 333 Queen Street, Melbourne ("**DHL**")
- 2 **HEPBURN SHIRE COUNCIL** of 76 Vincent Street, Daylesford 3460 ("**the Partnering Organisation**")

RECITALS

- A. **DHL** is a not for profit organisation established to develop new housing options for people with disabilities;
- B. The **Partnering Organisation** wishes to enter into an arrangement with **DHL** for the development of 3 housing units for people with disabilities via the provision of the **Property** to **DHL**;
- C. The parties have agreed to appoint the **Project Manager** to oversee the **Project**;
- D. The parties wish to record the terms of their agreement in relation to the **Project** in writing as follows.

CLAUSES

1. Definitions

"**Acceptable Housing Organisation**" means a housing provider and/or association registered under the *Housing Act 1983* (Vic), or one which is taking active steps to become so registered.

"**Agreement**" means this Agreement.

"**Builder**" means the builder that is engaged to undertake the construction under the **Construction Contract**.

"**Construction Contract**" means the agreement to be entered into between **DHL** and the **Builder** to undertake the construction of the **Works**.

"**DHS**" means the Victorian Department of Human Services.

"**Eligible Persons**" means persons with a disability who meet the then prevailing eligibility criteria as set out in **DHL's** Funding Deed with the State Government, which are at present clients of Disability Services in receipt of sufficient support (both funded and unfunded) to enable them to sustain a successful tenancy and within this group priority is given in the selection process to those people who:

- (a) Have been or are registered on the Disability Support Register (DSR) for support to move:

- (i) from Shared Supported Accommodation to live more independently; or
 - (ii) from their current living arrangements, for example with family, to rental housing because, for example their current living arrangements are not appropriate or at risk of breakdown;
- and
- (iii) is a priority for **DHS** resource allocation or
- (b) must move from their current accommodation and already have sufficient formal or informal support to live independently in a **DHL Property**.

"Fixed Improvements" means dwellings and associated infrastructure on the **Property** and/or building extensions, renovations, modifications and improvements to the buildings standing on the **Property** (excluding moveable chattels and recurrent maintenance) whether such improvements are made immediately after acquisition or subsequently.

"GST" means GST within the meaning of the **GST Act**.

"GST Act" means *a New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

"Initial Tenant" means a **Prospective Tenant** who is proposed to be housed at the **Project** immediately after commencement of the **Project**.

"Letter of Intent" means the letter dated 22 August 2008 signed by both parties prior to the execution of this **Agreement**, in which the parties signalled their intention to enter into this **Agreement**.

"Land" means the land at 79A Raglan Street, Daylesford and described as Crown Allotment 19, PT 20 SEC 2 PSH PWO.

"Location" means the physical location of the **Property**.

"Partnering Organisation" means the organisation whose details appear in the Schedule.

"Plan of Subdivision" means Plan of Subdivision PS 628990G.

"Practical Completion" means the date upon which a notice of practical completion evidencing the practical completion of the **Works** is issued by the **Project Manager**.

"Project" means all activities implementing or relating to the affairs of this **Agreement**, including the subdivision of the **Property** from the **Land**, and transferring the ownership from the **Partnering Organisation** to **DHL**, completing the **Works** as set out in the plans and detailed in the Project Description in item 1 of the Schedule, and includes any other associated works relating to the delivery of the three new units on the **Property** to **DHL**.

"Project Manager" means the person, which may be an employee of **DHL**, appointed to manage the **Project**.

“**Property**” means the subject property of the **Project** located at Lot 2 on the proposed **Plan of Subdivision**.

“**Prospective Tenant**” means an **Eligible Person** who is being proposed for consideration as a tenant for the **Property**.

“**SHL**” means Supported Housing Limited.

“**Subsequent Tenant**” means a **Prospective Tenant** who is proposed to be housed at the **Project** other than at its commencement, and as such whose tenancy is additional to those of **Initial Tenants** or in substitution for an **Initial Tenant**.

“**Tenant**” means a person who has been approved to take a tenancy in the **Property**.

“**Works**” means the proposed works as set out in the plans and detailed in the Project Description contained in item 1 of the Schedule and includes any other associated works relating to the delivery of the three new units on the **Property** to **DHL**.

2. Commencement and term

This Agreement shall take effect from the date of this Agreement and shall continue in force until terminated in accordance with this Agreement or completion of the **Project**, whichever is earlier.

3. Commitment to the Project

3.1 Each party hereby commits to the Agreement and agrees to do all things necessary to enable the **Project** to be carried out.

3.2 Each party must:

- (a) co-operate and use the party's best endeavours to ensure that the parties successfully conducts the **Project**;
- (b) not use Confidential Information in a way which does or is reasonably likely to damage the **Project** or any of the other parties;
- (c) not unreasonably delay any action, approval, direction, determination or decision which is required of the party;
- (d) make approvals or decisions that are required of the party in good faith and in the best interests of the **Project** and the conduct of the **Project** as a commercial venture; and
- (e) be just and faithful in the party's activities and dealings with the other parties.

4. Responsibility for the Project

- 4.1 The **Partnering Organisation** shall expeditiously, and at its cost, procure the registration of the **Plan of Subdivision** and transfer the ownership of the **Property** to **DHL** for no monetary consideration.
- 4.2 Where:
- (a) the **Partnering Organisation** has failed to procure the registration of the **Plan of Subdivision** and transfer the **Property** to **DHL** by completion of the **Works**; and
 - (b) **DHL** has not exercised its right of termination under clause 13.1;
- then the **Partnering Organisation** must negotiate in good faith for the provision of a long-term lease of the **Property** to **DHL**, taking into account any relevant requirements of the *Local Government Act*.
- 4.3 **DHL** will, as soon as practical, procure the completion of the **Works** and shall be entirely responsible for all things relating to the completion of the **Works**. **DHL** may access the **Property** for the purpose of carrying out the **Works** prior to transfer of ownership to **DHL** on license terms reasonably required by the **Partnering Organisation**.
- 4.4 **DHL** will appoint the **Project Manager** to manage the **Project**.
- 4.5 **DHL**, in conjunction with the **Project Manager**, will have responsibility and control of the day-to-day management of the **Works** including but not limited to interviewing and selecting consultants and trades people, liaising with all required consultants, incurring costs for the **Works** as necessary or expedient and keeping financial records for the **Works**.
- 4.6 The **Project Manager** will be instructed to operate as the point of contact for all the contractors and consultants engaged in relation to the **Project** and **Works**.
- 4.7 **DHL** will be given responsibility for accepting or rejecting variations to the design or inclusions in any plans and specifications that are necessary as a result of documentation error, a variation in site conditions, or as is required by a competent authority.

5. Financial contributions

In consideration of the Parties entering into this Agreement and for the rights and obligations exchanged between the Parties, the Parties agree that:

- 5.1 **DHL** will be solely responsible for:
- (a) the costs of the **Builder** in carrying out the **Works**;
 - (b) the costs of the **Project Manager** in relation to the **Project**; and
 - (c) the initial and ongoing costs associated with the appointment of **SHL** or other **Acceptable Housing Organisation** pursuant to clause 10.

- 5.2 The **Partnering Organisation** and **DHL** will each bear their own respective costs in relation to the subdivision and the transfer of the **Property** to **DHL**. To avoid doubt, subdivision of the **Property** will be at the cost of the **Partnering Organisation**, while registration and duty in respect of the transfer will be at the cost of **DHL**.

6. Pollutant trap

- 6.1 **The Partnering Organisation** is responsible for a pollutant trap on or adjacent to the **Property**, access to which may be required via the **Property**.
- 6.2 In relation to the pollution trap, the **Partnering Organisation** must ensure that:
- (a) the pollutant trap is maintained and managed in a workmanlike manner at all times; and
 - (b) the pollutant trap is cleaned out as and when required.
- 6.3 The **Partnering Organisation** will be solely responsible for the maintenance, replacement and repair of the pollutant trap and must comply with all notices and orders affecting the pollutant trap which are issued by any relevant authority, the costs of which are to be borne by the **Partnering Organisation**.

7. Confidentiality

- 7.1 The parties agree the terms of this Agreement and the **Letter of Intent** and the related negotiations are confidential and must not be disclosed except with the consent of both parties or to professional advisors or otherwise as required by law.
- 7.2 All press releases and public announcements must be in a form agreed in advance by the parties. Without limiting any party's rights, either party may obtain an injunction to enforce compliance with this item.

8. Exclusivity

The parties agree that the **Project** is exclusive to the parties and that they will not, until all the **Initial Tenants** have confirmed their intention to take up a tenancy at the **Property**, enter into negotiations with any other parties relating to the funding or development of similar projects in the **Location** where such other negotiations may adversely impact the **Project** (and less than full tenancy shall be considered an adverse impact).

9. Equity arrangements and related responsibilities

- 9.1 By virtue of its contribution of the **Property** to the **Project**, the **Partnering Organisation** shall hold an equitable interest in the **Property** (the **Partnering Organisation's Equity**).

- 9.2 The value of the **Partnering Organisation's Equity** is calculated in accordance with the application of the formula:

$$PE = \frac{PV}{MV}$$

Where:

"PE" is the **Partnering Organisation's Equity** expressed in Australian dollars.

"PV" is the market value of the **Property** at the date of this agreement, excluding all fixed improvements and as determined by a valuer appointed by **DHL** and approved by the **Partnering Organisation** or failing such approval by a valuer nominated by the President at the time being of the Real Estate Institute of Victoria. The cost of such valuation will be borne equally by the parties.

"MV" is the market value of the **Property** including land and all **Fixed Improvements** at the date of **Practical Completion** and as determined by a valuer appointed by **DHL** and approved by the **Partnering Organisation** or failing such approval by a valuer nominated by the President at the time being of the Real Estate Institute of Victoria. The cost of such valuation will be borne equally by the parties.

