



ORDINARY COUNCIL MEETING

AGENDA

Wednesday 10 April 2019

Commencing at 7.00pm

Wycheproof Supper Room

367 Broadway, Wycheproof

**Anthony Judd
Chief Executive Officer
Buloke Shire Council**

ORDER OF BUSINESS

1. COUNCIL WELCOME AND STATEMENT OF ACKNOWLEDGEMENT

WELCOME

The Mayor Cr Carolyn Stewart will welcome all in attendance.

STATEMENT OF ACKNOWLEDGEMENT

The Mayor Cr Carolyn Stewart will acknowledge the traditional owners of the land on which we are meeting and pay our respects to their Elders and to the Elders from other communities who maybe here today.

2. RECEIPT OF APOLOGIES

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RECOMMENDATION:

That Council adopt the Minutes of the Ordinary Meeting held on Wednesday, 13 March 2019.

4. REQUESTS FOR LEAVE OF ABSENCE

5. DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

In accordance with Sections 77A, 77B and 78 of the Local Government Act Councillors are required to disclose an "interest" in a decision if they would receive, or could be reasonably perceived as receiving a direct or indirect financial or non-financial benefit or detriment (other than as a voter, resident or ratepayer) from the decision.

Disclosure must occur immediately before the matter is considered or discussed.

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NEXT MEETING

THE NEXT ORDINARY MEETING OF COUNCIL WILL BE HELD IN WYCHEPROOF SUPPER ROOM, , 367 BROADWAY, WYCHEPROOF ON WEDNESDAY, 8 MAY 2019 AT 7.00PM.

Anthony Judd
CHIEF EXECUTIVE OFFICER

6. QUESTIONS FROM THE PUBLIC

Nil

7. PROCEDURAL ITEMS

7.1 REPORT OF ASSEMBLY OF COUNCILLORS MEETINGS

Author's Title: Executive Assistant

Department: Office of the CEO

File No: GO/05/04

Attachments:

- 1 [↓](#) Councillor Briefing Record - 6 March 2019
- 2 [↓](#) Councillor Briefing Record - 20 March 2019
- 3 [↓](#) Councillor Assembly Record - 26 March 2019

RECOMMENDATION

That the Council note the report of Assembly of Councillor Meetings held on 6, 20 and 26 March 2019.

Key Points/Issues

The Local Government Act 1989 (the Act) provides that a record must be kept of any Meeting of Councillors and Staff deemed to be an Assembly of Councillors Meeting as defined in the Act.

An Assembly of Councillors Meeting is defined in the Act as a meeting of Councillors if the meeting considers matters that are likely to be the subject of a Council decision or the exercise of delegation and the meeting is:

- A planned or scheduled meeting that includes at least half of the Councillors and a member of Council Staff; or
- An Advisory Committee of the Council where one or more Councillors are present.

The Act also provides that the record of any Assembly of Councillors is to be reported to the next practicable Council Meeting and recorded in the Minutes.

A record of the Assembly of Councillors Meetings held on 6, 20 and 26 March 2019 is attached.

BULOKE SHIRE COUNCIL
RECORD
Councillor Briefing

Date and Time:	6 March 2019	Time: 5.00pm – 8.00pm
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Location:	Sea Lake Senior Citizens Building	
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Attendees:	Cr- Carolyn Stewart Cr- Daryl Warren Cr- David Pollard Cr- Graeme Milne Cr- Ellen White Cr- David Vis Anthony Judd –Chief Executive Officer Hannah Yu – Director Corporate Services Wayne O’Toole– Director of Works and Technical Services Travis Fitzgibbon- Manager Customer Engagement	
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Apologies:	Cr- John Shaw Jerrri Nelson –Director Community Development	
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Visitors:	Emma Bradbury - Murray Darling Association Alison McClelland - Advance Sea Lake	
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ITEMS

NO.	TOPIC	PURPOSE
1.	Declarations of Conflicts of Interest	Nil
2.	Briefing Notes	
3.	Presentations	
	3.1 Murray Darling Association - Emma Bradbury	
	3.2 Advance Sea Lake - Alison McClelland	
4.	Items for Discussion	

4.1 Recreation Service Review

4.2 Wycheproof Caravan Park

4.3 Birchip Community Housing – s86
Committee status

4.4 Workshop 1 – Key Partnerships
Review

5. Councillor Matters

6. CEO Updates

Next Briefing:

Date and Time: 20 March 2019

Time: 3.00pm - 6.00pm

Location: Wycheproof Supper Room

BULOKE SHIRE COUNCIL

RECORD

Councillor Briefing

Date and Time:	20 March 2019	Time:	3.00pm – 6.00pm
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Location:	Wycheproof Supper Room
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Attendees:	Cr- David Pollard Cr- Graeme Milne Cr- Ellen White Cr- Carolyn Stewart Cr- David Vis Cr- Daryl Warren Anthony Judd –Chief Executive Officer Wayne O’Toole– Director of Works and Technical Services Jerrri Nelson –Director Community Development Travis Fitzgibbon- Manager Customer Engagement
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Apologies:	Hannah Yu- Director Corporate Services Geoff Curnow- LMWRRG
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Visitors:	LMWRRG -Karen Fazzani, Ian Gillingham Swan Hill Regional Art Gallery – Ian Tully Regional Arts Victoria - Kim Bennett WycheAlive- Tracey Pardella and Ian Milburn Youth Speakers – Great Victorian Bike Ride Participants
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ITEMS

NO.	TOPIC	PURPOSE
1.	Declarations of Conflicts of Interest	Nil. Noted the Cr White is an employee of LMWRRG and Cr Warren is a board member.
2.	Briefing Notes	
3.	Presentations	

3.1 Loddon Mallee Waste and Resource
Recovery Group

3.2 Swan Hill Regional Art Gallery - Arts
Project Presentation

3.3 WycheAlive

3.4 Engage! Youth Speakers

4. Items for Discussion

4.1 Service Review- Immunisation

5. Councillor Matters

6. CEO Updates

Next Briefing:

Date and Time: 3 April 2019 **Time:** 5.00pm – 8.00pm

Location: Donald District Office Council Chamber

BULOKE SHIRE COUNCIL
RECORD
Drought Funding Discussion

Date and Time:	26 March 2019	Time:	4.00pm – 5.00pm
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Location:	Wycheproof Office
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Attendees:	Cr- Carolyn Stewart Cr- Daryl Warren Cr- David Pollard Cr- Graeme Milne Cr- Ellen White Anthony Judd –Chief Executive Officer Wayne O’Toole – Director Works and Technical Services
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Apologies:	Cr- John Shaw Cr- David Vis
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ITEMS

NO.	TOPIC	PURPOSE
3.	Items for Discussion	
3.1	Conflicts of interest	No conflicts at time of discussion.
3.2	CEO Presentation	
3.3	General Discussion	
3.4	Meeting Close	5.40pm

Next Meeting:

Date and Time:	Time:
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Location:

7.2 LETTERS OF CONGRATULATIONS AND RECOGNITION OF ACHIEVEMENT/AWARDS

Author's Title: Executive Assistant

Department: Office of the CEO

File No: CR/13/01

Attachments: Nil

RECOMMENDATION

That the Council acknowledge and congratulate the persons and/or groups mentioned in the report for their achievements.

1. Executive Summary

This report acknowledges and congratulates community persons and/or groups for their success in being recognised for a significant achievement or for being a recipient of an honourable award.

The report also informs Council of any letters of congratulations or any particular recognition of achievement that Council has received or been awarded in the past month.

2. Recognition of Achievement Items

Provider	Recipient	Date	Purpose for Recognition
National Gallery of Victoria	Max Milne		For two Yr 12 Art Pieces being selected to exhibit in the Top Arts Exhibition, National gallery of Victoria
Longerenong College	Stuart Amos Sea Lake		Successfully graduated at the Longerenong College with a Certificate 1V in Agriculture/Agricultural Apprenticeship Stuart was also awarded the Dux of the Certificate 1V Agriculture Course
Longerenong College	Zachary Cumming Donald		Successfully graduated at the Longerenong College with a Certificate 1V in Agriculture/Agricultural Apprenticeship
Longerenong College	Harrison Fawcett Wycheproof		Successfully graduated at the Longerenong College with a Certificate 1V in Agriculture Stuart was also awarded the Dux of the Certificate 1V Agriculture Course

7.3 CORRESPONDENCE INITIATED BY COUNCIL

Author's Title: Executive Assistant

Department: Office of the CEO

File No: GO/06/09

Attachments: Nil

RECOMMENDATION

That Council notes the record of correspondence sent and responses received.

Table of correspondence

Council Initiative	Correspondence sent to	Date sent	Date of Response	Summary of response
<p>Opposition of Dual Gauge between Ballarat and Maryborough – Murray Basin Rail Project</p> <p>Buloke communities are situated further north of Maryborough, and Council is of the position that the dual gauging of that track will impede existing freight services and also limit the extension of passenger rail.</p>	<p>Minister Allan Minister for Public Transport and Major Projects.</p> <p>Letter forwarded to new Minister for Ports and Freight, Melissa Horne.</p>	<p>11 October 2018.</p> <p>18 December 2018.</p>	<p>6 March 2019</p>	<p>Minister Horne states the Murray Basin (MBRP) and Freight Passenger (FPRP) Rail Projects are critical for our freight industry and communities in Victoria's North West.</p> <p>Stating the FP will allow both freight and passenger services to operate between Maryborough and Ararat, and pave the way for more services for Maryborough.</p> <p>These works to provide faster/more reliable freight paths from Murray Basin region to central Ballarat.</p> <p>Providing background to the current and future works and timelines and the expected outcomes and benefits.</p>

Council Initiative	Correspondence sent to	Date sent	Date of Response	Summary of response
Proposed upgrades at the Calder Highway/Bailey Road intersection at Lake Tyrell	Minister for Roads, Road Safety and the TAC – Hon Jaala Pulford MP	14 January 2019	21 March 2019	Thanking Council for its letter. Stating Labor Govt has invested \$2.3 m to upgrade facilities at Lake Tyrell. RRV have advised her significant preliminary work for intersection has already begun, in partnership with Council. Any improvement proposals for intersection will be considered for funding in a future program. In meantime, VicRoads to continue to monitor this location.

7.4 PLANNING APPLICATIONS RECEIVED - MONTHLY UPDATE

Author's Title: Planning Officer

Department: Works and Technical Services

File No: LP/09/01

Attachments: Nil

RECOMMENDATION

That the Council note information contained in the report on planning applications under consideration by staff and the status of each of these applications.

1. Executive Summary

This report provides information on planning applications under consideration by staff and the status of each of these applications.

2. List of Planning Applications

Application No	Applicant	Address	Date Rec	Summary of Proposal	Status
PPA779/19	Wes Randerson (Total Outdoor Media)	166-186 High Street, Charlton	29/01/2019	Construct and display a major promotion sign	Objections
PPA782/19	Rohan Fry	56-58 Racecourse Road, Donald	23/01/2019	Use and development of land for a biscuit factory	Further Info Requested
PPA783/19	Nick Pearse	Sunraysia Highway, Donald	08/02/2019	Use of land for a Car wash	Reporting
PPA784/19	North Vic Engineering	11-17 Cumming Avenue, Birchip	11/02/2019	Construction of open sided storage shed	Reporting
PPA786/19	Dean Rickard	18 Johnson Street, Birchip	05/03/2019	Use and development of land for a store	Reporting

7.5 BUILDING PERMITS - MONTHLY UPDATE

Author's Title: Compliance Administration Officer

Department: Works and Technical Services

File No: aaa

Attachments: Nil

RECOMMENDATION

That the Council note information contained in the report on Building Permits approved by staff from 1 March 2019 to 31 March 2019.

1. Executive Summary

This report provides information on Building Permits approved by staff from 1 March 2019 to 31 March 2019.

2. List of Building Permits Approved by Council Surveyor

Permit No.	Address	Project Description	Date Approved
20190013	31 Houston Street, DONALD	New Building: Shed	14/03/2019
20190014	442 Broadway, WYCHEPROOF	Other: Storage Container	14/03/2019
20190015	20 Woods Street, DONALD	New Building: Shade Structure	14/03/2019

3. List of Building Permits Approved by Private Surveyor

Permit No.	Address	Project Description	Date Approved
Nil.			

7.6 CHARLTON PARK COMMITTEE OF MANAGEMENT

Author's Title: Governance Officer

Department: Corporate Services

File No: ED/05/15

Attachments: 1 [↓](#) Charlton Park Committee of Management Minutes- 4 Feb 2019

Relevance to Council Plan 2017 - 2021

Strategic Objective: Support our councillors, staff, volunteers and the community to make informed and transparent decisions.

RECOMMENDATION

That Council notes the Minutes of the Ordinary Meeting of the Charlton Park Committee of Management for 4 February 2019.

1. Executive Summary

Charlton Park Committee of Management is a Special Committee of Council under section 86 of the *Local Government Act 1989*. The minutes of meetings held by this Committee should be noted by Council.

2. Discussion

Charlton Park Committee of Management held an Ordinary Meeting on 4 February 2019. The meeting minutes have been attached to this report.

3. Financial Implications

Council is required to report on financial reports of Special Committees of Council.

4. Cost Shift Considerations

There are no cost shift considerations.

5. Community Consultation

No community consultation is necessary for the purposes of this report.

6. Internal Consultation

Senior Management has been consulted in preparation of this report.

7. Legislative / Policy Implications

Council's noting of the meeting minutes of Special Committees meets the requirements under the *Local Government Act 1989*.

8. Environmental Sustainability

There are no environmental sustainability matters arising from this Report.

9. Conflict of Interest Considerations

No officer involved in the preparation of this report had a conflict of interest.

10. Conclusion

It is recommended Council notes the minutes of the Ordinary Meetings of Charlton Park Committee of Management held on 4 February 2019.

Charlton Park Committee of Management
Minutes (draft) of meeting held on Monday 4th February 2019, at Charlton College

List of club representatives:

Buloke Shire	Carolyn Stewart	Sec / Treasurer	Simon Peck
Harness Club	Joe Thompson	Golf	Anne Kenny
Cricket		Bowling	Kevin Willey
Park Golf	Pat Clifford	Netball	Kim Fitzpatrick
Pony Club	Alena Olive	Hockey	Leanne Gretgrix
Football Club	Shane Fitzpatrick	Show	Wendy Laffin
Stadium	Kelvin Baird	Angling	Kevin Willey
Tennis	John Harley		
Croquet	Barb Dalrymple		

Present: Simon Peck, Carolyn Stewart, Kevin Willey, Kim Fitzpatrick, Shane Fitzpatrick, Kelly Wright

Apologies: Leanne Gretgrix, Joe Thompson, Anne Kenny, Kelvin Baird

Minutes of previous meeting:

Moved by K Fitzpatrick / K Willey – Carried

Business Arising:

- Nil

Correspondence in:

Nil

Correspondence out:

Nil

Finance Report:

- Current balance \$30,683

Moved that the report be accepted.

Simon Peck / K Willey – Carried.

Club Reports:

Hockey Club

- Request for watering of pitch. S Peck to contact R McKee. Paterson's curse is an issue.

Netball Club

- North Central tryouts on Sundays during March. Club is aware that public toilets may need some work

2020 committee

- Slab close to being laid.
- Upgrade of power will be required with additional costs involved.

General Business:

- OK Motel have again requested the use of facilities on April 6. It will be same day as first home game for winter sports. Shane is liaising with organisers.
- A reminder to clubs that they are responsible for maintenance of public toilets at the Park.
- Corellas have been very quiet for over a month.
- The construction fence nearest the football change-rooms will need to be moved to accommodate first home game (Apr 6).
- The sub-committee for the organisation when the new building is operating has met. Early discussions centred on overall management, ability to pay for the provision of some services and the need for clubs to make a contribution to the running costs. Any ideas or suggestions are welcome.
- No report on progress of female changing facilities for start of football / netball / hockey season (4-5 home games). Paul Fernee to be contacted.
- The lock on the disabled toilet at the tennis courts has been disabled. K Willey will investigate what needs to be done to make it operational. Key is currently situated in gatekeeper's box. Tennis Club have also requested a key.

Meeting closed: 8.35 pm

Next Meeting:

Monday 1st April 2019, 8.00pm - Charlton Football Social Rooms.

8. GENERAL BUSINESS

8.1 POLICY REPORTS

Nil

8.2 MANAGEMENT REPORTS

8.2.1 COMMUNITY GRANTS AND SPONSORSHIPS

Author's Title: Community Development Officer

Department: Community Development

File No: GS/09/42

Attachments: 1 [Community Grants and Sponsorships to Council](#)

Relevance to Council Plan 2017 - 2021

Strategic Objective: Diversify and enhance our local economy.

RECOMMENDATION

That Council:

1. Allocates \$2500 to the Donald Scout Hall Committee of Management for solar panels from the Sustainability fund;
2. Allocates \$5675 to the Tchum Lake Aquatic Club Inc for solar panels from the Sustainability fund;
3. Allocates \$200 of community funds for the North West Croquet Association Inc.;
4. Not support the application for funding from OK Motels; and
5. Not support the Charlton 2020 application for sustainability funds.

1. Executive Summary

The purpose of this report is to allow Council to consider the above regarding the distribution of funds from the Community Grants, Sustainability Grants and Sponsorship Program to the projects listed above.

2. Discussion

Significantly more applications are being received for community grants and sponsorships. The Community Grant fund has \$600 remaining in reserve prior to this round. The Sustainability fund still has approximately \$25,000 left out of \$50,000.

Donald Scout Hall solar panels will contribute to containing the Donald community carbon footprint and save the group money in power bills.

Tchum Lake solar panels will contribute to containing the Birchip community carbon footprint save the group money on their power bills.

North West Croquet Association would like support for their event. While the event is in Swan Hill, Charlton Croquet Club is the *host* of the event. The event brings together six regional clubs and it is hoped many will visit, stay and spend in Buloke Shire

OK Motels has sought a Community Grant for \$5000.00 with the aim of bringing entertainment acts to country venues, in this instance Charlton. This application appears to be a commercial

for profit event and also exceeds the maximum amount that can be applied for under the current guidelines.

Charlton 2020 Sustainability Grant application for \$16,950.00 was not supported despite the good aims of the plan. Council has supported the building of the facility to the amount of \$500,000. The evaluation panel also concluded that the application did not meet the funding criteria by not meeting the matching requirements.

3. Financial Implications

This brings the allocation under the community grants scheme for the 2018-19 financial year to \$19,600 out of a total of \$20,000. The sustainability fund contributions (including the above) totals \$24,950 out of \$50,000 available for 2018-19.

4. Cost Shift Considerations

There are no cost shift implications associated with this report.

5. Community Consultation

Discussions have taken place with some applicants.

6. Internal Consultation

Council officers have reviewed all documentation in line with the criteria associated community and sustainability grants and provided the recommendations accordingly.

7. Legislative / Policy Implications

The community grants and sponsorship program has been developed in response to the Local Government Investigations and Compliance Inspectorate guidelines

8. Environmental Sustainability

Environmental sustainability factors are a key consideration in the evaluation.

9. Conflict of Interest Considerations

In regards to the Charlton Park 2020 project, Paul Fernee declared an indirect conflict of interest as the project manager for the construction work and removed himself from the consideration of this grant application.

10. Conclusion

It is recommended that Council consider providing funding allocations to the Donald Scout Hall Committee of Management Inc., the Tchum Lake Aquatic Club Inc and the North West Croquet Association Inc.

Community Grants, Sponsorship & Sustainability Fund total \$20 000

2018 - 19

	Organisation	type	applied	recommended
	Birchip Art Show	sponsorship	500	500
	Birchip Connect	project support grant	2000	1000
	Charlton Art Show	sponsorship	500	500
	Charlton Play	project support grant	2000	1000
	NCLLEN Bike Ride	sponsorship	500	500
	Tyrrell College State Schools Spectacular	project support grant	2000	1000
	Taste of Birchip VCAL project	sponsorship	500	250
Aug	Coonooer Memorial reno		2,000	1,000
Aug	Donald Lions VRI reno		1,990	1,000
Aug	Donald Bridge tournament		500	500
Aug	Wyche Armistice tour		2,000	1,000
Sept	Nullawill Organ Restoration	Community	2,000	2,000
Sept	Charlton Forum A frame	Community	250	250
Sept	Donald Mens Shed	Community	1,200	1,200
Oct	Birchip FV project	Sponsorship?	250	250
	Remembrance day Charlton			
Oct	Golden Grains 100th Anniv	Sponsorship?	200	200
Oct	Charlton Bowls Club	Community	2,000	2000
Oct	Nandaly Hall Air con			2000
Feb	Charlton N House equip	Community	2000	2000
Feb	Donald Learning Group	Over the farm gate	500	250
Feb	Charlton Youth Group	Below 0	1000	500
Feb	Wyche Alive	Mt Fun Fest	2000	500
Apr	NW Croquet Association	Community	200	200
	total		20390	19600
SUSTAINABILITY total \$50 000				
	Birchip Recycled stormwater pump	Sustainability Fund grant	10,000	10,000
	CHARTESC solar project	Sustainability Fund grant	3,795	3,795
Oct	Wyche CRC Fruit Fly trap wicks	Sustainability	3000	3000
Apr	Donald Scout hall	Sustainability	2500	2500
Apr	Tchum Lake Aquatic Lcub Inc	Sustainability	5675	5675
	total		24,970	24,970

8.2.2 ECONOMIC DEVELOPMENT FUNDING

Author's Title: Economic Development & Tourism Lead

Department: Community Development

File No: ED/08/09

Attachments: Nil

Relevance to Council Plan 2017 - 2021

Strategic Objective: Diversify and enhance our local economy.

RECOMMENDATION

That Council:

1. Endorse an application under the Regional Jobs and Infrastructure Fund's Stronger Regional Community Plan (SRCP) Program for \$45,000 and consider the contribution of \$15,000 in matched funds in the budget process; and
2. Endorse an application under the Regional Jobs and Infrastructure Fund's Stronger Regional Community Plan (SRCP) Program for \$37,500 and consider the contribution of \$12,500 in matched funds.

1. Executive Summary

This report is presented to Council to consider endorsing two applications under the Victorian Government's Stronger Regional Community Plan (SRCP) program, and contributing matched funds to both projects:

Building the Buloke Brand Project

- Application for \$45,000 funding
- Council matched funds to the value of \$15,000

Buloke Industry, Products & Services Gap Analysis

- Application for \$37,500 funding
- Council matched funds to the value of \$12,500

2. Discussion

The Stronger Regional Communities Plan (SRCP) aims to support rural and regional towns in attracting families and young people to live and work. It will do so by investing in community-led initiatives and partnerships that create or enhance the conditions for economic growth and build resilient, diversified and sustainable economies.

Under projects geared towards Population Attraction in the funding guidelines, rural councils can apply for projects requiring up to \$50,000.

Based on actions outlined in the Economic Development & Tourism Strategy 2018-2021 and the criteria for applying for funding, both the 'Building the Buloke Brand' project and the 'Buloke Industry, Product and Service Gap Analysis' have been selected.

Building the Buloke Brand Project

This projects aim to attract new residents and investment to the Buloke Shire by:

- Developing a regional Buloke tourism brand;
- Increasing awareness of Buloke as a region; and
- Developing a marketing plan and media campaign to attract new residents and investment to the Buloke Shire.

Building Industry, Product & Service Gap Analysis

This projects aim to attract investment to the Buloke Shire by:

- Identifying evidence-based opportunities for targeted investment attraction in the Buloke Shire, and
- Developing an investment attraction plan for the Buloke Shire.

3. Financial Implications

The projects require matching on a \$3:\$1 basis, which would require a cash contribution of:

- \$15,000 for the Building the Buloke Brand project, and
- \$12,500 for the Buloke Industry, Product & Services Gap Analysis project.

The total contribution would be \$27,500.

4. Cost Shift Considerations

There are no cost shift implications associated in this report.

5. Community Consultation

Extensive community consultation was undertaken in the preparation of the Economic Development & Tourism Strategy 2018-2021 which identifies this project as an action in the implementation of the strategy.

6. Internal Consultation

Staff from the Community Development department and Senior Leadership Team have discussed this project.

7. Legislative / Policy Implications

The 'Building the Buloke Brand' project aligns with Strategy 7 'Tourism Experience Development'.

The 'Buloke Industry, Product and Service Gap Analysis' project aligns with Strategy 2 'Build community capacity to facilitate economic development and tourism'.

These two projects are both identified as actions in the Economic Development and Tourism Strategy 2018-2021.

8. Environmental Sustainability

There are no environmental sustainability considerations in this report.

9. Conflict of Interest Considerations

No staff involved in the preparation of this report has a conflict of interest.

10. Conclusion

It is recommended that Council:

1. Endorse an application under the Regional Jobs and Infrastructure Fund's Stronger Regional Community Plan (SRCP) Program for \$45,000 and contribute \$15,000 in matched funds; and
2. Endorse an application under the Regional Jobs and Infrastructure Fund's Stronger Regional Community Plan (SRCP) Program for \$37,500 and contribute \$12,500 in matched funds.

8.2.3 PLANNING PERMIT APPLICATION 779/19 CONSTRUCT AND DISPLAY A MAJOR PROMOTION SIGN

Author's Title: Planning Officer

Department: Works and Technical Services

File No: LP/09/01

Attachments: 1 [↓](#) Planning Permit Application 779/19 - Major Promotional Sign - High St Charlton

Relevance to Council Plan 2017 - 2021

Strategic Objective: Responding to and enhancing our built and natural environment

RECOMMENDATION

That Council consider the planning permit application 779/19 and determine to issue a Notice of Decision to Refuse a Planning Permit for the display of a major promotion sign at Lot 1 on PS45146, known as 166-168 High Street, Charlton on the following grounds:

1. The proposed sign is excessive in scale and is inappropriate at this entry point into the Charlton township;
2. The proposed sign is incompatible with the amenity and visual appearance of the area; and
3. The proposed sign does not complement or enhance the character of the area.

1. Executive Summary

An application for a planning permit was received by Council on the 25th January 2019 for the construction and display of a major promotion sign at 166-186 High Street Charlton.

2. Discussion

Site and Surrounds

The application is for the property 166-186 High Street Charlton (Lot 1 LP45146). The property is 8037m², flat and level. The property is used for a service station and truck parking area. The service station supplies eat-in and takeaway food, as well as being a popular fuel supply stop for trucks, tourists and locals. The land is zoned Commercial 2 Zone (C2Z) and a Land Subject to Inundation Overlay (LSIO) applies.

The eastern boundary of the property adjoins the Back St Arnaud Road, further east the land across the Back St Arnaud Road is zoned Farming Zone (FZ) and contains a residence. Adjoining the southern boundary is a vacant block with a carport present, this land is zoned Township Zone (TZ). The northern boundary adjoins the Calder Highway (High Street). Part of the land opposite the subject site to the north contains an agricultural supplies business, this property is zoned C2Z. The other part of the land opposite the subject site is zoned TZ. The western boundary adjoins the Charlton Motel, this land is zoned C2Z.

The land is located at the entrance to the township when travelling from the east on the Calder and from the north when approaching from Boort. The property is at the eastern edge of the town and this area is a mixed use area. Commercial use and Residential uses exist in the area

with both commercial and residential zones in the immediate proximity. On the southern side of the Calder Highway the entrance to the town is characterised by single storey buildings of a commercial nature that are not densely spaced. The buildings are set back from the road and significant vegetation is present. On the northern side of the highway there exists a single storey commercial building, vacant residential land and single storey dwellings. Current business identification signage is of a relatively modest nature that is proportional to the buildings and identifies the businesses set out sparsely along the road. A smaller 'town information' sign is also present.

Proposal

The proposal is to erect and display a major promotion sign on and parallel to, the western boundary of the subject land, close to the Calder Highway. The advertising panel is proposed to be 12.66 metres wide and 3.35 metres high giving a display area of 42.21m². The structure is to be mounted on three steel columns elevating the bottom edge of the sign to three metres above the natural ground level and the overall height of the structure is to be 7 metres. The advertising panel is to be illuminated by four 400-watt flood lights affixed to the top of the structure. The sign will display static imagery and will be changed from time to time at the discretion of Total Outdoor Media (the applicant).

Planning Scheme Provisions

A planning permit is required at Clause 52.05-11 – Category 1- Commercial areas. The sign does not meet the criteria of Section 1 – Permit not required, and therefore becomes Section 2 – Permit required.

The purpose of Clause 52.05 Signs is:

- To regulate the development of land for signs and associated structures.
- To ensure signs are compatible with the amenity and visual appearance of an area, including the existing or desired future character.
- To ensure signs do not contribute to excessive visual clutter or visual disorder.
- To ensure that signs do not cause loss of amenity or adversely affect the natural or built environment or the safety, appearance or efficiency of a road.

The purpose of Clause 52.05-11 Category 1 – Commercial areas is

- To provide for identification and promotion signs that add vitality and colour to commercial areas.

Planning Policy Framework

Clause 11 – Settlement

This clause outlines that planning is to recognise the need for, and as far as practicable contribute towards achieving a number of key principles, including achieving a high standard of urban design and amenity.

Clause 15.01-1S Urban design

This clause has the objective to assist in creating urban environments that are safe, healthy, functional and enjoyable and that contribute to a sense of place and cultural identity by;

- requiring development to respond to its context in terms of character, cultural identity, natural features, surrounding landscape and climate.
- by ensuring that development, including signs, minimises detrimental impacts on amenity, on the natural and built environment and on the safety and efficiency of roads.

- promoting good urban design along transport corridors.

Clause 15.01-5S Neighbourhood character

The objective of this clause is to recognise, support and protect neighbourhood character, cultural identity, and sense of place by;

- Ensure development responds to cultural identity and contributes to existing neighbourhood character.
- Ensure development responds to its context and reinforces a sense of place and the valued features and characteristics of the local environment and place by emphasising the built form that reflects community identity.

Clause 15.01-6 Design for rural areas

The objective of this clause is to ensure development respects valued areas of rural character by;

- Ensuring that the siting, scale and appearance of development protects and enhances rural character.
- Protecting the visual amenity of character areas along township approaches by ensuring new development is sympathetically located.

Clause 18.01-2S Transport system

This clause includes strategy to regulate new development of land near an existing transport route to avoid detriment to and where possible enhance, the service, safety and amenity desirable for that transport route in the short and long terms

Clause 18.02-1S Sustainable personal transport

This clause has the objective of promoting the use of sustainable personal transport by encouraging the use of walking and cycling by creating environments that are safe and attractive.

Clause 18.02-3S Road system

This clause includes strategy to regulate the design of transport routes and nearby areas to achieve visual standards appropriate to the importance of the route with particular reference to landscaping and the control of outdoor advertising.

Local Planning Policy Framework

Municipal Strategic Statement

Clause 21.01-1 Snapshot of Buloke Shire

This clause recognises one of the features of the Buloke Shire's (and the region's) towns is the way in which sympathetic rural, urban commercial and industrial land uses are interspersed. While the main towns do have distinct commercial and industrial areas, historic patterns of development have created urban areas with mixed land uses.

Clause 21.01-2 Key influences

One of the key influences in relation to the municipality is the viability, character and heritage of existing rural townships.

Clause 21.01-3 Key issues

One of the key issues recognised in this clause is the importance of enhancing the viability of townships by encouraging appropriate development and maintaining and / or improving urban character, amenity and services.

Clause 21.02-2 Townships

Objective 1 is to provide high quality, attractive, functional and efficient townships by;

- Considering local heritage values, built character and streetscape of towns when designing and siting development.
- Requiring that the design of new buildings and works in addition to existing buildings must be in keeping with the streetscape character and built form of the area.
- Recognising that the design of buildings, their mass and scale is important in preserving the historical attributes and visual character of towns.
- Consider the presentation of town entrances and streetscapes and their capacity to attract tourism, encourage development and demonstrate civic pride in determining applications for land use and development.

Particular Provisions

Clause 52.05 Signs

The purpose of this clause includes:

- To provide for signs that are compatible with the amenity and visual appearance of an area, including the existing or desired future character.
- To ensure signs do not contribute to excessive visual clutter or visual disorder.
- To ensure that signs do not cause loss of amenity or adversely affect the natural or built environment or the safety, appearance or efficiency of a road.

Clause 52.05-8 includes extensive decision guideline specific to the assessment of application for signs. These include:

- The character of the area
- Impacts on views and vistas
- The relationship to the streetscape, setting or landscape
- The relationship to the site and buildings
- The impact of any structure associated with the sign
- The impact of any illumination
- The impact on road safety

In addition to these decision guidelines, further decision guide lines relating to major promotion signs apply. These include the effect of the major promotion sign on:

- Significant streetscapes, buildings and skylines

- The visual appearance of a significant view corridor, view line, gateway location or landmark site identified in a framework plan or local policy
- Residential areas and heritage places

When determining the effect of a proposed major promotion sign, the following locational principles must be taken into account:

- Major promotion signs are encouraged in commercial and industrial locations in a manner that complements or enhances the character of the area.
- Major promotion signs are discouraged along forest and tourist roads, scenic routes or landscaped sections of freeways.
- Major promotion signs are discouraged within open space reserves or corridors and around waterways.
- Major promotion signs are discouraged where they will form a dominant visual element from residential areas, within a heritage place or where they will obstruct significant view lines.
- In areas with a strong built form character, major promotion signs are encouraged only where they are not a dominant element in the streetscape and except for transparent feature signs (such as neon signs), are discouraged from being erected on the roof of a building.

Clause 65 Decision guidelines

Because a permit can be granted does not imply that a permit should or will be granted. The responsible authority must decide whether the proposal will produce acceptable outcomes in terms of the decision guidelines of this clause.

- To regulate the development of land for signs and associated structures.
- To ensure signs are compatible with the amenity and visual appearance of an area, including the existing or desired future character.
- To ensure signs do not contribute to excessive visual clutter or visual disorder.
- To ensure that signs do not cause loss of amenity or adversely affect the natural or built environment or the safety, appearance or efficiency of a road.

The purpose of Clause 52.05-11 Category 1 – Commercial areas is

- To provide for identification and promotion signs that add vitality and colour to commercial areas.

Planning Policy Framework

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This clause outlines that planning is to recognise the need for, and as far as practicable contribute towards achieving a number of key principles, including achieving a high standard of urban design and amenity.

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This clause has the objective to assist in creating urban environments that are safe, healthy, functional and enjoyable and that contribute to a sense of place and cultural identity by;

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- by ensuring that development, including signs, minimises detrimental impacts on amenity, on the natural and built environment and on the safety and efficiency of roads.
- promoting good urban design along transport corridors.

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The objective of this clause is to recognise, support and protect neighbourhood character, cultural identity, and sense of place by;

- Ensure development responds to cultural identity and contributes to existing neighbourhood character.
- Ensure development responds to its context and reinforces a sense of place and the valued features and characteristics of the local environment and place by emphasising the built form that reflects community identity.

Clause 15.01-6 Design for rural areas

The objective of this clause is to ensure development respects valued areas of rural character by;

- Ensuring that the siting, scale and appearance of development protects and enhances rural character.
- Protecting the visual amenity of character areas along township approaches by ensuring new development is sympathetically located.

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This clause includes strategy to regulate new development of land near an existing transport route to avoid detriment to and where possible enhance, the service, safety and amenity desirable for that transport route in the short and long terms

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This clause has the objective of promoting the use of sustainable personal transport by encouraging the use of walking and cycling by creating environments that are safe and attractive.

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This clause includes strategy to regulate the design of transport routes and nearby areas to achieve visual standards appropriate to the importance of the route with particular reference to landscaping and the control of outdoor advertising.

Local Planning Policy Framework

Municipal Strategic Statement

Clause 21.01-1 Snapshot of Buloke Shire

This clause recognises one of the features of the Buloke Shire's (and the region's) towns is the way in which sympathetic rural, urban commercial and industrial land uses are interspersed. While the main towns do have distinct commercial and industrial areas, historic patterns of development have created urban areas with mixed land uses.

Clause 21.01-2 Key influences

One of the key influences in relation to the municipality is the viability, character and heritage of existing rural townships.

Clause 21.01-3 Key issues

One of the key issues recognised in this clause is the importance of enhancing the viability of townships by encouraging appropriate development and maintaining and / or improving urban character, amenity and services.

