



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

DRAFT MINUTES

TUESDAY 21 SEPTEMBER 2010

**DAYLESFORD TOWN HALL
VINCENT STREET
DAYLESFORD
7PM**

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Hepburn Shire Council Ordinary Meeting of Council



DRAFT MINUTES

TUESDAY 21 SEPTEMBER 2010

DAYLESFORD TOWN HALL

Vincent Street, Daylesford

Commencing 7PM

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**Hepburn Shire Council
Ordinary Meeting of
Council**



17. RE-OPENING OF MEETING TO MEMBERS OF THE PUBLIC 193

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A handwritten signature in black ink, appearing to read "K. Conrick", is positioned above the printed name.

KAYLENE CONRICK
CHIEF EXECUTIVE OFFICER
17 SEPTEMBER 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:

PRESENT: Mayor Councillor Janine Booth, Deputy Mayor Councillor Rod May, Birch Ward Councillor Jon Barrell, Cameron Ward Councillor Tim Hayes, Coliban Ward Councillor Sebastian Klein, Creswick Ward Councillor Don Henderson, Holcombe Ward Councillor Bill McClenaghan

IN ATTENDANCE: Chief Executive Officer Kaylene Conrick, General Manger Community Development Martin Walmsley, Acting General Manager Corporate Services Anthea Lyons, General Manager Infrastructure Peter Reeve, General Manager Sustainable Development Robert Jennings

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:**
Councillor Hayes declared an indirect Conflict of Interest in Item 12.1

5. CONFIRMATION OF MINUTES:

OFFICER'S RECOMMENDATION

5.1.1 That the Minutes of the Ordinary Meeting held 17 August 2010 (as previously circulated to Councillors) be confirmed as required under Section 93 (2) of the Local Government Act 1989.

MOTION

5.1.1 That the Minutes of the Ordinary Meeting held 17 August 2010 (as previously circulated to Councillors) be confirmed as required under Section 93 (2) of the Local Government Act 1989.

Moved: Cr Rod May

Seconded: Cr Jon Barrell

Carried.

6. NOTICES OF MOTION

ONE MILLION HOMES ALLIANCE

MOTION

That council :

- **Endorse the One Million Homes Report.**
- **Join the One Million Homes Alliance as an active member**
- **Write to the local state representatives and relevant ministers asking that the alliance objectives be adopted as state policy alongside the recently ratified climate change white paper**
- **Talk about the One Million Homes campaign when appropriate with politicians, media and the community.**
- **Promote One Million Homes campaign in council newsletters, website and other communication tools.**
- **Carry out or attend media generating events relating to the campaign.**
- **Undertake community campaigning for the program.**

Moved: Cr Sebastian Klein

Seconded: Cr Jon Barrell

Carried.

Background

The One Million Homes alliance is a conglomerate of organisations committed to seeing positive changes in environmental sustainability and lowering energy consumption throughout Victoria. The campaigns calls on political parties to commit to comprehensively retrofit one million Victorian concession card holder's homes over five years for energy and water efficiency. This constitutes half of Victoria's housing stock and would go a long way to reducing residential emissions, saving water and increasing the affordability of utility bills.

The founding partners of this important initiative are Environment Victoria, the Victorian Council of Social Services, Alternative Technology Association, Moreland Energy Foundation Ltd., Brotherhood of St Laurence, VLGA, Uniting Church in Australia, Just

Change, Friends of the Earth, Kildonan Uniting Care and the Consumer Utilities Advocacy Centre. Many more organisations have since joined the alliance. Together we will be sending a strong message to Government that energy and water efficient homes are crucial to the sustainability of the community.

The already considerable alliance is seeking further members and has approached local governments throughout Victoria through the VLGA. Points 39, 41, 55, 56, 67, 68, 74, 75, 78 from the council plan support council enacting such a measure. Further, the state government recently made a commitment through the recently adopted (with bi-partisan support) white paper on climate change to making 5 star ratings the minimum standard on new houses, paving the way for a program like the one million homes program to be successful as the necessary skills and materials become more common place in Victorian building sites.

Specifically the program will involve:

- A house visit and energy audit, including an assessment of the most effective energy and water efficiency measures; guidance for householders on how to use energy and water more efficiently; and referral to other relevant programs and efficiency opportunities.
- A suite of retrofit measures including efficient lighting, weather sealing, insulation, solar water heating, low-flow showerheads, tap-flow controllers and dual-flush toilets, and fridge upgrades as needed to complement those already in place in homes.
- Delivery by trusted organisations and businesses with the skills to work with households to ensure the safety and efficacy of the program.

The program will result in:

- A green makeover for one million homes with a comprehensive set of energy and water efficiency measures
- Greenhouse gas emissions reductions of roughly 2.38 million tonnes per year
- An estimated 32.5 billion litres of water savings each year
- Approximately 3000 to 6700 new direct jobs. Over 40 percent of these will be semi-skilled providing opportunities for disadvantaged job seekers.

- Savings to household energy and water bills of roughly \$296 per year (average) per household, and \$296 million to the Victorian community at current energy and water prices
- Increased householder protection against heatwaves and the coldest days in winter
- Support for low income households and those suffering from energy hardship.

This program would further support disadvantaged and low-income households addressing one of the issues emerging from the Economic Development Strategy, the lack of affordable housing in the Hepburn Shire.

Councillor Name: Sebastian Klein

Councillor Signature: 

CEO Signature: 

7. PRESENTATIONS

7.1 PRESENTATION OF REPORTS

Mayor's Report

Councillor Janine Booth, Creswick Ward delivered the following report:

As Mayor this month I have seen the extremes of pride and inclusion through Community celebrations and acknowledgements to the challenges of loss, despair, and frustration.

At the beginning of the month I joined in the celebrations in Clunes at their annual Community dinner where the Clunes Community comes together to acknowledge and thank those quiet achievers, the community volunteers that are the backbone of any small rural community. It was an evening of recognition and celebration as this years worthy Award recipients Ms Andie Hill and Mr Malcolm Hull were announced and the Communities achievements acknowledged.

Later that week I attended the vibrant and colorful Trentham Farmers Market which was celebrating its 1st birthday. On behalf of Council I was pleased to acknowledge the commitment and hard work of the local Lions Club who co-ordinate the market and continue to support and encourage the community of Trentham as they come together each month to showcase, buy and sell a unique range of goods and produce from around the region.

Hepburn Shire Council also had the opportunity to celebrate in the achievements of our staff community at the Staff awards where awards for 10, 15 and 20 years service were awarded. For a small rural Council the expertise and commitment of our staff to Local Government is exemplary and deserving of recognition and acknowledgment. The event also gave an opportunity for Councillors to present on the Council Budget and the Council Plan, articulating their vision and passion for the opportunities that present through careful planning and understanding of the needs of our residents.

On Saturday 4 September I was volunteering at Creswick's Visitor Information Centre following a night of heavy rainfall which saw the Creswick Creek running a banker from overflow from Cosgroves Reservoir and St Georges Lake. Heavy rain continued during the morning which added to the already swollen creek, contributed to severe flash flooding of homes and businesses in Albert Street and some surrounding streets. It was a bizarre scene as from the front of our new Interpretive Centre, we watched with disbelief as the water spread through the town blocking the highway, people being assisted from their homes by SES and Fire Brigade members.

A relief centre was set up at the Town hall with 96 people registering with 133 homes and businesses in Creswick and Clunes affected. The Novotel Forest Resort offered assistance to Council to accommodate people displaced by the floods and more than 60 people were relocated there. Hepburn Shire Council, Police, SES and CFA continued to work throughout the day and night to ensure people and infrastructure were safe.. The damage bill will run into millions of dollars, businesses were damaged, Community resolve and cohesion was severely challenged. Now several weeks later there are still families and business that have not been able to return home which undermines the economic and social well being of our community.

In the days the following this disaster, a number of important meetings with Flood Task Force Ministers and Regional Development Victoria representatives who visited to witness the damage first hand and last Monday the CEO and I drove to Horsham to present to the task force details of the repair bill facing Hepburn Shire Council and the Communities of Creswick and Clunes. It became apparent as other Councils reported on damage to roads and bridges that the Hepburn Shire Council infrastructure repair bill of over \$4 million dollars will be the largest in the state, so heavily impacted was our Community infrastructure, roads and bridges.

We have sought the assistance of the State government to assist Council and our Creswick and Clunes communities rebuild and repair the damage to infrastructure caused by the floods and hopefully funding can be extended to provide the moral and social support that is so desperately needed .

Councillor Reports

Councillor Don Henderson, Creswick Ward delivered the following report:

The most time consuming events were the recent floods at Creswick and Clunes.

I have been able to assist our staff at the recovery centres and also many residents.

One of the main concerns is now the future of some small businesses that have been heavily impacted.

I must say that the public response has been absolutely unbelievable and shows that our community really does care.

A special thank you must go to all of the businesses and services who responded with offers of accommodation and food and clothing items. Some people are being accommodated in private residences. There will be ongoing wellbeing issues into the future

Our staff have done a sterling job and responded well beyond the call of duty and often under very difficult circumstances due to anger and frustration being directed at them. It is surely time to reflect on comments from residents from Miners Rest when they praised the Hepburn Shire saying that their council did not even respond to calls for help. Our Shire is relatively small but recent fire and flood events have shown that we are truly resilient and caring.

I was recently shoe horned into the pleasant job of being on a panel of judges to test the pudding making skills of Creswickians. This was organised to let the community know of progress at the Magic Pudding Playground. Puddings of all types and dimensions were entered and a great deal of deliberation was required to get the best result. One junior entrant thought that salt would be a good substitute for sugar and had to be marked down accordingly.

Councillor Tim Hayes, Cameron Ward delivered a verbal report thanking Hepburn Shire officers for their efforts during the flood recovery.

Councillor Sebastian Klein, Coliban Ward delivered the following report:

I have had cause in the past month to consider matters of ethics, business and public spending at university regarding an article by Milton Friedman called “the social responsibility of business is to increase its profits.” If applied to Hepburn Shire Council Inc. then such an idea might give rise to service cuts or a rate rise. There is of course more detail to the matter and I have been glad to see the level of community service and grass roots knowledge that has allowed our officers and councilors to play an active role in crisis management and recovery over the last weeks that could not be enacted by another level of govt.

I had the pleasure of attending the Trentham Neighbourhood Centre Re-opening and viewing the new facilities which are most impressive, for a project that cost just over \$300 000 they have done very well, I view this as an example of a public-public partnership with substantial contributions from all levels of government, \$18,000 from the local community group and hours of volunteer input in collating proposals, dealing with contingencies, painting, laying carpets and eventually on the grand-opening. Credit must be given to The Committee, the Trentham Community Group, miscellaneous associated volunteers and James Caldwell Neighbourhood Centre Co-ordinator who has put hours, potentially days of unpaid overtime into the project.

As I took part a week later in governance training for my council delegated role on the TNC committee, I had occasion to think about the considerable value that was held in the small group around me. Value of contribution, value of experience and value of

expertise. It occurred to me that this constitutes a sort of capital that renders our communities and shires rich, if arguably viable.

It is to this economy, of community well-being, of environmental health that people like these volunteers in our communities contribute, whether in emergencies like the recent floods or in care for community by participating in community planning.

As they have in Lyonville where I had my September Ward meeting, hearing about the CFA's commitment to finding a new home for their fledgling brigade, or the efforts of the Lyonville Hall committee to maintain and revive their important community hub.

I also saw the fruits of community dedication at the opening of the Kyneton Toyota Aquatic Centre where years of efforts have resulted in this \$9.4m project being completed with \$5m funding from State Government, \$2.4m from state and \$2m from the local community and businesses.

That concludes my report.

Councillor Jon Barrell, Birch Ward delivered the following report:

1. **The Wombat Hill Botanical Gardens Advisory Committee** met this morning
 - a. We learned of the imminent departure of Parks & Gardens Supervisor Mr Robert Beard after 35 years of service to Local Government, and thanked him sincerely for service especially to the development of Wombat Hill Botanic Gardens
2. **Councillors are aware that I have been appointed to represent Hepburn Shire Council at the Daylesford Macedon Ranges Regional Tourism Board.**
 - a. The new Board has met twice since last Council meeting and has commenced its handover from the Interim Board. Tourism Victoria tells us that the new Board is to have a substantial strategic & holistic role in tourism development in our region, rather than just a campaign / marketing role.
3. **ARC Advisory Committee** – no meeting this month.
4. The recent severe weather with flooding in Creswick & Clunes was associated with a prolonged power outage across Birch Ward causing major economic loss & business disruption affecting residents, ratepayers & visitors. I commend Council's Officers & Staff for their Relief & Recovery efforts.

Councillor Rod May, Birch Ward delivered the following report:

The Daylesford Spa Country Railway was re-opened two weeks ago and along with 100 or more people including Federal member C King and State Member G Howard, and Crs Henderson and Klein, I was present on the inaugural journey following the replacement of fire affected line.

We should continue to support the extension of the line through assisting and lobbying for eventual total replacement of the line through to Woodend.

The University of the 3rd age invited me to their annual open day held in the elderly citz centre. Programs and activities bring a very welcome dimension to our public space with excellent speakers and course available. They truly represent an organisation the HSC should respect for their educational contribution to the community discourse.

On behalf of my constituents, I acknowledge the dramatic and damaging floods in the district. Many factors have contributed to the behaviour of waters on that Saturday and we should not lose sight of the likelihood of catastrophic/intense rainfall events and their impact in the future.

Councillor Bill McClenaghan, Holcombe Ward delivered the following report:

Since the last Council meeting, I attended a Shire staff information session regarding the 2010 / 2011 Budget where Cr Henderson and I spoke about the Council Plan objective of Healthy, Safe & Vibrant Communities. We added our own personal perspectives on what this entails beyond the figures in the Budget document.

On 25 August, I attended the AGM of the Creswick District Development Association (CDDA) at Tangled Maze, Springmount and heard an address from the then Chair of Tourism Hepburn, Mr. Larry Monk, who spoke about Destination Daylesford and its application across the Shire in places like Creswick as well as the newly formed Regional Board of Daylesford Macedon Ranges Tourism (DMR) which services Hepburn and adjacent Shires to the East and South. A group of dedicated Creswick people attended the AGM and accepted positions for another year.

The last Sunday in August saw the re-opening of the Daylesford Spa Country Railway all the way to Musk through the forest. Eighteen months after the Musk Vale bushfire destroyed 1.6 km of track, the railway is now running again to the intermediate station. This comes as our Community Recovery Committee has wound up its work in the community and delivered massive support after the fire. Most recovery projects have now been completed and all that remains are repairs to some farm fences destroyed by the bushfire.

On 1 September, the Municipal Emergency Management Planning Committee (MEMPC) held a special meeting to revise the Municipal Emergency Management Plan (MEMP), which is a controlled document. It was an excellent interactive and collaborative session with Council Officers, emergency service personnel and members of Government Departments like DSE. The Committee must now test the practicality and strengths of the new MEMP in the lead up to the next bushfire season.

In fact, testing our MEMP came sooner than expected during the recent flood crisis in Creswick and Clunes where overbank floodwaters from the Creswick Creek cut a path of destruction through the low lying parts of these towns on Saturday 4 September. The floods have left a multi-million dollar damage bill and Hepburn Shire will need State Government assistance to repair damaged infrastructure as will many residents who lost the use of their homes and businesses in the short term.

Immediately the crisis became apparent, a Municipal Emergency Co-ordination Centre (MECC) was established and Relief Centres were set up in the Creswick & Clunes Town Halls to offer immediate assistance to those forced to evacuate their homes. Later on, Recovery Centres were also established there to register those affected for receiving their entitlements from Council, the State Government and other private agencies. Those displaced from their homes were generously given free accommodation by the Creswick Forest Resort, The University of Melbourne (Creswick Forestry School) and numerous private residents who opened their homes to those in need. Shire staff worked magnificently to assist flood victims, to restore community infrastructure, to remove damaged or destroyed property and to help restore power to the district after trees fell on powerlines near Dean that day.

It will be good to debrief our efforts especially under the MEMP to see what we did well, what we didn't do well and how we can improve our response to the next natural disaster or crisis. Unlike a bushfire that comes through, burns out an area and goes, floods can happen and happen again several times in quick succession unless the causes of the floods are dealt with and where similar causes and conditions recur.

On the 2 September, the Victorian Local Governance Association (Inc) held a "Leading Edge Forum" at its Carlton premises in the lead up to the AGM in November. The topics were Good Governance and a review of the VLGA Constitution. New State Government legislation will require organizational and administrative changes such as the Public Officer must now be the Secretary. VLGA is considering downsizing its "Board" and a change of composition of Councillor and non-councillor members.

All member Councils and individual Councillors and members will be asked to consider proposed amendments. VLGA is being advised and guided by Maddocks Lawyers and is committed to good governance and community connectiveness to the various local Councils.

One good lesson from the Leading Edge Forum was not to refer blandly to “local government” as there are 79 individual, different, and unique Local Governments in Victoria, all of which deserve individual recognition.

OFFICER’S RECOMMENDATION

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

MOTION

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

Moved: Cr Bill McClenaghan

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:

Nil Petitions received at time of collating Agenda.

8.2 QUESTIONS:

Submitted by Vin Richards, Blampied.

1. *I twice contacted office to request conversation with you, but received no answer. Is this the normal way rate payers are treated?*

Response by General Manager Infrastructure, Peter Reeve:

No this is not our normal response. I have spoken with you about the roads in your area and we have implemented many of the works discussed.

2. *After an assessment of Creswick Creek, do you think you failed in the duty of care to the people of Creswick?*

Response by General Manager Infrastructure, Peter Reeve:

No. The Council has not failed in its duty of care to the people of Creswick. Council has had many discussions with the North Central Catchment Management Authority regarding removal of trees, etc from the creek. The waterways are the responsibility of the catchment management authority and their approval is required for any works in waterways. The Council will again pursue these issues with the North Central Catchment Management Authority.

Submitted by Graeme & Joan Rattray, Glenlyon.

1. *In Glenlyon there is a Glenlyon Progress Association which has been running for over 30 years supported by the council. This is a voluntary organization. Why has the council set up another committee in Glenlyon called the Glenlyon Action Group run by council officers doing exactly the same as the Progress Association?
Are the council officers being paid to oversee this group?
This is a waste of ratepayers money.*

Response by General Manager Community Development, Martin Walmsley:

Hepburn Shire Council is committed to working with communities to facilitate the development of Community Plans.

Council's Community Planning Liaison Officer has met with representatives of the Glenlyon Progress Association and discussed the development of a Community Plan. More than 80 Glenlyon and district residents attended 2 Community Planning Workshops to identify community vision and priorities.

Following the Workshops, community members volunteered to form the Community Planning group and have been working in conjunction with the Glenlyon Progress Association on shared projects/priorities.

The Glenlyon Action Group is a informal voluntary group supported by Council officers.

2. *Stage 1 has been completed on Swords Road Glenlyon. We would like to know if a permit has been obtained for the next stage?*

Response by General Manager Infrastructure, Peter Reeve:

A planning permit is required for Stage 2 of these works. A planning application was lodged with Council on 5 March 2010 for these works.

Department of Sustainability and Environment (DSE) as a referral authority was sent the application for comment on 16 March 2010 and they have been followed up on many occasions for a response. DSE have not responded and a planning permit has now been issued.

Submitted by Ian Esmore, Daylesford.

Wombat Dam – Portable Water supply Catchment & responsible role of Council in effective Duty of Care on behalf of the Daylesford-Hepburn community

My question is in relation to extraction of groundwater administered by Goulburn Murray Water, bore licence no WLE006179 at Wheelers Hill road Musk. My questions is related to water authorities, Goulburn Murray Water and Central Highland Water and directed at clarifying issues associated with water extraction in a potable Water Supply Catchment as designated under Catchment and Land Protection Act 1994 (the CaLP ACT)

The Supreme court and VCAT have relayed that the primary planning consideration within potable water supply catchments should be the protection of water quality and recharge. There are other ministerial ACTS of government which take precedence over the Planning and Environment Act 1987, which the Hepburn Council adheres to and may operate over and above any zone provisions.

Catchment Management Authorities have regional catchment strategies and in line with ministerial guidelines are obliged to consult with other authorities such as local government.

Ministerial Guidelines, Groundwater Water Act 1969, Catchment and Land Protection Act 1994 are applicable and may be read in conjunction with The Water Act 1989. The Environment protection Act 1970 under which State environment protection policies (SEPPs) are declared by the Governor in Council, provide a framework for environmental decision-making and a clear set of publicly agreed environmental objectives.

There is adequate technical science to affirm that bores within catchment boundaries may effect recharge and no study has been forthcoming on the effects of the above mentioned commercial bore water extraction.

The Hepburn Council has every right to ask for clarification from CHW and GMW as to the reasons for allowing a bore extraction licence within the Wombat Dam domestic

water supply, which is the main source of drinking water for the communities of Daylesford and Hepburn residents.

The Hepburn Council on behalf of the community must apply the principle of Accountability and affirm the need to also apply the precautionary Principle in decision making and if necessary seek clarification from the ministers office.

My Questions to council:

- 1. Have the water authorities given any reason for allowing the water extraction?*

Response by General Manager Sustainable Development, Robert Jennings:

Goulburn-Murray Water is the relevant authority for issuing licenses for bores. This is governed by the Water Act 1989. This question should be directed to Goulburn-Murray Water.

- 2. On this issue has there been collaboration with water authorities and Council?*

Response by General Manager Sustainable Development, Robert Jennings:

Planning does not govern the issuing of bores licenses. Goulburn-Murray Water issue bore licenses and is the relevant authority to do so under the Water Act 1989. Any queries related to the issuing of bore licenses should be directed to Goulburn-Murray Water.

- 3. Have any PAV's or other studies been undertaken for the Wombat Catchment?*

Response by General Manager Sustainable Development, Robert Jennings:

All queries relating to studies for the Wombat Catchment should be directed to the relevant authority, Goulburn-Murray Water.

9 EXECUTIVE SERVICES:

NIL REPORTS

10 CORPORATE SERVICES:
10.1 MONTHLY FINANCIAL REPORT
A/GENERAL MANAGER CORPORATE SERVICES

PURPOSE

To report on the Council's financial performance for the 2010/11 financial year up to 31 August 2010.

BACKGROUND

This report provides information on Council's operating performance for two months to the 31 August 2010. Comparisons to budget at this stage are unavailable. The Finance department is experiencing technical difficulties importing the 2010/11 budget into our financial system.

ISSUE/DISCUSSION

OPERATING SUMMARY:

The year to date operating result is a surplus of \$11.713m, almost entirely due to bringing the full year's rates and charges to account. Meanwhile the first instalment of the remaining grants commission income has been delayed and will be received sometime in September.

CAPITAL WORKS AND MAJOR PROJECTS:

Only minor amounts have been spent in capital works and major projects at this early stage of the year due to the ongoing wet weather conditions. \$14,000 has been spent on the Doug Lindsay project this year.

BALANCE SHEET

CURRENT ASSETS:

Cash and investments at 31 August 2010 total \$4.6m, which includes pre-paid Grants Commission payment of \$932,000 and other works grants carried over from 2009/2010.

Refer to the Investment Schedule in Attachment 1 for detail of investments and cash held and the graph of cash and cash equivalents for the 12 months to 30 June 2010 with comparison to the first two months of this year.

TRADE & OTHER RECEIVABLES:

Rate debtors at the end of August 2010 are \$13.66m. This figure includes \$13.2m rates and charges for 2010/11. Rate arrears have been reduced from \$1.097m at 30 June 2010 to \$460,000 as a result of our rates staff and debt collection agency's efficiency and timely manner in the collection process.

TRADE & OTHER RECEIVABLES (Continued):

Sundry debtors total \$538,000 at the end of August which is very similar to the same time last year (\$527,000).

The two graphs in Attachment 1 show the level of Rate Debtors for 2010/11 in comparison to the same time last year and Sundry Debtors in comparison to the same time last year.

CURRENT LIABILITIES:

The major items are trade and other payables which include accrued contractor payments, current loan liability, employee provisions such as annual leave and long service leave and provisions for landfill rehabilitation. Deposits and trusts are reviewed quarterly with refunds or transfers made where applicable. Council still holds \$90,000 in trust following a Section 181 property sale that to date is unclaimed.

NON-CURRENT ASSETS:

These include all infrastructure assets including current capital costs that have been classified as work in progress.

All Long Service Leave, Annual Leave and RDO calculations have been completed for 30 June 2010. Long service leave investments consist of financial instruments that vary in market value during the course of their holding, as reflected in the balance sheet (\$962,000), but will on maturity be able to be redeemed for their face value (\$1m).

Investments in associates of \$443,000 is Council's share of Central Highlands Regional Library Service which shows a \$4,000 decrease on the prior year.

NON-CURRENT LIABILITIES:

Major items are Councils loan liability of \$3.1m and provisions for long service leave and landfill rehabilitation totalling \$838,000.

CASH FLOW:

Cash flow for August 2010 is included in Attachment 1. The majority of payments for materials and consumables relates to creditors processed for 2009/10 paid in July.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

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

FINANCIAL IMPLICATIONS

The reports attached provide the opportunity for constant review of Council's financial position.

RISK IMPLICATIONS

The internal financial report is required to assist in decision making and ensure departments do not exceed their budget.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

None noted.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Open reporting to the public on a monthly basis.

CONCLUSION

The report on the financial performance of Council for the two months to 31 August 2010 has been reported.

OFFICER'S RECOMMENDATION

10.1.1 That Council receives the Monthly Financial Report for the two months from 1 July 2010 to 31 August 2010.

MOTION

10.1.1 That Council receives the Monthly Financial Report for the two months from 1 July 2010 to 31 August 2010.

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

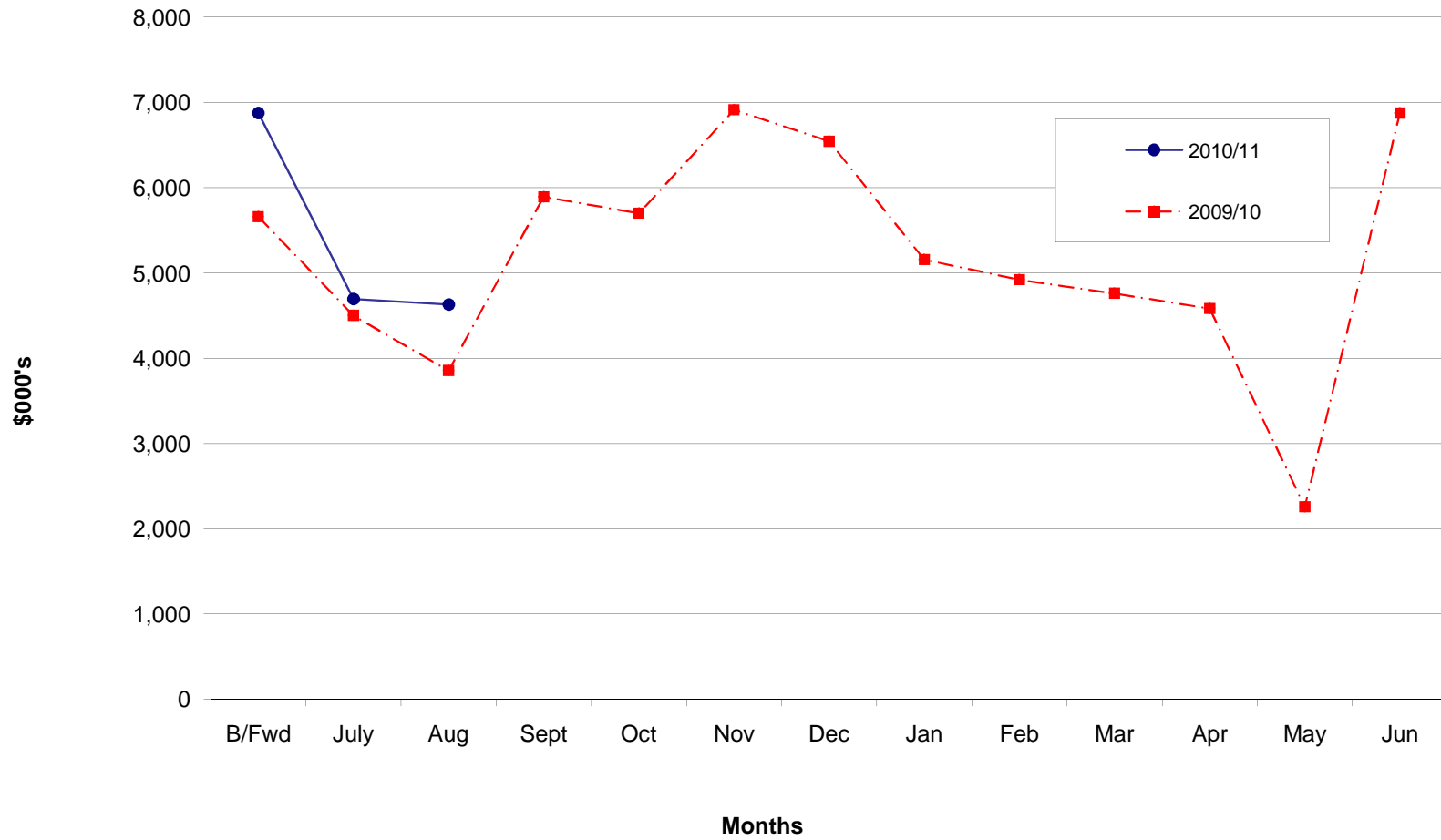
Attachment 1
Item 10.1

Budgeted Standard Cash Flow Statement	
	Actual 31-Aug-10 \$'000
Cash flows from operating activities	
<i>Receipts</i>	
General rates	1,025
Grants - recurrent	316
Grants - capital	-
Grants - special projects	47
Interest	56
User charges	54
Statutory fees	6
Other revenue	251
	1,755
<i>Payments</i>	
Employee costs	(677)
Materials & consumables	(2,623)
Special projects	
Interest	(46)
Other expenses	(360)
	-3,706
Net cash provided by operating activities	-1,951
Cash flows from investing activities	
Proceeds from property, plant and equipment	-
Payments for property, plant and equipment	(177)
Payments for roads and bridges	(29)
Net cash used in investing activities	(206)
Cash flows from financing activities	
Proceeds from borrowings	-
Repayment of borrowings	(70)
Net cash provided by (used in) financing activities	(70)
Net decrease in cash & cash equivalents	-2,227
Cash & cash equivalents at beginning of year	7,200
Cash & cash equivalents at end of period	4,973