- 9.3 The parties must have the **Property** valued the date of this agreement and at **Practical Completion** for the purposes of clause 9.2.
- 9.4 Upon **Practical Completion**, **DHL** must notify the **Partnering Organisation** of the MV.
- 9.5 **DHL** may borrow on the security of the **Property** only up to the value of the **DHL Equity** in the **Property** (as calculated using the formula contained in the definition of **Partnering Organisation's equity** at clause 9.2) and give priority to a commercial lender over any interests held by the **Partnering Organisation**.
- 9.6 The parties agree:
- (a) that in the event of sale of the **Property**, the **Partnering Organisation** will be entitled to sale proceeds in accordance with the definition of the **Partnering Organisation Equity** and the formula used in that definition;
 - (b) **DHL** makes no warranties whatsoever as to the likely sale price upon such a sale.
- 9.7 As registered proprietor of the **Property**, **DHL**:
- (a) subject to any contrary terms of this Agreement, shall be entitled to exercise all of the rights of registered proprietor; and

- (b) Must take out insurance to meet the usual risks of the **Property** including the following:
- Buildings Insurance for Replacement Value;
 - Public Liability Insurance for not less than \$10M.

10. Housing management arrangements

- 10.1 **DHL** will engage **SHL** or an **Acceptable Housing Organisation** to provide property and tenancy management (“Housing Manager”).

11. Role of Partnering Organisation in Tenant selection

- 11.1 The Housing Manager will liaise with the **Partnering Organisation** about any **Prospective Tenants** they have identified for the **Property** from the Hepburn Shire.

- 11.2 The Housing Manager will then offer a tenancy to those **Prospective Tenants** on the list it assesses as most likely to sustain a successful tenancy in the available **Property**. In putting forward **Prospective Tenants**, the **Partnering Organisation** must take into account:

- (a) the then requirements of **DHS** in relation to the selection of **Prospective Tenants** and the requirements of the **Partnering Organisation** in relation to same;
- (b) whether the person meets the requirement to be an **Eligible Person** with weight given to persons with priority circumstances as set out under the definition for **Eligible Persons**;
- (c) the appropriateness of the **Property** for the **Prospective Tenants**;
- (d) **Prospective Tenants** being ready to move into the **Property** at the time the **Property** is available.

- 11.3 For the avoidance of doubt, the parties agree that the Housing Manager will make the final decision regarding the Tenant selection.

- 11.4 If **DHL** or its agent concludes that there are insufficient suitable **Prospective Tenants** from the Hepburn Shire, the Housing Manager will seek **Tenants** from alternate sources.

12. Provision of support to Tenants

- 12.1 The parties acknowledge that the individual Tenant and his/her network have the key role in determining the implementation of their individual support plan. As such, both **DHL** and the **Partnering Organisation** make no warranties or promises to the effect that either **DHL** or the **Partnering Organisation** will provide support services to **Tenants** in the **Property**.

- 12.2 If an individual Tenant leaves the **Property** they will be deemed to have taken their support package with them.

13. Termination

13.1 Where:

- (a) Prior to commencement of construction, **DHL** determines that its anticipated costs in the **Project** do not justify proceeding with the **Project**; or
- (b) After commencement of construction, **DHL** becomes aware of contamination or some other defect in the **Property** which the **Partnering Organisation** is unwilling to rectify at the cost of the **Partnering Organisation**; or
- (c) the **Partnering Organisation** fails to procure subdivision and transfer of the **Property** prior to the completion of the **Works**;

then **DHL** may terminate this **Agreement** by notice in writing to the **Partnering Organisation**.

13.2 If **DHL** terminates this **Agreement** pursuant to the above clause, it must (if required by the **Partnering Organisation**) make good the **Property** to a clear and level site and, at the cost of **DHL**, transfer ownership back to the **Partnering Organisation** for no monetary consideration. To avoid doubt, the **Partnering Organisation** will be responsible for registration fees and duty in respect of a transfer back to the **Partnering Organisation** pursuant to this clause.

13.3 Either party may terminate this **Agreement** by notice in writing to the other party in the event that the other party fails to rectify a breach of this **Agreement** within fourteen (14) days of being served with written notice stating the breach and requiring rectification of the breach.

13.4 Where, after completion of construction, a party:

- (a) can no longer commit financially to the **Project** without severely hampering its other Projects;
- (b) can no longer commit financially to the **Project** without becoming insolvent;
- (c) believes on reasonable grounds that the **Project** is unsuccessful (or in the case of a Project comprised of multiple properties, one or more of them is no longer appropriate or successful); or
- (d) believes on reasonable grounds that there is no longer a need for the **Project**;

then either party may indicate to the other party its intention to terminate this **Agreement** (or, in the case of a **Project** comprised of multiple properties, its intention to cease being involved in the relevant **Property** or properties) by serving a **Notice of Intention to Terminate** not less than 6 months prior to the date specified in the notice as the intended **Exit Date** provided that the **Exit Date** must not be within 2 years from the date of this Agreement.

- 13.5 Where a party serves a **Notice of Intention to Terminate**, the parties must meet to work out the best strategy and if unable to reach agreement, then the parties will endeavour to resolve any differences relating to exit through the mediation process set out in clause 19 of this Agreement before the **Exit Date**. It is **DHL's** intention to provide for each party to buy out the other's interest wherever possible. If the parties are still unable to agree on a strategy following mediation, the parties must do everything reasonably necessary to sell the relevant property to enable the proportionate interests of the parties to be repaid subject to 9.2 hereof and a reasonable timetable to ensure a fair price is obtained for the Property.
- 13.6 Notwithstanding any other provision of this **Agreement**, the **Project** (or subject **Property** or properties) must not be closed until satisfactory alternative housing arrangements have been made for the **Tenants**, and the parties agree to use best endeavours to ensure such alternative housing arrangements are made.

14. **Co-operation**

The Partnering Organisation acknowledges and agrees that **DHL** is funded by the state government and agrees to co-operate where not adverse to its own position at the request of **DHL** in signing any documents or altering or adjusting the terms of this **Agreement** to ensure **DHL's** continued entitlement to such funding.

15. **Amendment**

This **Agreement** may only be amended in writing signed by all the parties and may not be amended in any other manner.

16. **Assignment**

This **Agreement** shall be binding upon and take effect for the benefit of the successors in title of the parties but shall not be assignable by any party without the prior written consent of the other, such consent not to be unreasonably withheld. For the avoidance of doubt, each party agrees not to unnecessarily fail to consent to operational restructures or mergers which have minimal impact on this **Agreement**.

17. **Attorneys**

Each attorney who executes this **Agreement** on behalf of a party declares that the attorney has no notice of the revocation or suspension of the Power of Attorney under the authority of which the attorney executes this **Agreement**.

18. **Counterparts and multiple originals**

This **Agreement** may be executed in any number of counterparts and all of those counterparts taken together will be deemed to constitute the same instrument.

19. **Dispute Resolution**

- 19.1 Subject to the clause entitled "Termination", which shall prevail to the extent of any inconsistency with this clause, if a dispute arises out of or relates to this **Agreement** a party to this **Agreement** may not commence any court proceedings relating to the dispute unless it has complied with this clause, except where the party seeks urgent interlocutory relief.

- 19.2 (a) the party claiming the existence of a dispute must give written notice to the other parties specifying the nature of the dispute;
- (b) on receipt of that notice the parties must endeavour in good faith to resolve the dispute within ten (10) business days, and if requested by any party, shall resort to mediation;
- (c) in the event of resort being had to mediation, the parties must appoint a mediator and agree on the mediator's remuneration. If the parties fail to agree on the appointment then either party may apply to the President of the Law Institute of the Victoria or the President's nominee to appoint a mediator and, unless the parties agree, determine the mediator's remuneration;
- (d) the parties must observe the instructions of the mediator about the conduct of the mediation;
- (e) if the dispute is not resolved within ten (10) days after the mediator is appointed, or any other time that the parties agree to in writing, the mediation ceases;
- (f) each party must pay an equal share of the cost of the mediation to the mediator and each party agrees to indemnify the mediator against liability in respect of the mediation of the dispute;
- (g) if the dispute is resolved, each party must observe the terms of the resolution and the terms are binding on the parties and override the terms of this **Agreement** to the extent that there is any conflict;
- (h) the mediation procedure is confidential and any written statements prepared for the mediator or for a party and any discussion between the parties and between the parties and the mediator before or during the mediation procedure cannot be used in any legal proceedings.

20. GST

- 20.1 Expressions used in this clause 20 and in the **GST Act** have the same meanings as when used in the **GST Act**.
- 20.2 Amounts payable and consideration provided under or in respect of this Agreement (other than under clause 20.3) are **GST** exclusive.
- 20.3 The recipient of a taxable supply made under or in respect of this Agreement must pay to the supplier, at the time the consideration for the supply is due, the **GST** payable in respect of the supply.
- 20.4 An amount payable by a party in respect of a creditable acquisition by another party from a third party must not exceed the sum of the value of the other party's acquisition and the additional amount payable by the other party under clause 20.3 on account of the other party's liability for GST.
- 20.5 A party is not obliged, under clause 20.3, to pay the GST on a taxable supply to it under this Agreement, until given a valid tax invoice for the supply.

21. Entire Agreement and Conflicts

- 21.1 This **Agreement** and the **Letter of Intent** together set out the entire **Agreement** and understanding between the parties and supersedes all prior agreements, understandings or arrangements (oral or written) in respect of the subject matter of this **Agreement**.
- 21.2 The parties acknowledge that they have entered into this **Agreement** in reliance only upon the representations, warranties and promises specifically contained or incorporated in this **Agreement** and, save as expressly set out in this **Agreement**, shall have no liability in respect of any other representation, warranty or promise made prior to the date of this **Agreement** unless it was made fraudulently.

22. Governing Law

This **Agreement** shall be governed and construed in accordance with the laws for the time being in force in the State of Victoria, Australia and the parties agree to the jurisdiction of the Courts and Tribunals of that State.

23. Survival

Any provision of this **Agreement** capable of surviving the termination of this **Agreement** shall survive.

24. No Partnership

Nothing in this **Agreement** shall create a partnership or joint venture between the parties and save as expressly provided in this **Agreement** neither party shall enter into or have authority to enter into any engagement or make any representation or warranty on behalf of or pledge the credit of or otherwise bind or oblige the other party.

25. Notices

- 25.1 A Notice required or permitted to be given by one party to another under this **Agreement** must be in writing, addressed to the other party and:
- (a) handed to that party's representative;
 - (b) delivered to that party's address;
 - (c) sent by pre-paid mail to that party's address; or
 - (d) transmitted by facsimile to that party's facsimile number.
- 25.2 A Notice given to a party in accordance with the preceding sub-clause above shall be treated as having been duly given and received:
- (a) if handed to the party's representative, immediately;
 - (b) if delivered to a party's address, on the day of delivery;
 - (c) if sent by pre-paid mail, on the third day after posting; or

(d) if transmitted by facsimile to a party's facsimile number and a correct and complete transmission report is received, on the day of transmission.