Clause 21.02-2 Townships

Objective 1 is to provide high quality, attractive, functional and efficient townships by;

- Considering local heritage values, built character and streetscape of towns when designing and siting development.
- Requiring that the design of new buildings and works in addition to existing buildings must be in keeping with the streetscape character and built form of the area.
- Recognising that the design of buildings, their mass and scale is important in preserving the historical attributes and visual character of towns.
- Consider the presentation of town entrances and streetscapes and their capacity to attract tourism, encourage development and demonstrate civic pride in determining applications for land use and development.

Particular Provisions

Clause 52.05 Signs

The purpose of this clause includes:

- To provide for signs that are compatible with the amenity and visual appearance of an area, including the existing or desired future character.
- To ensure signs do not contribute to excessive visual clutter or visual disorder.
- To ensure that signs do not cause loss of amenity or adversely affect the natural or built environment or the safety, appearance or efficiency of a road.

Assessment of application

There are a number of state planning policies that emphasise the need for quality urban design, the need for minimising detrimental impacts on amenity, particularly along transport corridors. State planning policy also aims to protect and support neighbourhood character and recognises in 'design for rural areas' policy the need to ensure that the siting, scale and appearance of development protects and enhances rural character. The design for rural areas policy specifically highlights protecting the visual amenity of character areas along township approaches by ensuring new development is sympathetically located. Road system state policy highlights the importance of considering the design of transport routes and nearby areas to achieve visual standards appropriate to the importance of the route with particular reference to landscaping and the control of outdoor advertising.

One of the focal points of local planning policy is the distinct character of the Shire's rural townships. The townships policy emphasises requiring that new building and works must be in keeping with the streetscape character and built form of the area the built character and streetscape of towns, their mass and scale is important in preserving the visual character of towns. The township policy specifically mentions the presentation of town entrances and

streetscapes and their capacity to attract tourism, encourage development and demonstrate civic pride in determining applications for land use and development.

It is acknowledged that the Commercial 2 Zone is one of the least restrictive for signs, but signs must still be established in a manner that respects the township character and scale of the surrounds. The proposed site is part of the town entrance to Charlton. The town entrance character at this location consists of low rise, single storey commercial buildings, set back from the highway, low density spacing and generous vegetation, leading into residential buildings. The proposed major promotion sign will not enhance the approach and entry to Charlton. The intended location is not comparable to the context that may be found in a highway approach to a regional city where the outskirts of town may have larger scale 'big box' stores and other large scale developments. The size and scale of the proposed sign will dominate the location, is excessive in scale to the surroundings and has no regards to the existing character that is currently providing a welcoming entrance to Charlton.

Clause 52.05 Signs assessment

Decision guidelines relevant to this proposal:

The character of the area including:

- The sensitivity of the area in terms of the natural environment, heritage values, waterways and open space, rural landscape or residential character.
- The compatibility of the proposed sign with the existing or desired future character of the area in which it is proposed to be located.
- The cumulative impact of signs on the character of an area or route, including the need to avoid visual disorder or clutter of signs.
- The consistency with any identifiable outdoor advertising theme in the area.

The proposed sign is not compatible with the existing character of the area, it is not aligned with the character of signs along the route in rural area, and is not consistent with the current outdoor advertising in the area.

Impacts on views and vistas including:

- The potential to dominate the skyline.

The sign has the potential to dominate the skyline in the immediate area

The relationship to the streetscape, setting or landscape including:

- The proportion, scale and form of the proposed sign relative to the streetscape, setting or landscape.
- The position of the sign, including the extent to which it protrudes above existing buildings or landscape and natural elements.
- The ability to screen unsightly built or other elements.

As discussed in this report the proposed sign is not in proportion or scale to the signs setting. The sign will protrude above the nearest building. The sign will not screen unsightly elements, but will block the view to established vegetation and trees

The impact on road safety. A sign is a safety hazard if the sign:

- Obstructs a driver's line of sight at an intersection, curve or point of egress from an adjacent property.

There are a large number of trucks entering the Calder highway from the service station at this location. However, we believe that the sign does not pose an obstruction to a driver's line of sight.

Clause 52.05-6 Major Promotion Sign

In addition to the basic purpose and decision guidelines of *Clause 52.05 Advertising Signs* which are applicable to all signage, at *Clause 52.05-6 Major Promotion Sign* the policy includes additional objectives and decision guidelines which are specific to the high impact nature of Major Promotion Signs. The proposed sign is a major promotion sign because of its size.

The effects of the proposed major promotion sign on:

- Significant streetscapes, buildings and skylines
- The visual appearance of a significant view corridor, view line, gateway location or landmark site identified in a framework plan or local policy

The intended location is a significant street scape and gateway location as it is located at the main entrance to Charlton. The proposed sign has the potential to visually dominate the entrance to town.

When determining the effect of a proposed major promotion sign, specified locational principles must be taken into account, including:

- Major promotion signs are encouraged in commercial and industrial locations in a manner that complements or enhances the character of the area.

This is a commercial zoned area, but the sign does not complement or enhance the area

- Major promotion signs are discouraged where they will form a dominant visual element from residential areas, within a heritage place or where they will obstruct significant view lines.

It is acknowledged there are no residential buildings immediately opposite. But the land immediately opposite the intended location is zoned Township Zone indicating the intended use of the area.

- In areas with a strong built form character, major promotion signs are encouraged only where they are not a dominant element in the streetscape and except for transparent feature signs (such as neon signs), are discouraged from being erected on the roof of a building.

The proposed major promotion sign will be a dominant element in the streetscape

Referrals

The application was referred to Vicroads. Vicroads did not object to the application but supplied nine conditions to be included on the permit if the Council regarded the proposal favourably.

The application was referred internally to the building surveyor department. The building surveyor replied that the proposed sign would require a building permit.

3. Financial Implications

The applicant may appeal the Notice to Refuse to VCAT. There may be cost associated with this appeal. There may be legal costs if Council seeks legal advice in regard to this matter

4. Cost Shift Considerations

There are no known cost shift considerations to Council.

5. Community Consultation

Notice of Application was undertaken in accordance with the *Planning and Environment Act 1987* by placing an advertisement in the locally circulating newspaper (North Central News) on the 13th February 2019 and by sending letters to adjoining owners (three). A Notice of Application was also placed on the subject site.

Two letters of objection were received in relation to the application. The objections were forwarded to the applicant who provided a response. After considering the available information, it was decided mediation would not be conducted. Following is a summary of the concerns raised by the objectors.

- The sign will be visually dominant and out of scale in comparison to the surrounding area.
- Unattractive first impression of Charlton.
- Impact of illumination on the amenity of nearby residents.
- Impacts of overshadowing.
- Located where particular concentration is required, i.e. traffic, especially b-double trucks turning in and out of site

The applicant responded to the objection as follows:

- The sign meets industry standards and the applicant does not consider that the sign will be a dominant feature.
- The light source has been designed to illuminate only the sign and minimize light spillage. Regardless, the applicant has proposed a condition specifying that illumination must cease at 11pm.
- The applicant believes the potential of overshadowing on the Charlton Motel are false and unfounded.
- Due to experience and strict site selection, the applicant is confident that Vicroads will not object to the application in regards to driver distraction.

6. Internal Consultation

Internal consultation was undertaken within the planning office and with the Director Works and Technical services

7. Legislative / Policy Implications

The actions are in accordance with the *Planning and Environment Act 1987*.

8. Environmental Sustainability

There are no known environmental sustainability considerations.

9. Conflict of Interest Considerations

No officer involved in the preparation of this report has a conflict of interest.

10. Conclusion

An assessment of the proposal has been undertaken and it is considered that the application does not accord with relevant policy, nor achieve compliance with the purpose and decision guidelines of Clause 52.05 *Advertising Signs* and more specifically Clause 52.05-6 *Major Promotion Signs*.

A Council determination is sought for the application as the Council's Planning Officer recommends that a Notice of Refusal to grant a planning permit be issued.

Council must determine a position on the application for a planning permit and take one of the following options:

- i. Approve a planning permit and issue a Notice of Decision to Grant a Planning Permit for the proposal (with conditions prepared by the planning office); and
- ii. Issue a Refusal to Grant a Planning Permit for the proposal – appeal rights apply to the applicant

RECOMMENDATION:

That Council consider the planning permit application PPA779/19 and determine to issue a Notice of Decision to Refuse a Planning Permit for the display of a major promotion sign at Lot 1 on PS45146, known as 166-168 High Street, Charlton on the following grounds:

1. The proposed sign is excessive in scale and is inappropriate at this entry point into the Charlton township.
2. The proposed sign is incompatible with the amenity and visual appearance of the area.
3. The proposed sign does not complement or enhance the character of the area.

Council briefing 3rd April 2019

**Attachment - Planning Permit Application 779/19 for a Major Promotional sign at
166-186 High Street Charlton**

Images



Above: Image supplied by Charlton Motel in their objection

Attachment 1 Planning Permit Application 779/19 - Major Promotional Sign - High St Charlton

Below: Image supplied by applicant



Figure 1 Looking West- Impression of Proposed Sign. No Existing Signs will be blocked from Calder Highway.

Below: image supplied by applicant



Figure 3 TOM Billboard in Orboost

Attachment 1 Planning Permit Application 779/19 - Major Promotional Sign - High St Charlton

Location of sign – image produced by planning officer



8.2.4 COMMUNITY LOCAL LAW

Author's Title: Planning Officer

Department: Works and Technical Services

File No: LA/08/16

Attachments: 1 [Community Local Law](#)

Relevance to Council Plan 2017 - 2021

Strategic Objective: Support our councillors, staff, volunteers and the community to make informed and transparent decisions.

RECOMMENDATION

That Council:

1. Having had regard to the Ministerial Guidelines for making Local laws issued under section 111A of the *Local Government Act 1989*, makes the Buloke Community Local Law 2019. (yet to be attached);
2. In accordance with Section 119 of the *Local Government Act 1989*, gives notice in the *Victoria Government Gazette*, and the locally circulating newspapers that it has made the Buloke Community Local Law 2019 (attached), specifying the purpose and general purport of the local law and that a copy of the local law is available on Council's website and may be inspected at Council's Wycheproof office; and
3. Sends a copy of the Buloke Community Local Law 2019 (attached) to the Minister for Local Government.

1. Executive Summary

The purpose of this report is for Council to consider making the final draft Buloke Community Local Law 2019, under Section 111 of the *Local Government Act 1989* (*the Act*).

The current Buloke Shire Council Community Local Law commenced on 8 June 2011 and, taking into account recent changes in legislation, Council is undertaking the process of drafting and adopting a new Local Law well ahead of the expiry date.

It is proposed to replace the Buloke Shire Council Community Local Law No. 10 2011 with the new Buloke Community Local Law 2019. Section 119 of the Act requires Council, before making a local law, to conduct a community consultation and statutory notification process under section 223 of *the Act*.

Following a community consultation program conducted on a draft of the proposed local law for 60 days in August/September 2018, a draft Buloke Community Local Law 2019 was prepared. At the Ordinary Council meeting on Wednesday 12th December Council endorsed the draft Local Law for community consultation.

2. Discussion

The draft Community Local Law has been exhibited for the purpose of Community Consultation in accordance with Section 223 of the *Local Government Act 1989* from the 19th December 2018 to the closing of submissions on the 14th March 2019. No submissions have been received from the public in this consultation period.

The key changes included in the final draft local law are outlined below and are as a result of the consultation process, further reviews of the local law and consideration of the Ministerial

Guidelines for making local laws issued under Section 111A of the Act as required by section 111(5) of *the Act* include:

- Updating the penalty schedule
- Updating the camping on private and council land clauses to introduce controls to assist in the protection of the environment.
- Clauses relating to shipping containers have been removed to avoid duplication with building regulations.
- The introduction of a subclause to protect Council trees and vegetation.
- The introduction of a subclause to regulate patrons drinking alcohol in the street at the front of licensed premises outside of the redline area.
- The introduction of a specific dangerous land clause.
- The introduction of a filming on council land clause.
- The introduction of a clause to prevent the dismantling of vehicles in a public place.
- The introduction of a clause to manage abandoned and unregistered vehicles in public places.
- The introduction of a subclause to manage the storage of unregistered vehicles on private property.

A range of minor amendments have also been made throughout the final draft local law to improve clarity.

Administration of the Local Law will be undertaken principally by Council's compliance department.

3. Financial Implications

The draft document has been prepared in house. Legal advice will be required to ensure the final document complies with requirements under the Local Government Act. Any legal fees incurred will be paid for from the existing budget allocation for legal advice.

Fees have been incurred in formatting the document.

4. Cost Shift Considerations

There are no cost shift considerations in relation to the preparation of the Local Law.

5. Community Consultation

An initial round of community consultation was conducted over a sixty day period with submissions closing the 14th September 2018. The draft local law was made available on the Buloke Shire Council webpage with instructions for making a submission, and notices were placed in the local newspapers. One external submission and one internal submission were received relating to the keeping of animals.

The draft Community Local Law was sent to Victoria Police and to the CFA welcoming submissions. Victoria Police made a submission regarding the possession and consumption of alcohol.

A second round of community consultation has been conducted in accordance with Section 223 of the *Local Government Act 1989* from the 19th December 2018 to the closing of submissions on the 14th March 2019. Notice was placed in the Victorian Government Gazette, in the locally circulating newspapers and on the Council's News and Consultation webpage No submissions have been received from the public in this consultation period.

6. Internal Consultation

Internal consultation has taken place within the Development Services Department.

7. Legislative / Policy Implications

This report has been prepared in accordance with *the Act*.

8. Environmental Sustainability

The draft Local Law addresses a number of environmental sustainability considerations, including firewood collection, open air burning, waste requirements for camping, disposal of waste and protection of Council trees.

9. Conflict of Interest Considerations

No officer involved with the preparation of this report has a conflict of interest.

10. Conclusion

That Council make final draft Buloke Community Local Law 2019, under Section 111 of the *Local Government Act 1989 (the Act)*.

COMMUNITY LOCAL LAW 2019

VERSION CONTROL

NO.
DATE
COMMENT
FILE REFERENCE

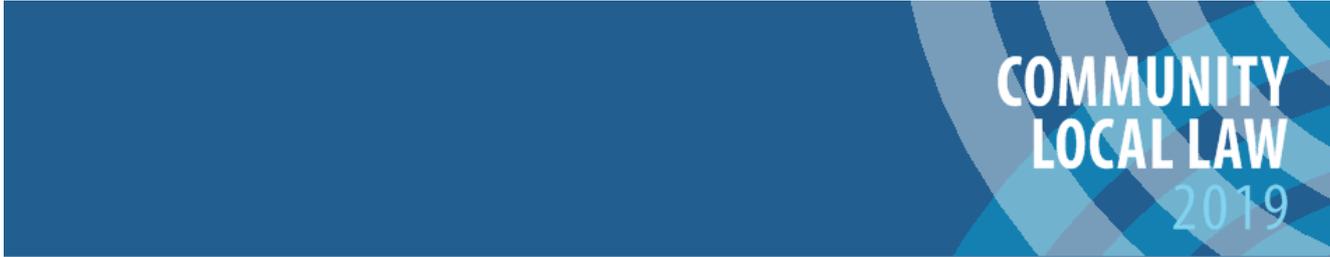
COMMUNITY LOCAL LAW 2019 JANUARY 2019

PREAMBLE

Buloke Shire Council's Community Local Laws are designed to secure community safety, protect public assets, and enhance community amenity, whether in townships or rural areas.

These Local Laws embrace best practice local law making by employing the principles of accessibility, accountability, compliance, consistency, efficiency, enforceability, education, necessity and transparency.

The Local Laws are also consistent with the principles of justice and fairness. Community consultation has been undertaken in the preparation of this Local Law.



**COMMUNITY
LOCAL LAW**
2019

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PART 1 – PRELIMINARY, OBJECTIVES AND DEFINITIONS

1. TITLE

This is the Buloke Shire Council Community Local Law 2019 and is referred to below 'this Local Law'.

2. OBJECTIVES

The objectives of this Local Law are to provide for the peace, order and good government of the Buloke Shire by:

- (1) Regulating and controlling uses and activities on Council land and roads so that the Council is aware of uses or activities which may:
 - (a) Be detrimental to the amenity of the area or the enjoyment of facilities on land or roads;
 - (b) Cause damage to Council and community assets;
 - (c) Create a danger or expose others to risk;
 - (d) Interfere with the safety and convenience of people travelling on or using Council land or roads; and
 - (e) Impede free and safe access for people, in particular those with sight and movement impairment or disabilities; and
- (2) Managing, regulating and controlling activities and uses on any land which:
 - (a) May be dangerous, cause a nuisance or be detrimental to the amenity of the area or the environment;
 - (b) Are directed at maintaining a healthy and safe environment for residents and visitors;
 - (c) Promotes community expectations and demands about their lifestyle and the availability of goods and services provided to them; and
 - (d) Creates a sense of community pride in the municipal district and which promotes Buloke Shire as a place to live and do business;
- (3) Identifying activities and uses that are not permitted so as to achieve the purposes in sub-clauses (1) and (2); and
- (4) Providing for the administration of the Council's powers and functions.

3. AUTHORISING PROVISION

The Council's authority to make this Local Law is contained in section 111(1) of the *Local Government Act 1989* and section 42 of the *Domestic Animals Act 1994*.

4. COMMENCEMENT, REVOCATION AND AREA OF OPERATION

This Local Law:

- (a) Commences on date to be confirmed;
- (b) Ceases to operate on 31 December 2028, unless revoked sooner; and
- (c) Operates throughout the whole municipal district.

5. REPEAL OF OTHER LOCAL LAWS

From the date of commencement of this Local Law Community Local Law No. 10 of 2011 will cease to operate and is revoked.

6. SCOPE OF THIS LOCAL LAW

- (1) Where this Local Law applies to a Road, it applies to all parts of the Road.
- (2) The provisions of this Local Law apply to the extent that they are not inconsistent with any Act or Regulation applicable to the Council or its Municipal District.
- (3) Where this Local Law prohibits any act, matter or thing or provides that such act, matter or thing can only be done or exist with a permit, that prohibition or provision will not apply if the act, matter or thing can be done or can exist by reason of the Municipal Planning Scheme.
- (4) References to any land in this Local Law include buildings and other structures permanently affixed to the land and any land covered with water.

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7. INCORPORATED DOCUMENTS

Reference is also made throughout this Local Law to the following Acts, regulations, rules and other documents as amended from time to time.

1. *Australian Standard 4970-2009: Protection of Trees on Development Sites (2009)*
2. *Building Act 1993*
3. *Catchment and Land Protection Act 1994*
4. *Catchment and Land Protection Regulations 2002*
5. *Country Fire Authority Act 1958*
6. *Crown Land (Reserves) Act 1978*
7. *Disability Discrimination Act 1992 (Cth)*
8. *Domestic Animals Act 1994*
9. *Filming Approval Act 2014*
10. *Firearms Act 1996*
11. *Food Act 1984*
12. *Gambling Regulation Act 2003*
13. *Geographic Place Names Act 1998*
14. *Impounding of Livestock Act 1994*
15. *Infringements Act 2006*
16. *Land Act 1958*
17. *Liquor Control Reform Act 1998*
18. *Local Government Act 1989*
19. *Livestock Disease Control Act 1994*
20. *Monetary Units Act 2004*
21. *Planning and Environment Act 1987*

22. *Prevention of Cruelty to Animals Act 1986*
23. *Public Health and Wellbeing Act 2008*
24. *Road Management Act 2004*
25. *Road Safety Act 1986*
26. *Road Rules 2017*
27. *Sentencing Act 1991*
28. *Summary Offences Act 1966*
29. *Tobacco Act 1987*
30. *VicRoads Code of Practice for Placement of Waste Bins on Roadsides (VicRoads Publication No. 00623) 2001*
31. *Victorian Government Gazette*

If a provision of any document incorporated by, or referred to, in this Local Law is inconsistent with any provision in this Local Law (excluding State and Commonwealth Legislation and the Regulations made under that Legislation and any relevant Municipal Planning Scheme), the provision in this Local Law prevails.



8. DEFINITIONS

In this Local Law, unless the context or subject matter indicates otherwise, definitions are as in *the Local Government Act 1989* indicated by the words 'as in the Act'. Other words and phrases have the respective meanings assigned:

Act	Means the <i>Local Government Act 1989</i> .
Advertising Sign	Means any board, notice, structure, banner or other similar device used for the purposes of soliciting sales or notifying people of the presence of an adjacent property or other address, whether real, internet based or otherwise electronic and where goods or services may be obtained.
Abandoned Vehicle	Means a vehicle left on Council Land that has been abandoned.
Alcohol	Means a beverage intended for human consumption with an alcohol content greater than 0.5 per centum by volume at a temperature of 20 degrees Celsius.
Animal	Includes every species of quadruped and every species of bird.
Applicant	Means a person who applies for a Permit under this Local Law.
Appropriate Fee	Means the appropriate fee determined by the Council in accordance with this Local Law.
Authorised Officer	Means an Authorised Officer appointed under section 224 of the Act.
Camp	Means using a tent, caravan, mobile home or any other movable temporary form of accommodation including sleeping bags or swags.
Chief Executive Officer	Means the person appointed as the Chief Executive Officer of the Council.
Clause	Means a Clause of this Local law and Subclause has a corresponding meaning.

Collectable Waste

Includes domestic waste or other waste of a nature and quantity usually expected to be accumulated from residential premises but does not include:

- (a) liquid waste, slops or any offensive material;
- (b) any ash unless the ash has been effectually dampened so as to be non-combustible or vacuum cleaner waste unless it has been wrapped;
- (c) any oil, solvent, flammable liquid;
- (d) glass or other sharp objects unless they are wrapped or treated so that they are harmless or inoffensive; or
- (e) trade waste of any kind.

Council

Means Buloke Shire Council.

Council Land

Means land, buildings and facilities which are owned, occupied or vested in the Council or in respect of which the Council has the care and management and to which the public has access (whether an entry fee is paid or not) and includes a Public Place.



<p>Delegated Officer Means a member of the Council’s staff to whom a function or power under this Local Law has been delegated.</p> <p>Dwelling Means a building used as a self-contained residence which includes a bath or shower, water closet and wash basin, and out-buildings and works normal to a dwelling.</p> <p>Footpath Means a pathway or other area within a Road constructed or developed by a public authority (including the Council) for use by pedestrians.</p> <p>GVM Means the Gross Vehicle Mass of a Vehicle, which means the maximum loaded mass of the Vehicle: (a) as specified by the Vehicle’s manufacturer (b) as specified by VicRoads if – (i) the manufacturer has not specified a maximum loaded mass or (ii) the manufacturer cannot be identified (iii) the vehicle has been modified to the extent that the manufacturer’s specification is no longer appropriate (as in <i>the Road Safety Act 1986</i>).</p> <p>Heavy Vehicle Means a Vehicle that has a GVM of more than 4.5 tonnes.</p> <p>Infringement Notice Means an infringement notice issued by the Council or an Authorised or Delegated Officer under this Local Law.</p> <p>Livestock Means an Animal (including a bird) of any species used in connection with primary production or kept or used for recreational purposes other than a dog or cat.</p> <p>Long Vehicle Means a Vehicle that, together with any load or projection, is 7.5 metres in length or longer.</p>	<p>Motor Vehicle Means a Vehicle that is used or intended to be used on a highway and that is built to be propelled by a motor that forms part of the Vehicle but does not include— (a) a Vehicle intended to be used on a railway or tramway; (b) a motorised wheel-chair capable of a speed of not more than 10 kilometres per hour which is used solely for the conveyance of an injured or disabled person; or (c) a Vehicle that is not a motor vehicle by virtue of a declaration under subsection (2)(b) of <i>the Road Safety Act 1986</i></p> <p>Municipal District Means the district under the local government of the Council (as in the Act).</p> <p>Municipal Place Means any place within the Municipal District, which is owned or occupied by the Council and/or controlled or managed by the Council, to which the public may or may not have access (whether an admittance fee is required or not), and includes a municipal reserve, library, municipal building and Road.</p> <p>Municipal Planning Scheme Means the Planning Scheme operating in the Buloke Shire that is made under <i>the Planning and Environment Act 1987</i>.</p> <p>Owner (Land) Means in relation to: (a) land under the Transfer of Land Act 1958 (other than land in an identified folio under that Act), the registered proprietor of the fee simple in the land, or a person who is empowered by or under an Act to execute a transfer of the land; and (b) land in an identified folio under the Transfer of Land Act 1958 or land not under the Transfer of Land Act, a person who has an estate in fee simple in the land (except a mortgagee), or is empowered by or under an Act to convey an estate in fee simple in the land.</p>
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<p>Owner (Motor Vehicle) In relation to a Motor Vehicle or trailer, includes a part owner and also—</p> <p>(a) includes a person who has the possession and use of it under or subject to a hire-purchase agreement or a bill of sale or like instrument or under or subject to a written hiring agreement (not being a hire-purchase agreement) which requires that person to register the Motor Vehicle or trailer in that person's name; but</p> <p>(b) does not include a person in whom the property in the Motor Vehicle or trailer or any absolute or conditional right or licence to take possession of the Motor Vehicle or trailer is vested under or subject to a hire-purchase agreement or a bill of sale or like instrument or written hiring agreement which requires another person to register the Motor Vehicle or trailer in the name of that other person but who has not for the time being the possession and use of the Motor Vehicle or trailer</p>	<p>Public Place Includes—</p> <p>(a) any public highway, Road, street, bridge, footway, footpath, court, alley, passage or thoroughfare notwithstanding that it may be formed on private property;</p> <p>(b) any park, garden, reserve or other place of public recreation or resort;</p> <p>(c) any railway station platform or carriage;</p> <p>(d) any wharf, pier or jetty;</p> <p>(e) any passenger ship or boat plying for hire;</p> <p>(f) any public vehicle plying for hire;</p> <p>(g) any church or chapel open to the public or any other building where a divine service is being publicly held;</p> <p>(h) any Government school or the land or premises in connexion therewith;</p> <p>(i) any public hall, theatre or room while members of the public are in attendance at, or are assembling for or departing from, a public entertainment or meeting therein;</p> <p>(j) any market;</p> <p>(k) any auction room or mart or place while a sale by auction is there proceeding;</p> <p>(l) any licensed premises or authorised premises within the meaning of <i>the Liquor Control Reform Act 1998</i>;</p> <p>(m) any race-course, cricket ground, football ground or other such place while members of the public are present or are permitted to have access thereto whether with or without payment for admission;</p> <p>(n) any place of public resort;</p> <p>(o) any open place to which the public (whether upon or without payment for admittance) have or are permitted to have access; or</p> <p>(p) any public place within the meaning of <i>the Summary Offences Act 1966</i>;</p>
<p>Owner (Other) Means, other than in relation to land or a Motor Vehicle, any person with a proprietary interest in the thing.</p>	
<p>Notice to Comply Means a Notice to Comply issued by the Council or an Authorised or Delegated Officer under this Local Law.</p>	
<p>Noxious Weed Means:</p> <p>(a) a State prohibited weed;</p> <p>(b) a regionally prohibited weed;</p> <p>(c) a regionally controlled weed; or</p> <p>(d) a restricted weed.</p>	
<p>Penalty Unit Has the same meaning as in <i>the Sentencing Act 1991</i>.</p>	
<p>Permit In relation to a use or activity, means a permit issued under this Local Law which authorises that use or activity.</p>	
<p>Poultry Means birds kept for the production of eggs or meat for human consumption but does not include roosters.</p>	



Private Land	Means any land other than Council Land.
Recreational Vehicle	Includes mini bikes, trail bikes, motor bikes, motor cars, motor scooters and go karts but does not include motorised Vehicles being used for farming purposes or a motorised wheelchair.
Road	As in the Act (and therefore includes streets and footpaths) and applies to roads for which the Council has responsibility under <i>the Road Management Act 2004</i> but does not include a State road under the Road Management Act unless a provision in the Local Law is expressly applied to a State road.
Senior Officer	As in the Act.
Township	Means a township shown in any of the Township Maps in Schedule 5.
Unregistered	Means not having current registration under <i>the Road Safety Act 1986</i> .
Vehicle	Means a conveyance that is designed to be propelled or drawn by any means, whether or not capable of being so propelled or drawn, and includes a bicycle or other pedal-powered vehicle, trailer, tram-car and air-cushion vehicle but does not include a railway locomotive or railway rolling stock.

Wildlife

Means:

- (a) any animal of a vertebrate taxon other than mankind which is indigenous to the whole or part or parts of Australia or its territories or territorial waters, whether or not it occurs elsewhere;
- (b) all kinds of deer, non-indigenous quail, pheasants, and partridges and any other taxon of animal which the Governor in Council by Order published in the Government Gazette declares to be wildlife for the purposes of *the Wildlife Act 1975*;
- (ba) any taxon of terrestrial invertebrate animal which is listed under *the Flora and Fauna Guarantee Act 1988*; and
- (c) any hybrids of a kind or taxon of animal specified in or pursuant to paragraphs (a) and (b)— and except as is otherwise expressly provided in any such Order includes any such animal or any member of a taxon which is bred or kept in captivity or confinement but in Parts I to VI and Parts IX and XI does not include a whale within the meaning of section 75 of *the Wildlife Act 1975*

PART 2 – ADMINISTRATION AND ENFORCEMENT

DIVISION 1 – PERMITS, FEES AND DELEGATIONS

9. APPLYING FOR A PERMIT

- (1) A person who wishes to apply for a Permit may do so by:-
 - (a) lodging with the Council an application in the form of Schedule 1; and
 - (b) paying to the Council the Appropriate Fee.
- (2) The Council may require an Applicant to provide additional information before dealing with an application for a Permit or for exemption.
- (3) The Council may require an Applicant of the application to give public notice, which will entitle any person to make a submission and to be heard in accordance with procedures consistent with section 223 of the Act.
- (4) In deciding whether to grant a Permit the Council may take into consideration whether the proposed activity or use will:
 - (a) conform with any related policies of the Council;
 - (b) cause a danger or hazard to pedestrians or Vehicles;
 - (c) disturb, annoy or disrupt adjacent property Owners or occupiers;
 - (d) be detrimental to the amenity of the area;
 - (e) destroy native vegetation on Council Land or Roads;
 - (f) cause damage to Council assets;
 - (g) require the consent or should be referred to obtain the opinion of any other public authority or individual;
 - (h) require additional arrangements to be made for waste water disposal, litter and garbage disposal, lighting and security;
 - (i) obstruct a Footpath so that it will not be possible to maintain a clear walkway at all times;
 - (j) necessitate the applicant to have insurance against any risk; or
 - (k) necessitate a written indemnification of the Council against liability arising from activities authorised by the Permit;

and may take into consideration any other matters relevant to the circumstances of the application.

10. ISSUE OF PERMITS

The Council may:

- a. issue a permit with or without conditions; or
- b. refuse to issue a permit.

11. RIGHT OF APPEAL

- (1) A person who has applied for a Permit may appeal in writing to Chief Executive Officer against the decision of an Authorised Officer to refuse to grant a Permit within 21 days of being notified of the decision.
- (2) The Chief Executive Officer may obtain any additional information to assist with the determination of the appeal.
- (3) The Chief Executive Officer will advise the Applicant in writing of the decision and the reasons for it within one month of receiving the request to review the decision of the Authorised Officer or within one month of receiving any additional information requested of the Applicant.

12. DURATION OF PERMITS

- (1) A Permit is in force until the expiry date indicated on the Permit, unless it is cancelled before the expiry date.
- (2) If no expiry date is indicated on the Permit, the Permit expires twelve months after the date on which it is issued.
- (3) Before the Permit expires, a person may request the Council to extend the Permit for a further period of time.



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13. CONDITIONAL PERMITS

- (1) A conditional Permit may be subject to conditions which the Council considers to be appropriate in the circumstances, including:
 - (a) the payment of a fee or charge; and
 - (b) the payment of a security deposit, bond or guarantee to the Council to secure the proper performance of conditions on a Permit or to rectify any damage caused to Council assets as a result of the use or activity allowed by the Permit; and
 - (c) a time limit to be applied either specifying the duration, commencement or completion date; and
 - (d) that the Applicant be insured against the risk and to provide a written indemnification of the Council against liability arising from the activity or use; and
 - (e) the rectification, remedying or restoration of a situation of circumstance; and
 - (f) where the Applicant is not the Owner of the subject property, the consent of the Owner; and
 - (g) the granting of some other permit or authorisation.
- (2) The conditions of a Permit must be set out in the Permit.

14. CANCELLATION OF PERMIT

- (1) The Council may cancel a Permit if it considers that:
 - (a) there has been a serious or ongoing breach of the conditions of the Permit;
 - (b) a Notice to Comply has been issued, but not complied with within seven days after the time specified in the Notice to Comply for compliance;
 - (c) there was a significant error or misrepresentation in the application for the Permit;
 - (d) in the circumstances, the Permit should be cancelled.
- (2) Before it cancels a Permit, the Council must provide the permit holder an opportunity to make comment on the proposed cancellation.
- (3) If a permit holder is not the Owner of the land and the Owner's consent was required to be given to the application for the Permit, the Owner must be notified of any Notice to Comply and of the reason why it has been served.

15. CORRECTION OF PERMITS

- (1) The Council may correct a Permit in relation to:
 - (a) an unintentional error or an omission; or
 - (b) an evident material miscalculation or an evident material mistake in the description of a person, thing or property.
- (2) The Council must notify a permit holder in writing of any correction.
- (3) If the permit holder is not the Owner of the land and the Owner's consent was required to be given to the application for the Permit, the Owner must be notified of any correction to a Permit.

16. FEES

- (1) The Council may, from time to time, by resolution determine fees for the purposes of this Local Law.
- (2) In determining any fees and charges the Council may establish a system or structure of fees and charges, including a minimum or maximum fee or charge, if it considers it is appropriate to do so.
- (3) The Council may waive, reduce or alter a fee with or without conditions.

17. REGISTERS

- (1) The Council must maintain a register of Permits granted, including details of corrections and cancellations.
- (2) The Council must maintain a register of determinations made and of guidelines or procedures prepared for the purposes of this Local Law.
- (3) The Council must ensure that the registers are available for public inspection at the office of the Council during normal business hours.

18. EXEMPTIONS

- (1) The Council may by written notice exempt any person or class of persons from the requirement to have a Permit, either generally or at specified times.
- (2) In determining whether to grant an exemption to the requirement to obtain a Permit, an Authorised Officer will have regard to:
 - (a) the circumstances of the application;
 - (b) whether the application is to raise funds for community or charitable purposes;
 - (c) whether the proposed activity or use will have an overall community benefit;
 - (d) whether the proposed activity or use could have a detrimental effect on adjoining properties;
 - (e) whether the Applicant will be given an unfair advantage over any other person or organisation; and
 - (f) any other matters relevant to the circumstances of the application.
- (3) An exemption may be granted subject to conditions.
- (4) A person must comply with the conditions of an exemption.
- (5) An exemption may be cancelled or corrected as if it were a Permit.

DIVISION 2 – ENFORCEMENT

19. COMPLIANCE WITH DIRECTIONS

A person must comply with any reasonable direction or instruction of an Authorised Officer when requested to do so in urgent circumstances or for public safety reasons, whether or not the person has a Permit under this Local Law.

Penalty: 5 Penalty Units

20. WARNING TO OFFENDERS

- (1) Where there is a breach of this Local Law an Authorised Officer may request the person breaching the Local Law to stop or remedy the breach.
- (2) If there is a breach of this Local Law after an Authorised Officer has requested a person to remedy or stop the breach, the Authorised Officer may issue an official warning which must comply with the requirements of the *Infringements Act 2006*.

21. POWER OF AUTHORISED OFFICER – NOTICE TO COMPLY

Where there is a breach of this Local Law, an Authorised Officer may serve a Notice to Comply on the person who is breaching the Local Law in the form of Schedule 2.

22. TIME TO COMPLY

- (1) A Notice to Comply must state the time and date by which the situation must be remedied.
- (2) The time required by a Notice to Comply must be reasonable in the circumstances having regard to:
 - (a) the amount of work involved;
 - (b) the degree of difficulty;
 - (c) the availability of necessary materials or other necessary items;
 - (d) climatic conditions;
 - (e) the degree of risk or potential risk; and
 - (f) any other relevant factor.