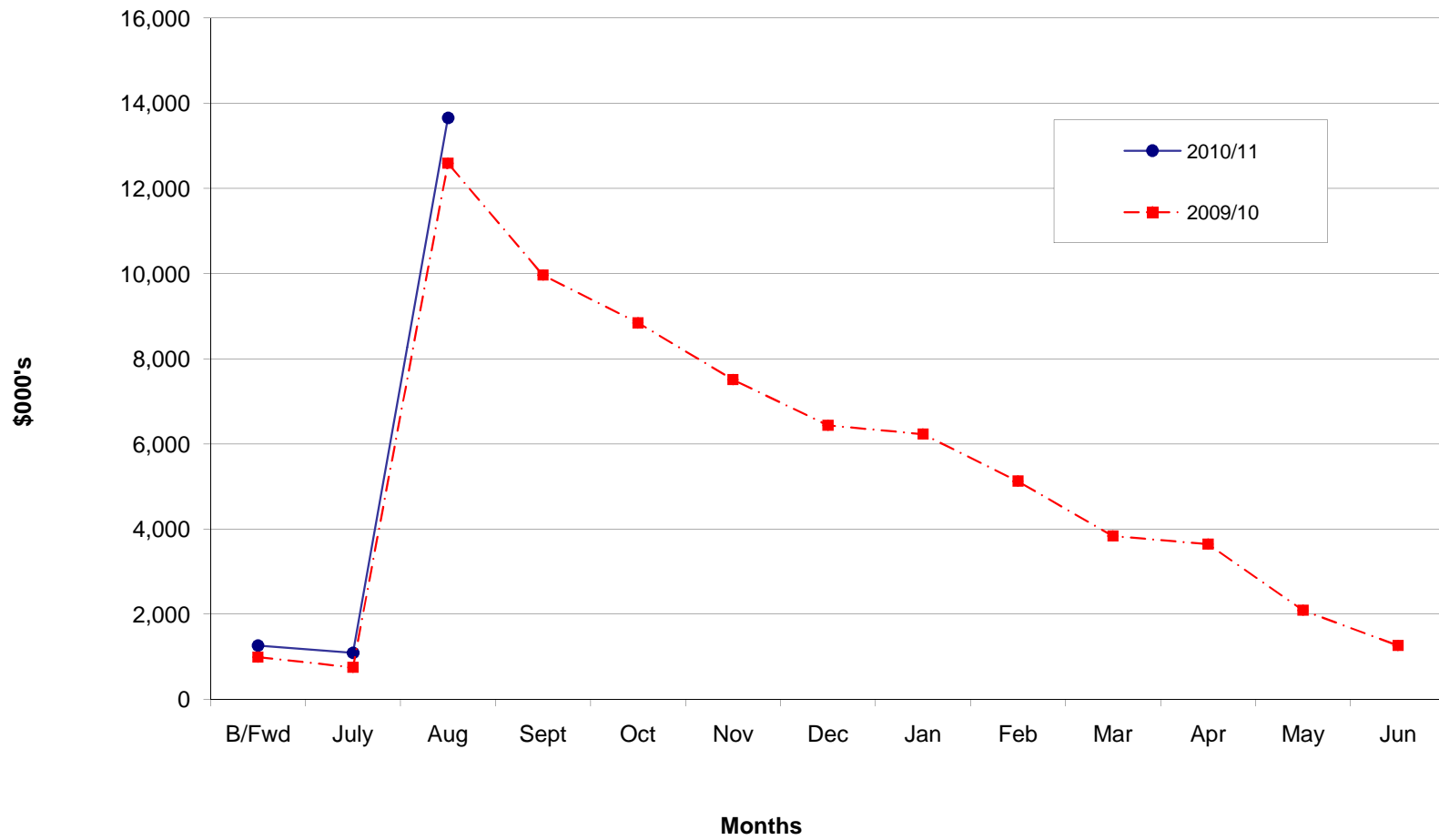
Balance Sheet as at 31 August 2010		
	31-Aug-09 000's	31-Aug-10 000's
Assets		
Current assets		
Cash and cash equivalents	3,857	4,631
Trade and other receivables	13,409	14,467
Inventories	41	34
Other assets	6	11
Total current assets	17,313	19,142
Non-current assets		
Trade and other receivables	1	55
Financial assets	899	962
Investments in associates accounted for using the equity method	447	443
Property, plant and equipment, infrastructure	160,946	172,339
Total non-current assets	162,293	173,799
Total assets	179,606	192,942
Liabilities		
Current liabilities		
Trade and other payables	(522)	(607)
Trust funds and deposits	(850)	(916)
Provisions	(1,537)	(1,425)
Interest-bearing loans and borrowings	(296)	(346)
Total current liabilities	(3,205)	(3,294)
Non-current liabilities		
Provisions	(736)	(838)
Interest-bearing loans and borrowings	(3,193)	(3,078)
Total non-current liabilities	(3,929)	(3,916)
Total liabilities	(7,134)	(7,211)
Net Assets	172,472	185,731
Equity		
Accumulated surplus	(95,956)	(100,814)
Operating result for period	(11,025)	(11,776)
Reserves	(65,490)	(73,142)
Total Equity	(172,472)	(185,731)

Hepburn Shire Council Cash and Investments As at 31 August 2010			
	Maturing	Rate	Balance
CBA Investment Account		Variable	\$1,921,995.44
FIIG Securities	30/08/2014	Variable	\$250,000.00
Big Sky Credit Union	25/09/2010	6.19%	\$500,000.00
Bankwest	30/09/2010	5.50%	\$300,000.00
Doug Lindsay Reserve		Variable	\$980,895.00
Litherland Bequest		Variable	\$91,400.00
Medlyn Bequest		Variable	\$21,600.00
F Shaw Bequest		Variable	\$10,000.00
General CBA Bank Account		Variable	\$559,166.00
Cash Floats and Petty Cash			\$6,000.00
			\$4,641,056.44
LSL Reserve Funds			
Bendigo Bank Floating Rate	12/12/2011	Floating	\$484,850.00
CBA Investec	27/02/2014	Floating	\$489,300.00
			\$974,150.00
Total Investments			\$5,615,206.44

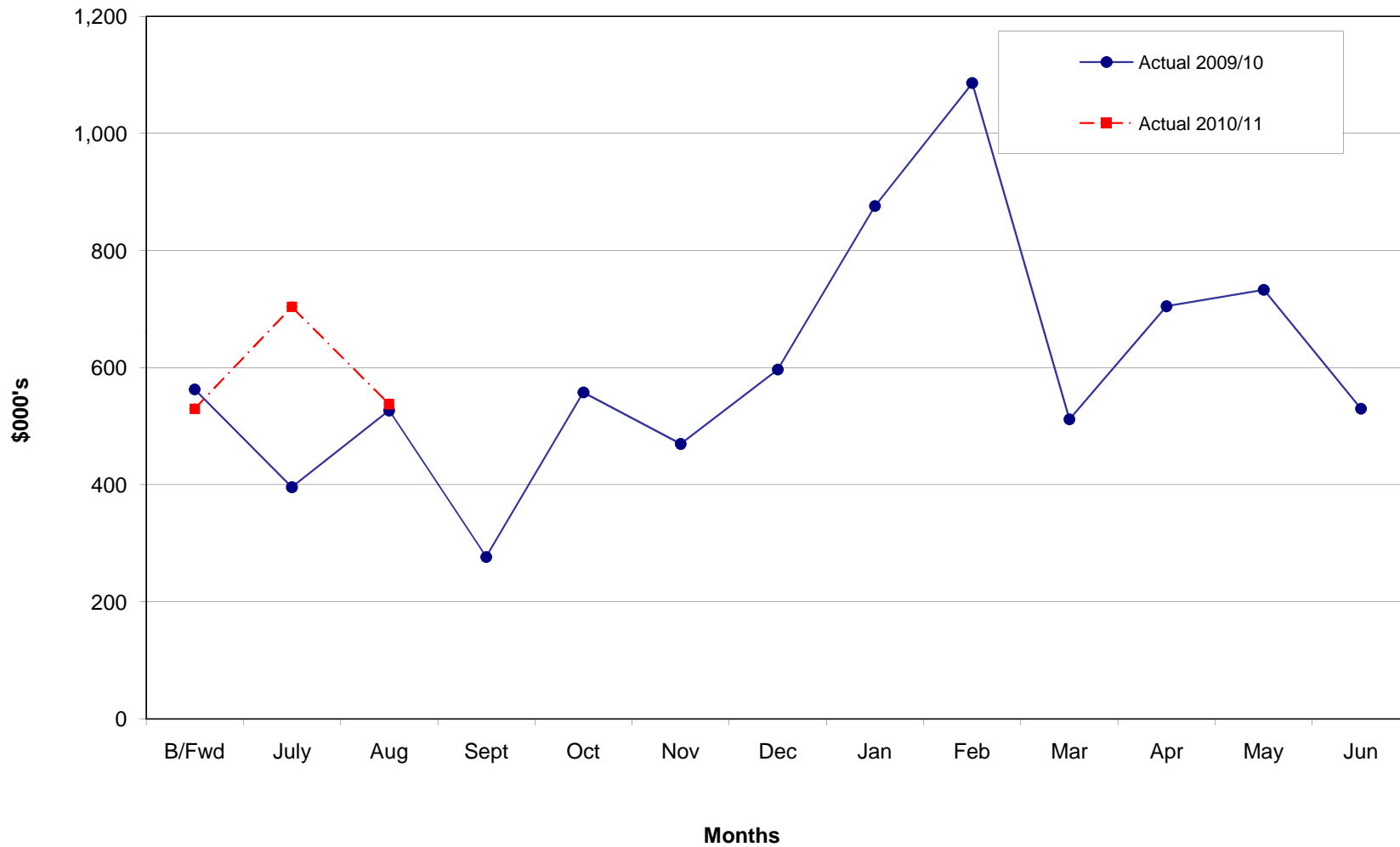
Cash and cash equivalents
Actual 2009/10 Vs 2010/11



Rate Debtors
Actual 2009/10 Vs 2010/11



Sundry Debtors
Average 2008/09 Vs Actual 2009/10



10.2 FINANCIAL STATEMENTS 2009-2010 AND STANDARD STATEMENTS 2009-2010 ADOPTION IN PRINCIPLE A/GENERAL MANAGER CORPORATE SERVICES

PURPOSE

This report proposes that Council gives in principle approval to the Financial Statements, Standard Statements and Performance Statement for the year ended 30 June 2010 and authorise two Councillors to certify them once they are finalised.

BACKGROUND

The audited draft Financial Statements, Standard Statements and Performance Statements for the year ended 30 June 2010 were tabled at the Hepburn Shire Council Audit and Risk Advisory Committee meeting Monday 13 September 2010.

A set of statements has been provided to Council under separate cover.

The Audit and Risk Advisory Committee recommended that Council authorise two Councillors to approve the Financial Statement, Standard Statement and Performance Statement in their final form after any changes recommended, or agreed to, by the auditor, have been made.

Council currently has the Auditor General's Office appointed as its auditors. Auditors were in attendance 6 September 2010 to 10 September 2010 to undertake the financial audit 2009-2010.

Audited financial statements must be submitted to the Minister within 3 months of the end of each financial year (30 September 2010).

The Financial Reporting process includes presenting the statements to the Audit and Risk Advisory Committee, the Committee making recommendation to Council, Council approving the statements "in principle" with the understanding that the Auditor General's Office may still require changes to be made.

ISSUE/DISCUSSION

Financial Statements

For the year ended 30 June 2010 a summary of the key results has been provided below:

Profit/(Loss) for the financial year *Profit/(Loss) for financial years 2006 - 2010*



- A profit of \$2.1 million and a comprehensive income result (introduced in 2009/10) of \$9.75 million. This was against a budget of \$2.6 million. (Note that comprehensive income includes items including revaluation that are not factored into the budget).
- Capital grants budgeted to be received were \$2.5 million under budget, substantially due to the delay in starting the Doug Lindsay Recreation Reserve project.

This decrease was offset by the pre-payment received of part of the 2010/11 Grants Commission recurrent grant of \$932,000 and grants of \$546,000 for various projects unexpected.

- Total expenses were also greater than budget (\$300,000), largely due to the additional project money which therefore required unanticipated expenses (resources and materials).

Note: The 2008-09 result had also been distorted by the transfer in of the \$9 million Bathhouse (land and buildings) which had a positive effect on the surplus.

Note: The surplus/deficit varies year on year and this is largely due to the timing of the receipt and spending of grant monies which on average comprise 30% of our revenue earned per year.

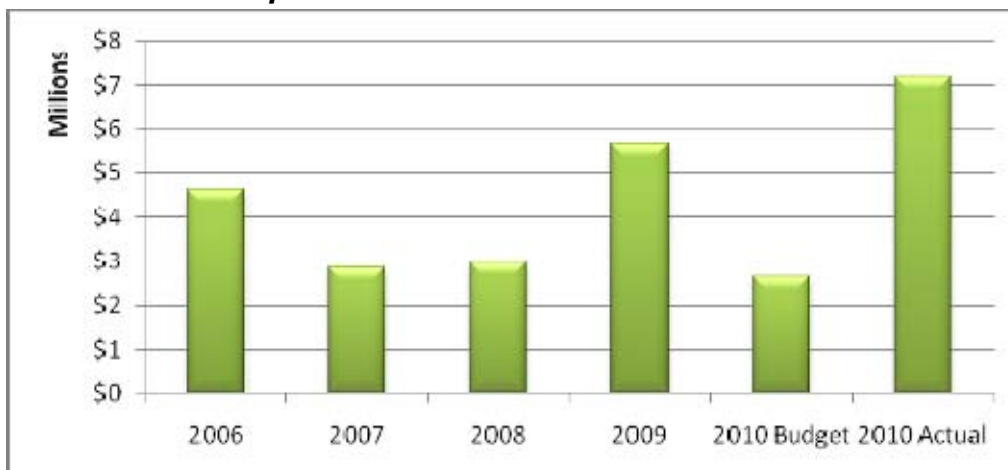
Cash and Cash Equivalents

- Cash at bank and cash invested at 30 June 2010 was \$7.2 million.
- The increase in cash and cash investments at 30 June 2010 was directly attributable to early payment of part of the 2010/11 recurrent grant (\$932,000) and grants received from the State Government for transport initiatives, bushfire funding and recreation reserve funding (\$546,000).
- Approximately \$1 million of payments to suppliers were made at the start of July 2010; therefore these funds were in the bank at year end June 2010.
- Total capital works of \$9.6 million were budgeted for in 2009-10.

However, total capital works completed for the year were less at \$6.5 million largely due to the delayed start on the Doug Lindsay Recreation Reserve project resulting in a direct effect on the increased cash balance at year end.

- In addition, cash balances at the year ended 30 June 2010 increased as a result of the Doug Lindsay grant funding.
- It is anticipated that these funds will be spent during the financial year 2010-11 and cash on hand will reduce to approximately \$2-3 million, similar to that in 2007/2008 financial year.

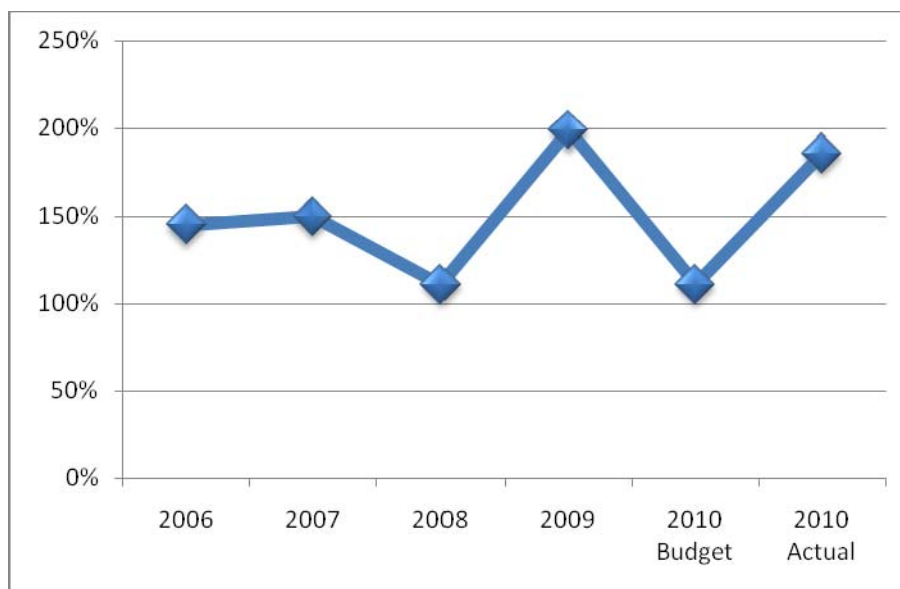
Cash and cash equivalents: 2006 - 2010



Working Capital

- The working capital ratio measures the level of current assets Council has to meet its current liabilities and is a measure of liquidity.
- For the year ended 30 June 2010 the ratio is 1.85.
- The higher ratio is due to the high cash balance at year end as explained previously.

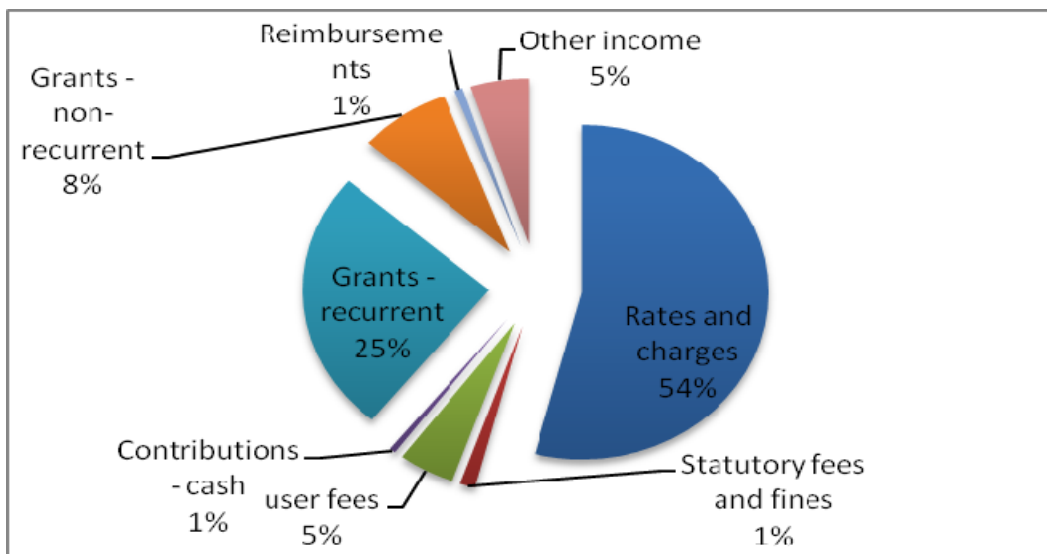
Working Capital ratio for years 2006 - 2010



Revenue by Categories

- Council receives over half of its revenue from rates and charges. This is generally the case for small rural Shires.
- Government grants account for a further 25% of revenue with the remainder from various sources such as user fees, statutory fees and fines, interest and rent from Council premises.

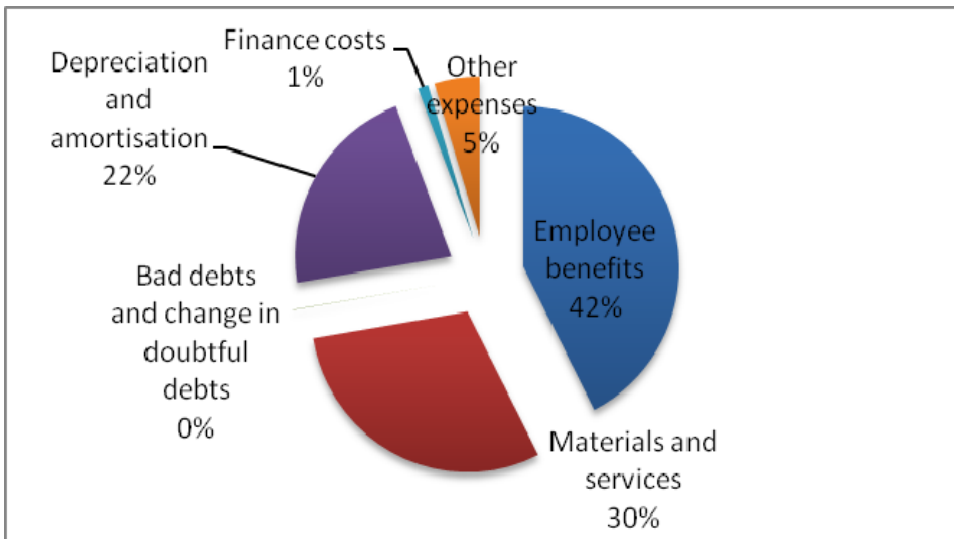
Revenue by Categories: 2009/10



Expenditure by Categories

- 42% of Council's expenditure is on employment
- 30% is on services and materials; and
- 22% is on depreciation (the decline in value of longer-lasting assets).

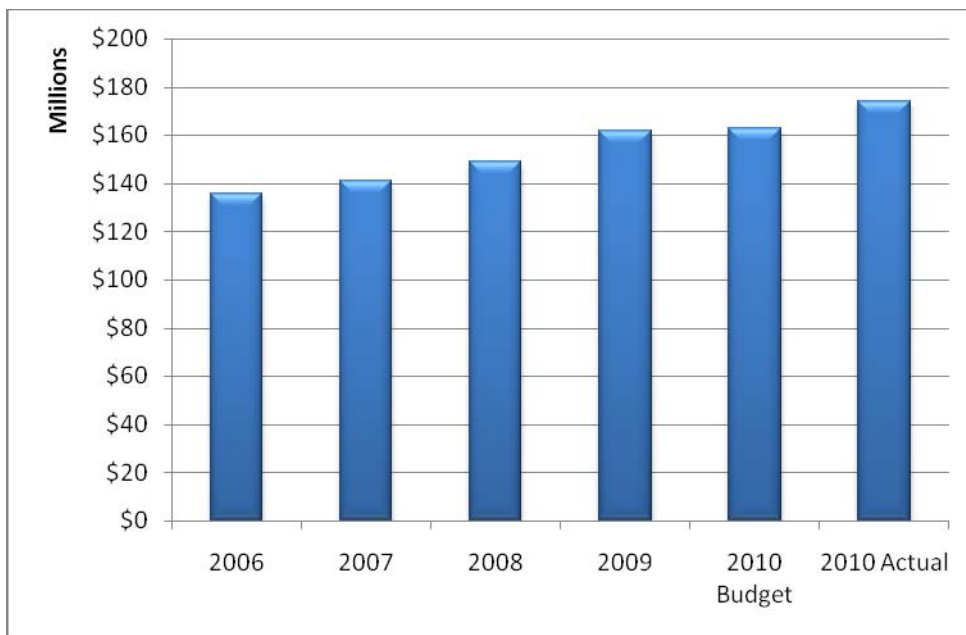
Expenditure by Categories: 2009/10



Net Assets

- The net assets or net worth of Council at the year ended 30 June 2010 was almost \$174 million.
- Net worth has shown a relatively constant growth rate over the last 5 years of around 6% per annum. This is mostly attributable to the increase in property, plant and equipment owned by the Council.
- The net asset position is greater than budgeted due to the additional funds in the bank at year end coupled with the balance of provisions at year end being lower than anticipated.

Net Assets: 2006 - 2010



Standard Statements

The Standard Statements can be seen as a summarised version of the Financial Statements in that they take the information contained in the three key financial statements being Income Statement, Balance Sheet and Cash Flow and compares this to Councils adopted budget for the year.

In addition the Standard Statements include a summary of the capital works also compared to budget. Against each of the statement's notes are provided where there are material differences.

Performance Statement

The Performance Statement measures the key strategic activity performance targets in the annual budget to the actual achieved for the year.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

Pursuant to Section 131(7) & (8) and Section 132(6) & (7) of the *Local Government Act 1989* Council is required to give "in principle" approval of the 2009-2010 Financial Statements, Standard Statements and Performance Statement and authorise two Councillors to approve the statements in their final form.

The Council must not submit the statements to its Auditor or the Minister unless it has passed a resolution giving its approval in principle to them. Legislation also recognises that further changes may be made to the statements and therefore Council must authorise two Councillors to certify the Standard Statements, Financial Statements and the Performance Statement in their final form after any changes recommended or agreed to by the auditor, have been made.

FINANCIAL IMPLICATIONS

Not applicable to this report.

RISK IMPLICATIONS

There are no risk implications identified with this report.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

None noted.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

A draft set of statements was referred to a meeting of Council's Audit and Risk Advisory Committee which in previous years has recommended approval of the statements to Council.

The Committee met on Monday 13 September 2010 with the auditors in attendance and recommended that Council approve the draft statements

Once the final statements have been prepared and certified by the nominated Councillors they will form part of Council's Annual Report which is forwarded to the Minister by 30 September 2010 and made available on Council's website and at the Council Offices.

CONCLUSION

In principle approval of the statements at this meeting and authorisation of Councillors to certify the final copy should ensure that they are finalised and lodged with the Minister within the required timeframe.

OFFICER'S RECOMMENDATION

That Council:

- 10.2.1 Pursuant to Section 131(7) and Section 132(6) of the Local Government Act 1989, gives in principle approval to the Standard Statements, Financial Statements and Performance Statement for the year ended 30 June 2010.*
- 10.2.2 Pursuant to Section 131(8) and Section 132(7) of the Local Government Act 1989, authorise Councillors (name)....and ..(name).....to certify the 2009-2010 statements in their final form after any changes recommended, or agreed to, by the auditors have been made.*

MOTION

That Council:

10.2.1 *Pursuant to Section 131(7) and Section 132(6) of the Local Government Act 1989, gives in principle approval to the Standard Statements, Financial Statements and Performance Statement for the year ended 30 June 2010.*

10.2.2 *Pursuant to Section 131(8) and Section 132(7) of the Local Government Act 1989, authorise Councillors Rod May and Don Henderson to certify the 2009-2010 statements in their final form after any changes recommended, or agreed to, by the auditors have been made.*

Moved: Cr Sebastian Klein

Seconded: Cr Tim Hayes

Carried.

Attachment 2
Item 10.2

DRAFT

Hepburn Shire Council
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2010

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Comprehensive Income Statement For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Income			
Rates and charges	2	12,341,553	11,251,994
Statutory fees and fines	3	299,580	240,329
User fees	4	1,111,842	1,054,924
Contributions - cash	6 (a)	124,000	155,442
Contributions - non-monetary assets	6 (b)	-	377,050
Grants - recurrent	5	5,815,463	6,251,388
Grants - non-recurrent	5	1,801,340	3,218,189
Reimbursements	7	163,507	128,746
Other income	8	1,154,058	1,040,898
Total income		22,811,342	23,718,960
Expenses			
Employee benefits	9	(8,796,112)	(8,154,604)
Materials and services	10	(6,165,726)	(6,268,552)
Bad debts and change in doubtful debts	11	(7,375)	-
Depreciation and amortisation	12	(4,520,784)	(4,436,911)
Finance costs	13	(221,400)	(195,158)
Other expenses	14	(971,657)	(811,563)
Total expenses		(20,683,055)	(19,866,788)
Transfer of land & building (bathhouse redevelopment)		-	8,945,424
Profit/(loss)		2,128,288	12,797,596
Other comprehensive income			
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	15	153,204	(102,893)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	16	(4,100)	72,000
Gains on property revaluation	45	7,470,765	-
Comprehensive result		9,748,157	12,766,703

The above comprehensive income statement should be read in conjunction with the accompanying notes.

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Balance Sheet As at 30 June 2010

	Note	2010 \$	2009 \$	2008 \$
Assets				
Current assets				
Cash and cash equivalents	17	7,199,672	5,661,182	2,982,218
Trade and other receivables	18	1,952,488	1,663,330	1,411,127
Inventories	20	29,238	24,603	61,134
Non-current assets classified as held for sale		-	-	66,100
Other assets	21	40,802	93,783	13,601
Total current assets		9,222,201	7,442,898	4,534,180
Non-current assets				
Trade and other receivables	18	61	1,556	2,359
Financial assets	19	962,493	899,196	955,055
Investments in associates accounted for using the equity method	16	442,900	447,000	375,000
Property, infrastructure, plant and equipment	22	172,012,620	162,954,742	152,509,539
Intangible assets	46	157,870	-	-
Total non-current assets		173,575,944	164,302,494	153,841,953
Total assets		182,798,145	171,745,392	158,376,133
Liabilities				
Current liabilities				
Trade and other payables	23	2,107,446	898,609	1,207,481
Trust funds and deposits	24	971,330	795,120	800,696
Provisions	25	1,532,662	1,660,474	1,714,623
Interest-bearing loans and borrowings	26	415,496	418,601	372,853
Total current liabilities		5,026,934	3,772,804	4,095,652
Non-current liabilities				
Provisions	25	838,408	735,742	715,559
Interest-bearing loans and borrowings	26	3,077,667	3,193,164	2,161,784
Total non-current liabilities		3,916,075	3,928,906	2,877,343
Total liabilities		8,943,009	7,701,710	6,972,995
Net Assets		173,855,136	164,043,682	151,403,138
Equity				
Accumulated surplus		100,737,501	98,584,192	85,989,582
Reserves	27	73,117,635	65,459,490	65,413,556
Total Equity		173,855,136	164,043,682	151,403,138

Hepburn Shire Council have two prior year corrections that, as outlined in Note 44, have caused a restatement of Trade and other receivables as well as Property, infrastructure, plant & equipment and the accumulated surplus. As such, in accordance with AASB 101.39, a third balance sheet plus notes to the restated amount have been presented. Only notes which have been affected by the prior year corrections have a third balance sheet detailed.

