



HEPBURN SHIRE COUNCIL
ORDINARY MEETING OF COUNCIL
MINUTES

TUESDAY 16 SEPTEMBER 2014

TRENTHAM MECHANICS INSTITUTE
HIGH STREET
TRENTHAM

6:00PM

This Document is printed on 100% Australian recycled paper

MINUTES

TUESDAY 16 SEPTEMBER 2014

Trentham Mechanics Institute
High Street, Trentham
Commencing 6:00PM

CONTENTS PAGE

1.	ACKNOWLEDGEMENT OF TRADITIONAL OWNERS.....	5
2.	OPENING OF MEETING.....	5
3.	APOLOGIES	6
4.	DECLARATIONS OF CONFLICTS OF INTEREST	6
5.	CONFIRMATION OF MINUTES.....	6
6.	NOTICES OF MOTION.....	6
7.	ITEMS OF URGENT BUSINESS.....	6
8.	PRESENTATION OF COUNCILLOR REPORTS	7
9.	PUBLIC PARTICIPATION TIME.....	16
9.1.	PETITIONS	16
9.2.	QUESTIONS.....	16
9.3.	REQUESTS TO ADDRESS COUNCIL	16
10.	STATUTORY PLANNING REPORTS.....	17
11.	OFFICERS' REPORTS.....	18
11.1.	ANNUAL FINANCIAL REPORT 2013/14 – ADOPTION IN PRINCIPLE.....	18
	ATTACHMENT 1 - DRAFT ANNUAL FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2014	22
11.2.	CENTRAL HIGHLANDS REGIONAL TRANSPORT STRATEGY.....	107
	ATTACHMENT 2 - CENTRAL HIGHLANDS REGIONAL TRANSPORT STRATEGY 2014	113
11.3.	TRENTHAM COMMUNITY HUB	147
	ATTACHMENT 3 - CONCEPT PLAN – TRENTHAM COMMUNITY HUB... ..	151

11.4.	VINCENT STREET PEDESTRIAN CROSSING - STREET TREE PLANTINGS	153
11.5.	PROPOSED TRANSFER OF MEALS ON WHEELS FUNDING TO HEPBURN HEALTH SERVICE	157
11.6.	BOATHOUSE CAFE LEASE, LAKE DAYLESFORD – REQUEST BY SPA COUNTRY PTY LTD TO VARY MINIMUM OPERATING HOURS.....	159
11.7.	2014 MELBOURNE CUP PUBLIC HOLIDAY ARRANGEMENTS IN HEPBURN SHIRE	162
11.8.	APPLICATION FOR APPROVAL TO OPERATE B-DOUBLE AND HIGHER MASS LIMIT VEHICLES ON LOCAL COUNCIL ROADS	165
11.9.	NEW THREE YEAR LICENCE – DAYLESFORD AND DISTRICT AGRICULTURAL SOCIETY INC TO UTILISE VARIOUS BUILDINGS AT VICTORIA PARK DAYLESFORD	181
	ATTACHMENT 4 - SECTION 17(2) CROWN LAND LICENCE – DAYLESFORD AND DISTRICT AGRICULTURAL SOCIETY INC	184
11.10.	REVIEW OF POLICY 64 - COMPLAINTS HANDLING POLICY	194
	ATTACHMENT 5 - POLICY 64 – COMPLAINTS HANDLING POLICY..	197
11.11.	REVIEW OF POLICY 30 – PRIVACY POLICY.....	204
	ATTACHMENT 6 - POLICY 30 – PRIVACY POLICY.....	206
11.12.	REVIEW OF POLICY 16.1 - HERITAGE LOANS POLICY	212
	ATTACHMENT 7 - POLICY 16.1 – HERITAGE LOANS POLICY	214
11.13.	RECORD OF ASSEMBLIES OF COUNCILLORS – AUGUST 2014	221
	ATTACHMENT 8 - RECORDS OF ASSEMBLIES OF COUNCILLORS – AUGUST 2014	223
12.	COUNCIL SPECIAL COMMITTEES (SECTION 86).....	233
12.1.	MINUTES OF SPECIAL COMMITTEES (SECTION 86).....	233
12.2.	APPOINTMENT OF COMMITTEE MEMBER TO THE LEE MEDLYN HOME OF BOTTLES SPECIAL COMMITTEE	237
12.3.	APPOINTMENT OF COMMITTEE MEMBER TO THE WAREHOUSE – CLUNES SPECIAL COMMITTEE.....	240
13.	COUNCIL ADVISORY COMMITTEES	242
13.1.	MINUTES OF ADVISORY COMMITTEES	242
13.2.	MINERAL SPRINGS RESERVES ADVISORY COMMITTEE	243

	ATTACHMENT 9 - TERMS OF REFERENCE - MINERAL SPRINGS RESERVES ADVISORY COMMITTEE	246
14.	CONFIDENTIAL ITEMS.....	250
14.1.	CLOSURE OF MEETING TO MEMBERS OF THE PUBLIC.....	250
14.2.	CONFIDENTIAL - LEASE OF HEPBURN BATHHOUSE TO BELGRAVIA HEALTH AND LEISURE GROUP PTY LTD	
14.3.	CONFIDENTIAL - RENEWAL OF CARETAKER AGREEMENT AND OUTSIDE CAMPING LICENCE – JUBILEE LAKE RECREATION RESERVE	
14.4.	CONFIDENTIAL - APPOINTMENT OF COMMUNITY GRANTS ASSESSMENT PANEL	
14.5.	CONFIDENTIAL - APPOINTMENT OF PANEL MEMBERS - HERITAGE ADVISORY COMMITTEE	
14.6.	CONFIDENTIAL – CONTRACT H518-2014 – BALD HILLS ROAD, CRESWICK – PAVEMENT CONSTRUCTION, BITUMINOUS SURFACING, DRAINAGE CONSTRUCTION AND ASSOCIATED WORKS, CH 0.050 KM TO CH 1.060 KM & CH 2.150 KM TO CH 2.550 KM	
14.7.	CONFIDENTIAL – CONTRACT H519-2014 – MCDONALDS ROAD, CLUNES – PAVEMENT CONSTRUCTION, BITUMINOUS SURFACING, DRAINAGE CONSTRUCTION AND ASSOCIATED WORKS, CH 0.000 KM TO CH 2.570 KM	
15.	RE-OPENING OF MEETING TO PUBLIC	252
16.	CLOSE OF MEETING	254

AARON VAN EGMOND
CHIEF EXECUTIVE OFFICER
16 SEPTEMBER 2014

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 Don Henderson, Deputy Mayor Councillor Kate Redwood AM, Coliban Ward Councillor Sebastian Klein, Birch Ward Councillor Pierre Niclas, Cameron Ward Councillor Neil Newitt, Creswick Ward Councillor Greg May, Holcombe Ward Councillor Bill McClenaghan.

IN ATTENDANCE: Chief Executive Officer Aaron van Egmond, General Manager Community Services Kathleen Brannigan, General Manager Infrastructure Bruce Lucas, Manager Strategic Asset Management Grant Schuster, Governance Officer and Corporate Support Officer Mary Dancuk.

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. DECLARATIONS OF CONFLICTS OF INTEREST

Nil

5. CONFIRMATION OF MINUTES

RECOMMENDATION

- 5.1 That the Minutes of the Ordinary Meeting of Council held on 19 August 2014 (as previously circulated to Councillors) be confirmed as required under Section 93 (2) of the Local Government Act 1989.

MOTION

- 5.1. *That the Minutes of the Ordinary Meeting of Council held on 19 August 2014 (as previously circulated to Councillors) be confirmed as required under Section 93 (2) of the Local Government Act 1989.*

Moved: Councillor Neil Newitt
Seconded: Councillor Sebastian Klein
Carried.

6. NOTICES OF MOTION

Nil

7. ITEMS OF URGENT BUSINESS

Nil

8. PRESENTATION OF COUNCILLOR REPORTS

MAYOR'S REPORT

Councillor Don Henderson, Creswick Ward

Swiss Italian Fiesta started with a gathering to acknowledge volunteers and funding bodies who contribute to this event. Organisers pointed out that the Hepburn Shire Council was a major supporter of the event and stated how much they appreciated our contribution.

Planting of the indigenous section of Park Lake in Creswick has started with many school children in attendance. Council is monitoring the relationship between groups who are doing works there to see that planning and works are carried out in a co-operative manner.

The State Government announced nearly \$10,000 in funding for the Creswick Pre School to assist them to do some much needed fit out work. I was in attendance with Minister Lovell and Liberal candidate for Ripon Louise Staley.

I assisted the Creswick Historical Society to obtain a huge quartz boulder which will be used as a memorial to the 300 - 400 miners who started from Long Point in Creswick to attend the Eureka uprising. This project is being fully funded by the Ballarat Reform League.

I was invited to attend the AGM of the regional Scouts at Pax Hill where service medals were presented to many people who had given almost a lifetime to guiding young people through the organisation. This year I had the privilege of being one of the examiners for one of the Queen's Scout nominees. I am pleased to report that the young person from our Shire has successfully passed this milestone and will be celebrating the event shortly. The scouting movement has shown a very pleasing resurgence in this area and I encourage Councillors and young people within our Shire to become involved.

The MAV Timber Towns Group recently inspected the Beaufort Hospital and some sawmilling operations in the Shire before being hosted at the Home of Forestry at Creswick. They were shown the Timber training Facility which is the only one of its type in Australia and then went to the historic Forestry School which is now the Melbourne University campus to hear where plantation forestry started in Victoria. They were also told of the work of a forester named John La Greche who almost single handed started reforestation after the devastation caused by mining.

On the subject of La Greche, a massive redwood tree planted by him in the late 1800s is dying and groups are banding together in partnership to mill this tree for use as street furniture. A sculptor has expressed interest in carving the stump to commemorate the work of this man who had such great foresight. Parks Victoria has given this tree to the project and the Timber Training Centre will cut and process the tree as their contribution.

People at Dean were once again treated to a great event when they ran the Kite Festival at the Dean Recreation Reserve.

These folk are to be commended for the way they have turned a derelict building into something the community really enjoys. Many district people welcomed visitors from near and far and locals were very forthcoming in thanks to the Shire for providing the opportunity to rebuild the social fabric of this small community. I have been asked to pass on their thanks and appreciation to Council.

COUNCILLOR REPORTS

Councillor Bill McClenaghan, Holcombe Ward

On Thursday 21st August, I attended the MAV Rural and Regional Forum in Melbourne where problems and issues faced by non-metropolitan Councils were raised and discussed prior to the next MAV State Council. It is pleasing to report that a collaborative working relationship agreement between Local Government and the State Government has now been signed.

On Monday 1st September, the first day of Spring, a replacement English Oak tree sapling was planted in the Glenlyon Recreation Reserve where a big old tree was lost after being damaged in a violent wind storm earlier this year. Members of the Special Committee and I attended to plant and secure the tree which is already over two metres high after being grown from a Barkly Street acorn by a local resident. The ground was rock hard so the donated services of a local contractor with a hole borer were greatly appreciated. This replacement tree will help to heal the loss of a much loved old tree and will grow along with other huge old oaks that have shaded locals and visitors to the Reserve for over one hundred years.

On Friday 5th September, I attended the AGM of the Daylesford and District Historical Society Inc. at the Daylesford Museum and presided over the election of another new Committee. It was very pleasing to witness the honour bestowed on the continuing President, Mr Ken Warren, who was made a Life Member after thirty years of continuous service to the Society and Museum. Ken is the only new Life Member created in the past eighteen years and is to be congratulated for his work. Ken Warren is also well known here in Trentham as one of the founding Directors of the Trentham Community Bank.

Lastly, Mr Mayor as Council knows, Holcombe Ward has no big towns like Daylesford, Creswick, Clunes and Trentham and the only actual town is Glenlyon. There is no talk of a Community Hub or new sports ground pavilions. Most of Holcombe is rural with small isolated communities and settlements. Recently a resident from a fairly isolated area just before the Shire boundary in North Drummond was put into hospital leaving a single family member at home without the ability to drive. When drinking water and basic groceries ran out, a trip into Kyneton

was needed to replenish supplies but a single return taxi fare from North Drummond to Kyneton costs over \$100. There is absolutely no other public transport available in many of these small outlying communities but fortunately a lift into Kyneton was arranged at short notice.

It is now hoped to create a Community Transport Scheme for the wider Drummond area and identify those without transportation and those prepared to offer a lift into neighbouring towns. There are informal community networks in Drummond, including the Community Fireguard Group and a local person who makes locals and visitors welcome at his place through the year. I have distributed a Newsletter through these networks and already, within one week, have received offers of lifts into Kyneton at 8.00am most mornings, into Daylesford, Ballarat and Federation Uni on a monthly basis and into the Kyneton Aquatic Centre on Friday evenings. The response from this community has indeed been stunning, given the community spirit shown there.

Councillor Pierre Niclas, Birch Ward

8/09/2014

I attended the all important September Audit and Risk Advisory Committee meeting which is the annual evaluation and review of Hepburn Shire's Financial Statements for year ended 30 June 2014.

This review was conducted in the presence of the Hepburn Shire Council Audit and Risk Advisory Committee (minus Cr Redwood who was away on a study tour), Mr Remy Szpak from the Victorian Auditor-General's Office (VAGO) and Mr Brad Ead - AFS & Associates (Council's internal auditors).

I am pleased to report that both the VAGO and AFS & Associates felt the report was in order, this Council's finances were in good condition and ready for the upcoming transition to the more comprehensive and standardised reporting format that will now be the standard expected of all future Council reports.

I am pleased to advise Council that although there were areas identified where further improvements could be found, that especially this Council is now one of the most improved Councils in the area of financial governance in Victoria.

I would like to congratulate both the CEO and his team on another great outcome and look forward to an even higher performance result from the forthcoming year.

9/09/2014

A small change of pace here but getting the numbers right was still a critical focus.

Hepburn Shire Council hosted a breakfast for all the students at the Daylesford Secondary College for approximately 120 very hungry young people. Well this is

where we came under some very serious pressure as we only had so many eggs, so much bacon and only enough bread to do one sandwich per person.

At about half way through, I noticed that there were either quite a few twins/triplets in this school or we had miscalculated how hungry some of these young people can be. Anyway, I am pleased to report that thanks to good planning (and a little bit of blind luck) we fed everyone with some enjoying more of the good food than others.

The CEO gets a special mention for the way he cooked his eggs; very neat, very clinical on the BBQ.

Month of September

I may be sounding a little like a broken record here but all is on track for the fabulous Hepburn Mineral Springs Reserve 150th celebration.

This month's meeting was held at the beautiful Pavilion Cafe in the Hepburn Reserve itself. Although not fully attended due to some being on leave, it was a great opportunity to cover off on a few smaller issues that usually are left to last when organising a large event like this.

Thanks to the great assistance from Bruce Lucas, our General Manager Infrastructure and his team, the committee is well confident of being in the right position for a great event on 28th March 2015; I repeat 28th March 2015. Please lock that date in everyone.

Councillor Kate Redwood AM, Birch Ward

Since the last Council meeting, I have been overseas – mostly in Denmark – a country with roughly the same population as Victoria and not all that different in geographical size. Given that country's strengths in design and engineering, it was particularly interesting to learn about their solutions to issues that we grapple with.

For example:

Footpaths: their design in towns is different from ours. Given over 30% of vehicles are bicycles, it is necessary to provide angle parking against buildings. This means that the disability access is not tied to a distance from the building line but starts 40 cm out. The clearance for foot traffic and wheel chairs then extends 1.5 metres. A further strip of footpath then provides for chairs, tables and trees. There is therefore flexibility as to the placement of street furniture either against the building or on the street side of the footpath. Access does not seem to be impeded.

Biofuel projects: About 1% of Denmark's electricity is generated using biofuel – either straw produced locally or imported wood pellets. The hot water by-product is used for heating commercial and domestic premises. The water is piped up to 75 km. It seems that this piping is reliable and effective.

Wind Power: Contrary to what is sometimes reported here, wind generated electricity continues to expand in Denmark, both on shore and off, and there is a thriving industry producing turbine components. In the time I was there, wind generated electricity contributed over 40% of electricity generated. Most wind installations are small – less than 10 turbines, and with strong local ownership. No one was reported as being unwell as a result of the turbines.

Parking: All vehicles exhibit on their windscreens a round transparent clock face with digits attached that can be manipulated to display time of parking commencement. Drivers must show the time of arrival for both metered parking and unmetered restricted parking. Compliance appears to be high. This provides compliance officers with direct self reported information on length of stay.

OH&S: There seems to be a trend for office staff to work at their computers standing up, with adjustable height desks. This is described as improving health and general well being and reducing back problems. This was observed in police stations, offices and shops.

Transport: In towns and cities the Danish public transport is remarkably good. The rolling stock is not dissimilar to our more recent vehicles but the scheduling is vastly more frequent. The timetable in Copenhagen allows for buses every 10 minutes on most routes. In a town like Daylesford there would be a bus service hourly to Ballarat and there would definitely be a more frequent service on the Creswick Clunes rail line. Trains and buses appear to be highly utilised at all times of day. The different balance between public transport, cycling and cars means that some towns are taking out main roads through their central areas and handing over the thoroughfare to pedestrians and cyclists.

Councillor Neil Newitt, Cameron Ward

Councillors, it has been another very busy month in the Cameron Ward with quite a number of events and meetings taking place that I attended on behalf of Council. I would just like to highlight two in the time available.

This month I attended the Ullina Landcare Annual General Meeting. This group has worked tirelessly to provide benefits to the local community, and I was pleased to join with them in celebrating the past year, and looking toward the next 12 months. The enthusiasm and dedication of this group is remarkable, however like many community groups, one of their challenges is around attracting more volunteers to continue this work.

I should pass on that the progress around Wheeler's Bridge was also raised.

Councillors, the issue providing most discussion in the community this month is the recent application for a licence to explore for gold for the town of Clunes. Although

the issuing of the licence will be by the State Government, we will need to monitor and have the opportunity to follow this matter alongside the community.

I attended, as an observer, a community information session facilitated by the applicant Mount Rommel Mining. Around 70 people attended this session and, clearly there are a lot of questions still to be answered and a lot of concerns that the community wish to have answers for before they believe this will be a good outcome for Clunes's future.

It is worth noting that the application takes in a 58 km² area, including the township, and could involve an exploration period of up to 10 years.

As part of the exploration process, Mount Rommel Mining will be seeking to access land that falls under the control of Hepburn Shire.

As I stated earlier, the granting of a licence will ultimately be made by others outside of the Hepburn Shire.

However, I believe for the good of the community, we must assist them where possible to receive the answers to the many questions they have.

Councillor Sebastian Klein, Coliban Ward

Soon after the last Council meeting, I visited the office of the Parliamentary Secretary for Local Government in Mornington Peninsula. He was proud to tell us about the Mornington Peninsula Localised Planning Statement.

The consequence of years of effort by the community and by representatives, it preserves the rural aspect of this municipality and reinforces the existing development zones and in many cases supports more appropriate redevelopment.

From there it was onto Wangaratta, to present the Victorian Local Governance Association (VLGA) Building Local Governance document which is a road map for an incoming State government. I will bring this important document to the next Council meeting for endorsement. The presentation was to the North East Mayors and CEOs Forum in the impressive Civic Centre at Wangaratta which is well appointed for a range of simultaneous uses – from regional strategic meetings to plays like 'Pete the Sheep' which I noted was soon to be presented there.

Back at home I held a number of community meetings here at the Mechanics Institute to give an opportunity for anyone to come and let me know their views or ask questions. Of the seven who attended there was a mixture of views and ideas. Along with many community members, I am excited to have progressed the project this far and to see the report in tonight's meeting agenda. Also, exciting for the Trentham Community Reference Group.

I also attended a Bioenergy tour associated with the Central Highlands Agribusiness Forum (CHAF) conference and had a great time cycling in the forest around Creswick. A full list of engagements is to be found in my written report.

- Local Government Mayors and CEOs Forum
- Also signing of Victorian Local Government State Agreement
- Announcement of Sunbury out of Hume – New Sunbury City Council in 2015
- Trentham Mechanics Institute meetings
- Victorian Adaptation and Sustainability Pathways Ministerial Advisory Committee
- Victorian Local Governance Association (VLGA) Board meeting
- VLGA Resources and Finance Committee
- Trentham Community Reference Group meetings x 2
- Chaired Trentham Public Reserves Committee AGM
- Met with David Morris MP, Parliamentary Secretary for Local Government on behalf of VLGA
- North East Mayors and CEOs forum in Wangaratta
- Met with State Parliament Candidates
- Briefing on Energy Upgrade Agreements (EUAs) at Arup
- Coliban Ward meeting
- Attended Bioenergy tour with CHAF
- Daylesford Secondary College Breakfast
- Cycling in Creswick
- Blue Urchin Gallery, Trentham.

Councillor Greg May, Creswick Ward

I don't have great number of events to report on but one particular event I attended I would like to inform you about. On September 4th I attended an all day forum in Ballarat on the subject of Bioenergy. This event was organised by CHAF, the Central Highlands Agribusiness Forum, and Bioenergy Australia and was supported by the City of Ballarat, the Pyrenees Shire and Sustainability Victoria. Approximately 60 people from a wide variety of interest groups attended the day. Interest groups included the CSIRO, several local councils and one interstate council, Department of Environment and Primary Industries, as well as pellet production companies and even

plant nursery operators interested in finding more cost effective and sustainable ways to heat their hot houses.

Around 10 different speakers with expertise in different facets of bioenergy addressed the forum. One of those speakers was John van Rooden from the Hepburn Shire Council who spoke on the shire's recent bioenergy feasibility study.

Other speakers covered topics such as the bioenergy project at the Beaufort Hospital, an operational biomass heated swimming pool in Mt Gambier, a study being conducted by the City of Ballarat into an energy from waste plant in the Ballarat West Economic Zone and a fully operational bioenergy facility just outside Mildura which operates entirely on wine grape skins.

Surprisingly, there are 140 operational bioenergy plants of vastly varying sizes operating in Australia currently. Some are as small as the Beaufort hospital facility and some are huge such as one in Gippsland which heats a 2 hectare hothouse producing tomatoes and eggplants hydroponically.

As one speaker pointed out, the concept of burning plants to produce heat is not a new one. Doing it efficiently and sustainably is the challenge for the bioenergy sector into the future. A common theme which emerged from the day was that although set up costs for bioenergy plants were quite high, the operational costs were significantly lower in most cases than similar gas and electric facilities with most having attractive pay back periods.

Andrew Lang who is a committee member of the World Bioenergy Association spoke about his recent overseas visit to Sweden and Denmark whose governments are visionary and actively encourage and support all sorts of renewable energy including bioenergy. These countries are amongst the world leaders in renewable energy and have their people, business and governments all pushing in the same direction, unlike here in Australia it would seem.

Andrew also had photos of a 'Biobaler'. A biobaler is a robust machine which is pulled and operated by a large tractor. It mows and chops weeds such as gorse and broome and wraps them up in a convenient round biobale. The bale is stored for a period of time until its moisture level is suitable to be used as fuel in a bioenergy plant. This could be a potential win-win here in Hepburn Shire.

Plenty of roadside fuel as mentioned, clean up the roadside and produce biofuel all in the one operation.

Information from the forum can be found on the CHAF and Bioenergy Australia website if you are interested.

RECOMMENDATION

8.1 That Council receives and notes the Mayor's and Councillors' reports.

MOTION

8.1. *That Council receives and notes the Mayor's and Councillors' reports.*

Moved: Councillor Bill McClenaghan

Seconded: Councillor Kate Redwood

Carried.

9. 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 received 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.

9.1. PETITIONS

Nil

9.2. QUESTIONS

Nil

9.3. REQUESTS TO ADDRESS COUNCIL

Ms Susie Spence, Chairperson, Trentham Community Reference Group, addressed Council to express the Community support for the proposed Trentham Hub, its timeliness, as well as the support of the Associations who will be the main users of the facility.

Mr Mitch Watson, Daylesford & Hepburn Springs Mineral Water Co addressed Council in support of the Eve-trans Kyneton Ltd application to be considered under Agenda Item 11.8 - **Application for Approval to Operate B-Double and Higher Mass Limit Vehicles on Local Council Roads.**

10. STATUTORY PLANNING REPORTS

There were no Planning Applications for consideration at the September 2014 Council meeting.

11. OFFICERS' REPORTS

11.1. ANNUAL FINANCIAL REPORT 2013/14 – ADOPTION IN PRINCIPLE CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Chief Executive Officer, I Aaron van Egmond have no interests to disclose in this report.

PURPOSE

The purpose of this report is for Council to give in principle approval to the Financial Statements, Standard Statements and Performance Statement for the year ended 30 June 2014 and authorise two Councillors to certify them once they are finalised.

BACKGROUND

Council currently has the Auditor-General's Office appointed as its external auditors. The Victorian Auditor-General's Office audited Council's 2013/14 Financial Statements during the period 25 - 29 August 2014.

The audited draft Financial Statements, Standard Statements and Performance Statements for the year ended 30 June 2014 were tabled at Hepburn Shire Council's Audit and Risk Advisory Committee meeting on Monday 8 September 2014. The Committee's recommendation to Council was as follows:

That the Audit and Risk Advisory Committee:

- 6.2.1 *Recommends that Council authorises two Councillors to approve the Financial Statements, Standard Statements and Performance Statement for the financial year ended 30 June 2014 in their final form after any changes as considered appropriate, or agreed to by the auditor, have been made in accordance with the Act*
- 6.2.2 *Accepts the Victorian Auditor-General's Office Closing Report for the financial year ended 30 June 2014.*

The *Local Government Act 1989* stipulates that the audited financial statements must be submitted to the Minister within three months of the end of the financial year. The Financial Reporting process includes presenting the statements to the Audit and Risk Advisory Committee, the Committee making a 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. This process is required to be completed prior to 30 September 2014. Meeting this timeline also ensures the audited financial statements can be included in the Annual Report.

ISSUE / DISCUSSION

Standard Statements

The Standard Statements are 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 Council's adopted budget for the year.

Full explanations of variances between the adopted budget and the actual results can be found within the Standard Statements attached.

In addition, the Standard Statements include a summary of the capital works also compared to budget.

Financial Statements

The Financial Statements are a full set of the Council's financials including the Income Statement, Balance Sheet and Cash Flow. The Financial Statements provide information on current and prior year balances and information as required by accounting standards and the Local Government Act and Regulations.

Overview

The Financial Statements show that for the 2013/14 Financial Year that Council had:

- a comprehensive surplus of \$7.8 million (\$17.7 million in 2012/13)
- an adjusted comprehensive surplus (excluding flood related items and revaluation) of \$1.7 million (\$3.4million in 2012/13)
- revenue (excluding flood related revenue) of \$28.4 million (\$30.6 million in 2012/13) with 57% coming from rates and charges (52% in 2012/13)
- operating expenditure (excluding flood related operating expenditure) of \$26.7 million (\$27.3 million in 2012/13), with 38% attributable to employee benefits (39% in 2012/13) and 29% attributable to materials and services (32% in 2012/13)
- \$212.7 million in capital assets (at written down value), providing community facilities, roads, bridges and other infrastructure (\$201.2 million in 2012/13)
- Cash (excluding flood reimbursements and Victorian Grants Commission funds received in advance) of \$11.3 million (\$10.4 million in 2012/13)
- \$4.1 million in loans and borrowings (\$3.6 million in 2012/13).

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 2013/14 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

There are no financial implications associated with this report.

RISK IMPLICATIONS

There are no risk implications identified with this report.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

No environmental, social or economic implications noted.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

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

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 2014 and made available on Council's website and at 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

- 11.1.1 Pursuant to Section 131(7) and Section 132(6) of the Local Government Act 1989, gives in principle approval to the Financial Statements, Standard Statements and Performance Statement for the year ended 30 June 2014.
- 11.1.2 Pursuant to Section 131(8) and Section 132(7) of the Local Government Act 1989, Council authorises Councillors (name).....and (name).....to certify the 2013/14 statements in their final form after any changes recommended, or agreed to, by the auditors have been made.

MOTION

That Council:

- 11.1.1. *Pursuant to Section 131(7) and Section 132(6) of the Local Government Act 1989, gives in principle approval to the Financial Statements, Standard Statements and Performance Statement for the year ended 30 June 2014.*
- 11.1.2. *Pursuant to Section 131(8) and Section 132(7) of the Local Government Act 1989, Council authorises Councillors Kate Redwood AM and Pierre Niclas to certify the 2013/14 statements in their final form after any changes recommended, or agreed to, by the auditors have been made.*

Moved: Councillor Cr Bill McClenaghan

Seconded: Councillor Kate Redwood

Carried.

ATTACHMENT 1 - DRAFT ANNUAL FINANCIAL REPORT FOR YEAR ENDED
30 JUNE 2014

Hepburn Shire Council
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2014

Hepburn Shire Council

Financial Report

Table of Contents

	Page
Plain English Guide to Council's Financial Report	
Financial Report	
<u>Standard Statements</u>	4
Standard Notes	5
Standard Income	6
Standard Balance Sheet	9
Standard Cash Flow	12
Standard Capital	14
Standard Cash Flow Variance	16
Standard Statements Certification	16
<u>Financial Statements</u>	17
Comprehensive Income Statement	18
Balance Sheet	19
Statement of Changes in Equity	20
Cash Flow Statement	21
<u>Notes to Financial Report</u>	22
Introduction	22
Note 1 Significant accounting policies	23
Note 2 Rates and charges	32
Note 3 Statutory fees and fines	32
Note 4 User fees and charges	33
Note 5 Grants	33
Note 6 Contributions - Cash	35
Note 7 Reimbursements	35
Note 8 Other income	35
Note 9 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	36
Note 10 Employee costs	36
Note 11 Materials and services	36
Note 12 Bad and doubtful debts	36
Note 13 Depreciation and amortisation	36
Note 14 Other expenses	36
Note 15 Cash and cash equivalents	37
Note 16 Trade and other receivables	37
Note 17 Other financial assets	37
Note 18 Property, infrastructure, plant and equipment	38
Note 19 Intangible assets	49
Note 20 Trade and other payables	49
Note 21 Trust funds and deposits	49
Note 22 Provisions	50
Note 23 Interest-bearing loans and borrowings	52

Hepburn Shire Council
Financial Report
Table of Contents

	Page
Note 24 Other Liabilities	52
Note 25 Reserves	53
Note 26 Reconciliation of cash flows from operating activities to surplus	55
Note 27 Restricted assets	55
Note 28 Superannuation	56
Note 29 Commitments	61
Note 30 Operating leases	62
Note 31 Financial Instruments	64
Note 32 Contingent liabilities and contingent assets	71
Note 33 Auditors' remuneration	71
Note 34 Related party transactions	72
Note 35 Income, expenses and assets by function/activities	74
Note 36 Capital expenditure	75
Note 37 Special committees and other activities	76
Note 38 Financial ratios (Performance indicators)	77
Note 39 Events occurring after balance date	78
Certification of the Financial Statements	79
<u>Performance Statement</u>	80
Performance Statement and Certification	81
<u>Independent Auditors Report</u>	85

Hepburn Shire Council
STANDARD STATEMENTS
For the Year Ended 30 June 2014

Note to Standard Statements For the Year Ended 30 June 2014

Note 1 Basis of Preparation of 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 basis 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%. 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 in June 2013. 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 General Purpose Financial Report for the year ended 30 June 2014. The detailed budget for 2013/2014 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.

Hepburn Shire Council
Standard Income Statement
For the Year Ended 30 June 2014

	<i>Actual</i> 2013/2014	<i>Budget</i> 2013/2014	<i>Variance</i>		<i>Ref</i>
	\$'000	\$'000	\$'000	%	
<i>Income from ordinary activities</i>					
Rates and charges	16,179	16,226	(47)	0%	
Statutory fees and fines	335	645	(310)	-48%	1
User fees	994	780	214	27%	2
Contributions	282	12	270	2250%	3
Grants - Recurrent	4,498	6,274	(1,776)	-28%	4
Grants - Non recurrent	4,259	2,876	1,383	48%	5
Other income	1,964	1,372	592	43%	6
Total income	28,511	28,185	326		
<i>Expenses from ordinary activities</i>					
Employee benefits	10,263	11,238	(975)	-9%	7
Materials and services	9,370	7,578	1,792	24%	8
Bad and doubtful debts	182	5	177	3540%	9
Depreciation and amortisation	6,507	5,200	1,307	25%	10
Finance costs	270	320	(50)	-16%	11
Other expenses	1,916	951	965	101%	12
Total expenses	28,508	25,292	3,216		
Net profit from operations	3	2,893	(2,890)		

Ref.	Item	Commentary
1	Statutory fees and fines	The 2013/2014 budget for Statutory Fees and Fines and User Fees included an error. When these two categories are combined the actual income is 93% of the budget.
2	User fees	
3	Contributions	Council received two significant unbudgeted monetary contributions. The first was for the Creswick Bowling Club reconstruction and the second was for Recreational Land Contributions which were not budgeted to be taken through the income statement.
		Creswick Bowling Club reconstruction \$133,500
		Recreational Land Contributions \$108,500
		Total \$242,000

Hepburn Shire Council
Standard Income Statement
For the Year Ended 30 June 2014

Ref.	Item	Commentary	
4	Grants - Recurrent	In June 2013 Council received half of its 2013/2014 Victoria Grants Commission (VGC) Allocation in advance. There was no payment in advance in June 2014, hence the VGC grants in the income statement were significantly under budget. Council's total DHS Community Services Grants were significantly over budget.	
		Victoria Grants Commission - Actual	\$2,148,354
		Victoria Grants Commission - Budget	-\$4,069,839
		DHS Community Services Grants in total - Actual	\$1,231,648
		DHS Community Services Grants in total - Budget	-\$1,130,542
		Total	-\$1,820,379
5	Grants - Non recurrent	Actual income is greater than budget as a result of grants received that were not budgeted for:	
		Clunes Warehouse Grants	\$1,173,636
		Lyonville Hall Grant	\$120,000
		Total	\$1,293,636
6	Other income	At the start of 2013/2014 Council had approximately \$4.4 million cash to fund unfinished capital works, and the investment of these funds resulted in Interest Income being greater than budget. Due to a change in State Government Legislation, Council received an unbudgeted reimbursement for administration of the Fire Services Property Levy and the Gain on Disposal of Property, Plant & Equipment was greater than budgeted, as follows:	
		Interest Income	\$121,271
		Fire Services Property Levy Admin Reimbursement	\$61,871
		Gain on Disposal of Property, Plant & Equipment	\$17,588
		Total	\$200,730
7	Employee benefits	During the year Council moved from a four director model to a three director model, and reduced a number of other employment positions, which reduced ongoing employment costs. A number of budgeted staff positions remained vacant for extended periods which also reduced employee costs. On top of this the budgeted growth in employment positions did not occur.	
8	Materials and services	Actual material expenses are greater than budget as a result of the following items that were not budgeted for:	
		Flood recovery recurrent expenditure not budgeted for	\$1,298,005
		Total	\$1,298,005

Hepburn Shire Council
Standard Income Statement
For the Year Ended 30 June 2014

Ref.	Item	Commentary
9	Bad and doubtful debts	Council has raised a major provision against a rental debtor arising from a dispute between the tenant, Council and the State Government (which involves a third party in the lease agreement). Council also raised a provision against compliance infringement debtors.
		Rental Income \$99,815
		Compliance Infringements \$64,957
		Total \$164,772
10	Depreciation and amortisation	The depreciation budget was significantly understated, as it did not fully take into account the most recent revaluation of Council infrastructure assets.
11	Finance costs	Actual interest was less than budgeted as a result of the early repayment of some loans and the interest rate on the new loan being lower than budgeted.
		Interest on Borrowings -\$49,824
		Total -\$49,824
12	Other expenses	During 2011/2012 and 2012/2013 Council received flood recovery (NDRRA) reimbursement funding in advance, which was shown as revenue. As at 30 June 2014 Council has recognised that it will have to pay almost \$1 million of this reimbursement in advance, and that amount has been expensed as follows:
		Refund NDRRA Reimbursement \$989,784
		Total \$989,784

**Hepburn Shire Council
Standard Balance Sheet
As at 30 June 2014**

	<i>Actual 2013/2014 \$'000</i>	<i>Budget 2013/2014 \$'000</i>	<i>Variance \$'000</i>	<i>%</i>	<i>Ref</i>
<i>Current assets</i>					
Cash and cash equivalents	12,570	4,325	8,245	191%	13
Receivables	2,202	2,260	(58)	-3%	
Other assets	47	80	(33)	-41%	14
Total current assets	14,819	6,665	8,154		
<i>Non-current assets</i>					
Other Financial assets	-	521	(521)	-100%	15
Property, infrastructure, plant and equipment	213,455	211,362	2,093	1%	16
Total non-current assets	213,455	211,883	1,572		
Total assets	228,274	218,548	9,726		
<i>Current liabilities</i>					
Trade and other payables	2,781	3,397	(616)	-18%	17
Interest bearing loans and borrowings	2,343	651	1,692	260%	18
Other Liabilities	2,875	3,056	(181)	-6%	
Total current liabilities	7,999	7,104	895		
<i>Non-current liabilities</i>					
Interest bearing loans and borrowings	1,773	3,776	(2,003)	-53%	19
Provisions	496	580	(84)	-14%	20
Other Liabilities	152	188	(36)	-19%	21
Total non-current liabilities	2,421	4,544	(2,123)		
Total liabilities	10,420	11,648	(1,228)		
Net assets	217,854	206,900	10,954		
<i>Equity</i>					
Accumulated surplus	132,463	131,817	646	0%	
Asset revaluation reserve	84,191	74,091	10,100	14%	22
Other reserves	1,200	992	208	21%	23
Total equity	217,854	206,900	10,954		

Hepburn Shire Council
Standard Balance Sheet
As at 30 June 2014

Ref.	Item	Commentary
13	Cash and cash equivalents	Actual cash at year end is greater than budget as a result of the following items:
		NDRRA Reimbursement in advance \$989,784
		Budgeted Capital Works and Projects Unspent \$5,352,500
		Long Service Leave Bond converted to cash (see note 17) \$515,405
		Total \$6,857,689
14	Other assets	Prepayments were lower than budget due to increased focus on paying annual subscriptions in the relevant year. Inventories were lower than budget as a result of better stock management.
15	Other Financial assets	Legislation changed during 2011/12 and cash funds are no longer required to be held separately for long service leave provision. After the 2013/14 budget was adopted \$500,000 held previously in a bond expired and the funds have been reallocated in the balance sheet to cash.
16	Property, infrastructure, plant and equipment	During the year Council undertook \$2,692,658 on unbudgeted capital works as part of the flood recovery program, whilst budgeted capital works were not fully completed.
17	Trade and other payables	Trade and other payables at year end did not increase at the rate budgeted. The year-end budget was set at higher level to reflect the flood recovery works, and these have now finished.
18	Interest bearing loans and borrowings	The budget provided for borrowing \$1,423,000 over 7 years to fund the Defined Benefits superannuation liability and repayment of \$78,000 on that loan. Council has actually borrowed this amount on an interest-only basis whilst it awaits the MAV Local Government Funding Vehicle to commence. Additionally, a change to the accounting regulations has seen the principal due for repayment after 12 months on some loan borrowings reclassified as a current liability.
		Superannuation Loan - all current \$1,423,000
		Superannuation Loan - budgeted current -\$115,305
		Loan repayments not made on Superannuation loan -\$108,108
		Reclassified Non-Current loans payable after 12 months \$0
		Total \$1,199,587
19	Interest bearing loans and borrowings	During the year Council repaid an additional \$400,000 loan borrowings from savings (predominantly salaries) in the recurrent operating budget.
		Additional loan repayments -\$400,000
		Budgeted Non-Current Superannuation Loan -\$1,199,587
		Reclassified Non-Current loans payable after 12 months \$0
		Total -\$1,599,587

**Hepburn Shire Council
Standard Balance Sheet
As at 30 June 2014**

<u>Ref.</u>	<u>Item</u>	<u>Commentary</u>
20	Provisions	Non-current provisions were less than budget as a result of employee leave provisions declining.
21	Other Liabilities	Rent income in advance is below that budgeted, due to the budget not correctly taking into account the declining rent prepayment
22	Asset revaluation reserve	The asset revaluation reserve was greater than budget due to the revaluation increment being greater than budgeted.
23	Other reserves	Other reserves are greater than budget primarily due to the recreational land contribution being greater than expected.