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23. FAILURE TO COMPLY WITH A NOTICE TO COMPLY

- (1) A person who fails to comply with a Notice to Comply served on that person is guilty of an offence.

Penalty: 10 Penalty Units

- (2) Where a Notice to Comply requiring works to be undertaken is not complied with an Authorised Officer may cause any works to be carried out to ensure compliance and may recover the costs incurred to the Council.

24. POWER OF AUTHORISED OFFICERS TO ACT IN URGENT CIRCUMSTANCES

- (1) In urgent circumstances arising as a result of a failure to comply with this Local Law, an Authorised Officer may take action to remove, remedy or rectify a situation without first serving a Notice to Comply if:
 - (a) the Authorised Officer considers the circumstances or situation to be sufficiently urgent and that the time involved or difficulties associated with the serving of a notice, may place a person, Animal, property or thing at risk or in danger; and
 - (b) wherever practicable, a Senior Officer is given prior notice of the proposed action.
- (2) In deciding whether circumstances are urgent, an Authorised Officer must take into consideration, to the extent relevant:
 - (a) whether it is practicable to contact:-
 - (i) the person by whose default, permission or tolerance the situation has arisen; or
 - (ii) the Owner or the occupier of the premises or property affected; and
 - (b) whether there is an urgent risk or threat to public health, public safety, the environment or Animal welfare.
- (3) The action taken by an Authorised Officer under subclause (1) must not extend beyond what is necessary to cause the immediate abatement of or minimise the risk or danger involved.
- (4) An Authorised Officer who takes action under subclause (1) must ensure that, as soon as practicable:
 - (a) details of the circumstances and remedying action are forwarded to the person on whose behalf the action was taken; and
 - (b) a report of the action taken is submitted to the Chief Executive Officer.

25. POWER OF AUTHORISED OFFICERS TO IMPOUND

- (1) Where any items, goods and equipment are used or Animals are kept in contravention of this Local Law an Authorised Officer may remove and impound them.
- (2) Where any items, goods, equipment or Animals are impounded under this provision, an Authorised Officer must as soon as possible and where practicable, serve a Impounding Notice in the form of Schedule 3 on the Owner or the person responsible for the thing setting out the fees and charges payable and the time by which the item, good, equipment or Animal must be retrieved.
- (3) Where the identity or whereabouts of the person responsible for the impounded thing is unknown, the Authorised Officer must take reasonable steps to establish the identity or whereabouts of the person and may dispose of the impounded thing in the following way:
 - (a) where the thing is declared by a Senior Officer or another member of Council's staff authorised for the purpose to have no saleable value, it may be disposed of in the most economical way determined by that Senior Officer or other member of Council's staff;
 - (b) where the thing is declared by a person in paragraph (a) to have some saleable value the thing may be disposed of by tender, public auction or private sale but may be given away or disposed of if the sale is unsuccessful.
- (4) Any proceeds from the disposal of an impounded thing will be paid to the Owner or the person who in the opinion of the Council appears to be authorised to receive the money, except for the reasonable costs incurred to the Council in the administration of this Local Law.
- (5) If the person described in subclause (4) cannot be identified or located within one year of serving the Impounding Notice, any proceeds of sale cease to be payable to that person and may be retained for municipal purposes.
- (6) If an Authorised Officer has impounded any thing in accordance with this Local Law, the Council may refuse to release it until the Appropriate Fee or charge for its release has been paid to the Council.

26. OFFENCES AND PENALTIES

- (1) A person who makes a false representation or declaration (whether oral or in writing), or who intentionally omits relevant information in an application for a Permit or exemption, is guilty of an offence.

Penalty: 5 Penalty Units

- (2) A person who fails to obtain a Permit for any use that requires a Permit is guilty of an offence against this Local Law and is liable to the penalty stated in the provision or, if no penalty is stated, a penalty of **10 Penalty Units**.
- (3) A person must comply with
 - (a) any condition of a Permit; and
 - (b) any conditions or requirements that this Local Law stipulates.

Penalty: 10 Penalty Units

- (4) Any person who otherwise contravenes or fails to comply with any clause in this Local Law, including whether wilfully or not –
 - (a) failing to do anything directed or required to be done; or
 - (b) doing anything forbidden

is guilty of an offence against this Local Law and is liable to the penalty stated in the provision or if no penalty is stated, to a penalty not exceeding:

10 penalty units for a first offence,

20 penalty units for a subsequent offence and with a daily penalty of 2 penalty units for each day the offence continues after conviction.

27. OWNER ONUS

- (1) Offences against clauses 49 and 50 in this Local Law and any other offence that may be committed by the driver or person in charge of a Motor Vehicle or trailer are owner onus offences for the purposes of Part 6AA of the *Road Safety Act 1986*.
- (2) The owner of the Motor Vehicle or the responsible person is liable for the offence and the same penalty subject to the provisions of that Act. [Note: refer to s84BC(1) of the *Road Safety Act 1986*.]

28. NOMINATION BY OWNER

The Owner or operator of any Vehicle or trailer must provide all information in their possession or knowledge to an Authorised Officer within 14 days after being requested any information that will identify the driver or person in charge of the Vehicle or trailer at the time that the Authorised Officer

believes that an offence has been committed provided that the Authorised Officer provides sufficient details to enable the person to sufficiently identify the time, place and nature of the offence that the Authorised Officer believes has been committed.

29. INFRINGEMENT NOTICES

- (1) As an alternative to prosecution an Authorised Officer may issue an Infringement Notice to any person whom the Authorised Officer reasonably considers has committed an offence against this Local Law.
- (2) A person issued with an infringement notice is entitled to disregard the notice and defend the prosecution in court.
- (3) The penalty fixed in respect of an infringement for which an Infringement Notice is issued is the amount set out in Schedule 4. If a penalty is not listed in Column 3 of Schedule 4, the Infringement Notice penalty is two (2) Penalty Units.
- (4) A person issued with an Infringement Notice may pay the penalty amount to the Council at the address indicated in the notice.
- (5) To avoid prosecution and subject to *the Infringements Act 2006*, the penalty indicated in the Infringement Notice must be paid within 28 days after the day on which the Infringement Notice is issued.

30. WAIVER AND WITHDRAWAL

- (1) Within 28 days of receiving an Infringement Notice a person may make a written request to the Chief Executive Officer that the Infringement Notice be withdrawn.
- (2) The Chief Executive Officer may consider the written request and may make a decision or a recommendation to the Council that the Infringement Notice be withdrawn.

31. OFFENCES BY CORPORATIONS

- (1) If a person charged with an offence against this Local Law is a corporation, any person who is concerned or takes part in the management of that corporation may be charged with the same offence.
- (2) If the corporation is convicted of an offence against this Local Law, a person charged under subclause (1) with the same offence may also be convicted of the offence and is liable to the penalty for that offence unless that person proves that the act or omission constituting the offence took place without his or her knowledge or consent.

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PART 3 YOUR PROPERTY

32. NUMBERING PROPERTIES

If the Council has allocated a number to a property, the Owner or occupier of the property must ensure that:

- (a) the property is marked with the number allocated;
- (b) the numbers used are a reasonable size; and
- (c) the numbers are located so that they are free from obstructions and they can be read under all normal lighting conditions from the Road immediately adjacent to the front boundary of the property.

Penalty: 3 Penalty Units

33. UNSIGHTLY LAND

- (1) An Owner or occupier of Private Land must not cause or allow the Private Land to be kept in a manner which is unsightly or detrimental to the general amenity of the neighbourhood in which it is located.

Penalty: 10 Penalty Units

- (2) Factors that may be taken into consideration in determining whether there has been a contravention of subclause (1) will include whether:
 - (a) a nuisance or a health hazard could exist because of Noxious Weeds or because the conditions provide a harbour for vermin; or
 - (b) windows or doors in a building have been broken or removed and the building cannot be secured.
- (3) If an Authorised Officer considers that an Owner or occupier of Private Land is failing to comply with the requirements of subclause (1) the Authorised Officer (under direction of the Council) may serve a Notice to Comply requiring the Owner or occupier to take remedial action to limit the impact of the condition or appearance of the Private Land (or any building on the Private Land) on the overall character or amenity of the neighbourhood or to eliminate the danger, including alternative means of resolving the failure to comply such as screening the land by a fence or other methods.
- (4) An Owner or occupier of Private Land within a Township must not without a permit keep or cause or allow to be kept on that Private Land more than two Unregistered vehicles if any part of an Unregistered vehicle is, during daylight hours, normally exposed to the view of another person.

Penalty: 10 Penalty Units

- (5) Subclause (4) does not apply if the storage of Unregistered Vehicles is expressed as a permitted use under the Municipal Planning Scheme.

34. DANGEROUS LAND

An Owner or occupier of Private Land must not cause or allow the Private Land to be kept in a manner which is dangerous or likely to cause danger to life or property including, but not limited to, Private Land which is:

- (1) A haven for vermin or Noxious Weeds;
- (2) Used without a Permit for the storage of any substance which is, or any objects which are, dangerous or are likely to cause danger to a person, life or property; or
- (3) Occupied by an unsecured hole or excavation.

Penalty: 10 Penalty Units

35. DISPOSAL OF DOMESTIC WASTE

- (1) The occupier of any property to which the Council provides a waste collection service (including recyclable material and hard rubbish) must ensure that:
 - (a) only Collectible Waste is placed in a rubbish bin that has been provided or in an approved container;
 - (b) the rubbish bin or approved container is returned to the allocated property as soon as practicable after it has been emptied;
 - (c) the rubbish bin or approved container does not remain on any Road for a period exceeding 48 hours unless a Permit has been obtained; and
 - (d) The rubbish bin or approved container is maintained in a clean, inoffensive and sanitary condition.

Penalty: 5 Penalty Units

- (2) Other than an Owner or occupier of a property to which a rubbish bin or approved container has been allocated, a person must not remove a rubbish bin or approved container left out for collection by the Council's contractors or remove any other thing left for collection under subclause (1).

Penalty: 2 Penalty Units

36. RECYCLABLE MATERIAL AND HARD WASTE COLLECTION

- (1) If the Council has notified occupiers that it is providing a recycling collection, the material to be recycled must be left out for collection in accordance with the Council's directions.
- (2) Every recycling container used for the collection of recyclable material or waste must display a notice indicating the type of waste or material which is permitted and state that it is an offence to deposit any material contrary to the notice.
- (3) A person must not place any waste or material in the recycling container contrary to any notice on it.

Penalty: 5 Penalty Units

- (4) A person must not remove or interfere with recyclable material left at any collection point.

Penalty: 5 Penalty Units

- (5) Subclauses (4) and (5) do not apply to a person

authorised by the Council to remove such materials or an employee of the person acting in the course of employment or a person placing materials for collection or a member of the Council's staff acting in the course of their duties.

37. OPEN AIR BURNING

- (1) A person must not without a Permit light a fire in the open air (including in an incinerator) in a Township.

Penalty: 8 Penalty Units

- (2) The requirement to obtain a Permit does not apply if the fire in the open air:
 - (a) is in a barbeque or some other appliance for cooking food;
 - (b) is in an incinerator that is regulated under *the Environment Protection Act 1970*; or
 - (c) has been lit by a member of the Country Fire Authority in the course of their duty or a member of the public under *the Country Fire Authority Act 1958* or in the opinion of an Authorised Officer there are exceptional circumstances.
- (3) Despite subclause (1), a person granted a Permit to light a fire in a Township must not light or allow a fire to remain alight in the open air on a Total Fire Ban Day declared under *the Country Fire Authority Act 1958*.

Penalty: 8 Penalty Units

38. BURNING OFFENSIVE MATERIALS

A person must not burn offensive materials, including any of the following:

- (a) any manufactured material;
- (b) any plastic;
- (c) any petroleum or oil;
- (d) any paint or receptacle which contains or contained paint;
- (e) food waste, fish or other offensive or noxious matter; and
- (f) any material that produces excessive or noxious smoke emissions when burnt.

Penalty: 5 Penalty Units

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PART 4 YOUR VEGETATION

39. CAMPING ON PRIVATE LAND

- (1) A person must not Camp on Private Land without a Permit unless the Private Land is designated by the Council as a camping area.

Penalty: 5 Penalty Units

- (2) Sub-clause (1) does not apply while approved works are being undertaken to construct a Dwelling.
- (3) An owner or occupier of Private Land must not without a Permit allow another person to camp on that Private Land

Penalty: 5 Penalty Units

- (4) Sub clause (1) does not apply where
- (a) the tent or caravan is placed on Private Land to be used by the Owner, or by another person if the Owner has obtained a Permit and has provided their consent;
 - (b) the camping does not exceed a total aggregate of 60 days in any calendar year;
 - (c) no rent, fee, licence, charge or other payment (whether in money or in kind) is paid in respect to camping;
 - (d) the camping is not offensive and does not cause a nuisance, particularly in relation to, but not limited to, noise, effluent or waste;
 - (e) any structures associated with the camping do not remain erected for more than an aggregate of 60 days in any calendar year;
 - (f) there are adequate sanitary facilities for the camping and those facilities are maintained to the satisfaction of the Council; and
 - (g) there are adequate waste water facilities for the camping and those facilities are maintained to the satisfaction of the Council.

40. LOCATING VEGETATION AND OTHER OBSTRUCTIONS

- (2) An Owner or occupier of land must not allow vegetation, fencing, a sign or anything on the land to be an obstruction or obstruct or interfere with pedestrian or vehicular traffic by:

- (a) overhanging a the boundary of the land onto a Footpath or other part of the Road used by pedestrians limiting safe access or likely to cause injury or damage;
- (b) extending over any part of a Road so that it:
 - (i) obstructs the view of drivers of Vehicles at an intersection;
 - (ii) obstructs the view between drivers of Vehicles and pedestrians;
 - (iii) obscures a traffic control item from an approaching Vehicle or pedestrian;
 - (iv) obscures street lighting; or
- (c) constitutes a danger to Vehicles or pedestrians or compromises the safe and convenient use of the Footpath or other part of the Road.

Penalty: 5 Penalty Units

- (3) Vegetation overhanging a boundary onto a Footpath or other part of a Road will be considered to limit safe access for pedestrians or likely to cause injury or damage if it encroaches on a Footpath or other part of a Road because it is less than 3 metres high or a pedestrian cannot continue on a Footpath or other part of a Road and needs to step off the Footpath or other part of a Road to avoid trees or plants from the abutting land.
- (4) The Council may serve a Notice to Comply on an Owner or occupier of land requiring that person to take remedial action to ensure that on that person's land do not compromise safe access for pedestrians using a Footpath or other part of a Road.

41. VEGETATION CAUSING DAMAGE TO A MUNICIPAL PLACE

- (1) A person must not allow any vegetation growing on Private Land owned or occupied by them to cause damage to, or interference with, any fixture or other erection in a Municipal Place or drain vested in or under the control of the Council.

Penalty: 10 Penalty Units

PART 5 YOUR ANIMALS

THE OPPORTUNITY TO KEEP ANIMALS IS ONE OF THE MANY PLEASURES OFTEN ENJOYED AS PART OF A RURAL LIFESTYLE. HOWEVER THE KEEPING OF ANIMALS MUST BE BALANCED WITH THE RIGHT TO QUIET ENJOYMENT OF THE ENVIRONMENT BY INDIVIDUALS, THE COMMUNITY IN GENERAL AND ESPECIALLY OUR CLOSEST NEIGHBOURS.

42. KEEPING ANIMALS

- (1) An Owner or occupier of land must not without a Permit keep on their land Animals in excess of the number set out in the following table:

Type of Animal	Maximum number allowed in Township without a Permit	Maximum number allowed outside of Township without a Permit
Dogs	2	5
Cats	2	2
Pigeons	10	No maximum limit
Small birds - includes canaries, finches, budgerigars	20	No maximum limit
Large birds such as cockatoos, parrots, galahs	0	10
Poultry	6 - for any combination of chickens or ducks 0 - roosters, geese or turkeys	No maximum limit
Domestic mice	10	No maximum limit
Guinea pigs	6	No maximum limit
Domestic rabbits	6	No maximum limit
Horses/donkeys	0	No maximum limit
Cattle	0	No maximum limit
Sheep/goats/alpacas	0	No maximum limit
Pigs	0	No maximum limit
Any other livestock	0	No maximum limit

Penalty: 8 Penalty Units

- (2) The requirement to obtain a Permit under this provision does not apply where a Planning Permit and a Domestic Animal Business Permit have been obtained for animal breeding or boarding.
- (3) A person may only keep Wildlife in accordance with the requirements of *the Wildlife Act 1975* and any Regulations made under that Act.
- (4) For the purpose of calculating the Animal numbers kept, the progeny of any Animal lawfully kept will be exempt for a period of 12 weeks after their birth.

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43. ANIMAL ACCOMMODATION

- (1) Whether a Permit is required or not, a person keeping Animals must provide shelter for them that is reasonable and appropriate for the type of Animal being kept and having regard to it having:
- (a) the capacity to protect neighbours from any noise or nuisance from the Animals; and
 - (b) the capacity to maintain the housing in an inoffensive and sanitary condition.

Penalty: 5 Penalty Units

- (2) All animal shelters must be maintained by the Owner or occupier of a property so that a nuisance or offensive condition is not caused to adjoining properties by:
- (a) manure and other waste on the land;
 - (b) a failure to keep food and other materials in fly and vermin proof containers;
 - (c) inadequate drainage of the property;
 - (d) allowing grass, weeds, refuse, rubbish and other material to build up within three metres of the animal shelter;
 - (e) a failure to keep the animal shelter and the land in a clean and sanitary condition; or
 - (f) keeping any Animal in a way that would create a nuisance, be offensive, dangerous or injurious to the health of another person.

Penalty: 5 Penalty Units

44. ADEQUATE FENCING

- (1) Where an Animal is kept on Private Land, the Owner or occupier of the Private Land must ensure that the Private Land is fenced and gated in a way that will prevent the Animal from straying or escaping from the Private Land.

Penalty for first offence: 5 Penalty Units

Penalty for continuation of offence: 10 Penalty Units

45. ANIMAL EXCREMENT

- (1) A person in charge of any dog or cat on Council Land must not allow any part of the excrement of the dog or cat to remain on the Council Land.

Penalty: 5 Penalty Units

- (2) A person in charge of any dog or cat on Council Land must carry a litter device suitable to clean up any excrement left by their dog or cat and must produce such litter device upon request of an Authorised Officer.

Penalty: 5 Penalty Units

46. BEEKEEPING

- (1) The requirement to obtain a Permit to keep bees applies where a person proposes to keep beehives in a Township.
- (2) A person keeping bees must have regard to the Apiary Code of Practice.

Penalty: 5 Penalty Units

PART 6 – ROADS, LIVESTOCK MOVEMENTS AND VEHICLES

47. LIVESTOCK MOVEMENT WITHIN THE MUNICIPAL DISTRICT

- (1) A person may only move Livestock along a Road for the purpose of moving them from one farm or part of a farm to another or to or from any saleyards in the Municipal District on a single day provided that the requirements in subclause (2) are complied with.

Penalty: 8 Penalty Units

- (2) The requirements that must be complied with are that:
 - (a) the Livestock are moved on a Road only between sunrise and sunset and in weather conditions for the duration of each movement where the visibility for Road users is at least 300 metres;
 - (b) there is a person in charge of the Livestock at all times who is competent in handling the Livestock being moved and who supervises the Livestock for the duration of the movement;
 - (c) there are adequate alerts to motorists, including the presence of an amber flashing light and signs which are placed ahead and behind the Livestock while they are being moved and which remain in place until the Livestock are confined on the destination property;
 - (d) the signs referred to in paragraph (c) comply with the requirements of the Road Safety Road Rules 2017 and are removed at completion of the movement between farming properties; and
 - (e) stock are not allowed to graze the roadsides.

Examples of appropriate signs for livestock on roads from Schedule 3 of the Road Safety Road Rules 2017 appear below:



48. WASTE AND WASTE SKIP BINS

- (1) An Owner or occupier of land who arranges for the collection of waste or for a waste skip to be provided to the land must ensure that the requirements of this Local Law are complied with.

Penalty: 5 Penalty Units

- (2) Skip bins or containers used for the collection and storage of waste that contains perishable goods, food waste, or other material that could attract flies and vermin must:
 - (a) be constructed of approved impervious material to the satisfaction of an Authorised Officer to prevent leakage, absorption, or accumulation of any refuse or rubbish that may be deposited in it;
 - (b) be watertight, fly and vermin proof;
 - (c) contain a removable drainage plug so that it can be cleaned; and
 - (d) be fitted with fly and vermin proof lid with overlapping flanges which must be kept closed when not in use.
- (3) Skip bins or containers must be emptied regularly to avoid the likelihood of an Authorised Officer forming the view the bin is becoming offensive.
- (4) A person using a skip bin or container must ensure that the container:
 - (a) is stored on an impervious surface so that it can be washed and waste water is drained to an approved outlet; and
 - (b) is stored and maintained in a clean, sanitary and inoffensive condition at all times to the satisfaction of an Authorised Officer.

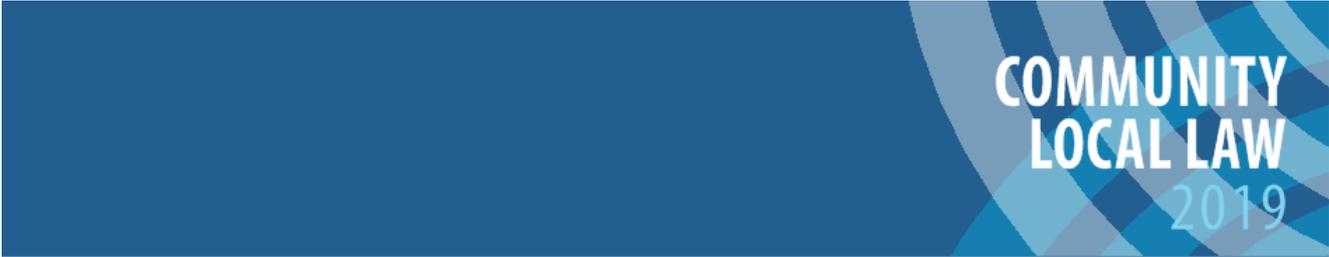
49. RECREATION VEHICLES

- (1) A person must not without a Permit use a Recreational Vehicle on Council Land that has not been designated by the Council for that purpose.

Penalty: 5 Penalty Units

- (2) It is an offence to use a Recreational Vehicle without a Permit on Council Land on a declared Total Fire Ban Day.

Penalty: 5 Penalty Units



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50. PARKING OR LEAVING LONG VEHICLES ON A ROAD

A person must not without a Permit park or leave standing a Heavy Vehicle or a Long Vehicle on a Road in a Township unless:

- (a) the Council has designated that area as an area in the Township where a person can park or leave standing a Heavy Vehicle or a Long Vehicle; or
- (b) the driver of the Heavy Vehicle or the Long Vehicle is involved in dropping off or picking up goods.

Penalty: 8 Penalty Units

51. STREET FESTIVALS: PERMIT

- (1) A person must not without a Permit hold a street festival or procession on a Road.

Penalty: 10 Penalty Units

- (2) An application to conduct an event on any Road must be made 21 days before the street party or procession is to take place unless exceptional circumstances necessitate an application being made closer to the proposed date of the street party or procession.

52. COLLECTING FIREWOOD ON COUNCIL ROADS

- (1) A person must not without a Permit collect firewood from any Road.

Penalty: 5 Penalty Units

- (2) In determining whether to grant a Permit, the Council will take into account:
 - (a) the classification of the Road in the Roadside Vegetation Guidelines;
 - (b) any other environmental considerations the Council has determined in relation to the Road;
 - (c) whether the firewood collection is consistent with fire fuel hazard reduction; and
 - (d) any other matters considered relevant to the application.

PART 7 – BUSINESS AND BUILDERS

53. USING ROADS AND COUNCIL LAND FOR COMMERCIAL ACTIVITIES

- (1) A person must not without a Permit use a Footpath, other part of a Road or Council Land for:
 - (a) outdoor eating;
 - (b) displaying goods for sale;
 - (c) displaying Advertising Signs that are not of a size or type where a permit is required under the Municipal Planning Scheme; or
 - (d) trading from a stall, stand, motor vehicle, trailer, barrow or similar device.

Penalty: 5 Penalty Units

- (2) In addition to complying with any conditions of a Permit, a person using a Footpath for any of the activities described in subclause (1) or any other commercial activities must comply with any requirements of an Authorised Officer.

Penalty: 5 Penalty Units

- (3) The requirement under subclause (1) to obtain a Permit to trade from a Footpath, other part of a Road or Council Land applies where trading is to be done from a vehicle, stall or any other temporary structure and irrespective of whether trading is on a permanent or casual basis.

54. TRADING, COLLECTIONS OR SUBSCRIPTIONS

A person must not without a Permit solicit collections, gifts of money or subscriptions from any Road or from house to house.

Penalty: 5 Penalty Units

BUILDERS

55. WORKS ON ROADS

- (1) A person must not without a Permit carry out works on a Road where access for other users of the Road will be interfered with or restricted because of:
 - (a) works to be undertaken on the Road, such as excavating, digging holes, occupying or fencing off part of the Road; or
 - (b) works to be undertaken on nearby land, such as erecting hoardings or scaffolding or using cranes, storing building materials or locating bulk rubbish containers requiring a Road to be opened up or closed for a period of time.

Penalty: 8 Penalty Units

- (2) The requirement to obtain a permit in subclause (1) does not apply to a member of Council staff, a person contracted by the Council or an employee of a utility carrying out their duties.
- (3) A utility must comply with the Road Management Act 2004 when undertaking works on a Road

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PART 8 – ALCOHOL AND SMOKING

56. CONSUMPTION AND POSSESSION OF ALCOHOL

- (1) Between 11pm and 6am, a person must not consume Alcohol or have in their possession an open container of Alcohol:
 - (a) in or on any Road within the towns of Birchip, Charlton, Donald, Sea Lake and Wycheproof as described in the Township maps in Schedule 5;
 - (b) in any of the nominated recreation reserves described in Schedule 5; or
 - (c) in or on a vehicle in any of those Townships or nominated recreation reserves.

Penalty: 5 Penalty Units

- (2) The prohibition in subclause (1) does not apply to any part of a Road or recreation reserve which is a licensed or authorised premises under the Liquor Control Reform Act 1998.
- (3) Despite the prohibition in subclause (1) the Council may grant a Permit for the consumption of Alcohol on Roads and nominated recreation reserves within the towns of Birchip, Charlton, Donald, Sea Lake and Wycheproof.
- (4) A person must not, while present on a road (including but not limited to a road which is a State road under the Road Management Act 2004) and within 30 metres of licensed premises under the Liquor Control Reform Act 1998, consume Alcohol or have in their possession an open container of alcohol.

Penalty: 5 Penalty Units

57. SMOKING IN DECLARED SMOKE FREE AREAS

- (1) The Council may, by resolution, declare in part or whole any Municipal Place, Road or other Council Land within the Municipal District to be a Smoke Free Area.
- (2) The Council must erect and maintain or cause to be erected and maintained in those parts of the Municipal District declared smoke free, a sign which indicates that the area has been declared a Smoke Free Area.
- (3) A person must not smoke in or on any part of the Municipal District that has been declared by the Council to be a Smoke Free Area and in respect of which there is a Smoke Free Area sign erected and maintained.

Penalty: 5 Penalty Units

PART 9 – PUBLIC PLACES, PARKS AND RESERVES AND COUNCIL BUILDINGS

58. BEHAVIOUR ON COUNCIL LAND OR ROAD

- (1) A person using Council Land must not behave in a way that could cause harm or injury or which interferes with any other person's enjoyment of the Council Land by:
 - (a) using language or behaving in a way that is indecent, offensive or abusive and which annoys, disturbs, interferes or obstructs any person's enjoyment of Council Land;
 - (b) acting in a way that could endanger any person;
 - (c) damaging, destroying, defacing, removing or interfering with anything in or on any building, improvement or other structure of any kind;
 - (d) acting contrary to any conditions or signs that contain conditions that apply to the use of Council Land; or
 - (e) acting contrary to any lawful direction of an Authorised Officer or a person in charge of a facility on Council Land.

Penalty: 5 Penalty Units

- (2) A person must not:
 - (a) allow any tree or plant;
 - (b) use or repair any vehicle or equipment; or
 - (c) allow any other condition – on land owned or occupied by them to cause damage to, interfere with or create a risk to Council Land or a Road.

Penalty: 5 Penalty Units

- (3) A person using Council Land or a Road:
 - (a) must comply with any conditions of use applied to that Land or Road by the Council and notified by way of signs, conditions of entry or conditions of membership; and
 - (b) must, in respect of Council Land, comply with the lawful directions of an Authorised Officer or a person in charge of the Council Land.

Penalty: 5 Penalty Units

- (4) A person must not, unless employed, authorised or contracted by the Council for the purpose, destroy, remove or damage any tree, plant or vegetation on Council Land or a Road.

Penalty: 10 Penalty Units

59. CAMPING ON COUNCIL LAND

- (1) A person must not without a Permit Camp on Council Land unless it is on land within a camping area designated by the Council or any other relevant authority for the purpose.

Penalty: 5 Penalty Units

- (2) A person who Camps within a camping area designed by the Council or any other relevant authority must comply with the following requirements:
 - (a) The camping must be on land within a camping area designated by the Council or any other relevant authority for the purpose; and
 - (b) All grey water produced must be able to be securely caught and stored so that no grey water escapes into the environment; and

- (c) All black water produced must be contained in holding tanks or cassettes to be disposed of in an approved dump point; and
- (d) Any portable toilet in use must be manufactured for the specific purpose and utilised in such a way that no waste escapes into the environment; and
- (e) Any rubbish must be collected in a sealable container; and
- (f) The campsite must be set up in such a way as not to unreasonably affect other users of the camping area in the opinion of the Authorised Officer

Penalty: 5 Penalty Units

60. FILMING ON COUNCIL LAND

- (1) A person must not without a Permit undertake any filming on any Council Land where the film is for any commercial purpose and/or television broadcasting purpose (other than news broadcasting) and involves film crews and the exclusive use of the Council Land.

Penalty: 10 Penalty Units

- (2) In addition to the requirement to obtain a permit in accordance with subclause (1), all requirements contained in any Permit, policy or protocol adopted by the Council and relevant to that activity must be complied with.

61. REPAIR OF VEHICLES ON ROADS OR PUBLIC PLACES

- (1) A person must not repair, dismantle, paint, carry out maintenance on or repair a Vehicle on a Road or allow or authorise another person to do so.

Penalty: 5 Penalty Units

- (2) Subclause (1) does not apply in respect of emergency repairs being undertaken due to a Vehicle breakdown or accident.

62. ABANDONED, UNREGISTERED OR DERELICT VEHICLES

- (1) A person must not without a Permit leave any derelict, abandoned or Unregistered Vehicle or allow such a Vehicle to remain on any Council Land or Road or in any Public Place.

Penalty: 5 Penalty Units

- (2) Any Vehicle found on Council Land and considered by an Authorised Officer to be derelict, abandoned or unregistered may be dealt with under the provisions of Schedule 11 to the Act.

Penalty: 5 Penalty Units

Clauses 3 and 5 of Schedule 11 to the Local Government Act 1989 (relating to the power to remove unregistered and abandoned vehicles and the power to remove other obstructions), as amended from time to time are incorporated in Schedule 7 to this Local Law.



SCHEDULE 1 - APPLICATION FOR A PERMIT (CLAUSE 9)

I, _____
(Name of applicant)

of _____
(Address)

apply for a permit for _____
(Identify use of activity)

The relevant details are:

I wish to be able to:

For further information, I may be contacted on _____ (telephone)

between the following times: _____ and _____.

Date: _____

Signed by applicant

Fees: _____

Signature of owner where required

Paid: _____ / _____ / _____

Name of owner

Receipt No: _____

Address of owner

(A permit for keeping excess animals is valid for a period of three years)



SCHEDULE 2 - NOTICE TO COMPLY

(CLAUSE 21)

To: _____
(name)

(address)

The following constituted a breach under the provisions _____ of the Council's **Community Local Law**. To remedy this breach you must carry out the following work within _____ days from the date of this Notice.

Breach _____
Work to be carried out:

You should contact _____ (contact officer) at the Council offices between the hours of _____ and _____ for further information about this Notice.

If you fail to comply with this Notice you will be guilty of an offence and liable for the payment of a penalty of \$ _____ for the offence. If you do not remedy the breach the Authorised Officer may carry out the work and you will be liable for the cost of the work in addition to the above penalty.

Date: _____

Name of Authorised Officer: _____

Phone number/contact details of Authorised Officer: _____

Note: If this Notice relates to a contravention of a permit or a condition of the permit and there is failure to comply with this Notice, the permit may be cancelled. If you do not wish to have the permit cancelled you should comply with this Notice or write to the Council about why the permit should not be cancelled.



SCHEDULE 3 - IMPOUNDING NOTICE

(CLAUSE 25)

To: _____
(Name)

(Address)

The following item(s) has/have been impounded in accordance with clause 25 of the Council's Community Local Law.
Description of items impounded:

You may collect the items by attending at the Municipal Offices at _____
_____ (insert address) between the hours of _____ to see
_____ (contact officer) and by paying the following:

Details of fees and charges	\$
_____	_____
_____	_____
_____	_____
TOTAL	\$ _____

If you fail to collect the item(s) and pay the required fees and charges by _____ (date*),
the Authorised Officer will proceed to dispose of the thing(s) in accordance with the Council's policy.

Date: _____

Telephone: _____

(Signature)

(Name of Authorised Officer)

*(in the case of an impounded animal the collection date must be a minimum of 21 days from the date of impoundment).