The above balance sheet should be read in conjunction with the accompanying notes.

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Statement of Changes in Equity For the Year Ended 30 June 2010

	Note	Total 2010 \$	Accumulated Surplus 2010 \$	Asset Revaluation Reserve 2010 \$	Other Reserves 2010 \$
2010					
Balance at beginning of the financial year		164,043,682	98,584,192	64,603,782	855,708
Comprehensive result for the year		9,748,157	2,277,392	7,470,765	-
Transfers to other reserves	27(b)	-	(124,083)	-	124,083
Adjustments directly to equity recognised during the year	28	63,297	-	-	63,297
Balance at end of the financial year		173,855,136	100,737,501	72,074,547	1,043,088

	Note	Total 2009 \$	Accumulated Surplus 2009 \$	Asset Revaluation Reserve 2009 \$	Other Reserves 2009 \$
2009					
Balance at beginning of the financial year		149,053,927	83,640,371	64,603,782	809,774
Prior year adjustment	44	2,349,211	2,349,211	-	-
Adjusted opening balance		151,403,138	85,989,582	64,603,782	809,774
Surplus(deficit) for the year		12,766,703	12,766,703	-	-
Transfers to other reserves	27(b)	-	32,559	-	(32,559)
Transfers from other reserves	27(b)	-	(128,652)	-	128,652
Prior year adjustment	44	(76,000)	(76,000)	-	-
Adjustments directly to equity recognised during the year	28	(50,159)	-	-	(50,159)
Balance at end of the financial year		164,043,682	98,584,192	64,603,782	855,708

The above statement of changes in equity should be read with the accompanying notes.

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Cash Flow Statement For the Year Ended 30 June 2010

	Note	2010 Inflows/ (Outflows) \$	2009 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		12,006,520	11,073,785
Statutory fees and fines		299,580	240,329
User charges and other fines (inclusive of GST)		1,340,459	1,093,834
Grants (inclusive of GST)		7,728,555	9,666,477
Developer contributions (inclusive of GST)		136,400	36,649
Reimbursements (inclusive of GST)		179,858	141,621
Interest		347,085	290,484
Rents (inclusive of GST)		762,345	691,203
Other receipts (inclusive of GST)		111,872	106,191
Net GST refund/payment		300,541	450,428
Payments to suppliers (inclusive of GST)		(5,621,144)	(7,347,020)
Payments to employees (including redundancies)		(8,740,653)	(8,213,817)
Other payments		(1,068,824)	(892,719)
Net cash provided by (used in) operating activities	29	7,782,594	7,337,445
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	41	(6,474,389)	(5,804,425)
Proceeds from sale of property, infrastructure, plant and equipment	15	361,827	236,928
Proceeds from sale of other financial assets		-	5,700
Repayment of loans and advances from community organisations		-	3,000
Net cash provided by (used in) investing activities		(6,112,562)	(5,558,797)
Cash flows from financing activities			
Finance costs		(189,151)	(171,236)
Trust funds and deposits		176,210	(5,576)
Proceeds from interest bearing loans and borrowings		300,000	1,450,000
Repayment of interest bearing loans and borrowings		(418,601)	(372,872)
Net cash provided by (used in) financing activities		(131,542)	900,316
Net increase (decrease) in cash and cash equivalents		1,538,490	2,678,964
Cash and cash equivalents at the beginning of the financial year		5,661,182	2,982,218
Cash and cash equivalents at the end of the financial year	30	7,199,672	5,661,182
The above cash flow statement should be read with the accompanying notes.			
Restrictions on cash assets	31		

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Notes to the Financial Report For the Year Ended 30 June 2010

Introduction

- (a) The Hepburn Shire Council was established by an Order of the Governor in Council on 19 January 1995 and is a body corporate.
The Council's main office is located at 76 Vincent Street, Daylesford 3460.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria
Internal Auditor - Pitcher Partners

This financial report is a general purpose financial report that consists of a comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act* 1989, and the Local Government (Finance and Reporting) Regulations 2004.

Note 1 Significant accounting policies

(a) **Basis of accounting**

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(i), 1(k), 1(m), 1(r) and 1(t).

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 42.

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(b) Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees and fines

User fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant and equipment, infrastructure

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(c) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(d) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

Buildings, land improvements, plant and equipment, infrastructure, heritage assets, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated.

Artworks are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Period (Years)
Property	
Land	
land improvements	20 - 100
Buildings	
buildings	25 - 150
leasehold building improvements	25 - 150
Plant and Equipment	
plant, machinery and equipment	3 - 10
fixtures, fittings and furniture	3 - 20
Infrastructure	
Roads	
road pavements and seals	10 - 80
road substructure	10 - 80
road formation and earthworks	nil
road kerb, channel and minor culverts	10 - 65
Bridges	
bridges deck	5 - 80
bridges other	5 - 80
Footpaths & cycle ways	10 - 65
Drainage	5 - 80
Street Furniture	5 - 80
Playground Equipment	5 - 80
Monuments	5 - 80
Other structures	5 - 80
Intangible Assets	5 - 80

(e) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(f) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

(g) **Recognition and measurement of assets**

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised in note 22. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$'000
Property	
Land	
land	1
land improvements	1
land under roads	1
Buildings	
buildings	1
building improvements	1
Plant and Equipment	
plant, machinery and equipment	1
fixtures, fittings and furniture	0.5
computers and telecommunications	0.5
leased plant and equipment	
heritage plant & equipment	1
library books	1
Infrastructure	
Roads	
road pavements and seals	5
road substructure	5
road formation and earthworks	5
road kerb, channel and minor culverts	5
Bridges	
bridges deck	5
bridges substructure	5
footpaths and cycle ways	5
drainage	5
Other	
street furniture	0.5
playground equipment	0.5
monuments	0.5
other structures	0.5
artworks	0.5
intangible assets	1

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(g) Recognition and measurement of assets (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (and other structures), are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(i) Other financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(j) Investments

Investments, other than investments in associates, are measured at cost.

(k) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the income statement.

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(l) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 24).

(m) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. Long service leave for employees with 10 or more years continuous service and all annual leave and wages and salaries is classified as current. Long service leave for employees with less than 10 years service is classified as non current.

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 15%.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 32.

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(n) **Leases**

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

(o) **Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(p) **Web site costs**

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(q) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) **Impairment of assets**

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 1 Significant accounting policies (cont.)

(s) **Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

(t) **Non-current assets held for sale**

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non current assets, disposal groups and related liabilities assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

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Notes to the Financial Report For the Year Ended 30 June 2010

(z) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This Standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities know to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This Standard also makes numerous editorial amendments to other AASs.	Beginning 1 Jan 2011	AASB 8 does not apply to Local Government therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be significant.
AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19. [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19	Beginning 1 Jul 2010	Local Governments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 17 and related amendments have no impact
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of <i>Prepayments of a Minimum Funding Requirement</i>	Beginning 1 Jan 2011	Expected to have no significant impact

(aa) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and inclusive of the GST payable.

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 2 Rates and charges		
Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its market value.		
The valuation base used to calculate general rates for 2009/2010 was \$2,815 million (2008-2009 \$2,720 million). The 2009/2010 rate in the CIV dollar was 0.3787 (2008-2009, 0.3524).		
Residential	6,389,350	6,036,591
Commercial	1,472,214	991,290
Mixed Use	228,710	154,014
Industrial	56,941	56,007
Farm	1,338,405	1,214,652
Vacant Land	897,509	850,324
Recreational	9,521	8,858
Trust For Nature	11,466	10,346
Supplementary rates and rate adjustments	129,058	296,806
Municipal charge	213,947	210,751
Garbage charge	383,159	360,749
Waste Management Charge	886,936	777,676
Recycling Charge	324,337	283,930
Total rates and charges	12,341,553	11,251,994

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation will be first applied in the rating year commencing 1 July 2010.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2008, and the valuation first applied to the rating period commencing 1 July 2008.

Note 3 Statutory fees and fines		
Infringements and costs	17,392	47,510
Infringements court recoveries	8,594	8,345
Town planning fees	177,375	146,914
Land information certificates	48,804	13,883
Permits	42,357	23,037
Other	5,058	640
Total statutory fees and fines	299,580	240,329

Note 4 User fees		
(a)		
Car parking fees	-	917
Aged services fees	551,696	496,537
Registration fees	197,584	214,800
Building services fees	128,493	149,620
Valuation fees/supplementary charges	82,896	8,693
Waste services charges	107,568	108,122
Other fees and charges	43,605	76,235
Total user fees	1,111,842	1,054,924

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 5 Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	1,474,244	1,480,425
State funded grants	6,142,559	7,989,152
Total	7,616,803	9,469,577
Recurrent		
Commonwealth Government - roads to recovery	691,000	587,568
Commonwealth Government - family and children	-	17,857
Victoria Grants Commission - unallocated*	2,368,861	2,218,503
Victoria Grants Commission - local roads **	1,204,361	1,163,454
Community health	89,160	73,221
School crossing supervisors	7,815	7,815
Planning and development	20,000	5,710
Maternal and child health	133,825	142,578
Family and children	60,000	500
Food services	31,244	31,245
Home help/linkages	648,651	626,782
Senior citizen centres	26,044	25,802
Transport	107,725	104,673
Adult day care	195,196	181,236
Assessment/welfare support	144,030	129,030
Heritage and culture	16,520	12,000
Youth	21,450	21,450
Other	49,582	43,622
Total recurrent	5,815,463	5,393,046
* This amount includes \$616,535 pre-payment of 2010/11 Victoria Grants Commission unallocated grant.		
**This amount includes \$315,130 pre-payment of 2010/11 Victoria Grants commission - local roads grant.		
Non-recurrent		
Community health	296,481	280,000
Commerce and tourism	161,250	688,360
Roads	584,000	189,587
Recreation	345,500	282,594
Heritage and culture	69,391	96,500
Waste and environment	56,269	10,000
Bushfire recovery	283,449	107,598
Other	5,000	15,600
Total non-recurrent	1,801,340	1,670,239
Conditions on grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Bushfire Appeal	10,000	-
Bushfire Community Assistance Gift	49,590	-
Bushfire Memorial	67,682	-
Carbon Initiatives	21,500	-
Daylesford Cenotaph Restoration Project	7,000	-
Drummond Avenue of Honour	4,000	-
Economic Development Buy Local Grant	1,994	-
Glenlyon Hall Upgrade	46,000	-
Hepburn L2P Program	6,063	-
School Focus	10,000	-
Transport Connections	95,552	-
Trentham Sporting Facilities Refurbishment	153,387	-

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 5 Grants (cont)		
Ullina Avenue of Honour	800	
VBRR Community Recovery Support Grant	4,382	-
VMWC Projects	12,500	
Youth Bushfire Response Gift	45,321	-
Federal government regional and local community infrastructure program	-	277,946
Grant for Smeaton Bowling Club sustainable greens (recreation)	-	60,000
Grant for Jubilee lake fishing platforms (recreation)	-	80,612
Grant for Clunes Bowling Club sustainable greens (recreation)	-	9,559
Grant for Doug Lindsay recreation reserve	-	1,122,950
Grant for transport connections Front SEEAT program (community services)	-	86,816
Total	535,771	1,637,883
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Grant HMSR risk mitigation & pathway improvement (recreation)	-	3,900
Grant transport connections Front SEEAT program (community services)	-	74,838
Grant for community strengthening (community services)	-	5,000
Grant noxious weeds (environment management)	-	11,300
Grant for bus shelter (transport)	-	5,000
Grant for economic development officer (economic development)	-	12,955
Grant for Creswick town hall refurbishment	-	25,000
Grant for Trentham training facility (recreation)	-	40,000
Federal government regional and local community infrastructure program	277,946	-
Grant for Jubilee lake fishing platforms (recreation)	80,612	-
Grant for Clunes Bowling Club sustainable greens (recreation)	9,559	-
Grant for Doug Lindsay recreation reserve	220,659	-
Grant for transport connections Front SEEAT program (community services)	86,816	-
	675,592	177,993
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	(139,821)	1,459,890
Note 6 Contributions		
(a) Cash		
Roads	-	3,700
Recreational, leisure and community facilities	-	29,617
Parks, open space and streetscapes	124,000	122,125
Total	124,000	155,442
(b) Non-monetary assets		
Land under roads	-	49,000
Roads	-	328,050
Total	-	377,050
Total contributions	124,000	532,492
Note 7 Reimbursements		
Other	163,507	128,746
Total	163,507	128,746
Note 8 Other income		
Interest	219,860	201,000
Interest on rates	131,810	87,376
Other rent	700,685	635,218
Sale of materials	42,833	39,890
Supervision and administration fees	27,482	50,055
Reduction in provision for doubtful debts	-	14,035
Other	31,386	13,324
Total other income	1,154,058	1,040,898

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 9 Employee benefits		
Wages and salaries	7,848,373	7,331,750
Superannuation	615,558	577,468
Fringe benefits tax and work cover	332,181	245,386
Total employee benefits	8,796,112	8,154,604
Note 10 Materials and services		
Building maintenance	26,579	17,690
Utility payments	358,902	273,082
Waste management	1,488,595	1,429,157
Road construction	1,442,804	1,354,798
Home & community care	366,597	318,407
Cleaning	163,525	142,900
Swimming pools	185,615	177,582
Materials	1,966,638	2,427,163
Other	166,471	127,773
Total materials and services	6,165,726	6,268,552
Note 11 Bad debts and change in doubtful debts		
Infringement debtors	7,375	-
Total bad debts and change in doubtful debts	7,375	-
Note 12 Depreciation and amortisation		
<i>Property</i>		
Land		
Land improvements	152,215	151,950
Buildings		
Buildings	433,243	412,228
<i>Plant and Equipment</i>		
Plant, machinery and equipment	566,590	517,299
Fixtures, fittings and furniture	50,548	44,160
Computers and telecommunications	66,546	106,853
<i>Infrastructure</i>		
Roads	2,746,001	2,713,506
Bridges	116,592	115,168
Footpaths and cycleways	59,369	57,136
Drainage	90,780	90,780
Kerb & Channel	134,991	134,991
Street furniture	33,866	33,866
Monuments	10,785	10,785
Playground equipment	24,565	24,089
Other infrastructure	34,693	24,100
Total depreciation and amortisation	4,520,784	4,436,911
Note 13 Finance costs		
Interest - Borrowings	221,400	195,158
Total finance costs	221,400	195,158

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 14 Other expenses		
Auditors' remuneration	57,077	44,015
Councillors' allowances	140,506	110,865
Insurances	189,476	192,798
Risk management	-	2,725
Grants and donations	81,927	49,155
Loss on disposal of assets	-	102,893
Contribution to Central Highlands Regional Library Corporation	386,374	315,632
Other	116,298	96,373
Total other expenses	971,657	914,456

Note 15 Proceeds from disposal of property, infrastructure, plant and equipment

Proceeds from disposal of assets	361,827	236,928
Written down value of assets sold	(208,623)	(310,884)
Selling expenses	-	(28,937)
Profit/(loss) on disposal of assets	153,204	(102,893)

Note 16 Investment in associates

Investments in associates accounted for by the equity method are:

- Central Highlands Regional Library Corporation	442,900	447,000
Total	442,900	447,000

Central highlands regional library corporation

Background

Central Highlands Regional Library Corporation established in April 1997 provides library services across 6 municipalities with Hepburn Shire Council having a 10.58% share in ownership (10.58% 2009)

Council's share of accumulated surplus(deficit)

Council's share of accumulated surplus(deficit) at start of year	282,000	210,000
Reported surplus(deficit) for year	(4,100)	72,000
Council's share of accumulated surplus(deficit) at end of year	277,900	282,000

Council's share of reserves

Council's share of reserves at start of year	165,000	165,000
Council's share of reserves at end of year	165,000	165,000

Movement in carrying value of specific investment

Carrying value of investment at start of year	447,000	375,000
Share of surplus(deficit) for year	(4,100)	72,000
Carrying value of investment at end of year	442,900	447,000

Council's share of expenditure commitments

Operating commitments	53,124	58,000
	53,124	58,000

Note 17 Cash and cash equivalents

Cash on hand	5,150	4,950
Cash at bank	1,896,555	818,274
Money market call account	5,297,967	4,837,958
Total cash and cash equivalents	7,199,672	5,661,182

Users of the financial report should refer to Note 31 for details of restrictions on cash assets and note 33 for details of existing Council commitments

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 18 Trade and other receivables		
<i>Current</i>		
Rates debtors	1,331,874	995,347
Parking infringement debtors	8,560	8,282
Other infringement debtors	15,318	-
Provision for doubtful debts - infringements	(10,851)	(3,476)
Other debtors	284,678	519,343
Provision for doubtful debts - other debtors	(12,866)	(12,866)
Government grants	174,344	88,386
Powercor community extensions	3,531	3,731
Special charge schemes	2,262	2,262
Net GST receivable	155,639	62,321
Total	1,952,488	1,663,330
<i>Non-current</i>		
Special charge scheme	61	1,556
Total	61	1,556
Total trade and other receivables	1,952,549	1,664,886
Note 19 Financial assets		
<i>Current</i>		
Bank bills	962,493	899,196
Total financial assets	962,493	899,196
Note 20 Inventories		
Inventories held for distribution	29,238	24,603
Total inventories	29,238	24,603
Note 21 Other assets		
<i>Current</i>		
Prepayments	30,200	87,765
Accrued income	10,603	6,018
Total	40,802	93,783

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 22 Property, plant and equipment, infrastructure (cont.)	2010	2009	2008
	\$	\$	\$
Summary			
at cost	27,013,224	23,976,485	21,276,298
Less accumulated depreciation	(4,586,215)	(3,335,608)	(3,389,637)
	<u>22,427,009</u>	<u>20,640,877</u>	<u>17,886,661</u>
at fair value as at 30 June 2010	44 274,430,465	253,708,816	241,708,816
Less accumulated depreciation	44 (124,844,854)	(111,394,951)	(107,085,938)
	<u>149,585,611</u>	<u>142,313,865</u>	<u>134,622,878</u>
Total	<u>172,012,620</u>	<u>162,954,742</u>	<u>152,509,539</u>
Property			
Land			
at fair value as at 30 June 2010	22,561,700	21,779,500	21,119,500
	<u>22,561,700</u>	<u>21,779,500</u>	<u>21,119,500</u>
Land under roads			
at deemed cost	51,000	49,000	-
	<u>51,000</u>	<u>49,000</u>	<u>-</u>
Land improvements			
at cost	4,743,233	4,582,379	4,582,379
Less accumulated depreciation	(962,018)	(809,803)	(657,853)
	<u>3,781,215</u>	<u>3,772,576</u>	<u>3,924,526</u>
Total Land	<u>26,393,915</u>	<u>25,601,076</u>	<u>25,044,026</u>
Buildings			
at cost	2,505,401	1,510,930	355,905
Less accumulated depreciation	(6,167)	(11,667)	(2,974)
	<u>2,499,234</u>	<u>1,499,263</u>	<u>352,931</u>
at fair value as at 30 June 2010	66,192,850	50,781,100	39,441,100
Less accumulated depreciation	(33,808,363)	(25,407,284)	(25,003,749)
	<u>32,384,487</u>	<u>25,373,816</u>	<u>14,437,351</u>
Total Buildings	<u>34,883,721</u>	<u>26,873,079</u>	<u>14,790,282</u>
Total Property	<u>61,277,636</u>	<u>52,474,155</u>	<u>39,834,308</u>
<p>Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer, Vincent John Bourke, Registered Valuer. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued at a discount of 70 percent to market value based on legal precedents.</p>			
<p>Land under roads is valued at deemed cost. Deemed cost is based on Council valuations at the date acquired using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.</p>			
Plant and Equipment			
Plant, machinery and equipment			
at cost	5,128,643	5,030,537	4,675,590
Less accumulated depreciation	(2,299,431)	(2,229,465)	(1,894,095)
	<u>2,829,213</u>	<u>2,801,072</u>	<u>2,781,495</u>

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 22	Property, plant and equipment, infrastructure (cont.)	2010	2009	2008
		\$	\$	\$
	Fixtures, fittings and furniture			
	at cost	694,902	603,617	543,754
	Less accumulated depreciation	(407,959)	(357,411)	(323,251)
		<u>286,943</u>	<u>246,206</u>	<u>220,503</u>
	Computers and telecommunications			
	at cost	633,749	596,722	529,117
	Less accumulated depreciation	(555,732)	(518,549)	(401,695)
		<u>78,017</u>	<u>78,173</u>	<u>127,422</u>
	Art works			
	at cost	341,085	341,085	341,085
	Less accumulated depreciation	-	-	-
		<u>341,085</u>	<u>341,085</u>	<u>341,085</u>
	Total Plant and Equipment	<u>3,535,257</u>	<u>3,466,536</u>	<u>3,470,505</u>
	Infrastructure			
	Roads			
	at cost	10,079,708	7,017,356	4,692,405
	Less accumulated depreciation	(208,461)	(117,314)	(58,658)
		<u>9,871,246</u>	<u>6,900,042</u>	<u>4,633,747</u>
	at fair value as at 30 June 2010	146,142,623	146,142,623	146,142,623
	Less accumulated depreciation	(73,693,195)	(71,038,342)	(68,383,489)
		<u>72,449,428</u>	<u>75,104,281</u>	<u>77,759,134</u>
	Bridges			
	at cost	19,849	1,049,938	907,445
	Less accumulated depreciation	-	(9,074)	-
		<u>19,849</u>	<u>1,040,864</u>	<u>907,445</u>
	at fair value as at 30 June 2010	18,843,622	14,315,923	14,315,923
	Less accumulated depreciation	(8,517,076)	(5,648,031)	(5,541,938)
		<u>10,326,546</u>	<u>8,667,892</u>	<u>8,773,985</u>
	Footpaths and cycleways			
	at cost	595,521	595,521	483,841
	Less accumulated depreciation	(31,371)	(19,461)	(9,784)
		<u>564,150</u>	<u>576,060</u>	<u>474,057</u>
	at fair value as at 30 June 2010	2,372,958	2,372,958	2,372,958
	Less accumulated depreciation	(1,135,600)	(1,088,141)	(1,040,682)
		<u>1,237,358</u>	<u>1,284,817</u>	<u>1,332,276</u>
	Drainage			
	at cost	207,728	207,728	207,728
	Less accumulated depreciation	(12,523)	(9,328)	(6,132)
		<u>195,204</u>	<u>198,400</u>	<u>201,596</u>
	at fair value as at 30 June 2010	7,006,710	7,006,710	7,006,710
	Less accumulated depreciation	(2,663,872)	(2,576,288)	(2,488,704)
		<u>4,342,838</u>	<u>4,430,422</u>	<u>4,518,006</u>
	Kerb & Channel			
	at cost	12,511	12,511	12,511
	Less accumulated depreciation	(1,043)	(834)	(626)
		<u>11,468</u>	<u>11,677</u>	<u>11,885</u>
	at Fair value as at 30 June 2010	8,086,965	8,086,965	8,086,965
	Less accumulated depreciation	(3,841,456)	(3,706,673)	(3,571,890)
		<u>4,245,509</u>	<u>4,380,292</u>	<u>4,515,075</u>
	Street Furniture			
	at Fair value as at 30 June 2010	2,278,742	2,278,742	2,278,742
	Less accumulated depreciation	(601,986)	(568,120)	(534,254)
		<u>1,676,756</u>	<u>1,710,622</u>	<u>1,744,488</u>

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 22 Property, infrastructure, plant and equipment (cont)	2010	2009	2008
	\$	\$	\$
Monuments			
at Fair value as at 30 June 2010	539,263	539,263	539,263
Less accumulated depreciation	(251,673)	(240,888)	(230,103)
	287,590	298,375	309,160
Playground Equipment			
at cost	104,622	84,622	65,784
Less accumulated depreciation	(11,648)	(7,882)	(4,046)
	92,974	76,740	61,738
at Fair value as at 30 June 2010	405,032	405,032	405,032
Less accumulated depreciation	(331,633)	(311,381)	(291,129)
	73,399	93,651	113,903
Other Structures			
at cost	860,426	534,425	468,691
Less accumulated depreciation	(89,863)	(54,623)	(30,523)
	770,563	479,802	438,168
Total Infrastructure	106,164,879	105,253,937	105,794,663
Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Council's Manager - Engineering Services, Richard Russell.			
The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. A revaluation of Bridges was performed as at 30 June 2010.			
Works in progress			
Buildings at cost	103,016	1,200,697	195,188
Bathhouse	-	-	2,948,735
Roads at cost	65,202	66,211	46,118
Bridges at cost	312,538	49,559	-
Infrastructure	361,621	234,136	65,855
Other	192,471	209,511	154,167
Total Works in progress	1,034,848	1,760,114	3,410,063
Total property, infrastructure, plant and equipment	172,012,620	162,954,742	152,509,539

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 22 Property, plant and equipment, infrastructure (cont.)

2010	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 27)	Depreciation and amortisation (note 12)	Written down value of disposals	Transfers	Balance at end of financial year	
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
land	21,779,500	45,000	797,200	-	60,000	-		22,561,700
land under roads	49,000	2,000	-	-	-	-		51,000
land improvements	3,772,576	13,794	-	152,215	-	147,060		3,781,215
Total land	25,601,076	60,794	797,200	152,215	60,000	147,060		26,393,915
buildings	26,873,079	1,308,139	5,938,484	433,243	-	1,197,262		34,883,721
Total buildings	26,873,079	1,308,139	5,938,484	433,243	-	1,197,262		34,883,721
Total property	52,474,155	1,368,933	6,735,684	585,458	60,000	1,344,322		61,277,636
Plant and Equipment								
plant, machinery and equipment	2,801,072	743,353	-	566,590	148,623	-		2,829,212
fixtures, fittings and furniture	246,206	91,284	-	50,548	-	-		286,942
computers and telecommunications	78,173	66,390	-	66,546	-	-		78,017
art works	341,085	-	-	-	-	-		341,085
Total plant and equipment	3,466,536	901,027	-	683,684	148,623	-		3,535,256
Infrastructure								
roads	82,004,323	3,062,352	-	2,746,001	-	-		82,320,674
bridges	9,708,756	19,849	734,382	116,592	-	-		10,346,395
footpaths and cycleways	1,860,877	-	-	59,369	-	-		1,801,508
drainage	4,628,822	-	-	90,780	-	-		4,538,042
kerb & channel	4,391,969	-	-	134,991	-	-		4,256,978
street furniture	1,710,622	-	-	33,866	-	-		1,676,756
monuments	298,375	-	-	10,785	-	-		287,590
playground equipment	170,391	20,000	-	24,565	-	-		165,826
other Structures	479,802	186,317	-	34,693	-	139,684		771,110
Total infrastructure	105,253,937	3,288,518	734,382	3,251,642	-	139,684		106,164,879
Works in progress								
buildings	1,200,697	99,581	-	-	-	(1,197,262)		103,016
roads	66,211	45,109	-	-	-	(46,118)		65,202
bridges	49,559	262,979	-	-	-	-		312,538
Infrastructure	234,136	327,826	-	-	-	(200,341)		361,621
Other	209,511	24,752	-	-	-	(41,792)		192,471
Total works in progress	1,760,115	760,247	-	-	-	(1,485,513)		1,034,849
Total property, plant and equipment, infrastructure	162,954,743	6,318,725	7,470,066	4,520,784	208,623	(1,507)		172,012,620

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 22 Property, plant and equipment, infrastructure (cont.)