Hepburn Shire Council
Standard Statement of Cash Flows
For the Year Ended 30 June 2014

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>		<i>Ref</i>
	<i>2013/2014</i>	<i>2013/2014</i>	<i>\$'000</i>	<i>%</i>	
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>%</i>	
<i>Cash flows from operating activities</i>					
Rates and charges	15,907	16,226	(319)	-2%	
Grants recurrent (inclusive of GST)	4,723	6,274	(1,551)	-25%	23
Grants non recurrent and contributions (inclusive of GST)	4,709	2,984	1,725	58%	24
Interest	407	280	127	45%	25
User charges	1,014	780	234	30%	26
Statutory fees and fines	323	645	(322)	-50%	27
Other receipts (inclusive of GST)	4,798	1,075	3,723	346%	28
Payments to suppliers (inclusive of GST)	(10,036)	(7,538)	(2,498)	33%	29
Payments to employees	(11,693)	(12,661)	968	-8%	30
Other payments	(3,846)	(951)	(2,895)	304%	31
Net cash inflow (outflow) from operating activities	6,306	7,114	(808)		
<i>Cash flows from investing activities</i>					
Proceeds from sale of property, infrastructure, plant and equipment	167	296	(129)	-44%	32
Payments for property, infrastructure, plant and equipment	(11,141)	(7,841)	(3,300)	42%	33
Net cash inflow (outflow) from investing activities	(10,974)	(7,545)	(3,429)		
<i>Cash flows from financing activities</i>					
Interest paid	(270)	(287)	17	-6%	34
Proceeds from disposal of financial assets	495	-	495	100%	35
Proceeds from borrowings	1,423	1,423	-	0%	
Repayment of borrowings	(945)	(632)	(313)	50%	36
Net cash inflow (outflow) from financing activities	703	504	199		
Net increase (decrease) in cash held	(3,965)	73	(4,038)		
Cash at the beginning of the year	16,285	4,252	12,033		
<i>Cash at the end of the year</i>	12,320	4,325	7,995		

Hepburn Shire Council
Standard Statement of Cash Flows
For the Year Ended 30 June 2014

<u>Ref.</u>	<u>Item</u>	<u>Commentary</u>
23	Grants recurrent (inclusive of GST)	Refer to commentary in the Standard Income Statement regarding recurrent grants.
24	Grants non recurrent and contributions (inclusive of GST)	Refer to commentary in the Standard Income Statement regarding non-recurrent grants and contributions.
25	Interest	Interest income was greater than budgeted as a result of having \$4,397,776 unspent capital works carried forward from 2012/2013 invested.
26	User charges	Refer to commentary in the Standard Income Statement regarding user charges and statutory fees and fines.
27	Statutory fees and fines	
28	Other receipts (inclusive of GST)	The net GST refund of \$1,673,899 was not included in the budget.
29	Payments to suppliers (inclusive of GST)	Refer to commentary in the Standard Income Statement regarding payments to suppliers
30	Payments to employees	Refer to commentary in the Standard Income Statement regarding employee benefits.
31	Other payments	Refer to commentary in the Standard Income Statement regarding other expenses.
32	Proceeds from sale of property, infrastructure, plant and equipment	Council did not complete its plant and vehicle changeover program and as a consequence income from trade-ins was significantly under budget. Refer to commentary in the Standard Capital Works Statement regarding plant and equipment.
33	Payments for property, infrastructure, plant and equipment	During the year Council spent an unbudgeted amount of \$2,692,658 on flood recovery capital works.
34	Interest paid	Refer to commentary in the Standard Income Statement regarding finance costs.
35	Proceeds from disposal of financial assets	The conversion of financial assets (bank bills) to cash was not included in the budget.
36	Repayment of borrowings	Refer to commentary in the Standard Balance Sheet regarding interest bearing loans.

Hepburn Shire Council
Standard Capital Works Statement
For the Year Ended 30 June 2014

Works Areas	Actual	Budget	Variance		Ref
	2013/2014	2013/2014	\$'000	%	
	\$'000	\$'000	\$'000		
Roads and Bridges	4,487	5,441	(954)	-17.5%	37
Recreation	175	107	68	63.6%	38
Land and Buildings	2,060	643	1,417	220.4%	39
Plant, equipment and other	1,390	1,650	(260)	-15.8%	40
Total capital works	8,112	7,841	271		
Represented by:					
New assets	408	420	(12)	-2.9%	
Expansion/upgrade	660	848	(188)	-22.2%	41
Renewal	7,044	6,573	471	7.2%	42
Total capital works	8,112	7,841	271		

Ref.	Item	Commentary
37	Roads and Bridges	Council had a number of capital works programs unfinished at year end including:
		Pavement Rehabilitation \$268,000
		Bridge Renewal \$693,000
		Total \$961,000
38	Recreation	Council undertook unbudgeted Flood Recovery capital expenditure on Other Infrastructure during the year as follows:
		Creswick Cricket Nets \$45,350
		Victoria Park Clunes \$24,510
		Total \$69,860
39	Land and Buildings	Council undertook unbudgeted capital expenditure on Land and Buildings during the year as follows:
		Clunes Tennis Courts \$264,189
		The Warehouse - Clunes \$652,560
		Duke Street Officers \$73,422
		Victoria Park Netball Change Room/Shelter \$88,841
		Clunes Football Lights \$98,291
		Total \$1,177,303
40	Plant, equipment and other	During the year Council under spent the budget for plant and equipment as follows:
		Heavy Plant \$141,583
		Fleet Vehicles \$85,112
		Total \$226,695

Hepburn Shire Council
Standard Capital Works Statement
For the Year Ended 30 June 2014

<u>Ref.</u>	<u>Item</u>	<u>Commentary</u>
41	Expansion/upgrade	During the year Council did not undertake two complete the following project, creating expenditure savings as follows:
		Council Services & Community Hub \$200,000
		Total \$200,000
42	Renewal	Refer to commentary above regarding Roads and Bridges.

Hepburn Shire Council

Standard Statements, Variances and Statement by Councillors and Principal Accounting Officer For the Year Ended 30 June 2014

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*.

Kathie Attwood

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 16 September 2014 to certify the standard statements in their final form.

Councillor

Date

Councillor

Date

Aaron Van Egmond

Chief Executive Officer

Date

Hepburn Shire Council
FINANCIAL STATEMENTS
For the Year Ended 30 June 2014

Comprehensive Income Statement For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Income			
Rates and charges	2	16,178,811	15,776,253
Statutory fees and fines	3	334,999	305,209
User fees and charges	4	994,197	959,319
Grants - recurrent	5	4,498,484	6,353,728
Grants - non-recurrent	5	4,258,595	5,106,192
Contributions - cash	6	281,943	123,177
Reimbursements	7	358,448	14,633,135
Other income	8	1,587,908	1,714,428
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	9	17,588	52,558
Total income		28,510,973	45,023,999
Expenses			
Employee costs	10	(10,263,455)	(10,660,606)
Materials and services	11	(9,370,433)	(11,394,039)
Bad and doubtful debts	12	(181,626)	(107,798)
Depreciation and amortisation	13	(6,506,548)	(6,167,883)
Interest on borrowings		(270,176)	(290,245)
Other expenses	14	(1,915,778)	(1,092,936)
Total expenses		(28,508,016)	(29,713,507)
Surplus for the year		2,957	15,310,492
Other comprehensive income			
Items that will not be reclassified to surplus/(deficit)			
Net asset revaluation increment	25	7,757,699	2,342,544
Other comprehensive income		7,757,699	2,342,544
Comprehensive result		7,760,656	17,653,036

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

Balance Sheet

As at 30 June 2014

Assets	Note	2014	2013
Current assets		\$	\$
Cash and cash equivalents	15	12,319,696	16,284,640
Trade and other receivables	16	2,202,330	2,384,635
Other financial assets	17	250,000	515,405
Inventories		20,297	16,278
Prepayments		26,630	39,824
Total current assets		14,818,953	19,240,782
Non-current assets			
Other financial assets	17	-	250,000
Property, infrastructure, plant and equipment	18	212,653,004	201,203,798
Intangible assets	19	801,728	896,071
Total non-current assets		213,454,732	202,349,869
Total assets		228,273,685	221,590,651
Liabilities			
Current liabilities			
Trade and other payables	20	2,780,807	2,541,412
Trust funds and deposits	21	941,350	1,043,680
Provisions	22	1,916,280	3,316,867
Interest-bearing loans and borrowings	23	2,342,580	588,481
Other Liabilities	24	17,857	206,658
Total current liabilities		7,998,874	7,697,098
Non-current liabilities			
Provisions	22	496,227	525,398
Interest-bearing loans and borrowings	23	1,773,052	3,048,365
Other Liabilities	24	151,786	187,500
Total non-current liabilities		2,421,065	3,761,263
Total liabilities		10,419,939	11,458,361
Net Assets		217,853,746	210,132,290
Equity			
Accumulated surplus		132,462,762	132,611,945
Reserves	25	85,390,984	77,520,345
Total Equity		217,853,746	210,132,290

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

Statement of Changes in Equity

For the Year Ended 30 June 2014

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
2014		\$	\$	\$	\$
Balance at beginning of the financial year		210,132,290	132,611,945	76,433,182	1,087,163
AASB119 adjustment		(18,640)	(18,640)		
Comprehensive result for the year		7,760,656	2,957	7,757,699	-
Transfers to other reserves	25(b)	-	(133,500)	-	133,500
Transfers from other reserves	25(b)	(20,560)	-	-	(20,560)
Balance at end of the financial year		217,853,746	132,462,762	84,190,881	1,200,103

		Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
2013		\$	\$	\$	\$
Balance at beginning of the financial year		192,385,308	117,301,453	74,090,638	993,217
Comprehensive result for the year		17,653,036	15,310,492	2,342,544	-
Transfers to other reserves	29(b)	99,100	-	-	99,100
Transfers from other reserves	29(b)	(5,154)	-	-	(5,154)
Balance at end of the financial year		210,132,290	132,611,945	76,433,182	1,087,163

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

Cash Flow Statement

For the Year Ended 30 June 2014

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		15,906,719	15,456,884
Fire services property levy		1,723,342	-
Statutory fees and fines		322,570	303,795
User charges and other fines (inclusive of GST)		1,014,247	952,652
Grants (inclusive of GST)		9,149,727	12,243,590
Developer contributions (inclusive of GST)		281,943	222,277
Reimbursements (inclusive of GST)		256,118	14,711,759
Interest		407,128	584,218
Rents (inclusive of GST)		929,460	919,004
Other receipts (inclusive of GST)		216,123	222,124
Net GST refund/payment		1,673,899	2,413,052
Payments to suppliers (inclusive of GST)		(10,035,607)	(13,017,140)
Employee costs		(11,693,213)	(10,905,339)
Fire services property levy		(1,738,871)	-
Other payments		(2,107,356)	(1,354,642)
Net cash provided by operating activities	30	6,306,228	22,752,233
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	22	(11,141,207)	(19,058,725)
Payment for investments		-	(515,405)
Proceeds from sale of investments		-	271,127
Proceeds from sale of property, infrastructure, plant and equipment	15	166,580	200,353
Net cash provided by (used in) investing activities		(10,974,627)	(19,102,650)
Cash flows from financing activities			
Finance costs		(270,176)	(290,245)
Proceeds from disposal of financial assets		494,845	-
Proceeds from interest bearing loans and borrowings		1,423,099	-
Repayment of interest bearing loans and borrowings		(944,313)	(548,063)
Net cash provided by (used in) financing activities		703,455	(838,308)
Net increase (decrease) in cash and cash equivalents		(3,964,944)	2,811,275
Cash and cash equivalents at the beginning of the financial year		16,284,640	13,473,365
Cash and cash equivalents at the end of the financial year	31	12,319,696	16,284,640
The above cash flow statement should be read with the accompanying notes.			
Restrictions on cash assets	32		

Notes to the Financial Report For the Year Ended 30 June 2014

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 - AFS & Associates

Principal Bankers - Commonwealth Bank

Website - www.hepburn.vic.gov.au

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*.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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 these financial statements. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report are detailed in note 37.

(b) Change in accounting policies

Subsequent to the 2012/2013 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012 comparative period (please see note 18).

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Council determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

(c) 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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

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.

Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

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.

(d) 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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

(e) **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.

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:

<i>Property</i>	Period (Years)
Land improvements	20 - 100
Buildings and Leasehold improvements	25 - 150
<i>Plant and Equipment</i>	
Plant	
plant, machinery and equipment	3 - 10
Machinery	
fixtures, fittings and furniture	3 - 20
Library books	10
<i>Infrastructure</i>	
Roads	
road pavements, seals and road substructure	10 - 80
road kerb, channel and minor culverts	10 - 65
Bridges	50 - 100
Footpaths and cycle ways	10 - 65
Drainage	5 - 80
Street Furniture	5 - 80
Playground Equipment	5 - 80
Monuments	5 - 80
Other structures	5 - 80
Intangible Assets	10

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

(f) 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.

(g) Borrowing costs

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

(h) 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 and direct labour.

In accordance with Council's policy, the threshold limits of \$1,000 has applied when recognising assets within an applicable asset class and are consistent with the prior year.

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.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 18 Property Plant and Equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from two to five 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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

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.

(i) **Cash and cash equivalents**

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

(j) **Other financial assets**

Bank bills 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.

(k) **Investments**

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

(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 21).

(m) **Leases**

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(n) **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.

(o) **Web site costs**

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

(p) **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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

(q) Employee costs

Wages and salaries

Liabilities for wages and salaries are recognised in the provision for employee benefits as 'current liabilities', because the Council does not have an unconditional right to defer settlements of these liabilities.

Annual leave

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

Depending on the expectation of the timing of settlement, liabilities for annual leave and sick leave are measured at:

- nominal undiscounted value if the Council expects to wholly settle within 12 months; or
- present value if the Council does not expect to wholly settle within 12 months.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal undiscounted value if the Council expects to wholly settle within 12 months; and
- present value if the Council does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non current LSL liability is measured at present value.

Superannuation

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with.

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which some of 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 plans 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 28.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

(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.

(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) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(u) 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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 1 Significant accounting policies (cont.)

(v) 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.

Other issued pronouncements not listed have been assessed as having no material impact on these statements, and they have not been adopted in preparation of the financial statements at reporting date.

Pronouncement - AASB 9 Financial Instruments

AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010/11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.

AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.

The new categories of financial assets are:

- Amortised cost – those assets with 'basic' loan features'.
- Fair value through other comprehensive income – this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).
- Fair Value through profit and Loss – everything that does not fall into the above two categories.

The following changes also apply:

- Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value.
- There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.

Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.

Application Date - 1 July 2015

The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.

This will also create a requirement to measure some instruments annually that has not previously existed.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

		2014	2013
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 2013/2014 was \$3,390 million (2012/2013 \$3,341 million). The 2013/2014 rate in the CIV dollar was 0.004254 (2012/2013: 0.004090).		
	Commercial	1,917,437	1,887,818
	Farm	1,631,374	1,541,536
	Mixed Use	270,023	254,459
	Residential	8,935,138	8,370,840
	Industrial	80,464	76,881
	Vacant Land - township	490,784	486,029
	Vacant Land - other	570,908	567,194
	Recreational	11,894	11,434
	Trust For Nature	15,238	14,650
	Supplementary rates and rate adjustments	88,455	125,109
	Garbage charge	644,633	623,000
	Waste Management Charge	1,237,580	1,332,240
	Recycling Charge	284,883	485,063
	Total rates and charges	16,178,811	15,776,253

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation was applied in the rating year commencing 1 July 2012. A revaluation was undertaken again during 2014, and these valuations will be effective for the 2014/15 and 2015/16 financial years.

Note 3	Statutory fees and fines		
	Infringements and costs	63,898	61,155
	Town planning fees	152,932	159,392
	Land information certificates	54,749	48,229
	Local laws permits	24,603	29,189
	Environmental health permits	27,484	24,867
	Other	11,333	7,244
	Total statutory fees and fines	334,999	330,076

**Notes to the Financial Report
For the Year Ended 30 June 2014**

		2014	2013
Note 4	User fees and charges	\$	\$
	Aged services fees	465,735	482,813
	Registration fees	186,037	184,890
	Building services fees	128,581	110,701
	Waste services charges	147,382	128,975
	Other fees and charges	66,462	27,073
	Total user fees and charges	994,197	934,452
Note 5	Grants		
	Grants were received in respect of the following :		
	Summary of grants		
	Federally funded grants	1,810,750	1,810,750
	State funded grants	6,946,329	9,649,170
	Total grants	8,757,079	11,459,920
	Recurrent		
	Commonwealth Government - roads to recovery	686,821	690,000
	Victoria Grants Commission - unallocated*	1,432,750	2,586,748
	Victoria Grants Commission - local roads	715,604	1,297,262
	Community health	57,706	51,177
	School crossing supervisors	13,110	12,796
	Emergency management and preparation	12,853	12,539
	Maternal and child health	136,781	133,362
	Food services	73,394	36,416
	Home help/linkages	708,682	716,327
	Senior citizen centres	75,573	77,593
	Transport	-	199,532
	Adult day care	213,489	208,118
	Assessment/welfare support	188,935	170,888
	Heritage and culture	21,000	-
	Youth	24,500	24,400
	Libraries	137,286	136,570
	Total recurrent grants	4,498,484	6,353,728

**Notes to the Financial Report
For the Year Ended 30 June 2014**

	2014	2013
Note 5 Grants (cont.)	\$	\$
<i>Non-recurrent</i>		
Community health	52,000	10,000
Youth	54,000	31,091
Commerce and tourism	1,353,136	2,221,110
Roads and bridges	1,861,517	1,126,000
Recreation	291,144	334,401
Waste and environment	27,266	110,330
Emergency management and preparation	143,107	329,275
Flood recovery	249,000	30,000
Flood Mitigation	164,556	809,000
Other	62,869	104,985
Total non-recurrent	4,258,595	5,106,192

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:

Freeza Youth	8,674	-
Hepburn Shire Council Services & Community Hub Planning	135,000	-
Municipal Fire & Emergency Management	95,442	-
Walk to School	10,000	-
Engage Youth Project	41,000	-
Lyonville Hall Upgrade	113,583	-
Daylesford Streetscape	240,000	-
Mount Prospect Tennis Courts	90,000	-

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:

Local Government Infrastructure Program Grant	314,598	102,718
Creswick Flood Mitigation Plan Implementation	164,556	124,639
Industrial Land Study	-	27,000
Preschools Project	-	9,929
Total	1,212,853	264,286

**Notes to the Financial Report
For the Year Ended 30 June 2014**

		2014	2013
		\$	\$
Note 5	Grants (cont.)		
	Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
	Creswick Flood Mitigation Plan Implementation	124,639	-
	Industrial Land Study	27,000	-
	Preschools Project	9,929	-
	Accord Round 5 Project: Sustainable Building Management	-	5,000
	Country Roads & Bridges Initiative	-	532,850
	Local Government Infrastructure Program	-	130,690
	Clunes Community and Interpretive Centre Project	-	406,350
	Living Libraries - Trentham	-	35,200
	Transport Connections	-	175,400
	HACC Growth Funding	-	35,761
	HACC Bushfire Preparedness	-	12,500
	Clunes Cluster Small Towns Adaptation Project	-	190,000
	Local Government Infrastructure Program	102,718	12,855
		<u>264,286</u>	<u>1,536,606</u>
	Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>948,567</u>	<u>(1,272,320)</u>
Note 6	Contributions - Cash		
	Roads	6,138	31,591
	Recreational, leisure and community facilities	124,696	50,900
	Recreational land contribution	133,500	-
	Other	17,609	40,686
	Total cash contributions	<u>281,943</u>	<u>123,177</u>
Note 7	Reimbursements		
	Flood recovery	-	14,316,659
	Other	358,448	316,476
	Total	<u>358,448</u>	<u>14,633,135</u>
Note 8	Other income		
	Interest	407,128	584,218
	Interest on rates	70,291	92,756
	Rent	984,305	928,279
	Sale of materials	55,801	50,481
	Supervision and administration fees	16,723	1,543
	Other	53,660	57,151
	Total other income	<u>1,587,908</u>	<u>1,714,428</u>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

		2014	2013
		\$	\$
Note 9	Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
	Proceeds from disposal of assets	151,436	182,139
	Written down value of assets disposed	(133,848)	(129,581)
	Net gain/(loss) on disposal of assets	17,588	52,558
Note 10	Employee costs		
	Wages and salaries	9,117,864	9,415,859
	Superannuation	772,824	770,114
	Fringe benefits tax and work cover	372,767	474,633
	Total employee costs	10,263,455	10,660,606
Note 11	Materials and services		
	Waste management	1,755,359	2,265,045
	Materials and services	7,016,130	8,511,855
	Utility payments	598,944	617,139
	Total materials and services	9,370,433	11,394,039
Note 12	Bad and doubtful debts		
	Compliance	64,957	-
	Rent	99,815	107,798
	Other	16,854	-
	Total bad and doubtful debts	181,626	107,798
Note 13	Depreciation and amortisation		
	Property	1,025,853	898,918
	Plant and Equipment	785,056	786,963
	Infrastructure	4,601,296	4,466,215
	Computer Software	94,343	15,787
	Total depreciation and amortisation	6,506,548	6,167,883
Note 14	Other expenses		
	Auditors' remuneration (see Note 33)	81,789	75,470
	Councillors' allowances	171,438	161,677
	Insurances	347,235	372,755
	Community grants	181,899	331,435
	Write down of Investment in Associates	-	16,278
	Refund NDRRA Reimbursement	989,784	-
	Other	143,633	135,321
	Total other expenses	1,915,778	1,092,936

**Notes to the Financial Report
For the Year Ended 30 June 2014**

		2014	2013
Note 15	Cash and cash equivalents	\$	\$
	Cash on hand	6,030	6,267
	Cash at bank	2,592,933	834,710
	Money market call account and term deposits (less than 3 months r	9,720,733	15,443,663
	Total cash and cash equivalents	12,319,696	16,284,640
Users of the financial report should refer to Note 27 for details of restrictions on cash assets and note 29 for details of existing Council commitments			
Note 16	Trade and other receivables		
	Rates debtors	1,239,909	1,317,220
	Infringement debtors	46,125	33,696
	less Provision for doubtful debts - Infringement debtors	(38,555)	(7,271)
	Other debtors	652,883	634,848
	less Provision for doubtful debts - Other debtors	(203,500)	(108,003)
	Net GST receivable	311,770	376,189
	Fire services property levy	124,888	-
	Accrued income	19,717	39,767
	Ballarat City Council - Library services	49,093	98,189
	Total trade and other receivables	2,202,330	2,384,635
Note 17	Other financial assets		
	<i>Current</i>		
	Bank bills	250,000	515,405
	<i>Non-current</i>		
	Bank bills	-	250,000
	Total other financial assets	250,000	765,405

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment

	2014	2013
	\$	\$
Summary		
At cost	29,289,766	28,616,049
Less accumulated depreciation	(6,430,389)	(6,138,447)
	22,859,377	22,477,602
At fair value	342,107,671	323,349,397
Less accumulated depreciation	(152,189,632)	(142,373,369)
Less accumulated impairment losses	(124,412)	(2,249,832)
	189,793,627	178,726,196
Total	212,653,004	201,203,798
Property		
Land		
At fair value as at 30 June 2014	27,587,700	24,545,700
	27,587,700	24,545,700
Land under roads		
At fair value	86,327	86,327
	86,327	86,327
Land improvements		
At cost	11,473,722	10,684,487
Less accumulated impairment losses	-	(2,125,420)
Less accumulated depreciation	(1,580,931)	(1,507,280)
	9,892,791	7,051,787
Total Land	37,566,818	31,683,814
Buildings		
At cost	-	925,924
Less accumulated depreciation	-	(28,000)
	-	897,924
At fair value as at 30 June 2014	92,755,321	79,480,601
Less accumulated impairment losses	(124,412)	(124,412)
Less accumulated depreciation	(46,408,080)	(41,670,055)
	46,222,829	37,686,134
Total Buildings	46,222,829	38,584,058
Total Property	83,789,647	70,267,872

Notes to the Financial Report For the Year Ended 30 June 2014

Note 18 Property, infrastructure, plant and equipment (cont.)

Fair value assessments have been performed at 30 June 2014 for land and buildings. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2015/2016.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1 \$	Level 2 \$	Level 3 \$
Land - specialised	-	15,914,700	-
Land - non- specialised	-	-	11,673,000
Land under roads	-	86,327	-
Land Improvements	-	9,892,791	-
Buildings – non specialised	-	-	4,313,182
Buildings - specialised	-	41,909,647	-
Total	-	67,803,465	15,986,182

No transfers between levels occurred during the year

<i>Plant and Equipment</i>	2014	2013
	\$	\$
Plant, machinery and equipment		
At cost	5,865,837	5,840,989
Less accumulated depreciation	(3,005,518)	(2,974,742)
	<u>2,860,319</u>	<u>2,866,247</u>
Fixtures, fittings and furniture		
At cost	813,011	782,308
Less accumulated depreciation	(615,221)	(575,005)
	<u>197,790</u>	<u>207,303</u>
Computers and telecommunications		
At cost	416,835	360,921
Less accumulated depreciation	(354,620)	(320,466)
	<u>62,215</u>	<u>40,455</u>
Art works		
At cost	341,085	341,085
	<u>341,085</u>	<u>341,085</u>
Library collection		
At cost	586,950	529,940
Less accumulated depreciation	(420,428)	(367,434)
	<u>166,522</u>	<u>162,506</u>
Total Plant and Equipment	<u>3,627,931</u>	<u>3,617,596</u>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment (cont.)

	2014	2013
	\$	\$
Infrastructure		
Roads		
At cost	3,888,461	-
Less accumulated depreciation	(6,119)	-
	<u>3,882,342</u>	<u>-</u>
At fair value as at 30 June 2011	175,629,274	175,629,274
Less accumulated depreciation	(83,949,798)	(80,197,018)
	<u>91,679,476</u>	<u>95,432,256</u>
Bridges		
At cost	532,873	1,957,306
Less accumulated depreciation	-	(47,596)
	<u>532,873</u>	<u>1,909,710</u>
At fair value as at 30 June 2014	21,285,176	18,843,622
Less accumulated depreciation	(10,033,647)	(9,141,167)
	<u>11,251,529</u>	<u>9,702,455</u>
Footpaths and cycleways		
At cost	331,364	-
Less accumulated depreciation	(1,060)	-
	<u>330,304</u>	<u>-</u>
At fair value as at 30 June 2011	5,347,098	5,347,098
Less accumulated depreciation	(2,530,004)	(2,404,069)
	<u>2,817,094</u>	<u>2,943,029</u>
Drainage		
At cost	72,867	18,765
Less accumulated depreciation	(56,407)	(34,908)
	<u>16,460</u>	<u>(16,143)</u>
At fair value as at 30 June 2010	7,006,710	7,006,710
Less accumulated depreciation	(3,014,178)	(2,926,594)
	<u>3,992,532</u>	<u>4,080,116</u>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment (cont.)

	2014	2013
Kerb & Channel	\$	\$
at cost	137,099	-
Less accumulated depreciation	-	-
	<u>137,099</u>	<u>-</u>
At Fair value as at 30 June 2011	9,273,355	9,273,355
Less accumulated depreciation	(4,809,021)	(4,654,465)
	<u>4,464,334</u>	<u>4,618,890</u>
Street Furniture		
At Fair value as at 30 June 2010	2,278,742	2,278,742
Less accumulated depreciation	(737,450)	(703,584)
	<u>1,541,292</u>	<u>1,575,158</u>
Monuments	\$	\$
At Fair value as at 30 June 2010	539,263	539,263
Less accumulated depreciation	(294,813)	(284,028)
	<u>244,450</u>	<u>255,235</u>
Playground		
At cost	341,416	317,608
Less accumulated depreciation	(53,098)	(36,921)
	<u>288,318</u>	<u>280,687</u>
At Fair value as at 30 June 2010	405,032	405,032
Less accumulated depreciation	(412,641)	(392,389)
	<u>(7,609)</u>	<u>12,643</u>
Other Structures		
At cost	2,658,727	2,496,041
Less accumulated depreciation	(336,987)	(246,095)
	<u>2,321,740</u>	<u>2,249,946</u>
Total Infrastructure	<u>123,492,234</u>	<u>123,043,982</u>

Bridges were revalued as at 30 June 2014. Fair value assessments have been performed at 30 June 2014 for all other classes of Infrastructure. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2015/2016.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment (cont.)

Details of the Council's Infrastructure and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1 \$	Level 2 \$	Level 3 \$
Roads	-	-	95,561,818
Bridges	-	-	11,784,402
Footpaths and cycleways	-	-	3,147,398
Drainage	-	-	4,008,992
Kerb & Channel	-	-	4,601,433
Street Furniture	-	-	1,541,292
Monuments	-	-	244,450
Playground	-	-	280,709
Other Structures	-	-	2,321,740
Total	-	-	123,492,234

No transfers between levels occurred during the year

Works in progress

Land Improvements at cost	1,203,670	1,216,749
Buildings at cost	105,662	2,468,912
Roads at cost	214,827	342,728
Bridges at cost	168,226	122,298
Footpaths at cost	-	61,600
Other structures at cost	50,807	62,061
<i>Total Works in progress</i>	1,743,192	4,274,348
<i>Total property, infrastructure, plant and equipment</i>	212,653,004	201,203,798

Notes to the Financial Report For the Year Ended 30 June 2014

Note 18 Property, infrastructure, plant and equipment (cont.)

Acquisition of assets

Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Vincent John Bourke to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014. To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by Vincent John Bourke. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land Under Roads

Land under roads is valued at fair value 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. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Local Government Victoria has provided guidance recommending that Council account for land under road in a consistent manner. The recommendation is that all land under roads is recognised in the financial statements at its fair value. Further detail about this guidance is outlined in note 1.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 18 Property, infrastructure, plant and equipment (cont.)

Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable. Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's infrastructure assets was performed by Peter Moloney & Associates. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value

2014	Specialised Land and Land Improvements	Specialised Buildings	Land Under Roads	Infrastructure
Opening Balance	21,198,487	36,137,866	86,327	123,043,982
Depreciation	(341,372)	(654,033)	-	(4,601,296)
Revaluation	1,768,000	3,115,388	-	(228,704)
Acquisitions	-	871,456	-	4,819,016
Disposals	-	-	-	-
Restoration of Impairment	2,125,420	-	-	-
Transfers	1,056,956	2,438,970	-	459,236
Closing Balance	<u>25,807,491</u>	<u>41,909,647</u>	<u>86,327</u>	<u>123,492,234</u>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment (cont.)

Description of significant unobservable inputs into level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land and Land Improvements	Market based direct comparison approach	Extent and impact of community services obligation (CSO)	20%	Increase or decrease in the CSO would result in a significantly higher or lower fair value.
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre Useful life of specialised buildings	Range \$10m2 to \$10,340 per m2 (average \$2,000 per m2) 15-150 years (average 56.5 years)	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Land Under Roads	Market based direct comparison approach	Extent and impact of restriction of use	90%	Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Roads	Depreciated Replacement Cost	Cost per square metre Useful life of roads	Range \$5-\$36 per m2 Average \$21 m2 Range 10-80 years Average 60 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.
Bridges	Depreciated Replacement Cost	Cost per square metre Useful life of bridges	Range \$1,500-\$3,000 per m2 Average \$2,200 m2 Range 50-100 years Average 90 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment (cont.)

Description of significant unobservable inputs into level 3 valuations

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Other Infrastructure	Depreciated Replacement Cost	Cost per unit Useful life of other infrastructure	Range \$55-\$83 per metre Average \$69 per metre Range 5-80 years Average 60 years	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment (cont.)

2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation (note 13)	Written down value of disposals	Restoration of impaired assets	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
specialised land	14,146,700	0	1,768,000	0	0	0	0	15,914,700
non-specialised land	10,399,000	0	1,274,000	0	0	0	0	11,673,000
land under roads	86,327	0	0	0	0	0	0	86,327
land improvements	7,051,787	0	0	-341,372	0	2,125,420	1,056,956	9,892,791
Total land	31,683,814	0	3,042,000	-341,372	0	2,125,420	1,056,956	37,566,818
specialised buildings	36,137,866	871,456	3,115,388	-654,033	0	0	2,438,970	41,909,647
non specialised buildings	2,446,192	38,482	1,829,015	-30,448	0	0	29,941	4,313,182
Total buildings	38,584,058	909,938	4,944,403	-684,481	0	0	2,468,911	46,222,829
Total property	70,267,872	909,938	7,986,403	-1,025,853	0	2,125,420	3,525,867	83,789,647
Plant and Equipment								
plant, machinery and equipment	2,866,247	785,612	0	-657,692	-133,848	0	0	2,860,319
fixtures, fittings and furniture	207,303	30,703	0	-40,216	0	0	0	197,790
computers and telecommunications	40,455	55,914	0	-34,154	0	0	0	62,215
library collection	162,506	57,010	0	-52,994	0	0	0	166,522
art works	341,085	0	0	0	0	0	0	341,085
Total plant and equipment	3,617,596	929,239	0	-785,056	-133,848	0	0	3,627,931
Infrastructure								
roads	95,432,256	3,545,733	0	-3,758,899	0	0	342,728	95,561,818
bridges	11,612,165	637,077	-228,704	-279,791	0	0	43,655	11,784,402
footpaths and cycleways	2,943,029	269,764	0	-126,995	0	0	61,600	3,147,398
drainage	4,063,973	54,102	0	-109,083	0	0	0	4,008,992
kerb & channel	4,618,890	137,099	0	-154,556	0	0	0	4,601,433
street furniture	1,575,158	0	0	-33,866	0	0	0	1,541,292
monuments	255,235	0	0	-10,785	0	0	0	244,450
playground equipment	293,330	23,808	0	-36,429	0	0	0	280,709
other structures	2,249,946	151,433	0	-90,892	0	0	11,253	2,321,740
Total infrastructure	123,043,982	4,819,016	-228,704	-4,601,296	0	0	459,236	123,492,234
Works in progress								
land improvements	1,216,750	1,043,875	0	0	0	0	-1,056,955	1,203,670
buildings	2,468,911	105,662	0	0	0	0	-2,468,911	105,662
roads	342,728	214,827	0	0	0	0	-342,728	214,827
bridges	122,298	89,583	0	0	0	0	-43,655	168,226
footpaths and cycleways	61,600	0	0	0	0	0	-61,600	0
other	62,061	0	0	0	0	0	-11,254	50,807
Total work in progress	4,274,348	1,453,947	0	0	0	0	-3,985,103	1,743,192
Total property, infrastructure, plant and equipment	201,203,798	8,112,140	7,757,699	-6,412,205	-133,848	2,125,420	0	212,653,004

* In September 2010, January 2011 and February 2011, major flooding was experienced in several parts of the Shire resulting in the need for significant repairs to Buildings and Infrastructure. The impairment loss as at 30 June 2011 amounted to \$5.93 million. \$2.69 million in flood recovery works have been undertaken on Council's assets during 2013/14 (\$7.23 million in 2012/13). These costs have been capitalised and are reflected in the "at cost" amounts above. These works have increased the total written down value of assets reflected above.

The repair work has not been completed by 30 June 2014, and impairment of \$124,412 is reflected in the carrying value of assets (\$2,249,832 as at 30 June 2013). The recoverable amount of the asset is its value-in-use.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 18 Property, infrastructure, plant and equipment (cont.)

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation (note 13)	Written down value of disposals	Impairment losses recognised in asset revaluation reserve * (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
land	24,545,700	0	0	0	0	0	0	24,545,700
land under roads	86,327	0	0	0	0	0	0	86,327
land improvements	6,405,565	410,617	0	-234,928	0	514,056	-43,523	7,051,787
Total land	31,037,592	410,617	0	-234,928	0	514,056	-43,523	31,683,814
buildings	38,172,495	851,435	0	-663,990	0	0	224,118	38,584,058
Total buildings	38,172,495	851,435	0	-663,990	0	0	224,118	38,584,058
Total property	69,210,087	1,262,052	0	-898,918	0	514,056	180,595	70,267,872
Plant and Equipment								
plant, machinery and equ	2,803,603	831,481	0	-639,256	-129,581	0	0	2,866,247
fixtures, fittings and furni	256,653	0	0	-49,350	0	0	0	207,303
computers and telecomm	59,912	25,906	0	-45,363	0	0	0	40,455
library collection	215,500	0	0	-52,994	0	0	0	162,506
art works	341,085	0	0	0	0	0	0	341,085
Total plant and equipme	3,676,753	857,387	0	-786,963	-129,581	0	0	3,617,596
Infrastructure								
roads	89,999,805	1,816,912	1,668,456	-3,761,747	0	5,882,953	-174,123	95,432,256
bridges	10,682,871	327,394	0	-243,101	0	1,630,743	-785,742	11,612,165
footpaths and cycleways	1,614,554	118,745	-22,207	-63,532	0	123,695	1,171,774	2,943,029
drainage	3,820,125	186,967	0	-103,577	0	121,631	38,827	4,063,973
kerb & channel	4,067,054	0	696,295	-144,459	0	0	0	4,618,890
street furniture	1,609,024	0	0	-33,866	0	0	0	1,575,158
monuments	266,020	0	0	-10,785	0	0	0	255,235
playground equipment	285,426	41,967	0	-34,063	0	0	0	293,330
other structures	1,274,047	398,491	0	-71,085	0	0	648,493	2,249,946
Total infrastructure	113,618,926	2,890,476	2,342,544	-4,466,215	0	7,759,022	899,229	123,043,982
Works in progress								
buildings	536,927	2,355,505	0	0	-21,573	1,155,434	-340,632	3,685,661
roads	71,550	298,031	0	0	0	2,068	-28,921	342,728
bridges	23,475	78,643	0	0	0	25,180	-5,000	122,298
infrastructure	824,328	0	0	0	-6,650	0	-756,078	61,600
Other	0	11,254	0	0	0	0	50,807	62,061
Total works in progress	1,456,280	2,743,433	0	0	-28,223	1,182,682	-1,079,824	4,274,348
Total property, infrastructure, plant and equipment	187,962,046	7,753,348	2,342,544	-6,152,096	-157,804	9,455,760	0	201,203,798

* In September 2010, January 2011 and February 2011, major flooding was experienced in several parts of the Shire resulting in the need for significant repairs to Buildings and Infrastructure. The impairment loss as at 30 June 2011 amounted to \$5.93 million. \$7.23 million in flood recovery works have been undertaken on Council's assets during 2012/13 (\$8.56 million in 2011/12). These costs have been capitalised and are reflect in the "at cost" amounts above. These works have increased the total written down value of assets reflected above.

The repair work has not been completed by 30 June 2013, and impairment of \$2.25 million is reflected in the carrying value of assets (\$11.70 million in 2011/12). The recoverable amount of the asset is its value-in-use.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 19 Intangible assets

<u>2014</u>	Balance at beginning of financial year \$	Acquisition of assets \$	Amortisation (note 13) \$	Transfers \$	Balance at end of financial year \$
<i>Computer software</i>					
Computer software at cost	943,432	-	-	-	943,432
Accumulated amortisation	(47,361)	-	(94,343)	-	(141,704)
	<u>896,071</u>	<u>-</u>	<u>(94,343)</u>	<u>-</u>	<u>801,728</u>

<u>2013</u>	Balance at beginning of financial year \$	Acquisition of assets \$	Amortisation (note 13) \$	Transfers \$	Balance at end of financial year \$
<i>Computer software</i>					
Computer software at cost	157,870	285,992	-	499,570	943,432
Accumulated amortisation	(31,574)	-	(15,787)	-	(47,361)
Software Work in Progress	499,570	-	-	(499,570)	-
	<u>625,866</u>	<u>285,992</u>	<u>(15,787)</u>	<u>-</u>	<u>896,071</u>

	2014 \$	2013 \$
Note 20 Trade and other payables		
Trade payables	2,119,078	2,081,021
Fire services property levy	124,888	-
Accrued expenses	536,841	460,391
Total trade and other payables	<u>2,780,807</u>	<u>2,541,412</u>

Note 21 Trust funds and deposits		
Refundable building deposits	81,727	74,508
Refundable contract deposits	5,000	2,500
Refundable civic facilities deposits	13,188	11,429
Retention amounts	75,817	177,181
Other refundable deposits	178,759	192,537
Trust deposits	586,859	585,525
Total trust funds and deposits	<u>941,350</u>	<u>1,043,680</u>

Notes to the Financial Report For the Year Ended 30 June 2014

Note 21	Trust funds and deposits (cont.)	2014	2013
		\$	\$
	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:		
	Community playground appeal	1,083	1,083
	Dress down day - charity donation	1,059	614
	James Jasper Strachan appeal - commemoration	6,344	6,345
	Medlyn estate - (Preservation of bottle collection at Clunes)	21,600	21,600
	Litherland bequest - (Preservation of art collection at Creswick museum)	91,400	91,400
	F. Shaw bequest - (Preservation of art collection at Creswick museum)	10,000	10,000
	Mineral water trust	449,830	449,830
	McGinty trust - (General support for Daylesford day activity centre)	3,785	3,785
	VicRoads agency & signage account - (Money collected on behalf of VicRoads)	1,758	868
		586,859	585,525

Note 22 Provisions

	Annual Leave	Long Service Leave	EPA Landfill Monitoring	Other
2014				
Balance at beginning of financial year	781,874	1,051,657	20,220	1,481,756
Additional provisions	719,534	116,821	20,220	-
Amounts used	(748,848)	(99,621)	(20,220)	(1,425,875)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	533	18,229	-	-
Balance at the end of the financial year	753,093	1,087,086	20,220	55,881
2013				
Balance at beginning of financial year	872,457	955,902	20,220	60,205
Additional provisions	706,138	107,516	20,220	1,423,099
Amounts used	(797,882)	(30,990)	(20,220)	(1,548)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	1,161	19,229	-	-
Balance at the end of the financial year	781,874	1,051,657	20,220	1,481,756

The following assumptions were adopted in measuring the present value of employee benefits:

	2014	2013
Weighted average increase in employee costs	4.30%	4.30%
Weighted average discount rates	2.46%	2.46%
Weighted average settlement period	12	12

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 22 Provisions (cont.)	2014 \$	2013 \$
Current provisions expected to be settled within 12 months		
Annual leave	720,730	712,819
Long service leave	91,269	11,832
Superannuation - Defined benefits top-up payment	-	1,423,099
Rostered Days	55,881	58,657
Creswick landfill EPA monitoring	9,520	9,520
Daylesford landfill EPA monitoring	10,700	10,700
	<u>888,100</u>	<u>2,226,627</u>
Current provisions expected to be settled after 12 months		
Annual leave	32,363	67,894
Long service leave	995,817	1,022,346
	<u>1,028,180</u>	<u>1,090,240</u>
Total current provisions	<u>1,916,280</u>	<u>3,316,867</u>
Non-current provisions		
Long service leave	94,567	103,518
Pit restoration	27,000	27,000
Creswick landfill EPA monitoring	171,360	180,880
Daylesford landfill EPA monitoring	203,300	214,000
Total non-current provisions	<u>496,227</u>	<u>525,398</u>
Total provisions	<u>1,384,327</u>	<u>2,752,025</u>

Provisions for Creswick and Daylesford landfills relate to a 20 year obligation to monitor landfill leachate. These provisions are expected to be expended over that 20 year period.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 23	Interest-bearing loans and borrowings	2014	2013
		\$	\$
	<i>Current</i>		
	Borrowings - secured	2,342,580	588,481
	<i>Non-current</i>		
	Borrowings - secured	1,773,052	3,048,365
	Total borrowings	<u>4,115,632</u>	<u>3,636,846</u>

The maturity profile for Council's borrowings is:

Not later than one year	1,822,859	588,481
Later than one year and not later than five years	1,776,737	2,113,608
Later than five years	516,036	934,757
Total borrowings	<u>4,115,632</u>	<u>3,636,846</u>

The security for the borrowings is a Deed of Charge over Hepburn Shire Council rates.