SCHEDULE 4 - PENALTIES FIXED FOR INFRINGEMENT PURPOSES (CLAUSE 29)

Provision	Offence	Maximum Penalty
Clause 19	Failure to comply with directions	5
Clause 23	Failure to comply with a Notice to Comply	10
Clause 26(1)	Makes a false representation of declaration	5
Clause 26(2) & (3)	Failure to obtain a permit or not complying with permit	10
Clause 26(4)	Failure to comply with Local law	10 for first offence 20 for subsequent offence
Clause 32	Failure to number properties	3
Clause 33	Failure to meet standard for condition of property	10
Clause 34	Allowing private land to be kept in a dangerous manner	10
Clause 35(1)	Incorrect disposal of waste	5
Clause 35(2)	Remove container or thing left out for collection	2
Clause 36	Removal or interference with recyclable material	5
Clause 37	Failure to obtain a permit to light a fire	8
Clause 38	Burning offensive materials	5
Clause 39	Camping on Private Land	5
Clause 40	Allowing vegetation to obstruct	5
Clause 41	Damage caused by vegetation to a municipal place	10
Clause 42	Keeping excess animals without a permit	8
Clause 43	Failure to provide accommodation for animals in accordance with the Local Law	5
Clause 44	Failure to provide adequate fencing for animals	5 for first offence 10 for continuation of offence
Clause 45(1)	Failure to remove animal excrement from Council Land	5
Clause 45(2)	Failure to carry a suitable litter device	5
Clause 46	Keeping bees contrary to the Local Law	5
Clause 47	Failure to observe requirements for livestock movements in accordance with the Local Law	8
Clause 48	Failure to dispose of waste in waste hoppers	5
Clause 49	Failure to obtain a permit to use a recreation vehicle	5
Clause 50	Parking a long vehicle on a road without a permit	8
Clause 51	Holding an event without a permit	10
Clause 52	Collecting firewood on a road without a permit	5
Clause 53(1)	Commercial activities on a road without a permit	5
Clause 53(2)	Failure to comply with the requirements of an authorised Officer	5
Clause 54	Soliciting, collections, gifts or subscriptions without a permit	5
Clause 55	Works on a road without a permit	8
Clause 56(1)(4)	Consuming alcohol at times and places contrary to the Local Law	5
Clause 57	Smoking in a declared smoke free area	5
Clause 58(1)(2)(3)	Behaviour on Council Land or roads contrary to the Local Law	5
Clause 58 (4)	Remove a tree, plant or vegetation on Council Land	10
Clause 59	Camping on Council Land without a permit	5
Clause 60	Filming on Council Land without a permit	10
Clause 61	Repairing a vehicle on Council Land	5
Clause 62(1)(2)	Abandon a vehicle on Council Land	5

SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES

BIRCHIP

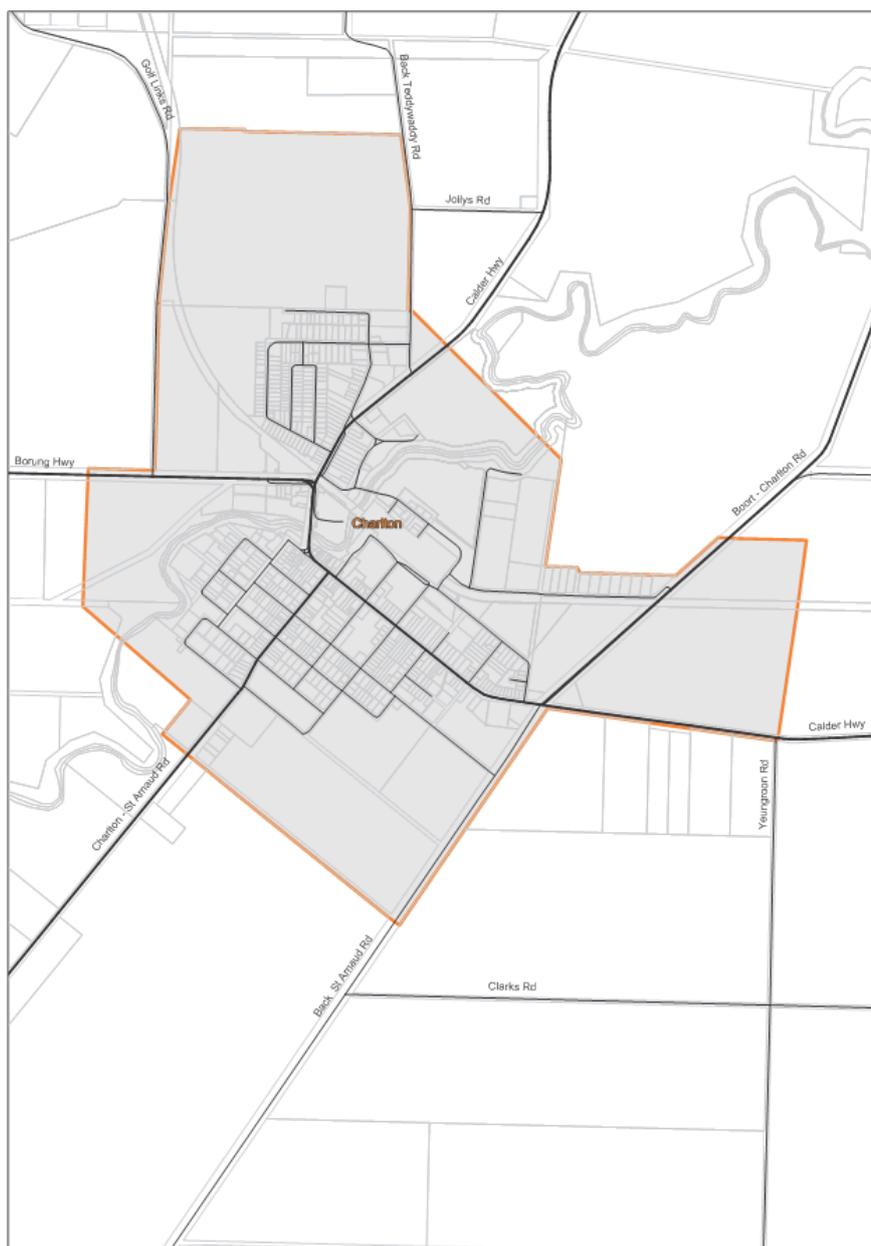


SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES BERRIWILLOCK



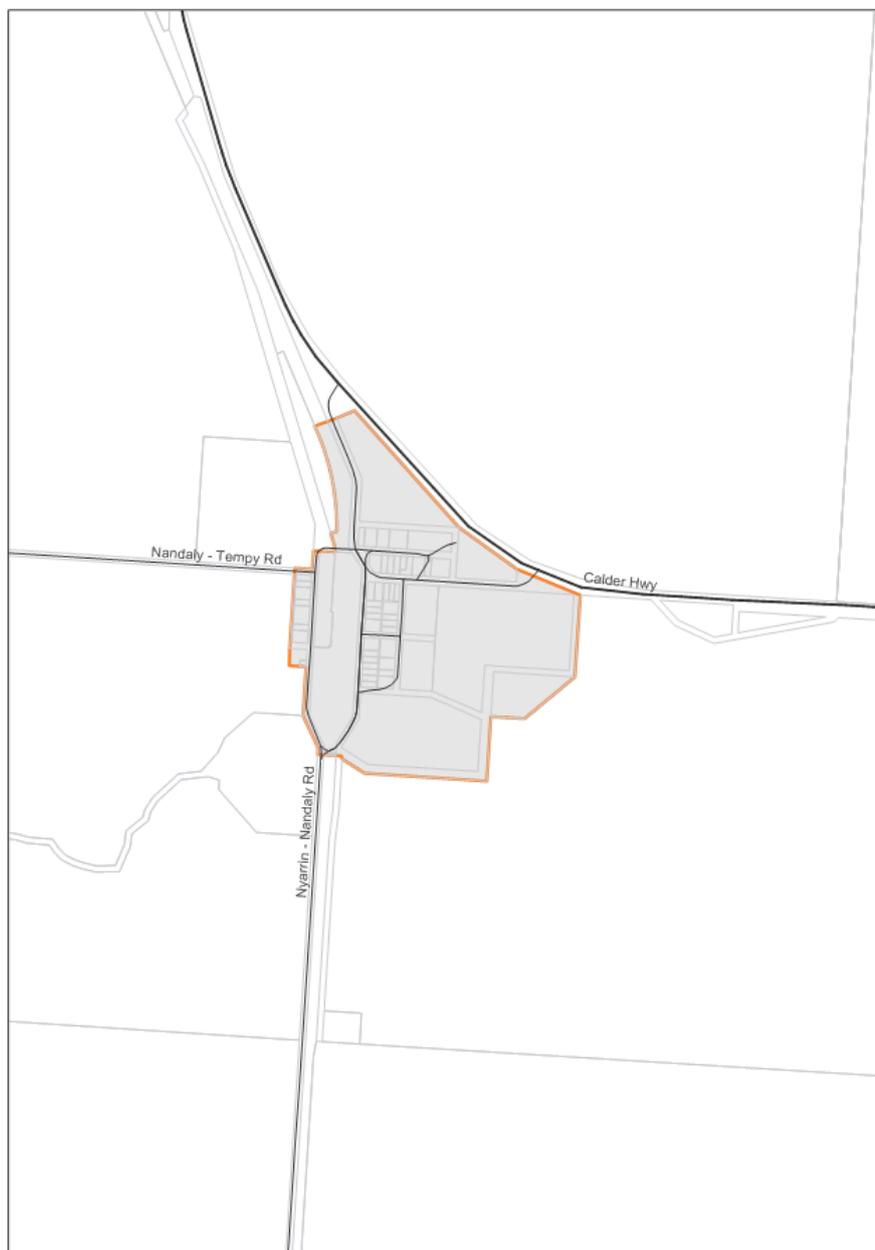
SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES

CHARLTON





SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES NANDALY



SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES

CULGOA



SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES DONALD



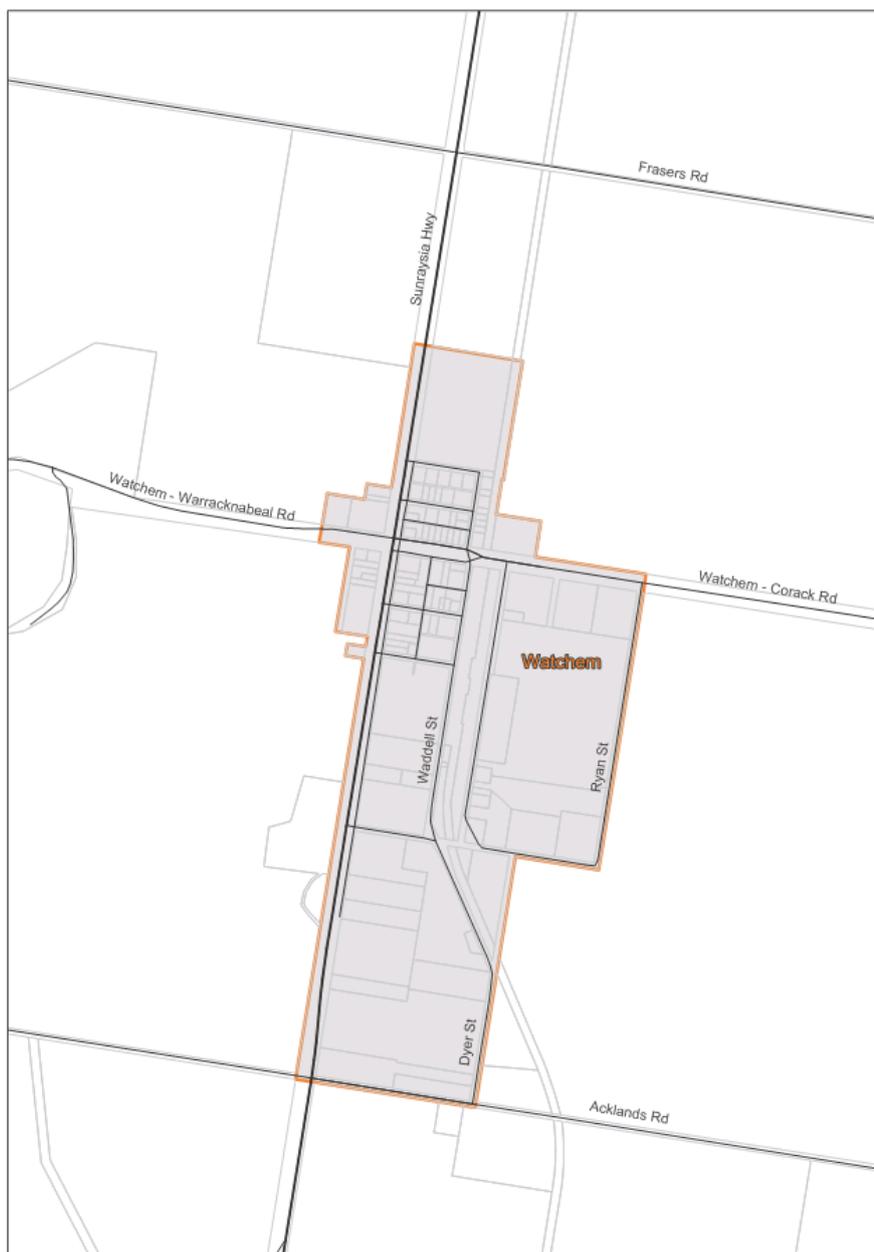
SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES

NULLAWIL



SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES

WATCHEM



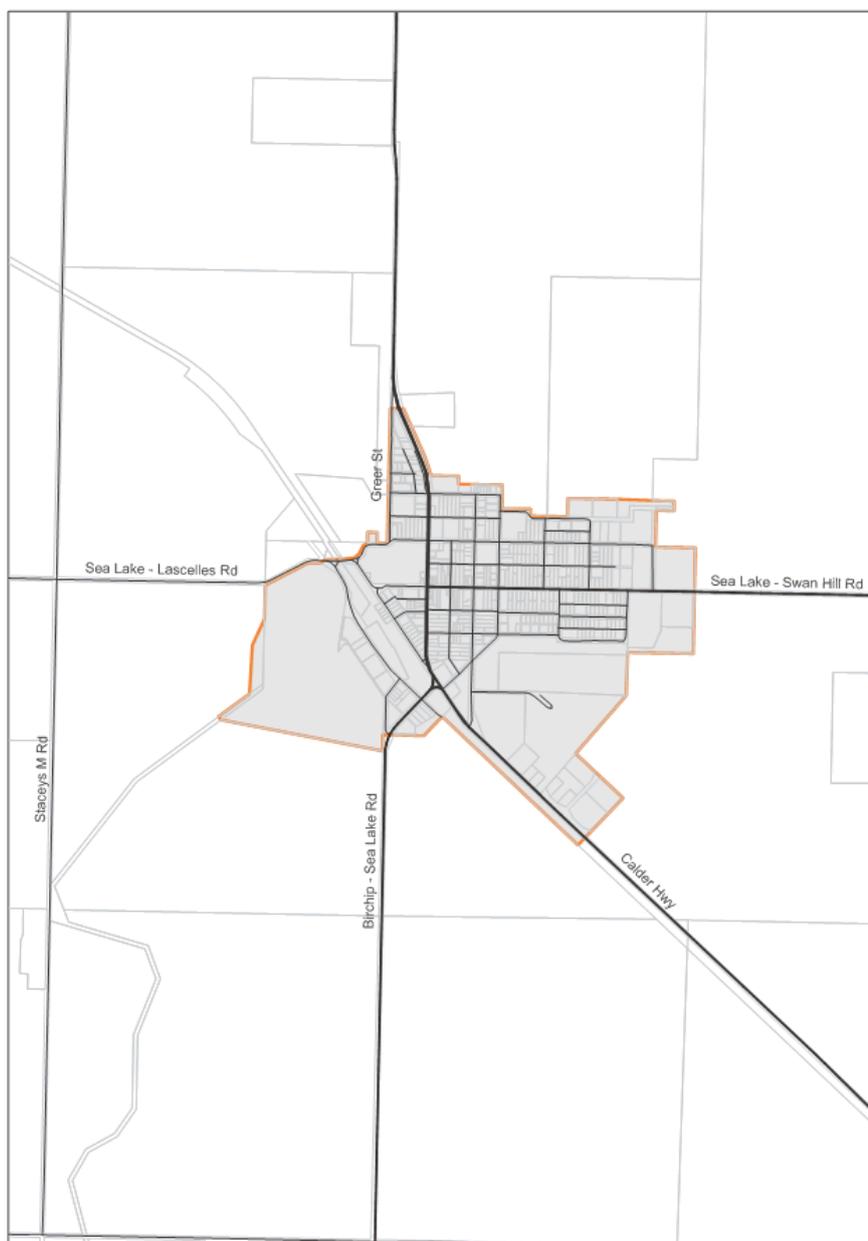
SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES WYCHEPROOF





SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES

SEA LAKE



SCHEDULE 5 – TOWNSHIP MAPS AND NOMINATED RECREATION RESERVES

RECREATION RESERVES

TOWNSHIP OF BIRCHIP

1. Birchip Park (Soldiers Memorial Park)
2. Taylor Park
3. Lockwood Park

TOWNSHIP OF CHARLTON

1. Rotary Park
2. Gordon Park
3. Traveller's Rest

TOWNSHIP OF DONALD

1. Apex Park
2. Soldiers Memorial Park

TOWNSHIP OF SEA LAKE

1. Lions Park
2. Apex Park
3. Sea Lake Community Centre and Football Grounds
4. Sea Lake Recreation Reserve

TOWNSHIP OF WYCHEPROOF

1. Centenary Park

SCHEDULE 6 – GUIDELINES FOR DETERMINING UNSIGHTLY LAND

ACCEPTABLE STANDARDS FOR LOCAL LAW PURPOSES



UNACCEPTABLE STANDARDS FOR LOCAL LAW PURPOSES



SCHEDULE 7 - CLAUSES 3 AND 5 OF SCHEDULE 11 TO THE *LOCAL GOVERNMENT ACT 1989*

3. POWER TO REMOVE UNREGISTERED OR ABANDONED VEHICLES

- (1) A Council may —
- (a) move or impound any unregistered vehicle or vehicle considered by it to be abandoned (and anything in, on or attached to, the vehicle);
 - (b) keep the vehicle in the place to which it has been moved or any other place;
 - (c) return the vehicle to its owner on payment of a fee; and
 - (d) sell, destroy or give away the vehicle (and anything in, on or attached to, the vehicle) if the owner of the vehicle has not paid the fee within 14 days of the Council impounding the vehicle.
- (1A) Before exercising the power conferred by subclause (1)(d), the Council must take reasonable steps to notify the owner of the vehicle that the vehicle has been impounded and may be sold, destroyed or given away unless the specified fee is paid within 14 days.
- (2) The Council, and anyone who obtains the vehicle from the Council under subclause (1)(d), is not liable to the owner of the vehicle or any other person in respect of any action taken under that subclause.
- (3) The fee set for the purposes of subclause (1)(c) must not exceed an amount that reasonably represents the cost to the Council of impounding, moving, keeping and releasing the vehicle (including any relevant overhead and other indirect costs).
- (4) For the purposes of subclause (1), a Council may consider that a vehicle has been abandoned if the vehicle has not been moved for 2 months.

5 POWER TO MOVE OTHER OBSTRUCTIONS

A Council may —

- (a) move any thing that encroaches on or obstructs the free use of a road or that reduces the breadth, or confines the limits, of a road (including any thing placed on the road under clause 9, 10 or 11);
- (b) require any person responsible for, or in control of, the thing to move it



P. 1300 520 520
F. 03 5493 7395
A. PO Box 1, Wycheproof VIC 3527
367 Broadway, Wycheproof VIC 3527

 Buloke Shire Council

8.2.5 APPLICATION FOR PERMIT TO KEEP EXCESS NUMBER OF DOGS AT 7926 ROBINVALE - SEA LAKE ROAD, TYRRELL DOWNS

Author's Title: Compliance Team Leader

Department: Works and Technical Services

File No: LA/08/06

Attachments:

- 1 [Application](#)
- 2 [Objection 1](#)
- 3 [Objection 2](#)
- 4 [Objection 3](#)
- 5 [Objection 4](#)

RECOMMENDATION

That Council:

1. Refuses the application for a permit under Council's Community Local Law No. 10 Clause 14(1) to keep seven (7) additional dogs at 7926 Robinvale-Sea Lake Road, Tyrrell Downs;
2. Issues a Notice to Comply to the permit holder to reduce the number of dogs on the property to the number permitted under the Community Local Law No.10 within 30 days of being notified of Council's decision; and
3. Determines, pursuant to clause 14 of Local Law No 10, only six (6) cats and six (6) dogs may be kept at 7926 Robinvale-Sea Lake Road, Tyrrell Downs.

1. Executive Summary

Council has received a Local Laws application for a permit to allow the keeping of seven (7) additional dogs at 7926 Robinvale-Sea Lake Road, Tyrrell Downs.

2. Discussion

Local Law No 10 allows for the keeping of six (6) cats and six (6) dogs at a rural address, any additional animals to this require an excess animal permit. Council has received an application requesting that (13) thirteen dogs be kept at 7926 Robinvale-Sea Lake Road, Tyrrell Downs.

Surrounding landowners and residents were advised in writing to consider the application and also submit any objections to Council by the 17 August 2018. Council has received four (4) signed objections from landowners/residents who state that they are already experiencing issues with animals from the applicant's address.

The objectors feel that they would be impacted by the keeping of additional animals and therefore it is inappropriate to grant the permit and that it would interfere with the general amenity of the area. (Refer attachments)

As per the objections and several previous interactions with Council Compliance there are concerns about the animals being secured appropriately on site as well as amenity concerns about the number of animals.

Council has also had multiple interactions with the applicant regarding the keeping of excess animals on the property and there has been continual inaction of the owner to comply with requests of Council.

3. Financial Implications

There are no financial implications in this report.

4. Cost Shift Considerations

There are no cost shift considerations in this report.

5. Community Consultation

Following normal Local Laws procedures, Council has undertaken a notification process and advertising of the application that involved nine (9) neighbouring properties that may or could be affected by the activity.

6. Internal Consultation

No internal consultation has taken place.

7. Legislative / Policy Implications

The application and decision making are in keeping with Council's Community Local Law No. 10 Clause 14(1)

8. Environmental Sustainability

There are no environmental sustainability considerations in this report.

9. Conflict of Interest Considerations

No officer involved in the preparation of this report had a conflict of interest.

10. Conclusion

It is recommended that Council:

1. Refuses the application for a permit under Council's Community Local Law No. 10 Clause 14(1) to keep seven (7) additional dogs at 7926 Robinvale-Sea Lake Road, Tyrrell Downs;
2. Issues a Notice to Comply to the permit holder to reduce the number of dogs on the property to the number permitted under the Community Local Law No.10 within 30 days of being notified of Council's decision; and
3. Determines, pursuant to clause 14 of Local Law No 10, only six (6) cats and six (6) dogs may be kept at 7926 Robinvale-Sea Lake Road, Tyrrell Downs.

28380 2 004



APPLICATION FOR PERMIT - KEEPING OF ANIMALS

Community Local Law No.10

To be completed if applying to keep more than the maximum number of animals allowed in a residential or farming area (see table below for maximum numbers or prohibited animals) \$55.00 Permit Application Fee Applies (Not Refundable)

BULOKE SHIRE COUNCIL
CENTRAL MAIL REGISTRY
FILE NO. /.....
RECEIVED 11 JAN 2019
DIRECTOR /.....
REFERENCE No. 19-000-227

BULOKE
SHIRE COUNCIL

Office Use Only
Records Department Property No: LA/08/06 File No: LA/08/06 REFERENCE No: 19-000-227

Name: Andrew Scougan

Address: 7926 ROBINVALE SEA LAKE RD SEA LAKE Postcode: 3533

Address where animals kept: _____
(if different from above)

Phone: 50357216 Mobile: _____

I wish to be able to: TRAIN SAGGP DOGS

ANIMALS

List ALL animal(s) to be kept on property:

	Breed and Type	M/F	Age	Tag No (if dog or cat)	Microchip No. (if dog or cat)
1	KGLPIG Kiwi ✓	M	3		Res'd
2	" BOOF	"	4		956000096096188
3	" SAE CAL ✓	"	1		9560000236498
4	" WALKER ✓	"	1		956000016224933
5	" CLYDE ✓	"	1		956000010115355
6	" BIT-Stratos ✓	"	2		956000010233969
7	" BIT (2) Dompah ✓	"	2		956000010221976
8	" JOE ✓	"	1		956000010229774
9	" BOMB ✓	"	1		956000010115038
10	" BIT (3) mooch ✓	"	2		956000010222037

TABLE OF MAXIMUM NUMBER OF ANIMALS:

Type of animal	Maximum number allowed in a Township without a permit	Maximum number allowed outside of Township without permit	Type of Animal	Maximum number allowed in residential area without permit	Maximum number allowed in farming areas
Dogs	2	6	Guinea Pigs	6	No Maximum Limit
Cats	2	6	Domestic Rabbits	6	No Maximum Limit
Pigeons	40	No Maximum Limit	Horse/Donkey	0	No Maximum Limit
Poultry	5 (chickens/ducks) 0 (roosters/geese/turkeys)	No Maximum Limit	Cattle	0	No Maximum Limit
Small Birds (finches, canaries, budgerigars)	20	No Maximum Limit	Sheep	0	No Maximum Limit
Large Birds (cockatoos, parrots, galahs)	0	10	Goats	0	No Maximum Limit
Domestic Mice	10	No Maximum Limit	Pigs	0	No Maximum Limit

DECLARATION:

I declare that to the best of my knowledge and belief all the above information is true and correct.

Name: Andrew Scougan Signed: _____ Date: 9/1/19

Name: _____ Signed: _____ Date: _____

Signed by Owner where appropriate

PRIVACY STATEMENT:

We respect your privacy. We will not sell or give away your personal information, unless required by law. Occasionally, we may use your details for our own research purposes or to let you know about other council information. If you want to see your personal data, modify your details, or if you receive information from us you do not want in the future, please contact 1300 520 520.

Office Hours: 8:30am-5:00pm
Mon-Fri
District Office:
367 Broadway, WYCHEPROOF

Buloke Shire Council
P.O Box 1
WYCHEPROOF VIC 3527

All Enquiries: 1300 520 520
buloke@buloke.vic.gov.au

(25)



APPLICATION FOR PERMIT - KEEPING OF ANIMALS

Community Local Law No.10

To be completed if applying to keep more than the maximum number of animals allowed in a residential or farming area (see table below for maximum numbers or prohibited animals) \$55.00 Permit Application Fee Applies (Non- Refundable)

BULOKE

SHIRE COUNCIL

Office Use Only
Records Department

Property No: _____ File No: DA/08/06 Document No: _____

Name: ANDREW SCOUKAL

Address: 7926 ROBINVALE, SEA LAKE RD SEA LAKE Postcode: 3533

Address where animals kept: _____
(if different from above)

Phone: 50353216 Mobile: _____

I wish to be able to: TRAIN SLEEE DOGS

ANIMALS

List ALL animal(s) to be kept on property:

	Breed and Type	M/F	Age	Tag No (if dog or cat)	Microchip No. (if dog or cat)
1	WODLE KELPIE ROBITAN	M	4		
2	R.T. "	M	3		
3	C.D. KELDIE BLACK	M	1		
4					
5					
6					
7					
8					
9					
10					

TABLE OF MAXIMUM NUMBER OF ANIMALS:

Type of animal	Maximum number allowed in a Township without a permit	Maximum number allowed outside of Township without permit	Type of Animal	Maximum number allowed in residential area without permit	Maximum number allowed in farming areas
Dogs	2	6	Guinea Pigs	6	No Maximum Limit
Cats	2	6	Domestic Rabbits	6	No Maximum Limit
Pigeons	40	No Maximum Limit	Horse/Donkey	0	No Maximum Limit
Poultry (chickens/ducks) (0 (roosters/geese/turkeys))	5	No Maximum Limit	Cattle	0	No Maximum Limit
Small Birds (finches, canaries, budgerigars)	20	No Maximum Limit	Sheep	0	No Maximum Limit
Large Birds (cuckoos, parrots, galahs)	0	10	Goats	0	No Maximum Limit
Domestic Mice	10	No Maximum Limit	Pigs	0	No Maximum Limit

DECLARATION:

I declare that to the best of my knowledge and belief all the above information is true and correct.

Name: ANDREW SCOUKAL Signed:  Date: 9/1/19

Name: _____ Signed: _____ Date: _____
Signed by Owner where appropriate

PRIVACY STATEMENT:

We respect your privacy. We will not sell or give away your personal information, unless required by law. Occasionally, we may use your details for our own research purposes or to let you know about other council information. If you want to see your personal data, modify your details, or if you receive information from us you do not want in the future, please contact 1300 520 520.

8097-0718

Office Hours: 8:30am-5:00pm
Mon-Fri
District Office:
367 Broadway, WYCHEPROOF

Buloke Shire Council
P.O Box 1
WYCHEPROOF VIC 3527

All Enquiries: 1300 520 520
buloke@buloke.vic.gov.au

Buloke Shire Council, Application for Permit, Keeping of Animals

Buloke Shire Council

PO Box 1, Wycheproof 3527
 Offices: 367 Broadway, Wycheproof 3527
 Phone: (03) 5478 0100 Fax: (03) 5493 7395
 Email: buloke@buloke.vic.gov.au
 ABN: 89 293 793 980

Counter Sale Receipt: 400286 Paid: 11 Jan 2019
 Tax Invoice/Receipt Printed: 11 Jan 2019

Received From: **Payment Details**

	Method	Amount
	EFT POS	\$951.00
	Total	\$951.00

Andrew Scougall
 926 Robinvale Sea
 Lake Road,
 Sea Lake 3533

Notes:

By Description	Ledger a/c	Amount
1 Excess Animals Permit		\$50.00
GST	1240280000	\$5.00
Total (Inclusive of GST)		\$55.00

Cashier: wyche2s Thankyou

283802004

BULOKE SHIRE COUNCIL
CENTRAL MAIL REGISTRY
FILE NO LA 108 106
RECEIVED 20 FEB 2019
DOCUMENT NO 19-000227
DIRECTED TO
REFERRED TO

18th February 2019

Wayne Wall
P.O. Box 1
Wycheproof Vic 3527

Hard copy - email received
19/2/19

Dear Sir

Re: Application of excess animals at 7926 Robinvale / Sea Lake Road Sea Lake 3533.

Thank you for the opportunity to lodge an objection to the issuing of the above permit.

The extremely large number of dogs on the above property has been an on-going problem for a number of years. We have valid concerns that the number of dogs would not remain at 13. It has been documented that near 100 dogs have already been removed from the property in 2018.

We have had constant problems with the dogs not being restrained or housed adequately. Due to this, we have had sheep deaths on our property on several occasions from the dogs. When we have notified the dog owner, no compensation or remorse has ever been offered and the restraint of the dogs has never improved.

There is also the continuing problem of the massive amount of empty dog food bags that blow from the property and litter the roadside and our paddocks. It is not only a horrid eye-sore along the road, but the cause of much frustration during harvest removing the bags from our crops.

Parvo virus is also prevalent there during the summer months.

The welfare of the dogs should be of the greatest importance, and for this reason and the others already stated, we object to the permit being granted.

283862004

BULOKE SHIRE COUNCIL CENTRAL MAIL REGISTRY FILE NO LA.1.08.06 RECEIVED 26 FEB 2019 DOCUMENT NO 19-000227 DIRECTED TO REFERRED TO

22. 2. 2019



Dear Mr. Wayne Wall

In regard to your Letter from 5. Febr. 2019

Re: Application for Permit to keep 13 Kelpie Dogs at 7926 ROBINVALE --SEA LAKE ROAD, SEA LAKE 3533. I'm objecting to grant that Permit.

My reasons for objecting are:

No proper caring or restraining of their Dogs at their property and that will not change with a permit. Even after being alerted to keep the Dogs on their property the Dogs the Dogs were seen entering our paddocks and chasing our Sheep.

As well as enormous noise from barking at night time creating sleepless nights because of it. On top of it countless empty dog food bags hanging on the fences and blown into paddocks causing problems at harvest time. As well as I noticed the straying Dogs are not in a very good condition rather malnourished.

For all these reasons I object to keep a number of Dogs which are more than the Number allowed without a permit.

- In general I don't like doing that against a neighbour, but in that case I have to -



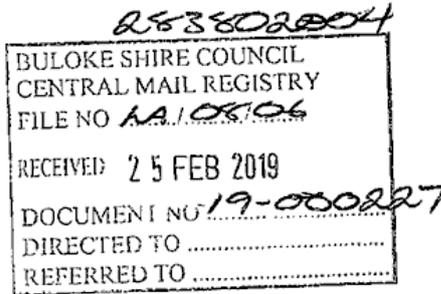
20.02.2019

Wayne Wall

P.O.Box 1

Whycheproof

Vic 3527



Dear Sir,

I'm writing in regards to the letter we received earlier this month in regards to our neighbors application for permit – Excess Animals at 7926 Robinvale-Sea lake road.

While this letter is not a strong objection, we would like it known our concern for the wellbeing of those dogs given ongoing instances that keep occurring with that property.

We are aware and have witnessed the very large amount of dogs that were on that property in previous times. We have had those dogs cause damage to some of our stock, hold our stock away from water and we have found them in our paddocks looking for stock. The dogs were obviously bored, under stimulated and their disappearance unnoticed, as the owner was unaware they were gone until we returned them. The rubbish littered along the road from the empty dog food bags is disgusting and must be such an eye sore to people driving past.

More of an issue to us is their lack of care for their stock. We constantly see their stock wandering on the roads, have their stock in with ours and unfortunately see dead sheep on the sides of the road. We know they have been addressed about this but their lack of upkeep see's fences never be repaired, gates left open and stock continually wandering onto the road. I fear a fatal accident may occur due to their lack of care.

It is because of this lack of care and concern that I worry about their dogs welfare and the need to keep so many dogs. For the amount of stock they have and the upkeep they don't seem to do, is there a need to keep 13 working dogs?

They are very nice people, its just a shame that they don't seem to take a lot of pride in their property.

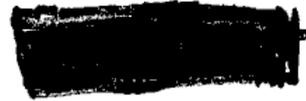
Thankyou for the opportunity and accepting our letter of concern

Kind regards

263802004

BULOKE SHIRE COUNCIL
 CENTRAL MAIL REGISTRY
 FILE NO 1A.108.06
 RECEIVED 25 FEB 2019
 DOCUMENT NO 19-000227
 DIRECTED TO
 REFERRED TO

Monday, February 18, 2019



Buloke Shire Council, PO Box 1, Wycheproof, Victoria 3527.

To Mr Wayne Wall,

I am writing in response to your letter dated February 5, 2019, regarding an application to keep excess animals.

Our concern around this application is the housing of the proposed dogs and if they are likely to remain adequately contained at all times.

In the past 12 months we have lost 3 ewes and a heavily pregnant alpaca to an unidentified dog attack. As you would appreciate, our concern is the potential for this to happen again. As we do not reside on the property, we are not on site at all times and these animals perished before we were able to seek help from a vet.

This is very distressing for myself, my family and no doubt the livestock themselves.

It is on these grounds that we respectfully object, until we can be assured that the dogs will cause no harm to our livestock and our livelihood.

Regards,



8.2.6 FORMER SEA LAKE SHIRE OFFICE LICENCE

Author's Title: Manager Community Facilities

Department: Works and Technical Services

File No: GR/11/15

Attachments: Nil

Relevance to Council Plan 2017 - 2021

Strategic Objective: Diversify and enhance our local economy.

RECOMMENDATION

That Council:

1. Rescind recommendations 2 & 3 of the Sea Lake Shire Office report presented to Council at its Ordinary Meeting on 12 September 2018;
2. Readvertise for expressions of interest for the lease or licence of the former Sea Lake Shire Office building; and
3. Refocus the expression of interest to include not only tourism and economic development opportunities but also consider proposals for local community use of the building.

1. Executive Summary

Council resolved at its September 2018 Ordinary meeting to licence the former Sea Lake Shire Office building for a tourism venture which included art gallery and café. The proposed licensee has advised of no intention in the short term of occupying the facility or finalising a licence of the building, therefore it is suggested Council consider readvertising an expression of interest for lease or licence of the building.

2. Discussion

Since Council's decision at its Ordinary meeting in September 2018 to licence the building, officers have had difficulty in contacting the proposed licensee. Council resolved the following at the September 2018 meeting:

1. Notes that a 28 day consultation period was undertaken for the intention to licence the former Sea Lake Shire Office and no submissions were received;
2. Enter into a 2 -year licence with 2 options of 2 years with Robby Knight T/A Lake Tyrrell Art subject to Ministerial approval for the operation of an art gallery and studio and affixes the Common Seal.
3. Authorise the Chief Executive Officer to negotiate a licence fee below market value based on Valuer advice, and taking into consideration the shared services within the building.

Recently Officers have been in contact with the proposed licensee, specifically on 19 February 2019 with a response being that he was involved in other business interests. Subsequent emails in March 2019 have not been responded to.

Noting this, the original expression of interest received two submissions, with limited data provided in the second submission.

Based on the lack of interest in the proposed licensee to utilise the facility in the short to medium term it is suggested that Council readvertise the expression of interest for occupation of the building and rescind its motions from the September 2018 Ordinary meeting.

The original expression of interest focussed on Tourism ventures, but officers believe a greater level of applications may be received if the focus of the expression of interest is extended to include community based groups or ventures.

3. Financial Implications

Whilst the building remains empty, Council still has maintenance requirements and outgoings associated with the upkeep of the building.

4. Cost Shift Considerations

There are no cost shift considerations as a part of this report.

5. Community Consultation

The community has not been consulted in the proposed readvertising of the expression of interest, but will have opportunity to comment at a subsequent Section 223 process should Council receive a preferred expression of interest.

6. Internal Consultation

Senior Management have been consulted in the preparation of this report.

7. Legislative / Policy Implications

The licence /lease agreement including fee still requires Ministerial approval considering the facility resides on Crown Land, with Council the appointed Committee of Management under the Crown Land (Reserves) Act 1978.

8. Environmental Sustainability

There are no considerations of environmental sustainability in this report.

9. Conflict of Interest Considerations

No Officer involved in the preparation of this report has a conflict of interest.