2009	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 27)	Depreciation and amortisation (note 12)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
Property							
land	21,119,500	0	660,000	0	0	0	21,779,500
land under roads	0	0	49,000	0	0	0	49,000
land improvements	3,924,526	0	0	151,950	0	0	3,772,576
Total land	25,044,026	0	709,000	151,950	0	0	25,601,076
buildings	14,790,282	1,142,129	8,285,424	412,228	0	3,067,472	26,873,079
Total buildings	14,790,282	1,142,129	8,285,424	412,228	0	3,067,472	26,873,079
Total property	39,834,308	1,142,129	8,994,424	564,178	0	3,067,472	52,474,155
Plant and Equipment							
plant, machinery and equipment	2,781,495	781,660	0	517,299	244,784	0	2,801,072
fixtures, fittings and furniture	220,503	69,863	0	44,160	0	0	246,206
computers and telecommunications	127,422	57,604	0	106,853	0	0	78,173
library books	341,085	0	0	0	0	0	341,085
Total plant and equipment	3,470,505	909,127	0	668,312	244,784	0	3,466,536
Infrastructure							
roads	82,392,881	1,996,898	328,050	2,713,506	-	-	82,004,323
bridges	9,681,430	142,494	-	115,168	-	-	9,708,756
footpaths and cycleways	1,806,333	111,680	-	57,136	-	-	1,860,877
drainage	4,719,602	-	-	90,780	-	-	4,628,822
kerb & channel	4,526,960	-	-	134,991	-	-	4,391,969
street furniture	1,744,488	-	-	33,866	-	-	1,710,622
parks, open space and streetscapes	-	-	-	-	-	-	-
monuments	309,160	-	-	10,785	-	-	298,375
playground equipment	175,641	18,839	-	24,089	-	-	170,391
other Structures	438,168	62,104	-	24,100	-	3,630	479,802
Total infrastructure	105,794,663	2,332,015	328,050	3,204,421	-	3,630	105,253,937
Works in progress							
buildings	195,188	1,124,246	-	-	-	(118,737)	1,200,697
bathhouse	2,948,735	-	-	-	-	(2,948,735)	-
roads	46,118	20,093	-	-	-	-	66,211
bridges	-	49,559	-	-	-	-	49,559
infrastructure	65,855	168,281	-	-	-	-	234,136
Other	154,167	58,974	-	-	-	(3,630)	209,511
Total works in progress	3,410,063	1,421,153	-	-	-	(3,071,102)	1,760,114
Total property, plant and equipment, infrastructure	152,509,539	5,804,424	9,322,474	4,436,911	244,784	-	162,954,742

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 23 Trade and other payables		
Trade payables	1,917,982	829,573
Accrued expenses	189,464	69,036
Total trade and other payables	<u>2,107,446</u>	<u>898,609</u>

Note 24 Trust funds and deposits		
Refundable building deposits	115,508	99,508
Refundable contract deposits	2,500	2,500
Refundable civic facilities deposits	10,200	9,400
Retention amounts	39,817	29,013
Other refundable deposits	254,492	112,587
Trust deposits	548,813	542,112
Total trust funds and deposits	<u>971,330</u>	<u>795,120</u>

The purposes for which trust funds are held and the nature of any restriction imposed on the manner in which these can be applied:

Details of trust deposits:

Litherland bequest (Preservation of art collection at creswick museum)	91,400	90,400.00
Medlyn estate (Preservation of bottle collection at clunes)	21,600	21,600.00
Vicroads agency & signage account (Money collected on behalf of vicroads)	875	608.00
Community playground appeal	1,083	1,083.00
F. Shaw bequest (Preservation of art collection at creswick museum)	10,000	10,000.00
Mineral water trust	396,130	396,130.00
James Jasper Strachan appeal - commemoration	6,345	6,345.00
Dress down day - charity donation	501	530.00
McGinty trust (General support for Daylesford day activity centre)	3,785	3,785.00
Trust Tourism Hepburn Board	12,344	-
Creswick development committee	4,699	11,631.00
Various small trust accounts	52	-
	<u>548,813</u>	<u>542,112</u>

	Annual leave	Long service leave	Landfill restoration	Other	Total
	\$	\$	\$	\$	\$
2010					
Balance at beginning of the financial year	696,855	993,417	495,980	27,000	2,213,252
Additional provisions	550,122	151,136	-	-	701,259
Amounts used	(482,510)	(148,132)	(20,220)	-	(650,862)
Balance at the end of the financial year	<u>764,467</u>	<u>996,421</u>	<u>475,760</u>	<u>27,000</u>	<u>2,263,649</u>
2009					
Balance at beginning of the financial year	690,895	949,938	516,200	27,000	2,184,033
Additional provisions	485,567	252,675	-	-	738,242
Amounts used	(479,607)	(209,196)	(20,220)	-	(709,023)
Balance at the end of the financial year	<u>696,855</u>	<u>993,417</u>	<u>495,980</u>	<u>27,000</u>	<u>2,213,252</u>
	2010			2009	

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 25 Provisions (cont)	\$	\$
(a) Employee benefits		
Current		
Annual leave	764,467	696,855
Long service leave	640,553	760,435
Accrued salaries and wages	107,422	182,964
	<u>1,512,442</u>	<u>1,640,254</u>
Non-current		
Long service leave	355,868	232,982
	<u>355,868</u>	<u>232,982</u>
Aggregate carrying amount of employee benefits:		
Current	1,512,442	1,640,254
Non-current	355,868	232,982
	<u>1,868,310</u>	<u>1,873,236</u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.48%	3.50%
Weighted average discount rates	5.16%	3.61%
Weighted average settlement period	10	10
The amount of long service leave estimated to be taken in 2010/11 is \$150,000 (\$148,132 taken in 2009/10).		
(b) Provisions		
Pit restoration reserve		
Current	-	-
Non-current	27,000	27,000
Total	<u>27,000</u>	<u>27,000</u>
Creswick tip EPA monitoring reserve		
Current	9,520	9,520
Non-current	209,440	218,960
Total	<u>218,960</u>	<u>228,480</u>
Daylesford tip EPA monitoring reserve		
Current	10,700	10,700
Non-current	246,100	256,800
Total	<u>256,800</u>	<u>267,500</u>
Reserves for Creswick and Daylesford tips relate to a 20 year obligation to monitor landfill leachate. These reserves are expected to be expended over that 20 year period.		
Total provisions		
Current	1,532,662	1,660,474
Non-current	838,408	735,742
Total	<u>2,371,070</u>	<u>2,396,216</u>

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 26 Interest-bearing loans and borrowings		
Current		
Borrowings - secured	415,496	418,601
	<u>415,496</u>	<u>418,601</u>
Non-current		
Borrowings - secured	3,077,668	3,193,164
	<u>3,077,668</u>	<u>3,193,164</u>
Total	<u>3,493,164</u>	<u>3,611,765</u>
The maturity profile for Council's borrowings is:		
Not later than one year	415,496	418,601
Later than one year and not later than five years	1,676,894	1,618,135
Later than five years	1,400,774	1,575,029
Total	<u>3,493,164</u>	<u>3,611,765</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	415,496	418,601
Non-current	3,077,668	3,193,164
Total interest-bearing loans and borrowings	<u>3,493,164</u>	<u>3,611,765</u>

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 27 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$	\$	\$
(a) Asset revaluation surplus			
2010			
Property			
Land	14,599,786	797,200	15,396,986
Land improvements	89,974	-	89,974
Buildings	11,883,947	5,939,182	17,823,129
Heritage buildings	-	-	-
	26,573,707	6,736,382	33,310,089
Infrastructure			
Roads	28,186,754	-	28,186,754
Other infrastructure	9,843,321	734,383	10,577,704
	38,030,075	734,383	38,764,458
Total asset revaluation surplus	64,603,782	7,470,765	72,074,547

2009			
Property			
Land	14,599,786	-	14,599,786
Land improvements	89,974	-	89,974
Buildings	11,883,947	-	11,883,947
	26,573,707	-	26,573,707
Infrastructure			
Roads	28,186,754	-	28,186,754
Other infrastructure	9,843,321	-	9,843,321
	38,030,075	-	38,030,075
Total asset revaluation surplus	64,603,782	-	64,603,782

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
(b) Other reserves				
2010				
Heritage advisory fund	20,000	-	-	20,000
The purpose of this reserve is to provide low interest loans for heritage renovations				
Car parking reserve	21,167	83	-	21,250
The purpose of this reserve is to provide for future car parking	-			
Drainage reserve	300	-	-	300
The purpose of this reserve is to provide future drainage				
Smeaton Hill pit reserve	74,419	-	-	74,419
The purpose of this reserve is to provide future drainage reinstatement of smeaton hill				
Mt Beckworth pit reserve	27,772	-	-	27,772
The purpose of this reserve is to provide future reinstatement of Mt beckworth gravel pit				

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 27 Reserves (cont)				
Plant replacement reserve	37,425	-	-	37,425
The purpose of this reserve is to provide future replacement of plant				
Clunes caravan park reserve	10,500	-	-	10,500
The purpose of this reserve is to provide future improvements at clunes caravan park				
Waste management reserve	92,600	-	-	92,600
The purpose of this reserve is to provide future waste management improvements				
Resort and recreation reserve	646,479	124,000	-	770,479
The purpose of this reserve is to provide future recreation				
Financial asset valuation reserve	(74,954)	63,297	-	(11,657)
To allow for the movement in valuation of financial assets available for sale				
Total Other reserves	855,708	187,380	-	1,043,088
2009				
Heritage advisory fund	20,000	-	-	20,000
The purpose of this reserve is to provide low interest loans for heritage renovations				
Car parking reserve	20,250	-	917	21,167
the purpose of this reserve is to provide for future car parking				
Drainage reserve	300	-	-	300
The purpose of this reserve is to provide future drainage				
Smeaton Hill pit reserve	68,809	-	5,610	74,419
The purpose of this reserve is to provide future drainage reinstatement of smeaton hill				
Mt Beckworth pit reserve	27,772	-	-	27,772
The purpose of this reserve is to provide future reinstatement of Mt beckworth gravel pit				
Plant replacement reserve	37,425	-	-	37,425
The purpose of this reserve is to provide future replacement of plant				
Clunes caravan park reserve	10,500	-	-	10,500
The purpose of this reserve is to provide future improvements at clunes caravan park				
Waste management reserve	120,600	-	(28,000)	92,600
The purpose of this reserve is to provide future waste management improvements				
Resort and recreation reserve	528,913	-	117,566	646,479
The purpose of this reserve is to provide future recreation				
Financial asset valuation reserve	(24,795)	(50,159)	-	(74,954)
To allow for the movement in valuation of financial assets available for sale				
Total Other reserves	809,774	(50,159)	96,093	855,708

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 28 Adjustments directly to equity		
Recognised during the year	63,297	(126,159)
Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)		
Comprehensive result	9,748,157	12,766,703
Depreciation/amortisation	4,520,784	4,436,911
(Profit)/loss on disposal of property, plant and equipment, infrastructure	(153,204)	102,893
Contributions - Non-monetary assets	-	(9,322,474)
Finance costs	189,151	171,236
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in Infrastructure due to revaluation	(7,470,765)	-
(Increase)/decrease in trade and other receivables	(287,865)	(383,166)
Increase/(decrease) in accrued income	44,886	(129,665)
Increase/(decrease) in trade and other payables	1,088,409	(380,312)
(Decrease)/increase in other liabilities	67,612	45,467
Increase/(Decrease) in provisions	(17,216)	74,154
(Increase)/decrease in other assets	52,645	(44,302)
Net cash provided by/(used in) operating activities	7,782,594	7,337,445
Note 30 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 17)	7,199,672	5,661,182
Total reconciliation of cash and cash equivalents	7,199,672	5,661,182
Note 31 Restricted assets		
Council has cash and cash equivalents (note 16) and financial assets (note 18) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Car Parking, Drainage and Resort and Recreation Reserves).		
Long service leave* (note 25)	857,828	831,570
Reserve funds (note 27)	792,028	667,946
Total restricted assets	1,649,856	1,499,516

* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 25 due to a different basis of calculation prescribed by the regulation.

Notes to the Financial Report For the Year Ended 30 June 2010

Note 32

Superannuation

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). *Obligations for contributions are recognised as an expense in profit or loss when they are due.* The Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Council contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Plan

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Plan's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Hepburn Shire council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2008, Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year);

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the council's financial statements. AAS 25 requires that the present value of the defined benefit liability to be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue. The actuarial investigation concluded that although the Net Market Value of Assets was in excess of Accrued Benefits at 31 December 2008, based on the assumptions adopted, there was a shortfall of \$71 million when the funding of future benefits was also considered. However, Council was advised that no additional contributions are required for 30 June 2010. The Actuary has commenced undertaking the next actuarial investigation to ascertain if additional contributions would be required. The Actuarial review will be as at 30 June 2010.

The result of the actuarial review is expected to be finalised during October 2010. Should the review identify a funding shortfall requiring additional contributions, the Council will be notified of any amount payable by November 2010 for payment on 1 July 2011. A further actuarial review will be undertaken as at 30 June 2011. Based on the result of this further review, a detailed funding plan will be developed and implemented to achieve the target of fully funding the Fund by 31 December 2013.

Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS25 follows:

	31-Dec-08
	\$
Net Market Value of Assets	3,630,432
Accrued Benefits (per accounting standards)	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits	3,561,588

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

	2010	2009
Fund	\$	\$
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	503,230	499,091
Employer contributions to 19 (13 in 2008-2009) other Superannuation Funds	112,328	78,377
	615,558	577,468

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 33 Commitments

The Council has entered into the following commitments

2010	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total
	\$	\$	\$	\$
Operating				
Recycling	341,420	341,420	-	682,840
Street cleaning services	-	-	-	-
Garbage collection	253,310	253,310	-	506,620
Refurbishment and alteration to council buildings	-	-	-	-
Maternal & child health services	271,032	271,032	-	542,064
Transfer stations	-	-	-	-
Insurances	-	-	-	-
Home care services	-	-	-	-
Cleaning contracts for council buildings	-	-	-	-
Meals for delivery	-	-	-	-
Planning studies	-	-	-	-
Recreation facilities management	25,000	25,000	-	50,000
Valuations	-	-	-	-
Hard & green waste collection	189,200	189,200	-	378,400
Home maintenance services	-	-	-	-
Animal pound services	-	-	-	-
Total	1,079,962	1,079,962	-	2,159,925
Capital				
Buildings	29,994	-	-	29,994
Plant and equipment	245,032	-	-	245,032
Roads	43,395	-	-	43,395
Drainage	-	-	-	-
Total	318,421	-	-	318,421
2009	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total
	\$	\$	\$	\$
Operating				
Recycling	78,244	-	-	78,244
Street cleaning services	-	-	-	-
Garbage collection	111,848	-	-	111,848
Refurbishment and alteration to council buildings	14,870	14,870	7,434	37,174
Maternal & child health services	246,400	-	-	246,400
Transfer stations	226,286	162,783	-	389,069
Insurances	-	-	-	-
Home care services	-	-	-	-
Cleaning contracts for council buildings	108,000	-	-	108,000
Meals for delivery	54,792	-	-	54,792
Planning studies	19,250	-	-	19,250
Recreation facilities management	182,542	30,000	30,000	242,542
Valuations	144,000	-	-	144,000
Hard & green waste collection	-	-	-	-
Home maintenance services	-	-	-	-
Animal pound services	-	-	-	-
Total	1,186,232	207,653	37,434	1,431,319
Capital				
Buildings	563,483	-	-	563,483
Plant and equipment	-	-	-	-
Roads	967,218	-	-	967,218
Drainage	-	-	-	-
Total	1,530,701	-	-	1,530,701

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 34 Operating leases		

(a) Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

Not later than one year	58,159	38,784
Later than one year and not later than five years	14,540	9,696
	<u>72,699</u>	<u>48,480</u>

(b) Operating lease receivables

The Council has entered into commercial property leases on some property partly owned and partly managed on behalf of the government, consisting mainly of caravan parks and some buildings located on Crown Land for which the Council is committee of management. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 20 years. These leases include either a CPI based revision of the rental charge annually or set rental increases included in the lease.

Future minimum rentals receivable under non-cancellable operating leases are as

Not later than one year	739,829	623,812
Later than one year and not later than five years	3,204,146	2,693,745
Later than five years	9,127,910	9,114,295
	<u>13,071,885</u>	<u>12,431,852</u>

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 35 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	17	Cash on hand and at bank and money market call account are valued at face value. Investments and bills are valued at cost.	On call deposits returned a floating interest rate of 3.20% (2.27% in 2008/2009). The interest rate at balance date was 4.12% (2.00% in 2008/2009). Funds returned fixed interest rates of between 3.8% (3.60% in 2008/2009), and 6.19% (7.65% in 2008/2009) net of fees.
Financial assets		Floating rate notes are measured at market value. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	Floating rate notes provided a return of 4.82% (4.56% in 2008/09) excluding unrealised gains/losses.
Trade and other receivables			
Other debtors	18	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and rate arrears attract an interest rate of 10% (11% in 2008/2009). Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	23	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 21 days of invoice receipt.
Interest-bearing loans and borrowings	26	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.28% (6.74% in 2008/2009).

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 35 Financial instruments (cont.)

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2010

	Fixed interest maturing in:					Total
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	4,394,522	2,800,000	-	-	5,150	7,199,672
Other financial assets	962,493	-	-	-	-	962,493
Trade and other receivables	-	-	-	-	607,649	607,649
Other assets	-	-	-	-	-	-
Total financial assets	5,357,016	2,800,000	-	-	612,799	8,769,815
Weighted average interest rate	5.25%	7.22%				
Financial liabilities						
Trade and other payables	-	-	-	-	2,107,446	2,107,446
Trust funds and deposits	-	-	-	-	971,330	971,330
Interest-bearing loans and borrowings	-	415,496	1,676,894	1,400,774	-	3,493,164
Total financial liabilities	-	415,496	1,676,894	1,400,774	3,078,776	6,571,940
Weighted average interest rate		6.74%	6.42%	6.34%		
Net financial assets (liabilities)	5,357,016	2,384,504	(1,676,894)	(1,400,774)	(2,465,977)	2,197,875

2009

	Fixed interest maturing in:					Total
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	2,002,568	3,653,664	-	-	4,950	5,661,182
Other financial assets	899,196	-	-	-	-	899,196
Trade and other receivables	-	7,549	-	-	733,184	664,733
Other assets	-	-	-	-	-	-
Total financial assets	2,901,764	3,661,213	-	-	738,134	7,225,111
Weighted average interest rate	2.27%	3.90%				
Financial liabilities						
Trade and other payables	-	-	-	-	898,609	898,609
Trust funds and deposits	-	-	-	-	795,120	795,120
Interest-bearing loans and borrowings	-	418,601	1,618,135	1,575,029	-	3,611,765
Total financial liabilities	-	418,601	1,618,135	1,575,029	1,693,729	5,305,494
Weighted average interest rate		6.74%	6.54%	6.90%		
Net financial assets (liabilities)	2,901,764	3,242,612	(1,618,135)	(1,575,029)	(955,595)	1,919,617

**Notes to the Financial Report
For the Year Ended 30 June 2010**

Note 35 Financial Instruments (cont.)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2010	2009	2010	2009
	\$	\$	\$	\$
<i>Financial assets</i>				
Cash and cash equivalents	7,199,672	5,661,182	7,199,672	5,661,182
Other financial assets	962,493	899,196	962,493	899,196
Trade and other receivables	1,331,874	740,733	1,331,874	740,733
Other assets	0	0	0	0
<i>Total financial assets</i>	<u>9,494,039</u>	<u>7,301,111</u>	<u>9,494,039</u>	<u>7,301,111</u>
<i>Financial liabilities</i>				
Trade and other payables	2,107,446	898,609	2,107,446	898,609
Trust funds and deposits	971,330	795,120	971,330	795,120
Interest-bearing loans and borrowings	3,493,163	3,611,765	3,493,163	3,611,765
<i>Total financial liabilities</i>	<u>6,571,939</u>	<u>5,305,494</u>	<u>6,571,939</u>	<u>5,305,494</u>

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a limited tender process. Council does not currently have an overdraft. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Notes to the Financial Report For the Year Ended 30 June 2010

Note 35 Financial Instruments (cont.)

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- have an investment policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue and to income streams from assets funded by specific borrowings.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Details of our contingent liabilities are disclosed in Note 36

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 35 Financial Instruments (cont.)

Movement in Provisions for Doubtful Debts	2010
	\$
Balance at the beginning of the year	16,342
New Provisions recognised during the year	7,375
Amounts already provided for and written off as uncollectable	-
Amounts provided for but recovered during the year	-
Balance at end of year	23,717

At balance date, debtors representing financial assets with a nominal value of \$23,717 (2009 \$16,342) were impaired. The amount of the provision raised against these debtors was \$23,717 (2009: \$16,342). The individually impaired debtors relate to infringement, general and sundry debtors and have been impaired as a result of their doubtful collection. Infringement debtors sit in the Infringements Court system and many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of - A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

		Interest rate risk				
Market risk exposure		<i>Carrying</i>	+1%	-1%		
		<i>amount subject</i>	100 basis points		-100 basis points	
		<i>to interest</i>	<i>Profit</i>	<i>Equity</i>	<i>Profit</i>	
		<i>Equity</i>	<i>Profit</i>	<i>Equity</i>	<i>Equity</i>	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
2010						
Financial assets:						
Cash and cash equivalents	7,199,672	71,997	71,997	(71,997)	(71,997)	
Financial assets	962,493	9,625	9,625	(9,625)	(9,625)	
Trade and other receivables	1,331,873	13,319	13,319	(13,319)	(13,319)	
Financial liabilities:						
Interest-bearing loans and borrowings	3,493,163	(34,932)	(34,932)	34,932	34,932	
		60,009	60,009	(60,009)	(60,009)	
		Interest rate risk				
Market risk exposure		<i>Carrying</i>	+1%	-1%		
		<i>amount subject</i>	100 basis points		-100 basis points	
		<i>to interest</i>	<i>Profit</i>	<i>Equity</i>	<i>Profit</i>	
		<i>Equity</i>	<i>Profit</i>	<i>Equity</i>	<i>Equity</i>	
		\$	\$	\$	\$	
		\$	\$	\$	\$	
2009						
Financial assets:						
Cash and cash equivalents	2,973,211	29,732	29,732	(29,732)	(29,732)	
Financial assets	899,196	8,992	8,992	(8,992)	(8,992)	
Trade and other receivables	7,549	75	75	(75)	(75)	
Financial liabilities:						
Interest-bearing loans and borrowings	2,534,637	(25,346)	(25,346)	25,346	25,346	

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 36 **Contingent liabilities and contingent assets**

Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund.

The Fund has performed exceptionally well in comparative terms and from a regulatory perspective remained adequately funded as at 31 December 2008. However as a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased.

A further actuarial investigation will be carried out on 30 June 2010 and should a shortfall exist at that time a call will be made in respect to the 2011/12 financial year. At this point in time it is not known if additional contributions will be required or the potential amount.

Note 37	Auditors' remuneration	2010	2009
		\$	\$
	Audit fee to conduct external audit - Victorian Auditor-General	33,000	25,240
	Internal audit fees - Pitcher Partners	16,468	16,140
	Fees for other services provided by internal auditor	7,608	2,635
		<hr/>	<hr/>
		57,077	44,015

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 38 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Janine Booth (Mayor 09/12/2009 to current)
	Councillor Bill McClenaghan (Mayor 01/12/08 to 08/12/09)
	Councillor Tim Hayes (Current)
	Councillor Donald Henderson (Current)
	Councillor Rod May (Current)
	Councillor Jonathon Barrell (Current)
	Councillor Sebastian Klein (Current)

Chief Executive Officer Kaylene Conrick (Current)

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2010 No.	2009 No.
\$10,000 - \$19,999	4	7
\$20,000 - \$29,999	3	2
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	-
\$150,000 - \$159,999	-	-
\$210,000 - \$219,999	1	1
	8	11
	\$	\$

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

360,519	305,124
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(iii) No retirement benefits have been made by the Council to a Responsible Person during the reporting year (2008/09 Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2008/09 Nil).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2008/09 Nil).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$120,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

Income Range:	2010 No.	2009 No.
<\$100,000	1	8
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	3	-
\$140,000 - \$149,999	1	-
\$150,000 - \$159,999	-	-
\$160,000 - \$169,999	-	-
	5	9
	\$	\$

Total Remuneration for the reporting year for Senior Officers included above, amounted to

616,855	642,719
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Notes to the Financial Report For the Year Ended 30 June 2010

Note 39 Income, expenses and assets by function/activities

	Administration		Community Services		Commerce & tourism		Heritage & culture		Public Safety	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Grants	2,368,861	2,795,448	1,778,561	1,735,775	31,191	1,119,070	91,089	108,500	19,489	21,343
Other	11,274,732	10,861,989	882,764	732,973	547,733	490,611	3,980	19,639	319,702	294,251
TOTAL	13,643,593	13,657,437	2,661,325	2,468,748	578,924	1,609,681	95,069	128,139	339,191	315,594
EXPENSES	5,109,094	5,235,431	3,711,834	3,503,992	1,478,111	1,739,777	679,928	819,864	781,883	747,283
SURPLUS/(DEFICIT) FOR THE YEAR	8,534,499	8,422,006	(1,050,509)	(1,035,244)	(899,187)	(130,096)	(584,859)	(691,725)	(442,692)	(431,689)
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	19,157,605	15,326,939	5,421,612	4,552,036	9,830,113	8,897,385	3,469,630	3,146,655	2,598,475	2,353,811

	Recreation		Transport		Waste & Environment Management		Unclassified		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Grants	387,500	1,405,544	2,479,361	2,239,606	10,000	10,000	-	34,291	7,166,052	9,469,577
Other	536,942	9,385,052	1,003,847	2,112,971	1,702,000	1,530,476	-	-	16,271,700	25,427,962
TOTAL	924,442	10,790,596	3,483,208	4,352,577	1,712,000	1,540,476	-	34,291	23,437,752	34,897,539
EXPENSES	1,828,754	1,970,314	6,265,153	6,435,748	1,692,137	1,599,660		78,767	21,546,894	22,130,836
SURPLUS/(DEFICIT) FOR THE YEAR	(904,312)	8,820,282	(2,781,945)	(2,083,171)	19,863	(59,184)	-	(44,476)	1,890,858	12,766,703
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	29,112,085	26,370,983	111,097,516	109,185,249	2,111,109	1,912,334	-	-	182,798,145	171,745,392

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

Functions/activities of council

Administration

General operations, Council operations, municipal offices, valuations and supervision, income collection, payroll, accounts payable, financial management accounting, investment and debt management, information technology, legal services, insurance and supply.

Community Services

Maternal and child health, home help, meals on wheels, home maintenance, housing, senior citizens services.

Commerce and Tourism

Community and regional development, tourism and area promotion, community amenities and building control.

Heritage and Culture

Public halls, library services and other cultural activities.

Public Safety

Public health and consumer protection, law, order and public safety.

Recreation

Swimming areas, passive and active recreation.

Transport

Main roads, local roads, traffic control, street furniture and bus shelters, street beautification, street lighting and other transport.

Waste and Environment Management

Drainage, sanitation, street cleaning, sewerage and other environment management.

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Notes to the Financial Report For the Year Ended 30 June 2010

Note 40 Financial ratios (Performance indicators)	2010 \$	2010 (%)	2009 \$	2009 (%)	2008 \$
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)					
<u>Debt servicing costs</u>	221,400	=	0.97%	=	0.82%
Total revenue	22,811,342		195,158	=	136,808
			23,718,960	=	18,936,917
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.					
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.					
(b) Debt commitment ratio (to identify Council's debt redemption strategy)					
<u>Debt servicing & redemption costs</u>	640,001	=	5.19%	=	5.05%
Rate revenue	12,341,553		568,030	=	544,663
			11,251,994	=	10,107,586
The strategy involves the payment of loan principal and interest, finance lease principal and interest.					
The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.					
(c) Revenue ratio (to identify Council's dependence on non-rate income)					
<u>Rate revenue</u>	12,341,553	=	54.10%	=	47.44%
Total revenue	22,811,342		11,251,994	=	10,107,586
			23,718,960	=	18,936,917
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.					
(d) Debt exposure ratio (to identify Council's exposure to debt)					
<u>Total indebtedness</u>	8,085,181	=	10.78%	=	10.57%
Total realisable assets	74,983,410		6,870,140	=	6,212,273
			64,991,939	=	52,032,007
For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.					
Any liability represented by a restricted asset (note 31) is excluded from total indebtedness.					
The following assets are excluded from total assets when calculating Council's realisable assets:					
land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.					
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.					

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Notes to the Financial Report For the Year Ended 30 June 2010

	\$	(%)	\$	(%)	\$
(e) Working capital ratio (to assess Council's ability to meet current commitments)					
<u>Current assets</u>	9,222,201		7,442,898		4,534,180
Current liabilities	5,026,934	= 183.46%	3,772,804	= 197.28%	4,095,653

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)

<u>Current assets</u>	9,222,201		7,442,898		4,534,180
Adjusted Current liabilities	4,386,381	= 210.25%	3,012,369	= 247.08%	3,598,385

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

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2008
(%)

0.72%

5.39%

53.38%

11.94%

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(%)

110.71%

126.01%

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Notes to the Financial Report For the Year Ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Note 41 Capital expenditure			
Capital expenditure areas			
Roads, Bridges and Drainage		3,390	2,369
Parks, open space and streetscapes		534	227
Buildings		1,408	2,282
Plant and equipment		1,084	909
Other		61	17
Total capital works		6,477	5,804
Represented by:			
Renewal of infrastructure	(a)	4,248	3,013
Upgrade/Expansion of infrastructure	(b)	542	2,550
New buildings		725	-
New plant and equipment		901	241
Other		61	-
Total capital works		6,477	5,804
Property, plant and equipment, infrastructure movement			
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:			
Total capital works		6,477	5,804
Contributions - non-monetary assets	6(b)	-	377
Asset revaluation movement	29(a)	7,471	-
Depreciation/amortisation	12	(4,521)	(4,437)
Written down value of assets sold	22	(209)	(245)
Net movement in property, plant and equipment, infrastructure	22	9,218	1,499

(a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

(c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

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For the Year Ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Note 42	Special committees and other activities		
	Section 86 committee of management included in financial statements.		
	Clunes community housing committee		
	Section 86 committee of management not included in financial statements as they were not considered material.		
	Clunes museum committee		
	Creswick museum committee		
	Lyonville hall committee		
	Dean recreation reserve committee		
	Clunes historic medlyn complex committee		
	Clunes town hall committee		
	Glenlyon recreation reserve committee		
	Drummond hall committee		
	Lindsay park recreation reserve committee		
	Clunes community centre committee		
	Campbelltown school ground committee		
Note 43	Events occurring after balance date		
	On 30 June, 2010, the successful tenderer for construction of a Community Facility and Oval at the Doug Lindsay Reserve, Creswick, was advised of the success of their tender. Contracts had not been exchanged at the date of this report. The cost of the development is \$2.77 million.		
	On Saturday 4 September, 2010, major flooding was experienced in several parts of the Shire. Significant unbudgeted aid will be provided to affected residents and repairs to infrastructure will be required. At the date of signing, no estimate of cost could be made.		
Note 44	Prior year adjustments		
	In the course of a review conducted during the year, council identified further assets owned by it that were not reflected in the fixed asset register. As a result, pedestrian bridges and bridges within reserves with a fair value of \$3,706,601 and accumulated depreciation of \$1,357,390, resulting in a net amount of \$2,349,211, were included in the opening balance sheet (1 July 2008).		
	Trade and other receivables as at 30 June 2009 were reduced by \$76,000 to remove the unpaid balance of a government grant for the Creswick Interpretive Centre due to grant conditions not yet being met. A prior year adjustment has been made that has changed the 2009 comparative.		
Note 45	Revaluation		
	Engineering Services, Richard Russell. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation, 30 June 2010.		
	The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation, 30 June 2010.		