Note 24 Other Liabilities

<i>Current</i>		
Income in advance	17,857	206,658
	<u>17,857</u>	<u>206,658</u>
<i>Non-current</i>		
Income in advance	151,786	187,500
	<u>151,786</u>	<u>187,500</u>
Total Other Liabilities	<u>169,643</u>	<u>394,158</u>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 25	Reserves	Balance at beginning reporting period	Adjustment	Increment (decrement)	Balance at end of reporting period
	(a) Asset revaluation reserves				
	2014	\$	\$	\$	\$
	Property				
	Land	16,817,044	-	3,042,000	19,859,044
	Land improvements	(2,003,507)	-	-	(2,003,507)
	Buildings	21,123,594	-	4,944,403	26,067,997
		<u>35,937,131</u>	<u>-</u>	<u>7,986,403</u>	<u>43,923,534</u>
	Infrastructure				
	Roads	32,205,774	-	-	32,205,774
	Other infrastructure	8,290,277	-	(228,704)	8,061,573
		<u>40,496,051</u>	<u>-</u>	<u>(228,704)</u>	<u>40,267,347</u>
	Total asset revaluation reserves	<u>76,433,182</u>	<u>-</u>	<u>7,757,699</u>	<u>84,190,881</u>
	2013				
	Property				
	Land	16,817,044	-	-	16,817,044
	Land improvements	(2,003,507)	-	-	(2,003,507)
	Buildings	21,123,594	-	-	21,123,594
		<u>35,937,131</u>	<u>-</u>	<u>-</u>	<u>35,937,131</u>
	Infrastructure				
	Roads	29,863,230	-	2,342,544	32,205,774
	Other infrastructure	8,290,277	-	-	8,290,277
		<u>38,153,507</u>	<u>-</u>	<u>2,342,544</u>	<u>40,496,051</u>
	Total asset revaluation reserves	<u>74,090,638</u>	<u>-</u>	<u>2,342,544</u>	<u>76,433,182</u>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 25	Reserves (cont.)	Balance at beginning reporting period	Transfers in	Transfer to accumulated surplus	Balance at end of reporting period
	(b) Other reserves	\$	\$	\$	\$
	2014				
	Resort and recreation reserve *	895,757	133,500	-	1,029,257
	Clunes caravan park reserve	6,710	-	-	6,710
	Heritage advisory fund	20,000	-	-	20,000
	Mt Beckworth pit reserve	27,772	-	-	27,772
	Smeaton Hill pit reserve	74,419	-	-	74,419
	Car parking reserve	21,250	-	-	21,250
	Financial asset valuation reserve	41,255	-	(20,560)	20,695
	Total Other reserves	1,087,163	133,500	(20,560)	1,200,103

* The purpose of this reserve is to provide future recreation

(b) Other reserves	Balance at beginning reporting period	Transfers in	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2013				
Resort and recreation reserve *	796,657	99,100	-	895,757
Clunes caravan park reserve	6,710	-	-	6,710
Heritage advisory fund	20,000	-	-	20,000
Mt Beckworth pit reserve	27,772	-	-	27,772
Smeaton Hill pit reserve	74,419	-	-	74,419
Car parking reserve	21,250	-	-	21,250
Financial asset valuation reserve	46,409	-	(5,154)	41,255
Total Other reserves	993,217	99,100	(5,154)	1,087,163

**Notes to the Financial Report
For the Year Ended 30 June 2014**

	2014	2013
Note 26 Reconciliation of cash flows from operating activities to surplus	\$	\$
Surplus for the year	2,957	15,257,934
Depreciation/amortisation	6,506,548	6,167,883
(Profit)/loss on disposal of property, plant and equipment, infrastructure	(17,588)	-
Write off of investment in associate	-	16,278
Bad Debts	181,626	107,798
Finance costs	270,176	290,245
Net GST received	937,599	1,573,634
Recreational Land Contributions	-	99,100
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(68,467)	(94,531)
(Increase)/decrease in other assets	29,225	(15,569)
Increase/(decrease) in trade and other payables	239,395	(585,658)
Increase/(decrease) in other liabilities	(243,155)	101,228
Increase/(decrease) in provisions	(1,429,758)	(244,733)
Increase/(decrease) in trust funds	(102,330)	78,624
Net cash provided by/(used in) operating activities	<u>6,306,228</u>	<u>22,752,233</u>

Note 27 Restricted assets

Council has cash and cash equivalents (note 15) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (Car Parking and Resort and Recreation Reserves).

Reserve funds (note 25)	1,050,507	917,007
Total restricted assets	<u>1,050,507</u>	<u>917,007</u>

Notes to the Financial Report For the Year Ended 30 June 2014

Note 28 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined benefit section receives fixed contributions from Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014 this was 9.25% as required under Superannuation Guarantee legislation). Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. 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.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate is legislated to increase to 9.5%, and will progressively increase to 12% by 2019. Based on announcements included in the May 2014 Federal Budget, this progressive increase to 12% will be delayed until 2022.

Defined Benefit

As provided under Paragraph 34 of AASB 119, Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

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 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of members' salaries (9.25% in 2012/13).

Notes to the Financial Report For the Year Ended 30 June 2014

Note 28 Superannuation (cont.)

Funding arrangements

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. The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the vested benefit index (VBI) multiplied by the benefit).

Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its VBI is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 28 Superannuation (cont.)

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- The service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for 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 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.

Retrenchment increments

During 2013/14, Council was not required to make payments to the Fund in respect of retrenchment increments (\$0 in 2012/13). Council's liability to the Fund as at 30 June 2014, for retrenchment increments, accrued interest and tax is \$0 (\$0 in 2012/13).

Notes to the Financial Report For the Year Ended 30 June 2014

Note 28 Superannuation (cont.)

Shortfall amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer. Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012. Council has not been advised of any further adjustments.

Council's share of the shortfall amounted to \$1,423,099 (including contributions tax) which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Costs and in the Balance Sheet in Current Liabilities Provisions. No further amount has been accounted for in the 2013/14 Comprehensive Operating Statement within Employee Costs (see Note 10) and in the Balance Sheet in Current Liabilities Provisions (see Note 25) (\$0 in the 2012/13 Comprehensive Operating Statement with Employee Costs and \$0 in the 2012/13 Balance Sheet in Current Liabilities Provisions).

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31-Dec-11 \$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	-326,809
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503
Fund were:	
Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 28 Superannuation (cont.)

Superannuation contributions

Employer contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial years ended 30 June 2013 and 2014 are detailed below:

Scheme	Type of scheme	Rate	2014 \$	2013 \$
Vision Super	Defined benefits	9.25%	79,815	87,436
Vision Super	Accumulation	9.25%	499,145	506,042
31 Other Funds (22 in 2012/13)	Accumulation	9.25%	193,864	176,635
			<u>772,824</u>	<u>770,114</u>

There were \$0 contributions outstanding (\$0 in 2012/13) and no loans (\$0 in 2012/13) issued from or to the above schemes as at 30 June 2014.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$69,219.

As at 30 June 2014 Council had 12 current employees who were defined benefit category members of Vision Super (16 as at 30 June 2013).

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 29 Commitments

The Council has entered into the following commitments

2014	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 \$
<i>Operating</i>				
Kerbside Recycling	202,970	208,115	213,516	624,601
Garbage collection	297,689	305,235	313,156	916,080
Operation of Municipal Recycling Facility	66,000	-	-	66,000
Maternal & child health services	371,446	380,862	195,373	947,681
Transfer stations	176,000	-	-	176,000
Cleaning Council Public Conveniences	131,555	-	-	131,555
Meals for delivery	55,817	-	-	55,817
Home Care Maintenance Services	28,190	24,087	-	52,277
Swimming pools	197,332	202,334	-	399,666
Photocopiers	44,000	44,000	-	88,000
Public Litter Collection	199,587	204,647	209,957	614,191
Total	1,770,586	1,369,280	932,002	4,071,868
<i>Capital</i>				
Buildings	384,735	-	-	384,735
Plant and equipment	123,000	123,000	-	246,000
Roads	1,298,000	1,235,300	-	2,533,300
Other structures	98,473	-	-	98,473
Flood recovery	1,978,763	-	-	1,978,763
Total	3,882,971	1,358,300	-	5,241,271

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 29 Commitments (cont.)

	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
2013	\$	\$	\$	\$
<i>Operating</i>				
Kerbside Recycling	202,970	208,115	396,276	807,361
Garbage collection	297,689	305,235	581,205	1,184,129
Operation of Municipal Recycling Facility	66,000	-	-	66,000
Maternal & child health services	371,446	380,862	195,373	947,681
Transfer stations	176,000	-	-	176,000
Cleaning Council Public Conveniences	131,555	-	-	131,555
Meals for delivery	55,817	-	-	55,817
Home Care Maintenance Services	28,190	24,087	-	52,277
Swimming pools	197,332	202,334	-	399,666
Photocopiers	44,000	44,000	47,667	135,667
Public Litter Collection	199,587	204,647	389,672	793,906
Total	1,770,586	1,369,280	1,610,193	4,750,059
<i>Capital</i>				
Buildings	384,735	-	-	384,735
Plant and equipment	123,000	123,000	-	246,000
Roads	1,298,000	1,235,300	-	2,533,300
Other structures	98,473	-	-	98,473
Flood recovery	1,978,763	-	-	1,978,763
Total	3,882,971	1,358,300	-	5,241,271

Note 30 Operating leases

(a) Operating lease commitments	2014	2013
	\$	\$
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	37,556	46,792
Later than one year and not later than five years	28,320	65,876
	65,876	112,668

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 30 Operating leases (cont.)

(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 follows:	2014	2013
	\$	\$
Not later than one year	815,667	830,005
Later than one year and not later than five	3,335,832	3,209,665
Later than five years	9,661,806	9,689,865
	<u>13,813,305</u>	<u>13,729,535</u>

Notes to the Financial Report For the Year Ended 30 June 2014

Note 31 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	15	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p>	<p>On call deposits returned a floating interest rate of 2.40% (2.75% in 2012/13). The interest rate at balance date was 2.40% (2.75% in 2012/13).</p> <p>Funds returned fixed interest rates of between 3.00% (3.70% in 2012/13), and 4.10% (5.60% in 2012/13).</p>
Trade and other receivables	16	<p>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.</p>	<p>General debtors are unsecured and rate arrears attract an interest rate of 10.5% (10.5% in 2012/13). Credit terms are based on 30 days.</p>
Other financial assets	17	<p>Floating rate notes are measured at market value.</p>	<p>Floating rate notes provided a return of 2.90% (2.90% in 2012/13).</p>
Financial Liabilities			
Trade and other payables	20	<p>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.</p>	<p>General Creditors are unsecured, not subject to interest charges and are normally settled within 14 - 30 days of invoice receipt.</p>
Trust funds and deposits	21	<p>Trust funds and deposits are recognised at cost.</p>	<p>Trust funds and deposits are held by Council until returned or forfeited. They are not subject to interest charges and are normally settled within 1 year of receipt.</p>
Interest-bearing loans and borrowings	23	<p>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.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.22% (6.84% in 2012/13).</p>

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 31 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:

2014	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets						
Cash and cash equivalents	2,592,933	9,720,733	-	-	6,030	12,319,696
Other financial assets	250,000	-	-	-	-	250,000
Trade and other receivables	-	1,239,909	-	-	962,421	2,202,330
Total financial assets	2,842,933	10,960,642	-	-	968,451	14,772,026
Weighted average interest rate	2.75%	3.12%				
Financial liabilities						
Trade and other payables	-	-	-	-	2,780,807	2,780,807
Trust funds and deposits	-	-	-	-	941,350	941,350
Interest-bearing loans and borrowings	-	1,822,859	1,776,737	516,036	-	4,115,632
Total financial liabilities	-	1,822,859	1,776,737	516,036	3,722,157	7,837,789
Weighted average interest rate		5.64%	5.14%	3.86%		
Net financial assets (liabilities)	2,842,933	9,137,783	(1,776,737)	(516,036)	(2,753,706)	6,934,237

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note	Financial instruments (cont.)					
		Fixed interest maturing in:				
2013						
	Floating Interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$
<i>Financial assets</i>						
Cash and cash equivalents	3,765,564	12,512,809	-	-	6,267	16,284,640
Other financial assets	765,405	-	-	-	-	765,405
Trade and other receivables	-	1,356,987	-	-	1,027,648	2,384,635
Total financial assets	4,530,969	13,869,796	-	-	1,033,915	19,434,680
Weighted average interest rate	3.76%	3.82%				
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	2,541,412	2,541,412
Trust funds and deposits	-	-	-	-	1,043,680	1,043,680
Interest-bearing loans and borrowings	-	588,481	2,113,608	934,757	-	3,636,846
Total financial liabilities	-	588,481	2,113,608	934,757	3,585,092	7,221,938
Weighted average interest rate		6.64%	6.56%	7.28%		
Net financial assets (liabilities)	4,530,969	13,281,315	(2,113,608)	(934,757)	(2,551,177)	12,212,742

Notes to the Financial Report For the Year Ended 30 June 2014

Note 31 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	
	2014	2013	2014	2013
	\$	\$	\$	\$
<i>Financial assets</i>				
Cash and cash equivalents	12,319,696	16,284,640	12,319,696	16,284,640
Other financial assets	250,000	765,405	250,000	765,405
Trade and other receivables	2,202,330	2,344,868	2,202,330	2,344,868
Total financial assets	14,772,026	19,394,913	14,772,026	19,394,913
<i>Financial liabilities</i>				
Trade and other payables	2,780,807	2,541,412	2,780,807	2,541,412
Trust funds and deposits	941,350	1,043,680	941,350	1,043,680
Interest-bearing loans and borrowings	4,115,632	3,636,846	4,115,632	3,636,846
Total financial liabilities	7,837,789	7,221,938	7,837,789	7,221,938

(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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 31 Financial Instruments (cont.)

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 quotation 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 Council approval for borrowings through the budget process each year.

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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 31 Financial Instruments (cont.)

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 group is municipal rates which are a charge against the property under the Local Government Act. Apart from these, we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

Movement in Provisions for Doubtful Debts	2014	2013
	\$	\$
Balance at the beginning of the year	115,274	16,751
Provisions recognised during the year less amounts already provided for that were written off as uncollectable	88,226	98,523
Balance at end of year	<u>203,500</u>	<u>115,274</u>

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

Current (not yet due)	639,324	771,584
Past due by up to 30 days	470,515	408,111
Past due between 31 and 180 days	570,195	716,678
Past due between 181 and 365 days	7,172	30,516
Past due by more than 1 year	515,124	457,746
Total Trade & Other Receivables	<u>2,202,330</u>	<u>2,384,635</u>

At balance date, debtors representing financial assets with a nominal value of \$242,055 (2012/13 \$115,274) were impaired. The amount of the provision raised against these debtors was \$242,055 (2012/13 \$115,274). The individually impaired debtors relate to rent, 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. A provision of \$99,815 (2012/13 \$107,798) has been raised against a rent receivable, due to a contractual dispute involving the tenant, Council and the State Government.

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.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 31 Financial Instruments (cont.)

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 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 Councils 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 37.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months :

- 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			
		-1 %		+1%	
	Balance @ 30.06.2014 \$	-100 basis points Profit \$	Equity \$	+100 basis points Profit \$	Equity \$
2014					
Financial assets:					
Cash and cash equivalents	12,319,696	(61,598)	(61,598)	61,598	61,598
Other financial assets	250,000	(2,500)	(2,500)	2,500	2,500
Trade and other receivables	2,202,330	(22,023)	(22,023)	22,023	22,023
Financial liabilities:					
Interest-bearing loans and borrowings	4,115,632	(41,156)	(41,156)	41,156	41,156

		Interest rate risk			
		-1 %		+1%	
	Balance @ 30.06.2013 \$	-100 basis points Profit \$	Equity \$	+100 basis points Profit \$	Equity \$
2013					
Financial assets:					
Cash and cash equivalents	16,284,640	(81,423)	(81,423)	81,423	81,423
Other financial assets	765,405	(7,654)	(7,654)	7,654	7,654
Trade and other receivables	2,344,868	(23,449)	(23,449)	23,449	23,449
Financial liabilities:					
Interest-bearing loans and borrowings	3,636,846	(36,368)	(36,368)	36,368	36,368

Notes to the Financial Report For the Year Ended 30 June 2014

Note 32 Contingent liabilities and contingent assets

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. Given the volatile nature of financial markets the likelihood of making such contributions in future periods has high. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Note 33 Auditors' remuneration	2014	2013
	\$	\$
Audit fee to conduct external audit - Victorian Auditor-General	39,800	38,500
Internal audit fees - AFS & Associates	20,274	22,500
Fees for services provided by other auditors*	21,715	14,470
	81,789	75,470

* Includes asbestos audits, Vicroads confidentiality agreement audit, flood recovery audit and financial audits of various grant acquittals.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 34 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 **Don Henderson** (Mayor 13/11/2013 to 30/06/2014)
 Councillor **Bill McClenaghan** (Mayor 01/07/2013 to 12/11/2013)
 Councillor **Greg May**
 Councillor **Kate Redwood AM**
 Councillor **Neil Newitt**
 Councillor **Pierre Niclas**
 Councillor **Sebastian Klein**

Chief Executive Officer **Aaron van Egmond** (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:

	2014	2013
	No.	No.
\$5,000 to \$9,999	0	3
\$10,000 to \$19,999	0	5
\$20,000 to \$29,999	6	1
\$30,000 to \$39,999	0	1
\$60,000 to \$69,999	1	0
\$190,000 to \$199,999	0	1
\$210,000 to \$219,999	1	0
	8	11

Total Remuneration for the reporting year for Responsible Persons included above amounted to:	\$	\$
	391,399	313,330

(iii) No retirement benefits have been made by the Council to a Responsible Person during the reporting year (2012/13 Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012/13 Nil).

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 34 Related party transactions (cont.)

(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 (2012/13 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 \$133,000 (\$130,000 in 2012/13).

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

	2014	2013
Income Range:	No.	No.
<\$133,000	2	1
\$133,001 - \$142,999	1	2
\$143,000 - \$152,999	0	1
\$153,000 - 162,999	1	0
\$163,000 - \$172,999	0	1
	<u>4</u>	<u>5</u>
	<u><u>4</u></u>	<u><u>5</u></u>
 Total Remuneration for the reporting year for Senior Officers included above, amounted to:	 \$ 521,571	 \$ 679,223

**Notes to the Financial Report
For the Year Ended 30 June 2014**

Note 35 Income, expenses and assets by function/activities

2014	REVENUE			EXPENSES	Surplus/(Deficit) for the year	Assets Attributed to Functions/ Activities
	Grants	Other	TOTAL			
	\$	\$	\$	\$	\$	\$
Executive Services	34,080	471,477	505,557	(1,968,644)	(1,463,087)	-
Community Services	3,419,449	770,433	4,189,882	(5,603,865)	(1,413,983)	605,780
Infrastructure Services	3,868,300	2,428,438	6,296,738	(9,200,183)	(2,903,445)	188,695,420
Corporate Services	1,435,250	16,083,546	17,518,796	(3,994,097)	13,524,699	1,577,226
Flood Recovery	-	-	-	(1,313,236)	(1,313,236)	-
Unclassified	-	-	-	(6,427,991)	(6,427,991)	22,576,306
TOTAL	8,757,079	19,753,894	28,510,973	(28,508,016)	2,957	213,454,732

2013	REVENUE			EXPENSES	Surplus/(Deficit) for the year	Assets Attributed to Functions/ Activities
	Grants	Other	TOTAL			
	\$	\$	\$	\$	\$	\$
Executive Services	7,817	461,524	469,341	(2,840,309)	(2,370,968)	-
Community Services	4,684,619	773,422	5,458,041	(6,362,542)	(904,501)	503,591
Infrastructure Services	4,143,918	2,722,440	6,866,358	(6,430,209)	436,149	181,743,350
Corporate Services	2,586,748	15,209,976	17,796,724	(4,424,900)	13,371,824	1,186,526
Flood Recovery	36,818	14,396,717	14,433,535	(1,432,348)	13,001,187	-
Unclassified	-	-	-	(8,223,199)	(8,223,199)	18,916,402
TOTAL	11,459,920	33,564,079	45,023,999	(29,713,507)	15,310,492	202,349,869

Notes to the Financial Report For the Year Ended 30 June 2014

Note 36	Capital expenditure	Note	2014 \$	2013 \$
	Capital expenditure areas			
	Land and Buildings		2,059,475	2,945,027
	Plant and equipment		929,239	857,388
	Roads, Bridges and Drainage		4,541,322	10,994,910
	Other Infrastructure		582,104	2,411,783
	Total capital works		8,112,140	17,209,108
	Represented by:			
	Renewal	(a)	7,044,238	13,919,578
	Upgrade/Expansion	(b) & (c)	660,285	2,978,214
	New		407,617	311,316
	Total capital works		8,112,140	17,209,108

(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.

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		8,112,140	17,209,108
Asset revaluation movement	25(a)	7,757,699	2,342,544
Depreciation/amortisation	13	(6,412,205)	(6,152,096)
Restoration of impaired assets	18	2,125,420	-
Written down value of assets sold	18	(133,848)	(157,804)
Net movement in property, plant and equipment, infrastructure	18	11,449,206	13,241,752

Notes to the Financial Report For the Year Ended 30 June 2014

Note 37 Special committees and other activities

Section 86 committee of management included in financial statements.

Clunes Community Housing Committee Glenlyon Recreation Reserve Special Committee
Lyonville Hall Special Committee

Section 86 committee of management not included in financial statements as they were not considered material.

The Warehouse – Clunes Special Committee Dean Recreation Reserve and Tennis Courts Special Committee

Creswick Museum Special Committee Lee Medlyn Home of Bottles Special Committee
Clunes Community Centre Special Committee Drummond Hall Special Committee

Notes to the Financial Report For the Year Ended 30 June 2014

Note 38	Financial ratios (Performance indicators)	2014	2014	2013	2013	2012	2012
		\$	(%)	\$	(%)	\$	(%)

(a) **Debt servicing ratio** (to identify the capacity of Council to service its outstanding debt)

<u>Debt servicing costs</u>		270,176		290,245		281,034	
Total revenue		28,510,973	= 0.9%	44,971,441	= 0.6%	37,250,729	= 0.8%

Debt servicing costs refer to the payment of interest on loan borrowings.

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>		1,214,489		838,308		753,792	
Rate revenue		16,178,811	= 7.5%	15,776,253	= 5.3%	14,645,226	= 5.1%

The strategy involves the payment of loan 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>		16,178,811		15,776,253		14,645,226	
Total revenue		28,510,973	= 56.7%	44,971,441	= 35.1%	37,250,729	= 39.3%

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

Notes to the Financial Report For the Year Ended 30 June 2014

Note 38 Financial ratios (Performance indicators)

cont.

	2014	2014	2013	2013	2012	2012
	\$	(%)	\$	(%)	\$	(%)

(d) **Debt exposure ratio** (to identify Council's exposure to debt)

<u>Total indebtedness</u>	10,419,939	= 10.0%	11,458,361	= 11.7%	12,656,963	= 14.0%
Total realisable assets	103,730,944		97,629,662		90,485,253	

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 27) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

Restricted asset and total infrastructure assets.

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.

(e) **Working capital ratio** (to assess Council's ability to meet current commitments)

<u>Current assets</u>	14,818,953	= 1.85	19,240,782	= 2.50	15,813,612	= 2.32
Current liabilities	7,998,874		7,697,098		6,808,265	

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

Note 39 Events occurring after balance date

There were no matters that have occurred after balance date that require disclosure in the financial report.

Hepburn Shire Council
Financial Statements and Statement by Councillors and Principal Accounting Officer
For the Year Ended 30 June 2014

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.

Kathie Atwood

Principal Accounting Officer

Date

In our opinion the accompanying financial statements present fairly the financial transactions of Hepburn Shire Council for the year ended 30 June 2014 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 16 September 2014 to certify the financial statements in their final form.

Councillor

Date

Councillor

Date

Aaron Van Egmond

Chief Executive Officer

Date

Hepburn Shire Council
PERFORMANCE STATEMENT
For the Year Ended 30 June 2014

Pillar 1: Community Services				
Strategic Activity	Performance Measure	Performance Target	Result	Comment
Community Development	Management of funding agreements	No acquittals outstanding past due date	Substantially Met	All outstanding acquittals were subject to agreement with the relevant funding body and all required variations had been agreed. Six acquittals were outstanding at 30-06-2014.
Youth	Number of events & activities run by Council	Program participation rates 2% increase from previous year	Not Met	2013/14 = four events were conducted attracting 180 people 2012/13 = six events were conducted attracting 680 people
Recreation	Increase usage of Council pools	Increase usage of Council pools by 5%	Not Met	Pool usage decreased in 2013/14 compared to 2012/13, but remained 27% higher than 2011/12 usage: 2011/12 = 11,502 visits 2012/13 = 17,087 visits 2013/14 = 14,643 visits
Community Planning	Completion of Community Plans	Complete one community plan per year	Met	Bullarto Community Plan completed
Libraries	Improve library bookstock	2 items of collection per capita	Substantially Met	Council's current collection is 1.99 items per capita
Aged & Disability Services	Hours of home and community care	Meet funding agreement targets	Substantially Met	Council delivered 89% of its targeted hours: 17,137 hours against a target of 19,260 hours. This was an increase of 1% on prior year.
Pillar 2: Infrastructure				
Strategic Activity	Performance Measure	Performance Target	Result	Comment
Waste	Increase in recycling as a percentage of total waste	5% increase in recycling as a percentage of waste year on year	Met	Recycling as a percentage of total waste increased from 27% in 2012/13 to 37% in 2013/14. Note: The 2012/13 figure was estimated based on actual data collected over a four month period.
Assets	Complete review of Road Management Plan	Review completed	Met	The Road Management Plan was reviewed and the revised version adopted by Council.
Assets	Completion of capital works program	90% Completion of capital works program	Not Met	Council delivered 69% of the budgetted 2013/14 Capital Works Program
Assets	Complete all forward design work prior to year of delivery	100% of all design work completed prior to project delivery	Met	All design work for 2013/14 capital projects was completed in 2012/13.

Parks & Gardens	Customer requests actioned within agreed timeframes	90% closed	Not Met	Accurate data not collected - estimate of less than 50% closed within agreed timeframes.
Roads & Maintenance	Customer requests actioned within agreed timeframes	90% closed	Not Met	Accurate data not collected - estimate of less than 50% closed within agreed timeframes.
Pillar 3: Sustainable Development				
Strategic Activity	Performance Measure	Performance Target	Result	Comment
Economic Development & Tourism	Increase in visits to Visitor Information Centres	2% increase year on year	Not Met	Visits decreased from 83,320 in 2012/13 to 73,306 in 2013/14.
Emergency Management/Compliance	Compliance with CFA Act requirements - fire hazard clearance	Compliance with CFA Act	Met	Council completed its fire hazard inspection and notice requirements in compliance with the CFA Act.
Statutory Planning	Increased proportion of planning permits processed within 60 days	85% of planning permits issued within 60 days	Met	85% of all applications were issued within 60 days. In addition, the average planning processing times improved significantly from 149 days in 2012/13 to 48 days in 2013/14.
Strategic Planning	Completion of outstanding strategic projects	Planning Scheme review completed	Met	The planning scheme re-write has been completed. All submissions have been considered. The planning scheme amendment is now submitted to Panels Victoria for consideration.
Building	Turnaround time for issuing permits	80% of permits issued within prescribed time	Met	86% of permits were issued within the prescribed time.
Sustainability	Reduce Council's carbon footprint	5% reduction in Council's carbon emissions	Not Met	Council has achieved funding to install LED street lighting in 2014/15, which will contribute to reducing emissions. In addition, Council plans to utilise bio-diesel in its heavy vehicle fleet from 2014/15 onwards to also reduce emissions.
Natural Resource Management	Completion of the roadside survey	Survey completed	Partially Met	The roadside survey is in progress and is 50% complete.
Environmental Health	Annual Inspection of all food premises	All required inspections of registered food premises completed annually	Met	90 of the 90 scheduled Food Premises Inspections were completed

Pillar 4: Corporate Services				
Strategic Activity	Performance Measure	Performance Target	Result	Comment
Finance	Provide a budget and actual surplus	Operating surplus	Met	The 2013/14 actual operating result was a surplus
Procurement	Deliver cost and efficiency savings	1% of organisation cost	Met	1.7% efficiency savings (\$480,000) were achieved compared to budget, after excluding unbudgeted flood recovery works.
Information Technology & Telecommunications	Help desk calls closed	90% closed	Met	94% closed
Human Resources	Staff Turnover	Less than 10% staff turnover	Met	Staff turnover was 4.8%
Customer Service & Records	Customer Service	Equal to or greater than average for Small Rural Shires	Not Met	Hepburn Shire had a 63% satisfaction rating compared to the Small Rural Shires' average of 71%. Of note, Council's overall performance in the community satisfaction survey increased by 1%.
Risk & Property	Improve the CMP rating	CMP Rating improved by 2%	Unable to measure	The MAV Insurance audit is no longer undertaken annually by our insurers.
Pillar 5: High Performing Organisation				
Strategic Activity	Performance Measure	Performance Target	Result	Comment
Governance	Overall Council Direction	Equal to or greater than average for Small Rural Shires	Not Met	Hepburn Shire had a 50% satisfaction rating compared to the Small Rural Shires' average of 60%. Of note, Council's overall performance in the community satisfaction survey increased by 1%.
Communications	Community Consultation & Engagement	Equal to or greater than average for Small Rural Shires	Not Met	Hepburn Shire had a 50% satisfaction rating compared to the Small Rural Shires' average of 58%. Of note, Council's overall performance in the community satisfaction survey increased by 1%.
Advocacy	Advocacy on behalf of the community	Equal to or greater than average for Small Rural Shires	Not Met	Hepburn Shire had a 49% satisfaction rating compared to the Small Rural Shires' average of 57%. Of note, Council's overall performance in the community satisfaction survey increased by 1%.

Hepburn Shire Council
Performance Statement and Statement by Councillors and Principal Accounting Officer
For the Year Ended 30 June 2014

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*.

Kathie Atwood

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 16 September 2014 to certify the performance statement in its final form.

Councillor

Date

Councillor

Date

Aaron Van Egmond

Chief Executive Officer

Date

11.2. CENTRAL HIGHLANDS REGIONAL TRANSPORT STRATEGY GENERAL MANAGER INFRASTRUCTURE

In providing this advice to Council as the General Manager Infrastructure, I Bruce Lucas have no interests to disclose in this report.

PURPOSE

The purpose of this report is to present the Central Highlands Regional Transport Strategy for Council endorsement as the region's overarching framework for transport, planning and advocacy.

BACKGROUND

Given the impending Victorian State Election in November 2014, there are potentially considerable benefits for the region in having a consistent and well-articulated set of transport network priorities for funding opportunities.

The existing Central Highlands Regional Transport Strategy was developed in 2011, prior to the recent release of a number of significant regional and state government transport and land use policies. Accordingly, there was a need to review and refresh the region's strategic transport plan and ensure regional transport proposals are consistent with the state's policy framework.

ISSUE/DISCUSSION

The purpose of the project was to develop an updated Central Highlands Regional Transport Strategy which is evidence-based and:

- Identifies priority transport projects of regional significance.
- Ensures the region's transport directions are aligned with state and regional policy.

The strategy will provide a tool for:

- Implementation of the Central Highlands Regional Strategic Plan and Regional Growth Plan.
- Future project planning and policy development.
- Advocacy to state and federal governments.
- Developing and prioritising funding applications.

The project has been undertaken as a partnership between local and state government under the auspices of the Central Highlands Mayors and CEOs Forum. It is intended that the final strategy be owned and endorsed by the region's eight councils.

The new strategy builds on the previous regional transport strategy and other work undertaken by local councils and transport agencies. It will not replicate or replace

the various existing local transport plans. Rather, it focuses on regional transport priorities to deliver strategic economic, social, environmental and transport network benefits for the Central Highlands.

The development of the strategy has been overseen by a Project Steering Committee made up of the Chief Executive Officers from the eight Central Highlands Councils and representatives from the Department of Transport, Planning and Local Infrastructure (DTPLI), VicRoads and the Regional Development Australia Grampians Committee.

A working group of technical representatives from councils and state transport agencies was also convened to ensure key stakeholders were represented and could provide local technical inputs.

Consulting firm SMEC was engaged to prepare the strategy and funding for the project was provided by all Central Highlands Councils and VicRoads.

The strategy includes details of all nominated projects, including indicative costings. Projects in the strategy cover all modes and a variety of locations across the Central Highlands region. They include improvements to airports, freight and passenger rail, local and arterial roads, freight hubs and walking and cycling trails, as well as future strategic planning needs. The strategy also references the importance of existing funding programs for maintaining the region's transport infrastructure.

The variety of projects at different scales and locations allows a variety of funding opportunities to be pursued as they arise over time. The strategy does not suggest that only the priority projects should be developed in order to maximise the opportunities for future improvements to the region's transport networks. However, the inclusion of priorities will help provide a clear and consistent statement to state and federal governments about those projects which will provide the most significant benefits to the Central Highlands region.

The strategy is supported by a background report setting out the evidence base, strategic policy context and project methodology.

KEY ISSUES

The Central Highlands Regional Transport Strategy is an evidence-based document which outlines the issues confronting the region as well as projects that will assist in delivering strategic benefits from a regional perspective. The strategy aims to:

- Support and accommodate population and economic growth by:
 - Developing the transport network to accommodate future growth of transport demand;
 - Improving facilities for efficient freight transport to, from and through the region; and
 - Supporting tourism and the economic benefits it brings to the region.

- Reduce congestion and delay by:
 - Promoting alternative modes of travel; and
 - Developing the road network around the region's largest rapidly growing centres.
- Improve the connections between centres within the region and to areas of economic significance to the region by:
 - Developing the transport network to accommodate future growth of transport demand;
 - Improving areas that constrain traffic speeds or cause delays;
 - Developing the freight transport network to provide transport to areas south of the region, particularly Geelong and Portland; and
 - Protecting the quality of the transport network asset from damage by improper use.
- Protect the safety and well-being of transport network users and the broader community through:
 - Reducing risk at level crossings;
 - Focused upgrades of local roads to appropriate standards for accommodating the freight vehicles using them, especially to improve productivity in the first and last mile;
 - Improving safety at intersections; and
 - Improving emergency service access.

A large number of projects were nominated by councils to be included in the strategy and some of the priorities highlighted for Hepburn Shire included:

- East Street - Stanbridge Street heavy vehicle movements
- Number of specific timber roads
- Clunes Creswick Road
- Impacts of Tourism
- Daylesford Clunes Road
- Creswick and Clunes rail connections
- Farm gate access.

To ensure a consistent and robust approach to identifying regional priorities, a methodology for the prioritisation of projects was developed, based on a review of approaches used by other Victorian regions. Projects were scored on a range of criteria including:

- Economic, social and environmental impacts.
- The extent of the regional impact.
- The impact on the transport network.
- Links to regional and state strategies.
- Levels of commitment and planning.

The methodology for project prioritisation also complements other approaches in the Grampians region to ensure regional consistency.

All of the projects nominated as part of the strategy development were assessed by SMEC and reviewed by the Technical Working Group to identify the top regional priorities.

These are:

- Provision of enhanced rail connections between Melbourne, Ballarat and Ararat, with the extension of suburban services to peri-urban areas;
- Western Highway duplication to Stawell, including bypasses of Beaufort and Ararat, upgrade of the highway to freeway standard between Leigh Creek and Woodmans Hill, and removal of at-grade crossings between Deer Park and Melton;
- Development of north-south arterials through Bacchus Marsh, including upgraded connections to the Western Freeway;
- Provision of Ballarat Western Link Road Stages 2 and 3;
- Investigate upgrading the Western Highway from Ballarat (Ballarat Western Link Road) to the Port of Melbourne for High Performance Freight Vehicles (Mass)
- Development of the Ballarat Freight Hub;
- Enhanced opportunities for rail freight movement through improvements to the Mildura – Geelong railway line; and
- Development of the Ballarat Airport Emergency Service Hub.

It is anticipated that all Central Highlands councils will be able to use the strategy as a tool for advocacy to state and federal governments, particularly in the lead up to the forthcoming state election in November. The strategy will also be used to help work with state transport agencies in developing plans and projects to ensure they capture the transport issues and priorities of the region.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Council Plan 2013-2017:

Strategic Objective - Quality Community Infrastructure

Key Strategic Activity:

8. Improve sealed and unsealed local roads through the delivery of maintenance and improvement works.

FINANCIAL IMPLICATIONS

There are no financial impacts for Council in endorsing this strategy.

RISK IMPLICATIONS

There are no risks associated with the endorsement of the Central Highlands Regional Transport Strategy.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

Improving transport infrastructure to support efficient movement across all transport modes will have a positive impact on environmental, social and economic outcomes. The magnitude of these benefits will be dependent upon achieving many of the initiatives and recommended works identified within the strategy.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Significant stakeholder input and discussion has informed the development of the strategy. This has been achieved through the Technical Working Group and the Project Steering Committee made up of the Chief Executive Officers from the eight Central Highlands Councils.

CONCLUSION

It is increasingly important for regions to work together to ensure a common voice in advocating for major region-shaping infrastructure projects. The updated Central Highlands Regional Transport Strategy will provide a robust evidence-based tool for this purpose.

The State Government has recognised the importance of regional transport strategies and studies to articulate regional priorities, having referenced such plans in both Plan Melbourne and the Victorian Freight and Logistics Plan. The new Central Highlands Regional Transport Strategy will ensure that this region's contribution to the overall policy framework remains contemporary and persuasive.

OFFICER'S RECOMMENDATION

That Council:

- 11.2.1 Endorses the Central Highlands Regional Transport Strategy – July 2014.
- 11.2.2 Continues to work with the region for the delivery of projects identified in the Central Highlands Regional Transport Strategy.

MOTION

That Council:

11.2.1. *Endorses the Central Highlands Regional Transport Strategy – July 2014.*

11.2.2. *Continues to work with the region for the delivery of projects identified in the Central Highlands Regional Transport Strategy.*

Moved: Councillor Neil Newitt
Seconded: Councillor Pierre Niclas
Carried.

ATTACHMENT 2 - CENTRAL HIGHLANDS REGIONAL TRANSPORT
STRATEGY 2014



DRAFT CENTRAL HIGHLANDS REGIONAL TRANSPORT STRATEGY 2014

July 2014



This version of the Central Highlands Regional Transport Strategy has been endorsed by the Project Steering Committee for consideration by the Central Highlands Mayors and CEOs Forum and the region's councils for endorsement.

30 July 2014.

Table of contents

EXECUTIVE SUMMARY	3
1 Introduction.....	5
1.1 Purpose.....	5
1.2 Background and Strategic Context	5
1.3 Ownership	5
1.4 Connections.....	6
1.5 Review	6
1.6 Current Programs.....	6
2 Vision	7
3 About the Central Highlands	8
4 Strategy Approach	10
4.1 Provide infrastructure to improve opportunity for growth.....	10
4.2 Improve capacity of infrastructure to reduce delays	11
4.3 Improve connections within the region and to other regions	12
4.4 Promote the Safety and Well-being of the Community.....	13
5 Priorities.....	14
5.1 Enhanced Rail Connection between Melbourne, Ballarat and Ararat.....	16
5.2 Western Highway Improvements Package	16
5.3 Road Transport Priorities around Bacchus Marsh.....	17
5.4 Ballarat Western Link Road – Stages 2 and 3.....	18
5.5 Freight Transport	18
5.6 Ballarat Airport – Aviation Emergency Services Hub	19
6 Future Strategies	20
6.1 First and Last Mile Freight Strategy	20
6.2 Public Transport.....	20
6.3 Midland Highway	20
6.4 Central Highlands Tracks and Trails.....	21
6.5 Rail Crossing Upgrade / Removal Program.....	21
Appendix A: Full List of Projects.....	22
Appendix B: Priorities and Achievement of Goals	33

EXECUTIVE SUMMARY

Context and Background

The Central Highlands Regional Transport Strategy is an evidence-based strategy that provides a tool for implementation of the transport frameworks established by the Central Highland's Regional Strategic Plan and Regional Growth Plan.

The strategy is owned by the Central Highlands Councils, comprising the municipalities of Ararat, Ballarat, Central Goldfields, Golden Plains, Hepburn, Moorabool, Northern Grampians and Pyrenees. It has been prepared with assistance and input from the Department of Transport, Planning and Local Infrastructure, VicRoads and Public Transport Victoria.