10. Conclusion

It is recommended Council rescind its decisions from its September 2018 Ordinary Meeting recommending that it enter into a licence of the Former Sea Lake Shire Office and readvertise an expression of interest seeking interest for use of the building focussing on tourism, economic development and/or community opportunities.

8.2.7 PROPOSED TRANSFER OF COUNCIL LAND

Author's Title: Manager Community Facilities

Department: Works and Technical Services

File No: LP/10/03

Attachments: 1 [↓](#) Internal Valuation and supporting documents

Relevance to Council Plan 2017 - 2021

Strategic Objective: Deliver our service in a financially viable way

RECOMMENDATION

That Council:

1. Commence the statutory procedures pursuant to section 189 and 223 of the Local Government Act 1989, and gives public notice of its intention to transfer surplus land at Borung Highway, Donald, and invites written submissions until 17 May 2019;
2. Publish notices of its intention to transfer surplus land in the local print media, and on Council's social media pages;
3. Write to land owners adjoining the properties advising them of the proposed transfer of land and invites them to make submissions on the matter;
4. Considers any submissions received in accordance with the provisions of s223 of the Local Government Act 1989; and
5. Receives a further report, outlining any submissions received, presenting a recommendation for consideration.

1. Executive Summary

The purpose of this Report is to advise Council of the intention to transfer Council property and seek approval from Council under Section 189 of the Local Government Act 1989 ('Act') to undertake the required public consultation process as outlined in Section 223 of the Act.

2. Discussion

Following a review of Council's Asset Register, Officers have identified a property asset which is no longer required. The property is a vacant farming zoned allotment fronting the Borung Highway on the outskirts of Donald.

The property adjoins a residential farmlet holding and has been informally occupied by the adjoining owners for many decades. Internal investigation indicates the land may have been part of an informal historic arrangement to transfer the land to the adjoining owners, however the title has never formally been transferred (pre-amalgamation agreement).

Council has no foreseeable use for this parcel of land and therefore it is recommended to be transferred as initially intended. The adjoining owners were previously (prior to inspection and initial discussions with Council Officers) under the assumption that the land was in their ownership.

An internal valuation and inspection of the property has been conducted by a qualified Property Valuer registered with the Australian Property Institute. The report and conclusion can be found within the attached document along with other supporting documentation.

Section 189 of the Local Government Act 1989 requires Councils to do certain things before selling or exchanging land:

- to give at least four weeks public notice of an intention to sell or exchange land before selling or exchanging this land (section 189(2)(a));
- obtain a valuation of the land which is made not more than 6 months prior to the sale or exchange from an appropriately qualified person (section 189(2)(b)); and
- allow interested persons to make a submission under section 223 on the proposed sale or exchange (section 189(3)).

Initially, Council will conduct a 28-day consultation process throughout all local media and on Council's social media pages to enable any public submissions to be made. This includes writing to adjoining property owners.

A further report will be tabled once the consultation process has been completed.

3. Financial Implications

There are minimal financial implications to Council as the suggested transfer recipients have agreed in principle to pay legal fees associated with the transfer of land. The property has been identified as having minimal market value and due to a historical anomaly, this land rests in Council's name, therefore the transfer to the adjacent property owners is in the best interest to both parties.

4. Cost Shift Considerations

The property will become rateable, of which the recipients of the proposed transfer would then pay rates and fire services levy on the land.

5. Community Consultation

There has been no community consultation but, should Council adopt this report, the community will have the opportunity to make comment through submissions under Section 223 of the Local Government Act 1989.

6. Internal Consultation

Senior management and relevant officers have been consulted on the proposed asset sales.

7. Legislative / Policy Implications

The Local Government Act 1989 has specific requirements of Council for the process of selling, transferring and exchanging land.

8. Environmental Sustainability

There are no environmental sustainability implications.

9. Conflict of Interest Considerations

No staff member involved in the preparation of this report had a conflict of interest.

10. Conclusion

It is recommended that Council commence the public consultation process (required under the Local Government Act 1989) for transferring of the identified parcel of land.



Internal Property Valuation Advice

As undertaken by:	Jenna Allan
Qualification & Title:	Certified Practising Valuer AAPI Capital Projects Officer
Date of Inspection:	26/02/2019
Date of Valuation:	26/02/2019

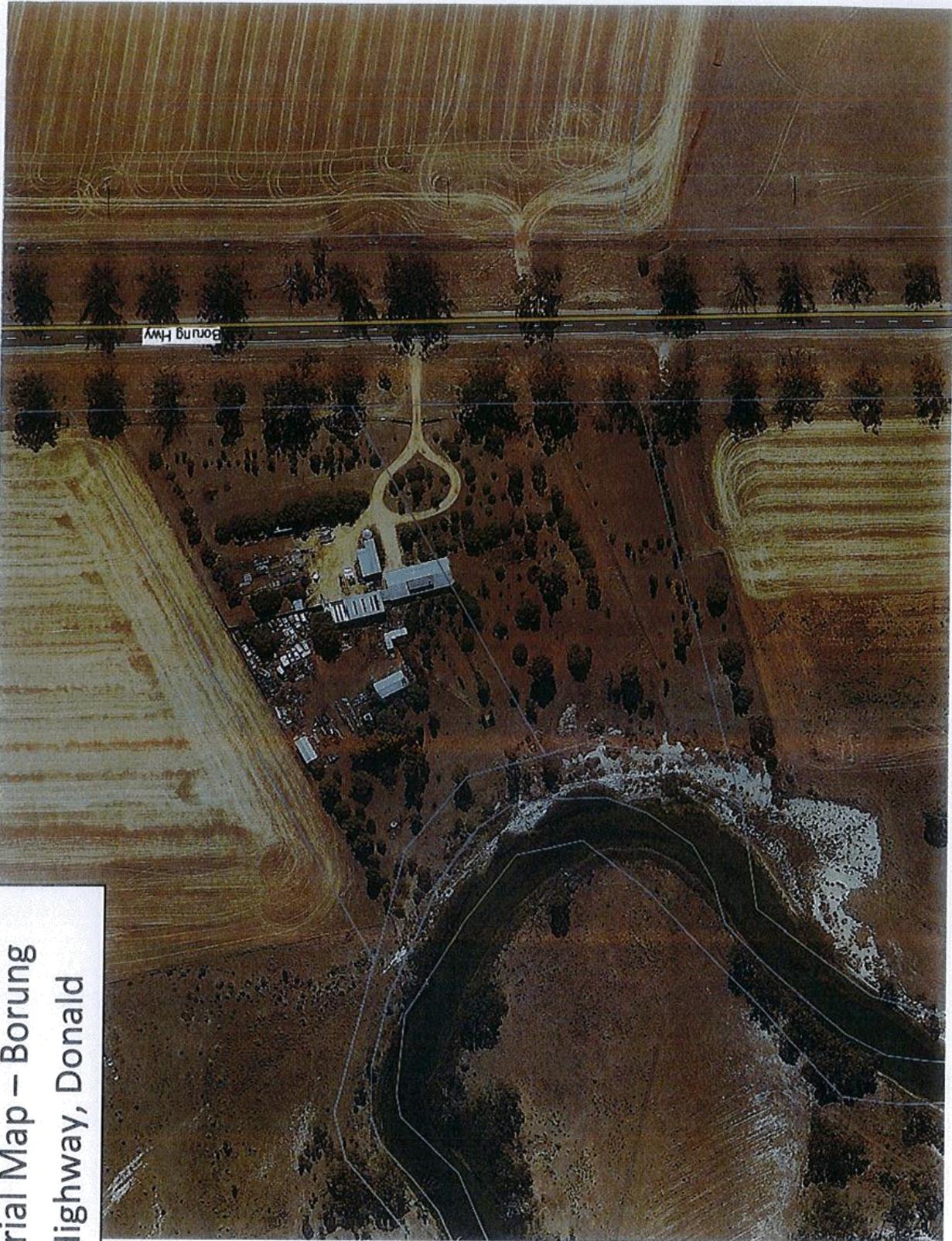
File No:	LP/10/03	Doc No:	19-001568
Council Property No.	180416703	VicRoads Ref:	27 H7
Property Address:	BORUNG HIGHWAY, DONALD		

Valuation Particulars

Lot & Plan Number:	Lot 1 on Title Plan 917696	Standard Parcel Identifier (SPI):	1\TP917696
Land Area (m2/ha):	1.15ha	Perimeter Dimensions (m):	102m road frontage, 146m & 150m depth
Planning Zone & Min. Subdivision m2:	Farming Zone 40ha minimum subdivision	Planning Overlays:	Environmental Significance Overlay (1)
Cultural Heritage Sensitivity (Y/N):	Yes		Floodway Overlay
Des. Bushfire Area:	Yes		Land Subject to Inundation
Encumbrances/ Easements:	Nil noted on title or plan	Shape/Position of Land:	Irregular inside lot. Adjoins river to rear.
Main Improvement Description:	No main improvements situated to the land. Minor improvements include that of fencing and minor landscaping.		
Total UMR Floor Area (m2):	N/A	Construction- Main Walls:	N/A
Additional Improvements Description:	Fencing – Rural. Timber strainer post & wire of basic condition	Roof:	N/A
Total Additional Improvements Area (m2):	N/A	Foundations:	N/A
		Services Connected:	N/A
General Overall Property Description:	The property comprises an irregular shaped inside lot fronting the Borung Highway and abutting the Richardson River to the rear boundary. The property is steeply sloping to the rear portion of the land down to the river. The property adjoins an existing part two storey dwelling that has been converted from a former meatworks. The neighbouring dwelling is thought to be situated within close proximity to the lot boundary. Currently the neighbouring property to the south accesses that property through the subject property via an open entry and gateway.		
Brief Market Commentary:	The property does not meet the minimum subdivision requirement and does not qualify for the minimum area for a building without a planning permit. Minimal Market Appeal. Adjoining owners are best suited purchasers.		
Most Recent Rate Notice Site Value:	N/A – Buloke Property	Most Recent Rate Notice Cap Improved Value:	N/A
Resulting Internal Valuation Advice			
Underlying Land Value (incl. GST):	\$10,000	Total Improved Value (incl. GST):	\$10,000
	Ten Thousand Dollars		Ten Thousand Dollars

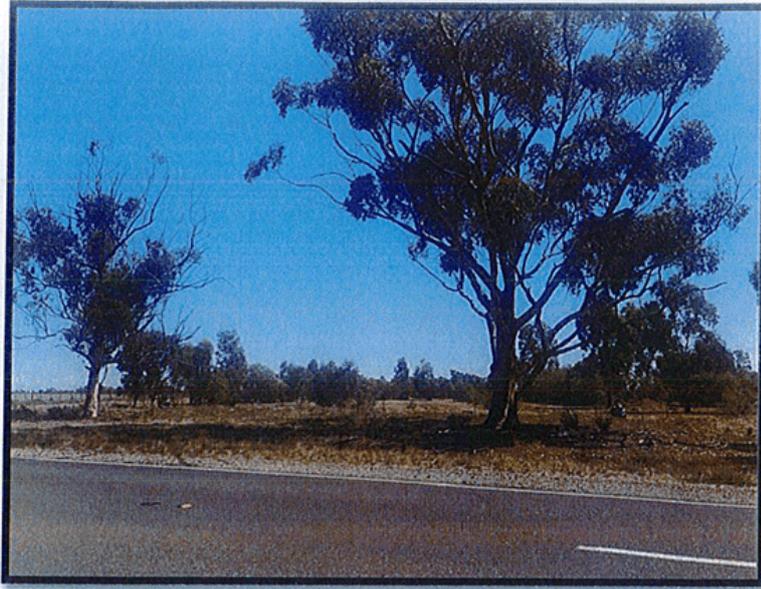
ATTACHED PROPERTY PLANS & DOCUMENTATION:

ITEM	ATTACHED (Y/N)
Certificate of Title	Y
Title Plan or Plan of Subdivision	Y
Planning Property Report	Y
Associated Planning Schedule	Y
Aerial Mapping Photographs	Y
Inspection Photographs	Y
Rate Notice	N
Market Evidence	N
Prior Related Correspondence	N
Other:	
1)	
2)	
3)	
4)	
5)	



Aerial Map – Borong
Highway, Donald

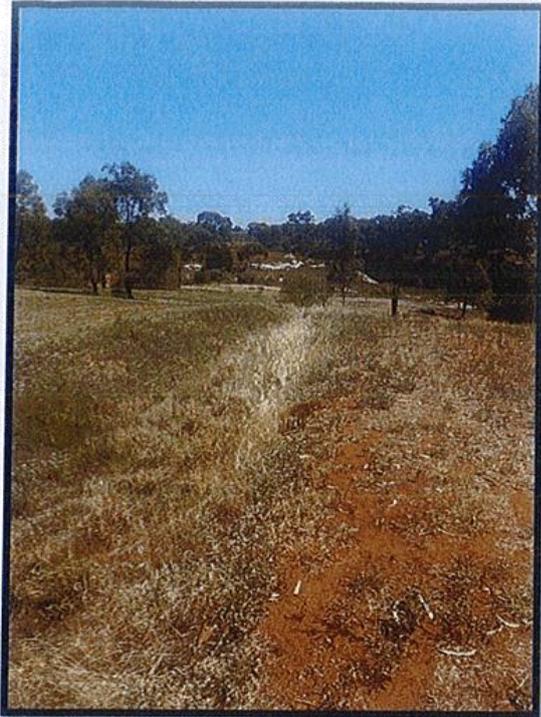
BORUNG HIGHWAY DONALD – INSPECTION PHOTOS



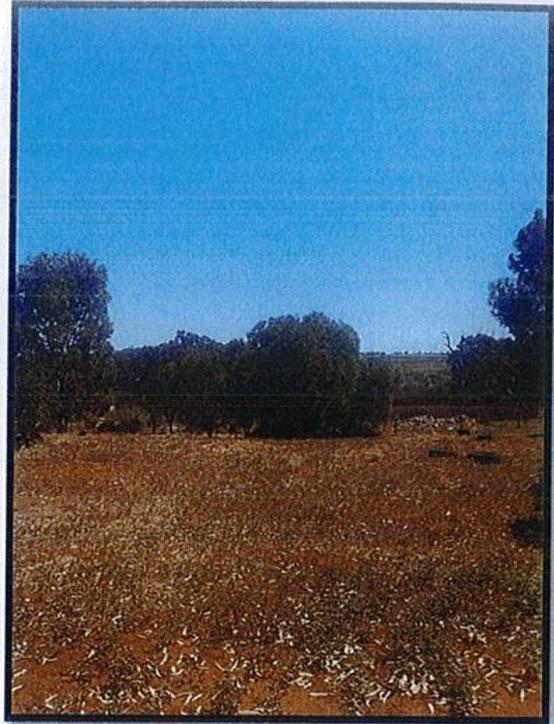
Front View from Borung Highway



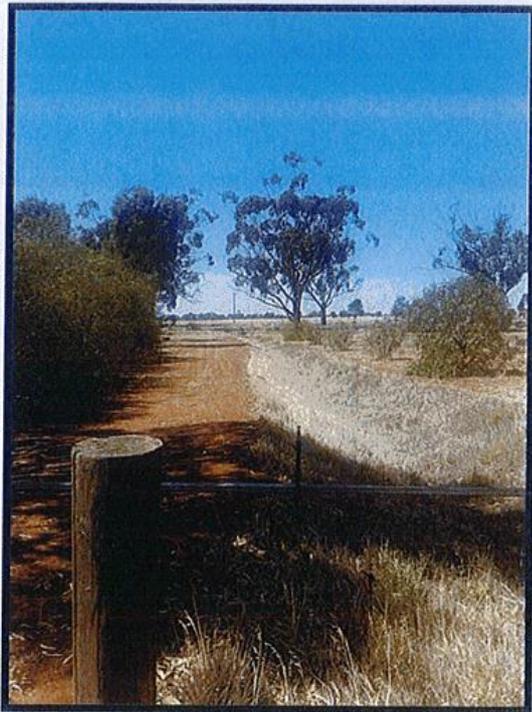
View from Borung Highway looking towards the open access to neighboring property



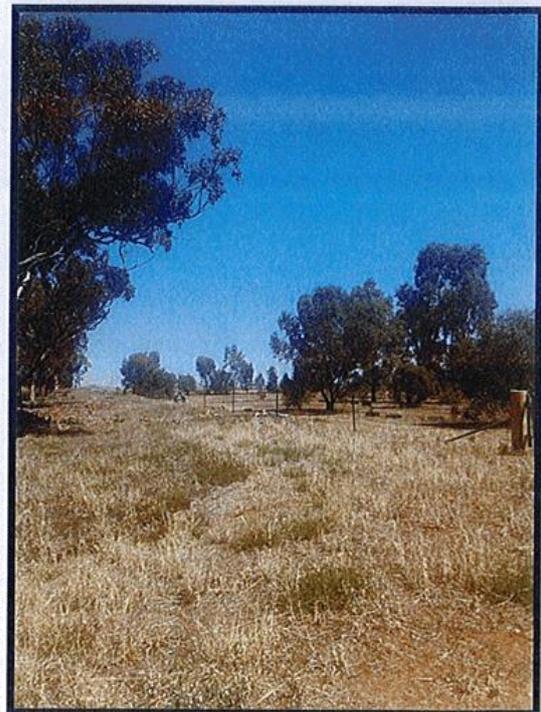
View from the middle of the property towards the Richardson River



View from the middle of the property towards the Richardson River



View from the property towards the Borung Highway showing private drainage channel to help highway run-off to river.



View towards the rear of the property from the open access for neighboring property.



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REGISTER SEARCH STATEMENT (Title Search) Transfer of Land Act 1958
VOLUME 01259 FOLIO 659 Security no : 124076212862L
Produced 19/02/2019 02:11 PM

LAND DESCRIPTION

Lot 1 on Title Plan 917696H.
PARENT TITLE Volume 00771 Folio 195
Created by instrument 0094107 12/01/1881

REGISTERED PROPRIETOR

Estate Fee Simple
Sole Proprietor
BULOKE SHIRE COUNCIL of 367 BROADWAY WYCHEPROOF VIC 3527
AM768174E 11/05/2016

ENCUMBRANCES, CAVEATS AND NOTICES

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section 24 Subdivision Act 1988 and any other encumbrances shown or entered on the plan set out under DIAGRAM LOCATION below.

DIAGRAM LOCATION

SEE TP917696H FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

NIL

-----END OF REGISTER SEARCH STATEMENT-----

Additional information: (not part of the Register Search Statement)

Street Address: BORUNG HIGHWAY DONALD VIC 3480

ADMINISTRATIVE NOTICES

NIL

eCT Control 09924V BULOKE SHIRE COUNCIL
Effective from 11/05/2016

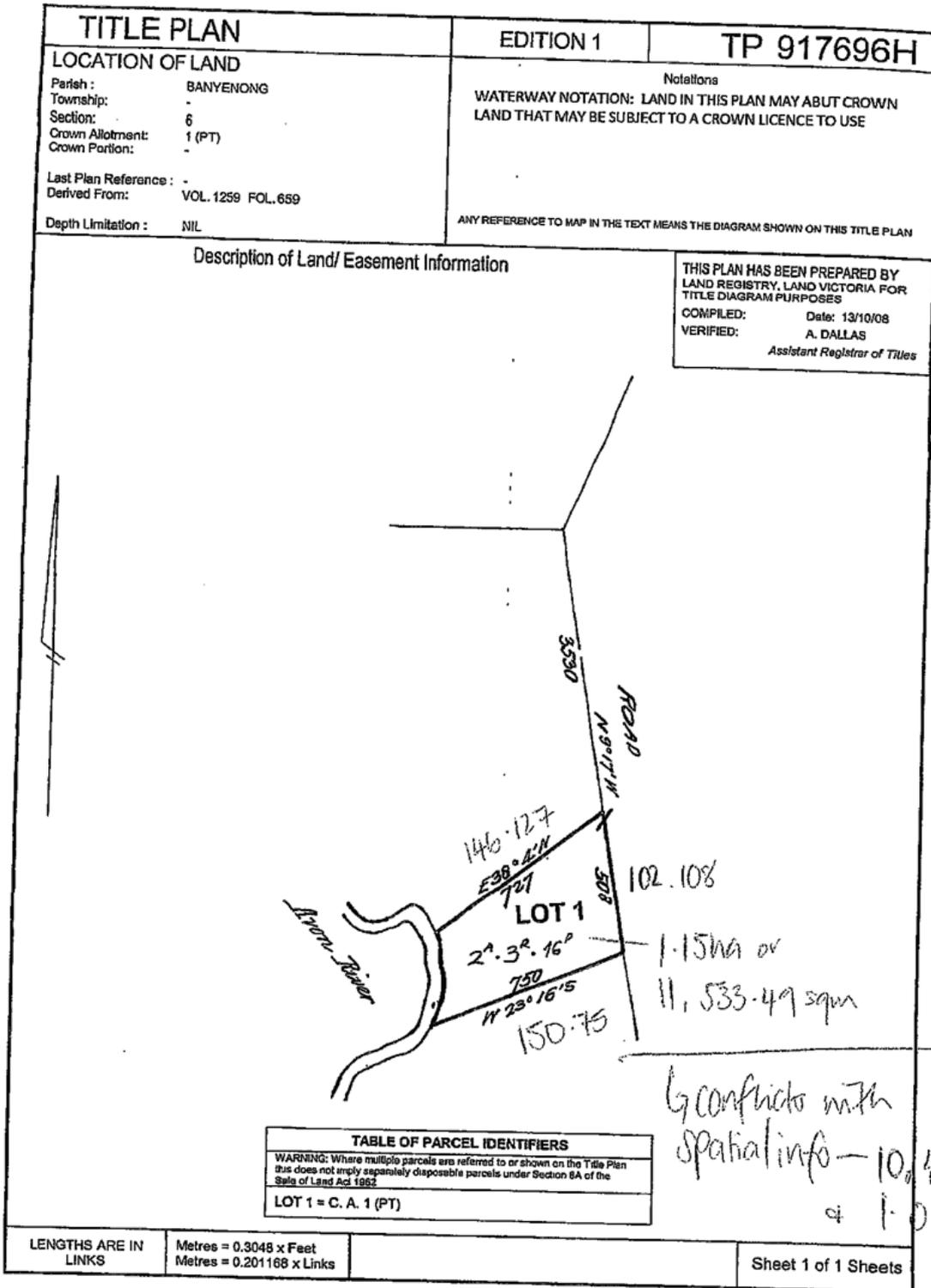
DOCUMENT END

Child Titles
1269/678

Home	Account: 324654		Authority Fee (GST exclusive): \$0.00	19/02/2019 02:12PM
			Service Fee(GST exclusive): \$0.00	



Delivered by LANDATA®. Land Use Victoria timestamp 19/02/2019 14:12 Page 1 of 1
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PLANNING PROPERTY REPORT



From www.planning.vic.gov.au on 19 February 2019 01:34 PM

PROPERTY DETAILS

Address: **BORUNG HIGHWAY DONALD 3480**
Lot and Plan Number: **Lot 1 TP917696**
Standard Parcel Identifier (SPI): **1\TP917696**
Local Government Area (Council): **BULOKE**
Council Property Number: **180416703**
Planning Scheme: **Buloke**
Directory Reference: **VicRoads 27 H7**

www.buloke.vic.gov.au

planning-schemes.delwp.vic.gov.au/schemes/buloke

UTILITIES

Rural Water Corporation: **Grampians Wimmera Mallee Water**
Urban Water Corporation: **Grampian Wimmera Malle Water**
Melbourne Water: **outside drainage boundary**
Power Distributor: **POWERCOR**

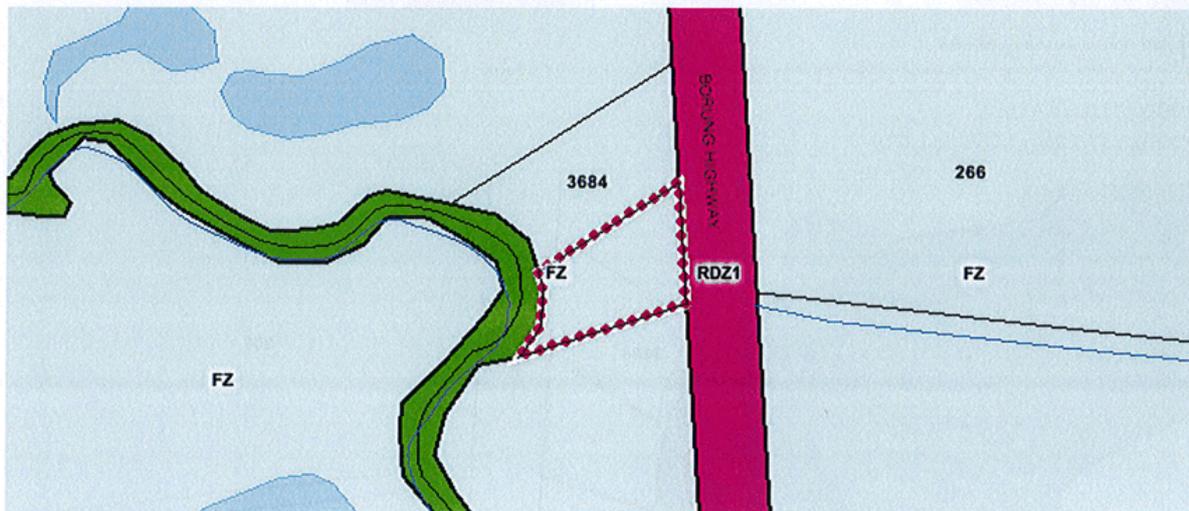
STATE ELECTORATES

Legislative Council: **WESTERN VICTORIA**
Legislative Assembly: **RIPON**

Planning Zones

[FARMING ZONE \(FZ\)](#)

[SCHEDULE TO THE FARMING ZONE \(FZ\)](#)



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FZ - Farming

PCRZ - Public Conservation & Resource

RDZ1 - Road - Category 1

Note: labels for zones may appear outside the actual zone - please compare the labels with the legend.

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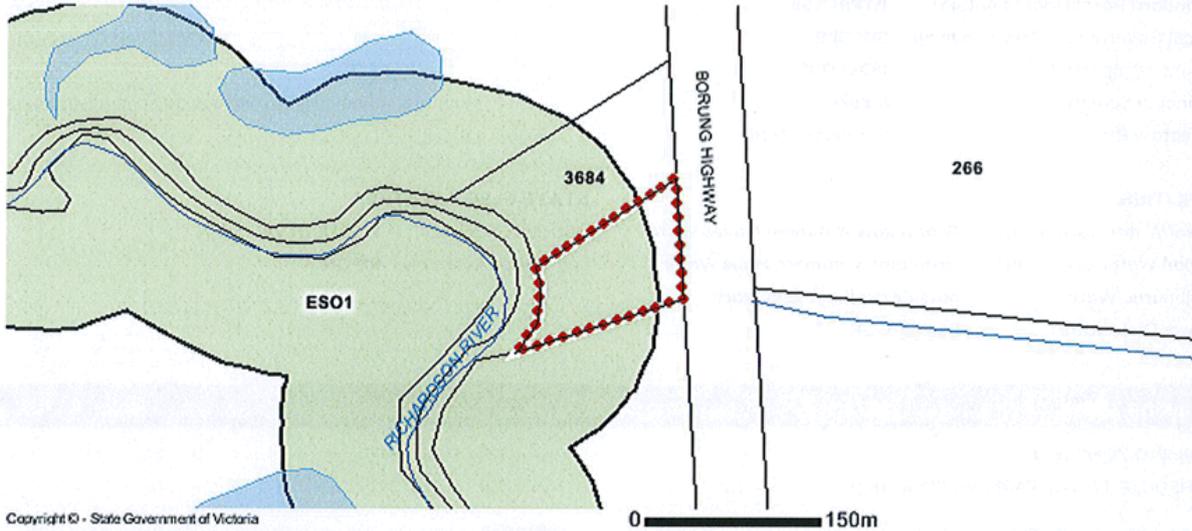
Page 1 of 6

PLANNING PROPERTY REPORT



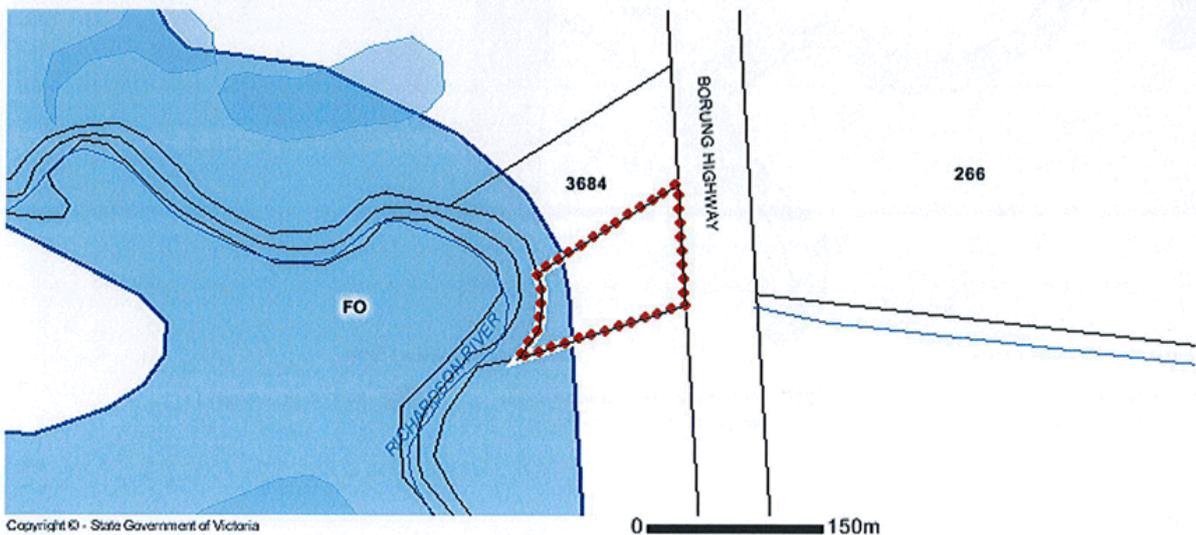
Planning Overlays

ENVIRONMENTAL SIGNIFICANCE OVERLAY (ESO)
ENVIRONMENTAL SIGNIFICANCE OVERLAY - SCHEDULE 1 (ESO1)



ESO - Environmental Significance
 Note: due to overlaps, some overlays may not be visible, and some colours may not match those in the legend.

FLOODWAY OVERLAY (FO)
FLOODWAY OVERLAY SCHEDULE (FO)



FO - Floodway
 Note: due to overlaps, some overlays may not be visible, and some colours may not match those in the legend.

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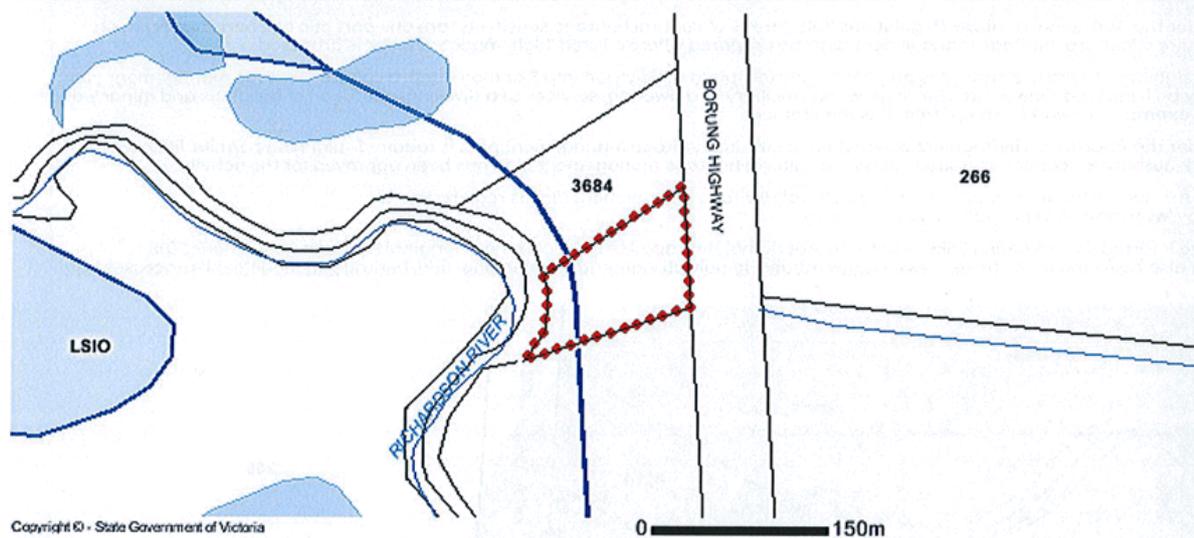


Environment,
Land, Water
and Planning

Planning Overlays

LAND SUBJECT TO INUNDATION OVERLAY (LSIO)

LAND SUBJECT TO INUNDATION OVERLAY SCHEDULE (LSIO)



LSIO - Land Subject to Inundation

Note: due to overlaps, some overlays may not be visible, and some colours may not match those in the legend.

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PLANNING PROPERTY REPORT: BORUNG HIGHWAY DONALD 3480

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PLANNING PROPERTY REPORT



Areas of Aboriginal Cultural Heritage Sensitivity

All or part of this property is an 'area of cultural heritage sensitivity'.

'Areas of cultural heritage sensitivity' are defined under the Aboriginal Heritage Regulations 2018, and include registered Aboriginal cultural heritage places and land form types that are generally regarded as more likely to contain Aboriginal cultural heritage.

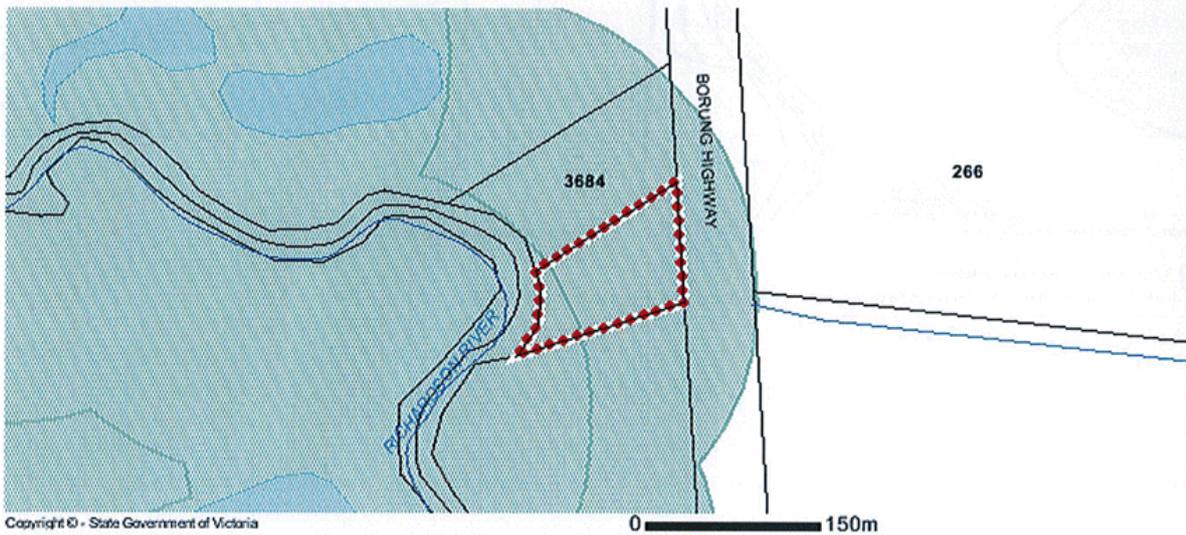
Under the Aboriginal Heritage Regulations 2018, 'areas of cultural heritage sensitivity' are one part of a two part trigger which require a 'cultural heritage management plan' be prepared where a listed 'high impact activity' is proposed.

If a significant land use change is proposed (for example, a subdivision into 3 or more lots), a cultural heritage management plan may be triggered. One or two dwellings, works ancillary to a dwelling, services to a dwelling, alteration of buildings and minor works are examples of works exempt from this requirement.

Under the Aboriginal Heritage Act 2006, where a cultural heritage management plan is required, planning permits, licences and work authorities cannot be issued unless the cultural heritage management plan has been approved for the activity.