25.3 For the purposes of this clause, the address or facsimile number of a party is the address or facsimile number set out in this **Agreement** (if any) unless notice of another address or facsimile number has been given in writing.

EXECUTED AS AN AGREEMENT:

EXECUTED by **DISABILITY HOUSING LIMITED (ACN 118 571 547)** by being signed by any two of its attorneys appointed under Power of Attorney dated 25 February 2008:)
)
)
)
)

.....
Attorney signature

.....
Attorney's full name

.....
Usual address

.....
Attorney signature

.....
Attorney's full name

.....
Usual address

THE COMMON SEAL OF HEPBURN SHIRE COUNCIL A.B.N. 76 845 763)
535 was affixed in the presence of:)
)

.....
Janine Booth
Mayor

.....
Kaylene Conrick
Chief Executive Officer

SCHEDULE

Name of Partnering Organisation: Hepburn Shire Council

ACN/ABN: 76 845 763 535

Address: P.O. Box 21, Daylesford, 3460

Phone: 5348 2306

Special features of this project: (if any)

Item 1: Project Description

<p>1. Location of housing and volume and folio reference</p>	<p>Address: Lot 2 on proposed Plan of Subdivision PS 628990G, Raglan Street, Daylesford</p> <p>Volume: Folio: - to be advised</p>
<p>2. Local Government Area</p>	<p>2.1 Hepburn Shire</p>
<p>3. No of units, no of sites and configuration of housing</p>	<p>3.1 Two single-bedroom units and one two-bedroom unit to be constructed in accordance with the plan attached to this Agreement and subject to variations (may be amended by the mutual agreement of the parties).</p>
<p>4. People to be accommodated</p>	<p>4.1 Minimum of 3</p>
<p>5. Acquisition method (ie spot purchase/new build)</p>	<p>5.1 Construction of three new units on the Property provided by the Partnering Organisation.</p>
<p>6. Title arrangements</p>	<p>6.1 DHL will hold title to the Property. The Partnering Organisation will be entitled to lodge a caveat on the title of the Property registering its interest.</p> <p>6.2 The title of the Property will be transferred to DHL upon registration of the Plan of Subdivision.</p>

ATTACHMENT

PLANNING PERMIT NO. PLN 10115

ATTACHMENT

**PLANS FOR CONSTRUCTION OF 3 UNITS
(see Schedule Item 1, part 3)**

12. SUSTAINABLE DEVELOPMENT

12.1 CRESWICK INDUSTRIAL PARK AND SUSTAINABLE WATER PROJECT

(Action Officer – General Manager Sustainable Development)

Introduction

The Creswick Industrial Park and Sustainable Water Project has been commissioned to look into the feasibility of developing a 22.92 hectare site within the Creswick Township. The land is currently owned by the Department of Sustainability and Environment (DSE).

The two primary objectives for the site are firstly to obtain a sustainable water source to supplement water supplied for the maintenance of recreation facilities in Creswick and secondly to examine the feasibility of subdividing the site in whole or in part for industrial or some other use. (Refer attached Study)

Part funding for the planning and feasibility study has been obtained from Regional Development Victoria. Detailed costing information has not been included in this report.

Report

The property is a former mining site in the Industrial 1 Zone. From the recent structure plan review, the area is identified for further investigation as an Industrial 3 Zone. The land is constrained by the legacy of earthworks from past dredging and mining activity. A natural waterway (Creswick Creek) runs along the northern boundary of the site.

The report makes an assessment of the potential for an industrial park and residential use on the site, including a Concept Design, and an evaluation for water capture and re-use on nearby public recreational areas.

The report conducts research into the following aspects of the proposal:

- Economic
- Community
- Ownership
- Planning
- Environmental
- Infrastructure
- Aboriginal Heritage
- Funding Opportunities

The following conclusions are identified in the report:

- The investigation site is in a central location in Creswick, with reasonable access to infrastructure services. The Hepburn Planning Scheme provides strategic support of industrial development on the site. There is also a good strategic case for residential use, provided the industrial and residential areas can be separated. The geography of the site will allow this to occur.
- Due to past mining activity, the site is in a degraded condition and does not make a positive contribution to water management in the Creswick Creek catchment.
- An initial development of six industrial lots on Ring Road can be established within the parameters of commercial land development. A decision on the development of subsequent stages can be informed by the performance of the initial stage.
- The development of the whole site for industrial purposes is likely to exceed demand for many years and is unlikely to be viable.
- There is a demand for affordable residential lots in Creswick that could be met by developing land within the south east corner of the investigation site, accessed from Luttet Street. Development of this area for residential purposes would also improve the amenity of existing residences.
- The need to rehabilitate the site, particularly along Creswick Creek and contributing drainage lines, warrants a high priority, although the cost of the rehabilitation work is unlikely to be met from development returns due to the scale and complexity of the rehabilitation works. The environmental rehabilitation of the site may be considered as a separate catchment management project.
- Implementation of the subdivision components of the project (industrial and residential) would be assisted if the land could be transferred from DSE in stages. Alternatively, the sale of the proposed residential component following rezoning to the Residential 1 Zone could fund the purchase of the remainder of the site.
- The concept design proposes retaining a large area in public ownership through the centre of the site to protect and improve water quality. This land could be placed in the Public Park and Recreation Zone (PPRZ).
- The stage 1 proposal for industrial development on the site appears to meet Regional Development Victoria criteria for grant funds. This will need to be tested on referral of this report to RDV for assessment against program guidelines.
- The residential component of the concept design may be attractive for private investors, which may partially offset industrial development costs.

- Rehabilitation of the proposed public land component of the site may attract funds from the Australian Government “Water for the Future” program on the basis of revegetation and water quality improvement within the Creswick Creek catchment, which is part of the Murray Darling basin system.

Further information has been obtained from the consultant regarding stormwater reuse on the site that would treat and supply sufficient water for irrigation of the Doug Lindsay Park Recreation Reserve (Refer to Attachment PART 5). The analysis includes a whole of development catchment cost and looks at the feasibility of a reduced scale storm water re-use system. Further investigation, with a particular focus on environmental sustainability will need to be explored.

This report represents an initial investigation into the proposal. Should Council decide to progress the project, a number of significant items need to be addressed in assessing the proposal further:

- The site area itself will need to be further assessed in alignment with a strategic planning assessment of industrial land in the Creswick area and Hepburn Shire.
- Consult with DSE to establish an agreed value for the site and the co-operation of the DSE in achieving the necessary rezoning and staged transfer of the land.
- The study area is heavily disturbed by past mining activity and will require detailed on site investigation to determine suitability.
- Further consult with DPCD regarding the rezoning of the south eastern part of the study area to the Residential 1 Zone and the development generally.
- Further investigation of the storm water reuse potential on site and its environmental sustainability.

Consult with Regional Development Victoria and the Australian Government Sustainable Basin Communities (SBC) program regarding the opportunities of receiving funding

Relevant Policies

Council Plan 2009-2013:

“We will help improve economic prosperity.”

Community Engagement

No community engagement has been undertaken as part of the feasibility study. Community engagement will be carried out in future phases of the project.

Financial Implications

An indicative cost plan and potential funding sources form part of the feasibility study.

Recommendation:

That Council:

- 12.1.1 *Accept the Creswick Industrial Park and Sustainable Water Project report.*
- 12.1.2 *Make the report available at Hepburn Shire Council offices and on the Council website.*
- 12.1.3 *Call for community comment on the report.*

Motion:

That Council:

- 12.1.1 *Receive the Creswick Industrial Park and Sustainable Water Project report.*
- 12.1.2 *Make the report available at Hepburn Shire Council offices and on the Council website.*
- 12.1.3 *Convene a public meeting to fully explain the content of the report, and*
- 12.1.4 *Call for community comment on the report.*

Moved: Cr Bill McClenaghan

Seconded: Cr Don Henderson

Carried.

Cr Tim Hayes left meeting at 9.35pm

***Attachments - SEPARATE
Item 12.1***

- 20-04-2010 Minutes - Item 12.1 PART 1***
- 20-04-2010 Minutes - Item 12.1 PART 2***
- 20-04-2010 Minutes - Item 12.1 PART 3***
- 20-04-2010 Minutes - Item 12.1 PART 4***
- 20-04-2010 Minutes - Item 12.1 PART 5***

12.2 HEATWAVE STRATEGY

(Action Officer – Senior Environmental Health Officer)

Introduction

As a result of the bushfires in the early part of 2009 the State Government has declared that all Councils should have a heat wave strategy in place to compliment the emergency response to any future bushfires.

In the 20 October 2009 Ordinary Council Meeting, Council adopted the Interim Heatwave Strategy for the 2009 - 2010 period. Council also requested that the Heatwave Strategy be linked to the Municipal Public Health Plan and that they receive a further report on the full Heatwave Strategy following its review in April 2010.

Report

In the October 2010 report, it was noted that the consultation period for the Municipal Public Health Plan and the Heatwave Strategy should be performed at the same time. The funding required to commence the Municipal Public Health Plan (MPHP) currently forms part of the 2010 – 2011 Budget process. Once the MPHP community consultation is commenced, the Heatwave Strategy consultation can be progressed.

Preparation work on the Heatwave Strategy, including the brief and arrangements for the internal reference group have already been completed. Officers intend to complete the full project by September 2010, well prior to the next summer period.

The Heatwave Strategy has been linked to the Municipal Public Health Plan and is available on the Hepburn Shire Council website.

Relevant Policies

Municipal Emergency Management Plan
Municipal Public Health and Wellbeing Plan

Council Plan 2009-2013:

49. Involving communities in emergency response preparedness.

Community Engagement

There will be community engagement as part of the Municipal Public Health Plan preparation during which time the Heatwave Strategy will be considered.

Financial Implications

There is a \$25,000 grant that has been approved to assist in the development of the Heatwave Strategy. This grant should cover all costs surrounding the production of the Heatwave Strategy.