Priorities

The strategy's key priorities are:

- **Provision of enhanced rail connections between Melbourne, Ballarat and Ararat, with the extension of suburban services to peri-urban areas;**
- **Western Highway duplication to Stawell, including bypasses of Beaufort and Ararat, upgrade of the highway to freeway standard between Leigh Creek and Woodmans Hill, and removal of at-grade crossings between Deer Park and Melton;**
- **Development of north-south arterials through Bacchus Marsh, including upgraded connections to the Western Freeway;**
- **Provision of Ballarat Western Link Road Stages 2 and 3;**
- **Investigate upgrading the Western Highway from Ballarat (Ballarat Western Link Road) to the Port of Melbourne for High Productivity Freight Vehicles (Mass)**
- **Development of the Ballarat Freight Hub;**
- **Enhanced opportunities for rail freight movement through improvements to the Mildura – Geelong railway line; and**
- **Development of the Ballarat Airport Emergency Service Hub.**

Challenges

Given its variable urban and rural characteristics, the challenges for the Central Highlands region, as a result, are diverse. They can be summed up into four interconnected challenges:

- **Population and Economic Growth**, which places pressure on transport infrastructure that impacts on productivity and highlights gaps in transport connections in the region;
- **Congestion and Delay**, which restricts the opportunities for growth in some parts of the region. In particular, there are bottlenecks in the rapidly growing centres of Ballarat and Bacchus Marsh as well as in towns on the Western Highway;
- **Connections**, which are stretched or missing and force trips through congested areas, impacting productivity. This is particularly evident in the relatively constrained north-south connections through the region, where the emphasis is on east-west connections to Ballarat and Melbourne;
- The region's **Safety and Well-being**, which is vulnerable to ageing and constrained infrastructure and ongoing threats associated with natural hazards.

The Strategy

The strategy aims to:

- **Support and accommodate population and economic growth** by:
 - Developing the transport network to accommodate future growth of transport demand;
 - Improving facilities for efficient freight transport to, from and through the region; and
 - Supporting tourism and the economic benefits it brings to the region. Apart from improvements to road, infrastructure and services, an important facet will be the improvement of opportunities for cycling and walking, such as through the development of rail trails.
- **Reduce congestion and delay** by:
 - Promoting alternative modes of travel;
 - Developing the road network around Ballarat to provide improved travel around the city;
 - Addressing traffic congestion in Bacchus Marsh by providing road links that provide routes that bypass the centre of the town.
- **Improve the connections between centres within the region and to areas of economic significance to the region** by:
 - Developing the transport network to accommodate future growth of transport demand;
 - Improving areas that constrain traffic speeds or cause delays;
 - Developing the freight transport network to provide transport to areas south of the region, particularly Geelong and Portland; and
 - Protecting the quality of the transport network asset from damage by improper use.
- **Protect the safety and well-being of transport network users and the broader community** through:
 - A program of reducing risk at level crossings;
 - A program of focussed upgrades of local roads to appropriate standards for accommodating the freight vehicles using them, especially to improve productivity in the first and last mile;
 - A program of improving safety at intersections that cause delays or where there are unacceptable crash risks; and
 - Improving emergency service access.

1 Introduction

1.1 Purpose

The Central Highlands Regional Transport Strategy is an evidence-based strategy which:

- Identifies priority transport projects of regional significance;
- Ensures the Central Highlands' transport directions are aligned with state, regional and local policy.

It provides a tool for:

- Implementation of the transport frameworks established by the Central Highlands Regional Strategic Plan and Regional Growth Plan;
- Future project planning and policy development;
- Advocacy to state and federal governments;
- Developing and prioritising funding applications.

1.2 Background and Strategic Context

There has been an increasing emphasis on regional planning over recent years. The *Central Highlands Regional Strategic Plan* (2010) provided an overarching vision and key directions for the region. This led to the development of the *Central Highlands Regional Transport Strategy* (2011) which sets out objectives, directions, actions and funding and policy priorities to meet the region's transport needs and challenges.

However since the development of these strategies, there has been a significant evolution in the state and regional transport and land use policy context with the development of:

- *Victoria – The Freight State 2013*: the Victorian Freight and Logistics Plan;
- Regional growth plans;
- *Plan Melbourne*: the Melbourne metropolitan planning strategy;
- *Network Development Plan – Metropolitan Rail*;
- *Victoria's Road Safety Strategy 2013 – 2022*;
- *Cycling into the Future 2013-23*: Victoria's cycling strategy.
- *Victoria's Trails Strategy 2014-24*

This strategy therefore builds on the strategic directions set by the Regional Strategic Plan and Regional Growth Plan and the detailed proposals of the 2011 Regional Transport Strategy to ensure the region's transport directions are aligned with current policy and can help meet identified challenges.

The strategic policy context and summary of key transport issues confronting the region are summarised in the background report which accompanies this strategy.

1.3 Ownership

The strategy is owned by the Central Highlands Councils, comprising the municipalities of Ararat, Ballarat, Central Goldfields, Golden Plains, Hepburn, Moorabool, Northern Grampians and Pyrenees. It has been prepared with assistance and input from the Department of Transport, Planning and Local Infrastructure, VicRoads and Public Transport Victoria.

1.4 Connections

The Central Highlands transport network does not operate in isolation of the wider state network. The Central Highlands is part of the wider Grampians region and has direct connections to the neighbouring Wimmera Southern Mallee, Barwon South West, Loddon Mallee South and broader state transport networks. A large component of the transport task within Central Highlands starts and finishes outside the direct area of the strategy, particularly at the ports of Melbourne and Geelong. The impacts these movements have on the transport network subject to this strategy need to be considered in the development of options and priorities.

1.5 Review

The Central Highlands Regional Transport Strategy will be reviewed regularly to ensure that the strategy reflects the goals and conditions of the communities of the Central Highlands region. Reviews will also take account of policy shifts, completed priorities, introduction of threats or challenges to the strategy, new opportunities for the region and identification of new projects.

1.6 Current Programs

This strategy strongly supports the retention and preservation of all current funding sources and programs. These programs are essential for the maintenance and development of the transport network in the region.

2 Vision

The vision for the Central Highlands is **to provide a productive, sustainable and liveable region for its people.**

This strategy shares its vision with the Central Highlands Regional Strategic Plan and Central Highlands Regional Growth Plan.

The objectives of the Central Highlands Regional Transport Strategy also match the transport future directions set out in the Regional Growth Plan. Its objectives are to:

- 1. Improve the capacity and functioning of the region's transport networks**
- 2. Ensure access and connectivity between settlements within and external to the region**
- 3. Provide for a safe, reliable and resilient transport network**
- 4. Consider technological advances in the transport provision mix**
- 5. Ensure amenity and useability**
- 6. Develop freight precincts as places to collect and distribute goods**
- 7. Understand and ensure efficient ways to transport products between producers and markets**

3 About the Central Highlands

The Central Highlands region is located immediately to the west of Melbourne and primarily runs along the spine of the Western Highway corridor between Bacchus Marsh and Stawell. With a population of almost 200,000 people, the region comprises three distinct parts:

- The eastern area within Melbourne’s peri-urban hinterland. This area is experiencing significant growth pressure, particularly in Bacchus Marsh, whilst also being home to significant landscape, agricultural and environmental assets.
- The western area, which provides a rural setting based largely around broad hectare farming and established settlements experiencing limited population growth. This area includes the Grampians National Park.
- Ballarat, which is the third largest city in Victoria and has a significant influence on towns in its hinterland, including Smythesdale, Beaufort, Creswick and Ballan.

The area included within this strategy comprises the municipalities of Ararat, Ballarat, Central Goldfields Hepburn, Moorabool, Northern Grampians, Pyrenees and the northern parts of Golden Plains Shire (those areas north of Lethbridge). Whilst Ballarat is the dominant settlement in the region, there are a number of large towns which service their surrounding districts including Bacchus Marsh, Ararat, Maryborough, Stawell and Daylesford.

The Central Highlands has a strong heritage including Aboriginal culture and 19th century goldfields. It features major environmental assets such as the Grampians and Brisbane Ranges National Parks and notable tourism precincts such as the Daylesford-Hepburn spa country. It also has a relatively diverse economy featuring agriculture, manufacturing, mining and a range of higher order services. Ballarat includes specialisations in information technology, health services and higher education.

The central location of the region within Victoria means the Central Highlands has good connections to surrounding regions. This includes the major cities of Melbourne, Geelong and Bendigo, which are all within an hour and a half travel of Ballarat. There are also direct rail and road links to three major south coast ports at Melbourne, Geelong and Portland.

Regional snapshot

Largest towns (2011)	<ul style="list-style-type: none"> • Ballarat – 85,314 • Bacchus Marsh – 14,779 • Maryborough - 7139 	<ul style="list-style-type: none"> • Ararat – 6,906 • Stawell – 5,655 • Daylesford – 3,294
Projected LGA population change 2011-2031 (including average annual change)	<ul style="list-style-type: none"> • Ararat – 1,885 (0.7%) • Ballarat – 31,037 (1.4%) • Central Goldfields – 1,196 (0.4%) • Golden Plains (north-west only) – 8,213 (1.1%) 	<ul style="list-style-type: none"> • Hepburn – 3,551 (1.1%) • Moorabool – 14,028 (2.0%) • Northern Grampians – -51 (0%) • Pyrenees – 1,008 (0.7%)
Most significant economic sectors (Gross Value Added, 2012)	<ol style="list-style-type: none"> 1. Health care and social assistance 2. Manufacturing 3. Construction 	<ol style="list-style-type: none"> 4. Education and training 5. Agriculture, fishing and forestry 6. Retail
Key tourism precincts and assets	<ul style="list-style-type: none"> • Grampians National Park • Daylesford Spa Country 	<ul style="list-style-type: none"> • Pyrenees winery region • Goldfields heritage, including Ballarat
Largest commodities for Grampians region¹	<ol style="list-style-type: none"> 1. Grain 2. Forestry (logs) 3. Meat 	<ol style="list-style-type: none"> 4. Mineral sands 5. Livestock 6. Horticulture

¹ Includes Wimmera councils

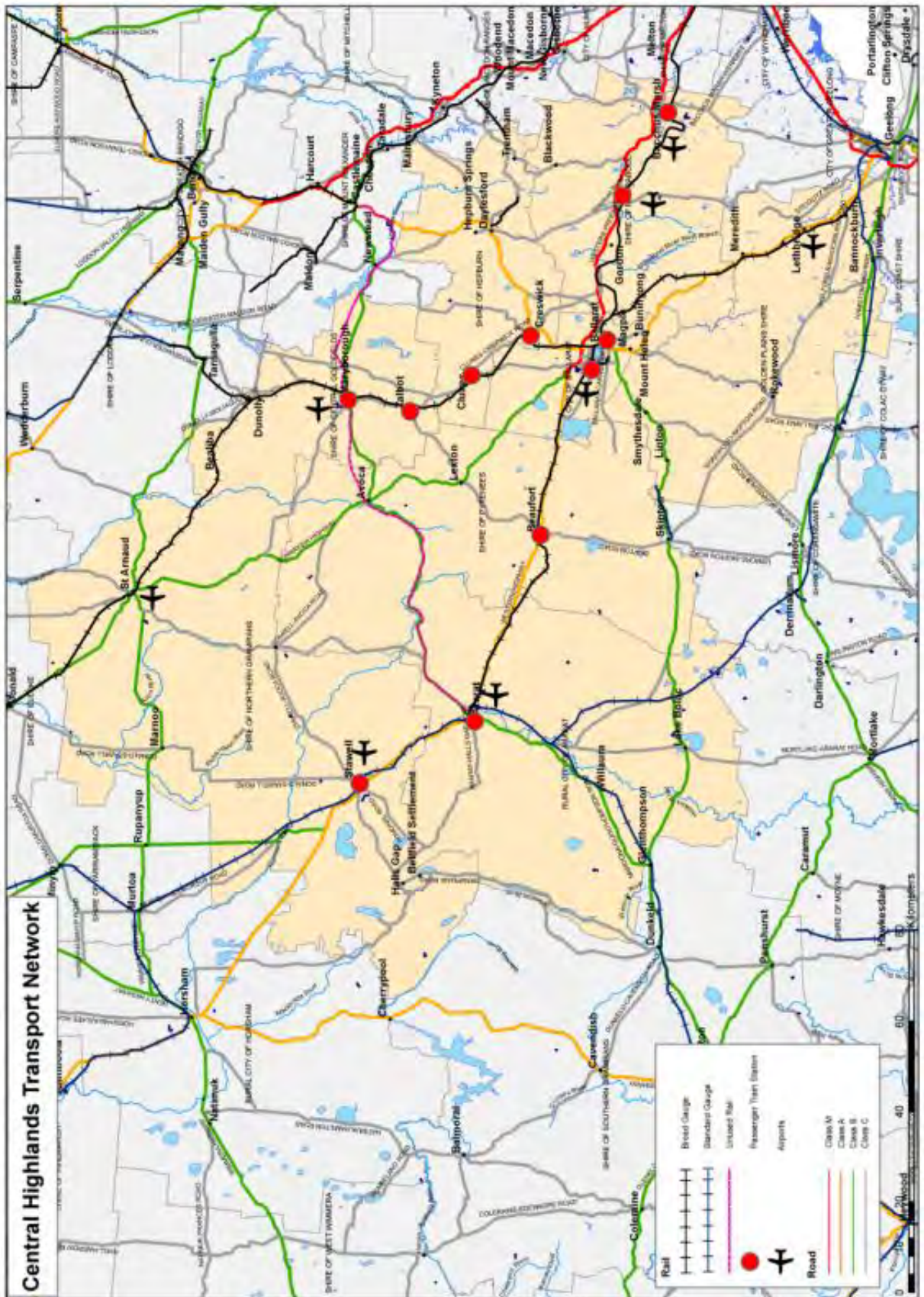


Figure 1: Existing Central Highlands transport network

4 Strategy Approach

Provision of transport infrastructure needs to be focussed on meeting the challenges in a way that is consistent with the *Central Highlands Regional Growth Plan's* principles and, in particular, with the Transport Strategy objectives listed in Section 2. To achieve this focus, solutions will:

- Improve the capacity and functioning of the region's transport networks
- Ensure access and connectivity between settlements within and external to the region
- Provide for a safe, reliable and resilient transport network
- Consider technological advances in the transport provision mix
- Ensure amenity and useability
- Develop freight precincts as places to collect and distribute goods
- Understand and ensure efficient ways to transport products between producers and markets.

Given its variable urban and rural characteristics, the challenges for the Central Highlands Region, as a result, are diverse. They can be summed up into four interconnected challenges:

- **Population and Economic Growth**, which places pressure on transport infrastructure that impacts on productivity and highlights gaps in transport connections in the region;
- **Congestion and Delay**, which restricts the opportunities for growth in some parts of the region. In particular, there are bottlenecks in the rapidly growing centres of Ballarat and Bacchus Marsh as well as in towns on the Western Highway;
- **Connections**, which are stretched or missing and force trips through congested areas, impacting productivity. This is particularly evident in the relatively constrained north-south connections through the region, where the emphasis is on east-west connections to Ballarat and Melbourne;
- The region's **Safety and Well-being**, which is vulnerable to ageing and constrained infrastructure and ongoing threats associated with natural hazards.

Managing these challenges is critical to the delivery of the *Central Highlands Regional Growth Plan's* principles around supporting economic development and population growth, capitalising on the close links to surrounding regions and ensuring integrated planning of growth and infrastructure.

The following four pillars of action have been identified to form the strategy's approach. These actions are closely interconnected. For example, reducing delays on roads encourages growth by attracting settlement and business, improves connectivity by reducing travel times and helps with the well-being of the community by providing improved travel times to places of work and recreation.

4.1 Provide infrastructure to improve opportunity for growth

The Regional Growth Plan aims to encourage economic growth and support population growth. The population of the Central Highlands region has grown over the past decade by an annual average of 1.5% per year. The Background Report shows that most of this growth is occurring in Ballarat, Moorabool and Golden Plains municipal areas, which have been growing at more than 2% per year.

Additional population and the associated economy that accompanies it fuels growth in traffic. The growth in population will be accompanied by a growth in freight traffic due to increased employment activity and the growing demand from other regions for food and materials. To put the projected growth of the Central Highlands region into scale, based on the estimated population and household growth of 1.5% and an average trip generation of 10 daily trips per household, the region will generate an additional 7,500 new person trips per day, the equivalent of a new two lane road every two years and a new train service every year (assuming current mode splits are maintained). In addition, growth in through-traffic of up to 2% per year, especially freight, will need to be accommodated.

Transport infrastructure is also required to allow residents and visitors to engage in economic activity in various centres. This requires adequate transport facilities between home and work, home and places of study and good access to places of commercial activity.

Facilities for all modes of transport need to be provided as well as opportunities to change modes where required. It is likely that the travel will continue to be focussed on Ballarat and Melbourne as destinations. The growth will increase pressure on roads and public transport services connecting the region to these centres. In addition, improved productivity at ports and new transport interchanges will support continued growth of freight traffic.

Without improved and additional transport infrastructure, the economic and demographic growth of the region will be stifled. Loss of growth will lose the region business to other areas of the state and country.

Passenger rail patronage has experienced strong growth in all areas of the region, even where services are limited. The region generates nearly 70,000 additional rail trips every year. The Background Report shows that some Melbourne bound peak services are almost at capacity before they reach Melton, while some services out of Melbourne in the afternoon peak are almost at capacity when they leave North Melbourne. The likely additional demand for travel to and from Melbourne will require additional services and upgrades in infrastructure.

The transport strategy will also support tourism by promoting improved transport access to key tourism precincts identified in the Regional Growth Plan. These precincts include the areas around Ballarat, around Ararat and Stawell, and around Daylesford and Hepburn Springs.

4.2 Improve capacity of infrastructure to reduce delays

The Regional Growth Plan identifies Ballarat and Bacchus Marsh as areas of major growth. Bacchus Marsh is also identified in *Plan Melbourne* as a growing peri-urban area for Melbourne. Ballarat and Bacchus Marsh already experience congestion and require improvements in the capacity of the transport network in order to meet the goals of the Regional Growth Plan. These areas form bottlenecks for travel within the urban areas and on inter-regional north-south routes. Consequently, the capacity of the transport network in these areas needs to be increased to accommodate current demand and to cope with growth.

The growth of population in Ballarat and Bacchus Marsh and the growth in employment in Melbourne and Ballarat will encourage growth in the commuter demand for travel between Ballarat and Melbourne and Bacchus Marsh and Melbourne. Additional public transport capacity on the Ballarat – Melbourne corridor will play an important part in limiting the growth of private vehicle travel and reducing congestion on roads. It will also help to enhance the links between Melbourne and Ballarat and help to bring business, students and tourists to the Central Highlands.

The travel demand in and through the region is strongly focussed on Melbourne in the east and Geelong to the south east of the region. In addition, the urban areas of Ballarat and Moorabool municipalities generate significant traffic volumes. As a result there are delays to traffic in the urban areas caused by congestion and in the more rural areas caused by road geometry and location of highways through towns.

4.2.1 Urban Areas

Car and freight traffic travelling through the region connecting to or from Geelong generally travels east-west on the Western Highway and then accesses routes to the south including through Ballarat and Bacchus Marsh. The combination of the traffic generated within Ballarat and Bacchus Marsh and traffic travelling through those centres results in delay and congestion.

The Background Report shows that the heaviest demands on roads is generally east of Ballarat, including the arterials of Ballarat and Bacchus Marsh and the north-south roads from Bacchus Marsh to Geelong and from Ballarat to Geelong through Buninyong and Mt Helen.

4.2.2 Rural Areas

Delays in the more rural areas in the western part of the region have their roots in the geometry and form of the roads. Freight traffic, which is an important component of the traffic using the network, is slowed down by grades and turns and, most significantly, by slow sections of highway through rural towns such as Beaufort, Ararat and Stawell. While these affect mainly heavy vehicles, other traffic is slowed by lack of opportunity to overtake.

The Background Report shows that the Glenelg Highway, Midland Highway and roads between Bacchus Marsh and Geelong carry relatively large volumes of heavy and light traffic. On some lengths along these roads, there is a lack of overtaking opportunities due to the vertical and horizontal geometry of the road that may result in delays and/or unsafe driving actions.

The strategy proposes various actions to improve freight efficiency across the network.

4.3 Improve connections within the region and to other regions

4.3.1 Key Corridors

The Regional Growth Plan identifies the Ballarat – Melbourne corridor as an area with key transport links to surrounding regions and as a major transport corridor. Public transport capacity in this corridor is limited by current peri-urban and regional demands on the existing rail network. The plan also identifies the link from the region (especially Ballarat) to Geelong as an area of key relationship and a major transport corridor. There are also key transport corridors identified to the west of the region to Ararat and beyond, and northwards to Maryborough and beyond, and to Daylesford and Castlemaine and beyond.

Because of the dominating influence of Melbourne, the east-west routes have developed with increasing demand. However, north-south links have not developed to the same extent. The transport network connecting the region to Geelong and the coast needs to be enhanced in order to provide efficient transport to the ports of Geelong and Portland and to encourage round trip tourist journeys from the coast through the designated tourism areas of the Central Highlands region.

The Western Highway is the backbone of the region's transport network and is the major road connecting the region with regions to the west and to Melbourne. It is a major facility contributing to the growth of the region's economy, supporting freight transport between producers and ports and between ports and consumers. In some areas, road geometry and the location of towns on the Western Highway constrain this travel and cause delays to the efficient transport of goods. Upgraded infrastructure in these areas will improve the efficiency and remove the delays.

4.3.2 Public Transport

Public transport connectivity is constrained by a limited number of services, especially for towns like Maryborough, where the time and frequency of services preclude a return day trip from Melbourne/Ballarat to Maryborough by rail. This also discourages tourist traffic. Additionally current rail passenger services do not provide for communities west of Ballarat to easily access employment, education and services in Melbourne. Connectivity of passenger rail services between the region and Melbourne are limited by the operation on a single line that relies on passing loops for services in both directions. Counter-peak services are severely constrained as a result. Some lines have no passing loops, limiting services, in effect, to a shuttle.

Connectivity of rail services for freight is constrained by the different gauges of rail lines. This problem affects passenger transport as well as freight transport.

Regional coaches supplement some rail services and connect most of the centres in the region. However the frequency of services is highly variable and some operate at only one service per day.

Local buses can be circuitous and the frequency of service is highly variable. While these services provide a social service, faster and more direct services would benefit commuters. Only in Ballarat is

there a comprehensive service, with new routes also to be implemented in Bacchus Marsh. Bus routes may need to be reviewed regularly to ensure that services are accommodating growth.

Approximately 42% of the population of the region comprises either school-going children or people of retirement age. This proportion is expected to increase to 46% by 2041. These cohorts of the population require good transport links to schools, sporting facilities, aged care facilities, health and community care facilities. In addition, vulnerable sections of the community require access to care facilities, government support facilities and community support facilities.

4.3.3 Walking and Cycling

Walking and cycling tend, by their nature, to be shorter trips and therefore more local than regional. However, these modes can play an important part in providing access around relatively compact regional towns and connecting to other modes, particularly rail and bus or coach. Provision of safe pedestrian and cycling paths to significant transport interchanges would improve connectivity and improve the health of the community. In addition, increasing walking and cycling trips often reduces car trips which assist in reducing congestion. Provision of recreational walking and cycling facilities such as rail trails, encourages tourism, thereby assisting local economies and encouraging growth.

4.3.4 Other Regional Connections

One of the important issues for the Central Highlands is that due to its location, it is not the start or the end point for many freight movements, but rather a region which freight travels through on its way to markets. This is particularly the case with some commodities originating from the Mallee and Wimmera such as grain, mineral sands and horticultural products. North-south routes through the Central Highlands therefore have some significance for bulk commodity movements (grain, mineral sands and timber). Improved connections to the ports at Port of Melbourne, Portland and Geelong would also promote improved economic growth. Changes in the freight task, with an increasing reliance on larger heavy vehicles, means that some C class arterial and local roads are not fit for purpose.

Both road and public transport connections to the coastal areas of Warrnambool, Colac Otway and Corangamite have not developed at the same rate as links to Melbourne. Improvements of these connections will promote the expansion of tourist travel on the route connecting Melbourne, the Coast and the Grampians.

4.4 Promote the Safety and Well-being of the Community

There are several aspects to promoting the safety and well-being of the community. The transport network plays an important role in protecting the well-being of the community and in promoting the community's safety. The importance of providing efficient safe access to places of work, community services and recreation should not be underestimated. The transport network plays an important role in emergency services for the region. It is especially important in the event of large scale bushfires or flooding, during which emergency access is critical and alternative modes of connection for affected communities need to be maintained.

Within the region, residents and industry need to be able to access key services. In some areas, the transport network may need enhancement to facilitate access to educational, welfare and health services, especially for disabled and disadvantaged members of the community.

In some rural towns, the heavy vehicle content of the traffic is out of scale with the town and represents a real or perceived threat to safety. Semitrailers or B-Doubles in small towns, even travelling at the speed limit, demand large swathes of road space, dwarf roadside developments and detract from the liveability of the area. They are also associated with noise and pollution.

5 Priorities

A range of projects across all modes of transport has been identified and assessed in the development of this strategy (see Appendix A). The region's priorities for developing the transport network and supporting state and regional strategies and policies are presented in this section. The priorities are based on the impact that each project will make on supporting the growth and development of the region, particularly in relation to the principles outlined in the *Central Highlands Regional Growth Plan*.

The priorities have been based on a robust assessment undertaken in the development of this strategy. The assessment has examined the economic, social and transport network impact of projects, their regional significance, their links to regional strategies and the levels of commitment and planning. A full description of the ranking methodology is contained in the Background Report. Sensitivities of the rankings were tested and projects that ranked consistently in the top group were assigned to this strategy's priorities. Other projects are also identified in this strategy in Appendix A and although not included in the priorities, all the projects listed will help deliver this strategy's objectives. The ranking does not indicate a preferred order of timing or implementation of the various projects, but rather the overall expected regional impact.

Priority projects are:

- **Provision of enhanced rail connections between Melbourne, Ballarat and Ararat, with the extension of suburban services to peri-urban areas;**
- **Western Highway duplication to Stawell, including bypasses of Beaufort and Ararat, upgrade of the highway to freeway standard between Leigh Creek and Woodmans Hill, and removal of at-grade crossings between Deer Park and Melton;**
- **Development of north-south arterials through Bacchus Marsh, including upgraded connections to the Western Freeway;**
- **Provision of Ballarat Western Link Road Stages 2 and 3;**
- **Investigate upgrading the Western Highway from Ballarat (Ballarat Western Link Road) to the Port of Melbourne for High Productivity Freight Vehicles (Mass)**
- **Development of the Ballarat Freight Hub;**
- **Enhanced opportunities for rail freight movement through improvements to the Mildura – Geelong railway line; and**
- **Development of the Ballarat Airport Emergency Service Hub.**

These projects are described in more detail in the following sections. **Figure 2** shows the locations of these in the region.

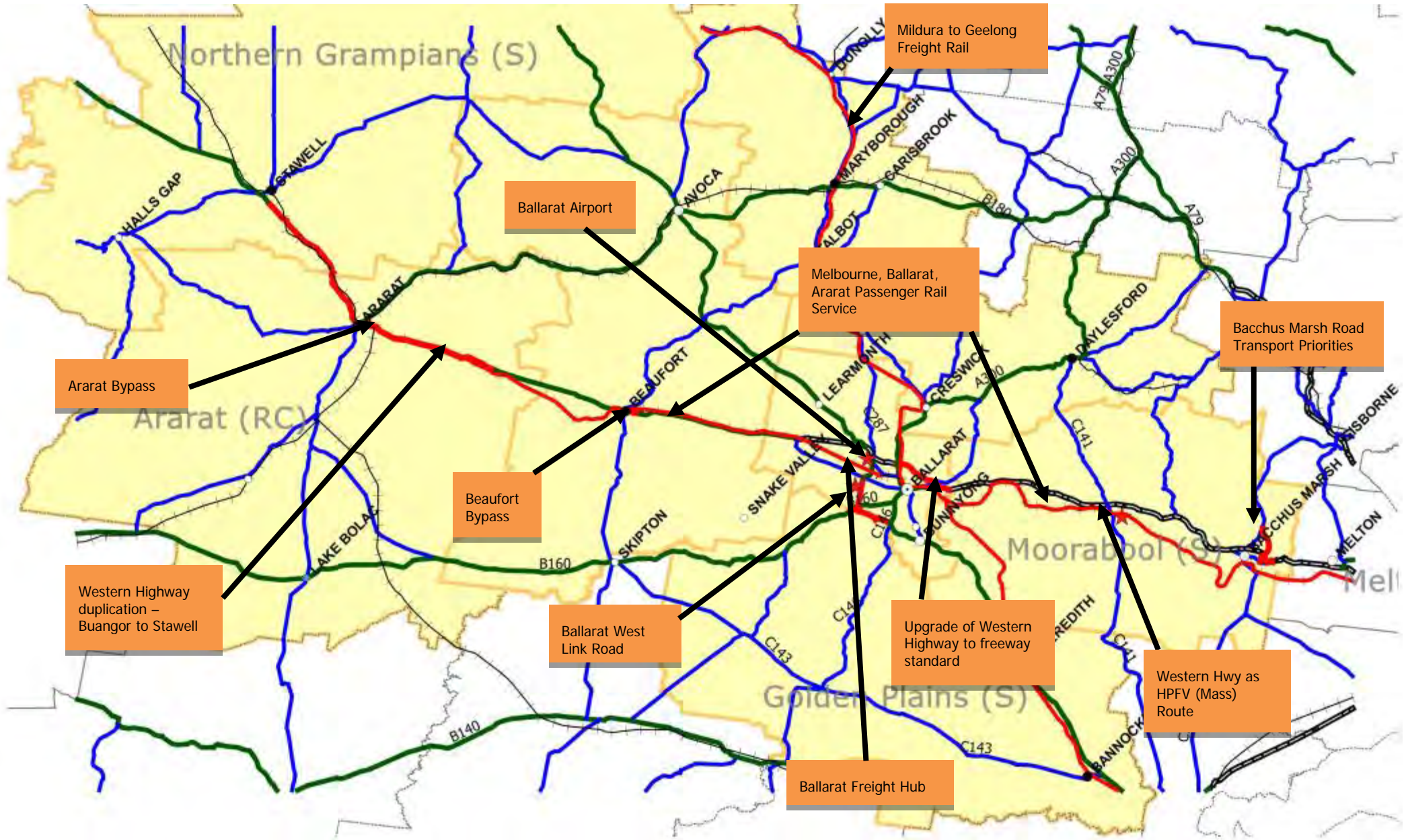


Figure 2: Location of priorities shown in in red

5.1 Enhanced Rail Connection between Melbourne, Ballarat and Ararat

Package of works

There has been a significant growth in rail travel in the region over recent years. Forecasts suggest that rail patronage will grow by around 2% per year to 2041. Ongoing improvements to the Melbourne-Ballarat line will be necessary to provide the capacity and reliability to accommodate the anticipated growth.

Specific improvements identified for the rail line and services between Ararat and Melbourne include:

- Separation of regional and metropolitan rail services to provide reliability and frequency improvements through delivery of the Regional Rail Link;
- Additional frequency improvements through the staged delivery of Melton duplication and subsequent electrification
- Station upgrades and increased parking capacity.
- Additional capacity between Ballarat and Melton, such as through the provision of additional passing loops and, in the long term, duplication on the Ballarat corridor.
- Increased rail passenger services from Ararat for commuters to more easily access employment, education and services in Ballarat and Melbourne.

The project will benefit commuters in the region travelling to Melbourne from the Central Highlands Regional area by providing a more competitive travel mode with improved reliability. In addition, an opportunity exists to improve services in the opposite direction to provide commuter opportunities for Melbourne based workers and students to access work places in the Central Highlands. This will also allow for tourists to more easily undertake day trips by public transport into the Central Highlands to destinations such as Daylesford, Clunes and Maryborough.

5.2 Western Highway Improvements Package

The Western Highway serves as the principle interstate route between Victoria and South Australia and is the key transport corridor for Western Victoria. Currently, more than 5,500 vehicles travel the highway west of Ballarat each day including 1,500 trucks. This traffic is expected to double by 2025 necessitating a highway capable of safely carrying 780,000 trucks per annum. West of Stawell, the Western Highway carries lower volumes, around 4000 vehicles per day of which 1,200 are trucks. These volumes have grown at an average of 3.5% since 2003.

The 110km stretch of highway between Ballarat and Stawell has claimed 7 lives and more than 80 casualty crashes in the five years to the end of June 2013. The stretch of highway east and west of Beaufort is worse than the state average for road crashes.

Heavy vehicle volumes travelling through towns also reduce the amenity and liveability of those towns. Consequently, there are economic and social pressures to reduce the impact of traffic volumes on towns as well as to provide opportunities for safe and efficient transport of goods and people.

This priority package includes:

- The duplication of the Western Highway between Buangor and Stawell;
- Provision of a bypass of Beaufort;
- Provision of a bypass of Ararat;
- Upgrading the Western Highway to freeway standard between Leigh Creek and Woodmans Hill
- Removal of at-grade crossings between Deer Park and Melton

The duplication of the highway between Buangor and Stawell will improve the safety and efficiency of the highway, it will remove the incidence of head on collisions, which tend to be more severe than other crashes, and therefore improve the safety and well-being of the users of the road.

The bypasses of Beaufort and Ararat will also reduce delays in travelling through towns. In addition, the well-being of the residents of Ararat and Beaufort will be improved.

The section of the Western Highway from Leigh Creek to Woodmans Hill does not have freeway status and has a reduced speed limit of 80km/hr in sections. This section of road has at-grade intersections, direct frontage on the highway, lower reduced speed limits, poor construction and maintenance standards and a history of severe crashes.

Removal of at grade crossings between Deer Park and Melton will improve safety and also remove the need for reduced speed limits, impacting on freight efficiency.

The Central Highlands region will benefit from the reduced delays for travel along the western Highway, improved efficiency of transport and improved amenity in towns.

5.3 Road Transport Priorities around Bacchus Marsh

Bacchus Marsh is a regional centre experiencing rapid population growth. Its arterial road network is however significantly constrained outside of the Western Freeway, with much of the town's local traffic and north-south regional traffic funnelled through a single intersection in the town centre that is experiencing significant congestion and queuing.

An eastern bypass of Bacchus Marsh from Geelong Road to Gisborne Road with a freeway interchange (possibly via the extension of Woolpack Road) would alleviate congestion at the Bacchus Marsh-Gisborne Road interchange and service the sand quarries on Gisborne Road that generate in excess of 250,000 heavy vehicle movements annually. The establishment of a road corridor for this link is critical so that alignments can be set and land use determined into the future. Improvements to Woolpack Road will also support the development of a new employment precinct at Parwan.

Similarly, a western route road needs to be established with freeway connection to support the substantial residential growth expected in Bacchus Marsh. The extension of Halletts Way at the north and south ends would provide this link and help cater for growth and alleviate congestion on Grant Street and Gisborne Road currently experiencing congestion and queuing.

Forecasts of traffic through the Bacchus Marsh area indicate severe congestion and delays through the Bacchus Marsh town centre. These delays can only be ameliorated by significant upgrades of the road network and effective traffic management. The impact would be principally on the Gisborne Road/Grant Street corridor, which would require duplication to accommodate forecast volumes and signalisation of some of its intersections to adequately control delays in the town centre.

The proposed project includes:

- Planning for and construction of an eastern bypass of Bacchus Marsh from Geelong-Bacchus Marsh Road to Gisborne Road with a freeway interchange (possibly via the extension of Woolpack Road) and reserving the land;
- Upgrading Woolpack Road between the Geelong-Bacchus Marsh Road and Bacchus Marsh Road to 'C' class road standard
- Extension of Halletts Way at north and south ends and providing east facing freeway ramps
- Development of north-south arterials in Bacchus Marsh, including:
 - signalisation of intersections;
 - duplication of carriageways;
 - safety upgrades to the Gisborne Road/Grant Street.

The region will benefit from these improvements in the road network because they will relieve the Bacchus Marsh bottleneck and support the development of one of its key designated growth settlements. In particular, transport of freight to and from the centres and ports of Melbourne and Geelong are often held up by intermediate pickups and drop-offs in Bacchus Marsh. In addition, safety of travellers on the roads will be improved. It will also help provide for additional employment growth which will reduce the need for residents to commute for work, thus enhancing the sustainability of the region.

5.4 Ballarat Western Link Road – Stages 2 and 3

The Midland Highway is the strategic road link connecting the four largest regional centres in Victoria being Geelong, Ballarat, Bendigo and Shepparton. It passes through the centre of Ballarat including the CBD. There are 11 sets of traffic lights which restrict the efficient movement of freight.

The Ballarat West Growth Area is the region's major focus for population growth for at least the next 20 years. High forecast growth of traffic volumes through western Ballarat indicates severe congestion and delays, especially around the junction of Gillies and Sturt Street. In addition, the indirect connection between Cuthberts Road, Sturt Street and Gillies Street exacerbates the delays.

This project involves extending the Ballarat Western Link Road southwards to Greenhaighs Road, the Glenelg Highway in western Ballarat and south west to the Midland Highway. It is a major proposed link that will accommodate the future travel demand generated by Ballarat West with its significant forecast population growth and provide an alternative access to the Midland Highway through Ballarat for cross-regional traffic.

The City of Ballarat Review of Future Industrial Areas (2009) identifies the Ballarat West Employment Zone (BWEZ) area as the central location for the future industrial growth of Ballarat. With close proximity to infrastructure and established industry uses, BWEZ has inherent locational strengths which are strengthened by the provision of the Western Link Road.

- It will provide an important road link between the City of Ballarat and its surrounding areas.
- It will serve new developments in the Ballarat Employment Zone and Airport precinct and residential developments in Ballarat West

5.5 Freight Transport

The region's central location within Victoria means it is to service the needs of freight transport both emanating from and travelling through the region to external markets. With demand for transport between Adelaide and Melbourne and the need for producers in the region and neighbouring regions to transport their produce to markets and ports, including Geelong and Portland, freight transport facilities are an important requirement for an integrated transport strategy. The priority freight projects involve:

- Improvements to the Mildura to Geelong rail line;
- Provision the Ballarat Freight Hub; and
- Investigating upgrades to the Western Highway for High Performance Freight Vehicles (Mass).

5.5.1 Enhanced opportunities for Rail Freight by Improvement of Mildura-Geelong Rail Line

There is a strong need for the transport of agricultural goods from the Central Highlands region and neighbouring Victorian regions to ports at Melbourne, Geelong and Portland. The improvements to the Mildura to Geelong rail line will result in:

- Conversion of the broad gauge rail to standard gauge (along a route to be determined);
- Increasing the strength of the rail track to allow higher axle loads;
- Some rail construction.

5.5.2 Development of Ballarat Freight Hub

The proposed Ballarat Freight Hub is a 16 hectare road freight handling facility designed to reduce business costs by improving transport productivity, while servicing current and future freight demands for the City of Ballarat and the surrounding region. It will be located in the Ballarat West Employment Zone (BWEZ) to take advantage of all modes of transport. It will accommodate High Productivity Freight Vehicles (HPFV) with access from the new Western Link Road and will deliver freight

efficiently to Melbourne via the Western Highway. It has been designed to avoid “last mile” impediments for freight operators.

Construction of the new Freight Hub removes an identified barrier to growth for existing businesses, and creates a competitive advantage to attract new industry and new jobs. Further, relocation of the Freight Hub to Ballarat’s West will also remove heavy vehicles from the city’s CBD area, improve productivity for industry and create a safer local environment.

5.5.3 Investigate upgrading the Western Highway from Ballarat Western Link Road to the Port of Melbourne for HPFV (Mass)

The Port of Melbourne is an important destination for goods from Ballarat and the surrounding region. The increasingly competitive markets need continuous improvement in the efficiency of transport of goods. The larger and more efficient HPFV (High Productivity Freight Vehicles) provide one way for the increasing efficiency of transport.

Whilst the other ongoing upgrades of the Western Highway west of Ballarat have been designed for HPFVs, the accommodation of these vehicles in the Western Highway between Ballarat Western Link Road and The Port of Melbourne needs to be investigated. This will provide benefits to the whole region in terms of freight access along the Western Highway.

5.6 Ballarat Airport – Aviation Emergency Services Hub

The 18/36 North South runway at the Ballarat Airport cannot accommodate Multi Engine Air Tankers (MEAT’S), national air freight operations or Regular Passenger Transport (RPT). A runway extension is imperative to achieve optimum utilisation of the Ballarat Airport as a community and infrastructure asset for the Central Highlands region.

A key catalyst for runway extension is the provision of transport and connectivity of critical emergency services to the Central Highlands and wider Victoria region. The capacity to accommodate MEATS is integral to the future provision of state wide all hazards multi-agency emergency services from the Ballarat Airport.

The project will improve community safety, improve efficiency in emergency service provision, provide economic and performance efficiency benefits resulting from consolidated multi agency assets, relieve pressure on road and rail freight transport systems, help to relieve congestion at metropolitan airports and develop alternatives for express transport and promote industry around the airport associated with air transport infrastructure.

6 Future Strategies

The preparation of this strategy has identified a number of further strategies and investigations which will have broad benefits for the region and further develop the case for future network improvements.

6.1 First and Last Mile Freight Strategy

Many local and arterial roads play a key role in transporting goods both around and through the Central Highlands region. A number of these routes are not an appropriate standard for the current freight task, due in part to issues such as width, construction standard, bridges, culverts and alignment. In some instances these routes are unavoidable for users as they are the first and/or last mile of the freight journey.