For further information about whether a Cultural Heritage Management Plan is required go to <http://www.aav.nrms.net.au/aavQuestion1.aspx>

More information, including links to both the Aboriginal Heritage Act 2006 and the Aboriginal Heritage Regulations 2018, can also be found here - <https://www.vic.gov.au/aboriginalvictoria/heritage/planning-and-heritage-management-processes.html>



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Aboriginal Heritage

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PLANNING PROPERTY REPORT: BORUNG HIGHWAY DONALD 3480

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PLANNING PROPERTY REPORT



Further Planning Information

Planning scheme data last updated on 6 February 2019.

A **planning scheme** sets out policies and requirements for the use, development and protection of land. This report provides information about the zone and overlay provisions that apply to the selected land. Information about the State and local policy, particular, general and operational provisions of the local planning scheme that may affect the use of this land can be obtained by contacting the local council or by visiting <https://www.planning.vic.gov.au>

This report is NOT a **Planning Certificate** issued pursuant to Section 199 of the *Planning and Environment Act 1987*. It does not include information about exhibited planning scheme amendments, or zonings that may affect the land. To obtain a Planning Certificate go to Titles and Property Certificates at Landata - <https://www.landata.vic.gov.au>

For details of surrounding properties, use this service to get the Reports for properties of interest.

To view planning zones, overlay and heritage information in an interactive format visit <http://mapshare.maps.vic.gov.au/vicplan>

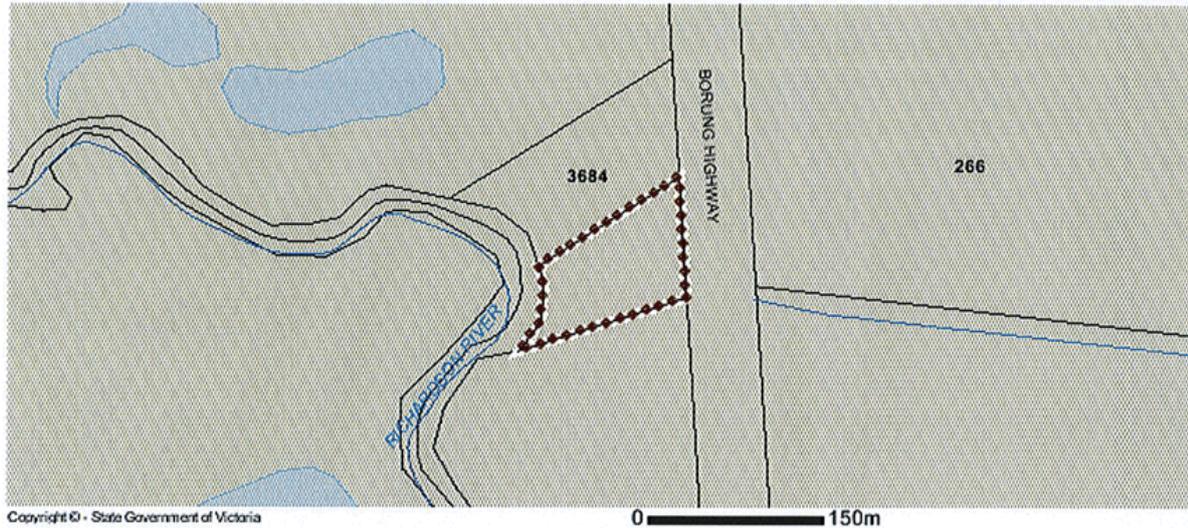
For other information about planning in Victoria visit <https://www.planning.vic.gov.au>

PLANNING PROPERTY REPORT



Designated Bushfire Prone Area

**This property is in a designated bushfire prone area.
Special bushfire construction requirements apply. Planning provisions may apply.**



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Designated Bushfire Prone Area

Designated bushfire prone areas as determined by the Minister for Planning are in effect from 8 September 2011 and amended from time to time.

The Building Regulations 2018 through application of the Building Code of Australia, apply bushfire protection standards for building works in designated bushfire prone areas.

Designated bushfire prone areas maps can be viewed on VicPlan at <http://mapshare.maps.vic.gov.au/vicplan> or at the relevant local council.

Note: prior to 8 September 2011, the whole of Victoria was designated as bushfire prone area for the purposes of the building control system.

Further information about the building control system and building in bushfire prone areas can be found on the Victorian Building Authority website www.vba.vic.gov.au

Copies of the Building Act and Building Regulations are available from www.legislation.vic.gov.au

For Planning Scheme Provisions in bushfire areas visit <https://www.planning.vic.gov.au>

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PLANNING PROPERTY REPORT: BORUNG HIGHWAY DONALD 3480

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BULOKE PLANNING SCHEME

15/09/2008
 VC49

SCHEDULE TO THE FARMING ZONE

Shown on the planning scheme map as **FZ**

	LAND	AREA/DIMENSIONS/DISTANCE
Minimum subdivision area (hectares).	All land	100 hectares except where the application is for a rural dependent enterprise or for intensive agriculture and meets the requirements of Local Planning Policy <i>Rural land and Sustainable Agriculture</i> (Clause 22.03).
Minimum area for which no permit is required to use land for a dwelling (hectares).	All land	40 hectares
Maximum area for which no permit is required to use land for timber production (hectares).	None specified	
Maximum floor area for which no permit is required to alter or extend an existing dwelling (square metres).	None specified	
Maximum floor area for which no permit is required to construct an out-building associated with a dwelling (square metres)	None specified	
Maximum floor area for which no permit is required to alter or extend an existing building used for agriculture (square metres).	None specified	
Minimum setback from a road (metres).	A Road Zone Category 1 or land in a Public Acquisition Overlay to be acquired for a road, Category 1	100 metres
	A Road Zone Category 2 or land in a Public Acquisition Overlay to be acquired for a road, Category 2	40 metres
	Any other road	20 metres
Minimum setback from a	Any other boundary	5 metres

BULOKE PLANNING SCHEME

LAND	AREA/DIMENSIONS/DISTANCE
boundary (metres).	
Minimum setback from a dwelling not in the same ownership (metres).	Any dwelling not in the same ownership 100 metres

PERMIT REQUIREMENT FOR EARTHWORKS	LAND
Earthworks which change the rate of flow or the discharge point of water across a property boundary.	All land
Earthworks which increase the discharge of saline groundwater.	All land

8.2.8 MALLEE REGIONAL ECONOMIC GROWTH STRATEGY

Author's Title: Chief Executive Officer

Department: Office of the CEO

File No: ED/05/01

Attachments: 1 [↓ Mallee Regional Economic Growth Strategy](#)

Relevance to Council Plan 2017 - 2021

Strategic Objective: Diversify and enhance our local economy.

RECOMMENDATION

That Council

1. Endorse the Mallee Regional Economic Growth Strategy as a strategy designed to assist in focussing action and advocacy efforts on activities that will support the Mallee's Economy; and
2. Distribute the Strategy to the Economic Development and Tourism Advisory Committee.

1. Executive Summary

This report is presented to Council to consider endorsing the Mallee Regional Economic Growth Strategy.

2. Discussion

The Mallee Regional Economic Growth Strategy has been jointly prepared by the Loddon Mallee Regional Development Australia (RDA) Committee and the Mallee Regional Partnership. It is one of two Regional Economic Growth Strategies (Mallee and Loddon Campaspe) covering the Loddon Mallee region.

The purpose of the Mallee Regional Economic Growth Strategy is to focus actions towards those activities that will provide the greatest benefit to the region's economy. The document could also provide a platform for coordinated regional advocacy.

The Strategy is a successor to the Loddon Mallee Regional Strategic Plan 2015-18 that was prepared by the Loddon Mallee RDA. In comparison to its predecessor, the Regional Economic Growth Strategy has a tighter economic focus.

This new Strategy has been prepared using inputs from several workshops held across the region and the two Regional Partnership Assemblies held in 2018. The Strategy was authored by REMPLAN and is underpinned by a technical document prepared in August 2018.

It is proposed that this Strategy is owned by the region. We are seeking your endorsement of the Strategy along with the endorsement of all other LGAs in the region as well as other core economic focused regional bodies.

The Regional Economic Growth Strategy has a 10-year planning horizon. Once the Strategy is endorsed, work will commence on an implementation plan and production of an Investment Prospectus that will highlight those shovel-ready investments that need to be made to realise the vision within the Strategy. We will be seeking input in the development of this Investment Prospectus.

Like earlier Regional Strategic Plans, it is envisaged that this Regional Economic Growth Strategy could be used by all the region's stakeholders to demonstrate where a proposed investment is aligned with regional priorities. The Strategy will also be used by the Loddon Mallee RDA and Regional Partnership Committees to focus their efforts.

3. Financial Implications

There are no direct financial implications in this report, however the strategy aims to grow the prosperity of the region for years to come.

4. Cost Shift Considerations

There are no cost shift considerations in this report

5. Community Consultation

The strategy was developed following consultation by the Regional Partnerships and Loddon Mallee RDA with a range of Councils and industry stakeholders.

6. Internal Consultation

The Senior Leadership Team have considered and reviewed the strategy

7. Legislative / Policy Implications

This Strategy complements some of Councils key strategies, such as the Council Plan and Economic Development and Tourism Strategy

8. Environmental Sustainability

There are no environmental sustainability considerations in this report.

9. Conflict of Interest Considerations

No staff involved in the preparation of this report has a conflict of interest.

10. Conclusion

It is recommended that Council endorse the Mallee Regional Economic Growth Strategy as a strategy designed to assist in focussing action and advocacy efforts on activities that will support the Mallee's Economy.



Mallee Regional Economic Growth Strategy

Regional Investment Feasibility Study



VIC: Level 1, 28 Pall Mall, Bendigo VIC 3550 | PO
Box 5006, Sandhurst East VIC 3550
QLD: Suite 106, 232 Robina Town Centre Drive |
PO Box 4880, Robina, QLD 4226

Mallee Regional Economic Growth Strategy

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Mallee Regional Economic Growth Strategy

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Disclaimer

All figures and data presented in this document are based on data sourced from the Australia Bureau of Statistics (ABS), and other government agencies. Using ABS datasets, the regional economic modelling software REMPLAN, developed by REMPLAN has been applied to generate industrial economic data estimates. This document is provided in good faith with every effort made to provide accurate data and apply comprehensive knowledge. However, REMPLAN does not guarantee the accuracy of data nor the conclusions drawn from this information. A decision to pursue any suggestions mentioned in the report is wholly the responsibility of the party concerned. REMPLAN advises any party to conduct detailed feasibility studies and seek professional advice before proceeding with any action and accept no responsibility for the consequences of pursuing any of the findings or actions discussed in the document.

Document version

Report Version	Authors	Date	Reviewer/s	Date
Draft 1	N Byrne	15.01.19		
Draft 2	N Byrne	23.01.19	P Forbes, J Nicolas	23.01.19
Draft 3	N Byrne		P Forbes, J Nicolas	7.02.19
Draft 4	N Byrne, P Forbes	13.02.19	J Nicolas	14.02.19
Draft 5	N Byrne, P Forbes	14.02.19	C Kelly, P Forbes, J Nicolas	14.02.19
Draft 6	N Byrne, P Forbes	14.02.19	P Forbes, J Nicolas, C Stanford	27.02.19
Version 1	N Byrne, P Forbes	28.01.19		



Executive Summary

The Loddon Mallee Regional Development Australia (RDA) Committee in collaboration with the Mallee Regional Partnership (MRP) initiated the development of a Regional Economic Growth Strategy. To be delivered over three distinct project stages, it will develop the next significant strategic economic development framework at a regional scale.

A Regional Economic Growth Strategy is critical for the next phase of investment throughout the Loddon Mallee. The Regional Economic Growth Strategy will provide a strategic basis and rationale for priority investment and projects throughout the region.

Stage One of the project involved preparing a consolidated economic analysis outlining priority investment areas.

The Mallee region is an economic powerhouse that leverages horticultural investment and large-scale food industry production to support local prosperity. Agriculture, Forestry & Fishing and Manufacturing & Construction are the top three industry sectors, representing \$4.458 billion (43.6%) of total output in the Mallee region.

Since the last Census 17,458 new jobs were created in the Mallee region, primarily across Health Care & Social Assistance, Construction, Accommodation & Food Services, Education & Training, Agriculture, Forestry & Fishing and Administrative services.

Five regional focal investment areas underpin the success of the region, as outlined in Figure ES-01. This includes a focus on the Murray Mallee cross border economic zone, investing in the regional strength of horticulture and agriculture and attracting the right local skills across a range of sectors. In addition, the Regional Economic Growth Strategy requires investment and improvement in the areas of energy generation, mineral resources, digital connectivity, as well as tourism and associated infrastructure for residents and visitors.

Figure ES-01 Regional Economic Growth Strategy Framework



The following table summarises the regional focal investment area initiatives that will drive the economic objectives for the region and deliver broader economic benefits.

Mallee Regional Economic Growth Strategy

Table ES - 1 Summary of the Regional Focal Investment Area Initiatives

Focal Area	Economic Objective	Economic Priority	Economic Benefit
Murray Mallee economic region	Economic transport connections	<ul style="list-style-type: none"> • Create two-lane Murray River crossings at Swan Hill and Tooleybuc capable of handling oversize and over-mass vehicles including High Performance Freight Vehicles (HPFV). • Commence planning for a second road bridge in Mildura. • Identify and develop a clearly defined HPFV road network that connects with the NSW and Victorian arterial road network and connects with the ports of Melbourne and Geelong. • Progressively upgrade the carrying capacity of important freight routes within the Goulburn Murray Irrigation District (GMID) that are constrained by bridges and culverts. • Complete the Murray Basin Rail Project and support related development by logistics companies to ensure it is fully utilised. • Commence a feasibility study of a standard gauge rail connection between Yelta (near Merbein) and either Menindee or Broken Hill providing intercontinental rail connection with Darwin, Perth and Sydney. 	<ul style="list-style-type: none"> • More regional export (\$M) • More regional employment (jobs) • Better levels of service delivery
	Increase regulatory efficiency	<ul style="list-style-type: none"> • Ensure the newly appointed Victorian Cross Border Commissioner (VCBC) is focused on the most important issues facing the region's economy, including, but not limited to: <ul style="list-style-type: none"> ○ Harmonisation of heavy vehicle rules on allowable weights and configurations of vehicles and drivers' licenses, and ○ Differences in labour hire regulations between NSW and Victoria. • If proven successful, advocate to continue the VCBC role after the trial period ends. 	<ul style="list-style-type: none"> • Benefit 1 – Streamlined regulatory and licensing requirements • Benefit 2 – Growth in the border economies through dedicated cross border facilitation • Benefit 3 – Reduced barriers to accessing services regardless of state boundaries.

Mallee Regional Economic Growth Strategy

Focal Area	Economic Objective	Economic Priority	Economic Benefit
	Coordination and advocacy	<ul style="list-style-type: none"> • Renew efforts to undertake economic development planning for the Functional Economic Zone crossing the NSW and Victorian border and establish resourcing arrangements to implement the plans. • Maintain efforts to coordinate via jurisdictions such as the Murray River Group of Councils, and the Central Murray Regional Transport Forum. • Create a Sunraysia Agrifood Network to articulate the long-term strategic vision for the horticultural industry along the Murray River. Advocate for common issues such as freight, water and biosecurity policy. • Consider a prospectus (or similar) to support attraction of both government and private investment in the region's industries. • Support investment and expenditure for key regional industry sectors including agriculture, manufacturing, construction and tourism. 	<ul style="list-style-type: none"> • Larger regional population (persons) • Increased regional export (\$M)
	Sustainable use of irrigation water	<ul style="list-style-type: none"> • Better understand and engage in national water policy to ensure it encourages sustainable and productive use. • Investigate physical constraints to supplying water to the Mallee and what can be done to mitigate negative effects. • Fund infrastructure renewal in irrigation districts to achieve resource efficiency. 	<ul style="list-style-type: none"> • Scenario modelling of water allocations equivalent to millennium drought conditions could result in a 20 percent reduction in production and result in \$32.247 million less regional output and a contraction of 225 jobs in the local supply chain. • Sustainable water use implementation is required to ensure more private investment (\$M), co-ordinated delivery of land use and infrastructure, and population (persons) and industry growth (\$ Value-add).

Mallee Regional Economic Growth Strategy

Focal Area	Economic Objective	Economic Priority	Economic Benefit
Business expansion & innovation	Export opportunities	<ul style="list-style-type: none"> Leverage momentum in Free Trade Agreements. Test the feasibility of creating a Mildura inland port, with infrastructure and services to facilitate export, such as quarantine, AQIS and fumigation. Ensure State and Federal government support for export businesses. Ensure governments invest in regional freight infrastructure. 	
	Value adding opportunities and supply chain improvement	<ul style="list-style-type: none"> Complete supply chain analysis to understand demand for export, local value-add opportunities and farm income diversification, including opportunities to leverage current and future transport infrastructure. Invest in interconnecting transport infrastructure such as intermodal sites Attract new rail operators to extend value to local businesses and create a competitive freight market to access Victorian ports. Pursue business opportunities, such as new services, as identified in the supply chain analysis. Utilise the supply chain analysis to inform freight route planning. 	<ul style="list-style-type: none"> Increased regional export (\$M). Increased regional employment (jobs) Co-ordinated delivery of land use and infrastructure to support economic development.
	Attract new business investment	<ul style="list-style-type: none"> Extend current government support for private businesses wishing to expand, through grants, export assistance and help with planning issues. Create a Regional Capital Investment Fund (or similar) to support businesses wishing to expand and requiring access to equity. 	
	Regional research and development (R&D)	<ul style="list-style-type: none"> Expand the capability and depth of the agricultural R&D and extension-focused institutions within the region, including Birchip Cropping Group, Southern Mallee Farming Systems, Mallee Sustainable Farming, Irymple Horticulture Centre, La Trobe University and SuniTAFE. Realise the potential for the newly formed Mallee Regional Innovation Centre (MRIC) to drive innovation and the uptake of technology. 	<ul style="list-style-type: none"> Research activities drive economic benefits for the region, for example MRIC is estimated to create annual economic benefits of \$19.7 million arising from its research program.

Mallee Regional Economic Growth Strategy

Focal Area	Economic Objective	Economic Priority	Economic Benefit
			<ul style="list-style-type: none"> Research investment will boost the number of local jobs in tertiary education.
	Digital connectivity for agricultural systems	<ul style="list-style-type: none"> Encourage implementation of new technologies particularly the use of: <ul style="list-style-type: none"> Automation Internet of Things (IoT) Data sharing and use of big data Provide fit-for-purpose networks to allow uptake of new technologies. Investigate the role of government subsidies and user pays arrangements in establishing these networks. 	<ul style="list-style-type: none"> Better digital connectivity drives business efficiency and positions industry to leverage digital technologies to improve productivity. A 25% increase in productivity in blackspot areas could generate an additional \$52.038 million and support up to 303 (direct and indirect) long term jobs.
Future skills for the region	Ensure school leavers are ready for work or further education	<ul style="list-style-type: none"> Encourage Mallee students to complete Year 12 or vocational training. Increase awareness amongst students of career paths available within local industries. Establish a Mildura based Tech School that encourages take up of STEM (Science, Technology, Engineering and Mathematics) related careers and ensure the Tech School benefits students from the broader region. 	<ul style="list-style-type: none"> A sustainable workforce.
	Create the skilled workers required by our industries	<ul style="list-style-type: none"> Better orientate the vocational and higher education sectors to expand their course range in the Mallee to focus on the needs of industry. Support and encourage the dual enrolment model developed by La Trobe University and SuniTAFE. Undertake a Skills Demand Assessment in the dryland parts of the Mallee region and develop options to meet these needs. 	
	Encourage skilled migration	<ul style="list-style-type: none"> Establish concierge and settlement services to encourage skilled workers to relocate to the Mallee. 	

Mallee Regional Economic Growth Strategy

Focal Area	Economic Objective	Economic Priority	Economic Benefit
		<ul style="list-style-type: none"> Explore other options for encouraging skilled migration (both domestic, secondary and from overseas) e.g. supported visa schemes, creation of a Designated Area Migration Agreement (DAMA) and marketing job opportunities in the region. 	
	Provide adequate worker housing and other fundamental services	<ul style="list-style-type: none"> Complete the Robinvale housing strategy and ensure its implementation. 	<ul style="list-style-type: none"> Population growth supports economic activity and broader regional benefits. Based on the current demographic profile of the Mallee region, a general population increase of 1,000 residents would see an additional 405 working residents, 373 of which would work within the region.
New energy and mining	Unlocking new energy	<ul style="list-style-type: none"> Develop an energy roadmap to understand how to move the region to a new energy future. Develop an advocacy and engagement strategy to address regulatory barriers and identify grid constraints within the system. Advocate to the Australian Energy Market Operator (AEMO) for a feasibility study into the duplication of the existing transmission lines in north west Victoria to unlock constrained renewable energy investment throughout the Mallee region. Advocate for changes to national policy to ensure decisions about grid infrastructure are based on the complete economic Cost Benefit Analysis and not a financial assessment of the transmission line. Advocate for changes to national policy that currently restrict movement of electricity between states. 	<ul style="list-style-type: none"> If the proposed \$2.8 billion of pent up utility scale investment was constructed over a 20 year period with annual construction totals of \$140 million, it is estimated that up to 549 jobs would be supported throughout the broader Loddon Mallee Region.
	Capitalising on the Mallee's mineral sands and rare earth deposits	<ul style="list-style-type: none"> Encourage further opportunities for mineral sands and rare earths mining within the region. Ensure the completion of the Murray Basin Rail Project to support mineral sands mining in the Lalbert area. 	

Mallee Regional Economic Growth Strategy

Focal Area	Economic Objective	Economic Priority	Economic Benefit
Improving liveability in rural cities & towns	Boost our Rural Cities	<ul style="list-style-type: none"> In areas of population growth ensure that facilities grow with increasing demand: <ul style="list-style-type: none"> Renew Swan Hill Hospital Build the South Mildura Recreational Centre Complete the visions of the cities of Swan Hill and Mildura to better orientate their CBDs towards the riverfront. Prepare a preliminary business case for a convention centre suited to Mildura. Explore potential markets, appropriate style and scale, and audit established accommodation facilities to assess their adequacy. Advocate and lobby for location of a Government agency to be headquartered in Mildura or surrounds. Support increased numbers of international students attending tertiary institutions. 	
	Improved passenger services	<ul style="list-style-type: none"> Realise the aspiration within the Regional Network Development Plan (<i>Connecting Regional Victoria</i>) of having five return passenger train services per day between Melbourne and Swan Hill. Noting that Mildura is the only regional city in Victoria without a passenger rail service connection to Melbourne, explore alternative ways connection to Melbourne can be facilitated, including considering airfare subsidies (such as in Queensland https://www.tmr.qld.gov.au/LocalFareScheme). Undertake a feasibility study exploring the potential of a regular commuter flight from Bendigo to Adelaide via Mildura. 	
	Vibrant small towns	<ul style="list-style-type: none"> Explore the role of co-design, place-making and citizen-led approaches to activate township renewal. Provide funding to stimulate amenity enhancements, community infrastructure projects and capacity building in small towns. Develop innovative service delivery models for primary healthcare and childcare. Provide improved small town transport options and digital connectivity. 	<ul style="list-style-type: none"> Attract and retain people and businesses in small Mallee towns.

Mallee Regional Economic Growth Strategy

Focal Area	Economic Objective	Economic Priority	Economic Benefit
	Infrastructure supporting the visitor economy	<ul style="list-style-type: none"> Address the lack of overtaking lanes and provide intersection treatments on major tourist routes that are shared with freight traffic, including the Sturt, Sunraysia, Mallee and Murray Valley highways. Seal Arumpo Road and Marma Box Creek Road (NSW) to permit all-weather access to Mungo National Park. Bring access roads to Lake Tyrrell and the expanding Silo Art Trail up to a safe and appropriate standard. Provide excellent mobile reception on all major tourist routes. 	
	Build the value of our tourism assets	<ul style="list-style-type: none"> Complete construction of the Murray River Adventure Trail, incorporating the Kerang-Koondrook Rail Trail, the Koondrook to Cohuna Forest Trail, the Koondrook to Torrumbarry Trail, and Ports of the Murray. Build the Swan Hill to Lake Boga Active Trail. Realise the potential of Lake Tyrrell and the Tchingal Trail between the lake and Birchip. Expand the Silo Art Trail into the Mallee LGAs. Encourage the development of indigenous tourism enterprises. Create a tourism body that provides focus and coordination of tourism opportunities for the whole of the Wimmera and Mallee dryland regions. Market the unique tourism offerings of this area. Support local tourism training for small businesses. 	<ul style="list-style-type: none"> Modelling the potential impact of increasing the average length of stay of International and Domestic Overnight visitors by a single night is estimated to generate an additional \$91.238 million annually, creating 512 direct jobs and up to another 247 jobs across other industries in the Mallee that have exposure to the visitor economy.

Mallee Regional Economic Growth Strategy

1 Project Sponsorship & acknowledgement

*To be finalised – proposed joint piece (Mallee Regional Partnership Chair
and Loddon Mallee RDA Chair)*

2 Introduction

The Regional Economic Growth Strategy (the Strategy) outlines a strategic direction for the Loddon Mallee region to invest in skills, build capability and leverage recent and future capital infrastructure through a package of targeted and 'unique to region' investment.

The Strategy aims to increase capacity and prosperity for the residents of both the Loddon Campaspe and Mallee sub regional areas of the Loddon Mallee. The initiatives and strategic direction outlined in the Strategy are integrated and multifaceted, addressing economic focal areas of regional innovation and connection, regional manufacturing and food industry, economic resource management and forests, heritage and landscape. Throughout both regions, investing in skills and supporting relationships beyond the region are central strategies.

Regional economic strategies reflect the complexity of regional development. While the primary objective of this strategic work is underpinned by economic development, insights from practitioners, policy makers, institutional managers and senior local government staff have enabled the integration of broader policy objectives across education, housing, urban design, environmental restoration and protected areas management. The integration of these policy approaches drives success and economic prosperity of a region and its community.

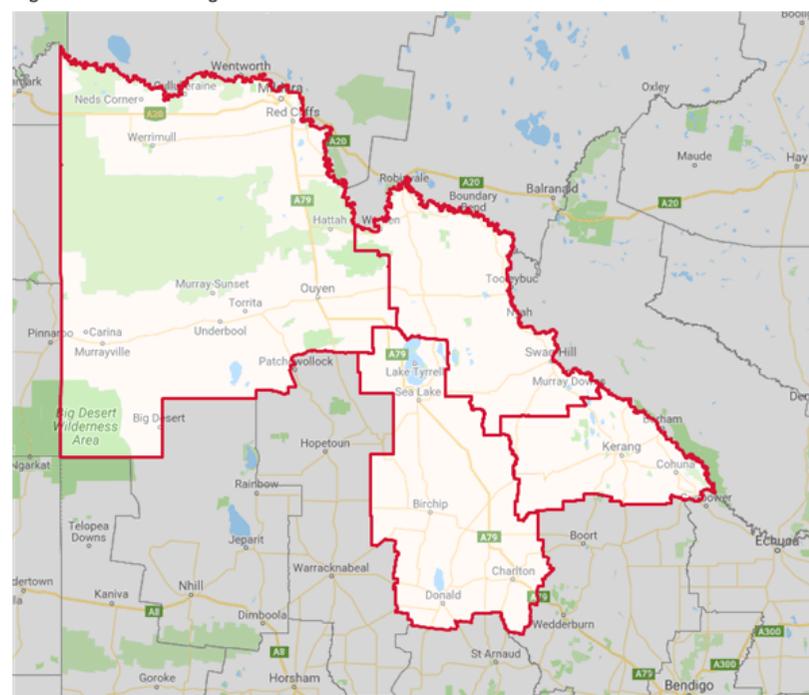
The Regional Economic Growth Strategy is unashamedly focused on increased employment, growing Gross Regional Product (GRP) and improving prosperity of the region, as recognised through productivity gains, increased wages and salaries, and higher level of educational attainment.

2.1 Project Scope

Project work has been undertaken within the Loddon Mallee across both the Regional Partnership sub regional areas of the Loddon Campaspe and Mallee regions. The following Strategy is focused on the Mallee region.

The Mallee region is comprised of the following four Local Government Areas: Mildura Rural City, Swan Hill Rural City, Gannawarra Shire and Buloke Shire.

Figure 2-1 Mallee Region



<https://remplan.co/2QMwPDC>

Mallee Regional Economic Growth Strategy

Investment objectives for the Loddon Mallee are consistent throughout the two regions, but the strategies are unique to each region. Objectives include investment targeted to support enhancement of key areas of capital (Table 2-1).

Table 2-1 Targeted areas of investment to increase capital

Capital	Area of investment strategy
Political	Strategy & Policy Development
Human	Skills, Capability & Knowledge
Built	Regional Infrastructure Investment
Cultural	Celebrating our region and heritage
Social & Financial	Partnerships & Capacity

At a sub-regional level the Strategies are focused on the specialisation opportunities of the region and respond to the key drivers of the sub-regional economies. In the southern Loddon Campaspe region population is the driver of economic activity, demanding and supporting regional services. While in the north and the Mallee region, the overriding economic driver is production and export driven activity where rural land use provides economic return to the region through high levels of output per worker.

Of course, this simple view does not reflect the complexity of each region. However, it is fundamental in the approach to the development of the Strategy and as a result targeted investment to support sub-regional prosperity across the Loddon Mallee.

2.2 Project Background

The Regional Economic Growth Strategy is being delivered over three distinct project stages, as outlined in Figure 2-2. Stage One involved a consolidated economic analysis of the current situation based on evidence (data information) and targeted engagement to provide insights and identify emerging priority areas for regional economic development.

Stage Two has built on this evidence base and prepares a consolidated Regional Economic Growth Strategy utilising strategic opportunity assessment and priority project identification.

Stage Three of the project will involve the preparation of a revised and updated Investment Prospectus for the Loddon Mallee region.

Figure 2-2 Regional Economic Growth Strategy Project Method



Mallee Regional Economic Growth Strategy

2.2.1 Current economic profile

The latest key economic indicators for the Mallee region demonstrate challenging population growth figures. Across the region the 20-year annual average growth rate is -0.41 percent. While Mildura Rural City is forecast to sustain over 0.7 percent, the *Victoria in Future 2016* report forecasts negative growth across the other three municipalities.

The strength of the Agriculture, Forestry & Fishing sector is apparent. It is the most important sector within the Mallee in terms of total output, total employment and contribution to Gross Regional Product (Value-added).

In addition, the tourism sector remains an important contributor representing 7.1% of all jobs and the sixth largest industry sector in terms of total revenue (Output) generating \$474.364 million.

Table 2-3 Key Economic Profile Statistics – Mallee Region

Estimated Resident Population 92,777 (ABS)	Annual Population Growth Rate -0.41% (VIF)	Projected Population 2031 93,844 (VIF)
Gross Regional Product (GRP)(\$B) \$5.332	Per Capita GRP (\$'000) \$58.451	Per Worker GRP (\$'000) \$140.166
Total Output (\$B) \$10.222	Total Employment (Jobs) 38,038	Total Value-added (\$B) \$4.923
<u>Top 3 Sectors by Output</u> 16.5% Agriculture, Forestry & Fishing 15.6% Manufacturing 11.5% Construction	<u>Top 3 Sectors by Jobs</u> 15.6% Agriculture, Forestry & Fishing 13.8% Health Care & Social Assistance 12.3% Retail Trade	<u>Top 3 Sectors by Value-added</u> 16.2% Agriculture, Forestry & Fishing 8.9% Health Care & Social Assistance 7.4% Construction
Tourism Output (\$M) \$474.364	Tourism Employment 2,700	Tourism Value-added (\$M) \$216.366

Source: Australian Bureau of Statistics, *Victoria in the Future*, REMPLAN.

Note: Economic estimates above exclude Rental, Hiring and Real Estate Services of which a significant component includes 'Ownership of Dwellings'. Ownership of dwellings consists of landlords and owner-occupiers of dwellings. Owner-occupiers are regarded as operating a business that generates a gross operating surplus. The imputation of a rent to owner-occupied dwellings enables the services provided by dwellings to their owner-occupiers to be treated consistently with the marketed services provided by rented dwellings to their tenants.

3 Mallee Regional Economic Growth Strategy

3.1 Preferred Economic Future

The Murray River is at the heart of Australia's most vibrant economic regions. Since 2019 decisions about the Mallee region's economy have been made without thinking that is constrained by State borders. This has enabled industry and workers to benefit from expanded opportunities.

The horticultural industry bordering the Murray River has prospered. The maturation of national water policy has resulted in stable and sustainable levels of water supply for both the industry and environment. Increased focus on innovation within the industry has resulted in greater productivity and increased value adding.

A predicted shortage of skilled workers was averted due to a coordinated response that resulted in more worker housing; migration into the area; targeted vocational training and better work readiness in school leavers.

Freight movement across the region has been greatly improved. Constraints to road freight movement have been fixed, river crossings are fit for purpose. The Murray Basin Rail Project has delivered the reduced cost benefits predicted and also removed much of the freight from our roads.

Visitation to Mildura has greatly increased with the introduction of subsidised flights to Melbourne and the opening of a Bendigo-Mildura-Adelaide route. The new convention centre has found a niche market attracting conferences from national businesses.

Continued investment on the riverfront has reoriented both Swan Hill and Mildura's CBD to the river creating new opportunities for each of these cities.

Improved digital connectivity has made huge improvements to the lives of rural Mallee residents, overcoming the tyranny of distance. Digital connectivity provides an antidote to social isolation, but also allows people to actively participate in the economy and receive the services that allow them to remain in their smaller towns.

Agriculture has adopted the Internet of Things and seen productivity increases as a result. Tourists are able to stay connected.

Cost effective, innovative services for rural areas have been tailored to suit the dispersed population. There is now equivalence in health services, education and training services, and childcare services available to rural residents. The Small Town, Big Difference fund has also brought greater vibrancy to the Mallee towns. Together these initiatives have resulted in retention and growth in the populations of the small towns, but also increased participation in the workforce.

Investment in the 'Ports of the Murray' and the 'Murray River Adventure Trail' have resulted in a large increase in visitation that has resulted in considerable private investment. Likewise, the investment in the tourism assets in the dryland parts of the region are having a similar impact. Investments into the Silo Art Trail and Lake Tyrrell saw a similarly large response in private investment and have raised the prominence of Wimmera Mallee tourism. Regional tourism has benefited from indigenous business ventures that have added an extra cultural dimension to the tourism offering.

With the shift to 50 percent renewables, Western Victoria is now powering the State. Investment in our electrical distribution networks, the increasing cost effectiveness of solar, and cheap battery storage, have unblocked the latent potential for solar farms in North Western Victoria.

3.2 Investment Objectives

Identifying areas of focus is the key to the development of a Regional Economic Growth Strategy. Regional focal investment areas will help categorise priorities that best leverage existing regional strengths and address weaknesses.

The purpose of this document is not to detail or design specific investment projects, rather to outline preliminary investment logic at both a program and focal area level to support further substantiation.

Importantly, while the focal areas are targeted and proposed actions and responses have been aligned to a specific area, the proposals are often integrated and holistic in their approach. In several focal areas, a project or initiative has a positive impact on or supports a proposal in another nominated priority area.

The role of government and regional structures including *Regional Partnerships* and *Regional Development Australia* to expedite and support economic development within their region is fundamentally linked with policy. While this policy support is often expressed through advocacy and engagement, it is most commonly demonstrated through contractual agreements, financial instruments and grants.

Key partners in the region are Local Government bodies, whose regional economic development efforts are commonly directed toward capital investment in infrastructure and assets, regulatory change of land use planning, and a range of business support approaches, such as collaboration/networking, lobbying and promotion.

Central to many of these decisions is co-ordination of strategic line of sight between demonstrated business need, evidence and information, strategies and plans and business case development to unlock capital.

Each of the focal areas provides an investment summary with overview of strategic assessment. Summary material included in the Strategy has been supported through technical reporting and subject matter expert workshops.