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Notes to the Financial Report For the Year Ended 30 June 2010

	2010	2009
	\$	\$
Note 46 Intangible assets		
Asset classes		
Computer software		
Cost	157,870	-
Accumulated amortisation	-	-
Net carrying value	157,870	-
Reconciliation of computer software		
Balance at beginning of year	-	-
Additions	157,870	-
Disposals	-	-
Amortisation	-	-
Impairment losses	-	-
Closing carrying value at the end of the year	157,870	-

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Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.

Anthea Lyons CA
Principal Accounting Officer

Date : <Date>
Daylesford

In our opinion the accompanying financial statements present fairly the financial transactions of Hepburn Shire Council for the year ended 30 June 2010 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on <date> to certify the financial statements in their final form.

Councillor

Date :
Daylesford

Councillor

Date :
Daylesford

Kaylene Conrick
Chief Executive Officer

Date :
Daylesford

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***HEPBURN SHIRE COUNCIL
STANDARD STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010***

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Hepburn Shire Council

Note to Standard Statements

Hepburn Shire Council is required to prepare and include audited Standard Statements within its Annual Report.

These Statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Report and the Budget. The results reported in these Statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which is included in the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements. The Standard Statements compare Hepburn Shire Council's Strategic Resource Plan, expressed through its annual budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. Hepburn Shire Council has adopted a materiality threshold of greater than 10% per cent or more than \$10,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by Hepburn Shire Council on 30 June 2009. The budget was based on assumptions that were relevant at the time of adoption of the budget. Hepburn Shire Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Hepburn Shire Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the Annual Financial Report for the year ended 30 June 2010. The detailed budget for 2009/2010 can be obtained by contacting Hepburn Shire Council or through the Council's web site. The Standard Statements must be read with reference to these documents.

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Hepburn Shire Council
Standard Statement of Financial Performance
For the year ended 30 June 2010

	<i>Budget 2009/2010 \$'000</i>	<i>Variances \$'000</i>	<i>%</i>	<i>Ref</i>	<i>Actual 2009/2010 \$'000</i>
Revenues from ordinary activities					
Rates and charges	10,705	42	0.4%		10,747
Statutory fees and fines	321	(21)			300
User fees	2,412	294	12.2%	1	2,706
Contributions	111	13	11.7%	2	124
Grants - operating	3,714	2,229	60.0%	3	5,943
Grants - capital	4,218	(2,545)	-60.3%	4	1,673
Other revenue	1,568	(250)	-16.0%	5	1,318
Total revenues	23,049	(238)			22,811
Expenses from ordinary activities					
Employee benefits	8,146	650	8.0%	6	8,796
Materials and services	5,903	263	4.5%		6,166
Bad and change in doubtful debts	4	3	84.4%		7
Depreciation	4,697	(176)	-3.8%		4,521
Finance costs	223	(2)	-0.7%		221
Other expenses	1,415	(443)	-31.3%	7	972
Total expenses	20,388	295			20,683
Net surplus (deficit) from operations	2,661	(534)			2,127

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Hepburn Shire Council
 Standard Statement of Financial Performance
 For the year ended 30 June 2010

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Commentary</u>
1	User fees	The increase is due to a substantial increase in the provision of contract aged care (\$66K) as well as building services (\$33K), valuation services (\$11K), waste services (\$13K), animal registration (\$5K) and a number of other services budgeted as "Other Revenue" but reclassified to "User fees".
2	Contributions	Additional funds received for public open space contributions from developers with subdivision activity greater than anticipated.
3	Grants - operating	This variance is due to the early payment of \$932K of the 2010/11 Grants Commission allocation, and other operating grants received for bushfire funding and recreation reserve funding (\$546K).
4	Grants - capital	The reduced capital grants relate to the delay of the Doug Lindsay development project with a consequent delay in receipt of grant funding.
5	Other revenue	Small reductions in a number of areas as well as a number of services budgeted as "Other Revenue" but reclassified to "User fees".
6	Employee benefits	The increased expenditure relates to increased aged care and contract services (\$66K) for which fully offsetting user fees were received. There are also travel reimbursements (\$209K) now categorised as payments to employees (formerly categorised as materials), unbudgeted overtime (\$122K) and consequent additional Workcover and other flow-on costs encountered during the year.
7	Other Expenses	The reduced spending compared to budget reflects a combination of reclassification of some spending as Materials rather than Other Expenses (\$300K), and general underspending in some areas to offset additional costs in Employment expenses.

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Hepburn Shire Council
Standard Statement of Financial Position
As at 30 June 2010

	<i>Budget</i> 2009/2010 \$'000	<i>Variances</i> \$'000 %		<i>Ref</i>	<i>Actual</i> 2009/2010 \$'000
<i>Current assets</i>					
Cash assets	2,661	4,539	170.6%	8	7,200
Receivables	1,331	621	46.7%	8	1,952
Other	75	(5)	-6.6%		70
Total current assets	4,067	5,155			9,222
<i>Non-current assets</i>					
Receivables	2	(2)	-97.0%		0
Financial assets	955	7	0.8%		962
Investments in associates	375	68	18.1%	10	443
Property, plant and equipment	165,476	6,537	4.0%	11	172,013
Total non-current assets	166,808	6,610			173,418
Total assets	170,875	11,765			182,640
<i>Current liabilities</i>					
Payables	1,207	1,872	155.1%	12	3,079
Interest bearing liabilities	421	(6)	-1.3%		415
Provisions	2,015	(482)	-23.9%	13	1,533
Total current liabilities	3,643	1,384			5,027
<i>Non-current liabilities</i>					
Interest bearing liabilities	3,072	6	0.2%		3,078
Provisions	1,216	(378)	-31.1%	13	838
Total non-current liabilities	4,288	(372)			3,916
Total liabilities	7,931	1,012			8,943
Net assets	162,944	10,753			173,697
<i>Equity</i>					
Accumulated surplus	97,530	3,208	3.3%		100,738
Asset revaluation reserve	64,420	7,655	11.9%	14	72,075
Other reserves	994	49	4.9%		1,043
Total equity	162,944	10,911			173,855

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Hepburn Shire Council
Standard Statement of Financial Position
As at 30 June 2010

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Commentary</u>
8	Cash Assets	Prepaid Grants commission funding for 2010/11 (\$932K), additional bushfire and recreation reserve funding (\$546K) as well as delays in completing some of the projects in the capital works program and \$1 million of June creditors paid as per credit terms in July.
9	Receivables	Increased because of higher than anticipated rate arrears (\$340K), an increased GST receivable for the month of June (\$100K) (refer Cash Assets explanation) and outstanding Government grants (\$174K).
10	Investments in Associates	Council does not budget for the movement in value for the Central Highlands Regional Library Service as it is difficult to estimate (see note 9).
11	Property Plant and Equipment	Revaluation of Council-owned Property during the year (\$7.7million) and the introduction into the accounts of further existing pedestrian bridges and bridges in reserves (\$2.3million) provided an increase in excess of almost \$10million.
12	Payables	June creditors (\$1 million) processed and paid as per credit terms in July.
13	Provisions	Provisions remained consistent with prior years.
14	Asset Revaluation Reserve	Revaluation of Council-owned Property during the year provided an increase of \$7.7 million.

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Hepburn Shire Council
Standard Statement of Cash Flows
For the year ended 30 June 2010

	<i>Budget</i> 2009/2010 \$'000	<i>Variances</i> \$'000 %		<i>Ref</i>	<i>Actual</i> 2009/2010 \$'000
<i>Cash flows from operating activities</i>					
Rates	12,281	(274)	-2.2%		12,007
Grants operating (inclusive of GST)	3,714	2,101	56.6%	15	5,815
Grants capital (inclusive of GST)	4,472	(2,559)	-57.2%	16	1,913
Contributions	-	136		17	136
Interest	220	127	57.7%	18	347
User fees	890	450	50.6%	19	1,340
Statutory fees	321	(21)	-6.5%		300
Dividends	-	-			-
Other receipts (inclusive of GST)	1,467	(413)	-28.1%	20	1,054
Net GST refund	-	301			301
Payments to suppliers (inclusive of GST)	(6,550)	929	-14.2%	21	(5,621)
Payments to employees (including redundancies)	(8,146)	(595)	7.3%	22	(8,741)
Other payments	(1,088)	20	-1.8%		(1,068)
Net cash inflow (outflow) from operating activities	7,581	202			7,783
<i>Cash flows from investing activities</i>					
Proceeds from sale of property, plant and equipment	383	(21)	-5.5%		362
Proceeds from investments	-	-	100.0%		-
Repayment of loans and advances	-	-	100.0%		-
Payments for property, plant and equipment	(9,601)	3,127	-32.6%	23	(6,474)
Net cash inflow (outflow) from investing activities	(9,218)	3,106			(6,112)
<i>Cash flows from financing activities</i>					
Deposits	-	176	100.0%	24	176
Interest paid	(223)	34	-15.2%	25	(189)
Proceeds from borrowings	300	-	0.0%		300
Repayment of borrowings	(419)	0	-0.1%		(419)
Net cash inflow (outflow) from financing activities	(342)	210			(132)
Net increase (decrease) in cash held	(1,979)	3,518	100.0%		1,539
Cash at the beginning of the year	4,640	1,021	22.0%		5,661
Cash at the end of the year	2,661	4,539			7,200
<i>Reconciliation of Operating Result and Net Cash Flows from Operating Activities</i>					
<i>For the year ending 30 June 2010</i>					
Net surplus (deficit) from operations	664	9,084			9,748
Depreciation	4,697	(176)	-3.8%		4,521
Finance Costs	204	(15)	-7.4%	25	189
Profit on disposal of assets	-	(153)		26	(153)
Increase in Infrastructure from revaluation	-	(7,471)			(7,471)
Increase in Trade & Other Receivables	-	(288)			(288)
Increase in Accrued Income	-	45			45
Increase in Trade & Other Payables	-	1,088			1,088
Increase in Other Liabilities	-	68			68
Increase in Provisions	-	(17)			(17)
Decrease in Other Assets	-	53			53
Net cash inflow (outflow) from operating activities	5,565	2,218			7,783

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Hepburn Shire Council
Standard Statement of Cash Flows
For the year ended 30 June 2010

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Commentary</u>
15	Grants - operating (inclusive of GST)	This variance is due to the early payment of \$932K of the 2010/11 Grants Commission allocation, and other operating grants received for bushfire <u>funding and recreation facilities</u> (\$546K).
16	Grants - capital (inclusive of GST)	The reduced capital grants relate to the delay of the Doug Lindsay development project with a consequent delay in receipt of grant funding.
17	Contributions (inclusive of GST)	Represents unbudgeted contributions from local groups towards projects undertaken by Council.
18	Interest received	Budgeted inflows from interest was exceeded due to higher level of cash and investment holdings through out the year.
19	User Fees (inclusive of GST)	The increase is due to a substantial increase in the provision of contract aged care (\$66K) as well as building services (\$33K), valuation services (\$11K), waste services (\$13K), animal registration (\$5K) and a number of other services budgeted as "Other Revenue" but reclassified to "User fees".
20	Other Receipts (inclusive of GST)	Some reduction in other receipts and a slowdown in settlements at the end of the financial year increased the cash difference between budgeted and actual cash other receipts.
21	Payments to suppliers (inclusive of GST)	The reduced spending compared to budget reflects a substantial increase in creditors at 30 June 2010 (\$1million) paid as per credit terms in July 2010.
22	Payments to employees	The increased expenditure relates to increased aged care and contract services (\$66K) for which fully offsetting user fees were received. There are also travel reimbursements (\$209K) now categorised as payments to employees (formerly categorised as materials), unbudgeted overtime (\$122K) and consequent additional Workcover and other flow-on costs encountered during the year.
23	Payments for property plant and equipment	Delays in the Doug Lindsay development meant that there was significantly less spending than budgeted.
24	Deposits	Council does not budget for Deposits as they are difficult to reliably estimate.
25	Interest paid/Finance costs	Changes in timing of borrowings meant that some interest charges were calculated but not paid until after the end of the financial year.
26	Profit/Loss on sale of property, plant and equipment	Council does not budget for a profit or loss on the disposal of plant during the year as it is difficult to reliably estimate.

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Hepburn Shire Council
 Standard Statement of Capital Works
 For the year ended 30 June 2010

Capital Works Areas	Budget	Variances		Ref	Actual
	2009/2010	\$'000	%		2009/2010
	\$'000	\$'000			\$'000
Roads, Drainage, Footpath, Bridges	3,135	255	8.1%		3,390
Recreation	1,846	(1,312)	-71.1%	27	534
Buildings	3,023	(1,615)	-53.4%	28	1,408
Plant and equipment	1,597	(513)	-32.1%	29	1,084
Other	-	61			61
Total capital works	9,601	(3,124)			6,477
Represented by:					
Renewal	6,743	(2,495)	-37.0%	30	4,248
Expansion/upgrade	604	(62)	-10.3%	31	542
New assets	2,254	(567)	-25.2%	32	1,687
Total capital works	9,601	(3,124)			6,477

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Hepburn Shire Council
Standard Statement of Capital Works
For the year ended 30 June 2010

Variance Explanation Report

<u>Ref.</u>	<u>Item</u>	<u>Commentary</u>
27	Recreation	Delay in works on the Doug Lindsay project
28	Buildings	Delay in works on the Doug Lindsay project
29	Plant & equipment	Fewer vehicles and equipment changed over than budgeted for
30	Renewal	Delay in works on the Doug Lindsay project as well as delays in some other projects
31	Expansion/upgrade	Delay in works on the Doug Lindsay project as well as delays in some other projects
32	New assets	Delay in works on the Doug Lindsay project

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Hepburn Shire Council
Statement by Councillors and Principal Accounting Officer
For the year ended 30 June 2010

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

Anthea Lyons CA
Principal Accounting Officer

Date

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 21 September 2010 to certify the standard statements in their final form.

Councillor

Date

Councillor

Date

Kaylene Conrick
Chief Executive Officer

Date

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***HEPBURN SHIRE COUNCIL
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010***

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Hepburn Shire Council Performance Statement 30 June 2010

Performance Measure	Performance Measure Target	Performance Measure At 30 June 2010	What does this mean?
Increase in community satisfaction with Councils consultative processes	Annual customer contact increased to 74%	68%	We did not meet our targeted result.
Underlying result	-\$1,668,000	\$534,179	This is a measure of the surplus, less any capital grants and non recurrent items that distort the surplus figure. This is a better result than budget, mainly due to the prepayment of \$930 thousand of 2010-11 Grant Commission funding.
Current Ratio – Current assets/current liabilities	111%	185%	This measures the ability to pay existing debts in the next 12 months. This is a better result than budget, mainly due to the prepayment of \$930 thousand of 2010-11 Grant Commission funding and capital works not completed as scheduled.
Operating Cash flow ratio – Net operating cash flows/underlying revenue	39%	37%	This measures the ability to replace assets using cash generated by their operations. The result is slightly under target.
Borrowing ratio – Non current liabilities/own sourced revenue	28%	26%	This is a measure of the ability to cover non-current liabilities (i.e. mostly borrowings) from the revenues they generate themselves. This is a slightly better result than budgeted.
Develop a draft Economic Development Strategy	Draft developed by 30 June 2010	A consultant was engaged prior to 30 June 2010, completion is now expected October 2010.	Not met
Council will assist with the development of community plans	Two plans completed by 30 June 2010	Two Community 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 Glenlyon Community planning process commenced in May 2010 and a Draft Glenlyon Community Plan developed.	Met
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	Council provided: 10,588 hours of housekeeping 3,141 hours of personal care 1,271 hours of respite care	Not met, all hours were below target due to demand.
Reduce the carbon output from Council's passenger fleet	Carbon output from Council's passenger fleet reduced by 10% by 30 June 2010	Reduced by 20%	Exceeded target
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	1200 tonnes of recyclables processed	Exceeded target

DRAFT

Hepburn Shire Council
Statement by Councillors and Principal Accounting Officer
For the year ended 30 June 2010

In my opinion the accompanying performance statement has been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

Anthea Lyons CA
Principal Accounting Officer

Date

In our opinion the accompanying performance statement has been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council on 21 September 2010 to certify the performance statement in its final form.

Councillor

Date

Councillor

Date

Kaylene Conrick
Chief Executive Officer

Date

11. COMMUNITY DEVELOPMENT:

11.1 COMMUNITY BUSHFIRE MEMORIAL SITE SELECTION GENERAL MANAGER COMMUNITY DEVELOPMENT

PURPOSE

The purpose of this report is to seek Council's endorsement of the Community Recovery Committees (CRC) recommendation that a Bushfire Memorial located at Sailors Falls be constructed.

BACKGROUND

Following the 2009 bushfires Council was allocated \$79,647 from the Department of Planning and Community Development (DPCD) for a bushfire memorial to symbolise the 2009 Daylesford/Musk Vale and Black Saturday fires.

Council officers and the Hepburn Community Recovery Committee have facilitated a public consultation process to select a location for a bushfire memorial in accordance with the DPCD funding guidelines, which require an inclusive and supportive community consultation process.

Consultation has included a series of public meetings hosted by consultant artist Sally Goldstraw and Council officers to generate ideas for the memorial, including its location. A subsequent report was produced by Ms. Goldstraw identifying the symbols and themes that were important in developing the memorial. The Report also identified potential sites for the memorial as recommended by the community:

- Burke Square (Daylesford)
- Daylesford Community Park
- Lost Children's Memorial Park
- Next to Daylesford Museum
- Defiance Tunnel site (1 Bleakley Street, Daylesford)
- Roadside reserve (in the fire affected area)
- Walking trails between Sailors Falls and Bullarto
- A community garden (site uncertain).

These sites were evaluated by Council officers including engineers and town planning staff to assess site ownership, zoning and relevant planning overlays. The following sites were found to be preferential:

- Roadside reserve (recommended as being at Sailors Falls)
- Lost Children's Memorial Park
- Daylesford Community Park
- Burke Square

The CRC considered these sites at its July 2010 meeting and selected the Sailor's Falls roadside reserve as the preferred option. The CRC Memorial Working Group unanimously endorsed the decision following a site visit, identifying the exact location as the road reserve on the Daylesford Ballan Road, opposite Sailors Falls. The reserve begins at Shanahans Lane and stretches towards Daylesford along the road frontage of a farming property at the exact location where the fire started.

ISSUE/DISCUSSION

The Sailors Falls site is highly visible and could provide a 'gateway affect'. The site assessment report prepared by Council found there was plenty of potential for a tree row/avenue of remembrance/appreciation and public art to commemorate the efforts of CFA etc. This stretch of roadside is also where locals displayed banners after the fire to thank CFA volunteers. There is plenty of room for people to pull over and park their vehicles to view and enjoy the memorial along with good visual prominence for people just passing by.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

Council Plan 2009-2013 – Good Governance:

17. Embracing community knowledge and expertise to help guide its decision making and implementation.

FINANCIAL IMPLICATIONS

The Hepburn Shire has been allocated \$79,647 for the project. Ongoing maintenance will become the responsibility of the Council. A community program could be incorporated to maintain the reserve, such as Adopt a Roadside.

RISK IMPLICATIONS

The site has been assessed by VicRoads and they have given written approval for a memorial to be established at the site. Council would need to enter into an agreement with VicRoads to maintain the site.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

The communities of Sailors Falls, Musk Vale and Leonard's Hill claim there is little to visually 'define' their area for people driving through. This project would provide something for these communities to identify with and be proud of. Council officers are about to embark on working with these communities to develop Community Plans.

The site is adjacent to the Sailors Falls Reserve and has the potential to value add to this tourist location.

At present the Sailors Falls site that is selected is overgrown with grass and weeds and this project would provide a method to beautify and manage this section of road reserve.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Extensive consultation has taken place in determining themes and location of the bushfire memorial. Following endorsement of the site:

- An expression of interest for an artist to develop the memorial will be advertised;
- A Community Advisory Group, will be involved in selection of the artist; and,
- A Project Reference Group comprising Council officers, Vic Roads and Parks Victoria will be appointed to oversee project implementation.

CONCLUSION

Following extensive community consultation the Sailors Falls roadside reserve adjacent to the Sailors Falls Reserve has been determined by the CRC as the most suitable location for the Hepburn Bushfire Memorial.

OFFICER'S RECOMMENDATION

That Council:

- 11.1.1 *Endorse the Hepburn Community Recovery Committee's recommendation to develop a bushfire memorial at the road reserve at Sailors Falls;*
- 11.1.2 *Note that an expression of interest for an artist to develop the memorial will be advertised and that the project will be managed by a Project Reference Group.*

MOTION

That Council:

- 11.1.1 *Recognise and thank the Hepburn Community Recovery Committee for their recommendation to develop a bushfire memorial at the road reserve at Sailors Falls;*
- 11.1.2 *Allow the recommendation to remain on the table for a further period of one to two months before coming back to Council for consideration at either the October or November ordinary meeting.*

Moved: Cr Sebastian Klein
Seconded: Cr Jon Barrell
Carried.

12 SUSTAINABLE DEVELOPMENT:

Councillor Hayes declared a direct conflict of interest due to his ownership of premises subject to these regulations and fees. He left the meeting at 8.58pm.

12.1 FOOD AMENDMENT (REGULATION REFORM) ACT 2009 – NEW FEES GENERAL MANAGER SUSTAINABLE DEVELOPMENT

PURPOSE

The purpose of this report is for Council to consider the:

1. Adoption of the proposed Environmental Health Registration Permit Fees for 2010-2011 under the Food Amendment (Regulation Reform) Act 2009.
2. Introduction of an inspection fee for new food premises.

BACKGROUND

On 1 July 2010 the first stages of the *Food Amendment (Regulation Reform) Act 2009* came into effect. A report detailing some of the changes was delivered to Council at its Ordinary meeting held on 15 June 2010. As part of these amendments there is a new form of classification for premises that deal in food that will require a new set of fees that reflect the risk factor associated with the various levels of food preparation and food handling in these premises.

At the Ordinary Meeting of Council held on 17 August 2010, this report was deferred by Council pending clarification on aspects of the fees.

ISSUE/DISCUSSION

Council's Environmental Health Department has devised a 4 class and 7 level classification system that follows the guidelines issued by the Department of Health.

A number of the lower risk food premises will experience a drop in fees from last year or no fee change at all. Higher risk premises at the top of the scale will see a rise of \$70 in their annual fee compared to last years' fees. There are likely to be 16 premises that will have no fee at all when the parameters of this reclassification are applied.

The current Food Safety Program template issued by the Department of Health and used by the large majority of food premises throughout the State is to be withdrawn and a whole new Food Safety Program template will be provided to all Councils by the Department of Health for distribution by the end of September 2010.

The Department of Health has also suggested that when fixing fees, Councils should endeavour to use terminology or categories that will guide the food business applying for classification. The proposed fee structure in this report indicates each food premises classification with a brief and concise description of the category. When the Environmental Health Department issue the renewals for 2011 in November this year, this brief description will be included with each renewal notice.

Notices are issued each year in November and payment is due by 31 December of the same year. To reduce any confusion or concern over the classifications, by November 2011 the proprietors will have already been advised of their classification. The community engagement process is laid out in the Community Engagement section of this report and will give the proprietors the opportunity to correct or challenge their new classification.

Further to these specific fees, an additional fee designed to cover the administrative costs of the Environmental Health staff on transferral of proprietorship or establishing new premises is being proposed. In the following table this can be found under "New Premises Registrations". A fee of half the declared annual fee would apply to these services in addition to the annual fee.

The Environmental Health Department proposed fee structure for food registrations/permits fees is as follows:

Proposed Environmental Health

REGISTRATION / PERMIT FEES 2010/2011

Type of Premises / Activity	Registration / Permit Fees 2010/2011
<p>CLASS 1 – High Risk Unpackaged Food Supplied to vulnerable people.</p> <p>Premises Include – Child Care, Kindergartens, Aged Care, Nursing Homes</p>	<p>\$390.00</p>
<p>CLASS 2 – Handling unpackaged high risk potentially hazardous foods.</p> <p>(A) Premises Include – Cafes, Caterers, Supermarkets, Groceries, Fast Foods, Takeaway</p> <p>(B) Premises Include – Accommodation Centres, Food Vehicles</p> <p>(C) Premises Include – Community Groups, Sporting Clubs both serving full meals (<i>½ Annual Fee of Class 2B</i>)</p>	<p>\$340.00</p> <p>\$280.00</p> <p>\$140.00</p>
<p>CLASS 3 – Handling and Supplying Low Risk Unpackaged Foods.</p> <p>(A) Premises Include Milk Bars, Convenience Stores, Fruit Stall, Pre-packaged Foods, Accommodation – B&Bs</p> <p>(B) Premises Include – Seasonal Kiosks, Community Groups, Sporting Clubs (<i>½ Annual Fee of Class 3A</i>)</p>	<p>\$210.00</p> <p>\$105.00</p>
<p>CLASS 4 – Low risk to public health packaged food.</p>	<p>No Fee /</p>

Premises include Newsagents, Pharmacies, Video Stores, and Sausage Sizzles	Exempt
Temporary Food Stalls (One Event) <i>(Exempt : Sausage Sizzle Only – no registration required if only sausages being cooked)</i>	\$20.00
Temporary Food Stall (12 Month Permit) <i>(Comprising 13 Events Only – over 13 Events reclassification to a Class 3A Premises being \$210.00)</i>	\$120.00
Transfer of Registration (Inspection Fee)	$\frac{1}{2}$ Registration fee
New Premises Registration	Annual Registration Fee + 50%

Note 1: A late fee will apply for late applications and payments of annual registrations at a rate of 50% of the annual registration fee applicable if the application and/or fee is not received within 14 days of the due date.

Note 2: Full Registration fees are to be paid up until 31 August, registrations after this date i.e. from 1 September onwards are only required to pay 50% of the full fee.

You will note that Class 2C and 3B have similar functions to the class above them. These premises are usually Community Groups and Sporting Clubs and traditionally they are charged half the annual fee.

A comparative fee table of the previous year and other councils is provided at Attachment 3.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

Food Act 1984

Food Amendment (Regulation Reform) Act 2009

No Council Plan implications

FINANCIAL IMPLICATIONS

There will be a small variation from the expected revenue as stated in the 2010-2011 proposed budget. There will be alterations to the estimates if any challenges result in a change of classification.

RISK IMPLICATIONS

As the purpose of this new classification schedule is to reflect the variations in the risk to the public, the risk implications for Council are reduced once the fee structure is in place, as each level of food premises has a compulsory and varied inspection regime attached to each classification. Consequently, there is an automatic accountability on Council Officers to follow this inspection regime and support the process to reduce the risk from food that has a potentially high risk if improperly handled.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

There are no implications in this category other than the economic implication of a fee change.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

A letter has been sent to all food premises alerting them to the changes to their registration classification and inviting them to contact the Environmental Health Department if they need clarification with our determination of their classification.

Further to this Community Engagement, Environmental Health staff will be personally visiting all the high risk premises and supplying them a copy of the new Food Safety Program when it arrives. This will also allow Environmental Health staff to be available to the proprietors in explaining how these new Food Safety programs are to be completed and used as well as advising them of the legislative changes that will affect them.

CONCLUSION

This new classification procedure outlined in the amended Regulations is a legislative procedure to allow the classification of foods associated with their food risk factor. The additional inspection fee to the New Premises Registrations will allow for the additional administrative costs of registering these premises.

OFFICER'S RECOMMENDATION

That Council:

12.1.1 Adopt the proposed Environmental Health Registration/Permit Fees for 2010-2011 as outlined in this report.

12.1.2 Introduce an addition to the inspection fee for new food premises that will be half the declared annual registration fee for the food premises.

MOTION

That Council:

12.1.1 Adopt the proposed Environmental Health Registration/Permit Fees for 2010-2011 as outlined in this report.

12.1.2 Introduce an inspection fee for new food premises that will be half the declared annual registration fee for the food premises.¹

Moved: Cr Jon Barrell

Seconded: Cr Don Henderson

Carried.

¹ The words "addition to the" deleted from section 12.1.2 of the Motion.

Councillor Tim Hayes returned to the Meeting at 9.05pm.

Attachment 3

Item 12.1

Comparative Table – Regional Food Registration Fees

Council	Class 1	Class 2	Class 3	Class 4
Hepburn Shire 2011	\$390	\$140 - \$340	\$105 - \$210	Free
Hepburn Shire 2010 (for indicative comparison purposes only, as classification types have been modified)	\$320	\$210 - \$310	\$240	\$110
Ballarat City	\$542	\$459 - \$542	\$291 - \$375	Free
Moorabool Shire <small>*Fees double for more than 10 employees</small>	\$340*	\$340*	\$250*	Free
Mt Alexander Shire	\$174 - \$292	\$346 - \$693	\$55 - \$227	Free
Macedon Ranges Shire	\$325	\$325	\$140	Free
Ararat Rural City	\$250	\$250	\$165	Free

Currently registered:

Class 1: 7
 Class 2: 174
 Class 3: 137
 Class 4: 16

The food premises income generated in 2009/10 was \$86,120. The predicted income for the 2010/11 year is:

Class 1 - \$2,730
 Class 2 - \$53,540
 Class 3 - \$27,825
 Total - \$84,095

12.2 MUNICIPAL NEIGHBOURHOOD SAFER PLACES PLAN ANNUAL REVIEW GENERAL MANAGER SUSTAINABLE DEVELOPMENT

PURPOSE

This report deals with the 2010/11 review, revision and re-designation of the Neighbourhood Safer Places (NSPs) and the adoption of the *Municipal Council Neighbourhood Safer Places Plan : Places of Last Resort during a Bushfire*.

BACKGROUND

In its Interim Report, the 2009 Victorian Bushfires Royal Commission recommended that neighbourhood safer places, or NSPs, be identified and established to provide persons in bushfire affected areas with a place of last resort during a bushfire. The recently released Royal Commission findings have further supported this position.

In response to this recommendation, the Victorian Government has introduced the *Emergency Services Legislation Amendment Act 2009* (Vic) which requires the Country Fire Authority (CFA) to assess and certify NSPs against the CFA's Fire Rating Criteria, and Victoria's Councils to identify, assess, designate, establish and review suitable places as NSPs in their municipal districts.