The use of routes not fit for purpose has cost implications for both the freight companies using the routes in loss of productivity, safety and efficiency and the road controlling authority in increased construction and maintenance costs.

Through the development of this strategy, a number of routes have been identified that should be improved or upgraded to accommodate B-double and/or HPFV to improve efficiency and safety for freight movements and other users. However, it is critical that investment is prioritised and directed to areas of the network to serve the freight task in the most efficient and effective manner.

A First and Last Mile Regional Freight Strategy incorporating local road routes should be prepared and would consider the freight task for the region, including that freight that travels through the region. It would examine type and quantity of freight being moved, the mode and route it takes, factors that generate demand for freight and other relevant data. The strategy would consider both arterial and local roads and in particular address the routes that have been raised in the development of this strategy, as outlined in Appendix A.

6.2 Public Transport

Councils have identified the need for new, improved and/or expanded public transport services within the region, including public transport access to other parts of the state. In particular additional rail services between Ballarat and Maryborough, Ballarat and Ararat are high on the region's priority for public transport, along with extension of town bus services for Bacchus Marsh and Ballarat.

The opportunity for rail shuttle services between Ararat and Horsham and Ararat and Hamilton through to Portland are also on the region's agenda and will need a sound business case to be developed to progress further.

It will be important for the region to continue to work closely with Public Transport Victoria in the development of any regional public transport network development plans to ensure that the region's public transport needs are taken into consideration in all future public transport service reviews and planning with early implementation of bus services in growth areas.

6.3 Midland Highway

Capacity and safety improvements – south to Geelong, north to Daylesford

The Background Report notes that the Midland Highway carries relatively large volumes of traffic, heavy and light, in areas where the cross-section of the highway is less than optimal and that the highway has higher than average casualty crash rates. This highway is a key regional north-south connector from Geelong in the south, through Ballarat onto Daylesford and through to Castlemaine, Bendigo, Shepparton and Benalla before terminating at Mansfield.

There has been a number of generic highway improvements identified through the development of this strategy such as improving safety and efficiency at intersections, provision of additional overtaking lanes, and other Midland Highway enhancements. There is also a proposal for the duplication of Creswick Road (Midland Highway) from Howitt Street to the Western Highway.

VicRoads has a process in place for identifying road safety improvements along road sections of high risk and that have a crash history which meets eligibility requirements under a Safer Roads Infrastructure Program (SRIP).

Given the large volume of traffic and higher than average casualty crashes on parts of the Midland Highway and the importance of the route for tourist access to places such as Daylesford and Hepburn Springs and the south coast, and the general traffic and freight movements on the highway, it is suggested that a specific Midland Highway Action Committee be established to lobby for ongoing improvements to the highway.

6.4 Central Highlands Tracks and Trails

Most Central Highlands councils have various strategies that address tracks and trails within their boundaries such as bicycle or active transport strategies. These strategies identify a range of urban cycling opportunities and cycling tracks and trails across the region and are an important component of the transport needs. In the urban areas Principle Bike Networks are being identified to provide for increased cycling capacity.

There is an opportunity to develop a cross regional strategy that builds on the local plans and strategies to identify projects that have a wider regional focus, such as the potential for a Maryborough to Ararat rail trail, or extensions of the Ballarat-Skipton Rail Trail through to Golden Plains Shire Council area.

The development of a regional Tracks and Trails strategy, building on previous work undertaken by councils, DTPLI Transport and Sport and Recreation Victoria will be able to confirm and prioritise shovel-ready projects, determine a strategic approach to progressing projects through the project development cycle. It will also address barriers and bottlenecks to maximise investment for the region and spread across all municipalities while encouraging a collaborative approach to delivering cycling projects across the region. The strategy may also lead to the development of a Community of Practice to build capacity and share learning across the region and develop case studies to contribute to a state and national agenda.

6.5 Rail Crossing Upgrade / Removal Program

VicTrack's Rail Crossing Upgrade / Removal Program will guide the identified project for the development of a program of upgrade and/or removal of level crossings. This program identifies Lake Road in Stawell, Heinz Lane in Ballarat, Griffith Street in Stawell, Maryborough-Dunolly Road at Bet Bet, Andrews Lane in Maroona, Burnside Road in Bannockburn and Eurambeen Streatham Road as amongst the highest priorities for attention. This strategy supports the ongoing implementation of this program.

Appendix A: Full List of Projects

This appendix lists projects put forward by councils for inclusion in the Central Highlands Regional Transport Strategy. The projects were assessed for their regional impact and from this a list of regional priorities were identified, as discussed in Section 6. Some projects listed are 'shovel ready', whilst others require further planning or development to ascertain their feasibility. Regardless of their position, all projects will contribute to the implementation of the strategy and should be given further consideration as opportunities further enhance the region's transport network arise.

NOTE

Estimated costs contained in this Appendix have been based on previous planning and design planning costings where available. Where these were not available, a best estimate based on current expectations and average costs of similar projects was made.

Actual costs may be significantly different when further information from investigative studies becomes available.

ROAD

Project title	Indicative Cost of Works	Project description
Duplication of Western Highway, Buangor to Stawell	\$450m	Duplication of Western Highway, Buangor to Stawell to reduce delays caused by location of towns on the Western Highway and to improve road safety
Development of Bacchus Marsh north-south arterials	\$4m	Signalisation of intersections, duplication of carriageways and safety upgrades to the Gisborne Road/Grant Street.
Bacchus Marsh Eastern Bypass Cost quoted for Studies only	\$200k	Planning for and construction of an eastern bypass of Bacchus Marsh from Geelong Bacchus Marsh Road to Gisborne Road with a freeway interchange (possibly via the extension of Woolpack Road) and reserving the land. Upgrade of Woolpack Road between the Geelong-Bacchus Marsh Road and Bacchus Marsh Road to 'C' class road standard.
Beaufort Bypass	\$120m	The proposed works would involve the construction of a bypass around Beaufort, completing the duplication of the Western Highway between Stawell and Melbourne. As part of this, all at-grade rail crossings will be separated
Ararat Bypass	\$180m	The proposed works would involve the construction of a bypass around Ararat, completing the duplication of the Western Highway between Stawell and Melbourne. As part of this, all at-grade rail crossings will be separated
Ballarat Western Link Road - Stages 2 & 3	\$58m	This project involves extending the Ballarat Western Link road southwards to Greenhaighs Road, the Glenelg Highway in western Ballarat and south west to the Midland Highway.
Upgrade Western Highway to freeway between Leigh Creek and Woodmans Hill	\$100m	Upgrade of the Western Highway to freeway standard between Leigh Creek and Woodmans Hill, including removal of at-grade crossings
Improve safety and efficiency at intersections on major highways in the region Investigate and identify intersections with safety problems Quoted cost for investigations only – scope of works unknown at this stage	\$200k	Investigate and identify intersections with safety problems. At intersections where there is a reduced safety of vehicles, especially with the interaction of cars and fast moving heavy vehicles, investigate the provision of channelisation for turning vehicles to protect the safety of road users
Provision of additional overtaking lanes on major roads	\$250k per OT lane	Identify suitable locations for the provision of frequent overtaking lanes and provide them on highways to lower the occurrence of severe injury overtaking crashes
Halletts Way extension, Bacchus Marsh	\$14m	Halletts Way extension involves the construction of three main components: easterly orientated freeway ramps where Halletts Way

Central Highlands – People Places Productivity

Project title	Indicative Cost of Works	Project description
		<p>crosses the Western Freeway</p> <p>the extension of the existing Halletts Way north to Links Road</p> <p>the extension of the existing Halletts Way south to Griffith Street with a bridge across Werribee River and an intersection at Werribee Vale Road</p>
Mair Street Upgrade, Ballarat CBD	\$11m	<p>In order to enhance vehicle movements and provide for greater pedestrian amenity in the region's key activity centre, undertake significant upgrade to the Mair St Route (Princes St North - Mair St -Doveton Street) to address traffic and pedestrian constraints associated with:</p> <ul style="list-style-type: none"> • alignment, • capacity, • accessibility, and • safety <p>Also provides for the downgrade of Sturt Street to improve pedestrian movements</p>
<p>Parwan – Exford Road and Greigs Road Corridor</p> <p>Quoted cost for studies only</p>	\$200k	<p>The proposed project involves planning of the Parwan Exford Road / Greigs Road corridor as a route for regional freight transport. The project is proposed to support economic development in the area and potentially reduce the existing and forecast future traffic congestion experienced on existing road links and intersections within the Bacchus Marsh township.</p>
<p>Develop a rail crossing removal program</p> <p>Quoted cost includes only program development</p>	\$200k	<p>Develop and implement a program of removal of level crossings to remove the potential for severe injury crashes.</p>
<p>Improved transport links to serve Ballarat West growth areas</p>	\$41m	<p>Group of projects to improve access to and around Ballarat West and wider Ballarat areas for movement of goods and people, including:</p> <p>Inner West Link Road (Learmonth Street - Wiltshire Lane and link to Midland Highway)</p> <p>Increasing capacity of existing intersections at Gillies/Sturt and Gilles/Learmonth Road</p> <p>Improving access and cross sections of four feeder roads (Ballarat-Maryborough Road, Ballarat-Burrumbeet Road, Ballarat-Carngham Road & Glenelg Highway)</p>
<p>Ballarat Eastern Bypass - Yankee Flat Road</p>	\$5m	<p>An investigation into the upgrade of Yankee Flat Road, extension of Yankee Flat Road to both the Western & Midland Highways and a connection between Yankee Flat Road and Mt Clear to provide an eastern bypass of Ballarat city.</p>

Central Highlands – People Places Productivity

Project title	Indicative Cost of Works	Project description
Diggers Rest – Coimadai Road corridor Quoted cost for studies only	\$150k	Investigate opportunities to upgrade the Diggers Rest – Coimadai Road corridor to accommodate high productivity vehicles.
Stawell Bypass	\$110m	The proposed works would involve the construction of a highway bypass around Stawell
Duplication of Creswick Road (Midland Hwy from Howitt Street to Western Freeway)	15m	Duplication of Creswick Road (Midland Hwy from Howitt Street to Western Freeway) is proposed to accommodate increasing traffic volumes in the future and to provide a more desirable entrance to Ballarat
Sunraysia Highway improvements	\$10m	Improve pavement to eliminate roughness and implement measures to run-off road crashes, create overtaking lanes between Stuart Mill and Tanwood and between Lexton and Waubra.
Midland Highway enhancements Quoted cost for studies only	\$120k	Midland Highway carries a large volume of traffic and has higher than average casualty crashes. The Midland Highway is an important route for tourist access to places such as Daylesford and Hepburn Springs and the south coast. Given these attributes it is suggested that a specific Midland Highway Action Committee be established to lobby for ongoing improvements to the highway
Improve road links to Great Ocean Road Quoted cost for studies only	\$200k	Investigate options for improving connections from Great Ocean Road to the Grampians Region
Upgrade Warrayatkin Road, Ararat	\$1m	The expansion of the Hopkins Correctional Centre at Ararat has made this an increasingly significant regional employment facility and destination for regional travel. There is a need to formalise Warrayatkin Road, which links the Western Highway to the prison, by widening and sealing the carriageway to cater for regional journeys to work
Wind farm access	\$1.5m per windfarm	Investigate potential access arrangements to the proposed wind farms in the Central Highlands region
Western Freeway/Bungaree-Creswick Road interchange	\$18m	Provision of an interchange on the Western Freeway with Bungaree-Creswick Road

PUBLIC TRANSPORT

Project title	Indicative Cost of Works	Project description
Enhanced rail connection Melbourne, Ballarat and Ararat, including implementation of suburban rail services for peri-urban areas	±\$440m in infrastructure \$1.6m per year	Increased frequency and capacity on the Ararat / Ballarat - Melbourne rail line, including the duplication and electrification of the metropolitan rail line to the peri-urban areas of Melton & Bacchus Marsh and increased services between Ararat and Ballarat.
Bendigo-Ballarat-Geelong Public Transport Improvements	\$760m - \$935m + 12m-16m per year	Improved public transport along the Bendigo-Ballarat-Geelong corridor to further the outcomes of the Rail Revival Study. This could include enhanced coach services and improved rail service frequency between Ballarat and Maryborough to allow convenient day trips in both directions
Enable day travel to Maryborough and goldfields towns by passenger rail from Melbourne	±\$1m per year	The current passenger rail timetable for the Ballarat –Maryborough rail line provides for an early morning trip from Maryborough to Ballarat, connecting with Melbourne trains and an early evening departure from Ballarat back to Maryborough seven days a week. The provision of journeys which leave Ballarat in the morning to Maryborough and returning early evening would enable day travel to Maryborough and goldfields towns along the route by passenger rail from Melbourne
Extension of town bus services	\$50k studies + \$550k to \$960k per year	Extend town bus services as areas develop to supplement capacity on trains and ameliorate frequency constraints and access limitations at stations, in particular Bacchus Marsh and Ballarat West. The delivery of town bus services as residents move into new subdivisions helps the early establishment of sustainable transport patterns.
Public transport improvements west of Ballarat including links from Ararat to Horsham and Portland	\$100k	Identify upgrades to Ararat-Ballarat public transport services and a possible shuttle service from Ararat and Stawell to Portland and Horsham to maximise opportunities of travel by public transport
Quoted cost for studies only		
Improved public transport services between Ballarat and Buninyong	\$50k	Enhance the frequency of the Ballarat – Buninyong public transport service to improve accessibility by bus and rail transport modes
Quoted cost for studies only		
Snake Valley to Ballarat bus service investigation	\$10k	This project would investigate the potential for a bus service to be provided between Snake Valley and Ballarat to enable access to Snake Valley via public transport
Quoted cost for studies only		
Gordon Railway Station	\$20k	Investigate the feasibility of reopening Gordon Station on the Melbourne- Ballarat/Wendouree rail line
Quoted cost for studies only		

FREIGHT

Project title	Indicative Cost of Works	Project description
<p>Investigate upgrading the Western Highway from Ballarat (Ballarat Western Link Road) to the Port of Melbourne for HPFV (Mass)</p> <p>Quote for Study Only</p>	\$200k	<p>The Port of Melbourne is an important destination for freight from Ballarat and surrounding areas. Continuous improvement in the cost of transport between these locations is sought and increasing size of freight vehicles drives efficiency of transport. The accommodation of these vehicles on the western Highway needs to be investigated</p>
<p>Ballarat Freight Hub</p>	<p>\$17M Stage 1</p> <p>\$87M Stage 2</p>	<p>16 hectare (Stage 1 proposes a 7 hectare road based facility) road freight handling facility designed to reduce business costs by improving transport productivity, while servicing current and future freight demands for the City of Ballarat and the surrounding region. HPFV (High Performance Freight Vehicle) access via the new Western Link Road and will deliver freight efficiently to Melbourne via the Western Highway. It has been designed to avoid “last mile” impediments for freight operators. The Ballarat Freight Hub will deliver the central piece of infrastructure for the HPFV network between Western Victoria and the Port of Melbourne. The establishment of an integrated freight handling facility is central to having a globally competitive transport capability to link the economic growth in the region.</p>
<p>Improve rail freight opportunities, in particular rail line maintenance of the Mildura to Geelong Line</p>	\$261m	<p>Improve the capacity of the Mildura to Geelong Rail Line, while investigating the standardisation of the rail network between Mildura and Geelong.</p>
<p>Upgrade of routes connecting Dunnstown Quarry to Western Freeway and Midland Highway</p>	\$15m	<p>The road network connections to the Western Highway and the Midland Highway from Dunnstown Quarry are local roads and are substandard to safely meet the large number of heavy vehicles movements to and from the quarry each day. The quarry generates in the order of 70,000 to 80,000 heavy vehicles trips annually.</p> <p>Significant upgrades of the route are required to meet the future demands of the quarries that will come from continued growth in the region and the building and construction industry.</p>
<p>Lake Bolac Parking Area on Glenelg Highway</p>	\$500k	<p>Provide a rest area for drivers at the Lake Bolac Parking Area to help reduce driver fatigue on the Glenelg Highway.</p>

Central Highlands – People Places Productivity

Project title	Indicative Cost of Works	Project description
Lexton – Beaufort – Skipton – Werneth - Cressy route upgrade Quoted cost for studies only	30k	Investigate opportunities to designate the road network along the Lexton – Beaufort – Skipton – Werneth - Cressy route as a route for HML and B-double routes to improve access for timber and grain trucks
North south route Moolort upgrade	\$2.2m	Improve the North South Route Moolort road to HML and B-Double standard. This would involve road widening and pavement testing works
Farm gate access investigation Quoted cost for studies only	\$50k	This project would involve investigating the potential for approving travel to Farm Gate by HML and B-Double vehicles
Ararat Transport Interchange Quoted cost for studies only	\$95k	An Intermodal Freight Terminal in Ararat to allow freight to be stored and transferred between modes - rail, road and air – for transport around the country
East Street, Daylesford Industrial Estate Access improvements Quoted cost for studies only	\$80k	Access to the East Street Industrial Estate in Daylesford is restricted for large vehicles at the East Street Railway Bridge. This project would involve investigating opportunities to improve access to the East Street Industrial Estate. Options may include investigating the feasibility of undertaking works to remove the height restriction at the East Street Railway bridge and/or Identifying alternative access to the East Street industrial area
Avoca Road upgrade	\$2.2m	Improve Avoca Road to HML and B-Double standard. This would involve road widening and pavement testing works
Heavy vehicle bypass of Maryborough Quoted cost for studies only	\$50k	Designate Tullaroop Road as a bypass of Maryborough centre for heavy vehicles
Clunes-Creswick Road upgrade Quoted cost for studies only	\$150k	Investigations into strength of Service Street Bridge, flood levels in Creswick Street and bypass of Clunes along Ligar and Service Streets
Landsborough-Elmshurst bridgeworks Quoted cost for studies only	\$1.1m	Repair and upgrade to raise load limit on current bridges
Addington- Creswick Road upgrade Quoted cost for studies only	\$50k	Investigate the potential for upgrading Addington- Creswick Road for use by heavy vehicles between Creswick and Clunes
Gillies Road upgrade Quoted cost for studies only	\$50k	Investigate the potential of Gillies Road to be used as a B-Double route
West Berry Road upgrade	\$1.5m	Improve West Berry Road to HML and B-Double standard for access of grain trucks to Smeaton.

Central Highlands – People Places Productivity

Project title	Indicative Cost of Works	Project description
		This would involve road widening and pavement testing works
Creswick-Bald Hills Road upgrade	\$700k	Improve Creswick-Bald Hills Road to HML and B-Double standard. This would involve road widening and pavement testing works
Avoca - Bealiba Road upgrade	\$2.6m	Improve Avoca - Bealiba Road Upgrade to HML and B-Double standard. This would involve road widening and pavement testing works
Carisbrook Havelock Road upgrade	\$1.5m	Improve Carisbrook Havelock Road to HML and B-Double standard. This would involve road widening and pavement testing works

AIR

Project title	Indicative Cost of Works	Project description
Ballarat Airport – Aviation Emergency Services Hub	\$16m	<p>Develop Ballarat Airport to improve regional Emergency Services, including:</p> <p>Recommissioning of the southerly extension of Runway 18/36 at the Ballarat Airport to an optimal length</p> <p>Surface hardening to allow for Multi Engine Air Tankers (e.g. Convair CV-580 & AvroRJ185), Air Freight, and Regular Passenger Aircraft (e.g. Dash 8 Q400 & SAAB 340)</p> <p>Construction of an all-hazards, multi-agency emergency services facility onsite at the Ballarat Airport</p>
Stawell Aerodrome Development		
Quoted for safety works (excluding extension of runway)	\$1.2m	<p>Stawell Aerodrome is currently the most used in the Grampians. It houses aircraft restoration and sales businesses as well as pilot training and joy flights. Crucially, it is the major DEPI fire base for western Victoria.</p>
Quoted for additional development	\$0.3m	
Feasibility study	\$60k	<p>To enhance the safety of western Victoria and the service that Stawell aerodrome provides, the following works are needed for the upgrade of existing DEPI firebase:</p> <p>additional taxiway</p> <p>helicopter parking area upgrade</p> <p>apron extensions</p> <p>relocation of powerlines underground.</p> <p>extension of main runway in the longer term.</p> <p>Opportunities exist, with these improvements, to increase development at the aerodrome, creating growth of employment. To help with this, the following are required:</p> <p>Additional security / vermin fencing</p> <p>Small carpark;</p> <p>additional airside road access.</p> <p>A study is needed to:</p> <p>examine opportunities to increase airport capacity and allow a safe increase in flight activity</p> <p>identify economic development opportunities for an expanded airport</p>
Improvements at Bacchus Marsh Airport and Parwan Area	\$150k	
Quoted cost for investigative studies only		<p>The Bacchus Marsh Aerodrome is currently leased to a local club. The airport has limited development at present but significant opportunities exist to increase development and employment at airport. In particular, a study is needed to:</p>

Central Highlands – People Places Productivity

Project title	Indicative Cost of Works	Project description
		<p>remove existing airport capacity issues that limit a safe increase in flight activity</p> <p>identify economic development opportunities for an expanded airport</p> <p>identify employment opportunities for the growing peri urban area</p>
<p>Improvements at Ararat Airport</p> <p>Quoted cost for studies only</p>	<p>\$60k</p>	<p>Ararat Aerodrome is currently used only for gliding but opportunities exist to increase development and employment at airport. A study is needed to:</p> <p>examine opportunities to increase airport capacity and allow a safe increase in flight activity</p> <p>identify economic development opportunities for an expanded airport including pilot training and aircraft repair</p>

ACTIVE TRANSPORT

Project title	Indicative Cost of Works	Project description
Daylesford – Macedon Ranges Rail Trail	\$4m	The Daylesford- Macedon Ranges Rail trail follows a 44km route between Daylesford and Woodend. It passes through Tylden Trentham, Lyonville, Bullarto and Musk, bringing potential for economic for each of these centres.
Ararat to Maryborough Rail Trail	\$1m	<p>Development of a shared trail for hiking and cycling aimed at developing tourist opportunities in Ararat and the Central Goldfields.</p> <p>Currently this rail line is used infrequently (storage of grain trains) and may be closed, providing the opportunity to develop the route into a rail trail connecting Maryborough with Ararat through Avoca.</p> <p>However, this project will not be able to be progressed until the outcomes of the Mildura to Geelong Standardisation project are finalised. This project should be considered in the development of the proposed Central Highlands Tracks and Trails project.</p>
Grampians Peak Trail	\$27m	The Grampians Peak Trail proposal is for a 144 kilometre, multi-day walk, showcasing the beauty and majesty of Gariwerd's natural and cultural landscapes with an estimated visitation of 23,000 people per year by 2020.
Northern Grampians Walk/ Cycle improvements	\$80k	Develop the region's tourism potential with walking and cycling opportunities in the Northern Grampians, including the provision of the Moyston to Halls Gap Rail Trail shared path for use by walkers and cyclists

Appendix B: Priorities and Achievement of Goals

Project title	Regional Growth Plan Principles			Transport Strategy Objectives				Challenges								
	Support economic growth	Support population growth	Capitalize on growth in other regions and cities	Enhance the level of access to key services	Provide transport infrastructure to areas of growth	Improve the capacity and functioning of the transport networks	Ensure access and connectivity between settlements within and external to the region	Provide for a safe, reliable and resilient transport network	Consider technological advances in the transport provision mix	Ensure amenity and usability	Develop freight precincts	Ensure efficient ways to transport products	Congestion and Delay	Growth	Connectivity	Safety and Well-being
Enhanced Rail connection Ballarat to Melbourne, including implementation of suburban rail services for metropolitan areas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Duplication of Western Highway, Buangor to Stawell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Woolback Road extension to Bacchus Marsh Bypass	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Development of Bacchus Marsh north-south arterials	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Beaufort Bypass	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ararat Bypass	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bacchus Marsh Eastern Bypass: extension of Woolback Road north to Gibborne Road	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ballarat Western Link Road - Stages 2 & 3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate upgrading the Western Highway from Ballarat (Ballarat Western Link Road) to the Port of Melbourne for HPPV (Mass)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Upgrade Western Highway to freeway between Leigh Creek and Woodmans Hill	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ballarat Freight Hub	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improve rail freight opportunities, in particular rail line maintenance of the Mildura to Ballarat Airport - Aviation Emergency Services Hub	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ballarat Airport - Aviation Emergency Services Hub	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improve safety and efficiency at intersections on major highways in the region	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Upgrade of routes connecting Dunnstown Quarry to Western Freeway and Midland Highway	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Provision of additional overtaking lanes on major roads	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Halletts Way Extension	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Daylesford - Macedon Ranges Rail Trail	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Benidgo-Ballarat-Geelong-Rail	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mair Street Upgrade	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Parwan - Eskford Road and Greig Road Corridor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lake Bolac Parking Area on Glenelg Highway	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Extension of town bus services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Develop a rail crossing removal program	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ararat to Maryborough Rail Trail	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improved transport links to serve Ballarat West growth areas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Enable day travel to Maryborough and goldfields towns by passenger rail from Melbourne	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ballarat Eastern Bypass - Yankee Flat Road	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diggers Rest - Colindale Road corridor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stawell Aerodrome Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stawell Bypass	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Duplication of Creswick Road (Midland Hwy from Howitt Street to Western Freeway)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Capacity improvements along Geelong Road	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improvements at Bacchus Marsh Airport and Parwan Area	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improvements at Ararat Airport	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Implement Gramplans Peak Trail Proposal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sunraysia Highway Improvements	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate possible shuttle service Ararat and Stawell to Portland and Horsham	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improve train/bus connections between Ararat and the Gramplains	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Develop the Lexton - Beaufort - Skipton - Werrath - Cressey route as a preferred route for	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improve Road Link to Great Ocean Road	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Enhance the frequency of the Ballarat - Buninyong public transport service	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
North South Route Moolool - Upgrade to B-Double Standard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate Farm Gate access for HPPV	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate bus access to Snake Valley from Ballarat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Formal Transport Interchange in Ararat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Improve access to East Street Industrial Estate, Daylesford	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Upgrade Warayethin Road to cater to regional journeys to work	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Develop the Region's tourism potential with Walking and Cycling opportunities in the Northern Transport to Proposed new Windfarms	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Avoca Road upgrade to B-double standard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tullaroop Road - Heavy vehicle bypass of Maryborough	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate the feasibility of reopening Gordon Station	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate feasibility of upgrading Curies-Creswick Road to HML vehicle standard.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Landisborough-Timburct Bridge works	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate feasibility of upgrading Addington to Creswick Road as alternative HML route	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Investigate feasibility of dunnell road as a B-double route	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Upgrade Arat, Berry Road to B-double and HML route standard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Upgrade Ballarat Road to B-double and HML route standard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Upgrade Ballals Road - Upgrade to B-Double Standard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Caribook, Hawelock Road - Upgrade to B-Double Standard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Provide interchange on Western Freeway with Bourgaire-Creswick Road	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**11.3. TRENTHAM COMMUNITY HUB
GENERAL MANAGER COMMUNITY SERVICES**

In providing this advice to Council as the General Manager Community Services, I Kathleen Brannigan have no interests to disclose in this report.

PURPOSE

The purpose of this report is to recommend that Council endorses the concept design, proposed governance model and business plan for the Trentham Community Hub.

BACKGROUND

The Trentham Community Facilities Review (2013) recommended development of a multi-use community hub in Trentham, combining the operations and services of the Trentham Neighbourhood Centre, Mechanics Institute Hall, Library and providing a Visitor Information Centre presence. It recommended that the Hub be built on the site of the existing Mechanics Institute.

The focus of a community hub is to provide a space and environment that supports collaboration between user groups in a way that builds capacity and enables each organisation to deliver opportunities that would otherwise not be available.

The site investigation and design process was funded in Council's 2013/14 budget and ClarkeHopkinsClarke (CHC) architects were appointed to undertake this work. A Trentham Community Hub Community Reference Group made up of representatives of user groups was established in December 2013 to be the key point of reference for both Council and community during the project.

Council has allocated \$250,000 in the 2014/15 budget towards the capital cost of the Trentham Hub with a further allocation flagged for 2015/16.

ISSUE/DISCUSSION

In conjunction with Council staff, the Community Reference Group has been working on the concept design for the building, governance arrangements and the business plan for operating the facility.

Design Process

Following extensive site analysis, CHC recommended demolition of the existing Mechanics Institute building to allow room for a new community hub due to its poor condition. It would require significant funding to restore to its original condition which typically costs more than a new build.

Extensive consultation with user groups was undertaken to inform the initial concept design. The current concept plan (Attachment 3) includes a function area, kitchen,

library, meeting/classroom space, research room and Trentham Neighbourhood Centre office, an area of 1,128 square metres.

Governance Arrangements

The Trentham Mechanics Institute site is Crown Land. It is proposed that Council is the Department of Environment and Primary Industry (DEPI) Committee of Management for the site and that Council delegates management of the facility to a joint community and Council Special Committee. This is similar to the arrangement Council has adopted for The Warehouse - Clunes. Council could enter into licences with regular and on-going user groups such as Trentham Neighbourhood Centre for non-exclusive use of the building and any specific areas.

Business Plan

A Business Plan detailing the projected income and expenditure is based on assumptions around income from hire, licence fees, library and grants. Expenditure is based on one full time Council staff member and operating costs are based on actual expenditure at similar facilities.

A detailed spreadsheet of the Business Plan and the evidence behind the assumptions has been provided to Councillors under separate cover.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Council Plan 2013-2017:

Strategic Objective - Active and Engaged Communities

Key Strategic Activity:

1. Work with and support communities and residents to implement community driven projects through community planning, provision of advice, information and community grants, acknowledging the significant contribution made by community volunteers.

FINANCIAL IMPLICATIONS

The estimated construction cost of the building is \$2.95 million. With the addition of architect fees, fit out, information technology and landscaping the estimated total cost is between \$3.2 and \$3.6 million.

The Business Plan is based on the following assumptions:

1. Income (Year 1)	\$40,000
Hire of rooms	\$27,000 ¹
Library income	\$ 5,000

¹ Based on current use of Mechanics Institute and Neighbourhood Centre plus a modest increase.

Licences \$ 5,000

HACC Seniors Grant \$ 3,000

2. Expenditure is based on one full time Council staff member and operating costs are based on actual expenditure at similar facilities.

Expenditure \$116,868

Staffing costs \$66,179 (1 EFT)

Operating costs \$50,689 (Utilities, cleaning, supplies, photocopier etc)

An allowance for building renewal has been included based on 2% of replacement value using straight line depreciation.

The inclusion of an amount for building renewal of \$59,000 results in an overall estimated position of (\$135,868). This comprises:

- Recurrent cost shortfall \$76,868
- Building renewal \$59,000

When costs of the current 2.5 day library service and Trentham Mechanics Institute maintenance and renewal are factored in, the overall position is (\$78,868). If the costs of a future 5.5 day library service are taken into account, the overall estimated position is (\$28,868).

It should be noted that the business plan has not assumed any fee waiver. Although this could be estimated, based on existing fee waiver claims in Trentham, the impact would be minimal. The fee waiver policy and its utilisation will see a reduction in income, however is not quantified.

RISK IMPLICATIONS

None identified

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

The Community Hub is a positive opportunity to create much needed extra space for the Trentham Neighbourhood Centre, deliver better facilities than are currently available at the Mechanics Institute and co-locate the library service.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

There have been two rounds of broad community engagement about the concept design including community presentations and displays, surveys and the Trentham Hub web page. The first round occurred in April 2014 with engagement around the revised design, 'Concept 02' being undertaken during June and July 2014.

CONCLUSION

The next steps in the development of the Trentham Community Hub are to finalise the concept design and seek external grant funding for capital expenditure. The proposed governance model and business plan are well-developed and endorsed by the Community Reference Group.

OFFICER'S RECOMMENDATION

That Council:

- 11.3.1 Endorses the draft concept design, proposed governance model and business plan for the Trentham Community Hub.
- 11.3.2 Notes that Officers will commence applying for external funding for the capital cost of the Trentham Community Hub.

MOTION

That Council:

- 11.3.1. *Endorses the draft concept design, proposed governance model and business plan for the Trentham Community Hub.*
- 11.3.2. *Notes that Officers will commence applying for external funding for the capital cost of the Trentham Community Hub.*

Moved: Councillor Sebastian Klein

Seconded: Councillor Greg May

Carried.

ATTACHMENT 3 - CONCEPT PLAN – TRENTHAM COMMUNITY HUB



POTENTIAL CARAVAN PARKING

CROSSING

NEW KERB OUTSTAND

SWALE

BATH STREET

BATH STREET RESERVE

**11.4. VINCENT STREET PEDESTRIAN CROSSING - STREET TREE PLANTINGS
GENERAL MANAGER INFRASTRUCTURE**

In providing this advice to Council as the General Manager Infrastructure, I Bruce Lucas have no interests to disclose in this report.

PURPOSE



The purpose of this report is for Council to endorse the tree species to be planted in the centre of the upgraded Vincent Street pedestrian crossing.


BACKGROUND

At its meeting on 15 April 2014, Council determined to progress with the upgrade of the Vincent Street Pedestrian crossing. The endorsed proposal included the planting of two street trees (one each side of the crossing) and Council requested further opportunity for input to the selection of tree species to be planted.

ISSUE/DISCUSSION

A number of trees were considered for this purpose being mindful of issues like visual appearance, tolerance to urban environments, root habit, concerns about leaf litter, potential impact on road pavement and drainage maintenance concerns. After careful consideration, three tree species have been identified as potential specimens for planting in Vincent Street. These are detailed in the following table.

Species Common Name	Species Botanic Name	Mature height	Growth habit	Deciduous Y / N	Drought tolerance	Root Habit	Autumn Colour	Image
Chinese Elm	Ulmus parvifolia	10x11M at 20 years	Moderate	Y - Semi	High	Non invasive roots	Yellow-Orange foliage. Bark is highly ornamental	
Lipstick Maple October Glory	Acer rubrum	12x9M at 20 years	Moderate	Y	High	Non invasive roots	Brilliant red-orange to pinkish Red	

Maiden hair Tree	Ginkgo biloba	9x5M at 20 years	Slow	Y	High	Non invasive roots	Unique fan shaped foliage, mid-green leaves turning butter yellow	
------------------	---------------	------------------	------	---	------	--------------------	---	---

The Chinese Elm is believed to provide the best all year round specimen for Vincent Street. It has a good growth form with a slight weeping appearance. Its attributes as a semi deciduous tree with a small leaf responds to concerns previously raised about leaf litter potentially obstructing drainage culverts due to the reduced volume of leaf litter and the small size being more able to flush through the existing drainage infrastructure. It is, however, noted that leaf litter removal is also proposed as part of Council's autumn maintenance program. In addition, the placement of Chinese Elms is somewhat consistent with the existing Elm trees at either end of this road segment, although a different Elm species. They perform well in moist but well drained conditions and have a resistance to pests and diseases and are adaptable in urban environments.

The Lipstick Maple has a very upright and formal habit with a splendid autumn colour which will have a strong visual impact on the street during the autumn months. They will not generally tolerate excessively dry or alkaline soils, however, they are moderately adaptable to urban environments.

The Maidenhair tree has a fan like shape and is moderately adaptable and tolerant of urban settings. The female species of this tree does produce small plum like fruit which is undesirable. For this reason, the male tree is better suited in this urban environment.

Specimens of the Chinese Elm and the Lipstick Maple trees have been sourced and temporarily secured for this project and will be finalised and delivery arrangement confirmed in time for planting as part of the current improvement works.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Council Plan 2013-2017:

Strategic Objective - Quality Community Infrastructure

Key Strategic Activity:

7. Improve the liveability and amenity of our communities by delivering improved levels of service across all Hepburn Shire Streetscapes, Parks and gardens through the introduction of planned works schedules for areas such as town entrances, park furniture, sporting ovals and public reserves.

Action: Implement the Daylesford Streetscape Revitalisation Project.

FINANCIAL IMPLICATIONS

The cost associated with the purchase and planting of two street trees is incorporated within the overall Daylesford Streetscape improvement project budget.

RISK IMPLICATIONS

There are no specific risks associated with this report.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

The planting of established trees adjacent to the pedestrian crossing will provide some future shade for the crossing and will also have a positive visual impact on Vincent Street.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Significant community consultation was undertaken during the development of the Daylesford Streetscape Revitalisation Strategy which has been endorsed by Council. In addition, the current improvement plan has been published and copies provided to a number of community groups. Prior to the commencement of the works, officers will also be speaking with individual traders regarding the works program.

CONCLUSION

Consideration has been given to the three suitable street trees to be planted in Vincent Street as part of the previously approved pedestrian crossing improvement works.

After careful consideration, the preferred tree species for planting in Vincent Street is the Chinese Elm (*Ulmus parvifolia*). Specimens have been temporarily secured for the current pedestrian crossing improvement works.

OFFICER'S RECOMMENDATION

That Council:

- 11.4.1 Determines to plant two mature sized Chinese Elms (*Ulmus parvifolia*) in accordance with the previous streetscape improvement concept design.

- 11.4.2 Authorises Officers to proceed with the purchase and planting of these trees as part of the Daylesford Streetscape Revitalisation project.

MOTION

That Council:

- 11.4.1. *Determines to plant two mature sized Lipstick Maples (Acer rubrum) in accordance with the previous streetscape improvement concept design.*
- 11.4.2. *Authorises Officers to proceed with the purchase and planting of these trees as part of the Daylesford Streetscape Revitalisation project.*

Moved: Councillor Kate Redwood

Seconded: Councillor Pierre Niclas

Carried.

Councillor Bill McClenaghan requested that his dissent be recorded.

**11.5. PROPOSED TRANSFER OF MEALS ON WHEELS FUNDING TO HEPBURN HEALTH SERVICE
GENERAL MANAGER COMMUNITY SERVICES**

In providing this advice to Council as the General Manager Community Services, I Kathleen Brannigan have no interests to disclose in this report.

PURPOSE

The purpose of this report is to recommend that Council endorses the proposal that Home and Community Care (HACC) funding for Meals on Wheels be provided directly from the Department of Health to Hepburn Health Service.

BACKGROUND

Council has contracted Hepburn Health Service (HHS) to provide Meals on Wheels (Delivered Meals) to Home and Community Care clients for over 10 years.

For 2013/14, funding from the Department of Health of \$73,230 was provided to Hepburn Shire Council for this service based on a target number of 23,048 delivered meals. Initially, a rate of \$1.58 per meal was provided. Indexation has increased this to \$3.18 per meal.

Council awarded a three year contract (2011-2014), with two one year renewal options, to HHS to provide and deliver meals to Home and Community Care clients in August 2011.

ISSUE/DISCUSSION

Council did not receive any other quotes when the Contract was last advertised due to the requirement that the service provider supply volunteers for the delivery of meals.

Current arrangements are unnecessarily complex. Council receives client meal request changes which then needed to be communicated to the HHS kitchen. HHS charges and collects fees from the client and invoices Council monthly.

Duty of care issues – HHS volunteers are required to contact Council if a client is not at home and Council officers follow up. This leads to confusion about whose responsibility it is to follow up when a client is not at home when meals are delivered.

Council Assessment staff will continue to assess whether new or current clients would benefit from Meals on Wheels as part of the Living at Home Assessment and refer these clients to HHS.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Not applicable

FINANCIAL IMPLICATIONS

Council will no longer receive funding from the Department of Health for Meals on Wheels. HHS will enter into a funding agreement with the Department of Health.

RISK IMPLICATIONS

None identified

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

Hepburn Shire residents will still be provided with Meals on Wheels to support them to live independently in the community.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Existing Meals on Wheels clients will be informed in writing of the changes. A media release about the changes will be prepared and distributed.

CONCLUSION

There will be little change to the Meals on Wheels clients' experience of this service apart from contacting HHS rather than Council to cancel their meal. The process will be simplified for Council and Hepburn Health Service.

OFFICER'S RECOMMENDATION

11.5.1 That Council endorses the transfer of Home and Community Care Meals on Wheels funding to Hepburn Health Service from 1 November 2014.

MOTION

11.5.1. *That Council endorses the transfer of Home and Community Care Meals on Wheels funding to Hepburn Health Service from 1 November 2014.*

Moved: Councillor Kate Redwood

Seconded: Councillor Sebastian Klein

Lost.

11.6. BOATHOUSE CAFE LEASE, LAKE DAYLESFORD – REQUEST BY SPA COUNTRY PTY LTD TO VARY MINIMUM OPERATING HOURS

COUNCIL IS CONSIDERING THIS REPORT IN ITS ROLE AS COMMITTEE OF MANAGEMENT FOR THE LAKE DAYLESFORD CROWN LAND RESERVE
GENERAL MANAGER INFRASTRUCTURE

In providing this advice to Council as the Manager Strategic Asset Management, I Grant Schuster have no interests to disclose in this report.

PURPOSE

The purpose of this report is to consider a request for new minimum daily operating hours for the Boathouse Cafe, Lake Daylesford, from Malcross Investments Pty Ltd (assigned from Spa Country Pty Ltd).

BACKGROUND

At its meeting on 26 May 2014, Council resolved to award the contract for the operation of the Boathouse Cafe (Contract H446-2014) and to grant a lease under section 17D of the *Crown Land (Reserves) Act 1978* to Spa Country Pty Ltd ('lease') and the assignment of the lease to Malcross Investments Pty Ltd ('tenant').