The Strategy provides an overview of each focal area including:

- Economic objectives – why the region should target this focal area
- Economic priorities – description of investment/service need, including likely high-level solutions and priority recommended actions
- Economic benefits – preliminary assessment of regional investment benefits.

Recommended actions are aligned to the Victorian Government's role but ultimately seek to unlock private sector investment. Typically, these approaches recognise a need for partnership in the investment.

4 Regional Focal Investment Areas

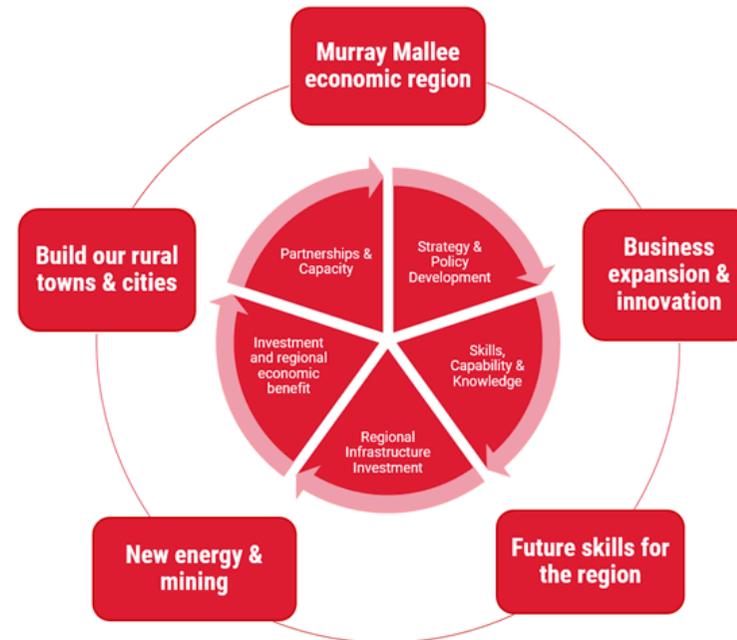
The Regional Economic Growth Strategy outlines priority areas that leverage strengths and address problems requiring investment to remove impediments to increased productivity and prosperity in the Mallee region.

The positive economic outcomes (increased productivity and prosperity) of the Mallee region will be structured around the success of key regional strengths.

These positive economic outcomes are fundamentally driven by a strong relationship to the attraction and capability of the region's human capital, structural policy shifts that advance future strategy and investment in the region's built and natural environment.

Forging new regional success stories, economic outcomes and positive histories links to the future with the region's significant cultural heritage. These lived experiences underpin the success of the region. Shared experience and cultural celebration is the bond that ensures economic outcome within the regions is fostered through partnership and celebration and broad regional relationships that extend beyond the immediate Mallee region.

Figure 4-1 Regional Economic Growth Strategy Framework



Mallee Regional Economic Growth Strategy

4.1 Murray Mallee economic region

4.1.1 Economic objectives

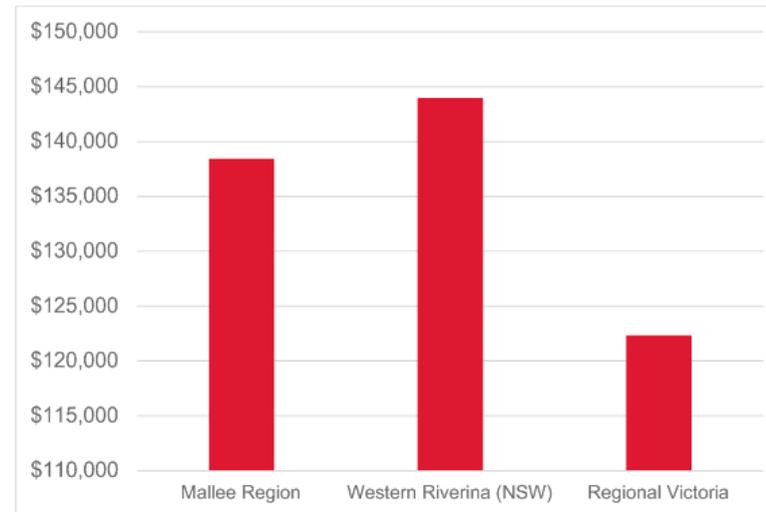
The importance of the Murray Mallee region (incorporating Central Murray NSW) requires a co-ordinated policy to drive investment to support the regions businesses, communities and long-term prosperity. Recognising the region as an economic zone will enable co-ordinated marketing, infrastructure provision, and accelerate access to export markets for local value adding.

Geography is a key influence on the region's prosperity, and accessible water from the Murray River is vital to drive productivity and a strong economy. Productivity, not population, drives the region's contribution to Gross Regional Product (GRP). Accessible and secure access to water underpins both food related industry (agriculture and manufacturing) as well as the region's visitor economy.

Establishing the Murray Mallee as a nationally significant economic region requires policy and investment that focuses on production (rather than population) and cross border connections.

Productivity per worker is higher in the Mallee region than the rest of regional Victoria. This trend extends across other resource-based food regions in the Western Riverina (NSW - including the Local Government Areas (LGAs) of Balranald, Murray River and Wentworth). (See Figure 4-2).

Figure 4-2 Food Industry Employment – Value(\$)-added per workers



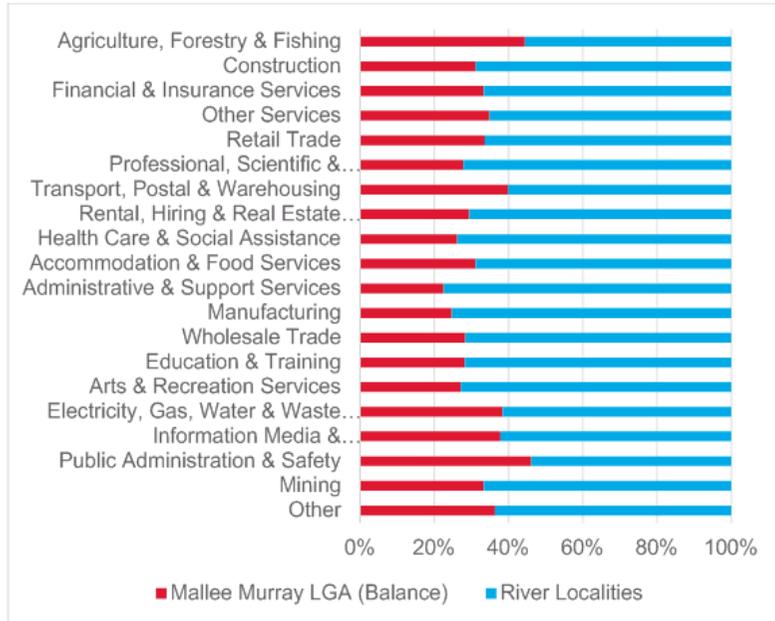
Regional economic activity naturally extends across State borders, with notable land and resource based economic activity in NSW, and a higher proportion of urban settlement and household driven economic activity in Victoria. Business activity is also concentrated toward localities that adjoin the Murray River.

Across all industry sectors, on average 67 percent of businesses located within the Murray Mallee LGAs (Central Murray) are in localities¹ that adjoin the Murray River. The concentration of business types includes Agriculture, Forestry & Fishing, Construction, Financial & Insurance Services, Other Services and Retail Trade.

¹ Localities are Australian Bureau of Statistics Gazetted Suburbs.

Mallee Regional Economic Growth Strategy

Figure 4-3 Murray Mallee LGAs Business by Sector, Localities adjoining Murray River



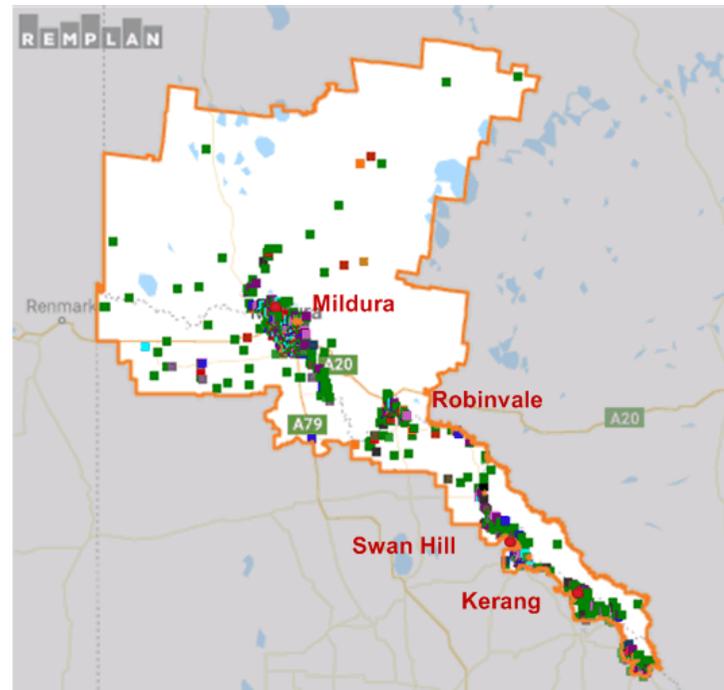
Source: REMPLAN Business Module, (map of region <https://remplan.co/2Hzwwla>)

The region's economic activity is tied to sustained levels of economic productivity associated with horticulture and dryland agriculture. Over the last five years, the Murray Mallee region has generated comparably high productivity levels, driven by primary producers investing in technology and systems to drive output and counter higher costs and limited access to local labour. The impact of economic transition and population decline in rural areas of the region has required a private sector led response to ensure ongoing economic output.

Public infrastructure investment and regulatory reform will continue to drive output (revenue \$M) by key industry sectors and support longer term prosperity for the region.

There is a need to shift funding models for the region to recognise the sustained economic output that exists in the absence of population growth to ensure higher levels of public and private investment per capita.

Figure 4-4 57% of Murray Mallee Businesses are located in localities adjoining the Murray



Mallee Regional Economic Growth Strategy

4.1.2 Economic priorities

4.1.2.1 Economic transport connections

The region performs an important national role. While not associated with population growth like metropolitan or regional centres, the nationally significant contribution in the Murray Mallee region from food related industries demands an equitable infrastructure investment by government.

Critical investment to increase productivity and support improved connections from farm gate to processing facility/market/port will drive investment and increased profitability for Murray Mallee businesses.

Regional priorities have been identified in the Central Murray Regional Transport Strategy (2018) that seek to improve connections for industry export, community connections and the visitor economy. Investment in regional transport infrastructure is the cornerstone to boosting productivity and economic benefit.

There is a need to identify and develop a High Productivity Freight Vehicle (HPFV) network that connects with the NSW and Victorian arterial road network, as well as the ports of Melbourne and Geelong. This freight network needs to include the Hattah to Robinvale Road, the Calder Highway Corridor, and the Sunraysia, Sturt, Mallee and Murray Valley highways.

The Transport Strategy includes a focus on freight route priorities including for first mile/last mile trips, supply chain analysis, and broader highway and road infrastructure upgrades.

The flow of goods and services throughout the region does not recognise geographic or administrative boundaries. There remains a need to improve cross border connections to support increased economic benefit. Modernising and upgrading old bridge assets would enable HPFVs to cross at Swan Hill and Tooleybuc, improving safety and industry efficiency.

Other central plans and investment includes a broader strategic assessment for a second bridge crossing at Mildura, leveraging air transport, completing the Murray Basin Rail Project with an emphasis on the Mildura to Murrayville lines, and rail connection for Mildura to the transcontinental railway.

Future investment criteria should recognise the region's increased levels of production and greater value-add contribution per worker. The region contributes significantly to Gross Regional Product, and infrastructure delivery should recognise this contribution by business and industry in the region.

4.1.2.2 Regulatory efficiency

The unintended consequences of regulatory structures that straddle the Murray River impact community and businesses daily. Multiple levels of government - Local and two State Governments results in additional administrative and regulatory burden for the border communities.

The role of Cross Border Commissioners requires support and information from regional leadership to support greater efficiencies that reduce costs to business. Common impacts occur for business accreditation/approvals, construction related activity triggering planning and building requirements.

The need for dual accreditation and access to training requirements often act as inhibitors to seamless economic activity within cross border communities. Two issues requiring immediate attention include the harmonisation of regulations controlling heavy vehicle crossing between NSW and Victoria, and the differences in labour hire regulations between the two states.

There are other misalignments of regulation that need to be addressed. It is important that both the NSW and Victorian Cross Border Commissioners engage with Mallee businesses to identify other high priorities.

Mallee Regional Economic Growth Strategy

4.1.2.3 Coordination and advocacy

Enabling economic development to occur at a regional scale requires co-ordination between governments to drive activity.

Recognising the scale of business and community services that support the local economy will be important in targeting resources. Critical first actions should be directed towards renewing efforts to undertake economic development planning for the Functional Economic Zone crossing the NSW and Victorian border and establishing resourcing arrangements to implement the plans.

Enabling action across borders will require building a strengthened Murray Mallee region governance framework across Central Murray councils focused on economic prosperity and social/community infrastructure needs that reflect the region's needs. Consideration needs to be given to investment attraction to the Murray Mallee. Seeking both government support for related policy change and infrastructure funding, but also seeking private investment throughout the Murray Mallee Region.

Pre-existing efforts to coordinate between jurisdictions such as through the Murray River Group of Councils, the Railing Ahead advocacy group, and the Central Murray Regional Transport Forum have proven value and can lay claim to achieving funding for Murray Basin Rail and realising the Ports of the Murray projects. These sorts of forums should be valued and be well resourced.

Horticulture in the Murray Mallee is not one but several industries, each industry having its own peak representational organisation. There is no regional voice for the food industry in the Murray Mallee. It is recommended that a Sunraysia Agrifood Network is established to articulate the long-term strategic vision for the entire horticultural region along the Murray and

advocate for common issues such as freight, water and biosecurity policy change.

4.1.2.4 Sustainable use of irrigation water

The recent growth and prosperity in the Mallee region's irrigated horticultural base has been in contrast to the experience in other regions. And to some extent the current confidence of the horticultural industry in the Murray Mallee is masking issues that our irrigators will have to face in the future.

The growth seen in horticultural plantings has arisen from amendments to Victoria's Water Act made in the 1980s. These changes allow water to be transferred between farms. As a rule, water is sold to more profitable enterprises (that can afford to pay higher prices), and the Mallee has benefited from this trade.

Figure 4-5 illustrates the expansion seen in the region over the past two decades. Since 1997 through to 2015, increases in area of irrigable horticulture throughout the Victorian Mallee went from 39,700 to 73,000 ha. While at the same time horticultural plantings in the Goulburn Murray Irrigation District have remained stable and constant².

Whilst the area of Mallee horticultural plantings has more than doubled since water transfers became possible. The total pool of water in the Murray Darling Basin available for irrigation has reduced.

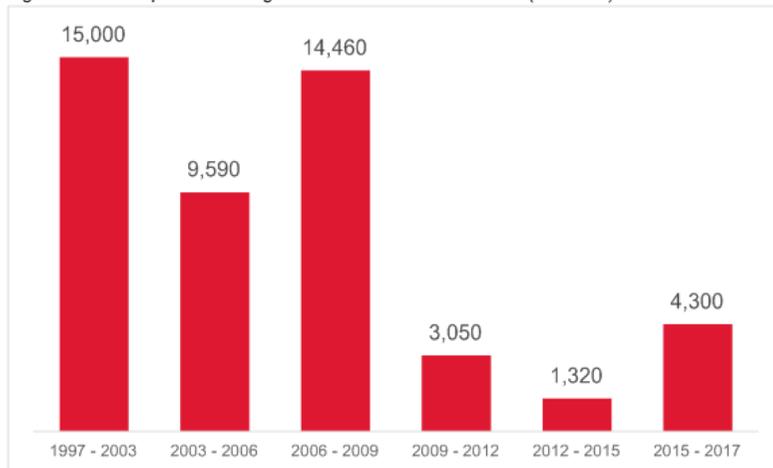
This reduction has occurred as a result of implementation of the Murray Darling Basin Plan which is seeking to see some of the water once used for irrigation to maintain environmental condition. The Mallee region has benefited from this shift seeing environmental water ensure the future of iconic wetlands at Hattah Lakes, Gunbower Forest and Lindsay and Wallpolla Islands.

² TC&A & Frontier Economics (2017) Social & economic impact of the Basin Plan in Victoria.

Mallee Regional Economic Growth Strategy

As the irrigators in the Mallee are now using a greater volume of water, and a greater overall proportion of the total amount of water flowing down the Murray River, there are two issues looming for the region.

Figure 4-5 Net expansion in irrigated horticulture 1997 to 2017 (Hectares)



Source: SunRCS Annual Report 2017 [Sunraysia Rural Counselling Service Inc. – SunRISE Mapping & Research Report]

The first of these is that the Mallee region is approaching the physical limit to the amount of water that can flow down the river at peak demand times. Secondly, if another drought of the scale experienced during the 'Millennium Drought' 2001 – 2009, was to occur the Mallee region will be more exposed to its impact.

The 2017, *Social and economic impacts of the Basin Plan in Victoria* report prepared by TCA and Frontier Economics for the Victorian Government has predicted that '(i)f allocations in a future drought were to drop to 32% (impact equivalent to the millennium drought), one fifth of current horticultural plantings may need to be dried off'. This direct loss of production would have a significant economic and social impact throughout the region.

These challenges require us to better understand and engage in national water policy to ensure that the policy settings encourage sustainable and productive use given the climatic variations that occur. The region should continue to investigate the physical constraints to the supply of water to the Mallee and examine what can be done to mitigate against these constraints.

The region must seek investment in our irrigation distribution systems to increase the efficiency of the water supply networks (Goulburn Murray Water and Lower Murray Water). Likewise, primary producers need to be supported in adopting water efficient irrigation systems.

4.1.3 Economic benefits

The horticultural sector is a major contributor to regional output for the Mallee region, contributing an estimated \$865.614 million or 8.5percent of total regional output. The sector is also an important employer, supporting over 2,700 jobs. Large reductions in the level of output generated by this sector could have potential negative effects for the economy of the region.

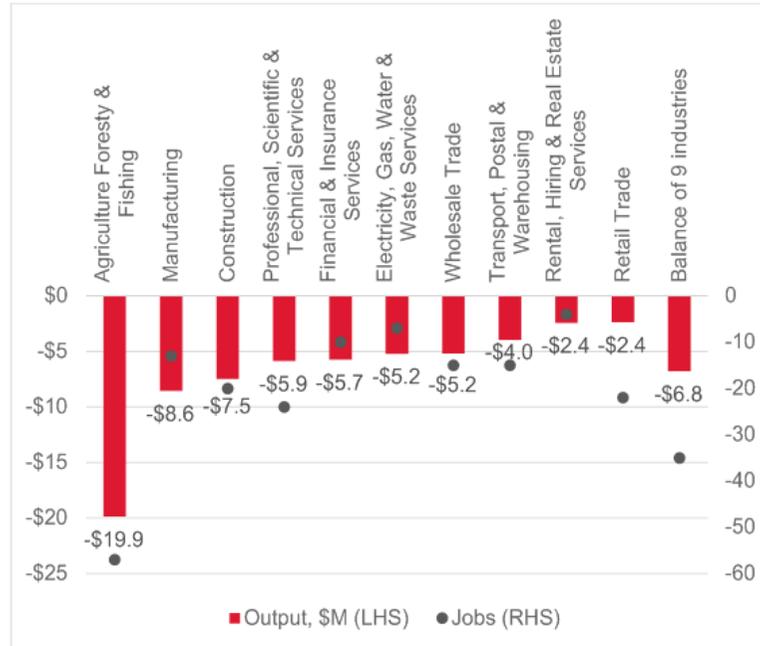
The scenario outlined above from the TCA and Frontier Economics report predicted that the impact of water allocations equivalent to that experienced in the millennium drought could result in one fifth (20%) of horticultural plantings being dried off. The flow on impact through local supply chains of a 20 percent reduction in horticultural output in the Mallee region could potentially see a total reduction in regional output of \$32.247 million accompanied by a contraction of 225 jobs in local supply chain organisations (Figure 4-6).

Cross border communities face a range of additional issues, burdens and requirements that are not present in non-cross border contexts. A Cross Border Commissioner is considered an important resource to facilitate both economic and social transformation and deliver benefits for cross border communities.

A Cross Border Commissioner is anticipated to deliver three key benefits for Victorian communities. These are outlined on the following page.

Mallee Regional Economic Growth Strategy

Figure 4-6 Impact on output and employment as a result of 20% contraction in horticulture



Source: REMPLAN Economy

Benefit 1 – Streamlined regulatory and licensing requirements.

- Reduce the burden of differing regulatory and legislative requirements for Victorian based workers and businesses that also work or operate in NSW.
- A study shows that small businesses operating in cross border communities incur compliance costs averaging 330 hours per annum, a 74 percent greater regulatory burden than businesses operating outside cross border communities.

- Examples are provided relating to duplication or differing regulation for bus companies, construction trades and Department of Justice and Regulation

Benefit 2 – Growth in the border economies.

- There is currently limited ability to fund projects which would deliver significant economic impact to Victoria due to them being located across the border, in whole or in part.
- The private sector would benefit greatly from a visible, dedicated resource to facilitate cross border projects.
- The benefits accrue primarily due to taking a regional perspective. When considered individually, the communities along the border may be small, but as a whole they are economic regions generating considerable levels of economic activity.
- An example is provided of a business expansion project (cross border pipeline) for a food product manufacturer that has been stalled for 20 years.

Benefit 3 – Reduced barriers to accessing services regardless of location.

- The existing state focused service delivery model is preventing equitable access of services in cross border communities.
- This is a social benefit for people living in cross border communities. Vulnerable people in cross border communities are often physically distant from state-based services that they require in their own state, but close to the same service across the border and unable to access it.
- Examples are given relating to services provided to victims of family violence and other non-law enforcement support services.

Other benefits include:

- Streamlining working relationships not only with NSW, but potentially SA and TAS
- Positioning border regions as well-connected communities, and
- Aligning with current policy: Regional Economic and Development Services Review 2015 and Victoria's Regional Statement 2015.

Mallee Regional Economic Growth Strategy

4.2 Business expansion & innovation

4.2.1 Economic objectives

The Food Industry sector (made up of Agriculture, Forestry & Fishing and Food Product Manufacturing) contributes \$2,382.249 million (23.3%) of total output in the Mallee and supports over 6,950 jobs in the region.

The Food Industry provides a higher proportional share of GRP than Health Care and Social Assistance, Construction, Education & Training and Retail Trade in the region (Figure 4-7).

The region's agricultural success directly drives increased levels of regional export and demands higher levels of local regional employment.

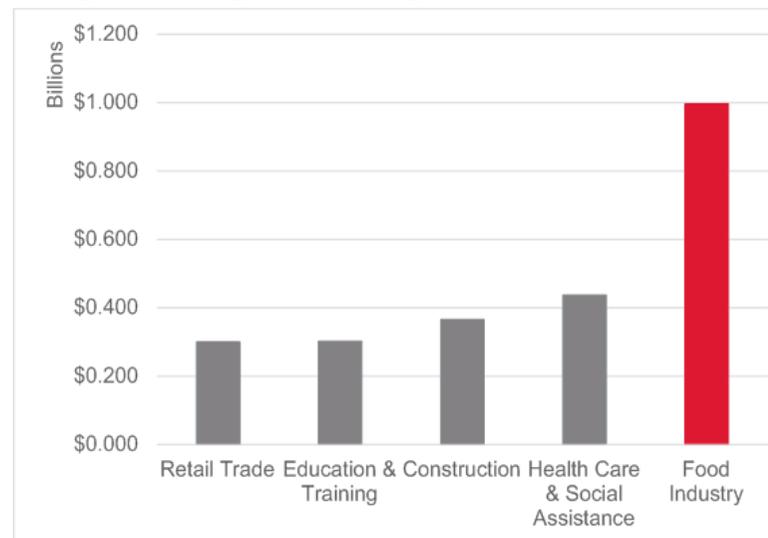
There is a need to ensure innovation drives greater efficiency and economic return rather than simply focusing on volume of production.

The future for both our irrigated and dryland agricultural industries lies in becoming more productive with available resources, adopting new technologies, adapting and implementing business level innovation to create greater efficiency and increased local value adding.

The importance of the food industry that includes representation of both primary production (Agriculture) and secondary and tertiary value-adding through local food manufacturing is strategically important for the region.

Research suggests 'unconstrained digital agriculture' could achieve a 25 percent increase in Gross Value of Production. There is clearly a need to position the region for high speed mobile network investment beyond the coverage extended by existing 3G and future 4GX networks³.

Figure 4-7 Contribution to GRP (Value Added) Food Industry (Agriculture, Food & Beverage Manufacturing) in the Mallee Region.



Source: REMPLAN Economy Analysis

Secure, reliable, cost effective and efficient digital connectivity infrastructure is fundamental to improved regional business opportunities. Put simply, current coverage and network speed is inadequate and requires adequate investment to ensure equitable provision of services throughout the Mallee region.

³ CRDC (2017) Accelerating Precision Agriculture to Decision Agriculture – Enabling digital agriculture in Australia.

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4.2.2 Economic priorities

4.2.2.1 Export opportunities

Free Trade Agreements created over the past decade with some of our main trading partners include:

- Australia-Chile (ACI-FTA) 2009
- ASEAN-Australia-New Zealand (AANZFTA) 2010 – 2012
- Malaysia-Australia (MAFTA) 2013
- Korea-Australia (KAFTA) 2014
- Japan-Australia (JAEPA) 2015
- China-Australia (ChAFTA) 2015, and
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) 2018.

Agreements are expected to be ratified with Indonesia, Hong Kong, Peru and the Pacific Island nations and more free trade agreements are in negotiation with the European Union, India and the Gulf Nations.

Generally, free trade agreements help make Australia's exports more competitive enabling market access for exports in a faster and in a more cost-effective manner. But to do so requires potential exporters to act on the opportunities available.

Many Mallee region primary producers are actively exporting. \$3.2 billion⁴ in product is exported from the Mallee each year. Approximately 60 percent of grain produced in the Mallee each year is exported. In addition, the Mallee is responsible for between 75 and 80 percent of horticultural exports from Victoria.

The scale of exports already originating from the Mallee may warrant the creation of a Mildura inland port, with infrastructure and services to facilitate export, such as quarantine, AQIS and fumigation.

There is a significant role for both State and Federal Governments and peak industry bodies to support businesses interested in becoming export ready. Governments also have a role in ensuring appropriate investment in freight infrastructure to ensure the supply chain is optimised.

4.2.2.2 Value adding opportunities and supply chain improvement

Much of the product exported out of the Mallee receives value adding elsewhere.

A supply chain analysis is needed to understand the potential for local value-add opportunities, such as in food product manufacturing, prior to commodities leaving the region. Often value adding opportunities allow pre-existing enterprises to diversify their income and expand their workforce.

The Murray Basin Rail Project will reduce the cost of transporting goods, it will increase the load carried per car, improve the speed of trips, expand the choice of port (Melbourne, Geelong or Portland) and increase the number of operators on the line by employing standard gauge rail. All is anticipated to reduce the cost of transporting goods.

To realise the full benefit of the Murray Basin Rail Project investment is required in interconnecting transport infrastructure development, such as intermodal sites. New rail operators must be attracted to the region to ensure value is extended to local businesses to encourage competition between the three Victorian ports.

4.2.2.3 Attract new business investment

Private investment is the engine room of the economy and the Mallee region needs to attract as much investment as possible.

⁴ invest.agriculture.vic.gov.au - interactive mapped data; industries; regions

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Both State and Commonwealth Governments have played a role in supporting businesses that wish to establish or expand in the region. Grants have been provided, as well as support to overcome planning hurdles, attract investment and establish trade opportunities.

In the 2017/18 financial year the Victorian Government granted \$1.78 million to businesses across the Mallee region. This support leveraged \$7.573 million in private investment and resulted in the creation of an estimated 108 new jobs in the region.

With greater demand for grants that help businesses expand than is capable of being met through current government programs, it is recommended government support is not increased.

It can be difficult to obtain government support for business expansion when the investment aims to increase economic output but doesn't create many new jobs. Often Mallee businesses are operating in areas with full employment, and skilled labour is not readily found. Investment in these businesses is important to ensure their ongoing profitability and protect against job losses that would occur if the business fails.

Businesses report difficulty in accessing equity to support business growth, so evidence is being collected to substantiate these concerns. If proven, there is a need to seek solutions such as developing a line of business capital through a product such as a Regional Capital Investment Fund.

4.2.2.4 Regional research and development

While improvements in total revenue (output) can arise from increased scale and intensity of an operation, implementing a new process, marketing method, organisation method or product innovation will drive gains in productivity and support business growth.

Research economists estimate that 85 percent of increased productivity is due to new or innovative approaches⁵.

The Mallee region has a deficit in efforts to drive innovation through research and development activities. The Mildura and Swan Hill Regional City areas score poorly for 'Innovation' in the Regional Australia Institute's 'Regional Competitiveness Index'⁶, with the two LGAs ranked 480th and 493rd out of Australia's 563 LGAs. On the sub-indices 'Registered Research Service Providers' and 'Research and Development Managers' both LGAs were on the lowest possible ranking.

It is important to build on the capacity of our region's industries. The recent establishment of the Mallee Regional Innovation Centre – a joint venture between the University of Melbourne and LaTrobe University - is estimated to create annual economic benefits arising from the Centre's research program of \$19.7 million per year. This economic benefit arises from increased agricultural production, irrigation water savings, and cost savings in the delivery of environmental watering programs.

While regional institutions have a role in directly pursuing research, the need to ensure innovation knowledge is shared with those working in industry (through training, extension and higher education) is fundamental for the future of the region. Institutions with a focus on the Mallee food industry, such as La Trobe University, the Birchip Cropping Group, Southern Mallee Farming Systems, Mallee Sustainable Farming, the Irymple Horticulture Centre and SuniTAFE, have adopted research and extension responsibilities.

Innovation is needed to address the uncertainties and challenges facing our agricultural industries. Increasing energy and fuel prices, climate change, challenging seasonal conditions and the need to maintain profitable agricultural businesses in an increasingly complex environment are key challenges for the sector.

⁵ Innovation and economic growth, by Nathan Rosenberg, OECD 2004

⁶ <http://insight.regionalaustralia.org.au/> (first edition)

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4.2.2.5 Digital connectivity for agricultural systems

Smart farming is the incorporation of information and communication technologies into farm equipment, and sensors into agricultural production systems. It allows a large volume of data and information to be generated via process automation.

Smart farming relies on being able to transmit and store data remotely for analysis to aid decision making. In turn agriculture benefits from better management, monitoring and evaluation techniques to support greater economic return.

However digital connectivity in parts of the Mallee is inadequate to support many of these new technologies. Mapping of mobile connectivity (Telstra, Optus and Vodafone) across most of the Mallee was conducted in 2017 by the Loddon Mallee RDA Committee⁷. This mapping surveyed 5,423 kilometres of road within Buloke shire – typical Mallee grain cropping country. Ratings of ‘very poor’ to ‘black spot’ were recorded for a total of 940 kilometres on all three carrier networks, demonstrating that current mobile coverage isn’t adequate to support smart farming.

Whilst some subsidies have been provided to fix mobile blackspots, the scale of funding hasn’t been adequate to impact on these broadscale areas, and the funding has been weighted towards fixing blackspots in areas with more population.

The Victorian Government is currently running four ‘Internet of Things’ trials in key agricultural areas, covering Victoria’s major agriculture sectors of dairy, broad-acre cropping, meat production and horticulture. The trials will investigate issues from the network level all the way through to end-user devices and machinery on-farm.

Ensuring fit-for-purpose networks are built to allow uptake of new smart farming technologies will be an important outcome once trials are

⁷ Digital Economy Group (2017) Regional Development Australia – Loddon Mallee, Mobile Coverage Report

completed. Building these networks requires a clear understanding of the right combination of government subsidy and user pays arrangements.

While advocating for improved infrastructure is essential, the region must be ready for new opportunities, developing skills in digital literacy, and addressing industry data standards to match technology requirements.

4.2.3 Economic benefits

The mapping of mobile connectivity in 2017 showed blackspots covering 12 percent of the land area of Buloke, Swan Hill and Gannawarra LGAs. Many more areas had coverage from only one carrier.

With much of this area being productive agricultural land, mobile blackspots potentially limit the productivity gains that could be realised with digital connectivity.

In a scenario where blackspot areas experienced a 25 percent increase in productivity through better digital connections, this could potentially generate an additional \$52.038 million of direct output each year. This is outlined in Table 4-1.

Table 4-1 Economic impact of 25% productivity gains over a proportion of Mallee region

Impact	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 2 Multiplier
Output (\$M)	\$52.038	\$27.462	\$10.103	\$89.602	1.722
Long Term Employment (Jobs)	179	84	40	303	1.693
Value-added (\$M)	\$23.685	\$11.956	\$5.731	\$41.371	1.747

Source: REMPLAN Economy

4.3 Future skills for the region

4.3.1 Economic objectives

There is a disconnect between the demand for skills in the region and the skills available to support industry growth. Despite growth in regional employment, local employers continue to report difficulty attracting the right skills.

The Victorian Skills Commissioner's report, *Regional Skills Demand Profile, The Mallee (2017)*, predicts it will become even harder to find skilled workers, with up to 4400 more workers being required in the Mallee by 2020.

This skills deficit is compounded by a local workforce with a higher proportion of lower income earners. An ageing workforce and changing demographics will lead to additional demand for skills. Increasing the number of young people working or engaged in further study and/or the local workforce supports improved socio-economic performance of the region, lifting overall prosperity.

The Mallee region is experiencing demand for up to 4,350 positions requiring Certificate Level 3 or 4 in the occupations of Community & Personal Service Workers, Clerical & Administrative Workers, Sales Workers, Labourers and Managers across a range of key local sectors (Table 4-2).

Targeted skills and training development is required to support employees in the largest growth industries of Health Care & Social Assistance, Construction, Accommodation & Food Services, Education & Training, Agriculture, Forestry & Fishing, Administrative & Support Services and Manufacturing. This will include re-training lower skilled workers to mitigate the impact of automation and new technology⁸.

Table 4-2 Preliminary outlook on job growth by industry

Industry Group	Estimated FTE (circa)	Taskforce estimate of 2017-2020 workforce growth (CAGR)	Total required workforce growth (range)
Horticulture	4300	3.5% - 7.0%	600 - 1100
Other agriculture	2400	0.5% - 1.5%	100 - 200
Hospitality and tourism	2900	2.0% - 2.5%	250 - 300
Construction	2300	1.8% - 3.5%	200 - 300
Manufacturing	2300	2.5% - 4.5%	250 - 400
Transport, logistic & automotive	3300	2.6% - 4.5%	350 - 550
Retail trade	5500	1.5% - 2.0%	400 - 500
Healthcare & social assistance	6200	2.9% - 4.2%	750 - 1000

Source: (Recreated table) Victorian Skills Commissioner (2017) Regional Skills Demand Profile, The Mallee.

⁸ Productivity Commission (2016) Digital Disruption: What do governments need to do?

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Economic priorities

4.3.1.1 Ensure school leavers are ready for work or further study

The percentage of Mallee school leavers who did not complete year 12 was 63.31 percent in the Mallee compared with 33.06 percent⁹ in metropolitan Melbourne (inner-middle).

Some 8.43 percent of 15-19-year-olds are not engaged in school or employment, compared to 4.8 percent in metropolitan Melbourne.

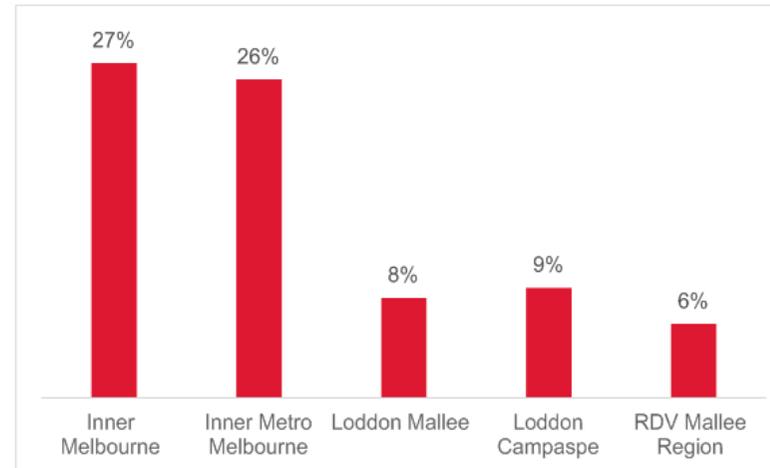
Improving student engagement and educational attainment is a complex issue, with entrenched social disadvantage and other deep-seated issues contributing to the problem.