Recommendation:

12.2.1 That Council note the Officer's report.

Motion:

That Council:

12.2.1 Note the Officer's report.

12.2.2 Be briefed on the resulting Heatwave Strategy.

12.2.3 Refer the resulting Heatwave Strategy to be included in the Municipal Public Health Plan and the Municipal Emergency Management Plan

Moved: Cr Bill McClenaghan

Seconded: Cr Jon Barrell

Carried.

Cr Tim Hayes returned to the meeting at 9.40pm

8.12 pm, Cr Bill McClenaghan left the meeting due to his declared conflict of interest in regards Item 13.1

8.16 pm Cr Bill McClenaghan returned to the meeting

13. INFRASTRUCTURE

13.1 DOMESTIC AND COMMERCIAL WASTE TIPPING FEES SCHEDULE

(Action Officer – General Manager Infrastructure)

Introduction

Council at its meeting on 16 March 2010 considered a report on proposed Fees and Charges for the 2010-2011 budget and after discussions requested a further report on the proposed fees for the disposal of tyres at the Municipal Transfer Stations.

Report

Council's current fees 2009-2010 for tyres are as follows:

TYRES – 2009-2010	
Car	\$12.00
Light Truck	\$25.00
Truck	\$25.00
Tractor - Small	\$130.00
Tractor - Large	\$200.00
Rims only	No charge

It was proposed that the costs for these services remain unchanged because of the benchmarking exercise that was undertaken.

Further information has been obtained which reveals that the cost of disposal of tyres in Melbourne is as follows:

Car Tyres	\$110/tonne*
Truck Tyres - Small	\$25/tyre
Truck Tyres - Large	\$50/tyre

*If on rims extra \$3/tyre

There are approximately 110-115 car tyres/tonne. Cartage costs are in addition to these costs.

It is recommended that the following fees and charges be adopted for tyre disposal for the 2010/2011 financial year.

TYRES – 2010-2011	
Car	\$4.00
Truck - Small	\$30.00
Truck - Large	\$60.00
Tractor - Small	\$130.00
Tractor - Large	\$200.00
Rims only	No charge

Relevant Policies

Section 127(1) of the Local Government Act

Council Plan 2009-2013:

"We will deliver Good Governance to Hepburn Shire."

Community Engagement

The Schedule of Fees and Charges 2010-2011 will be publicly advertised as part of the Draft Budget 2010-2011 seeking submissions from interested parties in accordance with Section 223 of the *Local Government Act 1989* and community consultation budget meetings will be held during April and May.

Financial Implications

Domestic and Commercial Waste Tipping Fees schedule and revenue estimates to be included in Council's Draft Budget 2010-2011.

Recommendation:

- 13.1.1 *That Council approve the Schedule of Fees and Charges for Domestic and Commercial Waste Tipping Fees as listed in Attachment 7 for inclusion in the Draft Budget 2010-2011.*

Motion:

- 13.1.1 *That Council approve the Schedule of Fees and Charges for Domestic and Commercial Waste Tipping Fees as listed in Attachment 7 for inclusion in the Draft Budget 2010-2011.*

Moved: Cr Rod May

Seconded: Cr Don Henderson

Carried.

Attachment 7
Item 13.1

DOMESTIC & COMMERCIAL WASTE - TIPPING FEES SCHEDULE

Item	Current Fee 2009/2010 (incl GST)	Recommended Fee 2010/2011 (incl GST)
DOMESTIC & COMMERCIAL WASTE		
Car/Boot Load (½m ³ max)	\$14.00	\$14.00
Utility/Small Trailer (1.0 m ³ max)	\$28.00	\$28.00
Small Truck/Tandem Trailer (2.0 m ³ max)	\$56.00	\$56.00
Other Loads that are non commercial	\$30.00	\$30.00
Commercial Waste	Not applicable	Not applicable
Approved Green Waste	\$14.00	\$14.00
Approved Domestic Recyclables	No Charge	No Charge
Approved Commercial Recyclables	No Charge	No Charge
Commercial Paper & Cardboard	\$14.00/m ³	\$14.00/m ³
Commercial Paper & Cardboard	\$28.00/m ³	\$28.00/m ³
TYRES		
Car	\$12.00	\$4.00
Truck - Small	\$25.00	\$30.00
Truck - Large	\$25.00	\$60.00
Tractor – Small	\$130.00	\$130.00
Tractor – Large	\$200.00	\$200.00
Rims only	No Charge	No Charge
OTHER		
Oil	No Charge	No Charge
Batteries	No Charge	No Charge
Scrap Steel	No Charge	No Charge
Car Bodies	No Charge	No Charge
Refrigerators & Freezers (Degassed)	No Charge	No Charge
Refrigerators & Freezers (Gassed)	\$50.00	\$50.00
Mattresses	\$20.00	\$20.00
Sale of Garbage bins		
120ltr bin	\$45.00	\$45.00
240ltr bin	\$60.00	\$60.00

Note: Approved Recyclables must be sorted and placed in containers provided.

13.2 HEAVY VEHICLES – STANBRIDGE STREET, DAYLESFORD

(Action Officer – General Manager Infrastructure)

Introduction

Concern has been raised by a number of residents regarding the use of Stanbridge Street by heavy vehicles to access the industrial estate located in the East Street area of Daylesford.

Report

The current Hepburn Planning Scheme clearly designates the area to the east of East Street as being an industrial zone.

In effect, this makes good planning sense in that the area is located close to the Midland Highway which is easily accessible via East Street, is fully serviced and is relatively flat in topography.

The only problem is that vehicular access is restricted by existing rail over road bridge which has a height construction of 3.7 metres for road traffic.

This was probably acceptable when this area was first designated as industrial but as road transports have increased in size the East Street access is not always available.

The road traffic regulations allow all vehicles except B-Doubles to use all roads that are open to the public and because of the East Street railway bridge limitations, they need to find alternate routes.

The two most logical routes are either Central Springs Road or Stanbridge Street.

Of these roads, the preferred route is Stanbridge Street because of its vertical alignment, thus the increase in usage by heavy vehicles.

Traffic counts indicate an average count of 928 vehicles per day of which 34 per day (3.7%) of these are heavy vehicles.

Council has been approached by operators to issue permit for the use of B-Doubles along Stanbridge Street and in November 2009 a permit was issued to operate B-Doubles subject to certain conditions (refer attached letter – Attachment 8).

Following this approval, VicRoads advised that they would be gazetting Stanbridge Street as a B-Double route. This advice was received in January 2010 but because of the concerns regarding Stanbridge Street, Council officers have requested that this not occur.

Currently, the approval of B-Double routes within the Shire are being decided by officers without Council being informed and because of the possible concerns raised by residents, users, etc of the road, the reasons for the decisions are not readily available.

Once a route has been gazetted, it can be changed but it generally requires an alternate access route to be provided.

It is recommended that all future applications for B-Double routes be referred to Council for decision.

Council officers will make a recommendation but such a process will ensure that all parties are properly informed and that the process is transparent.

Council should immediately commence a freight study for the municipality which will identify the preferred freight routes throughout the municipality with an emphasis on servicing the existing industrial, commercial areas and any proposed areas consistent with Council's township plans.

Once this study has been prepared and adopted by Council, we will be in a position to access government funding to develop these freight routes.

For example, if East Street is determined as the logical access route to this industrial area and the existing road under the railway bridge needed to be lowered for access, Council would be in a good position to secure government funding. This would then 'relieve the pressure' on the residential areas such as Stanbridge Street.

Relevant Policies

Council Plan 2009-2013:

"We will deliver Good Governance to the Hepburn Shire"

22. Requiring Council Management to prepare policies and protocols which support transparent discussion making.

Community Engagement

Not applicable at this stage.

Financial Implications

Costs associated with engaging an experienced Traffic Engineering consultant to develop a Freight Strategy for Hepburn Shire.

Recommendation:

That Council:

- 13.2.1 *Approve the preparation of a Freight Strategy for the municipality of Hepburn Shire.*
- 13.2.2 *Require that all future applications for B-Double and Higher Mass Limits Vehicles be referred to Council for decision.*

Motion:

That Council:

- 13.2.1 *Approve the preparation of a Freight Strategy for the municipality of Hepburn Shire.*
- 13.2.2 *Require that all future applications for B-Double and Higher Mass Limits Vehicles be referred to Council for decision.*
- 13.2.3 *Review all existing B-Double permits and officers report back to Council.*
- 13.2.4 *Refer all unauthorised use of B-Doubles to VicRoads for enforcement.*
- 13.2.5 *Enter into negotiations with the permit holder to review and obtain better outcome for residents of Stanbridge Street, Daylesford.*
- 13.2.6 *Investigate implementation of weight limits and time limits on Stanbridge Street, Daylesford.*

Moved: Cr Bill McClenaghan

Seconded: Cr Jon Barrell

Carried.

Attachment 8
Item 13.2

Letter
File Ref: 6590

25-11-2009

Mitch Watson
Daylesford and Hepburn Mineral Springs
PO Box 1044
Daylesford 3460

Dear Mitch Watson

Re: Permission to use B-Doubles on Stanbridge St Daylesford.

Hepburn Shire Council will permit you to use B-doubles along Stanbridge St, Daylesford from Vincent Street through to the industrial zoned land in East St.

Permission is granted on the understanding that:

- Low frequency of use – deliveries are expected less than once per week (more during the site setup)
- Hours of operation – deliveries are to be restricted to between 7am and 7pm and the use of compression brakes is to be avoided.

If you require further information I can be contacted on 53216427.

Yours sincerely

Michael Neunhoffer
Asset Engineer

13.3 ROAD CLOSURE – UN-NAMED ROAD OFF FRASER STREET, CLUNES (Action Officer – General Manager Infrastructure)

Introduction

Council's 2009/10 budget provides an amount of \$250,000 for the construction of community housing at Cameron Court, Fraser Street Clunes.

Report

Council advertised its intention to close this section of road and called for public Council currently owns and operates, through a Section 86 Committee the community housing project known as Cameron Court, Clunes. The existing development consists of six dwellings and has currently a waiting list of prospective tenants who wish to live in such premises.

Council currently holds the titles to the land adjacent to and immediately to the north of the existing dwellings being CAs 23, 22, 21, 20, 19, 18, 17 and 16 Section D, Township of Clunes, as shown on the attached plan (Refer Attachment 9).

Because of the need for community housing, a decision was made to construct additional dwellings on these parcels of land. However, a road currently exists on the plan between CAs 19 and 20.