In 2009 the CFA assessed and identified five NSPs that met the Fire Rating Criteria in the municipality. These NSPs were identified and assessed by Council Officers as part of a Municipal Council Neighbourhood Safer Places Plan using the Municipal Association of Victoria's (MAV) plan assessment matrix and four NSPs were subsequently adopted by Council.

The NSP designation process identifies that prior to the end of August each year, the CFA in conjunction with Council re-access all NSPs against the relevant identified criteria. This process allows for alterations, deletions or inclusions to the NSPs.

ISSUE/DISCUSSION

NSP Identification

The annual NSP assessment process is now being completed using the following steps:

- Step 1 Council to identify potential locations for NSPs in collaboration with CFA.
- Step 2 CFA to assess and certify potential NSP locations having regard to CFA Fire Rating Guidelines.
- Step 3 Council to assess whether proposed NSP's are suitable having regard to Council NSP Plan Criteria.
- Step 4 Formal designation of NSP by Council.

The proposed 2010-11 amendments to the 2009 adopted NSPs are as follows:

- Creswick Open area surrounding Creswick Interpretive Centre and Cambridge Street from Raglan Street to Cushing Avenue
- Creswick Doug Lindsay Recreation Reserve - Removed as NSP for 2010-2011 fire season due to Doug Lindsay Community Facility and Oval construction works at this location.
- Daylesford Extended to encompass the area bounded by Camp Street, Central Springs Road, Albert Street and Bridport Street.
- Trentham Amended from High Street between Quarry Street and Market Street to Camp Street from Cosmo Road to Bowen Street.

As part of the Integrated Fire Management Planning Process, the CFA have assessed the following additional locations with Council officers to be certified and adopted as NSPs for the 2010-2011 fire season.

- Clunes Fraser Street from Service Street to Purcell Street
- Glenlyon Eldon Street between Daylesford/Malmsbury Road and Molesworth Street

Taskforce

During the process of identifying and assessing NSPs in 2009, it was established that the only identified potential NSP for Hepburn Springs,

being the Football Ground, did not pass the assessment carried out by the CFA. A similar situation took place in 22 other high risk townships across the State effectively leaving these townships without NSPs in the event of a significant fire.

A recent development has seen the State Government develop a Task Force and local assessment teams to identify and assess a range of community shelter options and safer precincts that the Task Force considers as logical solutions within the 23 high risk townships and with regard to the Hepburn Shire for the Hepburn Springs community.

The Task Force is being led by the CFA with a whole of Government approach and a report back to the Government was provided on Friday, 3 September 2010.

On Thursday, 26 August 2010 the Task Force and local assessment team attended the Hepburn Football Ground in an attempt to understand why the initial CFA assessment failed and what might need to be done in order for the location to pass. It was established that with substantial works the Hepburn Football Club clubrooms could pass the CFA's assessment criteria as an NSP.

A costing report on the above works has been provided to the Task Force who will add this to their report back to the State Government. The State Government will then decide the way forward and advise all agencies of the outcome.

Municipal Neighbourhood Safer Places Plan

To assist Councils in selecting NSPs, the Municipal Association of Victoria (MAV) provided a Municipal Neighbourhood Safer Places updated Plan (MNSPP) template in June 2010 that identifies the criteria to be addressed in the consideration of an NSP. The attached MNSPP has been completed for the recommended NSPs in the Hepburn Shire (Refer Attachment).

The NSPs fulfil all the required criteria identified in the Plan. The revised NSPs were endorsed by the Municipal Emergency Management Planning Committee at its meeting on 1 September 2010.

It is worth noting at this point that NSPs are not community fire refuges or emergency relief centres. NSPs are places of last resort during the passage of a bushfire, and are intended to be used by persons whose primary bushfire plans have failed. NSPs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling, and seeking access, to NSPs during bushfire events. Depending on the direction of a particular fire, it may not be a safer place to assemble than other places within the municipal district.

Once this Plan has been adopted, Council must make it, and any documents incorporated into it, available at the Council's municipal offices for public inspection during normal office hours free of charge under section 50F(4)(b) of the CFA Act. It must also be published on Council's website under section 50F(4)(a) of the CFA Act.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

Council Plan 2009-2013:

- 49 Involving communities in emergency response preparedness and ensuring our response plans are sufficiently robust to deal with not only the familiar emergencies like bushfire but possible emergency crisis like fuel shortages or widespread financial distress.

FINANCIAL IMPLICATIONS

There are costs associated with the designation and maintenance of NSPs.

RISK IMPLICATIONS

The *Emergency Services Legislation Amendment Act 2009* charges municipalities with the responsibility to identify, designate and establish NSPs. Once this is achieved Councils must maintain the areas and this should be achieved by developing an implementation strategy utilising the information within the risk profile.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

The establishment of NSPs and the process is consistent state wide with numerous criteria utilised. It is not expected that there will be any significant economic, social or environmental impact due to the establishment of NSPs in Hepburn Shire.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Community and stakeholder engagement is an important part of establishing NSPs and will be undertaken with a combination of press releases, educational material and information on Council's web site.

CONCLUSION

The review of the nomination, assessment, designation and adoption process of NSPs addresses Council's annual legislative responsibility but importantly contributes to the acknowledgment of risk by fire and Council's ongoing commitment to the safety and wellbeing of the community.

OFFICER'S RECOMMENDATION

That Council:

- 12.2.1 Adopt the Municipal Council Neighbourhood Safer Places Plan – Places of Last Resort during a Bushfire with incorporated documentation.*

12.2.2 *That the CFA having assessed the sites as compliant with its fire rating Guidelines and the Council having assessed the said areas against criteria contained in the Municipal Council Neighbourhood Safer Places Plan, the Council designate:*

- *Creswick* *Open area surrounding Creswick Interpretive Centre and Cambridge Street from Raglan Street to 90 meters short of Cushing Avenue.*

- *Daylesford* *The precinct bounded by Duke Street, Bridport Street, Central Springs Road and Albert Street but only includes the road areas of Vincent Street and Duke Street (CBD).*

- *Trentham* *Camp Street from Cosmo Road to Bowen Street.*

- *Clunes* *Fraser Street from Service Street to Purcell Street.*

- *Glenlyon* *Eldon Street between Daylesford/Malmsbury Road and Molesworth Street.*

as Neighbourhood Safer Places – Places of Last Resort during a Bushfire and undertake the necessary works and actions required for establishing the Neighborhood Safer Places, including the erection of signage and other steps by the Council, as included in the Municipal Council Neighborhood Safer Places Plan.

12.2.3 *Includes the designated Municipal Neighbourhood Safer Places Plan in the Municipal Fire Prevention Plan in accordance with Section 55A(2)(c) of the Country Fire Authority 1958 and the Municipal Emergency Management Plan in accordance with section 20(2)(b) of the Emergency Management Act 1986.*

12.2.4 *Resolves to make the document available at Council offices for public inspection during normal office hours free of charge and published on Council's website.*

MOTION

That Council:

12.2.1 Adopt the Municipal Council Neighbourhood Safer Places Plan – Places of Last Resort during a Bushfire with incorporated documentation.

12.2.2 That the CFA having assessed the sites as compliant with its fire rating Guidelines and the Council having assessed the said areas against criteria contained in the Municipal Council Neighbourhood Safer Places Plan, the Council designate:

- *Creswick* *Open area surrounding Creswick Interpretive Centre and Cambridge Street from Raglan Street to 90 meters short of Cushing Avenue.*

- *Daylesford* *The precinct bounded by Duke Street, Bridport Street, Central Springs Road and Albert Street but only includes the road areas of Vincent Street and Duke Street (CBD).*

- *Trentham* *Camp Street from Cosmo Road to Bowen Street.*

- *Clunes* *Fraser Street from Service Street to Templeton Street.²*

- *Glenlyon* *Eldon Street between Daylesford/Malmsbury Road and Molesworth Street.*

as Neighbourhood Safer Places – Places of Last Resort during a Bushfire and undertake the necessary works and actions required for establishing the Neighborhood Safer Places, including the erection of signage and other steps by the Council, as included in the Municipal Council Neighborhood Safer Places Plan.

12.2.3 Includes the designated Municipal Neighbourhood Safer Places Plan in the Municipal Fire Prevention Plan in accordance with

Section 55A(2)(c) of the Country Fire Authority 1958 and the Municipal Emergency Management Plan in accordance with section 20(2)(b) of the Emergency Management Act 1986.

12.2.4 Resolves to make the document available at Council offices for public inspection during normal office hours free of charge and published on Council's website.

Moved: Cr Rod May

Seconded: Cr Sebastian Klein

Carried.

2. Purcell Street changed to Templeton Street to reflect correct location of NSP.

Attachment 4
Item 12.2



MUNICIPAL ASSOCIATION OF VICTORIA

MUNICIPAL COUNCIL NEIGHBOURHOOD SAFER PLACES PLAN

PLACES OF LAST RESORT DURING A BUSHFIRE

Hepburn Shire Council

Endorsement Date to be determined

Version control

November 2009	Draft template sent to all council CEOs for comment
December 2009	Feedback incorporated. Template issued to councils for use
June 2010	Reissued with amendments: <ul style="list-style-type: none">• Section 1.3 (f) added• Section 1.4 added

Introduction and Background

In its Interim Report, the 2009 Victorian Bushfires Royal Commission recommended that neighbourhood safer places, or '**NSPs**', be identified and established to provide persons in bushfire affected areas with a place of last resort during a bushfire.¹

In response to this recommendation, the Victorian Government has introduced the *Emergency Services Legislation Amendment Act 2009* (Vic) ('**ESLA Act**') which amends the *Country Fire Authority Act 1958* (Vic) ('**CFA Act**') and the *Emergency Management Act 1986* (Vic) ('**EM Act**'). The effect of these amendments will be to require the Country Fire Authority ('**CFA**') to certify NSPs against the CFA's Fire Rating Criteria, and Victoria's Councils to identify, designate, establish and maintain suitable places as NSPs in their municipal districts.

NSPs are not community fire refuges or emergency relief centres. NSPs are **places of last resort** during the passage of a bushfire, and are intended to be used by persons whose primary bushfire plans have failed. NSPs are places of relative safety only. They do not guarantee the survival of those who assemble there. Furthermore, there may be serious risks to safety encountered in travelling, and seeking access, to NSPs during bushfire events. Depending on the direction of a particular fire, it may not be a safer place to assemble than other places within the municipal district.

NSPs will be assessed by the CFA as providing some protection from immediate risk of direct fire attack, but not necessarily from other risks, such as flying embers. Where a potential NSP which is used for an operational purpose at many times meets the CFA's criteria, then the CFA considers that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.

This Plan is a neighbourhood safer places plan for the purposes of the legislation, and contains guidelines which have been developed by the Municipal Association of Victoria ('**MAV**') to assist the Council in:

- identifying;
- designating;
- establishing;
- maintaining; and
- decommissioning

places as NSPs within its municipal district.

This Plan also identifies other matters that should be taken into account in identifying, designating, establishing and maintaining NSPs within the municipality.

¹ Recommendation 8.5, 2009 Victorian Bushfires Royal Commission Interim Report

This Plan contains a step-by-step methodology for the Council to follow in identifying, designating, establishing, maintaining and decommissioning NSPs. The Council must consider each of the factors set out in this Plan. It should also consider other factors which are specific to the Council's circumstances, including the resources available to the Council.

Once this Plan has been adopted, Council must make it, and any documents incorporated into it, available at the Council's municipal offices for public inspection during normal office hours free of charge under section 50F(4)(b) of the CFA Act. It must also be published on Council's website under section 50F(4)(a) of the CFA Act.

Structure of this Plan

This Plan has been divided up into four distinct sections.

Section 1 contains a flow chart which summarises the process for councils to adopt in identifying, designating, establishing and maintaining NSPs within their municipal district.

Section 2 contains a more detailed summary of the steps summarised in the flow chart found in Section 1.

Section 3 contains a summary of the factors for Council to consider in assessing potential NSP locations, prior to designation.

Section 4 contains details of content of signage that Council is required to erect at designated NSP locations.

Section 1

Flow chart Showing Process for Identifying, Designating, Establishing and Maintaining NSPs.

Overview of the process for establishing and maintaining NSPs after adoption of this Plan by Council

Section 2

Detailed summary of steps for establishing NSPs.

OVERVIEW OF THE STEPS ASSOCIATED WITH NSPs

1 Identification of Potential NSP Locations

1.1 Who is responsible for identifying places as potential NSPs?

For the 2009-2010 fire season, the Country Fire Authority ('CFA') has assumed lead responsibility for identifying potential locations for NSPs. This has been done in consultation with Councils. The initial focus was upon the identification of proposed NSPs within those municipalities with CFA Township Protection Plan ('TPP') areas in place. However, identification efforts have now expanded beyond these localities.

From 2010-onwards, Council will be responsible for identifying potential places as NSPs within its municipal district. Section 50G of the CFA Act requires Council to identify potential NSP locations.

1.2 When do potential NSPs need to be identified?

The CFA, in conjunction with Council, is currently in the process of identifying potential NSPs in preparation for the 2010-2011 fire season.

From 2010-onwards, Councils should identify potential additional places as NSPs by 31 May in each year. This should allow sufficient time for:

- (a) **(CFA Certification)** first, assessment and certification of the potential NSP by the CFA;
- (b) **(Council Designation)** secondly, designation of the potential NSP location by the Council; and
- (c) **(Establishment)** thirdly, and subject to the outcome of the assessment and designation process, establishing the NSPs, including the erection of signage and other steps by Council.

The process of NSP identification is ongoing. Following each fire season, Council should assess whether any additional potentially suitable NSP locations can be identified within the municipal district.

1.3 What factors should be considered when identifying potential NSP locations?

When identifying potential NSP locations, Council should consider matters such as:

- (a) the environment surrounding the potential NSP;
- (b) what other uses are made of the potential NSP, and whether or not those uses could be inconsistent with its designation as an NSP;
- (c) whether the land on which the potential NSP is located is Council-owned or non-Council owned land;
- (d) whether there are clear means of access and egress to and from the potential NSP;

- (e) whether the potential NSP is in close proximity to population centres; and
- (f) for those Councils whose municipal district falls within both a CFA region and the Metropolitan Fire District (“**MFD**”), or borders the MFD but is within the CFA region:
 - (i) the risks involved in people staying in the area being considered for an NSP, versus leaving the area and travelling to a nearby urban area; and
 - (ii) the adequacy of egress routes out of the area being considered for an NSP (including number of egress routes, whether major or minor roadway, type and amount of vegetation along key egress routes; capacity of egress routes to accommodate potentially large numbers of vehicles and to accommodate potential vehicle breakdowns).

1.4 Who should undertake the identification of potential NSPs?

Under the CFA Act, all Councils whose municipal district is located wholly or partly in the ‘country area’ of Victoria are required to identify and designate NSPs.

Council should ensure that the following actions are completed prior to making any determinations regarding the assessment, designation and certification of NSPs:

- (a) A risk assessment considering the matters outlined in section 1.3 (above) must be undertaken by Council’s Municipal Emergency Resource Officer (“**MERO**”) and Municipal Fire Prevention Officer (“**MFPO**”) (which may be initiated through the Municipal Fire Prevention Committee or the Municipal Fire Management Planning Committee as a sub-committee of the Municipal Emergency Management Planning Committee (“**MEMPC**”), using appropriate available information such as Integrated Fire Management Planning data and/or Victorian Fire Risk Register data and any applicable Township Protection Plans;
- (b) The MEMPC must review the results of the risk assessment, as summarised in the MERO’s and MFPO’s report prepared under section 1.4(a) (above), and submit a written report to Council with a recommendation as to whether CFA assessment and Council designation of the potential NSP is warranted in the area under consideration.
- (c) Council should formally review the MEMPC report. Council should only decide that NSP assessment and designation is not warranted in the area under consideration where Council is satisfied that:
 - (i) The risk assessment undertaken by the MERO and MFPO has addressed the matters raised in sections 1.3 of this MNSPP; and
 - (ii) The MEMPC has recommended that assessment and designation of the NSP is not warranted.

CFA to Assess and *Certify* Potential NSP Locations

1.5 Who is responsible for assessing potential NSPs against guidelines issued by the CFA ('CFA Fire Rating Guidelines')?

Under section 50G(5) of the CFA Act, the CFA is responsible for assessing potential NSP locations against the CFA Fire Rating Guidelines.² This will be done by appropriately qualified and experienced CFA personnel.

Council is not responsible for the assessment and certification of potential NSPs by the CFA.

1.6 What criteria must the CFA take into account in assessing potential NSP locations?

In assessing potential NSP locations which have been identified by the CFA (for the 2009-2010 fire season), or by Councils (from 2010-onwards), the CFA must consider the criteria and other considerations as set out in the CFA's Fire Rating Guidelines as issued from time to time by the CFA.

The key matters to be considered by the CFA under the current CFA Fire Rating Criteria are:

- (a) For Open Spaces →
 - (i) the appropriate separation distance between the outer edge of the potential NSP and the nearest fire hazard ('**Buffer Zone**')³ should be at least 310 metres; or
 - (ii) an alternative Buffer Zone distance may be prescribed by the CFA, which will ensure that the maximum potential radiant heat impacting on the site is no more than 2 kw/m².
- (b) For Buildings →
 - (i) The Buffer Zone between the outer edge of the building and the nearest fire hazard should be at least 140 metres; or
 - (ii) an alternative Buffer Zone distance may be prescribed by the CFA, which will ensure that the maximum potential radiant heat impacting on the building is no more than 10 kw/m².

1.7 When does the CFA assess a potential NSP?

Following identification of a place which may be suitable as an NSP, the potential NSP is assessed by the CFA as soon as practicable. This is likely to occur shortly after identification.

² The CFA Act refers to "Country Fire Authority Assessment Guidelines". For ease of reference in the context of this MNSP Plan, these guidelines are referred to as the CFA Fire Rating Guidelines.

³ The CFA Guidelines refer to "separation distances". However, for ease of understanding, the term "Buffer Zone" is used throughout this MNSP Plan.

1.8 When does the CFA certify potential NSP locations?

Once the assessment of a potential NSP is completed by the CFA, the CFA will certify the potential NSP if the place meets the CFA Fire Rating Criteria. The CFA will provide a copy of the CFA certification in relation to a potential NSP to Council upon completion of certification, and a summary of the criteria and assumptions upon which the assessment is based.

Council should ensure that the boundaries of both the potential NSP as certified by the CFA, and any Buffer Zone surrounding it, are clearly defined in the CFA assessment.

For reasons of community safety, it is a requirement of the CFA Act, and it is also Council policy, that only those places assessed and certified by the CFA may be considered for designation as NSPs by the Council. The Council must not designate a place as an NSP unless it has CFA certification.

2 Council Assessment of NSPs Following CFA Certification

2.1 What factors should be applied by Councils in assessing the suitability of a place as a potential NSP location?

Following certification of a place as an NSP by the CFA, and once Council has received the CFA assessment and any criteria and CFA assumptions which underpin the assessment, Council must assess the place in accordance with the factors outlined below to determine whether it is suitable to be designated as an NSP. Unless a potential NSP satisfies each of the criteria outlined below, it should not be designated by Council as an NSP.

Council's assessment of CFA-certified potential NSPs may, if reasonably practicable, be conducted by the Municipal Emergency Management Planning Committee ('MEMPC'), with a preliminary assessment to be provided to the MEMPC by the MERO and the MFPO.

The factors to determine the suitability of the place as an NSP are as follows: ('Council NSPP Criteria'):

(a) ***Consents and rights of access***

There must be appropriate land access and tenure arrangements so that Council has the right to:

- use the place as an NSP;
- access the site and surrounding areas for maintenance; and
- erect appropriate signage at the NSP, including the OESC signage and additional NSP information signage.

If the potential NSP is on land owned or controlled by Council, appropriate rights of land access and tenure are unlikely to be an issue. However, Council will need to ensure that where Council land is leased or licensed to a third party, it must be possible to put in place appropriate arrangements on reasonably satisfactory and acceptable terms with the tenant or licensee permitting Council to use the land as a potential NSP. In taking these matters into account, Council should consider what alternative uses may be made, whether temporarily or semi-permanently, of land under Council control or management.

If the potential NSP is on Crown land not owned or controlled by Council, then the consent of the Crown land manager is likely to be required. If the land has been leased or licensed to a third party, such as a caravan park operator, then the consent of the tenant or licensee to use the place as a potential NSP will also be required. In obtaining the consent of the relevant Crown land manager, it will be necessary to consider whether or not the Crown Grant or reservation authorises the place to be used as a potential NSP.

Where it is proposed that a place on privately-owned land is to be used as an NSP, then the consent of the relevant landowner (and, where applicable, occupier) for the place to be designated and used as an NSP is required. If the landowner (or occupier) does not consent to the place

being designated and used as an NSP on terms which are reasonably satisfactory and acceptable to the Council, it must not be so designated and used.

Where a potential NSP is located on non-Council land, with the result that consent and rights of access need to be negotiated with the owner and (where necessary) occupier, Council officers responsible for negotiating such consent and rights of access should provide a draft form of consent to the owner/occupier for their consideration. The form of consent will be required to be approved either by Council (through a formal resolution), or by the CEO acting under delegation.

Any amendments to the form of consent which may be requested by the landowner or occupier would need to be thoroughly considered before they are agreed to by Council. If it is not possible or appropriate for Council to agree on amendments that may be requested to the consent document, then the proposed NSP should not be designated by Council.

(b) **Access and Egress**

Council must assess whether there is sufficient access to the potential NSP which will allow:

- anticipated potential numbers of people to move to and from the place; and
- the CFA and other emergency services to attend the place for asset and personnel protection activities and operations.

Council must assess potential access and egress routes, bearing in mind the fact that NSPs are **places of last resort**.

As people may be seeking access to an NSP in a rushed or panicked state, a number of people could be seeking access in a relatively short time and visibility could be affected by smoke, easily navigable routes to and from an NSP are crucial.

In considering whether access and egress routes are adequate, consideration should be given to issues such as:

- (i) the condition of the road surface;
- (ii) the proximity of the NSP to major roadways and population centres;
- (iii) the type and amount of vegetation along any access routes, and whether that vegetation could be affected by fire and pose a risk of harm to those seeking access to the potential NSP, or otherwise block access to the NSP;
- (iv) the capacity of access routes to accommodate potentially large numbers of vehicles, and to accommodate potential vehicle break-downs;
- (v) parking at the place;
- (vi) any hazards that may exist for persons accessing the place by foot, including in the buffer zone;

- (vii) any relevant matter contained in Council's Road Management Plan prepared pursuant to the *Road Management Act 2004* (Vic).

If appropriate and satisfactory access and egress routes are not available, then the proposed NSP should not be designated by Council.

(c) ***Maintenance of potential NSP in accordance with CFA assessment criteria***

Council must ensure that the potential NSP can be maintained in accordance with the criteria taken into account by the CFA in arriving at its fire rating assessment.

If additional information is required from the CFA to understand the criteria they have considered in arriving at their fire rating assessment, Council should seek this information from the CFA. If necessary, Council may request the CFA to undertake a further assessment to provide Council with additional information.

(d) ***Opening of the NSP***

Council must consider

- (i) whether it will be possible or practicable to open the potential NSP or otherwise make it available for use on a 24 hour basis during the declared fire danger period;
- (ii) the potential for damage to the place during times that it is open and available for use, but is not being used as an NSP;
- (iii) the potential costs to Council associated with (i) and (ii) above; and
- (iv) the possibility that a potential NSP could be used for unintended purposes, such as an emergency relief centre.

(e) ***Defendable space and fire suppression activities***

CFA have advised that there is no guarantee that fire units will attend an NSP, and that individuals who use NSPs are doing so at their own risk. There should be **no expectation** that fire units or other emergency services personnel will attend an NSP during a bushfire.

Despite this, the potential NSP should be surrounded by sufficient open space to enable the CFA and other fire services to conduct asset protection and fire suppression operations around the place.

Any open space **should be reasonably** free of obstacles which could hinder fire suppression activities. Obstacles may include, amongst other things:

- fences;
- buildings and sheds;
- steep inclines in close proximity to the potential NSP;
- vegetation, particularly large trees;

- other land formations, including rocks, boulders or knolls which could substantially hinder fire suppression operations.

If necessary, advice should be sought from the CFA about their defensible space and fire vehicle access requirements.

When assessing the defensible space factor, Council must consider whether or not approval to clear or disturb flora and/or fauna could be required, whether under legislation such as the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth) ('**EPBC Act**'), *Flora and Fauna Guarantee Act 1988* (Vic) ('**FFG Act**') or the *Planning and Environment Act 1987* (Vic) ('**PE Act**'). If such approval is required, then it must be obtained before the potential NSP location is designated.

If the proposed NSP does not have adequate defensible space around it, or if approval to clear or disturb flora and/or fauna is required but cannot be obtained before the NSP is required to be established, or cannot be obtained on reasonably satisfactory conditions, it should not be designated as an NSP by Council.

(f) ***Defendability of Buildings***

If the potential NSP is a building, Council must consider whether or not it is likely to be subject to risk from ember attack.

As the CFA is not required to assess the risk of ember attack to a building in undertaking the CFA fire rating assessment when certifying NSPs, the Council should consider this issue. In considering this issue, Council may need to seek expert advice from appropriately-qualified CFA personnel.

If there is an appreciable risk of the proposed NSP being compromised by ember attack which cannot be satisfactorily defended, then the building is unlikely to be suitable as an NSP and should not be designated by Council.

(g) ***Signage***

- Council must assess whether it will be possible to have signage at the entry to, and in the vicinity of, the potential NSP. Such signage must generally be in accordance with the Signage Template, which is at **Section 4** of this Plan.

Council must refer to the Signage Template when considering whether or not appropriate signage can be erected.

If signage must be placed on private land, then the consent of the landowner will be required.

(h) ***Maintenance and maintainability***

Council must assess whether ongoing maintenance of the proposed NSP, and the surrounding area, is both possible and practical, having regard to the resources reasonably available to the Council. This factor should be considered by the Council not only in relation to the suitability of a proposed NSP, but also as to the total number of proposed NSPs that can be reasonably maintained within the municipal district. This is needed to ensure that the place remains suitable for use as an NSP during each fire season.

Specifically, the place must be capable of being maintained so as to ensure continuing compliance with the CFA Fire Rating Criteria and the Council NSPP Criteria. It is Council policy that if it is not possible to maintain a potential NSP, then it must not be designated as such.

When assessing the maintainability of the potential NSP, both the NSP and the Buffer Zone may require various maintenance activities to be undertaken on a periodic basis. The potential introduction of hazards into the Buffer Zone, such as structures, animals and vehicles, should be taken into account.

There may be cases where maintenance activities can only be undertaken by, or with the consent of, an adjoining landowner. This may, in turn, require assurances from such landowners that the place, and areas surrounding it, will be maintained to a satisfactory level.

When assessing the maintainability of a potential NSP, Council must consider whether or not approval to clear or disturb flora and/or fauna could be required, whether under legislation such as the EPBC Act, FFG Act or the PE Act. If such approval is required, then it must be obtained before the potential NSP location is designated.

If the proposed NSP is not capable of being satisfactorily maintained, then it should not be designated by Council.

(i) ***Disabled access***

Council must consider whether or not there are clear means of access for disabled and mobility-impaired persons to the potential NSP.

In considering this issue, regard should be had to such matters as whether or not it would be necessary for cars or other vehicles to enter the NSP area to allow persons with disabilities to be dropped off within the place.

(j) ***Alternative Uses of potential NSP***

Council must consider what other uses may be made of the potential NSP which could impact upon its ability to properly function as an NSP.

Where a potential NSP which is used for an operational purpose at many times has been assessed by the CFA as meeting the criteria in the CFA Fire Rating Guidelines, and has been certified by the CFA, then the CFA has advised that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.

If the place is used for other uses which could compromise its ability to be used as an NSP, then it should not be designated as an NSP by Council.

(k) ***Communication with the community***

Council must be able to communicate the location of the potential NSP to the community. There should be good community awareness of the location of the place, together with the risks that relate to the use of the potential NSP, and the risks associated with travelling to the potential NSP in the event of a bushfire.

(l) **Public liability insurance**

As a matter of prudent risk management, Council should have regard to:

- (i) any additional factors which are relevant to Council's maintenance of insurance coverage for legal claims relating to the identification, designation, establishment, maintenance and decommissioning of a place as an NSP, as well as travel to an NSP; and
- (ii) any statutory defences to claims.

2.2 Who is responsible for undertaking the Council assessment of potential NSPs?

A report prepared by the MERO and MFPO detailing whether or not the potential NSP meets the above criteria should be prepared and provided to:

- (a) the MEMPC, where it is practicable for the MEMPC to be involved in the Council assessment process; and
- (b) the Council.

The MEMPC must assess the potential NSP, taking into account the MERO's report, and make a recommendation to Council as to whether or not to designate the potential NSP.

2.3 When are potential NSP locations required to be assessed by Council?

Any potential NSPs certified by the CFA should be assessed by Council no later than 30 June each year, so as to allow time for the places to be designated and established as NSPs by Council, and for any appropriate amendments to be made to the MEMP and MFPP prior to the commencement of the bushfire season.

This timing is obviously subject to the CFA assessing and certifying the potential NSP location in a timely manner.

3 Council Designation of NSPs

3.1 Who is responsible for Council designation of NSPs?

Council must formally determine whether or not to designate a place as an NSP. Council should not designate a place as an NSP unless it is satisfied that the place is suitable, having regard to the Council NSPP Criteria.

An NSP may only be designated by a resolution of the Council.

3.2 When should Council consider the designation of a potential NSP?

Following preparation of an assessment of a potential NSP by the MEMPC, Council should determine whether or not to designate a potential NSP location by no later than 31 July. This will enable any necessary establishment works to be undertaken.

3.3 What must the MFPO do once a potential NSP is designated by Council?

Once the Council has designated a place as an NSP, the MFPO must provide an updated list of all designated NSPs within the municipality to the CFA under section 50K of the CFA Act. This updated list must be provided by no later than 30 September in each year.