The lease included a condition (clause 9 of Schedule 3 – Additional Provisions) that requires the premises 'to be open and available to the public seven days per week from at least 8:30am till sundown unless otherwise agreed in writing by the Landlord'. This condition mirrored the operating hours proposed by the tenant in its Expression of Interest submission.

ISSUE/DISCUSSION

The tenant has requested that the minimum daily operating hours requirement in the lease be amended by making the requirement to be open till sundown 'subject to demand' and with minimum operating hours of 8:30am till 4:00pm. The requirement to open 7 days per week from 8:30am remains unchanged from the tenant's original proposal.

The tenant acknowledges that customer demand will dictate the ultimate opening hours for the cafe and that it will likely need to trade past 4:00pm to meet that demand, particularly during the warmer months and on weekends. However, it may take considerable time for demand to reach commercially sustainable levels during the colder months (and particularly weekdays), due to the time required to re-establish the business.

The tenant is of the opinion that a requirement to trade for longer hours than customer demand dictates may put the commercial viability of the business at risk, particularly in the short term. Consequently, the tenant is seeking to put in place

measures that it considers will ensure the long term viability of the business. The tenant is of the opinion that a degree of flexibility in relation to its minimum operating hours will assist in ensuring that the business remains viable into the future.

As a comparison of other similar Council-controlled venues, minimum operating hours are:

- Wombat Hill Cafe, 10:00am to 4:00pm daily; and
- Pavilion Cafe, weekends and public/school holidays 10:00 to 5:00pm and 11:00am to 3:00pm on all other days.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Council Plan 2013-2017:

Strategic Objective – Sustainable Financial Management and Innovative Corporate Systems

Key Strategic Activity:

19. Continue to pursue alternative revenue streams and procurement efficiencies within Council operating budget with a view to reducing the reliance on rate revenue.

Action: Increased rental return from commercial leases.

Council's intention to enter into the lease has previously been advertised under section 190 of the *Local Government Act, 1989*. The Minister for Environment and Climate Change, through Department of Environment and Primary Industries as delegate, has consented to the lease. As the minimum daily operating hours is not a fundamental term of the lease, re-advertising of Council's intention to enter into the lease will not be required, nor will the Minister be required to provide further consent.

FINANCIAL IMPLICATIONS

None identified

RISK IMPLICATIONS

None identified

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

The amendment of the minimum daily operating hours by providing a definitive earliest closing time of 4:00pm will provide a level of certainty for patrons, replacing the reference to 'sundown' which would likely be open to interpretation.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Given the minimal impact of the proposed amendment, no community and stakeholder engagement is required.

CONCLUSION

Lake Daylesford Reserve is a major regional drawcard and an important community asset. It is vital that the Boathouse Cafe business becomes and remains a strong and resilient business. As landlord, Council has a role to play in assisting and partnering with the tenant to enable the ongoing success of this business which will in turn impact positively on the Lake Daylesford Reserve as a whole.

OFFICER'S RECOMMENDATION

11.6.1 That Council resolves to amend the lease for the Lake Daylesford Boathouse Cafe (clause 9 of Schedule 3 – Additional Provisions) as follows (additional wording shown in bold italics):

'The Demised Premises must be open and available to the public seven days per week ***with minimum operating hours of 8:30am till 4:00pm daily*** unless otherwise agreed in writing by the Landlord.'

MOTION

11.6.1. *That Council resolves to amend the lease for the Lake Daylesford Boathouse Cafe (clause 9 of Schedule 3 – Additional Provisions) as follows (additional wording shown in bold italics):*

'The Demised Premises must be open and available to the public seven days per week ***with minimum operating hours of 8:30am till 4:00pm daily*** unless otherwise agreed in writing by the Landlord.'

Moved: Councillor Sebastian Klein

Seconded: Councillor Pierre Niclas

Carried.

11.7. 2014 MELBOURNE CUP PUBLIC HOLIDAY ARRANGEMENTS IN HEPBURN SHIRE

CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Chief Executive Officer, I Aaron van Egmond have no interests to disclose in this report.

PURPOSE

This purpose of this report is for Council to consider the arrangements for the 2014 Melbourne Cup Public Holiday. Council is requested to consider the substitution of the Melbourne Cup Day Public Holiday with the 2014 Ballarat Show Day for the townships and surrounding localities of Clunes, Creswick, Smeaton and Newlyn.

BACKGROUND

In 2011, the State Government amended the *Public Holidays Act 1993* to restore to regional Councils the ability and flexibility to make the public holiday arrangements that best suit their local communities in lieu of Melbourne Cup Day.

The economic benefits that local events bring to regional cities and towns cannot be underestimated. For example, last year Ballarat City Council nominated a full day public holiday to celebrate Ballarat Show Day on 8 November, and over 20,000 people attended this community event.

A public holiday has been declared by Ballarat City Council for the Ballarat Show on Friday 7 November 2014.

ISSUE/DISCUSSION

In 2010, 2011, 2012 and 2013, the Hepburn Shire substituted the Melbourne Cup Public Holiday with the Ballarat Show Day for the townships and surrounding localities of Clunes, Creswick, Smeaton and Newlyn.

Anecdotal feedback received indicates that the Ballarat Show Day Public Holiday worked well for the townships and localities in this part of the Shire coinciding with the closure of local schools observing the same holiday.

Council is required to notify The Hon Russell Northe MP, Minister for Energy and Resources and Minister for Small Business, of its intention to make any alternative local public holiday arrangements in lieu of Melbourne Cup Day

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

In accordance with the *Public Holidays Act 1993*, Council is required to request the Minister to make a declaration of its non metropolitan Melbourne Cup Public Holiday arrangements specifying:

- The area or areas in the municipality subject to the proposed substitute arrangements;
- The nominated day or two half-days in lieu of Melbourne Cup Day; and
- The reasons for the request.

FINANCIAL IMPLICATIONS

Costs associated with advertising Council's 2014 Melbourne Cup Public Holiday arrangements are minimal.

Hepburn Shire Council Staff based in Creswick and Clunes observed the Ballarat Show Day in 2010, 2011, 2012 and 2013 with no implication for the organisation.

Melbourne Cup Day or substitute holiday attracts the standard public holiday penalty rates for Council and business.

RISK IMPLICATIONS

There are no identifiable risks associated with Council choosing to substitute the 2014 Melbourne Cup Public Holiday with 2014 Ballarat Show Day.

Part-Shire holiday arrangements provide continuity of Council services to the community with minimal disruption.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

None identified

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Council's decision will be advertised in *The Advocate*, *The Courier*, *Ballarat* and *Maryborough* newspapers.

CONCLUSION

Part-Shire holiday arrangements were well received in 2010, 2011, 2012 and 2013 with little impact. It would seem reasonable that Council continues with this practice in 2014.

OFFICER'S RECOMMENDATION

- 11.7.1 That Council writes to The Hon Russell Northe MP, Minister for Energy and Resources and Minister for Small Business, requesting that the Minister makes a declaration to substitute the 2014 Melbourne Cup Public Holiday with the 2014 Ballarat Show Day on Friday 7 November 2014 for the townships and surrounding localities of Clunes, Creswick, Smeaton and Newlyn within Hepburn Shire.

MOTION

11.7.1. *That Council writes to The Hon Russell Northe MP, Minister for Energy and Resources and Minister for Small Business, requesting that the Minister makes a declaration to substitute the 2014 Melbourne Cup Public Holiday with the 2014 Ballarat Show Day on Friday 7 November 2014 for the townships and surrounding localities of Clunes, Creswick, Smeaton and Newlyn within Hepburn Shire.*

Moved: Councillor Pierre Niclas
Seconded: Councillor Sebastian Klein
Carried.

**11.8. APPLICATION FOR APPROVAL TO OPERATE B-DOUBLE AND HIGHER MASS
LIMIT VEHICLES ON LOCAL COUNCIL ROADS
GENERAL MANAGER INFRASTRUCTURE**

In providing this advice to Council as the Manager Strategic Asset Management, I Grant Schuster have no interests to disclose in this report.

PURPOSE

The purpose of this report is for Council to consider applications for consent to use B-Double and/or Higher Mass Limit (HML) vehicles on local Council roads.

BACKGROUND

The following new and renewal referrals for consent to use B-Double and/or HML vehicles on local Council roads have been received from the National Heavy Vehicle Regulator (NHVR).

Ref	Organisation	Vehicles	Roads	Time Frame
New Requests				
17711	a) DI Richards Pty Ltd	B-Doubles at HML	Service Road and Codes Forest Road, Creswick	Until 24/07/2017
17802	b) Clearwater Logging and Transport	B-Doubles at HML	Service Road and Codes Forest Road, Creswick	Until 27/08/2015
19106	c) McArdle Transport Pty Ltd	B-Doubles at HML	Water Street, Creswick and East St, Daylesford	Until 31/07/2017
19788 19826 19832 19841	d) Graeme McKay	B-Doubles at HML	East Street (between Midland Hwy and Mink Street)	Until 22/07/2017
Renewal Requests				
19886 19918	a) Boral Resources Vic Pty Ltd	B-Doubles at HML	East Street, Daylesford	Until 30/08/2017
19660	b) Eve-trans Kyneton	B-Doubles at HML	Stanbridge Street and East Street, Daylesford	Until 16/09/2017

ISSUE/DISCUSSION

Council officers have assessed the applications considering the following:

- Community Safety
- Local Amenity
- Physical Limitations of the network
- Economic benefits
- Alternative access
- Cost implications to Council.

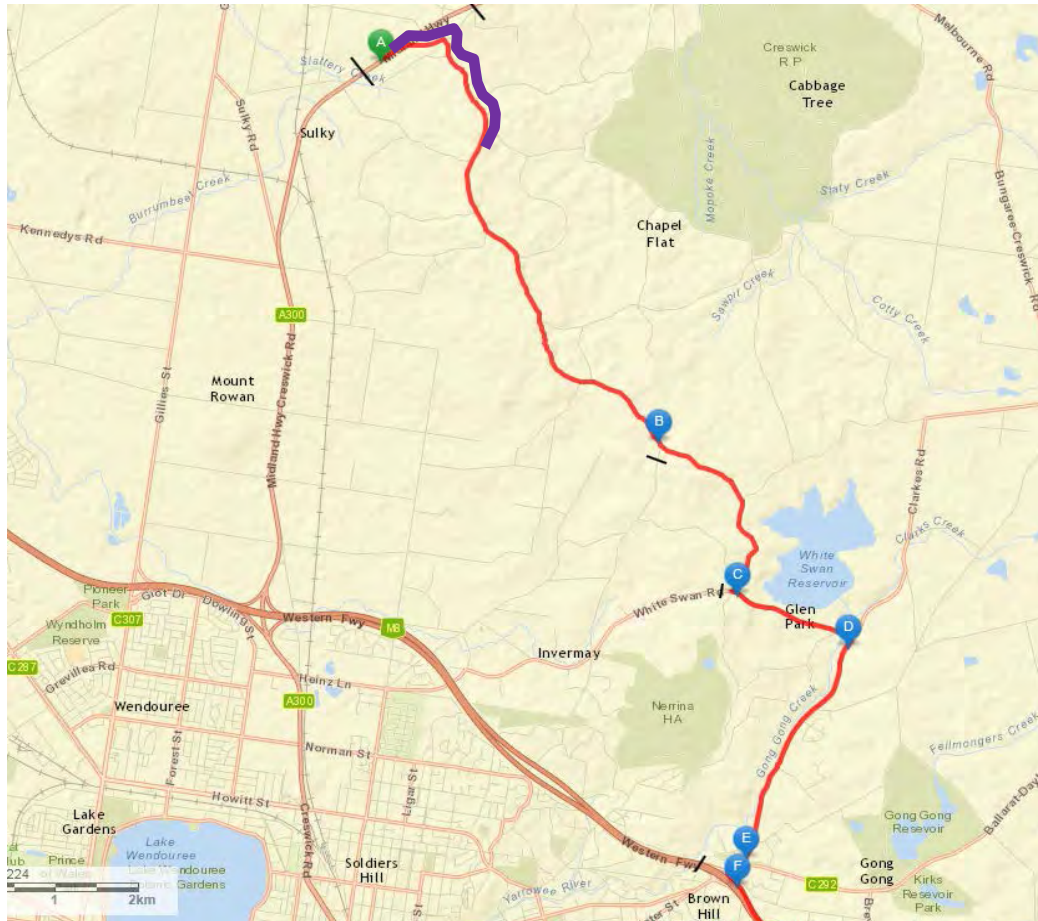
The results of the assessment are provided below along with any recommended conditions to be applied to any consent granted by Council.

NEW REQUESTS

a) DI Richards Pty Ltd (Request Number 17711)

DI Richards Pty Ltd seeks Council approval to use Service Road and Codes Forest Road, Creswick for transporting logs for a period of three years.

Sections of the roads that are within Hepburn Shire Council area are marked in purple.



Service Road is a 6m wide sealed road. Codes Forest Road is a 5m wide gravel road. Both roads are classified as not maintained by Council. It was determined that the access is acceptable.

It is recommended that Council approves DI Richards Pty Ltd to use Service Road and Codes Forest Road, Creswick for B-Doubles at HML, subject to the following conditions:

- It is the responsibility of the permit holder to maintain the Service Road and Codes Forest Road for safe travel of B-Double vehicles at HML to the satisfaction of the Hepburn Shire Council. Approval must be obtained from the Council prior to each occasion that road works are undertaken.
- It is the responsibility of the permit holder to pay attention to:
 - o Overhead cables
 - o Overhanging trees
 - o Steep inclines/declines, tight corners and narrow roads.
- Must not trim or remove any trees without all approvals being obtained.
- Hours of Operation shall be 7:00am to 6:00pm.

b) Clearwater Logging and Transport (Request Number 17802)

Clearwater Logging and Transport seeks Council approval to use Service Road and Codes Forest Road in Creswick for transporting logs for a period of one year.

Service Road is a sealed road with 6m wide. Codes Forest Road is a 5m wide gravel road. Both these roads are classified as not maintained by the Council. It was determined that the access is acceptable.



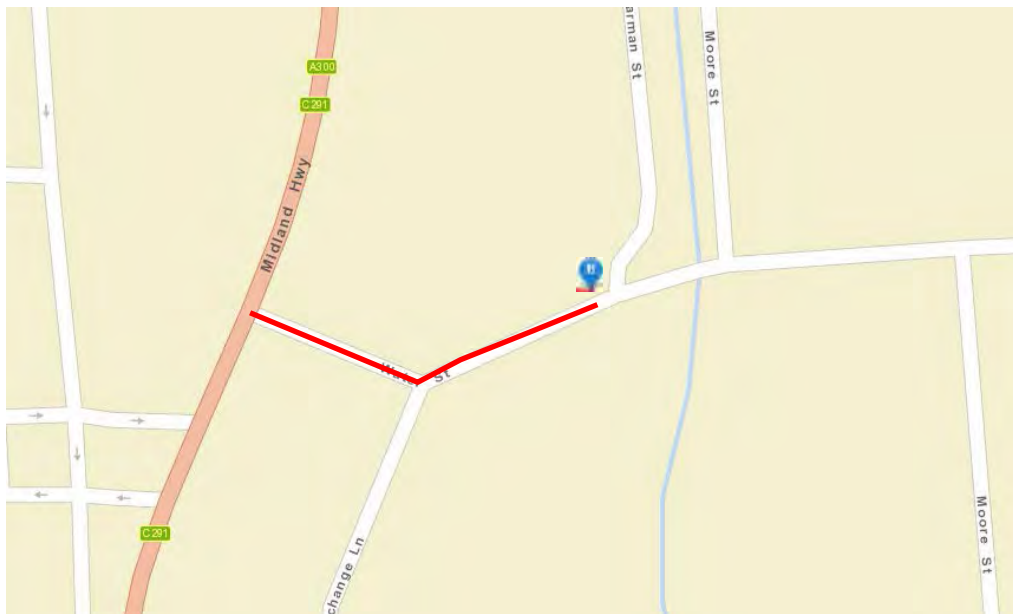
It is recommended that Council approves Clearwater Logging and Transport to use Service Road and Codes Forest Road, Creswick from the Midland Highway to travel B-Doubles at HML, subject to the following conditions:

- It is the responsibility of the permit holder to maintain the Service Road and Codes Forest Road for safe travel of B-Double vehicles at HML to the satisfaction of the Hepburn Shire Council. Approval must be obtained from the Council prior to each occasion that road works are undertaken.
- It is the responsibility of the permit holder to pay attention to:
 - o Overhead cables
 - o Overhanging trees
 - o Steep inclines/declines, tight corners and narrow roads.
- Must not trim or remove any trees.
- Hours of Operation shall be 7:00am to 6:00pm.

c) **McArdle Transport Pty Ltd (Request Number 19106)**

McArdle Transport Pty Ltd seeks Council approvals to use Water Street, Creswick and East Street to travel B-Double vehicles for transporting quarry products for a period of three years.

Water Street, Creswick

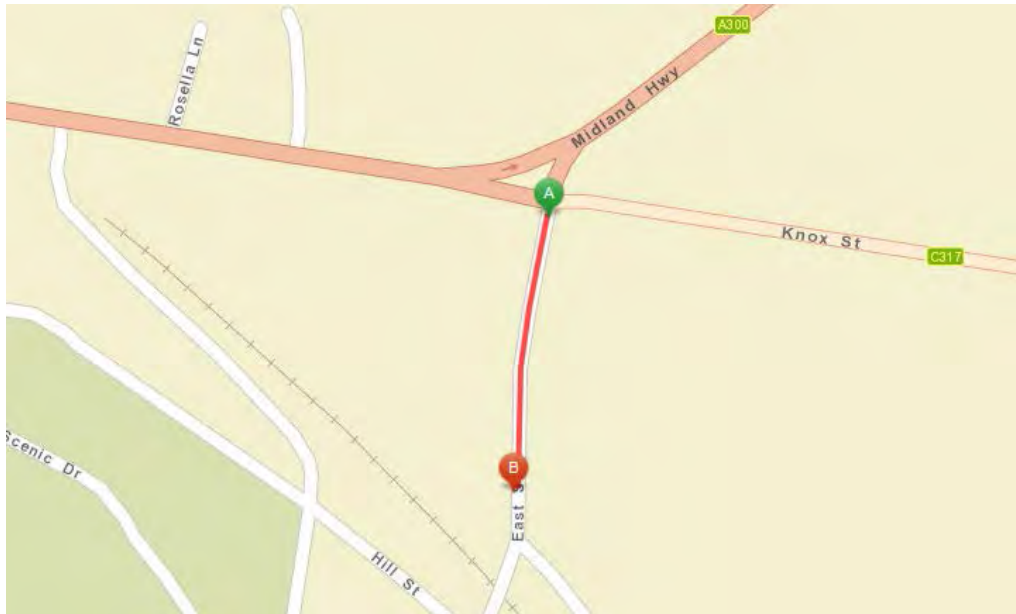


Water Street is wide enough to cater for B-Double vehicles at HML and there are no load restrictions applicable for this road. Therefore, it is determined that access is possible and acceptable.

It is recommended that Council approves McArdle Transport Pty Ltd to use B-Doubles at HML on Water Street to transport quarry products, subject to the following conditions:

- Hours of Operation shall be 7:00am to 6:00pm.
- The use of compression breaks is to be avoided.

Proposed route is marked in red.



Proposed Council road, East Street is capable of catering for the B-Double vehicles at HML. Therefore, it is determined that access is possible and acceptable.

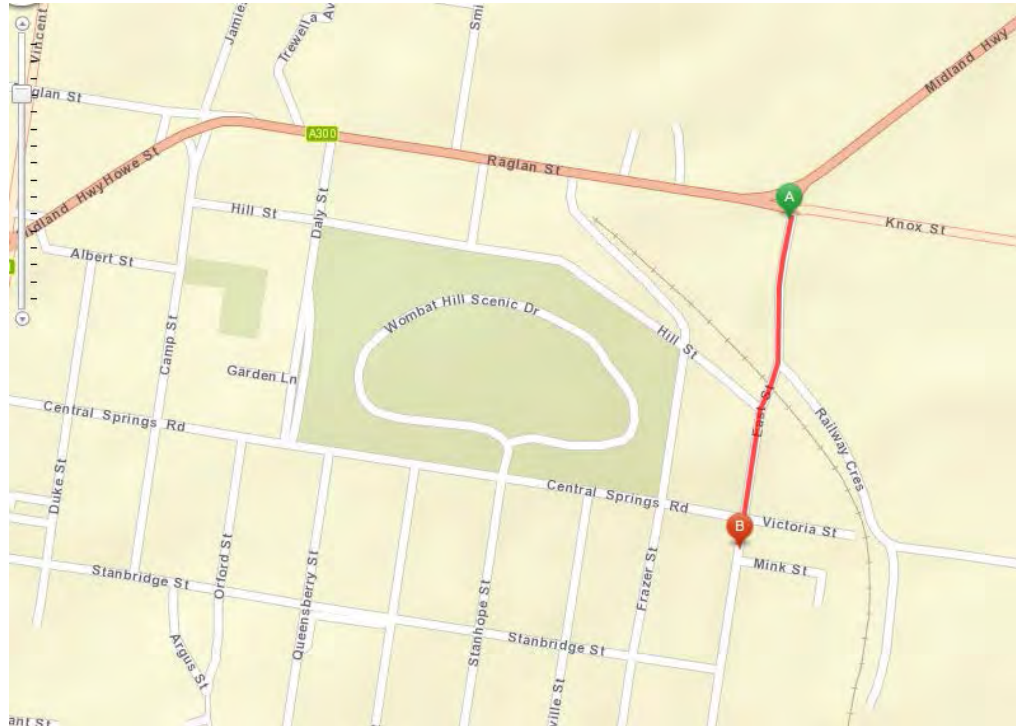
It is recommended that Council approves McArdle Transport Pty Ltd to use B-Doubles at HML on East Street, Daylesford to transport, subject to the following conditions:

- Hours of Operation shall be 7:00am to 6:00pm.
- The use of compression breaks is to be avoided.

d) Graeme McKay (Request Numbers 19106, 19826, 19832 & 19841)

Graeme McKay seeks Council approval to use East Street (between Midland Highway and Mink Street) in Daylesford to travel B-Double vehicles to transport quarry products, for a period of three years.

Proposed route is marked in red.



Proposed section of the East Street contains a low level Railway Bridge with 3.7m clearance from the road level. Laden heights of the vehicles shall be 3.14m, 2.55m, 2.72m and 3.37m. Therefore, it is determined the access is possible and acceptable.

It is recommended that Council approves Graeme McKay to use B-Doubles at HML on East Street, Daylesford to transport quarry products, subject to the following conditions:

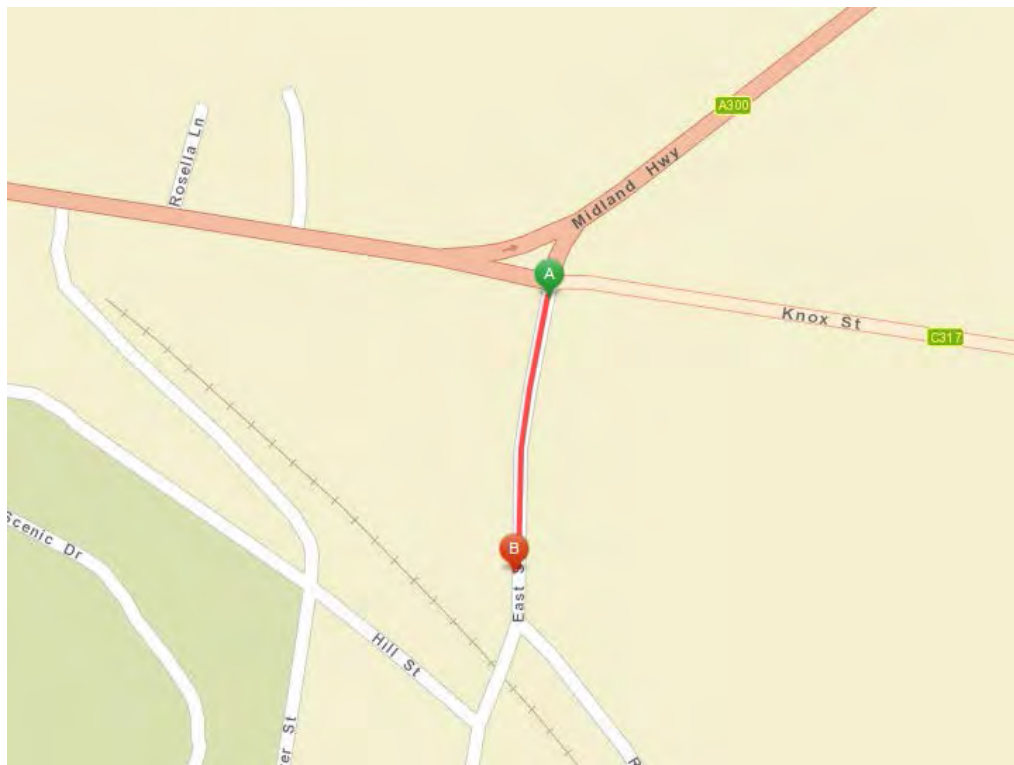
- It is the responsibility of the permit holder to pay attention to the low level Railway Bridge.
- Hours of Operation shall be 7:00am to 6:00pm.
- The use of compression breaks is to be avoided.

RENEWAL REQUESTS

a) Boral Resources Pty Ltd (Request Number 19886 & 19918)

Boral Resources Pty Ltd requests Council to renew its permit to travel B-Double vehicles at HML for transporting quarry products on East Street, Daylesford.

Proposed route is marked in red.



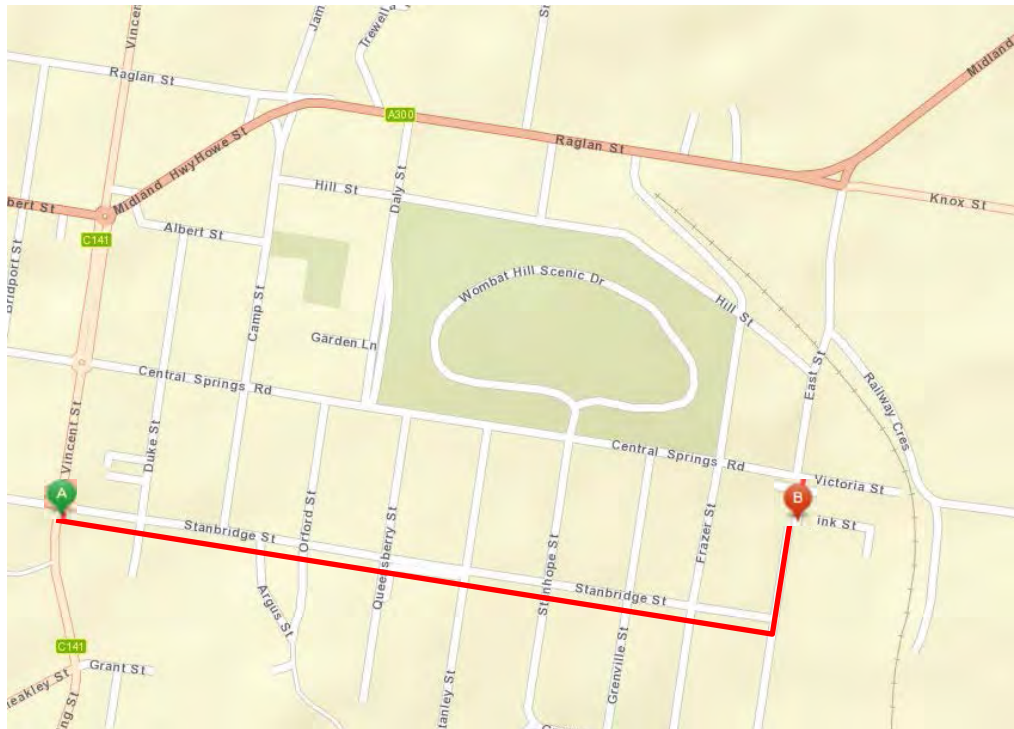
The proposed section of East Street is a council managed road and already permitted for other B-Double operators and is capable of catering for B-Double vehicles at HML. Therefore, it is considered that access is possible and acceptable.

It is recommended that Council approves Boral Resources Vic Pty Ltd to use B-Doubles at HML on East Street to transport quarry products to 6 East Street, Daylesford, subject to the following conditions:

- Hours of Operation shall be 7:00am to 6:00pm.
- The use of compression breaks is to be avoided.

b) Eve-trans Kyneton

Eve-trans Kyneton requests Council to renew its permit to travel B-Double vehicles at Higher Mass Limits on Stanbridge Street and East Street, Daylesford.



Both Stanbridge Street and East Street are sealed roads and able to accommodate B-Double vehicles.

Council recognises that there is an impact on local amenity for adjacent residents however, also acknowledges that alternate access to East Street for these vehicles is restricted until improvement works can be completed to facilitate alternate access. In order to support local industry and economic development and balance local amenity, conditional approval is recommended.

Accordingly, it is recommended that Council approves Eve-trans Kyneton to use B-Doubles at HML on Stanbridge Street and East Street, Daylesford, subject to the following conditions:

- Hours of Operation shall be 9:00am to 5:00pm, excluding school crossing times.
- The use of compression breaks is to be avoided.
- Whenever possible, vehicles should use the East Street/Midland Highway route with the hours of operation also from 9.00am to 5.00pm.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Council Plan 2013-2017:

Strategic Objective – Sustainable Environment and a Vibrant Economy

Key Strategic Activity:

12. Support and develop existing businesses within Hepburn Shire and continue to explore opportunities to diversify Hepburn Shire's Economic base.

FINANCIAL IMPLICATIONS

There are no expected financial implications from granting approval to DI Richards Pty Ltd, Clearwater Logging and Transport, McArdle Transport Pty Ltd, Graeme McKay, Boral Resources Vic Pty Ltd and Eve-trans Kyneton to use the respective Council roads for B-Doubles access at HML.

RISK IMPLICATIONS

There are no expected risk implications from granting approval to DI Richards Pty Ltd, Clearwater Logging and Transport, McArdle Transport Pty Ltd, Graeme McKay, Boral Resources Vic Pty Ltd and Eve-trans Kyneton.

Residents of Stanbridge Street have raised with Council concerns for pedestrian safety with large trucks traversing Stanbridge Street and the gradient of the road also potentially contributing to the severity of an accident should vehicle break failure occur. There has been an attempt to balance the need for access to the industrial area and the existence of pedestrians by restricting the operational hours on this road to minimise this risk.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

There are expected to be economic benefits for local business and economic development through the granting consent for access however this is not able to be measured.

There are also expected to be some concerns around local amenity in Stanbridge Street, Daylesford. The requested consent is a continuation of the consent previously provided by Council and endeavours to balance the concerns with the need for access and the economic benefits.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

No external engagement was undertaken in relation to these requests. Relevant internal roads and natural resource management staff have been involved in assessing these requests.

CONCLUSION

Council has received six permit referrals from the National Heavy Vehicle Regulator for consent to operate B-Double vehicles at HML on roads within the Hepburn Shire.

Following a review of each referral, conditional consent is recommended for each of the six operators as detailed.

MOTION

11.8.1. *That Standing Orders be suspended to enable further discussion in relation to the Eve-Trans Kyneton Ltd application.*

Moved: Councillor Bill McClenaghan
Seconded: Councillor Kate Redwood
Carried.

Standing Orders were suspended at 8:00pm

MOTION

11.8.2. *That Standing Orders be resumed.*

Moved: Councillor Bill McClenaghan
Seconded: Councillor Kate Redwood
Carried.

Standing Orders were resumed at 8:01pm.

OFFICER'S RECOMMENDATION

That Council:

- 11.8.1 Approves DI Richards Pty Ltd to use B-Double vehicles at Higher Mass Limits on Service Road and Codes Forest Road, Creswick from Midland Highway for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:
- It is the responsibility of the permit holder to maintain the Service Road and Codes Forest Road for safe travel of B-Double vehicles at HML to

the satisfaction of the Hepburn Shire Council. Approval must be obtained from the Council prior to any road construction/upgrade works.

- It is the responsibility of the permit holder to pay attention to:
 - Overhead cables
 - Overhanging trees
 - Steep inclines/declines, tight corners and narrow roads.
- Must not trim or remove any trees.
- Hours of Operation shall be 7:00am to 6:00pm.

11.8.2 Approves Clearwater Logging and Transport to use B-Double vehicles at Higher Mass Limits on Service Road and Codes Forest Road, Creswick from Midland Highway for a period of one year commencing 29 September 2014 and expiring on 28 September 2015, subject to the following conditions:

- It is the responsibility of the permit holder to maintain the Service Road and Codes Forest Road for safe travel of B-Double vehicles at HML to the satisfaction of the Hepburn Shire Council. Approval must be obtained from the Council prior to any road construction/upgrade works.
- It is the responsibility of the permit holder to pay attention to:
 - Overhead cables
 - Overhanging trees
 - Steep inclines/declines, tight corners and narrow roads.
- Must not trim or remove any trees.
- Hours of Operation shall be 7:00am to 6:00pm.

11.8.3 Approves McArdle Transport Pty Ltd to use B-Double vehicles at Higher Mass Limits on Water Street, Creswick and East Street, Daylesford for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:

- Hours of Operation shall be 7:00am to 6:00pm.
- The use of compression breaks is to be avoided.

11.8.4 Approves Graeme McKay to use B-Double vehicles at Higher Mass Limits on East Street (between Midland Highway and Mink Street), Daylesford for

a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:

- Hours of Operation shall be 7:00am to 6:00pm.
- The use of compression breaks is to be avoided.

11.8.5 Approves Boral Resources Vic Pty Ltd to use B-Double vehicles at Higher Mass Limits on East Street, Daylesford for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:

- Hours of Operation shall be 7:00am to 6:00pm.
- The use of compression breaks is to be avoided.

11.8.6 Approves Eve-trans Kyneton Ltd to use B-Double vehicles at Higher Mass Limits on Stanbridge Street and East Street, Daylesford for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:

- Hours of Operation shall be 9:00am to 5:00pm excluding school crossing times.
- The use of compression breaks is to be avoided.

MOTION

That Council:

- 11.8.1. Approves DI Richards Pty Ltd to use B-Double vehicles at Higher Mass Limits on Service Road and Codes Forest Road, Creswick from Midland Highway for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:
- It is the responsibility of the permit holder to maintain the Service Road and Codes Forest Road for safe travel of B-Double vehicles at HML to the satisfaction of the Hepburn Shire Council. Approval must be obtained from the Council prior to any road construction/upgrade works.
 - It is the responsibility of the permit holder to pay attention to:
 - Overhead cables
 - Overhanging trees
 - Steep inclines/declines, tight corners and narrow roads.
 - Must not trim or remove any trees.
 - Hours of Operation shall be 7:00am to 6:00pm.
- 11.8.2. Approves Clearwater Logging and Transport to use B-Double vehicles at Higher Mass Limits on Service Road and Codes Forest Road, Creswick from Midland Highway for a period of one year commencing 29 September 2014 and expiring on 28 September 2015, subject to the following conditions:
- It is the responsibility of the permit holder to maintain the Service Road and Codes Forest Road for safe travel of B-Double vehicles at HML to the satisfaction of the Hepburn Shire Council. Approval must be obtained from the Council prior to any road construction/upgrade works.
 - It is the responsibility of the permit holder to pay attention to:
 - Overhead cables
 - Overhanging trees
 - Steep inclines/declines, tight corners and narrow roads.
 - Must not trim or remove any trees.
 - Hours of Operation shall be 7:00am to 6:00pm.

- 11.8.3. Approves McArdle Transport Pty Ltd to use B-Double vehicles at Higher Mass Limits on Water Street, Creswick and East Street, Daylesford for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:
- Hours of Operation shall be 7:00am to 6:00pm.
 - The use of compression breaks is to be avoided.
 - Access to Water Street, Creswick shall be from the Midland Highway without access to other local Council roads.
- 11.8.4. Approves Graeme McKay to use B-Double vehicles at Higher Mass Limits on East Street (between Midland Highway and Mink Street), Daylesford for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:
- It is the responsibility of the permit holder to pay attention to the low level Railway Bridge.
 - Hours of Operation shall be 7:00am to 6:00pm.
 - The use of compression breaks is to be avoided.
- 11.8.5. Approves Boral Resources Vic Pty Ltd to use B-Double vehicles at Higher Mass Limits on East Street, Daylesford for a period of three years commencing 29 September 2014 and expiring on 28 September 2017, subject to the following conditions:
- Hours of Operation shall be 7:00am to 6:00pm.
 - The use of compression breaks is to be avoided.
- 11.8.6. Approves Eve-trans Kyneton Ltd to use B-Double vehicles at Higher Mass Limits on Stanbridge Street and East Street, Daylesford for a period of three years commencing 29 September 2014 and expiring on 28 September 2020, subject to the following conditions:
- Hours of Operation shall be 9:00am to 5:00pm excluding school crossing times.
 - The use of compression breaks is to be avoided.

- *Approval of the second three year term by Officers is subject to consideration of the successful completion of future works to provide access via East Street to the Daylesford Industrial estate.*

Moved: Councillor Sebastian Klein
Seconded: Councillor Greg May
Carried.

11.9. NEW THREE YEAR LICENCE – DAYLESFORD AND DISTRICT AGRICULTURAL SOCIETY INC TO UTILISE VARIOUS BUILDINGS AT VICTORIA PARK DAYLESFORD
GENERAL MANAGER INFRASTRUCTURE

COUNCIL IS CONSIDERING THIS REPORT IN ITS ROLE AS COMMITTEE OF MANAGEMENT FOR DAYLESFORD VICTORIA PARK.

In providing this advice to Council as the Property Officer, I Karen Ratcliffe have no interests to disclose in this report.

PURPOSE

The purpose of this report is to seek Council approval to enter into a new licence for the Daylesford and District Agricultural Society Inc (Ag Society) to utilise various buildings at Victoria Park, Daylesford during the annual Daylesford Show period.

BACKGROUND

Victoria Park Daylesford is a Crown land reserve for which Council is Committee of Management under the *Crown Land (Reserves) Act 1978*.

The current lease to the Ag Society for the Table Tennis Pavilion expired on 30 June 2014. A new three year Crown Land Licence to formalise the use of a number of buildings at Victoria Park is proposed.

ISSUE/DISCUSSION

The Ag Society has utilised various buildings at Victoria Park Daylesford for many years during the annual Daylesford Show period in November, and has contributed significant funds for the construction of the building known as the Table Tennis Pavilion.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

This Licence is granted under the powers of Section 17(2) of the *Crown Land (Reserves) Act 1978*. Council has Governor in Council certification under Section 17(1) of the Act to issue licences up to three years for this reserve without approval by the relevant Minister.

FINANCIAL IMPLICATIONS

There are no significant financial implications regarding the issue of a licence to the Ag Society.

The annual licence fee of \$104 + GST, for community based organisations must be paid. An annual amenities fee of \$200 + GST which covers buildings insurance and utilities costs must also be paid.

RISK IMPLICATIONS

The Licence requires the Ag Society to hold public liability insurance of \$50m (common for Ag Societies) and to submit annual risk and emergency management plans.

ENVIRONMENTAL / SOCIAL/ECONOMIC IMPLICATIONS

Hepburn Shire Council recognises that support of the annual Daylesford Show provides important social connection and benefits for communities.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The request to renew the Licence originated from the Ag Society. Council officers have liaised with the members regarding safety and other operational matters.

CONCLUSION

The existing agreement established in July 2011 expired on 30 June 2014. The Daylesford and District Agricultural Society Inc has indicated a desire to continue to utilise Victoria Park during the Daylesford Agricultural Show period.

Accordingly, a three year licence issued under Section 17(2) of the *Crown Land (Reserves) Act 1978* is presented for Council's approval.

OFFICER'S RECOMMENDATION

- 11.9.1 Grants a three year Crown Land Licence to the Daylesford and District Agricultural Society Inc to utilise various buildings at Daylesford Victoria Park during the annual Daylesford Show period and;
- 11.9.2 Authorises the Chief Executive Officer to execute the Crown Land Licence for and on behalf of Council.

MOTION

That Council:

11.9.1. *Grants a three year Crown Land Licence to the Daylesford and District Agricultural Society Inc to utilise various buildings at Daylesford Victoria Park during the annual Daylesford Show period and;*

11.9.2. *Authorises the Chief Executive Officer to execute the Crown Land Licence for and on behalf of Council.*

Moved: Councillor Kate Redwood

Seconded: Councillor Neil Newitt

Carried.

ATTACHMENT 4 - SECTION 17(2) CROWN LAND LICENCE –
DAYLESFORD AND DISTRICT AGRICULTURAL SOCIETY INC

Hepburn Shire Council

LICENCE

CROWN LAND (RESERVES) ACT 1978
Section 17(2)

THIS LICENCE is granted by the Licensor to the Licensee and commences on the date set out in the Schedule.

In consideration of the payment of the licence fee and the conditions contained in this Licence, the Licensor or a person authorised by the Licensor, at the request of the Licensee **HEREBY AUTHORISES** the Licensee to use the licensed premises described in the Schedule for the specified purposes set out in the Schedule.

This Licence is subject to the provisions of the *Crown Land (Reserves) Act 1978* and Regulations thereunder, the licence conditions attached and any Statutory and other Special Conditions set out in the Schedule.

.....
Licensor or Authorised person
Aaron van Egmond, Chief Executive Officer
On behalf of **Hepburn Shire Council**
Date: _____

Licensee – **Daylesford and District Agricultural Society Inc A0001976T**

The Licensee hereby agrees to comply with the terms and conditions of this Licence.