To enable the optimum usage of the land and to construct an additional three units, it is desirable to formally close this road.

Because the road is not formed or functioning as a road, it is not required for public traffic and therefore can be closed.

Council will need to advertise its intent to close this section of road and call for public submissions.

Relevant Policies

Council Plan 2009-2013:

7. Disposal of poorly utilised, inefficient or surplus assets in consultation with the community where appropriate.

Community Engagement

Notification of proposed road closure through *The Courier, Ballarat* and *The Advocate* newspapers to be advertised and receive any submissions under Section 223 of the *Local Government Act 1989*.

Financial Implications

Advertising costs for public notices.

Recommendation:

That Council:

- 13.3.1 *Declare its intention to proceed under S206, clause 3 of Schedule 10 of the **Local Government Act 1989** to close the un-named road off Fraser Street, Clunes between CAs 19 and 20, Sec D, Township of Clunes and commence public advertising.*
- 13.3.2 *Receive a further report to consider public submissions following conclusion of the public advertising period.*

Motion:

That Council:

- 13.3.1 *Declare its intention to proceed under S206, clause 3 of Schedule 10 of the **Local Government Act 1989** to close the un-named road off Fraser Street, Clunes between CAs 19 and 20, Sec D, Township of Clunes and commence public advertising.*
- 13.3.2 *Receive a further report to consider public submissions following conclusion of the public advertising period.*

Moved: Cr Tim Hayes
Seconded: Cr Don Henderson
Carried.

Attachment 9
Item 13.3

Cameron Court Units
Road Closure Un-Named Road Off Fraser Street, Clunes



13.4 SPECIAL RATES AND CHARGES

(Action Officer – General Manager Infrastructure)

Introduction

Hepburn Shire Council Policy Number 28 – *Residential Road Construction, Contribution and Payment* was adopted by Council on 18 December 2001.

Since that time the Minister for Local Government has provided guidelines for Special Rates and Charges dated September 2004 (Refer Attachment 10).

Report

The current Hepburn Shire Council policy was prepared in response to requests for construction of residential roads and provides a framework to guide and assist Council in making decisions relating to Special Charge/Rate Scheme and Payments.

Under Section 163 of *The Local Government Act (1989)* (Refer Attachment 11), the Act, Council is permitted to declare a special charge, for the performance of a function, where ratepayers will receive a special and specific benefit from works or services delivered. The principle of “user pays” allows Councils to retain the ability to recover reasonable contributions from people who will derive special benefits from particular works or services. The result is that these special benefits do not need be subsidised by general ratepayers.

The current practice of Council, as per the existing policy, is that Council contributes 50% towards the cost of works on government roads and nil towards the cost of private streets.

This practice does not reflect the Ministerial Guidelines to the Act dated September 2004.

It is proposed to change the policy to reflect a Council contribution that is calculated in accordance with the Ministerial Guidelines to the Act.

This process sets out precise calculation of:

- the maximum total amount levied on beneficiaries; and,
- the total community benefit of the project, covered by Council.

It is proposed that other types of infrastructure works eligible for special charge schemes will be calculated in line with the Ministerial Guidelines to the Act. The contribution by Council will be determined by calculation of community benefit.

A significant change was also introduced to the special rates and charges provisions of the Act.

“If a council proposes to levy a total amount that exceeds two thirds of the total cost, the affected ratepayers have a right to object and if the council receives objections from a majority of those ratepayers within 28 days of the public notice, it may not declare the scheme.”

Many councils have in effect ensured that the levy does not exceed two thirds of the total cost of the works to avoid this situation.

It is proposed that all schemes prepared be done in an open and transparent manner in accordance with the Ministerial Guidelines and that all objections received be considered and that Council make its determination on the continuation of the schemes based on the merits of the objections.

Relevant Policies

Council Plan 2009-2013:

“We will deliver Good Governance to the Hepburn Shire”

22. Requiring Council Management to prepare policies and protocols which support transparent discussion making.

Community Engagement

Nil

Financial Implications

The “user pays” principle allows Council to retain the ability to recover reasonable contributions from people who will derive special benefits from particular works or services. The result is that these special benefits do not need be subsidised by general ratepayers.

Recommendation:

- 13.4.1 *That Council adopt the proposed Special Rates and Charges policy dated April 2010 (Refer Attachment 12).*

Motion:

- 13.4.1 *That Council adopt the proposed Special Rates and Charges policy dated April 2010 (Refer Attachment 12).*

Moved: Cr Don Henderson

Seconded: Cr Tim Hayes

Carried.

Attachment 10
Item 13.4

SPECIAL RATES AND CHARGES

Ministerial Guideline

September 2004

Local Government Victoria
Level 14, 1 Spring Street,
Melbourne, Vic, 3000
(03) 9208 3430

Preface to Ministerial Guideline on Special Rates and Charges

INTRODUCTION

The attached Ministerial Guideline has been prepared to assist and guide Councils in complying with new provisions of the Local Government Act 1989 (the Act) relating to the levying of Special Rates and Special Charges. It specifically addresses the method of calculating the maximum amount that a Council may levy as a special rate or charge.

The amendments to the Act made by the Local Government (Democratic Reform) Act 2003 had the following objectives:

- To ensure fairness and equity by requiring Councils to formally consider the proportion of the benefits of a proposed works or services that will provide special benefits for the people included in the scheme,
- To maximise opportunities for participation in consultation on proposed schemes and to provide objection rights where it is proposed that the affected people should contribute over two thirds of total costs.
- To ensure councils retain the ability to recover reasonable contributions from people who will derive special benefits from particular works or services so that those special benefits do not need to be subsidised by general ratepayers.

THE AMENDMENTS

The amendments made to the special rates and charges provisions of the Act include the following:

- A proposed declaration must include a description of the works or services to be provided, the total cost of the works or services and the total amount of the special rates and charges to be levied. (This is in addition to information already required)
- When a council gives public notice of a proposed special rate or charge it must, within 3 working days, send a copy of the public notice to each person who will be required to pay the rate or charge.
- Before declaring a scheme, a council must determine the “total amount” of the special rates and charges to be levied. The total amount may not exceed the maximum total amount calculated by the formula $R \times C = S$; where R is the benefit ratio, C is the total cost of the works or service and S is the total maximum amount.
- If a council proposes to levy a total amount that exceeds two thirds of the total cost the affected ratepayers have a right to object and if the council receives objections from a majority of those ratepayers within 28 days of the public notice it may not declare the scheme. (This is in addition to the existing section 223 consultation process)
- If a council proposes to alter a declared special rate or charge in a way that will require an additional person(s) to pay, or that will involve a material increase in the amount that a person has to pay, it must give public notice of the proposal and consider public submissions, in accordance with section 223 of the Act.

COVERAGE OF THE GUIDELINE

The Ministerial Guideline specifically deals with the calculation of the maximum total amount that a council may levy as a special rate or special charge. It therefore deals with the calculation of the total cost of the works or services and the estimation of the benefit ratio (Sections 163(2A) and 163(2B) of the Act).

It should be noted that the guideline does not deal with the following matters:

- Consultation processes between councils and people affected by proposed special rate or charge schemes,
- The new notification and objection procedures in the Act, except where they are related to or affected by the total cost, the benefit ratio or the maximum total levy, or
- The criteria used for the apportionment of special rates and charges between the people required to pay the rate or charge.

USING THE GUIDELINE

This Guideline is intended to assist Councils in preparing proposed declarations for special rates and charges schemes. While not having the same force as the Act, the Guideline should be considered by a council when developing a special rate or special charge scheme.

It is acknowledged that special rate and charge schemes can vary significantly and that it is not possible to cover all situations in a guideline. Subject to the requirements of the Act, councils are empowered to exercise discretion in developing special rate and charge schemes. In exercising their discretion, however, councils should take the Guideline into account to avoid the risk of having their decisions set aside by the VCAT or a court by reason of having failed to take into account a relevant consideration.

APPORTIONMENT

The guideline does not deal with the criteria to be used as a basis for levying a special rate or charge. This is commonly referred to as “apportionment”. The following matters should be noted, however:

- The determination of apportionment criteria is a separate process from the calculation of the maximum total levy.
- While benefit is the fundamental criterion for determining the proportion of total costs that may be recovered under a special rate or charge, it is not necessarily the appropriate criterion for determining apportionment.
- Councils should have regard to the objective in the Local Government Charter (Part 1A of the Act), to “ensure the equitable imposition of rates and charges” when deciding on apportionment criteria.
- Prior consultation with affected people should enable councils to develop equitable and appropriate apportionment criteria in a proposed declaration.
- A person required to pay a special rate or charge continues to have the right to request a review by VCAT on the basis that the apportionment is unreasonable.

MAXIMUM LEVY

The Guideline provides assistance for councils calculating the maximum total levy applicable to a special rate or charge scheme. While maximum total levy is the highest total amount that a council may recover as a special rate or charge, a council is not required to recover that maximum amount and may decide, at its own discretion, to levy a lower amount than the maximum total levy.

CONSULTATION

Generally, councils that establish special rate and charge schemes have well developed public consultation processes that significantly exceed the minimum requirements of the Act. This approach is highly recommended. Experience shows that open and effective consultation with the community, particularly with the people who will be included in a proposed scheme, results in higher success rates and greater public satisfaction.

COUNCIL POLICIES

While not essential, it is desirable for Councils that intend to establish special rate and special charge schemes to develop and adopt policies and procedures to ensure reasonable and consistent practices. It is essential that that any such policies or procedures be consistent with the new provisions of the Act and it is recommended that they be consistent with the Ministerial Guideline.

Special Rates and Special Charges: Calculating Maximum Total Levy

Ministerial Guideline

(Published in the Government Gazette on 23 September 2004)

INTRODUCTION

1. This Guideline is made under section 163(2C) of the Local Government Act 1989 (the Act). It relates to the application of sections 163(2), 163(2A) and 163(2B) of the Act. It specifically addresses the calculation of the maximum total amount that may be levied as a special rate or special charge (referred to as the “*maximum total levy*”).
2. Some terminology used in this Guideline should be noted:
 - a. “*Scheme*” refers to a special rate or special charge scheme.
 - b. “*Works or services*” refers to the functions or powers being exercised by the Council for which it is proposed to levy a special rate or charge.
 - c. “*Property*” refers to property in the form of land.
3. The calculation of the *maximum total levy* requires the following:
 - a. Calculation of the “*total cost*” of the works or services,
 - b. Calculation of the “*benefit ratio*”, which depends on reasonable estimates of:
 - “*Total special benefits*” to properties included in the scheme,
 - “*Total special benefits*” to properties not included in the scheme (if any), and
 - “*Total community benefits*” (if any).