4 Establishment and Maintenance of NSPs Following Designation

4.1 Who is responsible for establishing NSPs?

Following designation, Council will establish all designated NSPs within the municipal district.

4.2 What must be done when establishing NSPs?

To establish a NSP after its designation, Council must:

- erect appropriate signage at and near the NSP;
- undertake any necessary preparatory works, including the construction or establishment of any required infrastructure and the clearance of vegetation, so as to enable the area to be used as an NSP;
- publish the location of the NSP on the Council website; and
- update Council's Municipal Emergency Management Plan and Municipal Fire Prevention Plan to include the location of the NSP.

The MFPO must provide an up-to-date list of NSPs to the CFA no later than 30 September each year under section 50K of the CFA Act.

Following designation, all designated NSPs within the municipality must be identified in:

- the MFPP, under section 55A(2) of the CFA Act; and
- the MEMP, under section 20(2) of the EM Act.

4.3 When must NSPs be established?

NSPs should be established no later than [**30 October**] each year.

4.4 Maintenance of NSPs

NSPs within the municipality need to be maintained by Council. Maintenance activities must include vegetation management, hazardous tree removal and the maintenance of infrastructure required for the satisfactory functioning of the place as an NSP. If additional works have been required to establish the NSP, then those works should be subject to periodic review.

The fuel load in the vicinity of the NSP must not increase so as to affect the fire rating of the NSP.

Council must ensure that defensible spaces, the Buffer Zone and access and egress routes are appropriately maintained.

Council must inspect the NSP, Buffer Zone and access and egress routes on a periodic basis, and in any event not less than once every month during the declared fire danger period, to ensure that the NSP continues to be capable of

functioning as an NSP. If Council identifies issues that may impact upon the functioning of the place as an NSP, then Council must:

- (a) address the issue;
- (b) take reasonable steps to have the issue addressed, such as requesting the owner of the land on which the NSP or Buffer Zone is located to address the issue; or
- (c) consider decommissioning the NSP and revoking the designation of the place as an NSP.

5 Annual Inspections of NSPs

5.1 Who is responsible for the annual review of NSPs?

Council must undertake an annual review of all designated NSPs within the municipality.

Council must also request the CFA to undertake an assessment against the CFA Fire Rating Criteria of each NSP within the municipality on an annual basis.

These reviews are intended to ensure that each NSP remains suitable for use as an NSP during the up-coming fire season.

5.2 What must be considered when undertaking inspections?

NSPs should be assessed annually against the Council NSPP Criteria. The CFA will assess NSPs against the CFA Fire Rating Criteria.

If an NSP no longer meets:

- (a) the CFA Fire Rating Criteria, then it must be decommissioned; and
- (b) the Council NSPP Criteria, then Council must determine whether or not it wishes to address any of the identified non-compliances. If it does not, then the NSP must be decommissioned.

5.3 When must NSP locations be inspected?

NSPs must be inspected prior to 31 August each year under section 50J of the CFA Act.

Section 3

Summary of factors for Council to consider in assessing potential NSP locations prior to designation

1. Creswick – Victoria Street – Carpark behind the Visitor Information Centre and Armstrong Street from Cushing Avenue to Raglan Street

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Consents and rights of access <i>See section 3.2(a)</i>	If the potential NSP is located on Council-owned land, can Council use the land as an NSP if required? Consider whether or not Council allows the land to be used for potentially inconsistent purposes, such as for farmers' markets, fetes, circuses etc.	NSP is on public open space with consent for use by Council as NSP Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
	If the potential NSP is on private land, or public land under the control of a Crown Land Manager (other than Council), can Council enter into arrangements which allow it to use the land as a potential NSP on reasonably satisfactory terms? Also consider whether Council has the right to: <ul style="list-style-type: none"> • access the site and surrounding areas for maintenance; and • erect appropriate signage at the NSP. 	NSP is on public open space with consent for use by Council as NSP Council has access to site and surrounds for maintenance Appropriate signage can be erected	YES
Access and egress <i>See section 3.2(b)</i>	Do access routes to the potential NSP allow for: <ul style="list-style-type: none"> • the anticipated potential number of people to move to and from the place; and • the CFA and other emergency services to attend the place for asset and personnel protection activities? 	NSP is centrally located with multiple access routes NSP potential number of people is based on a Place of Last Resort, intended to be used by persons whose primary bushfire plans have failed CFA have confirmed suitability for emergency vehicle use	YES
	Are access routes easily navigable, bearing in mind they could be affected by smoke? Consider the condition of the road surface, proximity to population centres and major roads, capacity of access routes to accommodate large numbers of vehicles, the availability of car parking at the place and any other relevant matters.	NSP is centrally located with multiple access routes NSP conditions satisfactory CFA have confirmed that cars located within the area meets their safety requirements	YES
Maintenance of NSP in accordance with CFA assessment <i>See section 3.2(c)</i>	Can Council maintain the potential NSP in accordance with the criteria taken into account by the CFA in arriving at its fire rating assessment? <i>If the CFA have not provided sufficient information in relation to the criteria it has taken into account in arriving at its fire rating assessment, it may be necessary for Council to seek further information from the CFA.</i>	There are no maintenance requirements based on CFA's rating assessment criteria	YES

Opening of the NSP <i>See section 3.2(d)</i>	<p>Will it be possible and practicable to make the potential NSP available for use on a 24 hour basis during the declared fire danger period? This is a particular issue where the potential NSP is a building.</p>	<p>NSP is open space allowing 24 hour availability.</p>	<p>YES</p>
	<p>Consider the potential for damage to the NSP which could result during times that it is open and available for use, but is not being used as an NSP.</p>	<p>Minimal damage potential</p>	
	<p>What costs could be incurred by Council in making the potential NSP available on a 24 hour basis during the declared fire danger period? Are these costs reasonable, and capable of being borne by Council?</p>	<p>Minimal costs - normal maintenance applies</p>	<p>YES</p>
	<p>Could the potential NSP be used for an unintended purpose which could impact upon its use as an NSP (such as an emergency relief centre)?</p>	<p>No impact on the NSP as public open space.</p> <p>Any proposed events that may impact on the NSP will need special conditions as part of their approval process</p>	<p>YES</p>
Defendable space and fire suppression activities <i>See section 3.2(e)</i>	<p>Is the potential NSP surrounded by sufficient open space to enable the CFA to conduct asset protection and fire suppression operations? Is that open space reasonably free of obstacles (such as fences, buildings, steep gradients, vegetation and other land formations)?</p> <p><i>Council should seek CFA advice concerning the defendability of the potential NSP and the Buffer Zone, including in relation to fire vehicle access requirements.</i></p>	<p>NSP has a minimum 310 metre defendable space according to the CFA's rating assessment criteria</p> <p>NSP reasonably free from obstacles</p> <p>CFA have confirmed suitability</p>	<p>YES</p>
	<p>Will approval be required under legislation such as the <i>Environment Protection and Biodiversity Conservation Act 1999 (Cwth)</i>, <i>Flora and Fauna Guarantee Act 1988 (Vic)</i> and the <i>Planning and Environment Act 1987 (Vic)</i>? Can such approval be obtained before the NSP is established?</p>	<p>No approvals required</p>	<p>YES</p>
Defendability of buildings <i>See section 3.2(f)</i>	<p>If the potential NSP is a building, has Council sought expert advice from the CFA to determine whether the NSP is likely to be subject to risk from ember attack? If it is subject to such a risk, can that risk be safely managed?</p>	<p>NSP is not a building</p>	<p>N/A</p>
Signage <i>See section 3.2(g)</i>	<p>Can appropriate signage be erected at the entry to the potential NSP, and in its vicinity?</p>	<p>Appropriate signage can be erected</p>	<p>YES</p>
	<p>If signage needs to be placed on private land, can Council obtain the consent of the relevant landowner to the erection of the signage?</p>	<p>No requirement to use private land</p>	<p>YES</p>
Maintenance and maintainability <i>See section 3.2(h)</i>	<p>Is the potential NSP capable of being maintained to ensure continuing compliance with the CFA Fire Rating Criteria and the Council NSPP Criteria?</p>	<p>Public open space, no requirement to be maintained related to CFA fire rating criteria</p>	<p>YES</p>
	<p>Where relevant, consider whether adjoining land owners and occupiers will provide Council with an assurance that both the potential NSP and the Buffer Zone can be maintained to a satisfactory level.</p>	<p>Not relevant</p>	
Disabled access <i>See section 3.2(i)</i>	<p>Are there any means of access for disabled and mobility-impaired persons to the potential NSP, including vehicle access to drop off people with disabilities?</p>	<p>NSP is a public space which accommodates all members of the public</p>	<p>YES</p>

<p>Alternative uses of potential NSP See section 3.2(j)</p>	<p>Can Council manage alternative uses which may be made of the potential NSP so as to ensure that those uses will not compromise the function of the place as a potential NSP?</p> <p><i>The CFA has advised that where a potential NSP which is used for an operational purpose at many times meets the CFA Fire Rating Criteria, then the CFA considers that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.</i></p>	<p>Any proposed events that may impact on the NSP will need special conditions as part of their approval process</p> <p>CFA have considered that the operational activities are able to be continued while the place is being used as an NSP</p>	<p>YES</p>
<p>Community Communication See section 3.2(k)</p>	<p>Will it be possible to ensure that there will be good community awareness of the location of the potential NSP, and the risks associated with using the potential NSP?</p>	<p>Council will implement awareness through media and other forms of electronic and hard copy communication following endorsement of the NSPs by Council</p>	<p>YES</p>

2. Daylesford – CBD Precinct, bounded by Camp Street, Bridport Street, Albert Street and Central Springs Road.

Consents and rights of access <i>See section 3.2(a)</i>	<p>If the potential NSP is located on Council-owned land, can Council use the land as an NSP if required? Consider whether or not Council allows the land to be used for potentially inconsistent purposes, such as for farmers' markets, fetes, circuses etc.</p>	<p>NSP is on public open space with consent for use by Council as NSP</p> <p>Any proposed events that may impact on the NSP will need special conditions as part of their approval process</p>	YES
	<p>If the potential NSP is on private land, or public land under the control of a Crown Land Manager (other than Council), can Council enter into arrangements which allow it to use the land as a potential NSP on reasonably satisfactory terms? Also consider whether Council has the right to:</p> <ul style="list-style-type: none"> • access the site and surrounding areas for maintenance; and • erect appropriate signage at the NSP. 	<p>NSP is on public open space with consent for use by Council as NSP</p> <p>Council has access to site and surrounds for maintenance</p> <p>Appropriate signage can be erected</p>	YES
Access and egress <i>See section 3.2(b)</i>	<p>Do access routes to the potential NSP allow for:</p> <ul style="list-style-type: none"> • the anticipated potential number of people to move to and from the place; and • the CFA and other emergency services to attend the place for asset and personnel protection activities? 	<p>NSP is centrally located with multiple access routes</p> <p>NSP potential number of people is based on a Place of Last Resort, intended to be used by persons whose primary bushfire plans have failed</p> <p>CFA have confirmed suitability for emergency vehicle use</p>	YES
	<p>Are access routes easily navigable, bearing in mind they could be affected by smoke? Consider the condition of the road surface, proximity to population centres and major roads, capacity of access routes to accommodate large numbers of vehicles, the availability of car parking at the place and any other relevant matters.</p>	<p>NSP is centrally located with multiple access routes</p> <p>NSP conditions satisfactory</p> <p>CFA have confirmed that cars located within the area meets their safety requirements</p>	YES
Maintenance of NSP in accordance with CFA assessment	<p>Can Council maintain the potential NSP in accordance with the criteria taken into account by the CFA in arriving at its fire rating assessment?</p> <p><i>If the CFA have not provided sufficient information in relation to the criteria it has taken into account in</i></p>	<p>There are no maintenance requirements based on CFA's rating assessment criteria</p>	YES

<i>See section 3.2(c)</i>	<i>arriving at its fire rating assessment, it may be necessary for Council to seek further information from the CFA.</i>		
Opening of the NSP <i>See section 3.2(d)</i>	Will it be possible and practicable to make the potential NSP available for use on a 24 hour basis during the declared fire danger period? This is a particular issue where the potential NSP is a building. Consider the potential for damage to the NSP which could result during times that it is open and available for use, but is not being used as an NSP.	NSP is open space allowing 24 hour availability. Minimal damage potential	YES
	What costs could be incurred by Council in making the potential NSP available on a 24 hour basis during the declared fire danger period? Are these costs reasonable, and capable of being borne by Council?	Minimal costs - normal maintenance applies	YES
	Could the potential NSP be used for an unintended purpose which could impact upon its use as an NSP (such as an emergency relief centre)?	No impact on the NSP as public open space. Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
Defendable space and fire suppression activities <i>See section 3.2(e)</i>	Is the potential NSP surrounded by sufficient open space to enable the CFA to conduct asset protection and fire suppression operations? Is that open space reasonably free of obstacles (such as fences, buildings, steep gradients, vegetation and other land formations)? <i>Council should seek CFA advice concerning the defendability of the potential NSP and the Buffer Zone, including in relation to fire vehicle access requirements.</i>	NSP has a minimum 310 metre defendable space according to the CFA's rating assessment criteria NSP reasonably free from obstacles CFA have confirmed suitability	YES
	Will approval be required under legislation such as the <i>Environment Protection and Biodiversity Conservation Act 1999 (Cwlth)</i> , <i>Flora and Fauna Guarantee Act 1988 (Vic)</i> and the <i>Planning and Environment Act 1987 (Vic)</i> ? Can such approval be obtained before the NSP is established?	No approvals required	YES
Defendability of buildings <i>See section 3.2(f)</i>	If the potential NSP is a building, has Council sought expert advice from the CFA to determine whether the NSP is likely to be subject to risk from ember attack? If it is subject to such a risk, can that risk be safely managed?	NSP is not a building	N/A
Signage <i>See section 3.2(g)</i>	Can appropriate signage be erected at the entry to the potential NSP, and in its vicinity?	Appropriate signage can be erected	YES
	If signage needs to be placed on private land, can Council obtain the consent of the relevant landowner to the erection of the signage?	No requirement to use private land	YES
Maintenance and maintainability <i>See section 3.2(h)</i>	Is the potential NSP capable of being maintained to ensure continuing compliance with the CFA Fire Rating Criteria and the Council NSPP Criteria? Where relevant, consider whether adjoining land owners and occupiers will provide Council with an assurance that both the potential NSP and the Buffer Zone can be maintained to a satisfactory level.	Public open space, no requirement to be maintained related to CFA fire rating criteria Not relevant	YES

<p>Disabled access See section 3.2(i)</p>	<p>Are there are means of access for disabled and mobility-impaired persons to the potential NSP , including vehicle access to drop off people with disabilities?</p>	<p>NSP is a public space which accommodates all members of the public</p>	<p>YES</p>
<p>Alternative uses of potential NSP See section 3.2(j)</p>	<p>Can Council manage alternative uses which may be made of the potential NSP so as to ensure that those uses will not compromise the function of the place as a potential NSP? <i>The CFA has advised that where a potential NSP which is used for an operational purpose at many times meets the CFA Fire Rating Criteria, then the CFA considers that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.</i></p>	<p>Any proposed events that may impact on the NSP will need special conditions as part of their approval process CFA have considered that the operational activities are able to be continued while the place is being used as an NSP</p>	<p>YES</p>
<p>Community Communication See section 3.2(k)</p>	<p>Will it be possible to ensure that there will be good community awareness of the location of the potential NSP, and the risks associated with using the potential NSP?</p>	<p>Council will implement awareness through media and other forms of electronic and hard copy communication following endorsement of the NSPs by Council</p>	<p>YES</p>

3. Trentham – Camp Street from Cosmo Road to Bowen Street

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Consents and rights of access <i>See section 3.2(a)</i>	If the potential NSP is located on Council-owned land, can Council use the land as an NSP if required? Consider whether or not Council allows the land to be used for potentially inconsistent purposes, such as for farmers' markets, fetes, circuses etc.	NSP is on public open space with consent for use by Council as NSP Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
	If the potential NSP is on private land, or public land under the control of a Crown Land Manager (other than Council), can Council enter into arrangements which allow it to use the land as a potential NSP on reasonably satisfactory terms? Also consider whether Council has the right to: <ul style="list-style-type: none"> • access the site and surrounding areas for maintenance; and • erect appropriate signage at the NSP. 	NSP is on public open space with consent for use by Council as NSP Council has access to site and surrounds for maintenance Appropriate signage can be erected	YES
Access and egress <i>See section 3.2(b)</i>	Do access routes to the potential NSP allow for: <ul style="list-style-type: none"> • the anticipated potential number of people to move to and from the place; and • the CFA and other emergency services to attend the place for asset and personnel protection activities? 	NSP is centrally located with multiple access routes NSP potential number of people is based on a Place of Last Resort, intended to be used by persons whose primary bushfire plans have failed CFA have confirmed suitability for emergency vehicle use	YES
	Are access routes easily navigable, bearing in mind they could be affected by smoke? Consider the condition of the road surface, proximity to population centres and major roads, capacity of access routes to accommodate large numbers of vehicles, the availability of car parking at the place and any other relevant matters.	NSP is centrally located with multiple access routes NSP conditions satisfactory CFA have confirmed that cars located within the area meets their safety requirements	YES
Maintenance of NSP in accordance with CFA assessment	Can Council maintain the potential NSP in accordance with the criteria taken into account by the CFA in arriving at its fire rating assessment? <i>If the CFA have not provided sufficient information in relation to the criteria it has taken into account in arriving at its fire rating assessment, it may be necessary for Council to seek further information from the</i>	There are no maintenance requirements based on CFA's rating assessment criteria	YES

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
<i>See section 3.2(c)</i>	CFA.		
Opening of the NSP <i>See section 3.2(d)</i>	Will it be possible and practicable to make the potential NSP available for use on a 24 hour basis during the declared fire danger period? This is a particular issue where the potential NSP is a building.	NSP is open space allowing 24 hour availability.	YES
	Consider the potential for damage to the NSP which could result during times that it is open and available for use, but is not being used as an NSP.	Minimal damage potential	
	What costs could be incurred by Council in making the potential NSP available on a 24 hour basis during the declared fire danger period? Are these costs reasonable, and capable of being borne by Council?	Minimal costs - normal maintenance applies	YES
	Could the potential NSP be used for an unintended purpose which could impact upon its use as an NSP (such as an emergency relief centre)?	No impact on the NSP as public open space. Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
Defendable space and fire suppression activities <i>See section 3.2(e)</i>	Is the potential NSP surrounded by sufficient open space to enable the CFA to conduct asset protection and fire suppression operations? Is that open space reasonably free of obstacles (such as fences, buildings, steep gradients, vegetation and other land formations)? <i>Council should seek CFA advice concerning the defendability of the potential NSP and the Buffer Zone, including in relation to fire vehicle access requirements.</i>	NSP has a minimum 310 metre defendable space according to the CFA's rating assessment criteria NSP reasonably free from obstacles CFA have confirmed suitability	YES
	Will approval be required under legislation such as the <i>Environment Protection and Biodiversity Conservation Act 1999 (Cwlth)</i> , <i>Flora and Fauna Guarantee Act 1988 (Vic)</i> and the <i>Planning and Environment Act 1987 (Vic)</i> ? Can such approval be obtained before the NSP is established?	No approvals required	YES
Defendability of buildings <i>See section 3.2(f)</i>	If the potential NSP is a building, has Council sought expert advice from the CFA to determine whether the NSP is likely to be subject to risk from ember attack? If it is subject to such a risk, can that risk be safely managed?	NSP is not a building	N/A
Signage <i>See section 3.2(g)</i>	Can appropriate signage be erected at the entry to the potential NSP, and in its vicinity?	Appropriate signage can be erected	YES
	If signage needs to be placed on private land, can Council obtain the consent of the relevant landowner to the erection of the signage?	No requirement to use private land	YES

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Maintenance and maintainability <i>See section 3.2(h)</i>	<p>Is the potential NSP capable of being maintained to ensure continuing compliance with the CFA Fire Rating Criteria and the Council NSPP Criteria?</p> <p>Where relevant, consider whether adjoining land owners and occupiers will provide Council with an assurance that both the potential NSP and the Buffer Zone can be maintained to a satisfactory level.</p>	<p>Public open space, no requirement to be maintained related to CFA fire rating criteria</p> <p>Not relevant</p>	YES
Disabled access <i>See section 3.2(i)</i>	<p>Are there are means of access for disabled and mobility-impaired persons to the potential NSP, including vehicle access to drop off people with disabilities?</p>	<p>NSP is a public space which accommodates all members of the public</p>	YES
Alternative uses of potential NSP <i>See section 3.2(j)</i>	<p>Can Council manage alternative uses which may be made of the potential NSP so as to ensure that those uses will not compromise the function of the place as a potential NSP?</p> <p><i>The CFA has advised that where a potential NSP which is used for an operational purpose at many times meets the CFA Fire Rating Criteria, then the CFA considers that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.</i></p>	<p>Any proposed events that may impact on the NSP will need special conditions as part of their approval process</p> <p>CFA have considered that the operational activities are able to be continued while the place is being used as an NSP</p>	YES
Community Communication <i>See section 3.2(k)</i>	<p>Will it be possible to ensure that there will be good community awareness of the location of the potential NSP, and the risks associated with using the potential NSP?</p>	<p>Council will implement awareness through media and other forms of electronic and hard copy communication following endorsement of the NSPs by Council</p>	YES

4. Glenlyon – Eldon Street between Daylesford/Malmsbury Road and Molsworth Street

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Consents and rights of access <i>See section 3.2(a)</i>	If the potential NSP is located on Council-owned land, can Council use the land as an NSP if required? Consider whether or not Council allows the land to be used for potentially inconsistent purposes, such as for farmers' markets, fetes, circuses etc.	NSP is on public open space with consent for use by Council as NSP Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
	If the potential NSP is on private land, or public land under the control of a Crown Land Manager (other than Council), can Council enter into arrangements which allow it to use the land as a potential NSP on reasonably satisfactory terms? Also consider whether Council has the right to: <ul style="list-style-type: none"> • access the site and surrounding areas for maintenance; and • erect appropriate signage at the NSP. 	NSP is on public open space with consent for use by Council as NSP Council has access to site and surrounds for maintenance Appropriate signage can be erected	YES
Access and egress <i>See section 3.2(b)</i>	Do access routes to the potential NSP allow for: <ul style="list-style-type: none"> • the anticipated potential number of people to move to and from the place; and • the CFA and other emergency services to attend the place for asset and personnel protection activities? 	NSP is centrally located with multiple access routes NSP potential number of people is based on a Place of Last Resort, intended to be used by persons whose primary bushfire plans have failed CFA have confirmed suitability for emergency vehicle use	YES
	Are access routes easily navigable, bearing in mind they could be affected by smoke? Consider the condition of the road surface, proximity to population centres and major roads, capacity of access routes to accommodate large numbers of vehicles, the availability of car parking at the place and any other relevant matters.	NSP is centrally located with multiple access routes NSP conditions satisfactory CFA have confirmed that cars located within the area meets their safety requirements	YES
Maintenance of NSP in accordance with CFA assessment	Can Council maintain the potential NSP in accordance with the criteria taken into account by the CFA in arriving at its fire rating assessment? <i>If the CFA have not provided sufficient information in relation to the criteria it has taken into account in arriving at its fire rating assessment, it may be necessary for Council to seek further information from the</i>	There are no maintenance requirements based on CFA's rating assessment criteria	YES

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
<i>See section 3.2(c)</i>	CFA.		
Opening of the NSP <i>See section 3.2(d)</i>	Will it be possible and practicable to make the potential NSP available for use on a 24 hour basis during the declared fire danger period? This is a particular issue where the potential NSP is a building.	NSP is open space allowing 24 hour availability.	YES
	Consider the potential for damage to the NSP which could result during times that it is open and available for use, but is not being used as an NSP.	Minimal damage potential	
	What costs could be incurred by Council in making the potential NSP available on a 24 hour basis during the declared fire danger period? Are these costs reasonable, and capable of being borne by Council?	Minimal costs - normal maintenance applies	YES
	Could the potential NSP be used for an unintended purpose which could impact upon its use as an NSP (such as an emergency relief centre)?	No impact on the NSP as public open space. Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
Defendable space and fire suppression activities <i>See section 3.2(e)</i>	Is the potential NSP surrounded by sufficient open space to enable the CFA to conduct asset protection and fire suppression operations? Is that open space reasonably free of obstacles (such as fences, buildings, steep gradients, vegetation and other land formations)? <i>Council should seek CFA advice concerning the defendability of the potential NSP and the Buffer Zone, including in relation to fire vehicle access requirements.</i>	NSP has a minimum 310 metre defendable space according to the CFA's rating assessment criteria NSP reasonably free from obstacles CFA have confirmed suitability	YES
	Will approval be required under legislation such as the <i>Environment Protection and Biodiversity Conservation Act 1999 (Cwlth)</i> , <i>Flora and Fauna Guarantee Act 1988 (Vic)</i> and the <i>Planning and Environment Act 1987 (Vic)</i> ? Can such approval be obtained before the NSP is established?	No approvals required	YES
Defendability of buildings <i>See section 3.2(f)</i>	If the potential NSP is a building, has Council sought expert advice from the CFA to determine whether the NSP is likely to be subject to risk from ember attack? If it is subject to such a risk, can that risk be safely managed?	NSP is not a building	N/A
Signage <i>See section 3.2(g)</i>	Can appropriate signage be erected at the entry to the potential NSP, and in its vicinity?	Appropriate signage can be erected	YES
	If signage needs to be placed on private land, can Council obtain the consent of the relevant landowner to the erection of the signage?	No requirement to use private land	YES

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Maintenance and maintainability <i>See section 3.2(h)</i>	<p>Is the potential NSP capable of being maintained to ensure continuing compliance with the CFA Fire Rating Criteria and the Council NSPP Criteria?</p> <p>Where relevant, consider whether adjoining land owners and occupiers will provide Council with an assurance that both the potential NSP and the Buffer Zone can be maintained to a satisfactory level.</p>	<p>Public open space, no requirement to be maintained related to CFA fire rating criteria</p> <p>Not relevant</p>	YES
Disabled access <i>See section 3.2(i)</i>	<p>Are there are means of access for disabled and mobility-impaired persons to the potential NSP, including vehicle access to drop off people with disabilities?</p>	<p>NSP is a public space which accommodates all members of the public</p>	YES
Alternative uses of potential NSP <i>See section 3.2(j)</i>	<p>Can Council manage alternative uses which may be made of the potential NSP so as to ensure that those uses will not compromise the function of the place as a potential NSP?</p> <p><i>The CFA has advised that where a potential NSP which is used for an operational purpose at many times meets the CFA Fire Rating Criteria, then the CFA considers that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.</i></p>	<p>Any proposed events that may impact on the NSP will need special conditions as part of their approval process</p> <p>CFA have considered that the operational activities are able to be continued while the place is being used as an NSP</p>	YES
Community Communication <i>See section 3.2(k)</i>	<p>Will it be possible to ensure that there will be good community awareness of the location of the potential NSP, and the risks associated with using the potential NSP?</p>	<p>Council will implement awareness through media and other forms of electronic and hard copy communication following endorsement of the NSPs by Council</p>	YES

5. Clunes – Fraser Street from Service Street to Purcell Street

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Consents and rights of access <i>See section 3.2(a)</i>	If the potential NSP is located on Council-owned land, can Council use the land as an NSP if required? Consider whether or not Council allows the land to be used for potentially inconsistent purposes, such as for farmers' markets, fetes, circuses etc.	NSP is on public open space with consent for use by Council as NSP Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
	If the potential NSP is on private land, or public land under the control of a Crown Land Manager (other than Council), can Council enter into arrangements which allow it to use the land as a potential NSP on reasonably satisfactory terms? Also consider whether Council has the right to: <ul style="list-style-type: none"> • access the site and surrounding areas for maintenance; and • erect appropriate signage at the NSP. 	NSP is on public open space with consent for use by Council as NSP Council has access to site and surrounds for maintenance Appropriate signage can be erected	YES
Access and egress <i>See section 3.2(b)</i>	Do access routes to the potential NSP allow for: <ul style="list-style-type: none"> • the anticipated potential number of people to move to and from the place; and • the CFA and other emergency services to attend the place for asset and personnel protection activities? 	NSP is centrally located with multiple access routes NSP potential number of people is based on a Place of Last Resort, intended to be used by persons whose primary bushfire plans have failed CFA have confirmed suitability for emergency vehicle use	YES
	Are access routes easily navigable, bearing in mind they could be affected by smoke? Consider the condition of the road surface, proximity to population centres and major roads, capacity of access routes to accommodate large numbers of vehicles, the availability of car parking at the place and any other relevant matters.	NSP is centrally located with multiple access routes NSP conditions satisfactory CFA have confirmed that cars located within the area meets their safety requirements	YES
Maintenance of NSP in accordance with CFA assessment	Can Council maintain the potential NSP in accordance with the criteria taken into account by the CFA in arriving at its fire rating assessment? <i>If the CFA have not provided sufficient information in relation to the criteria it has taken into account in arriving at its fire rating assessment, it may be necessary for Council to seek further information from the</i>	There are no maintenance requirements based on CFA's rating assessment criteria	YES