.....
President
Print Name: Kiera Melen

.....
Secretary
Print Name: Sandra Melen

NOTE:

1	<i>This Licence is an important document and should be stored in a secure and safe place. In the event of loss, a replacement fee will be charged.</i>
2	<i>The Licence is not valid until such time as the licence fee is received in full.</i>
3	<i>Ministerial approval is not required as pursuant to an approved ORDER made under Section 17 (1) Crown Land (Reserves) Act 1978 Council may issue tenures for this Reserve.</i>

INDEX

SCHEDULE and SPECIAL CONDITIONS

LICENCE CONDITIONS

- 1 Grant**
- 2 Licensee's Obligations (Positive)**
 - 2.1 Licence fee**
 - 2.2 Rates and Taxes**
 - 2.3 Indemnity**
 - 2.4 Public Liability Insurance**
 - 2.5 Maintenance,**
 - 2.6 Fire Protection Works**
 - 2.7 Condition at Termination**
 - 2.8 Notice of Defects and other matters**
 - 2.9 Compliance with Law**
 - 2.10 Arrears and Interest**
 - 2.11 Further Conditions**
- 3 Licensee's Obligations (Negative)**
 - 3.1 Use of Licensed premises**
 - 3.2 Create nuisance**
 - 3.3 Allow rubbish**
 - 3.4 Hazardous Chemicals**
 - 3.5 Assignment**
 - 3.6 Licensor's Entry**
 - 3.7 Void insurance**
 - 3.8 Erection of Improvements**
- 4 General Conditions**
 - 4.1 Termination upon Default**
 - 4.2 Termination without Default**
 - 4.3 Ownership of Improvements**
 - 4.4 Licensee's Chattels**
 - 4.5 Licensor may remove and dispose of property**
 - 4.6 Licensor's Agents**
 - 4.7 Notices**
 - 4.8 Debt recovery**
 - 4.9 Additional Approvals**
- 5 Definitions**
- 6 Interpretations**

PLAN

SCHEDULE

ITEM

- 1 Licence Number:** DOC/14/19973
- 2 Licensor:** Hepburn Shire Council ABN 76 845 763 535
- 3 Licensee:** Daylesford and District Agricultural Society Inc A0001976T
- 4 Licensee's Address:** PO BOX 58, Daylesford Vic 3460
- 5 Commencement Date:** 1st July 2014
- 6 Term:** 3 years
- 7 Licence fee:** \$104.00 + GST pa (plus \$200pa + GST amenities fee) payable in advance
- 8 Payable:** Annually in full in advance on or before 1 July in each and every year of the Term
- 9 Reservation description:** Public Park Reserve - Pt Crown allotment 8 Sec 9C Parish of Wombat
- 10 Licensed premises:** That part of the Reserve delineated on the attached Map
- 11 Area:** See Plan
- 12 Powers under which licence granted:** Section 17(2) Crown Land (Reserves) Act 1978
- 13 Specified Purposes:** Daylesford Agricultural Show and associated activities
- 14 Amount of Public Liability Insurance:** Minimum cover of \$50,000,000
- 15 Licensor Address:** PO Box 21 Daylesford 3460
- 16 Special Conditions:**
 - 16.1** This Licence is for the approved use of the Licensed Premises for the specified period as follows:
 - One week before and one week after Annual Daylesford Agricultural Show
 - 16.2** The Licensee must pay an annual amenities charge which covers items such as buildings insurance and electricity costs.
 - 16.3** The Licensee must not damage or deface the Licensed Premises. The Licensee is responsible in accordance with this Licence to clean up any animal droppings or rubbish within the Licensed Premises.
 - 16.4** The Licensee is responsible to insure any equipment it has on the Licensed Premises.

- 16.5** The Licensee must have in place prior to the commencement of use and actively implement and comply with an Emergency Management Plan (EMP) and a Risk Management Plan (RMP). The RMP must be prepared having regard to:
- a) a risk assessment conducted to identify, analyse and evaluate risks associated with the Licensed Premises and the Specified purpose;
 - b) any matters required by or guidelines of the Licensee's affiliated Association or governing body;
 - c) any requirements of the Licensee's insurer.
- 16.6** A copy of the RMP and EMP must be lodged with the Licensor. A failure to have a current EMP and RMP and appropriate procedures will be a default condition under this Licence.
- 16.7** Despite the approved period provided in Special Condition 16.1 and pursuant to Clause 1 the Licensed Premises may be allocated by the Licensor for use by other Clubs, Associations, Groups or individuals as seen fit by the Licensor.

LICENCE CONDITIONS

1 *Grant*

The rights conferred by this Licence are non-exclusive, do not create or confer upon the Licensee any tenancy or any estate or interest in or over the licensed premises or any part of it, and do not comprise or include any rights other than those granted or to which the Licensee is otherwise entitled by law.

2 *Licensee's Obligations (Positive)*

The Licensee **Hereby Covenants** with the Licensor that during the term the Licensee will:-

2.1 *Licence fee*

Duly and punctually pay or cause to be paid the licence fee to the Licensor at the payment address shown in Item 15 of the Schedule or as advised by the Licensor from time to time on the days and in the manner provided in Item 8 of the Schedule without demand, deduction, set-off or abatement.

2.2 *Rates and Taxes*

2.2.1 Duly and punctually pay as and when they respectively fall due all rates and taxes on the licensed premises.

2.2.2 If requested to do so by the Licensor, produce receipts to the Licensor evidencing payment of the rates and taxes.

2.2.3 Duly and punctually pay to the Licensor at the same time and in the same manner as the licence fee is payable to the Licensor (or as otherwise notified to the Licensee by the Licensor) under clause 2.1 above the amount of any GST payable on or in relation to this licence and/or the rent payable thereunder or that becomes payable by the Licensor during the period covered by the fee.

2.3 *Indemnity*

Indemnify the Crown (includes the licensor) in respect of any claim or liability for property damage and/or injury or death of any person which arises directly or indirectly out of negligence, tort, contract, or breach of a statutory duty by the Licensee or any associated party consequential to the use or occupation of the licensed premises, including, but without restricting the generality of the foregoing, the pollution or contamination of land or water, and any costs, charges and expenses incurred in connection therewith.

2.4 *Public Liability Insurance*

A public liability insurance policy over the premises (providing no less limit of indemnity for any one occurrence during the policy period than the amount shown at Item 14 of the Schedule), which is endorsed (as follows), to note:

'the Committee of Management, the Crown in the right of the State of Victoria, the Secretary to the Department of Sustainability and Environment, its servants, agents and employees in respect to providing indemnity for personal injury and/or property damage caused by an occurrence, and/or for breach of Professional duty arising out of the negligent acts, errors or omissions of the Licensee and/or its servants agents and employees. The endorsement and extension to the policy does not extend to negligent acts, errors or omissions of the Crown (and others above mentioned), and is limited to the amount shown in Item 14 of the Schedule for any one occurrence.'

2.5 Maintenance

2.5.1 Throughout the term keep the licensed premises in good order and condition and the improvements (if any) on it in good order and condition having regard to their condition at the commencement date or, if constructed or added to the licensed premises after the commencement date, at the date of such construction or addition as the case may be and in particular but without restricting the generality of the foregoing will:-

2.5.1.1 Keep the licensed premises free of pest animals and weeds;

2.5.1.2 Remedy every default of which notice is given by the Licensor to the Licensee within a reasonable time specified in the notice but in any event the time specified in the notice will not be less than 14 days.

2.6 Fire Protection Works

Undertake all fire protection works on the licensed premises required by law to the satisfaction of the Licensor and the responsible fire Authority

2.7 Condition at Termination

On expiry or prior determination of this Licence return the licensed premises to the Licensor in good order and condition and otherwise in accordance with the Licensee's obligations.

2.8 Notice of Defects and other matters

2.8.1 Give the Licensor prompt notice in writing of any accident to or defect in the licensed premises and of any circumstances likely to cause any damage risk or hazard to the licensed premises or any person on it;

2.8.2 Give to the Licensor within 7 days of its receipt by the Licensee a true copy of every notice, proposal or order given, issued or made in respect of the licensed premises and full details of the circumstances of it;

2.8.3 Without delay take all necessary steps to comply with any notice, proposal or order referred to in paragraph 2.8.2 with which the Licensee is required to comply; and

2.8.4 At the request of the Licensor make or join with the Licensor in making such objections or representations against or in respect of any notice, proposal or order referred to in paragraph 2.8.2 as the Licensor deems expedient.

2.9 Compliance with Law

Comply at the Licensee's cost with the provisions of all statutes, regulations, local laws and by-laws relating to the licensed premises and all lawful orders or direction made under them;

2.10 Arrears and Interest

2.10.1 Pay to the Licensor:-

2.10.1.1 on any moneys payable by the Licensee to the Licensor and outstanding for thirty (30) days or on any judgment for the Licensor in an action arising under the Licence, interest at the penalty rate of interest for the time being made payable under the **Penalty Interest Rates Act 1983** computed from the date the moneys or judgment became payable until all moneys (including interest on them) are paid in full;

2.10.1.2 on demand all the Licensor's legal costs and disbursements payable in respect of or in connection with any assignment of this Licence or under-licensing of the licensed premises, any surrender of this Licence, the giving of any consent by the Licensor or any failure by the Licensee to perform and observe this Licence, or any deed or other document executed in connection with this Licence.

2.11 Further Conditions

Comply with the Special Conditions (if any) contained in Item 16 of the Schedule.

3 Licensee's Obligations (Negative)

The Licensee **Hereby Covenants** with the Licensor that during the term the Licensee will not -

3.1 Use of Licensed premises

Use the licensed premises for any purpose other than the specified purpose referred to in Item 13 of the Schedule without first obtaining the Licensor's written consent which can be given or withheld at the absolute discretion of the Licensor or be given subject to conditions.

3.2 Create nuisance

Do not cause or permit to be done anything which constitutes an actionable nuisance, annoyance or disturbance to other persons lawfully entitled to use the licensed premises or to use any land in the vicinity or to occupiers of properties adjoining the licensed premises.

3.3 Allow rubbish

Permit any rubbish to accumulate in or about the licensed premises.

3.4 Hazardous Chemicals

Keep any hazardous materials on the premises without the Licensor's written consent save a reasonable quantity of any hazardous material which is normally used in any specified purpose actually carried on in or upon the premises and which is kept in compliance with the requirements of any authority charged with regulating the keeping of it.

3.5 Assignment

Without first obtaining the written consent of the Licensor assign, under-license, mortgage, or charge this Licence or part with or share possession of the licensed premises or any part of it.

3.6 Licensor's Entry

3.6.1 Prevent, attempt to prevent or in any other way hinder, obstruct or permit the hindrance or obstruction of the Licensor or the Licensor's employee or agent at any time from entering and remaining on the licensed premises either with or without motor vehicles or other equipment for any purpose and in particular, but without restricting the generality of the foregoing, for any of the following purposes:-

3.6.1.1 retaking or attempting to retake possession of the licensed premises;

3.6.1.2 inspection; or

3.6.1.3 any other lawful purpose.

3.7 Void insurance

Do or allow anything to be done which might result in any insurances relating to the licensed premises becoming void or voidable or which might increase the premium on any insurance.

3.8 Erection of Improvements

Erect or permit the erection of any improvement on the licensed premises without the Licensor's prior written approval, which can be given or withheld at the absolute discretion of the Licensor or be given subject to conditions.

4 General Conditions

4.1 Termination upon Default

If the Licensor is satisfied, after giving the Licensee a reasonable opportunity to be heard, that the licensee has failed to comply with any terms or conditions of the licence, the Licensor may, by notice published in the Government Gazette, declare that the licence is cancelled, and upon cancellation the licensee will not be entitled to any compensation whatsoever.

4.2 Termination without Default

- 4.2.1 In addition to and not in substitution for the power to cancel this Licence under clause 4.1, the Licensor may with the approval of the Minister by giving to the Licensee at least 30 days written notice to that effect cancel this Licence upon a date to be specified in that notice notwithstanding that there has been no breach by the Licensee of any term or condition of this Licence.
- 4.2.2 If the licence is terminated under this clause the Licensee is entitled to receive and will be paid by the Licensor a refund of an amount of the licence fee paid.
- 4.2.3 The amount of refund will be determined by the Licensor on a pro rata basis, taking into account any period of the licence remaining at the date of cancellation.
- 4.2.4 Except as provided in sub clause 4.2.2 above no compensation is payable in respect of the cancellation of the licence

4.3 Ownership of Improvements

The Licensee acknowledges that all buildings and structures on the licensed premises at the date of commencement of this Licence and all new structural works (except for any Licensee's trade fixtures or fittings) and any additions or modifications to the existing or new buildings and structures carried out during the term of this Licence are and remain the property of the Licensor.

4.4 Licensee's Chattels

- 4.4.1 Except as provided in sub-clause 4.4.3 the Licensee's chattels shall remain the property of the Licensee.
- 4.4.2 On the cancellation or expiration of the Licence the Licensee must, within a period of time specified by the Licensor, remove all Licensee's chattels from the licensed premises and forthwith make good all damage caused to the licensed premises by the affixing, retention or removal of Licensee's chattels to the satisfaction of the Licensor.
- 4.4.3 If the Licensee's chattels are not removed at the end of the period of time specified under sub-clause 4.4.2, the Licensee's chattels shall become the property of the Licensor.

4.5 Licensor may remove and dispose of Licensee's chattels

If the Licence expires, or is cancelled, the Licensor may at the end of the period of time specified under Clause 4.4.2 remove the Licensee's chattels and store them at the Licensee's expense without being liable to the Licensee for trespass, detinue, conversion or negligence. After storing them for at least one month, the Licensor may sell or dispose of them by auction, private sale, gift, distribution or otherwise and apply the net proceeds towards the payment of any moneys owed by the Licensee to the Licensor.

4.6 Licensor's Agents

Every act or thing to be done, decision to be made or document to be signed pursuant to this Licence by the Licensor and not required by law to be done, made or signed by the Licensor personally may be done made or signed by any person or class of person to whom such power has been delegated by the Licensor.

4.7 Notices

Any notice consent or demand or other communication to be served on or given to the Licensee by the Licensor under this Licence shall be deemed to have been duly served or given if it is in writing signed by the Licensor and delivered or sent by pre paid post to the Licensee's address set out in Item 4 of the Schedule or to the latest address stated by the Licensee in any written communication with the Licensor.

4.8 Debt recovery

All moneys payable by the Licensee to the Licensor under this Licence are recoverable from the Licensee as liquidated debts payable on demand.

4.9 Additional Approvals

If the Licensor is a Committee of Management or Trustees the approvals required in Conditions 3.1 and 3.8 shall be read to mean the Licensor and the Secretary or delegate.

\

5 Definitions

Unless inconsistent with the context or subject matter each word or phrase defined in this clause has the same meaning when used elsewhere in the licence.

"**commencement date**" means the date described in Item 5 of the Schedule and is the first day of the term;

"**Crown**" means the Crown in right of the State of Victoria and includes the Licensor and each employee and agent of the Crown or the Secretary;

"**Department**" means the Department of Environment and Primary Industries or its successor in law;

"**GST**" means a goods and services tax within the meaning of the *A New Tax System (Goods and Services Tax) Act 1999*.

"**hazardous chemical**" includes gas, inflammable liquid, explosive substance, pesticide, herbicide, fertilizer and other chemicals;

"**improvement**" includes building, dam, levee, channel, sign, permanent fence, or other structure and any addition to an existing improvement;

"**licensed premises**" means the land and structures described in Item 10 of the Schedule;

"**Licence fee**" means the licence fee described in Item 7 of the Schedule as varied during the term;

"**Licensee**" means the person named in Item 3 of the Schedule and includes the permitted assigns and successors in law to a Licensee;

"**Licensor**" means the Trustees or Committee of Management appointed by the Minister to manage the reserved land described in Item 9 of the Schedule or if there are no Trustees or Committee of Management means the Secretary to the Department of Sustainability and Environment or a person or class of person authorised by the Secretary to grant licences under Section 17B of the *Crown Land (Reserves) Act 1978*;

"**Minister**" means the Minister of the Crown for the time being administering the *Crown Land (Reserves) Act 1978*;

"**person**" includes a body corporate as well as an individual;

"**pest animals**" has the same meaning as in the *Catchment and Land Protection Act 1994*;

"**rates and taxes**" means all existing and future rates (including water by consumption and any special rates or levies) taxes, charges, tariffs, assessments, impositions and outgoings whatsoever now or at any time imposed, charged or assessed on or against the licensed premises or the Licensor or the Licensee or payable by the owner or occupier of the licensed premises;

"**schedule**" means the schedule to this Licence;

"**Secretary**" means The Secretary to the Department of Sustainability and Environment, the body corporate established under the *Conservation, Forests and Lands Act 1987*;

"**sign**" includes names, advertisements and notices;

"**soil**" includes gravel, stone, salt, guano, shell, sand, loam and brick earth;

"**term**" means the period of time set out in Item 6 of the Schedule, as and from the commencement date;

"**weeds**" include noxious weeds within the meaning of the *Catchment and Land Protection Act 1994*, and prescribed flora within the meaning of the *Flora and Fauna Guarantee Act 1988*;

"**writing**" includes typewriting, printing, photography, lithography and other modes of representing or reproducing words in a visible form and "written" has a corresponding meaning.

6 Interpretations

6.1 A reference importing the singular includes the plural and vice versa.

6.2 The index and headings are included for ease of reference and do not alter the interpretation of this Licence.

6.3 If any day appointed or specified by this Licence falls on a Saturday, Sunday or a day appointed under the *Public Holidays Act 1993* as a holiday for the whole day the day so appointed or specified is deemed to be the first day succeeding the day appointed or specified which is not a Saturday, Sunday or day appointed as a holiday.


6.4 References to an Act of Parliament or a section or schedule of it shall be read as if the words "or any statutory modification or re-enactment thereof or substitution therefor" were added to the reference.

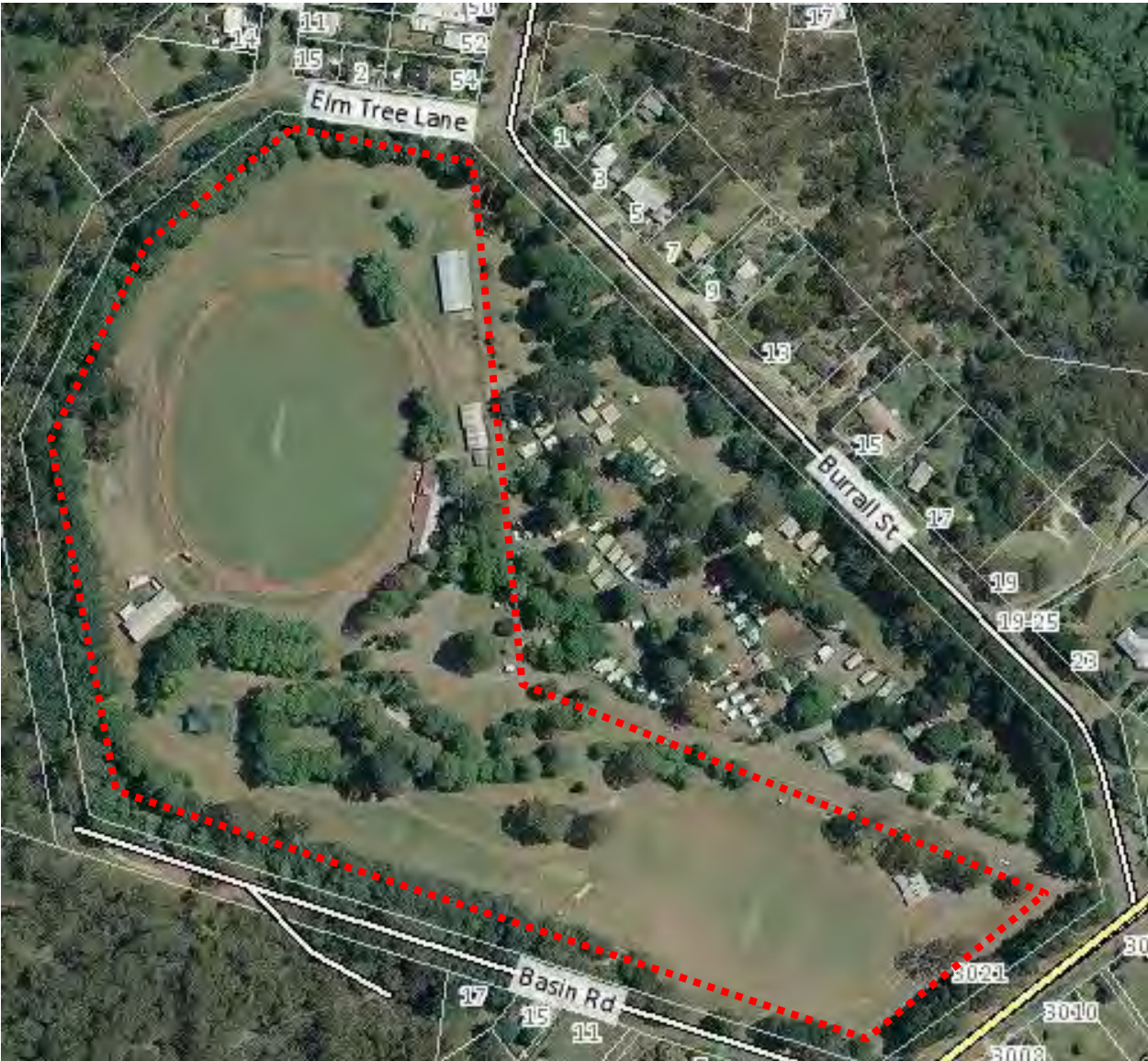
6.5 If the Licensee comprises more than one person, the covenants and agreements contained in this Licence shall be construed as having been entered into by, and are binding, both jointly and severally on all and each of the persons who constitute the Licensee.

6.6 References to clauses, sub-clauses and Items are references to clauses, sub-clauses and Items of this Licence respectively.

PLAN 'A'

Daylesford Victoria Park

Licensed Area 



11.10. REVIEW OF POLICY 64 - COMPLAINTS HANDLING POLICY

CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Chief Executive Officer, I Aaron van Egmond have no interests to disclose in this report.

PURPOSE

The purpose of this report is to recommend that Council adopts the updated Council Policy 64 – Complaints Handling Policy and Complaints Handling Guidelines.

BACKGROUND

The Hepburn Shire Council has a formal complaint handling process which has been in operation since June 2011.

ISSUE/DISCUSSION

The Complaints Handling Policy has been reviewed taking into consideration accessibility for all residents and ratepayers and provides an integrated approach to managing complaints that is robust, fair, dynamic, agile and defensible. To ensure a consistent approach across the organisation, complaints relating to Home and Community Care Services which were previously managed in a separate procedure will now be handled in accordance with this policy. Further to these changes, the grammar and formatting of this policy has also been updated.

The Complaints Handling Policy and Guidelines provide a mechanism for the organisation to respond to complaints in an effective and timely manner.

Council values its relationship with the community and will work within the following key principles to manage all complaints received:

- We will consider and respect the rights and obligations of all parties;
- The complaint handling process will be non-adversarial, consistent, accessible, transparent, and easy to use and understand;
- Senior management will be fully accountable and responsible for the management and quality of the complaint handling process;
- Information gained from the complaint handling process is valuable and will be used to continuously improve our services to the community.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Council Plan 2013-2017:

Strategic Objective – Sustainable Financial Management and Innovative Corporate Systems

Key Strategic Activity:

22. Create and maintain a customer service culture throughout the organisation that ensures the delivery of consistent and quality customer focused services whereby our customers are dealt with promptly, courteously, efficiently and effectively at all times.

FINANCIAL IMPLICATIONS

No financial implications noted.

RISK IMPLICATIONS

No risk implications noted.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

The Complaints Handling Policy and Guidelines provide a mechanism for improving the quality of customer service, communication and relationship with the community. An effective complaints handling framework is an important line of direct communication with the community. By providing an honest, open, simple and well managed complaints handling process, Council shows the community that it is willing to open itself up to scrutiny through a transparent and robust assessment of its decision making and operations.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

As per the Hepburn Shire Community Engagement Framework, Level 1 Community engagement will be undertaken. This information will be made available to the public via the minutes published on the Council's website. The Policy will also be available for inspection on the Council's website, once approved.

CONCLUSION

The revised Complaints Handling Policy is recommended for adoption.

OFFICER'S RECOMMENDATION

That Council:

- 11.10.1 Adopts Policy 64 – Complaints Handling Policy – September 2014.
- 11.10.2 Makes Policy 64 – Complaints Handling Policy – September 2014 available for public inspection on Council's website.

MOTION

That Council:

11.10.1. *Adopts Policy 64 – Complaints Handling Policy – September 2014.*

11.10.2. *Makes Policy 64 – Complaints Handling Policy – September 2014 available for public inspection on Council's website.*

11.10.3 *Investigates systems for monitoring progress in responding to a complaint and advising complainants accordingly.*

Moved: Councillor Kate Redwood

Seconded: Councillor Pierre Niclas

Carried.

ATTACHMENT 5 - POLICY 64 – COMPLAINTS HANDLING POLICY

POLICY NUMBER:	64
NAME OF POLICY:	COMPLAINTS HANDLING POLICY
DATE AMENDED:	September 2014
DATE OF NEXT REVIEW:	September 2018
DATE APPROVED:	16 September 2014
RESPONSIBLE OFFICER:	General Manager Corporate Services
REFERENCES:	Local Government Act 1989 Information Privacy Act 2000 Local Government Regulations Other Federal and State Legislation Other Council or Management policies and procedures

Best Value Principles

Hepburn Shire Council has the responsibility to provide its ratepayers with best value, with all services provided by Council meeting the expectations in terms of quality and cost. In providing this, all services need to be accessible, responsive to the needs of the community, considerate of the natural environment and subject to continuous improvement.

To achieve the best over life outcome for Council's expenditures, which meets quality and service expectations, there will be periodic review of services against best on offer in both the public and private sectors.

All Council staff members are responsible for supporting best value principles in their normal day to day actions to ensure services are recognised by the community as delivering best value.

INTRODUCTION

The Hepburn Shire Council provides a diverse range of services and facilities to its residents and members of the broader regional community. Council recognises that from time to time, service delivery does not meet our required standards.

Hepburn Shire Council welcomes complaints as well as compliments, and will endeavour to use them as an important tool in monitoring and responding to customer expectation to improve services to ratepayers and residents. Council uses complaints as a source of feedback to guide best practice.

In order to assist the Hepburn Shire Council to respond appropriately, all complaints need to be documented and assessed as part of an on-going process.

PURPOSE

The intent of this policy is to provide clear guidelines regarding management of complaints to ensure that wherever possible, a positive solution is achieved in an efficient manner.

This policy sets out the responsibility of the Hepburn Shire Council to:

- Provide a clear process for customers and community members to have their complaints heard and actioned;
- Enhance the relationship between Hepburn Shire Council and its customers;
- Demonstrate that the Hepburn Shire Council has a commitment to dealing with complaints fairly, confidentially and in a manner that is respectful to the complainant;
- Provide a mechanism for responding to complaints in a timely and courteous manner;
- Provide a systematic framework to monitor complaints in an endeavour to improve the quality and responsiveness of all services provided by Council.

DEFINITION

Council has defined a complaint as:-

'an expression of dissatisfaction with a Council policy, Councillor, procedure, staff member/s, fees and charges, agents, quality of service, or the complaints-handling process itself'.

A complaint is not a:

1. Request
2. Insurance claim
3. Protected Disclosure
4. Planning objection
5. Local-laws dispute
6. Disputes about decisions to impose special rates or charges or the validity of an election
7. Feedback related to Section 86 Committees or proposals for public comment
8. Matters over which Council has no jurisdiction or is not empowered to resolve

These matters will be referred appropriately based on Council's policies and processes.

However a complaint can be submitted about how Council has handled any of those matters except something that is not Council's responsibility.

COMPLAINTS HANDLING PROCESS

Complaints will be handled fairly and in a consistent manner. Complainants will not be disadvantaged by the complaint process.

Complaints against staff will be directed to the relevant Manager and all correspondence will be confidential.

Complainants will be kept informed of the progress of their complaint and of the final resolution. Complainants will be advised of avenues for further review of their complaint, if they are not satisfied with the resolution proposed.

Any personal information (such as name, address and/or contact telephone number), requested from the person making the complaint, is subject to the Privacy and Information Privacy Act 2000 and Council's Privacy policy.

The provision of personal information will be restricted to officers within Hepburn Shire Council or any of its agents who require this information to complete their investigation of the complaint or to communicate the result of the investigation to the complainant.

The supply of the information is voluntary however if the information sought is not provided or is insufficient (i.e. an anonymous complaint), Hepburn Shire Council may not be able to process the complaint nor provide feedback or progress reports to the complainant.

If a complainant is dissatisfied with the outcome of their complaint and requests a review, the review will be conducted by a senior officer who was not involved in the original complaint.

HOW TO SUBMIT A COMPLAINT TO HEPBURN SHIRE COUNCIL

Complaints must be submitted in writing on the **Customer Complaint Form** or via:

On-line: hepburn.vic.gov.au

Email: shire@hepburn.vic.gov.au

Post: P.O Box 21 Daylesford Victoria 3460

In person: at one of the Council's customer service points

Phone: (03) 5348 2306 (*where you will be assisted to complete the form*)

WHAT TO INCLUDE

Complaints must include the full name, address (residential and email) and contact telephone number of the person lodging the complaint and a brief description of the complaint including what actions have been taken by the complainant to address the issue.

WHO DEALS WITH MY COMPLAINT?

- Complaints about General Managers will be referred to the CEO's office.
- Complaints about Councillors will be referred to the Mayor.
- Complaints about the CEO will be referred to the Mayor.
- Complaints about the Mayor will be referred to the Deputy Mayor.
- Employee related complaints will be referred to Manager Human Resources.
- General complaints will be referred to the relevant Manager or General Manager.

RIGHTS OF OFFICERS, COUNCILLORS AND CEO

In the case where complaints are made about Officers, Councillors and the CEO, the right to provide evidence to the investigation will be offered ensuring natural justice.

WHO DO I CONTACT TO RECEIVE ASSISTANCE?

Complainants who require assistance to prepare their complaint should contact the General Manager Corporate Services by telephoning **(03) 5348 2306** or send an email to **shire@hepburn.vic.gov.au**.

The General Manager Corporate Services can clarify the complaint process and assist you to determine if you should lodge a Complaint, Request, Insurance Claim, Protected Disclosure, Planning Objection or Appeal, a By-Laws dispute or feedback related to Section 86 Committees or proposals for public comment.

HOW LONG WILL IT TAKE?

Acknowledgement of receipt of a complaint will be issued within 2 working days to the complainant.

Outcome of complaints will be formally communicated back to the complainant within 15 working days of receipt of the complaint.

It is important to understand that some matters are not categorised as complaints or Council may not have the jurisdiction to resolve the complaint (for example, the matter may be in a State Government related area).

CUSTOMER COMPLAINT FORM

Name;

Postal Address:

Residential Address;

Telephone – B/H

Mobile

Email:

Details of complaint:

I request that you review my complaint: *(Please attached any/all relevant information)*

What would be your preferred outcome? *(Must be completed)*

Client's Signature:

Date:

OFFICE USE ONLY

Action Officer:

Date:

TRIM Ref:

Has the complaint been resolved?

Yes / No

(Details of action taken must be attached)

The Mayor declared a comfort break of 5 minutes at 8:29pm.

The Meeting resumed at 8:34pm.

11.11. REVIEW OF POLICY 30 – PRIVACY POLICY

CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Chief Executive Officer, I Aaron van Egmond have no interests to disclose in this report.

PURPOSE

The purpose of this report is to recommend that Council adopts the updated Council Policy 30 – Privacy Policy.

BACKGROUND

The Privacy Policy was last reviewed in April 2011.

ISSUE/DISCUSSION

Hepburn Shire Council believes that the responsible handling of personal and health information is a key aspect of democratic governance, and is strongly committed to protecting an individual's right to privacy.

Accordingly, Council is committed to full compliance with its obligations under the *Information Privacy Act 2000* (Vic) (Privacy Act) and the *Health Records Act 2001* (Vic) (Health Act). In particular, Council will comply with the Information Privacy Principles and the Health Privacy Principles contained within these Acts.

The Privacy Policy explains some of these principles and how they will apply.

No major changes have been made to the Privacy Policy.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Policy 30 – Privacy Policy has been reviewed to ensure relevance and consistency with legislation and other policies.

The Privacy Policy details Council's responsibility under the *Information Privacy Act 2000* (Vic) (Privacy Act) and the *Health Records Act 2001* (Vic) (Health Act).

FINANCIAL IMPLICATIONS

No financial implications noted.

RISK IMPLICATIONS

Ensuring that officers are aware of the requirements of the *Information Privacy Act 2000* (Vic) (Privacy Act) and the *Health Records Act 2001* (Vic) (Health Act) will minimise risk implications associated with collecting and storing personal information.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

The adoption and communication of the Privacy Policy provides the community with reassurance that all personal information collected by Council will only be used for its intended purpose.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

As per the Hepburn Shire Community Engagement Framework, Level 1 Community engagement will be undertaken. This information will be made available to the public via the minutes published on the Council's website. The Policy will also be available for inspection on the Council's website once approved.

CONCLUSION

The revised Privacy Policy is recommended for adoption.

OFFICER'S RECOMMENDATION

That Council:

- 11.11.1 Adopts Policy 30 – Privacy Policy – September 2014.
- 11.11.2 Makes Policy 30 – Privacy Policy – September 2014 available for public inspection on Council's website.

MOTION

That Council:

- 11.11.1 Adopts Policy 30 – Privacy Policy – September 2014.*
- 11.11.2 Makes Policy 30 – Privacy Policy – September 2014 available for public inspection on Council's website.*

Moved: Councillor Kate Redwood
Seconded: Councillor Pierre Niclas
Carried.

ATTACHMENT 6 - POLICY 30 – PRIVACY POLICY

POLICY NUMBER:	30
NAME OF POLICY:	PRIVACY POLICY
DATE AMENDED:	September 2014
DATE OF NEXT REVIEW:	September 2018
DATE APPROVED:	16 September 2014
RESPONSIBLE OFFICER:	General Manager Corporate Services
REFERENCES:	Information Privacy Act 2000 (Vic) Health Records Act 2001 (Vic)

Best Value Principles

Hepburn Shire Council has the responsibility to provide its ratepayers with best value, with all services provided by Council meeting the expectations in terms of quality and cost. In providing this, all services need to be accessible, responsive to the needs of the community, considerate of the natural environment and subject to continuous improvement.

To achieve the best over life outcome for Council's expenditures, which meets quality and service expectations, there will be periodic review of services against best on offer in both the public and private sectors.

All Council staff members are responsible for supporting best value principles in their normal day to day actions to ensure services are recognised by the community as delivering best value.

INTRODUCTION

To state Council's commitment to the 10 Information Privacy Principles as listed in the Information Privacy Act 2000 (Vic) and the Health Privacy Principles contained in the Health Records Act 2001 (Vic) and to clearly state that Council will only collect required information and Council will use information only for the purposes for which it was collected and Council will safeguard any personal information held.

Any enquiries regarding this policy should be directed to Council's General Manager Corporate Services.

SCOPE

Information Privacy Act 2000 (Vic) & Health Records Act 2001 (Vic)

The Information Privacy Act 2000 (Vic) is legislation that requires state and local Government agencies to protect the rights of the individual by complying with standardised guidelines in the collection and maintenance of information. The protections provided by the Act are based on 10 Information Privacy Principles

PURPOSE

Hepburn Shire Council believes that the responsible handling of personal and health information is a key aspect of democratic governance, and is strongly committed to protecting an individual's right to privacy. Accordingly, Council is committed to full compliance with its obligations under the Information Privacy Act 2000 (Vic) (Privacy Act) and the Health Records Act 2001 (Vic) (Health Act). In particular, Council will comply with the Information Privacy Principles and the Health Privacy Principles contained in these Acts. This Privacy Policy explains some of these Principles and how they will apply.

DEFINITION

What is Personal and Health Information?

This Policy applies to both personal and health information held by Council.

Personal Information is information about an individual. This information or opinion, whether true or not, can be recorded in any form and will allow the identification of that individual.

For example, Council holds personal information about its ratepayers (e.g. names and addresses) in order to carry out its functions (e.g. planning, valuation and property services). It may also request personal information in order to provide education, welfare and other community services (e.g. aged-care services). In some instances, personal information may be contained on a public register (register of building permits, food premises and animal registration details).

Health Information is broadly defined to include information or an opinion about the physical, mental or psychological health of an individual, a disability, an individual's expressed wishes for future provision of health services or any health service provided to an individual, or other information collected to provide or in providing a health service.

For example, Council may request health information in order to provide community service needs (e.g. Aged Care Service).

Some personal information may also be "sensitive information" as defined in the Privacy Act. Sensitive information includes information like an individual's racial or ethnic origin, religious beliefs, membership of groups or criminal record (relates only to staff members or volunteers in sensitive areas).

POLICY

What information will Council collect?

Council will only collect personal and health information that is necessary for its functions and activities and will do so in lawful and fair manner.

In regards to personal and health information, Council will only collect sensitive information where consent has been given or otherwise as permitted by law.

Under normal circumstances Council must collect personal information about an individual only from that individual. However, if Council collects personal information about an individual from someone else, Council must take all reasonable steps to ensure that individual is informed of his or her rights relating to the information collected.

Individuals will have the option of not identifying themselves when supplying information or entering into transactions with Council wherever it is lawful and practicable.

How will the information be used?

Council will only use or disclose personal and health information for the purpose for which it was collected. Council staff will treat personal and health information confidentially. If Council needs to share information for any other purpose than for which it was collected, agreement will be sought before doing so (unless otherwise required by law).

Council will take reasonable steps to ensure that all personal and health information collected, used or disclosed is accurate, complete and up to date.

How will information remain secure?

Council will maintain secure systems for storing personal and health information. Council will also maintain operational policies and procedures to protect personal and health information from misuse and loss and from unauthorised modification or disclosure. Council will destroy or de-identify personal and health information if it is no longer needed for any purpose or as required by law.

What rights do individuals have to access or correct information?

Individuals have a right to seek access to their personal and health information and make corrections. Access and correction will be handled under the Victorian Freedom of Information Act. Some limits may apply where particular circumstances prevent Council from releasing information. If any limits apply, this will be explained.

If personal and health information is inaccurate, incomplete, misleading or out of date, the individual may request Council to correct this information. Personal and health information cannot be removed from records, but a correcting statement may be added.

Requests for access and/or correction of personal and health information, should be made to Council's Privacy Officer Telephone 5321 6450.

What if Council services are serviced by third party contractors?

Council does outsource some of its functions to third party contractors. All third party contractors will be required to comply with the Acts in all respects.

How are complaints handled?

Complaints in relation to privacy and confidentiality will be handled by Council's Privacy Officer Telephone 5321 6450. Complaints will be investigated and a written response will be provided as soon as possible (but no later than 45 days). If an individual is not satisfied with the way in which

Council handles information or deals with a complaint, a formal complaint can be made to the relevant Commissioner.

Privacy Victoria

Complaints and Information
Telephone: (61 3) 8619 8719
Toll Free: 1300 666 444
Fax No.: (61 3) 8619 8700

E-mail: enquiries@privacy.vic.gov.au

or write to:

Victorian Privacy Commissioner
Level 11
10-16 Queen Street
Melbourne. 3000
Victoria, Australia

Health Services Commissioner

Complaints and Information
Telephone: (61 3) 8601 5200
Toll Free: 1800 136 066
Fax No.: (61 3) 8601 5219

E-mail: hsc@health.vic.gov.au

or write to:

Health Services Commissioner
30th Floor
570 Bourke Street
Melbourne. 3000
Victoria, Australia

FURTHER INFORMATION

Any enquiries about this Privacy Policy should be directed to Council's Privacy Officer Telephone 5321 6450.

IMPLEMENTATION

Adopted policies are placed on the internet for public access.

REVIEW

The Privacy policy will be reviewed every four years or sooner if required by legislation. The officer responsible for the review of this policy is the General Manager Corporate Services.

11.12. REVIEW OF POLICY 16.1 - HERITAGE LOANS POLICY

CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Manager Planning, I Justin Fiddes have no interests to disclose in this report.

PURPOSE

The purpose of this report is to recommend that Council adopts the revised Heritage Loans Policy 16.1 (C) September 2014.

BACKGROUND

Council's Heritage Loans Policy was adopted in September 2013, to be reviewed in September 2014. This policy seeks to provide guidance on loans for heritage related works undertaken in Hepburn Shire.

ISSUE/DISCUSSION

Information about the heritage loans policy is available on Council's website along with application forms. No applications for a loan were submitted to Council for consideration between September 2013 and September 2014.

A copy of the Heritage Loans Policy is attached (Attachment 8).

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Not applicable

FINANCIAL IMPLICATIONS

Council has made a contribution of \$20,000 for the scheme.

RISK IMPLICATIONS

Standard debt collection procedures are to be followed in cases where loan repayments are in default.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

The Heritage Loans Policy provides a loans scheme to allow for the restoration of important heritage and conservation places in Hepburn Shire.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Information about the heritage loans policy is available on Council's website along with application forms.

CONCLUSION

The Heritage Loans Policy should continue to be made available for loans for the restoration of heritage and conversation places in Hepburn Shire. The policy should be made available for public inspection on Council's website.

OFFICER'S RECOMMENDATION

That Council:

- 11.12.1 Adopts Policy 16.1- Heritage Loans Policy – September 2014.
- 11.12.2 Makes Policy 16.1 – Heritage Loans Policy – September 2014 available for public inspection on Council's website.