STEPS IN CALCULATION

4. The following steps apply to the calculation of the maximum total levy.
 - A. DEFINE PURPOSE
 - B. ENSURE COHERENCE.
 - C. CALCULATE TOTAL COST
 - D. IDENTIFY SPECIAL BENEFICIARIES
 - E. DETERMINE PROPERTIES TO INCLUDE
 - F. ESTIMATE TOTAL SPECIAL BENEFITS
 - G. ESTIMATE COMMUNITY BENEFITS
 - H. CALCULATE THE “BENEFIT RATIO”
 - I. CALCULATE THE MAXIMUM TOTAL LEVY

A. Define Purpose

5. The purpose, or purposes, of the proposed works or services should be clearly defined at the outset. The purpose should describe the reasons why the proposed works or services are proposed.
6. The description of the purpose would normally take account of the following:
 - a. Reasons why the works or services are considered necessary or appropriate, noting any relevant background information.
 - b. Who has proposed that the works or services be undertaken and including the following information;
 - If the works or services have been proposed by the council, the relevant council policy or resolution.
 - If the works or services were requested by a person or people other than the council, an indication of whether those people are proposed to be included in the scheme and what reasons they have given for requesting the works or services.
7. A scheme may serve multiple purposes and can be proposed by multiple parties.

B. Ensure Coherence

8. For the purposes of calculating the maximum total levy, and therefore total cost and benefit ratio, the works or services for which the special rate or charge is proposed should have a natural coherence.
9. Proposed works or services can be considered to have a natural coherence if:
 - a. They will be physically or logically connected, or
 - b. They will provide special benefits, of a related nature, to a common, or overlapping, group of properties.

C. Calculate total cost

10. The “*total cost*” is the aggregate cost of defraying expenses related to providing the works or services and establishing the scheme.
11. The following should apply to the calculation of the “*total cost*”:
 - a. Costs included in the *total cost* must be for purposes in section 163(1) of the Act, and
 - b. Costs included in the *total cost* may only be for expenses listed in section 163(6) of the Act, and
 - c. Costs included in the *total cost* should be based on actual expenses that have been incurred, or reasonable estimates of expenses expected to be incurred. (For example, any interest should be based on estimated actual interest costs rather than on prescribed penalty interest rates)
 - d. Costs included in the *total cost* may relate to known activities but not to activities that are purely speculative or hypothetical in nature. (For example, provision for incidental costs related to the proposed works might be included but not costs related to possible legal proceedings that may or may not occur)

D. Identify special beneficiaries

12. The council should identify, as far as possible, which properties will receive a special benefit from the proposed works or services. A “*special benefit*” is considered to be provided to a property if the proposed works or services will provide a benefit that is additional to or greater than the benefit to other properties.
13. It is important to note that, while special benefits are considered to accrue to properties, the actual measurable benefits are provided to the owners and/or occupiers of the properties (see also paragraph 23.a).
14. Special benefits should be benefits that are either tangible benefits to the owners or occupiers of the properties that are not remote, or they should be clear benefits to those owners or occupiers that were identified in the defined purpose of the works or services (paragraph 5). Types of benefits included as special benefits generally include services provided for the properties, identifiable improvements in physical or environmental amenity, improved access, improved safety or economic benefits.
15. A special benefit may be considered to exist if it would reasonably be expected to benefit the owners or occupiers of the property. It is not necessary for the benefit to be actually used by the particular owners or occupiers of a specified property at a particular time in order for a special benefit to be attributed to the property.

E. Determine properties to include

16. Having identified which properties will receive *special benefits*, the council must decide which properties to include in the scheme. The properties included in the scheme will be those that are required to pay the special rate or charge.
17. If a property will receive a *special benefit* but is not included in the scheme, the calculation of the benefit ratio will result in the council paying the share of costs related to the special benefits for those properties.
18. The council is not required to levy a special rate or charge on any or every property that will receive a *special benefit*. A property with a special benefit may be excluded from the scheme for any of the following reasons:
 - a. The council is unable to levy a special rate or charge on the property,
 - b. The owner of the property has already contributed to the costs of the works through a development levy,
 - c. The council considers that there are particular advantages for the municipality in excluding the property from the scheme,
 - d. The council considers that the special benefits for the property are marginal and would not warrant including the property in the scheme, or
 - e. Any other reason that the council considers appropriate.

F. Estimate total special benefits

19. Total special benefits can be defined to include two parts, as follows:

$$TSB = TSB_{(in)} + TSB_{(out)}$$

- ***TSB*** is the estimated total special benefit for all properties that have been identified to receive a special benefit.
 - ***TSB_(in)*** is the estimated total special benefit for those properties that the council proposes to include in the scheme.
 - ***TSB_(out)*** is the estimated total special benefit for those properties with an identified special benefit that the council does not propose to include in the scheme.
20. In estimating the total special benefits for properties that will be included in the scheme, particular attention should be paid to:
- a. The identified purpose of the proposed works or services, and
 - b. Specific benefits relevant to the type of works or services proposed.
21. There is no single or prescribed method for estimating total special benefits. However, whatever method is used, it is essential that the comparative weightings attributed to different types of benefits are reasonable and are applied consistently by a Council. It is also essential that consistent weightings are used between those properties that are included in the scheme and those that are not included.
22. It is particularly important to note that, while it may sometimes be useful to estimate special benefits on a property by property basis, this is not always necessary. The calculation of the benefit ratio only requires aggregate estimates of total special benefits for properties included in the scheme and for properties excluded from the scheme.
23. The following matters should be noted in calculating “total special benefits”
- a. While changes in property values are considered to be an indication that a special benefit exists, this is generally derived from benefits provided to the owners or occupiers of the property. To avoid double counting, changes in property values should not normally be included in the calculation of total special benefits.
 - b. Where the services or works proposed under a scheme include benefits to people who are servicing or accessing properties that are identified as having special benefits, the benefits to those people may be included as special benefits to the properties rather than as community benefits.

G. Estimate total community benefit

24. Before calculating the benefit ratio, a Council must consider if the proposed works or services will provide “*community benefits*”. Not all schemes have community benefits.
25. ***Community benefits*** are considered to exist where the works or services will provide tangible and direct benefits to people in the broader community. These will generally derive from the provision of facilities or services that are

generally available to people, other than owners or occupiers of properties with special benefits.

26. Where there is a use or amenity value to people in the broader community that is a clear, tangible and direct, the Council should attribute a community benefit. The council should also attribute a community benefit where it identified in the defined purpose of the works or services (paragraph 5).
27. Councils should use a method of estimating community benefits that is reasonable and consistent in comparison to the estimates of special benefits. In making these estimates, care should be taken to avoid double counting. If a benefit is identified as a special benefit it should not also be counted as a community benefit.

H. Calculating the benefit ratio

28. The benefit ratio is calculated as follows:

$$\frac{TSB(in)}{TSB(in) + TSB(out) + TCB} = R$$

- *TSB(in)* is the estimated total special benefit for those properties that the council proposes to include in the scheme
- *TSB(out)* is the estimated total special benefit for those properties with an identified special benefit that the council does not propose to include in the scheme.
- *TCB* is the estimated total community benefit,
- *R* is the benefit ratio.

I. Calculating the Maximum Total Levy

29. Having calculated the total cost and the benefit ratio, the Council is required to calculate the maximum total levy, in accordance with section 163(2A) of the Act.

$$R \times C = S$$

- *R* is the benefit ratio
 - *C* is the total cost
 - *S* is the maximum total levy.
30. A council may not levy a special rate or charge to recover an amount that exceeds the maximum total levy. However, a council may decide to levy a lower amount.

SCHEME TYPES

31. The principles and processes outlined in this guideline will apply differently in different types of schemes recognising that complexities and variances occur with each scheme.
32. In general there are three main types of schemes:
 - a. Works Schemes, that involve the construction of an item, or items of infrastructure,
 - b. Service schemes that provide a particular service or bundle of related services, and
 - c. Special purpose fund schemes, where the monies raised by the special rate or charge go into a fund for a specified purpose and may include a mixture of works and/or services.

A. Works Schemes

33. Works schemes are schemes that involve the construction of an item, or items, of infrastructure, such as roads, (including road pavement, footpath, kerb and channel, etc) drains or car parks.
34. Benefits to be taken into account in a works scheme are usually related to improved amenity, safety, environment or usage value. As with all schemes, any benefits identified in the defined purpose should be taken into account in estimating total special benefits and total community benefit.
35. Consideration of the special benefits and community benefits should take account of changes in usage that are realistically expected to occur following the construction of the works.
 - a. Future benefits should be limited to those that can arise under existing laws, planning schemes, permits and approvals.
 - b. Future benefits should be limited to benefits that may arise within reasonable timeframes.

ROADS

36. The construction of a road may generally include the various components of a road, such as the road pavement, kerb and channel, drains and drainage pits, nature strips and street trees, signage, line marking, traffic management devices, and footpaths.
37. When estimating the total special benefits associated with the construction of a road, a Council may take account of the following:
 - a. The primary purpose for which the road is being constructed.
 - b. Improved access to properties by owners, occupiers, visitors and services,
 - c. Improved safety such as improved traffic delineation, improved sight distance, road surface and road width, reduced road flooding,
 - d. Improved physical or environmental amenity for the owners or occupiers, which may result from such works due to landscape treatments, removal of open drains and stagnant water, reduced property flooding, removal of dust,

- e. Impact on any community facilities that may derive a special benefit from the works.

Where properties with special benefits have been excluded from the scheme, these factors should be applied consistently to those properties, wherever relevant.

- 38. When estimating the level of community benefit associated with the construction of a road, a Council should take account of:
 - a. The primary purpose for which the road is being constructed,
 - b. Actual and expected usage of the constructed works, with a possible exception where the users are accessing or servicing properties with special benefits,
 - c. Expected impacts on projected road usage from factors such as growth, major development or traffic generators that are located outside of the scheme works,
 - d. Road function/classification and subsequent design standards and the extent that those standards are influenced by the degree of community usage of the works over and above that, may be attributed to properties within a scheme,
 - e. Extent of other works such as bicycle lanes and parking lanes, increasing the standard above that that would normally apply if only providing local property access.