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
<i>See section 3.2(c)</i>	CFA.		
Opening of the NSP <i>See section 3.2(d)</i>	Will it be possible and practicable to make the potential NSP available for use on a 24 hour basis during the declared fire danger period? This is a particular issue where the potential NSP is a building.	NSP is open space allowing 24 hour availability.	YES
	Consider the potential for damage to the NSP which could result during times that it is open and available for use, but is not being used as an NSP.	Minimal damage potential	
	What costs could be incurred by Council in making the potential NSP available on a 24 hour basis during the declared fire danger period? Are these costs reasonable, and capable of being borne by Council?	Minimal costs – normal maintenance applies	YES
	Could the potential NSP be used for an unintended purpose which could impact upon its use as an NSP (such as an emergency relief centre)?	No impact on the NSP as public open space. Any proposed events that may impact on the NSP will need special conditions as part of their approval process	YES
Defendable space and fire suppression activities <i>See section 3.2(e)</i>	Is the potential NSP surrounded by sufficient open space to enable the CFA to conduct asset protection and fire suppression operations? Is that open space reasonably free of obstacles (such as fences, buildings, steep gradients, vegetation and other land formations)? <i>Council should seek CFA advice concerning the defendability of the potential NSP and the Buffer Zone, including in relation to fire vehicle access requirements.</i>	NSP has a minimum 310 metre defendable space according to the CFA's rating assessment criteria NSP reasonably free from obstacles CFA have confirmed suitability	YES
	Will approval be required under legislation such as the <i>Environment Protection and Biodiversity Conservation Act 1999 (Cwlth)</i> , <i>Flora and Fauna Guarantee Act 1988 (Vic)</i> and the <i>Planning and Environment Act 1987 (Vic)</i> ? Can such approval be obtained before the NSP is established?	No approvals required	YES
Defendability of buildings <i>See section 3.2(f)</i>	If the potential NSP is a building, has Council sought expert advice from the CFA to determine whether the NSP is likely to be subject to risk from ember attack? If it is subject to such a risk, can that risk be safely managed?	NSP is not a building	N/A
Signage <i>See section 3.2(g)</i>	Can appropriate signage be erected at the entry to the potential NSP, and in its vicinity?	Appropriate signage can be erected	YES
	If signage needs to be placed on private land, can Council obtain the consent of the relevant landowner to the erection of the signage?	No requirement to use private land	YES

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Maintenance and maintainability <i>See section 3.2(h)</i>	<p>Is the potential NSP capable of being maintained to ensure continuing compliance with the CFA Fire Rating Criteria and the Council NSPP Criteria?</p> <p>Where relevant, consider whether adjoining land owners and occupiers will provide Council with an assurance that both the potential NSP and the Buffer Zone can be maintained to a satisfactory level.</p>	<p>Public open space, no requirement to be maintained related to CFA fire rating criteria</p> <p>Not relevant</p>	YES
Disabled access <i>See section 3.2(i)</i>	<p>Are there are means of access for disabled and mobility-impaired persons to the potential NSP, including vehicle access to drop off people with disabilities?</p>	<p>NSP is a public space which accommodates all members of the public</p>	YES
Alternative uses of potential NSP <i>See section 3.2(j)</i>	<p>Can Council manage alternative uses which may be made of the potential NSP so as to ensure that those uses will not compromise the function of the place as a potential NSP?</p> <p><i>The CFA has advised that where a potential NSP which is used for an operational purpose at many times meets the CFA Fire Rating Criteria, then the CFA considers that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.</i></p>	<p>Any proposed events that may impact on the NSP will need special conditions as part of their approval process</p> <p>CFA have considered that the operational activities are able to be continued while the place is being used as an NSP</p>	YES
Community Communication <i>See section 3.2(k)</i>	<p>Will it be possible to ensure that there will be good community awareness of the location of the potential NSP, and the risks associated with using the potential NSP?</p>	<p>Council will implement awareness through media and other forms of electronic and hard copy communication following endorsement of he NSPs by Council</p>	YES

Hepburn Springs – Hepburn Football Ground and Club Rooms, 20th Street, Hepburn (**PENDING**)

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Consents and rights of access <i>See section 3.2(a)</i>	If the potential NSP is located on Council-owned land, can Council use the land as an NSP if required? Consider whether or not Council allows the land to be used for potentially inconsistent purposes, such as for farmers' markets, fetes, circuses etc.		
	If the potential NSP is on private land, or public land under the control of a Crown Land Manager (other than Council), can Council enter into arrangements which allow it to use the land as a potential NSP on reasonably satisfactory terms? Also consider whether Council has the right to: <ul style="list-style-type: none"> • access the site and surrounding areas for maintenance; and • erect appropriate signage at the NSP. 		
Access and egress <i>See section 3.2(b)</i>	Do access routes to the potential NSP allow for: <ul style="list-style-type: none"> • the anticipated potential number of people to move to and from the place; and • the CFA and other emergency services to attend the place for asset and personnel protection activities? 		
	Are access routes easily navigable, bearing in mind they could be affected by smoke? Consider the condition of the road surface, proximity to population centres and major roads, capacity of access routes to accommodate large numbers of vehicles, the availability of car parking at the place and any other relevant matters.		
Maintenance of NSP in accordance with CFA assessment <i>See section 3.2(c)</i>	Can Council maintain the potential NSP in accordance with the criteria taken into account by the CFA in arriving at its fire rating assessment? <i>If the CFA have not provided sufficient information in relation to the criteria it has taken into account in arriving at its fire rating assessment, it may be necessary for Council to seek further information from the CFA.</i>		
Opening of the NSP <i>See section 3.2(d)</i>	Will it be possible and practicable to make the potential NSP available for use on a 24 hour basis during the declared fire danger period? This is a particular issue where the potential NSP is a building. Consider the potential for damage to the NSP which could result during times that it is open and available for use, but is not being used as an NSP.		

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
	What costs could be incurred by Council in making the potential NSP available on a 24 hour basis during the declared fire danger period? Are these costs reasonable, and capable of being borne by Council?		
	Could the potential NSP be used for an unintended purpose which could impact upon its use as an NSP (such as an emergency relief centre)?		
Defendable space and fire suppression activities <i>See section 3.2(e)</i>	Is the potential NSP surrounded by sufficient open space to enable the CFA to conduct asset protection and fire suppression operations? Is that open space reasonably free of obstacles (such as fences, buildings, steep gradients, vegetation and other land formations)? <i>Council should seek CFA advice concerning the defendability of the potential NSP and the Buffer Zone, including in relation to fire vehicle access requirements.</i>		
	Will approval be required under legislation such as the <i>Environment Protection and Biodiversity Conservation Act 1999 (Cwth)</i> , <i>Flora and Fauna Guarantee Act 1988 (Vic)</i> and the <i>Planning and Environment Act 1987 (Vic)</i> ? Can such approval be obtained before the NSP is established?		
Defendability of buildings <i>See section 3.2(f)</i>	If the potential NSP is a building, has Council sought expert advice from the CFA to determine whether the NSP is likely to be subject to risk from ember attack? If it is subject to such a risk, can that risk be safely managed?		
Signage <i>See section 3.2(g)</i>	Can appropriate signage be erected at the entry to the potential NSP, and in its vicinity?		
	If signage needs to be placed on private land, can Council obtain the consent of the relevant landowner to the erection of the signage?		
Maintenance and maintainability <i>See section 3.2(h)</i>	Is the potential NSP capable of being maintained to ensure continuing compliance with the CFA Fire Rating Criteria and the Council NSPP Criteria? Where relevant, consider whether adjoining land owners and occupiers will provide Council with an assurance that both the potential NSP and the Buffer Zone can be maintained to a satisfactory level.		
Disabled access <i>See section 3.2(i)</i>	Are there any means of access for disabled and mobility-impaired persons to the potential NSP, including vehicle access to drop off people with disabilities?		
Alternative uses of potential NSP <i>See section 3.2(j)</i>	Can Council manage alternative uses which may be made of the potential NSP so as to ensure that those uses will not compromise the function of the place as a potential NSP? <i>The CFA has advised that where a potential NSP which is used for an operational purpose at many times meets the CFA Fire Rating Criteria, then the CFA considers that those operational activities will be able to continue (to the extent practicable in the circumstances) while the place is being used as an NSP.</i>		
Community	Will it be possible to ensure that there will be good community awareness of the location of the potential		

Council NSPP Criteria	Issues to consider	Council comments	Satisfied? Yes/No
Communication <i>See section 3.2(k)</i>	NSP, and the risks associated with using the potential NSP?		

Section 4

NSP Signage Template

12.3 MUNICIPAL EMERGENCY MANAGEMENT PLAN GENERAL MANAGER SUSTAINABLE DEVELOPMENT

PURPOSE

The purpose of this report is to present a reviewed and revised Municipal Emergency Management Plan (MEMP) for consideration and adoption by Council.

BACKGROUND

Under the *Emergency Management Act 1986*, Council must prepare and maintain a Municipal Emergency Management Plan (MEMP) and undertake an audit of the Municipal Emergency Management Plan (MEMP) every 3 years. As part of this audit process, Council must prepare the MEMP to be assessed for compliance with guidelines issued by the Victoria State Emergency Service (SES).

The *Emergency Management Act 1986* Part 4 Sections 20 & 21 requires municipal councils to prepare and maintain a municipal emergency management plan. This plan must contain provisions for identifying municipal resources and other resources available to the municipal council for emergency prevention, response and recovery.

ISSUE/DISCUSSION

In 2010, the SES established a new evidence-based process to be completed when auditing Municipal Emergency Management Plans. The auditing process for the Hepburn Shire Council is scheduled to commence on 14 October 2010 and be completed early February 2011.

A copy of the Revised MEMP has been provided to Councillors under separate cover. The revised MEMP allows for increased ease of use of the document, public viewing of the front section of the document and to allow for the audit requirements of providing evidence to meet legislative requirements and a more comprehensive requirement to meet Recovery Management obligations.

The revised MEMP has been endorsed by the Municipal Emergency Management Planning Committee (MEMPC) at its meeting on 1 September 2010. In a new process, the MEMP will be continuously revised at the MEMPC meetings over the course of the year. This Council report and process deals primarily with the preparation of the documents for the SES Audit requirements.

Copies of the revised plan, once adopted, will be distributed using a new controlled copy process to all relevant emergency service organizations noted in the plan. Other adopted documentation and Neighbourhood Safer Places and Townships Protection Plans will be added to the document as they are adopted by Council.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

Council Plan 2009-2013:

49. Involving communities in emergency response preparedness.

Legislative framework is provided by Victorian Government Acts of Parliament.

These Include:

- The *Emergency Management Act 1986* – requiring the development and maintenance of a Municipal Emergency Management Plan
- The *Local Government Act 1989* – requiring Councils to service the needs of the public including local emergency and safety services
- The *Public Health and Wellbeing Act 2008* – requiring Councils to develop and maintain a Municipal Public Health Plan

FINANCIAL IMPLICATIONS

The implementation of aspects of the plan and its maintenance, especially in the Recovery Phase, will generally have substantial officer time implications for Council.

RISK IMPLICATIONS

The purpose of the Municipal Emergency Management Plan is to mitigate the potential risk of emergencies on the community. There is a consequent automatic accountability on Council to follow the processes identified in the Plan.

The adopted plan also meets Councils legislative and audit requirements.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

The Municipal Emergency Management Plan can mitigate the impacts of climate change encompassing scenarios for flood, fire, extreme wind, drought, heat stress and pandemics.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The Municipal Emergency Management Committee, SES, CFA and internal emergency management staff were involved in the revision of the document. There has been community engagement to Level 1 of the Community Engagement Framework, with further community education to follow if the revised plan is adopted.

CONCLUSION

The revised Municipal Emergency Management Plan will increase the capacity of Hepburn Shire Council to respond to emergencies in the Shire and satisfy legislative and audit requirements.

OFFICER'S RECOMMENDATION

12.3.1 That Council adopt the revised Municipal Emergency Management Plan.

MOTION

12.3.1 That Council adopt the revised Municipal Emergency Management Plan.

Moved: Cr Bill McClenaghan

Seconded: Cr Sebastian Klein

Carried.

12.4 HEPBURN PLANNING SCHEME AMENDMENT C51, AMENDMENT TO THE SCHEDULE TO THE HERITAGE OVERLAY OF THE HEPBURN PLANNING SCHEME TO INCLUDE THE FORMER SCHOOL OF MINES GENERAL MANAGER SUSTAINABLE DEVELOPMENT

PURPOSE

This report outlines the background to date on the planning scheme amendment to include the former School of Mines and seeks a Council motion to approve the amendment.

BACKGROUND

The former Clunes School of Mines is located on Service Street in the township of Clunes. The building was built for use as an educational facility relating to the mines in Clunes for the years between 1890 and 1894. The site and building is owned by the Department of Sustainability and Environment and is currently occupied by the Clunes Angling Club.

When Council's Heritage Advisor was preparing a funding application for grants funding under the Victorian Heritage Places Scheme, it was found that the Clunes School of Mines was inadvertently omitted from the gazetted new format Hepburn Planning Scheme in 2000. This is despite the Clunes School of Mines being identified as a place of local significance in 1997, in the draft Hepburn Planning Scheme.

ISSUE/DISCUSSION

At Council's Ordinary Meeting of Council, March 17, 2009, Council carried a motion to "Initiate the Planning Scheme Amendment C51 to include in the Hepburn Planning Scheme to the Heritage Overlay an additional item referencing the former Clunes School of Mines building and site and to request the Minister for Planning to consider the Planning Scheme Amendment and to exempt from giving of notice of amendment under Section 20 (2) of the Planning and Environment Act 1987."

Council then formally requested the Minister for Planning's approval to prepare Amendment C51, to include the former Clunes School of Mines in the schedule

to the Heritage Overlay in the Hepburn Planning Scheme under section 8A(3) of the Planning and Environment Act 1987. Council also requested a fast track amendment for the correction of the scheme and sought exemption from the notice requirements under Section 20(2) of the Planning & Environment Act 1987.

Under delegation from the Minister for Planning, council received authorisation to prepare the amendment. Pursuant to section 20(2) of the Planning and Environment Act 1987; council was exempt from notification requirements. Further, under delegation from the Minister for Planning, council was authorised to approve the amendment under section 35B of the Act.

History

The Clunes School of Mines was established in 1890 and the simple carpenter Gothic gabled building was constructed by 1892. It contained a classroom at the front and a laboratory/furnace and retort room at the rear. The furnace and retorts were contained in a substantial brick structure at the side. There is comprehensive evidence of the over-painted original stencilled interior decoration and very few other changes to the building

By 1894, with the collapse of mining in the area, the school had closed and the building was taken over by the Australian Natives Association as the first of a variety of users, including a mattress factory and an infant welfare centre. In spite of these changes of use the building remains remarkably intact apart from a recent porch addition and some internal partitions. It is currently owned by the Department of Environment and Sustainability with the Clunes Angling Club as Committee of Management. The Shire has no management involvement.

Heritage Significance.

The building was recognised as of heritage significance in the Talbot and Clunes Conservation Study of 1988. The Statement of Significance identifies it as the “only known School of Mines outside the larger Victorian towns such as Ballarat and Bendigo”. As a rare, possibly unique example of a small School of Mines, it is probably of State Significance.

Lack of heritage status and the consequences for the place.

The lack of formal heritage recognition of the former Clunes School of Mines is a deficiency in the Hepburn Planning Scheme that would allow inappropriate works to take place on the site without control or redress and which puts the place at a disadvantage in some respects.

The lack of any formal heritage recognition disqualifies it from the normal funding assistance that would be available through the Ministry's Victoria's Heritage Grants Program. The building is in need of repair and conservation, including repainting of original internal decorations, costing in the order of \$70,000. Efforts to obtain funding through Recreation Capital Works Programs have failed because the restoration is considered a heritage responsibility. Hence only minor steps can be taken to conserve an important heritage asset.

Omission from Planning Scheme.

The Clunes School of Mines was recognised by the Shire's strategic planners in the preparation of material for exhibition and for the Panel Hearing dated 29 June 1998.

It was indicated as HO 464 in the draft Schedule to the Heritage Overlay and was exhibited as such in 1997.

It remained as HO 464 in the Hepburn Planning Scheme adopted by the Hepburn Shire Council on 21/3/2000, but in a subsequent re-numbering of the schedule of the same date, HO 464 became 26 Raglan Street, Daylesford. No alternative number was allocated to the Clunes School of Mines and it was consequently lost from the Schedule.

The proposed addition HO984 to the schedule to the Heritage Overlay can be found at Attachment 5.

Strategic planning and policy

The inadvertent omission of the former Clunes School of Mines from the Schedule of the Heritage Overlay is an obvious deficiency in the Hepburn Planning Scheme and its reinstatement would ensure that it is properly recognised as a place of local significance, allowing it to be dealt with in ways appropriate to its significance.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

See letter indicating Minister's approval in Attachment 6.

FINANCIAL IMPLICATIONS

Funds have been allocated to cover the costs of the planning scheme amendment, which is \$775. Council officers time to prepare the amendment and associated documentation.

RISK IMPLICATIONS

None anticipated.

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

The amendment is not considered to have any adverse environmental, social or economic effects.

The amendment will have a positive social effect by protecting a place of heritage significance.

The amendment may have an economic impact on the site. Inclusion on the Heritage Overlay may provide more certainty when applying for heritage grants under the Victorian Heritage Grants Scheme. These grants are only available when the site is listed on the Heritage Overlay.

The amendment is not expected to have any adverse environmental effects on the Hepburn Shire community.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Under delegation from the Minister for Planning, pursuant to section 20(2) of the Planning and Environment Act 1987, council was exempt from notification requirements.

The proposed planning scheme amendment affects a single building in Clunes. The Department of Sustainability and Environment own the building and site and have consented to the listing of the building and site in the schedule to the Heritage Overlay, Clause 43.01.

CONCLUSION

It is appropriate that Council rectify omissions and anomalies in the Hepburn Planning Scheme when such incidents are identified in order to protect and maintain buildings and sites that contribute to local heritage significance. Re-instating the building and site in the schedule to the Heritage Overlay will support proposals for grant funding to maintain and restore a building of significance in the Hepburn Shire.

OFFICER'S RECOMMENDATION

12.4.1 That Council resolve to approve Amendment C51 under section 35B of the Planning and Environment Act 1987 to include the former Clunes School of Mines in the schedule to the Heritage Overlay, Clause 43.01 and on the relevant Planning Scheme maps.

MOTION

12.4.1 That Council resolve to approve Amendment C51 under section 35B of the Planning and Environment Act 1987 to include the former Clunes School of Mines in the schedule to the Heritage Overlay, Clause 43.01 and on the relevant Planning Scheme maps.

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

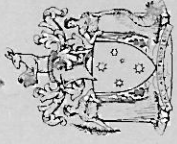
Attachment 5
Item 12.4

PROPOSED ADDITION TO THE SCHEDULE TO THE HERITAGE OVERLAY, HEPBURN PLANNING SCHEME.

The requirements of this overlay apply to both the heritage place and its associated land.

PS Map Ref	Heritage Place	External Paint Controls Apply?	Internal Alteration Controls Apply?	Tree Controls Apply?	Outbuildings or fences which are not exempt under Clause 43.01-4	Included on the Victorian Heritage Register under the Heritage Act 1995?	Prohibited uses may be permitted?	Name of Incorporated Plan under Clause 43.01-2	Aboriginal heritage place?
HO 984	Former Clunes School of Mines, Creswick Creek Reserve, Service Street, Clunes	Yes	Yes	No	No	No	No		No

Attachment 6
Item 12.4



Department of Planning and Community Development

Grampians Regional Office
111 Armstrong Street North
BALLARAT VICTORIA 3350
Telephone: (03) 5327 2800
Facsimile: (03) 5327 2830
DX 214283

Our Ref: CMIN012402

File: 09/00193901

21 August 2009

Kaylene Conrick
Chief Executive Officer
Hepburn Shire Council
PO Box 21
DAYLESFORD VIC 3460

Dear Ms Conrick

Hepburn Planning Scheme - Authorisation No A01426 Proposal to Reinstate the Heritage Overlay to the Former Clunes School of Mines

I refer to your council's letter dated 4 August 2009 seeking authorisation to prepare an amendment to the Hepburn Planning Scheme and requesting an exemption from the notification requirements of sections 19(2) and 19(3) of the *Planning and Environment Act 1987* for Amendment C51 to the Hepburn Planning Scheme.

Under delegation from the Minister for Planning, in accordance with section 8A(3) of the *Planning and Environment Act 1987*, I authorise your council as planning authority to prepare the amendment.

Under authority delegated to me by the minister, I have considered your request and, pursuant to section 20(2) of the Act, I:

- consider that compliance with the notification requirements of sections 19(2) and 19(3) is not warranted;
- grant an exemption from the requirements of sections 19(2) and 19(3) of the *Planning and Environment Act 1987*.

In respect of the need to give notice to prescribed ministers pursuant to section 19(1)(c) of the Act and Regulation 8 of the Planning and Environment Regulations 2005, a minimum of 2 weeks should be allowed between the giving of notice and adoption of the amendment to enable the relevant ministers to respond.

Under delegation from the Minister for Planning, I also authorise the council to approve the amendment under section 35B of the Act. The council must not approve the amendment unless the amendment is substantially in the form that has been authorised and the amendment has first been certified by the secretary of the department as being in an appropriate form. In doing so, the secretary will take the following into account:

- The degree to which the amendment has been changed since the preparation of the amendment was authorised under section 8A(3) of the Act.

Privacy Statement

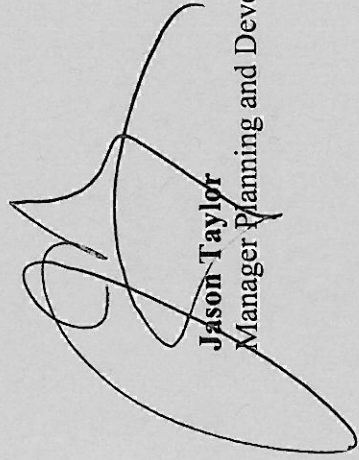
Any personal information about you or a third party in your correspondence will be protected under the provisions of the Information Privacy Act 2000. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Manager Privacy, Department of Planning and Community Development, PO Box 500, East Melbourne, 3002



- Whether the amendment complies with minister's directions applicable to the amendment.
- Whether the amendment makes proper use of the Victoria Planning Provisions and is in the correct format.

If you have any queries, please contact Mary Vanselow of this office on (03) 5327 2845.

Yours sincerely



Jason Taylor
Manager Planning and Development

12.5 APPLICATION FOR COUNCIL CONSENT UNDER BUILDING REGULATION 422 FOR SHED TO BE BUILT AT 7 HEATH STREET, CLUNES GENERAL MANAGER SUSTAINABLE DEVELOPMENT

PURPOSE

The purpose of this report is for Council to consider an application to construct a class 10 building (agricultural shed) on a vacant allotment at 7 Heath Street, Clunes (Refer Attachment 7).

BACKGROUND

Building Regulation 422 - Siting of Class 10a buildings states that:

- (1) Unless otherwise approved under the Subdivision Act 1988 or any corresponding previous enactment, a Class 10a building must be on the same allotment as a building of another class to which it is appurtenant.
- (2) The report and consent of the relevant council must be obtained to an application for a building permit for the construction of a building that does not comply with subregulation(1).

Council has delegated authority to vary this requirement under Regulation 422(2) to the Municipal Building Surveyor subject to the following conditions:

Reg 422(2) - Siting of appurtenant Class 10a buildings

- Subject to liaison with a Town Planner.
- Subject to the commencement of an appurtenant building within 12 months of the date of approval of the building permit for the 10a building.

A Statutory declaration must be provided to Council to reflect this requirement.

ISSUE/DISCUSSION

In this situation the applicant wishes to construct a 10m x 15m shed for agricultural purposes on a 10.82 acre property.

The applicant has supplied the statutory declaration confirming that the building will not be used for habitable purposes.

However, it is not the applicant's intention to construct a dwelling on the property within 12 months of the date of approval of the Building Permit for this building and as such it falls outside the scope of the instrument of delegation to the Municipal Building Surveyor and must be referred to Council for consideration.

Advice from Council's Town Planning Department is that a Town Planning permit is not required for this project.

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

Building Regulations 2006

Hepburn Shire Council Instrument of Delegation to the Municipal Building Surveyor

No Council Plan implications

FINANCIAL IMPLICATIONS

Not applicable

RISK IMPLICATIONS

Not applicable

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

Not applicable

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Not applicable

CONCLUSION

Council's adoption of the recommendation will facilitate the agricultural use of the property in accordance with Building Regulation 422(2).

OFFICER'S RECOMMENDATION

12.5.1 That Council consent to the application to construct a 150m² shed on a vacant allotment at Lot 7 Heath Street³, Clunes in accordance with Building Regulation 422(2).

MOTION

12.5.1 That Council defer the matter and consider at a later date.

Moved: Cr Jon Barrell
Seconded: Cr Don Henderson
Carried.

3. The word "Lot" inserted to the Recommendation to reflect the correct address in consideration.

Attachment 7
Item 12.5

150.88



55



10



16

55



286.52

294.25

SHRE OF HERBURN - PLANNING & ENVIRONMENT ACT 1987

Is a Planning Permit required for this development? Yes No

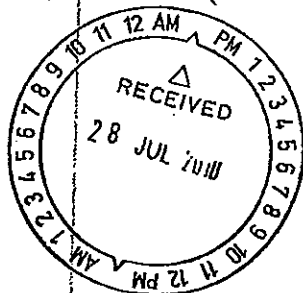
Details of site covenants have not been provided. This assessment has not examined the impact of any site covenants. All plans must accord with any site covenant. A Planning Permit is required to amend a covenant. Yes No

Has a Planning Permit been issued for this site and development? Yes No

Permit No. _____ There is a Planning Scheme amendment on exhibition which may affect this advice Yes No

This advice is only valid for 28 days from the date below.

Signed: *[Signature]* Dated: 3/8/10





STATUTORY DECLARATION

VICTORIA POLICE

I, [REDACTED]
of [REDACTED]
in the State of Victoria, do solemnly and sincerely declare:

That I am wanting to build a shed on property we are purchasing being 84 Heath Street Clunes.
The shed will be used to store hay and feed for our animals only and not to live in.

I acknowledge that this declaration is true and correct and I make it in the belief that a person making a false declaration is liable to the penalties of perjury.

Signature Of Person Making Declaration [Signature]

Declared at Caroline Springs in the State of Victoria
on the 30th day of ~~October~~ ~~September~~ 20 10.
Before me, JULY @ SIC 23980.

SIGNATURE	[Signature]
PRINT NAME	J. CUNNELL SIC 23980
ADDRESS	CAROLINE SPRINGS POLICE STATION 221 CAROLINE SPRINGS BLVD CAROLINE SPRINGS VIC 3023 DX 217424
STATUS	<input type="checkbox"/> Justice of the Peace of the State of Victoria <input checked="" type="checkbox"/> Member of the Police Force <input type="checkbox"/> Person authorised under Section 107A(1) of the Evidence (Miscellaneous Provisions) Act 1958 to witness the signing of a Statutory Declaration

13 **INFRASTRUCTURE:**
NIL ITEMS (SEE CONFIDENTIAL ITEMS)

14 COUNCIL SECTION 86 AND ADVISORY COMMITTEES
14.1 COUNCIL SECTION 86 AND ADVISORY COMMITTEES
A/GENERAL MANAGER CORPORATE SERVICES

PURPOSE

Section 86 Committee and Advisory Committee Minutes are tabled for noting

BACKGROUND

Each committee is issued an instrument of delegation outlining their function and assigned responsibility, under the agreement of this delegation the committees are required to maintain minutes of meetings held and provide a copy of each minute to the Council for review.

Section 86 and Advisory Committees are required to submit their minutes and other reports

ISSUE/DISCUSSION

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

- Minutes from the Creswick InfoLink received on the 27 May and 27 July 2010 and Annual report 31 July 2010
- Minutes of the Lee Medlyn Home of Bottles meeting held 7 July 2010 and 4 August 2010
- Minutes and Finance Report from the Drummond Hall meeting held 27 August 2010

COUNCIL PLAN /LEGISLATIVE COMPLIANCE

Nil

FINANCIAL IMPLICATIONS

Nil

RISK IMPLICATIONS

Nil

ENVIRONMENTAL/SOCIAL/ECONOMIC IMPLICATIONS

Nil

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Members of the community are represented on these committees

CONCLUSION

Minutes and reports

OFFICER'S RECOMMENDATION

14.1.1 That Council note the minutes of the Committees listed above which have been distributed under separate cover

MOTION

14.1.1 That Council note the minutes of the Committees listed above which have been distributed under separate cover

Moved: Cr Tim Hayes

Seconded: Cr Jon Barrell

Carried.

15. CONFIDENTIAL ITEMS

15.1 CLOSURE OF MEETING TO MEMBERS OF THE PUBLIC

Pursuant to the provisions of Section 89(2) of *the Local Government Act 1989* :

(2) A Council or special committee may resolve that the meeting be closed to members of the public if the meeting is discussing any of the following—

- (a) personnel matters;*
- (b) the personal hardship of any resident or ratepayer;*
- (c) industrial matters;*
- (d) contractual matters;*
- (e) proposed developments;*
- (f) legal advice;*
- (g) matters affecting the security of Council property;*
- (h) any other matter which the Council or special committee considers would prejudice the Council or any person;*
- (i) a resolution to close the meeting to members of the public.*

OFFICER'S RECOMMENDATION

15.1.1 That Council resolve that the meeting be closed to members of the public to discuss contractual matters; Tender h229-2010 - supply and delivery of one towing tractor in accordance with s 89 (2) (d) of the Local Government Act 1989.

MOTION

15.1.1 That Council resolve that the meeting be closed to members of the public to discuss contractual matters; Tender h229-2010 - supply and delivery of one towing tractor in accordance with s 89 (2) (d) of the Local Government Act 1989.

Moved: Cr Rod May

Seconded: Cr Don Henderson

Carried.

**16.1 TENDER H229-2010 - SUPPLY AND DELIVERY OF ONE TOWING
TRACTOR
GENERAL MANAGER INFRASTRUCTURE**

17. RE-OPENING OF MEETING TO THE PUBLIC

17.1.1 That Council having considered the confidential item re-opens the Meeting to members of the public.

MOTION

17.1.1 That Council having considered the confidential item re-opens the Meeting to members of the public.

Moved: Cr Rod May

Seconded: Cr Sebastian Klein

Carried.

18. CLOSE OF MEETING.

The Meeting closed at 10pm.