MOTION

That Council:

- 11.12.1. Adopts Policy 16.1 – Heritage Loans Policy – September 2014.*
- 11.12.2. Makes Policy 16.1 – Heritage Loans Policy – September 2014 available for public inspection on Council's website.*

Moved: Councillor Bill McClenaghan
Seconded: Councillor Neil Newitt
Carried.

ATTACHMENT 7 - POLICY 16.1 – HERITAGE LOANS POLICY

POLICY NUMBER: 16.1

NAME OF POLICY: HERITAGE LOANS POLICY

DATE AMENDED: September 2014

DATE OF NEXT REVIEW: September 2018

DATE APPROVED: 16 September 2014

RESPONSIBLE OFFICER: Manager Planning

REFERENCES:

Best Value Principles

Hepburn Shire Council has the responsibility to provide its ratepayers with best value, with all services provided by Council meeting the expectations in terms of quality and cost. In providing this, all services need to be accessible, responsive to the needs of the community, considerate of the natural environment and subject to continuous improvement.

To achieve the best over life outcome for Council's expenditures, which meets quality and service expectations, there will be periodic review of services against best on offer in both the public and private sectors.

All Council staff members are responsible for supporting best value principles in their normal day to day actions to ensure services are recognised by the community as delivering best value.

INTRODUCTION

This policy seeks to provide guidance on loans for heritage related works undertaken in Hepburn Shire.

SCOPE

The Scope of the Policy is:

- To promote the conservation and protection of heritage places in the Shire by the provision of financial assistance to worthy conservation projects.
- To provide a loan scheme, which will fund, wholly or partly, restoration works to buildings, sites or objects listed in the Hepburn Planning Scheme's Heritage Overlay.

PURPOSE

This policy provides guidelines to the Council, loan recipients and ratepayers of the Hepburn Shire in the administration of the Hepburn Shire Council's Heritage Loans Scheme, particularly in respect of:

- The type of projects and applicants, which are eligible to receive a loan.
- The terms and conditions under which agreements will be entered into.
- The accountability of each party.
- The monitoring of the scheme.

DEFINITION

Applications for funds under this scheme will only be considered if they meet the following criteria:

- The project involves carrying out work on;
 1. A heritage asset, object or place listed in the Hepburn Planning Scheme's Heritage Overlay, or
 2. A heritage asset, object or place proposed for inclusion in the Heritage Overlay.
- Where the work to be funded is external and will be visible from the public realm or is otherwise necessary to conserve the significant fabric.
- Will be likely to comply with the requirements of the Heritage Overlay.
- or the project involves other recommendations from the Hepburn Shire Council's Heritage Advisor.

- Where all proposed works are adequately documented by the applicant to the satisfaction of the Heritage Advisor and are likely to receive relevant permits

Funds will not be made available for:

- Projects which involve undertaking research, recording and documentation of heritage places.
- The applicant's own labour.
- The payment of building insurance.
- Works that have been completed or are in progress prior to the lodgement of an application under the Heritage Loans Policy.
- Planning and Building permit fees.

POLICY

The Hepburn Shire Council will make available funds of \$20,000.00 for the scheme. The balance of funds remaining in the pool at each financial year's end will be credited forward to the Scheme.

The funding arrangements are to be reviewed at the end of each financial year.

ELIGIBILITY CRITERIA OF THE APPLICANT

The applicant must:

- Be the owner or occupier of the place or object.
- Or have the written consent of the owner for the lodgement of the application and conduct of the works.
- Have the ability to fulfill the requirements of the loan contract as determined by Council at its discretion.

AVAILABILITY OF SCHEME

Council will advertise the availability of the Heritage Loans Scheme and call for applications annually to be considered in July of every year, subject to the availability of funds.

ADVERTISING OF THE SCHEME

Hepburn Shire Council will publicise the availability of the loan funds and undertake any steps necessary to provide the ratepayers and constituents of Hepburn Shire with information regarding the availability of the loan scheme.

ASSESSMENT AND DECISIONS IN RESPECT OF APPLICATIONS

Applications will be assessed by the Council's Heritage Advisor and Council Officers. A recommendation will be given to Council's Chief Executive Officer to make a determination of any application/s received.

REPORTING REQUIREMENTS

Council officers will report on the progress of the Scheme to Council at the end of each financial year.

TERMS OF THE LOAN AGREEMENT

Principal

The minimum amount of any loan is \$1,000.

The maximum amount of any loan is \$7,000.

Payment to contractors

10% of any payments to contractors is to be withheld by the applicant subject to the satisfactory completion of the works as determined by Council.

Duration

The maximum term for the loan repayment is 24 months. The term will be determined during the approval process.

However, the maximum loan term for a loan of \$1,000 (the minimum amount for a loan) shall be 12 months from the final payment.

Repayments

Loans are to be repaid monthly or at other agreed intervals over the term of the loan.

Repayment method to be determined by agreement prior to approval of any loan.

Interest rate

The interest rate will be fixed for the period of the loan and will be set at the Reserve Bank of Australia official cash rate applicable at the time of the loan.

Use of funds

Funds are not to be used for the applicant's own labour.

Funds can only be used for works described in the letter of approval.

Defaults in conduct of the works

Should the works not be carried out satisfactorily as determined by Council and/or are not in accordance with any planning or building permit obtained, Council may give notice, in accordance with the provisions of the agreement [see following clause], of its intention to terminate the agreement.

Defaults in repayment

If the recipient of a loan should make unreasonable default in the repayment of the loan, or performance of the works, Council shall give seven days notice of its intent to terminate the loan agreement. Upon the expiry of the seven days the whole of the moneys owing shall become payable and recoverable as a debt due to the Council.

APPLICATION INFORMATION

Applicants will be required to submit the following information:

- A completed application request.
- Proof of ownership or occupation of the place, object, asset or property. This can include a recent copy of the Certificate of Title, or in the case of an occupier written approval from the owner (along with Certificate of Title as before).
- Proof of ability to repay the loan such as payslips, business activity statement, bank statement and details of existing borrowings and other financial commitments, all as required by Council.
- A description of the proposed works, which are the subject of the loan application including the extent and nature of the works.
- If available, a copy of the relevant planning permit and/or building permit, which has been issued for the proposed works.
- Any architectural, archaeological or horticultural reports where appropriate.
- Photographs of the existing condition of the object or place.
- Two quotes or costs estimates from appropriately registered and experienced builders/contractors.
- Identification of any works to be carried out using the applicant's own labour.
- Where painting involving a change of colour scheme is proposed, samples of the proposed colours and their locations.

.APPLICATION

The application is to be in the form of a written request to Hepburn Shire Council.

LOAN CONTRACT

The loan contract shall be binding between the two parties to the satisfaction of Council.

AMENDMENTS TO THIS POLICY

Amendments to this policy shall be approved by Hepburn Shire Council.

11.13. RECORD OF ASSEMBLIES OF COUNCILLORS – AUGUST 2014
CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Governance and Corporate Support Officer, I Mary Dancuk have no interests to disclose in this report.

PURPOSE

The purpose of this report is for Council to receive and note Assemblies of Councillors.

BACKGROUND

The Local Government Act 1989 defines Assembly of Councillors as

...a meeting of an advisory committee of the Council, if at least one Councillor is present, or a planned or scheduled meeting of at least half of the Councillors and one member of Council staff which considers matters that are intended or likely to be

- (a) the subject of a decision of the Council; or*
- (b) subject to the exercise of a function, duty or power of the Council that has been delegated to a person or committee –*

but does not include a meeting of the Council, a special committee of the Council, an audit committee established under Section 139, a club, association, peak body, political party or other organisation;

Assemblies of Councillors		
Date	Location	Committee Name
5 August 2014	Council Chamber, Daylesford	Councillor Briefing
19 August 2014	Council Chamber, Daylesford Town Hall	Councillor/CEO Meeting
19 August 2014	Council Chamber, Daylesford Town Hall	Pre Council Meeting Briefing

ISSUE / DISCUSSION

1. The *Local Government Act 1989* (as amended) requires the record of an Assembly of Councillors to be reported at an Ordinary meeting of the Council.
2. The *Local Government Act 1989* (as amended) requires the record of an Assembly of Councillors to be incorporated in the minutes of that Council Meeting.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Local Government Act 1989, Section 80A

FINANCIAL IMPLICATIONS

Nil

RISK IMPLICATIONS

There are implications with regards to Council's compliance with the *Local Government Act 1989* (as amended) if written records of Councillor Assemblies are not reported to Council.

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

The inclusion of the attached record of Councillor Assemblies in the Council Agenda and their availability to the public will increase awareness of the activities of Council and could increase community involvement in decision making at Council level.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Using Council's adopted Community Engagement Framework, International Public Participation Consultation, this report presents information via the Council Agenda.

CONCLUSION

Information provided for noting.

OFFICER'S RECOMMENDATION

11.13.1 That Council receives and notes the Records of Assemblies of Councillors for the month of August 2014.

MOTION

11.13.1. *That Council receives and notes the Records of Assemblies of Councillors for the month of August 2014.*

Moved: Councillor Sebastian Klein

Seconded: Councillor Kate Redwood

Carried.

ATTACHMENT 8 - RECORDS OF ASSEMBLIES OF COUNCILLORS – AUGUST
2014

RECORD OF ASSEMBLY OF COUNCILLORS

This record is required under Section 80A of the *Local Government Act 1989*

Title of Meeting: Councillor Briefing

Date: Tuesday 5 August 2014

Time: ~~11:15am~~ 11:22 AM

Venue: Council Chamber Daylesford
 Senior Citizens Centre Daylesford
 Other (specify)

Councillors present:

Cr Pierre Niclas @ 11:48 AM ✓
 Cr Kate Redwood ✓
 Cr Neil Newitt ✓
 Cr Sebastian Klein ✓

Cr Don Henderson ✓
 Cr Greg May Apology
 Cr Bill McClenaghan ✓

Members of Council Staff present:

CEO Aaron van Egmond
 GM Community Services Kathleen Brannigan
 GM Infrastructure Bruce Lucas
 Acting GM Corporate Services, Paul Brumby

Other, please specify:
 Manager Community & Economic Development, Adam McSwain 11:51
 Manager Strategic Asset Management, Grant Schuster
 Manager Planning, Justin Fiddes
 Planning Co-ordinator, Louise Johnston
 Rebecca Pedretti 11:57

Conflict of Interest Disclosures:

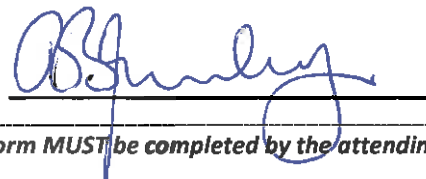
Councillor Name	Time Left and Returned
CR REDWOOD	11:22 → 11:57 AM

Matters Considered:

Agenda Attached

Name and title of Officer responsible for this written record:

CEO Aaron van Egmond
 GM Community Services Kathleen Brannigan
 GM Infrastructure Bruce Lucas
 Acting GM Corporate Services, Paul Brumby
 Other, please specify:

Signature: 

Note: This form MUST be completed by the attending Council Officer and returned immediately to Governance Officer for filing.

Tuesday 2 September 2014
 Council Chamber, Daylesford Town Hall
 11:00am

PRESENT: Councillors Don Henderson, Sebastian Klein, Greg May,
 Bill McClenaghan, Neil Newitt, Pierre Niclas

Officers Chief Executive Officer, General Manager
 Community Services, General Manager
 Infrastructure and other officers as required

CHAIR: Mayor Cr Don Henderson

APOLOGIES: Cr Kate Redwood AM

No.	Time		Agenda Item	Presenter	No.
1.	11:00am	Report	Boathouse Café Lease, Lake Daylesford – Request by Spa Country Pty Ltd to Vary Minimum Operating Hours	Projects Co-ordinator	Page 3
2.	11:30am	Report	Central Highlands Regional Transport Strategy 2014 Attachment 1	General Manager Infrastructure	Page 5 Page 9
3.	12:00pm	Verbal Presentation	Community Grants Program	Manager Community and Economic Development	Page 43
4.	12:30pm	Verbal Presentation	Trentham Hub	General Manager Community Services	Page 44
	1:00pm		Lunch Break Lunch will be provided		
5.	1:30pm	Report	Proposed Transfer of Meals on Wheels Funding to Hepburn Health Service	General Manager Community Services	Page 45

No.	Time	Agenda Item		Presenter	No.
6.	2:00pm	Report	Review of Policy 64 (C) – Complaints Handling Policy	Acting General Manager Corporate Services	Page 47 Page 49 Page 56
			Attachment 2		
			Attachment 3		
7.	2:30pm	Report	Review of Policy 30 (C) – Information Privacy	Acting General Manager Corporate Services	Page 61 Page 62
			Attachment 4		
8.	2:45pm	Report	Renewal of Caretaker’s Agreement and Outside Camping Agreement – Jubilee Lake Recreation Reserve	Property Officer	Page 68
	3.15pm	Break			
9.	3:45pm	Report	Heritage Advisory Committee – Nominations	Manager Planning	Page 70
10.	4:00pm	Verbal Presentation	Heritage Loans Policy	Manager Planning	Page 72
11.	4:15pm	Verbal Presentation	Planning Update VCAT Update	Manager Planning	Page 73
12.	4:30pm	Report	Hepburn Bathhouse – Belgravia’s Compensation Claim and Record of Understanding of Settlement	Chief Executive Officer Manager Strategic Asset Management	Page 74 Page 77 Page 86 Page 89
			Attachment 5		
			Attachment 6		
			Attachment 7		
13.	5:00pm	CLOSE OF MEETING			Page 104

DISCLOSURE OF CONFLICT OF INTEREST

I, Councillor Kate Redwood hereby disclose
a conflict of interest in the following matter Hepburn wind rats

This matter is being considered at a meeting of

- Council Meeting
- Councillor Briefing
- Special Committee
- Audit and Risk Advisory Committee
- Assembly of Councillors

on 5/8/2014

The class of the interest is (tick appropriate box)

- a direct interest
- OR
- an indirect interest (see below)

Please select from the following types of indirect interest:

- Indirect interest - close association (section 78)
- Indirect financial interest (section 78A)
- Indirect interest – conflicting duty (section 78B)
- Indirect interest – applicable gift(s) (section 78C)
- Indirect interest – party to matter (civil proceedings) (section 78D)
- Indirect interest – impact on residential amenity (section 78E)

NB All references to sections are references to sections in the *Local Government Act 1989*.

The nature of the interest is as follows:

has a division of Hepburn wind farm 2010-2012
and wind shaver in Hepburn wind

Print Name: Kate Redwood

Signed: Kate Redwood

Date: 5/8/2014

RECORD OF ASSEMBLY OF COUNCILLORS

This record is required under Section 80A of the *Local Government Act 1989*

Title of Meeting: Councillor/CEO Meeting

Date: Tuesday 19 August 2014

Time: 2:00 pm

Venue: Council Chamber Daylesford
 Senior Citizens Centre Daylesford
 Other (specify) – Yandoit Mechanics Institute

Councillors present:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Cr Pierre Niclas | <input checked="" type="checkbox"/> Cr Don Henderson |
| <input checked="" type="checkbox"/> Cr Kate Redwood | <input checked="" type="checkbox"/> Cr Greg May |
| <input checked="" type="checkbox"/> Cr Neil Newitt | <input checked="" type="checkbox"/> Cr Bill McClenaghan |
| <input checked="" type="checkbox"/> Cr Sebastian Klein | |

Members of Council Staff present:

- | | |
|---|--|
| <input checked="" type="checkbox"/> CEO Aaron van Egmond | <input type="checkbox"/> GM Infrastructure Bruce Lucas |
| <input type="checkbox"/> A/GM Corporate Services Paul Brumby | <input type="checkbox"/> Other, please specify: |
| <input type="checkbox"/> GM Community Services Kathleen Brannigan | |

Conflict of Interest Disclosures:

Councillor Name	Time Left and Returned
Cr Kate Redwood	3.33pm - 3.39pm
S. Hepburn Wind.	

Matters Considered:

Agenda Attached

Name and title of Officer responsible for this written record:

- | | |
|---|--|
| <input checked="" type="checkbox"/> CEO Aaron van Egmond | <input type="checkbox"/> GM Infrastructure Bruce Lucas |
| <input type="checkbox"/> A/GM Corporate Services Paul Brumby | <input type="checkbox"/> Other, please specify: |
| <input type="checkbox"/> GM Community Services Kathleen Brannigan | |

Signature: 

Note: This form MUST be completed by the attending Council Officer and returned immediately to Governance Officer for filing.

COUNCILLOR + CEO MEETING

Tuesday 19 August 2014

Council Chambers

2:00PM

PRESENT: Councillors Don Henderson, Kate Redwood AM, Pierre Niclas, Neil Newitt, Greg May, Bill McClenaghan, Sebastian Klein
CEO, Aaron van Egmond

CHAIR: Councillor Don Henderson

APOLOGIES: N/A

No.	Time	Agenda Item	Presenter
1.	2:00PM	Verbal Briefings without reports or documentation.	Cr Bill McClenaghan
2.		Representing correct names to politicians	Cr Bill McClenaghan
3.		Smeaton School update	Cr Greg May
4.		Whealers Hill – VCAT Appeal.	Cr Greg May
5.		Hepburn Wind	Aaron van Egmond
6.		Small Town Signage	Cr Greg May

DISCLOSURE OF CONFLICT OF INTEREST

I, Councillor Kate Redwood hereby disclose
a conflict of interest in the following matter Hepburn kind rats

This matter is being considered at a meeting of

- Council Meeting
- Councillor Briefing
- Special Committee
- Audit and Risk Advisory Committee
- Assembly of Councillors

on 19 August 2014

The class of the interest is (tick appropriate box)

- a direct interest
- OR**
- an indirect interest (see below)

Please select from the following types of indirect interest:

- Indirect interest - close association (section 78)
- Indirect financial interest (section 78A)
- Indirect interest – conflicting duty (section 78B)
- Indirect interest – applicable gift(s) (section 78C)
- Indirect interest – party to matter (civil proceedings) (section 78D)
- Indirect interest – impact on residential amenity (section 78E)

NB All references to sections are references to sections in the *Local Government Act 1989*.

The nature of the interest is as follows:

Shareholder + previous Director 2010-12

Print Name: KATE REDWOOD
Signed: [Signature]
Date: 19/8/2014

RECORD OF ASSEMBLY OF COUNCILLORS

This record is required under Section 80A of the *Local Government Act 1989*

Title of Meeting: Pre Council Meeting Briefing

Date: Tuesday 19 August 2014

Time: 3:30 pm

Venue: Council Chamber Daylesford
 Senior Citizens Centre Daylesford
 Other (specify)

Councillors present:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Cr Don Henderson | <input checked="" type="checkbox"/> Cr Greg May |
| <input checked="" type="checkbox"/> Cr Kate Redwood AM | <input checked="" type="checkbox"/> Cr Neil Newitt |
| <input checked="" type="checkbox"/> Cr Sebastian Klein | <input checked="" type="checkbox"/> Cr Pierre Niclas |
| <input checked="" type="checkbox"/> Cr Bill McClenaghan | |

Members of Council Staff present:

- | | |
|--|--|
| <input checked="" type="checkbox"/> CEO Aaron van Egmond | <input checked="" type="checkbox"/> Other, please specify: |
| <input checked="" type="checkbox"/> A/GM Corporate Services Paul Brumby | Manager Community & Economic |
| <input checked="" type="checkbox"/> GM Community Services Kathleen Brannigan | Development, Adam McSwain |
| <input checked="" type="checkbox"/> GM Infrastructure Bruce Lucas | Manager Planning, Justin Fiddes |
| | Manager Strategic Asset Management,
Grant Schuster |

Conflict of Interest Disclosures:

Councillor Name	Time Left and Returned

Matters Considered:

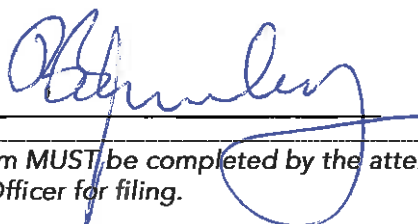
Council Meeting Agenda – Tuesday 19 August 2014

Agenda Attached

Name and title of Officer responsible for this written record:

- | | |
|---|---|
| <input type="checkbox"/> CEO Aaron van Egmond | <input type="checkbox"/> Other, please specify: |
| <input checked="" type="checkbox"/> A/GM Corporate Services Paul Brumby | |
| <input type="checkbox"/> GM Community Services Kathleen Brannigan | |
| <input type="checkbox"/> GM Infrastructure Bruce Lucas | |

Signature: _____



Note: This form **MUST** be completed by the attending Council Officer and returned immediately to Governance Officer for filing.

DISCLOSURE OF CONFLICT OF INTEREST

I, Councillor DON HENDERSON hereby disclose
a conflict of interest in the following matter CREGGWICK CUBE.

This matter is being considered at a meeting of

- Council Meeting
- Councillor Briefing
- Special Committee
- Audit and Risk Advisory Committee
- Assembly of Councillors

on 19/8/2014

The class of the interest is (tick appropriate box)

- a direct interest
- OR**
- an indirect interest (see below)

Please select from the following types of indirect interest:

- Indirect interest - close association (section 78)
- Indirect financial interest (section 78A)
- Indirect interest – conflicting duty (section 78B)
- Indirect interest – applicable gift(s) (section 78C)
- Indirect interest – party to matter (civil proceedings) (section 78D)
- Indirect interest – impact on residential amenity (section 78E)

NB All references to sections are references to sections in the *Local Government Act 1989*.

The nature of the interest is as follows:

SPOUSE IS A PRESIDENT of
C.A.D.R.A.

Print Name: DON HENDERSON

Signed: [Signature]

Date: 19/8/2014

12. COUNCIL SPECIAL COMMITTEES (SECTION 86)

12.1. MINUTES OF SPECIAL COMMITTEES (SECTION 86)

CHIEF EXECUTIVE OFFICER

In providing this advice to Council as the Governance and Corporate Support Officer, I Mary Dancuk have no interests to disclose in this report.

PURPOSE

The purpose of this report is for Council to note the minutes and recommendations from Council's Special (Section 86) Committees.

BACKGROUND

Special committees are established by Council and their function and responsibilities outlined in an Instrument of Delegation. Under the Instrument of Delegation, special committees are required to maintain minutes of meetings held and provide a copy of the minutes to Council for review.

ISSUE/DISCUSSION

Please see listed below the minutes and other reports of Special Committees, as provided by the Committees over the past month, for your information:

- Minutes from the Lyonville Hall Special Committee – 15/07/2014.
- Minutes from the Creswick Museum Special Committee – 04/08/2014
- Minutes from the Lee Medlyn Home of Bottles Special Committee – Annual General Meeting - 06/08/2014.
- Minutes from the Lee Medlyn Home of Bottles Special Committee – General Meeting - 06/08/2014.
- Minutes from The Warehouse – Clunes Special Committee – 21/08/2014.
- Minutes from the Drummond Hall Special Committee – Annual General Meeting – 29/08/2014.
- Minutes from the Drummond Hall Special Committee – General Meeting – 29/08/2014.

These minutes have been previously provided to Councillors under a separate cover.

The following advice has been received by Council and is presented for consideration:

- **Creswick Museum Special Committee – Resignation of Recently Appointed Committee Member**
Mr Doug McCallum has tendered his resignation from the Creswick Museum Special Committee effective from 1 September 2014 as he feels he does not have the knowledge to deal with the requirements 'relating

to the microcosm of the museums world...'. However, Mr McCallum is happy to help the Creswick Museum in other ways, such as the working bee to clean out the storeroom.

It is recommended that Council accepts Mr McCallum's resignation and thanks him for his willingness to help the Creswick Museum in other ways.

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 have been provided for noting.

OFFICER'S RECOMMENDATION

That Council:

- 12.1.1 Receives and notes the following minutes of the Special Committees (Section 86) which have been distributed under separate cover:
- Minutes from the Lyonville Hall Special Committee – 15/07/2014.
 - Minutes from the Creswick Museum Special Committee – 04/08/2014.
 - Minutes from the Lee Medlyn Home of Bottles Special Committee – Annual General Meeting - 06/08/2014.
 - Minutes from the Lee Medlyn Home of Bottles Special Committee – General Meeting - 06/08/2014.
 - Minutes from The Warehouse – Clunes Special Committee – 21/08/2014.

- Minutes from the Drummond Hall Special Committee – Annual General Meeting – 29/08/2014.
- Minutes from the Drummond Hall Special Committee – General Meeting – 29/08/2014.

12.1.2 Accepts the resignation from Mr Doug McCallum from the Creswick Museum Special Committee and thanks him for his willingness to help the Creswick Museum in other ways.

MOTION

That Council:

- 12.1.1. *Receives and notes the following minutes of the Special Committees (Section 86) which have been distributed under separate cover:*
- *Minutes from the Lyonville Hall Special Committee – 15/07/2014.*
 - *Minutes from the Creswick Museum Special Committee – 04/08/2014.*
 - *Minutes from the Lee Medlyn Home of Bottles Special Committee – Annual General Meeting - 06/08/2014.*
 - *Minutes from the Lee Medlyn Home of Bottles Special Committee – General Meeting - 06/08/2014.*
 - *Minutes from The Warehouse – Clunes Special Committee – 21/08/2014.*
 - *Minutes from the Drummond Hall Special Committee – Annual General Meeting – 29/08/2014.*
 - *Minutes from the Drummond Hall Special Committee – General Meeting – 29/08/2014.*
- 12.1.2. *Accepts the resignation from Mr Doug McCallum from the Creswick Museum Special Committee and thanks him for his willingness to help the Creswick Museum in other ways.*

Moved: Councillor Sebastian Klein
Seconded: Councillor Neil Newitt
Carried.

**12.2. APPOINTMENT OF COMMITTEE MEMBER TO THE LEE MEDLYN HOME OF BOTTLES SPECIAL COMMITTEE
CHIEF EXECUTIVE OFFICER**

In providing this advice to Council as the Governance and Corporate Support Officer, I Mary Dancuk have no interests to disclose in this report.

PURPOSE

The purpose of this report is to recommend to Council the appointment of an additional community member to the Lee Medlyn Home of Bottles Special Committee

BACKGROUND

In accordance with current Instrument of Delegation, the Committee shall be comprised of at least seven members.

Council may at any time appoint a member to the Committee.

At its Ordinary Meeting held on 15 July 2014, Council appointed the following persons as members to the Lee Medlyn Home of Bottles Special Committee for a period of two years, commencing after the Annual General Meeting on Wednesday 6 August 2014 until the Annual General Meeting on Wednesday 5 August 2016:

- Ms Jan Turner
- Ms Janet Rowe
- Ms Barbara Webb.

ISSUE/DISCUSSION

Council received an application for committee membership from Ms Cathryn Billing after the recent closing date. Ms Yvonne Yates, Secretary, Lee Medlyn Home of Bottles Special Committee has confirmed the Committee's support for the appointment of Ms Billing to the Committee.

Ms Billing is a local resident, who volunteers with various organisations including the Epilepsy Foundation, Brotherhood of St Laurence, The Warehouse – Clunes and the Clunes Neighbourhood House. She is keen to become a member of the Committee.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Local Government Act 1989 – Council has the power to appoint members to Special Committees of Council.

FINANCIAL IMPLICATIONS

None identified

RISK IMPLICATIONS

None identified

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

No change to current arrangements.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Ms Yvonne Yates, Secretary, Lee Medlyn Home of Bottles has confirmed that the Committee supports the appointment of Ms Billing to the Committee.

CONCLUSION

That Council appoints Ms Cathryn Billing to the Lee Medlyn Home of Bottles Special Committee.

OFFICER'S RECOMMENDATION

That Council:

- 12.2.1 Appoints community member Ms Cathryn Billing to the Lee Medlyn Home of Bottles Special Committee for a period of two years commencing Wednesday 17 September 2014 to the Annual General Meeting on Wednesday 5 August 2016.
- 12.2.2 Pursuant to section 81(2A) of the Local Government Act 1989, exempts the above Special Committee member from being required to submit a primary return or ordinary return.

MOTION

That Council:

- 12.2.1. *Appoints community member Ms Cathryn Billing to the Lee Medlyn Home of Bottles Special Committee for a period of two years commencing Wednesday 17 September 2014 to the Annual General Meeting on Wednesday 5 August 2016.*
- 12.2.2. *Pursuant to section 81(2A) of the Local Government Act 1989, exempts the above Special Committee member from being required to submit a primary return or ordinary return.*

Moved: Councillor Neil Newitt
Seconded: Councillor Sebastian Klein
Carried.

**12.3. APPOINTMENT OF COMMITTEE MEMBER TO THE WAREHOUSE – CLUNES
SPECIAL COMMITTEE
CHIEF EXECUTIVE OFFICER**

In providing this advice to Council as the Governance and Corporate Support Officer, I Mary Dancuk have no interests to disclose in this report.

PURPOSE

The purpose of this report is to recommend to Council the appointment of a representative of the volunteers at The Warehouse – Clunes to The Warehouse – Clunes Special Committee.

BACKGROUND

In accordance with current Instrument of Delegation, the Committee shall be comprised of at least nine members, including two representatives of the volunteers at The Warehouse – Clunes.

At its Ordinary Meeting held on 15 October 2013, Council appointed three community members to the Committee for a period of two years, commencing 31 October 2013 until 31 October 2015.

It was not possible for Council to appoint the volunteer representatives as they did not exist at that time.

ISSUE/DISCUSSION

The Warehouse – Clunes Special Committee received an application from Mrs Dot Keller for the Special Committee position to represent volunteers at The Warehouse – Clunes.

At the meeting of The Warehouse – Clunes Special Committee held on 21 August 2014, the Committee accepted the application for the volunteer position on the Special Committee from Mrs Dot Keller and noted that the application was to be presented to Council for consideration.

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Local Government Act 1989 – Council has the power to appoint members to Special Committees of Council.

FINANCIAL IMPLICATIONS

None identified

RISK IMPLICATIONS

None identified

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

No change to current arrangements,

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The Warehouse – Clunes Special Committees has confirmed its support for the appointment of Mrs Dot Keller to the Committee.

CONCLUSION

That Council appoints Ms Dot Keller to The Warehouse – Clunes Special Committee.

OFFICER'S RECOMMENDATION

That Council:

- 12.3.1 Appoints Mrs Dot Keller to The Warehouse - Clunes Special Committee as a representative of the volunteers at The Warehouse – Clunes for a period of two years commencing Wednesday 17 September 2014 to Monday 31 October 2016.
- 12.3.2 Pursuant to section 81(2A) of the Local Government Act 1989, exempts the above Special Committee member from being required to submit a primary return or ordinary return.

MOTION

That Council:

- 12.3.1. *Appoints Mrs Dot Keller to The Warehouse - Clunes Special Committee as a representative of the volunteers at The Warehouse – Clunes for a period of two years commencing Wednesday 17 September 2014 to Monday 31 October 2016.*
- 12.3.2. *Pursuant to section 81(2A) of the Local Government Act 1989, exempts the above Special Committee member from being required to submit a primary return or ordinary return.*

Moved: Councillor Neil Newitt
Seconded: Councillor Pierre Niclas
Carried.

13. COUNCIL ADVISORY COMMITTEES

13.1. MINUTES OF ADVISORY COMMITTEES

No Minutes were received from Advisory Committees for the month of August 2014.

**13.2. MINERAL SPRINGS RESERVES ADVISORY COMMITTEE
GENERAL MANAGER INFRASTRUCTURE**

In providing this advice to Council as the General Manager Infrastructure, I Bruce Lucas have no interests to disclose in this report.

PURPOSE

The purpose of this report is for Council to establish a new Advisory Committee for all Mineral Springs Reserves under Council's management and adopt the Terms of Reference for this new committee.

BACKGROUND

Following the expiry of the former Hepburn Mineral Springs Reserve Advisory Committee and a review of all Special Committees and Advisory Committees, it was determined to be appropriate to broaden the scope of this advisory committee to encompass all Mineral Springs Reserves that Council is responsible for managing. As a result, Terms of Reference have now been prepared for a Mineral Springs Reserves Advisory Committee (MSRAC).

ISSUE/DISCUSSION

Whilst the previous Advisory Committee has worked very effectively and has been of great support and assistance to Council, it has been limited to the Hepburn Mineral Spring Reserve.

The broadened terms of reference provides an opportunity to harness the community interest and expertise in many of these reserves to inform management decisions.

This report outlines the scope of the advisory committee and membership for the MSRAC. More specific information relating to meeting schedules and election of members is in the attached Terms of Reference.

Scope of the MSRAC - Update Scope

- To provide input/advice to Council/officers/consultants/Victorian Mineral Water Committee and others on maintenance needs/schedules and major projects.
- To provide input/advice to Council/officers/consultants/Victorian Mineral Water Committee on future needs and strategic planning for Mineral Springs Reserves across Hepburn Shire Council including long term improvement programs.
- To assist in sourcing and securing grant funding.

Committee Members

- Councillors (1)
- Council staff (2)
- Department of Environment and Primary Industries (1)
- Community Members (5).

COUNCIL PLAN / LEGISLATIVE COMPLIANCE

Not applicable

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

RISK IMPLICATIONS

Not applicable

ENVIRONMENTAL / SOCIAL / ECONOMIC IMPLICATIONS

Not applicable

COMMUNITY AND STAKEHOLDER ENGAGEMENT

The proposed MSRAC has been discussed with the former Advisory Committee and membership for the new committee will be sought by publicly calling for nominations from community members and key stakeholders.

CONCLUSION

A broadened Terms of Reference provides an opportunity to harness community interest and expertise for all mineral spring reserves under Council's management. This will provide increased levels of advice, relative prioritisation of works and inform future strategic decisions for all mineral spring reserves.

OFFICER'S RECOMMENDATION

That Council:

- 13.2.1 Adopts the Mineral Springs Reserves Advisory Committee - Terms of Reference - September 2014.
- 13.2.2 Authorises Officers to publicly call for nominations for the Mineral Springs Reserves Advisory Committee.

MOTION

That Council:

13.2.1. *Adopts the Mineral Springs Reserves Advisory Committee - Terms of Reference - September 2014.*

13.2.2. *Authorises Officers to publicly call for nominations for the Mineral Springs Reserves Advisory Committee.*

Moved: Councillor Pierre Niclas

Seconded: Councillor Kate Redwood

Carried.

ATTACHMENT 9 - TERMS OF REFERENCE - MINERAL SPRINGS RESERVES
ADVISORY COMMITTEE

MINERAL SPRINGS RESERVES ADVISORY COMMITTEE

DATE AMENDED:	September 2014
DATE OF NEXT REVIEW:	September 2018
DATE ADOPTED:	16 September 2014
RESPONSIBLE OFFICER:	General Manager Infrastructure

Introduction

Council is committed to working with the community to develop and plan delivery of maintenance and capital improvement works for all Mineral Springs Reserves that Council is responsible for managing across the municipality.

Purpose

The Mineral Springs Reserves Advisory Committee (MSRAC) will provide advice to assist Hepburn Shire Council plan for, prioritise and implement maintenance works and major projects across all Mineral Springs Reserves within the given parameters and funding opportunities.

Scope

- To provide input/advice to Council/officers/consultants/Victorian Mineral Water Committee and others on maintenance needs/schedules and major projects.
- To provide input/advice to Council/officers/consultants/Victorian Mineral Water Committee on future needs and strategic planning for Mineral Springs Reserves across Hepburn Shire Council including long term improvement programs.
- To assist in sourcing and securing grant funding.
- The Mineral Springs Reserves considered by this advisory committee are:
 - Hepburn Mineral Spring Reserve, Hepburn

- Central Springs Reserve, Daylesford
- Houston Street Springs, Daylesford
- Thomas Springs, Franklinford
- Glenlyon Recreation Reserve, Glenlyon
- Woolnoughs Road Mineral Spring Reserve, Holcombe
- Jubilee Lake Reserve, Daylesford
- Leitches Creek Spring Reserve, Daylesford

Principles

The MSRAC will act as an advisory body to Council and make recommendations to Council for consideration. Final decision making will rest with Council.

Meetings

Meetings will be held on a four month cycle and will generally be aligned with

- Councils budget development process – December/January
- Project planning and scheduling – April/May
- Financial reporting – August /Sept

Committee support will be provided by a nominated Council officer.

Chair

The Chair will be one of the Councillors appointed to the committee and will be appointed by agreement between the Councillors.

Members of Committee

Councillor membership of the MSRAC will generally be as listed below however other officers may be requested to attend for specific purposes. Councillor membership is by agreement of Councillors. Permanent members will be:

- Hepburn Shire Councillor (1)
- Council Officer – General Manager Infrastructure (1)
- Council Officer - Parks & Gardens Coordinator (1)

- Department of Environment and Primary Industries (1)
- Community Panel Members (5).

Legal Coverage for Members of Committee

Council's Insurance provides indemnity coverage for members of Council Committees who are acting on behalf of Council in good faith and in accordance with the relevant terms of reference.

Quorum

For voting purposes, a quorum will consist of 50% plus 1 of the designated committee membership.

Reporting

The MSRAC will forward minutes of meetings and any recommendations on all projects to be noted by Council at an Ordinary Meeting of Council. Council officers will facilitate reporting requirements.

14. CONFIDENTIAL ITEMS

14.1. CLOSURE OF MEETING TO MEMBERS OF THE PUBLIC

That pursuant to the provisions of Section 89(2) of the Local Government Act 1989, the meeting be closed to the public in order to consider:

- (d) Contractual matters; and
- (h) Any other matter which the Council or special committee considers would prejudice the Council or any person.

RECOMMENDATION

14.1.1 That the meeting be closed to members of the public under Section 89(2) of the Local Government Act 1989, specifically the following sub-sections:

- 89(2)(d) Contractual matters:

Lease of Hepburn Bathhouse to Belgravia Health and Leisure Group Pty Ltd – Settlement and Record of Understanding

Renewal of Caretaker Agreement and Outside Camping Licence – Jubilee Lake Recreation Reserve

Contract H519-2014 – Bald Hills Road, Creswick – Pavement Construction, Bituminous Surfacing , Drainage Construction and Associated Works, Ch 0.050 Km to Ch 1.060 Km and Ch 2.150 Km to Ch 2.550 Km

Contract H519-2014 – McDonalds Road, Clunes – Pavement Construction, Bituminous Surfacing , Drainage Construction and Associated Works, Ch 0.000 Km to Ch 2.570 Km; and

14.1.2 89(2)(h) Any other matter which the Council or Special Committee considers would prejudice the Council or any person:

Appointment of Community Grants Assessment Panel

Appointment of Panel Members - Heritage Advisory Committee.

MOTION

14.1.1. *That the meeting be closed to members of the public under Section 89(2) of the Local Government Act 1989, specifically the following sub-sections:*

- *89(2)(d) Contractual matters:*

Lease of Hepburn Bathhouse to Belgravia Health and Leisure Group Pty Ltd – Settlement and Record of Understanding

Renewal of Caretaker Agreement and Outside Camping Licence – Jubilee Lake Recreation Reserve

Contract H518-2014 – Bald Hills Road, Creswick – Pavement Construction, Bituminous Surfacing, Drainage Construction and Associated Works, Ch 0.050 Km to Ch 1.060 Km and Ch 2.150 Km to Ch 2.550 Km

Contract H519-2014 – McDonalds Road, Clunes – Pavement Construction, Bituminous Surfacing, Drainage Construction and Associated Works, Ch 0.000 Km to Ch 2.570 Km; and

14.1.2. *89(2)(h) Any other matter which the Council or Special Committee considers would prejudice the Council or any person:*

Appointment of Community Grants Assessment Panel

Appointment of Panel Members - Heritage Advisory Committee.

Moved: Councillor Bill McClenaghan

Seconded: Councillor Kate Redwood

Carried.

The Meeting closed to Members of the Public at 8:47pm.

15. RE-OPENING OF MEETING TO PUBLIC

RECOMMENDATION

- 15.1 That Council, having considered the confidential items, re-opens the Meeting to members of the public.

MOTION

15.1. *That Council, having considered the confidential items, re-opens the Meeting to members of the public.*

Moved: Councillor Kate Redwood
Seconded: Councillor Sebastian Klein
Carried.

The Meeting re-opened to Members of the Public at 9:24pm.

In accordance with Council's resolutions, the following information is provided to the public on matters considered during the confidential section of the meeting.

- 14.2.1 *Matters relating to the Lease of Hepburn Bathhouse to Belgravia Health and Leisure Group Pty Ltd were considered.*
- 14.4.1 *That Council appoints the following community members to the Community Grants Assessment Panel for 2014/15 and 2015/16:*
- *Ian Head*
 - *Elizabeth Hak*
 - *Vicki Horrigan.*
- 14.5.1 *That Council appoints the following Heritage Advisory Committee – Panel members until 30 June 2017:*
- *Ellis Judson*
 - *Georgina Meadows*
 - *Michael De Vincentis*
 - *Gael Shannon*
 - *Professor Keir Reeves.*
- 14.6.1 *That Council awards the Tender for Contact H518-2014 – Bald Hills Road, Creswick – Pavement reconstruction, bituminous surfacing and associated works, Ch 0.050 km to Ch 1.060 km & Ch 2.150 km to Ch 2.550 km, for the lump sum of \$412,750.00 to Fulton Hogan Industries Pty Ltd.*
- 14.7.1. *That Council awards the Tender for Contact H519-2014 – McDonalds Road, Clunes – Pavement reconstruction, bituminous surfacing and associated works, Ch 0.000 km to Ch 2.570 km, for the lump sum of \$443,389.00 to Fulton Hogan Industries Pty Ltd.*

16. CLOSE OF MEETING

The Meeting closed at 9:25pm.