DRAINS

- 39. In drainage schemes or works involving drainage infrastructure the key criteria for assessing total special benefits, includes an assessment of discharge and protection benefit to properties. This may relate to properties included in the scheme as well as properties not included in the scheme.
- 40. Factors that may be considered to provide a community benefit include improved drainage capacity, improved environment amenity due to such matters as water quality, reduction in erosion, reduction in flooding and improved health and hygiene.

B. Service Schemes

- 41. Service schemes are schemes that provide a particular service or bundle of related services that provide a special benefit.
- 42. Benefits to be taken into account in service schemes are primarily the special benefits to the direct users of the services. When estimating total special benefits and any community benefits for service schemes, the following consideration may apply:
 - a. Who requested the service and what is its primary purpose?
 - b. Which group of people might be reasonably expected to pay for the service if it were commercially available?

RETAIL PROMOTIONS

- 43. Where services are provided for purpose of promoting or supporting business activities, such as in retail centres or shopping strips, the affected businesses would frequently be considered to be the main, or sole, beneficiaries. This will

be particularly appropriate where the scheme has been proposed by business associations and the services are tailored to the needs of the affected businesses.

44. Any benefits for customers of the businesses that are included in the scheme would normally be included in the total special benefits to those businesses, in accordance with paragraph 23.b.

SERVICES GENERALLY AVAILABLE

45. Special rate and charge schemes are not generally used for services that are generally available to other people. This is because special rates and charges are only applicable where there is a special benefit.
46. However, there may be cases where a higher level of service is required for a particular area or group of properties and it may be appropriate to levy a special rate or charge. This might apply, for example, where ratepayers require maintenance of the road adjoining their properties at a higher standard than is generally provided for roads of a similar type and classification.
47. In such cases, it is important to ensure that the special rate or charge does not apply to the portion of the service that is generally available to other people. Therefore, the calculation of the *maximum total levy*, the *total cost* and the *benefit ratio* should be restricted to that part of the service that is over and above the level of service generally available to other people.

C. Special Purpose Fund Schemes

48. Special purpose fund schemes are where the monies raised by the rate or charge go into a fund to be used for a specified purpose. In these schemes, the precise services and/or works are not fully specified in advance and a process is therefore established to allocate the funds raised. An example of this type of scheme could be a shopping centre promotion scheme, where a council directs and empowers a committee to allocate the funds.
49. Particular care should be taken when defining the purpose of special purpose fund schemes as the calculation of the *maximum total levy*, the *total cost* and the *benefit ratio* need to be based on the defined purpose.
50. When estimating total special benefits and any community benefits a council should consider the defined purpose of the scheme. It should also take account of advice in this guideline relevant to the types of works or services proposed or planned under the scheme.
51. It is essential that any funds raised under a special purpose fund scheme are utilised fully in accordance with the defined purpose of the scheme.

Attachment 11
Item 13.4

163 Special rate and special charge

- (1) A Council may declare a special rate, a special charge or a combination of both only for the purposes of—
- (a) defraying any expenses; or
 - (b) repaying (with interest) any advance made to or debt incurred or loan raised by the Council—

in relation to the performance of a function or the exercise of a power of the Council, if the Council considers that the performance of the function or the exercise of the power is or will be of special benefit to the persons required to pay the special rate or special charge.

S. 163(1A)
inserted by
No. 27/1997
s. 10.

- (1A) A Council must not make a declaration under subsection (1) unless it has given public notice of its intention to make the declaration at least 28 days before making the declaration.

S. 163(1B)
inserted by
No. 27/1997
s. 10.

- (1B) In addition to any other requirements specified by this Act, the public notice must—
- (a) contain an outline of the proposed declaration; and
 - (b) set out the date on which it is proposed to make the declaration; and

S. 163(1B)(c)
amended by
No. 109/2003
s. 80(1).

- (c) advise that copies of the proposed declaration are available for inspection at the Council office for at least 28 days after the publication of the notice.

S. 163(1C)
inserted by
No. 109/2003
s. 80(2).

- (1C) A Council must send a copy of the public notice to each person who will be liable to pay the special rate or special charge within 3 working days of the day on which the public notice is published.

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- (2) Before making a declaration under subsection (1), the Council must determine—
- (a) the total amount of the special rates and special charges to be levied; and
 - (b) the criteria to be used as the basis for declaring the special rates and special charges.
- (2A) For the purpose of subsection (2)(a) the total amount of the special rates and special charges to be levied must not exceed the amount calculated in accordance with the formula—
- $$R \times C = S$$
- where—
- R is the benefit ratio determined by the Council in accordance with subsection (2B);
 - C is the total cost of the performance of the function or the exercise of the power under subsection (1);
 - S is the maximum total amount that may be levied from all the persons who are liable to pay the special rates or special charges.
- (2B) The benefit ratio is the estimated proportion of the total benefits of the scheme to which the performance of the function or the exercise of the power relates, including special benefits and community benefits, that will accrue as special benefits to all the persons who are liable to pay the special rates or special charges.
- (2BA) A Council must not make a declaration under subsection (1) which has been altered from the proposed declaration specified in the public notice if the effect of the alteration is to increase the liability of any person to pay the special rate or special charge to be imposed by the proposed declaration unless—
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s. 163

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- (a) the alteration is made in response to a submission or objection received by the Council in response to the proposed declaration; and
- (b) the increase in the liability of any person to pay the special rate or special charge does not exceed 10%.
- S. 163(2C)**
inserted by
No. 109/2003
s. 81(1).
- (2C) The Minister may make guidelines for the purposes of subsections (2), (2A) and (2B).
- S. 163(2D)**
inserted by
No. 109/2003
s. 81(1).
- (2D) Guidelines made under subsection (2C) must be published in the Government Gazette.
- S. 163(3)**
amended by
No. 109/2003
s. 81(2).
- (3) The Council must specify in the declaration—
- (a) the wards, groups, uses or areas for which the special rate or special charge is declared; and
- S. 163(3)(ab)**
inserted by
No. 109/2003
s. 81(3).
- (ab) a description of the function to be performed or the power to be exercised; and
- S. 163(3)(ac)**
inserted by
No. 109/2003
s. 81(3).
- (ac) the total cost of the performance of the function or the exercise of the power; and
- S. 163(3)(ad)**
inserted by
No. 109/2003
s. 81(3).
- (ad) the total amount of the special rates and special charges to be levied; and
- (b) the land in relation to which the special rate or special charge is declared; and
- (c) the manner in which the special rate or special charge will be assessed and levied; and

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- (d) details of the period for which the special rate or special charge remains in force.
- (4) A Council may levy a special rate or special charge by sending a notice to the person who is liable to pay it.
- (5) The notice must contain—
- (a) the prescribed information; and
 - (b) a statement about when the special rate or special charge is payable; and
 - (c) details of the period for which the special rate or special charge remains in force.
- (6) A Council may use the money from a special rate or special charge for any or all of the following—
- (a) any purpose for which the rate or charge was made and the purchase of land and materials required for that purpose (including land acquired before the Council declared the rate or charge);
 - (b) repayment of money borrowed for anything mentioned in paragraph (a) and of interest on that money;
 - (c) maintenance and repair of damage, management, advertising or security; and
 - (d) any expenses related—
 - (i) to anything mentioned in paragraphs (a) to (c); or
 - (ii) to the declaration or levying of the rate or charge.
- (7) If a private street (within the meaning of section 575(1) of the **Local Government Act 1958**) is constructed wholly or partly at the cost of the owners or occupiers of any land which abuts or fronts the street, the Council may not at any
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s. 163A

future time recover any further costs in respect of the construction of a component of the private street if that component has been previously constructed to the satisfaction of the Council from the owners or occupiers of the land under this section by way of a special rate or special charge.

(8) For the purposes of subsection (7) and section 221(6), *construct* and *component* have the same meanings as in section 12 of the **Local Government (Consequential Provisions) Act 1989**.

S. 163(9)
inserted by
No. 67/2008
s. 56(2).

(9) For the purposes of subsections (1) and (6), *expenses* does not include any expenses incurred or anticipated to be incurred which relate to any proceedings or anticipated proceedings before VCAT, including an application for review under section 185 or an application for a declaration under section 185AA.

S. 163A
inserted by
No. 34/1996
s. 21,
substituted by
No. 27/1997
s. 11.

163A Submissions concerning special rates and charges

A person may make a submission under section 223 in relation to a Council's proposal to make a declaration under section 163.

S. 163B
inserted by
No. 109/2003
s. 82.

163B Objection process relating to certain special rates and charges

- (1) Subject to subsection (2), a Council can only make a declaration under section 163(1) to levy a special rate or special charge to recover an amount that exceeds two thirds of the total cost of the performance of the function or the exercise of the power in accordance with this section.
- (2) This section does not apply if the scheme to which the performance of the function or the exercise of the power relates is—

-
- (a) a drainage scheme that the Council has declared is required for reasons of public health; or
- (b) a scheme of a type prescribed by the regulations as a scheme to which this section does not apply.
- (3) Before a Council can make a declaration to which this section applies, the Council must in the public notice to be published under section 163(1A) state—
- (a) which persons have a right to object to the proposed declaration; and
- (b) how those persons may object; and
- (c) that objections in writing must be lodged with the Council within 28 days of the day on which the public notice is published.
- (4) Any person who will be required to pay the special rate or special charge to be imposed by the proposed declaration is entitled to exercise the right of objection conferred by this section.
- (5) For the purposes of subsection (4), a person who is an occupier is entitled to exercise the right of objection conferred by this section if the person submits documentary evidence with the objection which shows that it is a condition of the lease under which the person is an occupier that the occupier is to pay the special rate or special charge.
- (6) A Council can not make a declaration if the Council receives objections from persons who will be required to pay the special rate or special charge in respect of a majority of the rateable properties in respect of which the special rate or special charge would be imposed.

**S. 163B(6)
amended by
No. 67/2008
s. 57.**

- (7) The right of objection conferred by this section is in addition to the right to make a submission under section 163A but if the Council receives objections from persons who will be required to pay the special rate or special charge in respect of a majority of the rateable properties in respect of which the special rate or special charge would be imposed, the Council can discontinue the process under that section.

164 Discontinuance of the works and projects for a special rate or special charge

- (1) After complying with the procedure for the levying of a special rate or special charge a Council may—
- (a) discontinue the whole or part of any purpose for which it is charging the special rate or special charge; or
 - (b) resolve not to proceed with the purchase of any land for any such purpose.
- (2) A Council must ensure that those persons who are liable to pay a special rate or special charge referred to in subsection (1) are notified of any decision under that subsection.

165 Receipt of excess money

If a Council receives more money than it requires from the special rate or special charge, it must make a refund which is proportionate to the contributions received by the Council to the current owners of the relevant land.

166 Variation of special rate or special charge

- (1) A special rate or special charge—
- (a) remains in force for the period specified in the declaration of it without any further declaration in any subsequent year; and

Attachment 12
Item 13.4



HEPBURN SHIRE COUNCIL

POLICY NUMBER 61

SPECIAL RATES AND CHARGES

Adopted: Date: April 2010

PROGRESSIVE ORGANISATIONS HAVE GOOD POLICIES

Policies help organisations and the public to better understand an organisation's priorities and where it is heading. Hepburn Shire Council is committed to developing and maintaining a comprehensive set of policies to guide the organisation towards a better future.

Policies are regularly reviewed and staff input is actively sought in this process. Community input is sought for those policies which have a major public focus.

Comments are also welcomed after policies have been adopted to assist in their continuous review and improvement.

KAYLENE CONRICK
CHIEF EXECUTIVE OFFICER
HEPBURN SHIRE COUNCIL

LAST AMENDED:

AMENDED:

NEXT REVIEW:

This policy will be reviewed within 3 years of adoption.

RESPONSIBLE OFFICER:

General Manager Infrastructure
General Manager Corporate Services

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1. Introduction

This policy applies to all new or improved infrastructure assets that benefit an identified group of property owners within the municipality.

2. Scope

This policy details the circumstances and manner in which new or improved infrastructure works are undertaken with financial contribution from property owners based on principles of fairness and equity. This contribution shall be obtained through a Special Rate or Charge Scheme having regard to the level of special benefit received by those properties and the level of benefit received by the wider community.

3. Purpose

To establish a strategic framework for the raising of financial contributions from property owners who receive special benefit from infrastructure improvements in a fair, equitable, consultative and consistent manner.

4. Definitions

Maintenance:

Expenditure on an asset which maintains the asset in use but does not increase its service potential or life, e.g. repairing a pothole in a road, repairing the decking on a timber bridge, repairing a single pipe in a drainage network, repairing the fencing in a park, repair work to prevent early failure of an asset or a portion of an infrastructure network.

Renewals:

Expenditure on renewing an existing asset or a portion of an infrastructure network, which increases the service potential or extends the life, e.g. resheeting part of a road, renewing a section of drainage network, major maintenance on bridges, resealing a road, replacing an existing footpath.

For the purposes of the special charge, scheme renewal projects are those defined in which the primary purpose of carrying out the works is to manage the asset i.e. extend its life. In many circumstances Council takes the opportunity to improve the service that is provided to minimum design standards. For example, when a road is renewed, which has failed and has a 3 metre seal, it is replaced with a 6.2 metre sealed pavement. In these circumstances these works are classified as renewal.

Upgrade Works:

Expenditure on upgrading the standard of an existing asset of infrastructure network to provide a higher level of service to users.

Upgrades would include, but not be limited to:

- Replacing drainage pipes with pipes of greater capacity;
- Upgrading the standard of a road from unsealed to sealed;
- Upgrading the standard of a road to a higher classification;
- Replacing an existing bridge with one having a greater carrying capacity; and
- Upgrading the standard of a road to include drainage and/or kerb and channel.

Expansion Works:

Expenditure on extending an infrastructure network, at the same standard currently enjoyed by existing residents, to a new group of users.

Expansion projects would include, but not be limited to:

- Extending a footpath on the road network;
- Extending the drainage network;
- Establishment of new carparks; and
- Development of new facilities.

4. Legislation

- Local Government Act 1989 (the “Act”)
- Ministerial Guidelines – Special Rates and Charges, September 2004

5. Policy

Works or Services

A Special Rate or Special Charge Scheme will be used to finance works and services in all circumstances permitted by legislation.

When considering infrastructure related projects, Special Charge Schemes will apply in circumstances where there is an upgrade or an expansion to infrastructure.

Maintenance and renewal works will not be considered for a Special Charge Scheme.

Developer Initiated Works

Where works are initiated by a specific development or planning requirement, and construction of that infrastructure provides obvious special benefits to those existing properties. Council will consider enacting a Special Rate or Charge Scheme to recover reasonable costs from those owners, subject to the following conditions:

- Agreement of the majority of owners to be a part of the scheme. Any identified community benefit, which Council would be required to fund, has been considered in Council's budget process and is consistent with Council's forward works plans and strategies.
- The funding of works does not remove, override or delay the specific planning requirements.

Total Cost

For upgrade and expansion works relating to kerb and channel, footpaths or urban road reconstruction Council will contribute an amount calculated in accordance with the Ministerial Guidelines to the Act. Expenses related to the scheme include preparation, implementation, design, supervision and administration.

For other eligible special charge scheme infrastructure works Council will apply the Ministerial Guidelines to the Act.

At the completion of the scheme, the final cost of the scheme will be determined and the amounts to be recovered shall not exceed 110% of the adopted scheme estimate. Any expenditure above the 110% shall be borne by Council. Where the final cost of the scheme is less than the adopted scheme estimate the saving shall be returned to the contributors.

Apportionment

Apportionment of costs shall be on each property identified by Council as receiving a "special benefit" and has been included in the Scheme.

In determining apportionment, Council will have regard to the objectives in the Local Government Act (Part 1A) to ensure the equitable imposition of rates and charges.

Council will determine apportionment based on a range of factors, which may include:

- Equal split of special benefit charge amongst properties benefiting;
- frontage of lots receiving special benefit;
- area of lots receiving special benefit;
- use of lots receiving special benefit;
- a combination of apportionment criteria methods.

Council will model a variety of methods to demonstrate equitable apportionment of the special benefit amongst beneficiaries.

Consultation

Community consultation and participation will play an important part in the development of specific projects. Many proposals will only be implemented if they have significant support of property owners.

The extent of consultation will depend on the size and/or the likely impact of the proposed works, generally in accordance with the following:

- All consultation will, at a minimum, be in accordance with the requirements of the Act.
- For small projects that have demonstrated community support and/or are of limited complexity, consultation shall be undertaken in accordance with the Act.
- For larger more complex projects, or for projects in which community support is yet to be ascertained, consultation shall include:
 - On site meeting with beneficiaries prior to declaration of special charge scheme; and,
 - survey seeking written response from beneficiaries.

Objections Process

If Council proposes to contribute an amount less than $\frac{1}{3}$ of the proposed scheme's total cost, and Council receives objections from a majority of those landowners Council may not declare the scheme.

If Council proposes to contribute an amount that is equal to or greater than $\frac{1}{3}$ of the proposed scheme's total cost, Council may declare the scheme after considering objections.

Payment

That in respect of all special rates or charges the following conditions be included when the charge is declared and notice forwarded to the owner:

- The option of:
 - Payment in full within thirty (30) days of the request for payment.
 - Twenty (20) quarterly instalments over a period of five (5) years.
- Interest on instalment payments will be charged at the rate of interest linked to the official Cash Rate (as listed by the Reserve Bank of Australia) plus 1% as at the first day of each quarterly instalment.
- Outstanding payments that are not paid by the agreed time will be charged at the rate of interest linked to the official Cash Rate (as listed by the Reserve Bank of Australia) plus 1%.
- Requests for different arrangements for payment may be considered by the General Manager Corporate Services.

6. Associated Documents

Hepburn Shire Council Policy Number 28 – *Residential Road Construction, Contribution and Payment* – 18 December 2001

14. COUNCIL SECTION 86 AND ADVISORY COMMITTEES

(A/O – General Manager Corporate Services)

File Ref: Various

Introduction

Section 86 Committee and Advisory Committee Minutes are tabled for noting.

Report

Please see listed below the minutes of various Section 86 and Advisory Committees for your information.

- Lee Medlyn Home of Bottles 3 February 2010
- Creswick InfoLink 26 March 2010

Relevant Policies

Nil

Community Engagement

Members of the community are represented on these committees.

Financial Implications

There are no financial implications.

Recommendation:

- 14.1 *That Council note the Minutes of the Committees listed above which have been distributed under separate cover*

Motion:

- 14.1 *That Council note the Minutes of the Committees listed above which have been distributed under separate cover*

Moved: Cr Jon Barrell

Seconded: Cr Tim Hayes

Carried.

14.2 APPOINTMENT OF SECTION 86 COMMITTEE MEMBERS

(Action Officer – General Manager Corporate Services)

Introduction

This report will provide Council with two further nominations for Clunes Community Centre Section 86 Committee.

Report

At the 17 November 2009 Ordinary Meeting of Council 5 members were appointed to The Clunes Community Centre for a period of three years. Two further nominations have subsequently been received from June Lockie and Gary Hoare which would bring the committee membership up to the required 7 as per the Committee's Instrument of Delegation.

To keep the period of this appointment in line with the rest of the Committee, it is recommended that the appointment be for the period ended 31 July 2013.

Relevant Policies

Local Government Act 1989

Council Plan 2009-2013 : Item 17 Embracing community knowledge and expertise to help guide decision making and implementation.

Community Engagement

The call for nominations to the above Special Committee was undertaken via a public advertisement in "The Advocate ."

Financial Implications

There are no financial implications

Recommendation:

14.2 That Council accept and resolve to appoint June Lockie and Gary Hoare as Special Committee members to the Clunes Community Centre Section 86 Committee until 31 July 2013.

Motion:

14.2 *That Council accept and resolve to appoint June Lockie and Gary Hoare as Special Committee members to the Clunes Community Centre Section 86 Committee until 31 July 2013.*

Moved: Cr Sebastian Klein
Seconded: Cr Bill McClenaghan
Carried.

15. CLOSE OF MEETING The meeting closed at 10.10pm.