Approaches taken in some jurisdictions to improve educational outcomes include increased attention on early years literacy, and ensuring children start school with issues such as learning difficulties and speech therapy needs being addressed. It is also important that there are safety nets in place if a child falls behind its peers.

The region's future workforce must be able to cope with increasing complexity and well equipped to deal with change. Training and education will help them prepare, yet fewer Mallee children complete higher education compared to the average for Victoria. Bachelor's degree attainment (or higher) across the regional population is below half that seen in metropolitan Melbourne (Figure 4-8).

To ensure school leavers are ready for the demands of industry demand and an increased interest in Science Technology Engineering and Mathematics (STEM), establishing a Mildura based Tech School to service students in the broader region is a key priority.

Figure 4-8 Percentage of Population with Bachelors degree or higher



ABS 2016, Compiled in REMPLAN Community

Ten Tech Schools have been established across the state, focused on technology rather than trades. They are well resourced and furnished with cutting edge technology designed to stimulate an interest in STEM subjects.

To ensure secondary students, parents and careers teachers know about the range of career opportunities available in the region, growing industries need to invest in increasing awareness of their industry and the employment opportunities within it.

Career mentoring programs may be one approach. The Robinvale Mentoring Project successfully engaged young people with local regional economic opportunities. Mentors with skills across trades, agriculture, horticulture and business were able to pass their knowledge and experience

⁹ Regional Development Victoria Information Portal: <https://www.rdv.vic.gov.au/information-portal/regional-snapshot> - Percentage who did not complete year 12 (2016)

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to local students, lifting aspiration and fostering insights into the link between education and local employment opportunities.

4.3.1.2 Create the skilled workers required by our industries

There is a need to better match skills requirements to local training on offer. Educational providers and professionals report students completing training programs for skills that have limited employment opportunities within the Mallee region, and yet other skills required by local industries are not being offered through training courses. Improving the link between workforce skills strategies and demand for local workforce and capability will be important.

In the *Regional Skills Demand Profile, The Mallee (2017)*, the Victorian Skills Commissioner identified the types of skilled workers needed over the next three years and the courses required to deliver these skills.

Since publication, the Skills Commissioner has maintained a presence within the region and by working with the vocational sector has made progress in improving the vocational training offering to ensure it is in line with industry needs.

In other regions collaborative industry networks have been established to support skills development, communicate future needs of the workforce and provide career advice connected to local industry. This model should be explored for the Murray Mallee region.

The work of the Skills Commissioner in assessing the skills needs of larger businesses - particularly in the Murray Mallee - has been very successful. There is a strong appetite to complete the Region Skills Demand Assessment for the Mallee by examining needs in the less populated dryland areas away from the Murray River.

Increasing the relatively low numbers of people with bachelor degrees or higher is another challenge that needs to be met. The Mildura campus of La Trobe University provides Nursing and Business degree courses and Monash University offers support for postgraduate medical education. But

other courses that relate to local industries like Agricultural Science or Engineering require an undergraduate to travel to either Adelaide, Melbourne, Bendigo or further afield. Increasing participation of students in the region will also require addressing the costs of commuting.

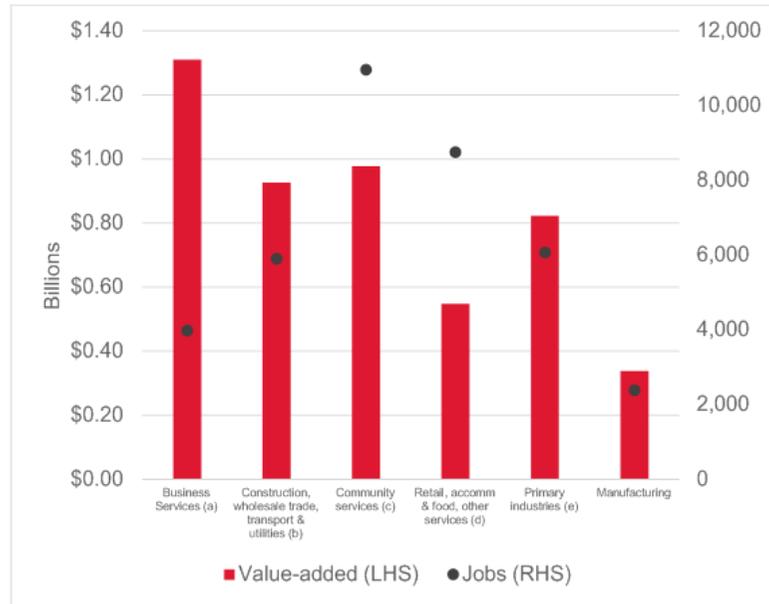
The capping of Commonwealth Supported Places (CSP) funding for domestic university students adversely affects the region. The university campuses and clinical schools in the region cannot grow in this environment, and without growth, educational attainment will not increase. Innovative programs such as the dual enrolment (degree-diploma) model delivered jointly by SuniTAFE and La Trobe University have been adversely affected by CPS capping.

These programs have proven the ability to grow pathway opportunities for students in segments of society that have traditionally had very low participation in higher education.

This need to match skills to high performing industries is also evident when comparing industries relative to the contribution to Gross Regional Product, by Value Added, compared with local employment levels. As outlined in Figure 4-9, there is opportunity to expand employment to increase economic contributions with a focus on Business Services, Primary Industries and Manufacturing. These local sectors sustain high levels of contribution to Gross Regional Product (value-added) and have lower levels of employment than community services and service industries concentrated in retail, accommodation and food services.

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Figure 4-9 Industry contribution to GRP (Value-Added) compared with local jobs



Source: REMPLAN, Mallee Region dataset.

4.3.1.3 Encourage Skilled Migration

There is a need to support development of skills by immigrants to feel supported and stay locally. This has been successful in places such as Nhill (with the Luv-a-Duck business) by including support for English language learning, and access to health and education programs to support newcomers. Formalising these opportunities through a concierge and settlement service will help encourage skilled workers to relocate to the Mallee region. This service is anticipated to assist and co-ordinate arrival,

¹⁰ 3300 is the population recorded during the 2016 ABS census – but it is suspected that the population is considerably higher.

entry, immigration, and local accreditation pathways through assistance with key social and community organisations.

The region should also explore other options for encouraging skilled migration (domestic, secondary and overseas). This can include supported visa schemes, creating a Designated Area Migration Agreement (DAMA) and marketing job opportunities in the region.

4.3.1.4 Provide adequate worker housing and other fundamental services

Some smaller towns in the Mallee struggle to attract workers due to a lack of services. Workers are more likely to be attracted to an area with adequate housing, transport, health services, education and lifestyle opportunities.

Robinvale, population 3,300¹⁰, has a critically low stock of suitable housing, as locals and seasonal workers face lower-than-average rental vacancy rates and illegal rooming issues.

A housing strategy is currently being developed by Swan Hill Rural City to understand what can be done to alleviate housing pressure in Robinvale. The study will assist in identifying strategies to overcome issues of housing supply and preferences to support current and future workforce demand.

The dispersed and often modest scale of many townships throughout the Mallee presents a significant challenge for renewal and investment. However, investment in towns promotes pride and aspiration and is good for both visitors and residents.

There are indications that the local horticultural industry surrounding Robinvale is prepared to invest in solutions to problems found within the community, such as a housing shortage. In fact, in late December 2018 it was reported that more than 40 new rooms will be created on two on-farm

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developments that are being built at Lake Powell and on Happy Valley Road¹¹

Employers should be encouraged to participate in solving issues in their communities as they ultimately benefit from having an available, secure and skilled workforce. There is an opportunity for co-investment by government and industry in presentation and infrastructure to improve the amenity of local towns.

4.3.2 Economic benefits

Population growth is a proven economic driver. Areas with growing populations typically experience growth in service sectors such as health care, education, retail and food. Larger populations can also mean access to a larger pool of labour for employers.

Based on the current demographic profile of the Mallee region, a general population increase of 1,000 residents would see an additional 405 working residents, 373 of which would be employed within the region. These additional 373 workers would generate an estimated \$172.968 million in output annually and support an additional 268 jobs through supply chain and consumption effects.

Table 4-3 Economic impact of 1,000 new residents in the Mallee Region

Impact	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 2 Multiplier
Output (\$M)	\$97.936	\$42.870	\$32.162	\$172.968	1.766
Long Term Employment (Jobs)	373	139	129	641	1.718
Value-added (\$M)	\$46.888	\$18.705	\$18.244	\$83.836	1.788

Source: REMPLAN Economy

¹¹ Reported in Sunraysia Daily 05/12/2018

4.4 New energy and mining

4.4.1 Economic objectives

Unlocking the potential for large scale energy generation is a critical regional economic focal area for the North West of Victoria.

Nineteen large-scale solar projects, valued over \$2.8 billion, have received planning permission, or are either under construction or operational in the four municipalities across the Mallee. These projects have a combined energy generation of 2380 MW (Figure 4-13), which exceeds the generation from Victoria's largest coal fired power station Loy Yang A which produces approximately a third of Victoria's electricity.

Planning departments within the four Mallee LGAs are aware of a further 13 prospective solar farm developments. This additional 2950 MW would bring the region's total potential generating capacity to 5,280 MW.

The region is also experiencing recent investment in battery storage, with interest expected to accelerate. Battery storage has the capacity of providing solar electricity at times of peak demand.

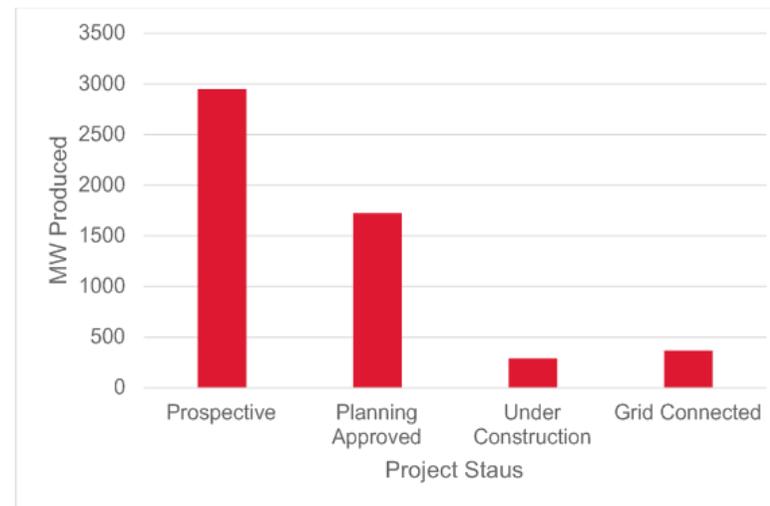
The Australian Energy Market Operator (AEMO) is undertaking the planning required to adapt to a rapid increase in renewable generation. AEMO's recent work proposes the required network enhancements for Western Victoria.¹² Even this current report hasn't recognised the full extent of the potential for large scale solar farm development in north west Victoria. The current draft of the *Western Victorian Renewable Integration – Project Assessment Draft Report* (AEMO, 2018) does not recommend any major upgrades to the carry capacity of transmission lines in the north west of Victoria in the short to medium term. This position will effectively halt further expansion of large scale solar in north west Victoria.

¹² December 2018 draft of 'Western Victoria Renewable Integration – Project Assessment Draft Report, Australian Energy Market Operator (AEMO)

The impacts of national renewable energy policy and global increase in gas pricing on regional businesses has led owners and company Directors to nominate both energy pricing and policy as their top two economic challenges (behind an 'ineffective' taxation system).

Despite planned and approved renewal energy projects, increased system strength within the grid is at the core of local renewable energy investment.

Figure 4-10 Mallee Region Large Scale Solar Power Projects



Source: RDV (2019) Loddon Mallee Renewable Energy Projects.

Current and projected system strength is a measure of the capacity of the local power system to respond to disturbances in the system and maintain stability. Despite recent State policy efforts to address the mix of power within the region, Victoria is behind NSW (including the ACT) in production of large-scale systems of more than 100 kW.

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Reliable access to digital connectivity continues to inhibit investment in the Mallee region. Digital infrastructure improvements are required to meet latent industry demands from agriculture, health, education and the local government sectors.

4.4.2 Economic priorities

4.4.2.1 Unlocking new energy

The Mallee receives more energy from the sun than the rest of Victoria. The cost of producing electricity through solar farms has reduced to such an extent that it is now competitive with conventional generation technologies. However, a 'Catch 22' situation appears to be holding back the development of renewables in the Mallee. It has been described as 'the developers won't invest where there's no transmission capacity, and transmission capacity won't be opened up until there are developers!'.¹³

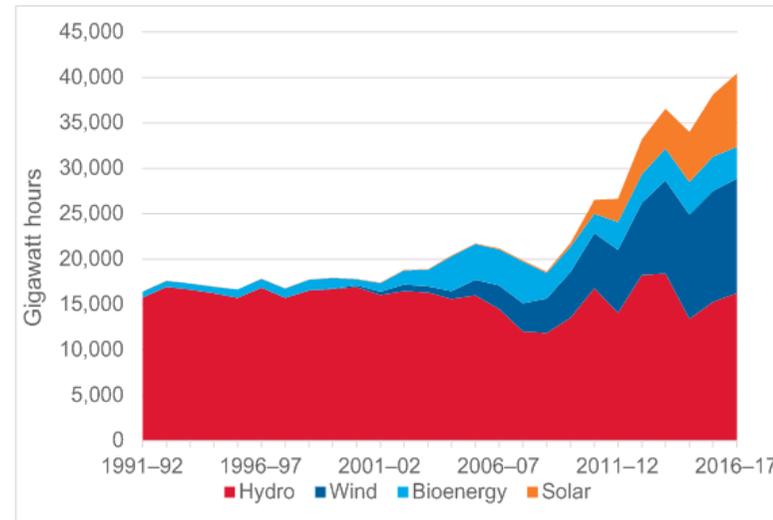
There is enough evidence to warrant national policy change to support infrastructure interventions into the national grid based on a whole-of-life cost benefit analysis that recognises both direct and in-direct economic benefits for the region.

In locations like the Mallee region where significant energy generation opportunities exist, the impact of national policy on new transmission infrastructure as well as restrictive jurisdictional trading policies inhibit local regional economic investment.

Energy generation across Australia was dominated by coal in 2016-17, however the renewable energy sector represented 16 per cent of Australia's electricity generation in the same year. This was a result of a 6 per cent increase across the solar, hydro, and wind generation mix. Solar generation

grew by 18 per cent predominantly as a result of growth in existing large-scale facilities and small-scale rooftop solar Photo Voltaic installations¹³.

Figure 4-11 Australian electricity generation from renewable sources

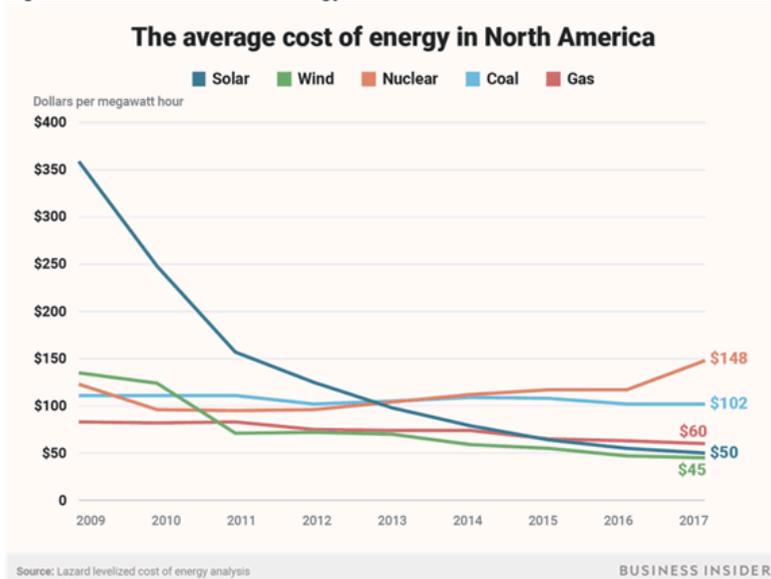


Source: Department of the Environment and Energy (2018) Australian Energy Statistics

¹³Department of the Environment and Energy (2018), Australian Energy Update 2018, August, Canberra.

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Figure 4-12 Relative Price of energy sources



Source: Business Insider – Derived from the Lazard Levelised Cost of Energy Analysis

The current regulatory environment for the Australian Energy Market Operator (AEMO), in its role as national energy regulator, is limited to the consideration of financial benefits of new transmission infrastructure. The assessment is focused on revenue opportunities without considering the broader economic benefits from more dispersed energy generation in rural and regional locations.

The other necessary change is recognising the limitations of transmission costs for interstate electricity trading. This has the potential to limit access to cost competitive locally generated energy to support regional economic development where 'notional' cost of transmission may 'theoretically' include costs to a central Victorian location.

There is a need to develop an advocacy and engagement strategy to address regulatory barriers and grid constraints. The strategy will ultimately support State and Local Government policies that currently enable approval of renewable energy projects.

Opportunity exists to build additional transmission capacity between Mildura and Melbourne duplicating the existing AC transmission line. The region should advocate for the AEMO to determine the feasibility of investment into the duplication of the existing transmission lines in north west Victoria to unlock constrained renewable energy investment. There is private investor interest in building a transmission line of this nature to help accommodate forecast increase in renewal energy generation.

The feasibility study should recognise the opportunity for unlocking renewable energy generation projects within the Mallee and likely procurement models that require private investment to enable development of a new DC line.

4.4.2.2 Capitalising on the Mallee's mineral sands and rare earth deposits

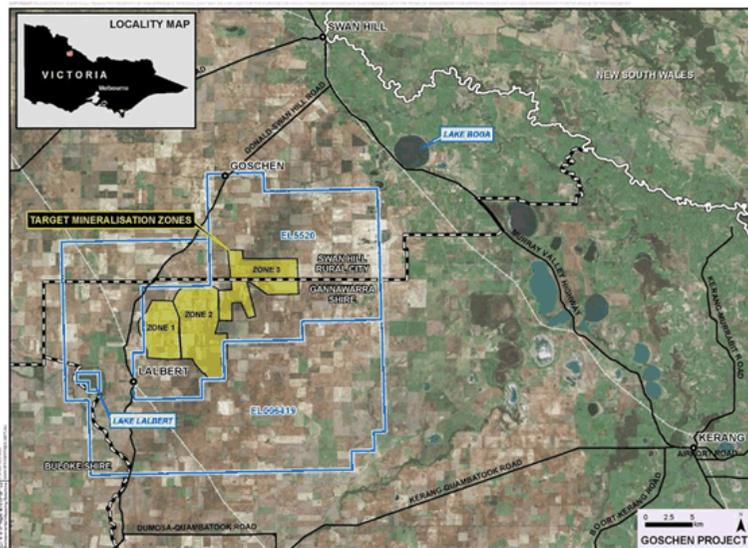
Beneath its soil the Mallee has hidden reserves of sands rich in minerals and rare earths. Minerals such as ilmenite, zircon and rutile are used in pigments, ceramics, nuclear fuel rods, catalytic fuel converters, water and air purification systems, electronics componentry and fibre optics. Rare earths are used in high technology applications such as lasers, magnets, batteries and fibre-optic telecommunication cables.

The extensive Murray Basin reserves of mineral and rare earth rich sands have been known to exist since the 1960s and have been mined since the 1980s. The minerals generally collect in long narrow 'strands' that have been mined through open cut. The Goschen Rare Earths and Mineral Sands project is a proposal by VHM Limited to mine an area between Kerang and Swan Hill. The proposal is of considerable scale: predicted to model the benefit of up to 250 people and operate for up to 30 years.

Mallee Regional Economic Growth Strategy

Cooperation with VHM in the planning phase will ensure the region realises the full benefit of the mine, including potential water pipelines that could be leveraged to support new horticultural developments win the region. Opportunities for similar operations exist across both the Mallee and Wimmera and should be encouraged.

Figure 4-13 Location of the proposed Goschen Rare Earths and Mineral Sands Project



Source: <https://www.vhmltd.com.au/project/project-overview/>

The Goschen mine will also likely rely on the completion of the Murray Basin Rail Project to enable the rare earths and mineral sands to be taken to port.

4.4.3 Economic benefits

Estimates of the proposed \$2.8 billion solar farm generation expenditure have been modelled over a 20 year period to estimate a typical annual benefit of solar farm construction. Assuming an equitable distribution of annual construction, this amounts to a total of \$140.000 million expenditure per annum.

Based on a typical expenditure across utility scale solar farm installations, the economic benefit for industries within the Loddon Mallee, including Heavy & Civil Engineering Construction (for roads and access), Construction Services (for installation) and Professional Services (for Planning, Engineering and Design) have been assessed for economic benefit. Technology expenditure, which typically amounts to 45% of the project, has been omitted from assessment as it is assumed most associated technology will be imported to the region from overseas suppliers.

Under this scenario, a direct annual increase of \$77 million per annum could support 241 direct jobs and up to 549 per annum when considering both direct and indirect benefits that would accrue throughout the broader Loddon Mallee region (Table 4-4).

Table 4-4 Typical Annual Construction of Utility Solar Farm

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 2 Multiplier
Output (\$M)	\$77.000	\$57.169	\$33.872	\$168.040	2.182
Employment (Jobs)	241	179	129	549	2.278
Value-added (\$M)	\$29.249	\$22.649	\$18.719	\$70.617	2.414

Mallee Regional Economic Growth Strategy

Advice from LGAs actively engaged with utility scale solar farm proponents indicate the benefit of scale of operation to ongoing employment. While the most significant benefit can be attributed to the short-term impacts of construction activity over an extended period, it is anticipated that facility operations will support direct and indirect employment within the Mallee Region.

Direct employment varies from one job to manage a 1 MW facility through to six jobs for a 300 MW site. The impact of a 300 MW site directly employing six local people could amount to over \$4 million in output and support up to 15 jobs when considering direct and flow on benefits (Table 4-5).

flow on benefits. Total employment, including all direct, supply-chain and consumption effects could support an increase in regional jobs up to 425 jobs.

Table 4-5 Utility Solar Generation Facility – Typical Operational Benefit

	30 MW Facility	100 MW Facility	300 MW Facility
Workers	1	3	6
Output (\$M)	\$ 0.689	\$ 2.068	\$ 4.136
Total Jobs	3	7	15

The economic benefit of the proposed Goshen mine that leverages mineral sand deposits within the region is significant. Estimates of the planning, design and establishment of the mine are beyond this strategy, however preliminary assessment of the ongoing benefits of 250 jobs within the Mallee Region clearly demonstrates the broader industrial and consumption benefits throughout the economy.

The total output estimate for Mallee Region is \$10,212.707 million and Mineral Sands, or the *Non Metallic Mineral Mining* sector is estimated to contribute \$28.009 million (0.3%) of total output. The ongoing employment of 250 workers in this sector is estimated to support an increase in Gross Regional Product by \$64.407 million and a direct increase in output of \$82.379 million. Forecasts of the 250 direct jobs in the sector would have

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4.5 Improving liveability in rural cities and towns

4.5.1 Economic objectives

Liveability underpins investment decisions and attracts not only workers but partners and families who support social and community capital in the region. The ability to attract inward migration, a strong workforce and tourism visitation is essential for the region's economy. A failure to invest in the liveability of settlements is a handbrake on economic growth.

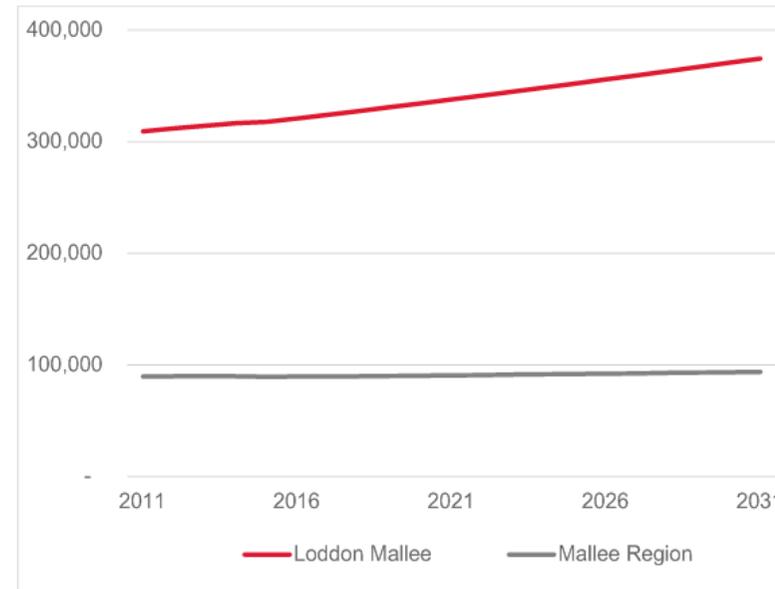
The ability to attract visitors and skilled workers is critical for all regions. However, in the absence of improved infrastructure for communities the Mallee region is disadvantaged. While economic output is driven through increased output per worker, static population growth throughout the region presents challenges to governments. Long range forecasts suggest a proportional decline in the region's population.

To secure a stable future workforce, the Mallee needs to attract new residents. Long range forecasts suggest a proportional decline in the region's population. The region is forecast to be home to 375,000 people in 2031. The Mallee is projected to decrease its proportional share of population within the RDA Loddon Mallee region to 25 percent in 2031 (Fig 4-17).

Issues of distance, poor local infrastructure and services in rural communities has affected the region's ability to attract workers. Localised market failure is constraining appropriate housing in key economic locations.

With investment to strengthen the arts and culture, and boost social capital infrastructure such as housing, schools and hospitals, liveability will increase and support regional job retention. This will also facilitate improved levels of community service and support an adequate skilled workforce for the region.

Figure 4-14 Regional Population Growth



Source: Mallee Region (VIF 2016, Compiled by REMPLAN)

Despite unprecedented levels of private investment throughout the region, evidence of regional prosperity is lacking in many of the region's small settlements and townships.

The dispersed and often modest scale of many townships throughout the Mallee presents a significant challenge for renewal and investment. However, investment in towns promotes pride and aspiration and is good for both visitors and residents.

Any investment in the improving the liveability or vibrancy of towns and cities will also benefit the visitor economy.

Mallee Regional Economic Growth Strategy

Tourism in the Mallee has traditionally centred around the Murray River but there are many more attractions such as the Mallee National Parks, Lake Tyrrell and the developing Silo Art Trail, Gunbower State Forest, Kerang Lakes and abundant Indigenous culture and European heritage.

The tourism sector contributes 2555 jobs (7.1%) and \$474.364 million to the economy. International visitation to regional Victoria increased by 9.8% in 2017, however, international overnight expenditure in the Murray tourism region experienced a decrease of 42.1 percent down to \$54 million. Tourism product development leveraging the connection of the region to local indigenous groups, natural assets and stories has been identified as a significant gap in the local offering.

4.5.2 Economic priorities

4.5.2.1 Boost our rural cities

Mildura and Swan Hill are the largest, most populous, and only cities in the Mallee region, and accommodate most of the region's population growth.

As a Regional City¹⁴, Mildura has the most population services and employment in the region including major retailing, hospitals, university, transport interchanges, and utility services. It also services extensive communities of interest.

As a Regional Centre, Swan Hill has a large and diverse population with significant retail and employment bases that service extensive communities of interest. There is access to hospitals, education, arts and cultural facilities with well-defined commercial and industrial precincts.

Being relatively remote, it is important that Swan Hill and Mildura have an extensive range of services available to their residents. Improved services

and opportunities help attract businesses and increase population, which in turn helps to attract more services.

To accommodate current growth, there is a need to renew the Swan Hill Hospital, complete the *Mildura Future Ready* suite of projects and complete the vision for both cities of better orientating their CBDs towards the Murray River.

In Mildura a more comprehensive package of tourism opportunities is needed, including addressing the need for an appropriately scaled convention centre. A preliminary business case should be prepared that explores the potential market, style and scale of convention centre in Mildura. This study should include an audit of established accommodation facilities to assess their adequacy.

Mildura should also advocate and lobby for the relocation of a government agency such as divisions of the Murray Darling Basin Authority (MDBA) that undertake river regulation, and joint venture activities like salinity management that are funded with contributions from NSW, Victoria and South Australia. These functions would be well placed in Mildura which is near all three contributing states.

A multicultural and export-focused Mildura can build upon its global outlook and leverage connections. The new pilot academy being established at Mildura Airport has potential to expand, possibly to other regional centres.

La Trobe University's Mildura Campus has the capacity to attract and support more international students. At present the campus has approximately 100 international students but this number could rise to 300 with appropriate services in place. International students are valuable to the visitor economy with families often visiting their children.

¹⁴ Definition provided within the Loddon Mallee North Regional Growth Plan, 2014

Mallee Regional Economic Growth Strategy

Mildura continues to offer a point of difference for visitors to the Mallee, with access to the Murray River, a Mediterranean climate and a rich calendar of events. It plays a key role in the region's visitor economy, with accommodation, food services and transport dominating visitor expenditure and as a result local tourism related employment. When compared with other regional cities the proportion of income associated with Arts and Recreation in Mildura clearly has greater capacity to grow.

4.5.2.2 Improved passenger services

The most impactful change that can be made to improve the appeal of Mildura and Swan Hill to residents, businesses and visitors is to improve their connection to the rest of the state.

Whilst the two rural cities have a good range of services, residents must travel to larger centres to access some specialist medical services, arena scale entertainment, a wide range of university courses and other specialised services. Improving transport connections will enable better access to these services.

In Swan Hill the most important transport need is more frequent passenger trains between Swan Hill and Melbourne. The *Regional Network Development Plan (Connecting Regional Victoria)* recommends five return passenger trains each day. Investment in rolling stock, as well as line and signalling upgrades will help achieve this. Providing efficient connection to Melbourne will also enable day commuter trips to Bendigo.

Mildura is the only top ten regional city in Victoria without a passenger rail service to Melbourne. Whilst there is popular support for a passenger train between Melbourne and Mildura, the high capital and operating cost weigh against this proposal.

As an alternative, airfare subsidies should be considered. Capping the subsidy to correspond with government funding of regional rail would be

reasonable from a cost perspective and help achieve equivalence in service. Airfare subsidies are provided in Queensland in similar circumstances¹⁵.

Building on the recent introduction of commuter flights between Bendigo and Sydney, it is proposed that regional advocacy focuses on attracting a commuter flight from Bendigo to Adelaide with a stopover in Mildura. This could be supported by the Bendigo Adelaide bank headquartered in Bendigo and should be popular given the large volume of passenger cars regularly driving between Bendigo and Mildura.

4.5.2.3 Vibrant small towns

The Mallee contains a high concentration of small towns, with 15 percent of the population living in settlements of fewer than 2,500 people (Figure 4-15).

Population loss and the subsequent loss of services has confronted many small Mallee towns. "You lose your football team; the town suffers and very often the town dies."¹⁶ A familiar Mallee theme, but likely a symptom not the cause. There are many examples of small towns reversing the trend and retaining their vibrancy by communities working together as volunteers with a common purpose.

Approaches often used to support towns facing population decline include:

- Encouraging passing traffic to stop, thus encouraging patronage of local shops. This can be achieved by installing public toilets, painting silos, and other initiatives.
- Replacing multiple community facilities with one facility that serves multiple purposes, such as housing the CFA with the Bowls Club. This ensures more cost-effective use of available funds.
- Community buy-outs of services the community wants to keep, such as pubs, general stores or even hardware stores.

¹⁵ <https://www.tmr.qld.gov.au/LocalFareScheme>

¹⁶ ABC Mildura-Swan Hill 10 July 2015

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- Creating community hubs to provide a range of services not found elsewhere. Often these facilities attract tenants like banks.
- Providing free housing to entice essential service providers such as doctors.

Examples of all these community driven innovations exist across the Mallee.

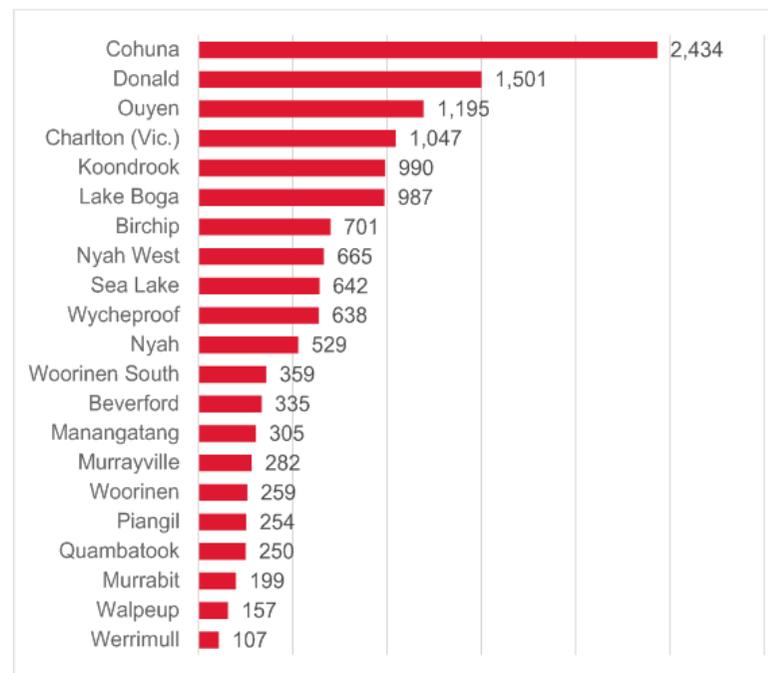
Grants provided to small towns often leverage considerable community input. Innovative funding models such as the Mallee Regional Partnership's 'Small Towns, Big Difference' fund could be employed to stimulate activity in small towns through amenity enhancements, community infrastructure projects and capacity building.

The role of co-design, place-making and citizen-led township renewal should be explored. Local government has a role in ensuring that community efforts are strategically targeted and small-town leadership and capacity building nurtured.

The local, state and federal governments that serve these communities also need to explore innovative ways to ensure services to our small towns in a cost-effective manner. Often the method of service delivery used in more populous areas is not fit-for-purpose. For instance, whilst it has been argued that there is an oversupply of GPs in metropolitan areas there are communities in the Mallee who cannot attract GPs to their towns¹⁷.

Innovative solutions need to be found. The Federal Government should support GP training models that bring more GPs to rural areas. The Federal and State Governments need to collaborate on developing alternative models for primary care services where GPs are scarce.

Figure 4-15 Population of gazetted localities in Mallee Region – > 100 to < 2,500 residents



Source: ABS (2016) Census. Compiled by REMPLAN Community.

¹⁷ Kerang campaigns for GP, ABC 2 Nov 2018

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Figure 4-16 Kerang residents plea for a GP



Source: <https://www.youtube.com/watch?v=kff-i3FFMmw>

Similarly, childcare and early childhood programs are geared towards larger regional towns and cities and are less viable in small rural towns. This disproportionately affects rural families (particularly women) where members are consequently unable to work – either on or off-farm - while raising children. Greater compliance regulations have inhibited family day care operations, a model which has been more suited to rural communities.

Digital connectivity and small-town transport options are key to improving services. Both the private and public sectors are moving to digital platforms to deliver services, could have been a great leveller in service provision – giving rural and remote communities the same level of service as their

metropolitan counterparts. However poor digital connectivity in much of the Mallee reinforces the divide in service provision.

Apart from being important for service provision, digital connectivity allows people to participate in the economy. The number of workers telecommuting or participating in the “gig economy” through part time, temporary or contract work is increasing. The Mallee region’s comparatively higher costs for a lower standard broadband service, coupled with inadequate mobile connectivity, means people in regional areas are disadvantaged when it comes to participating in this new style of working.

Digital connectivity needs to be recognised as a fundamental service for rural areas. All levels of government need to understand what level of service is appropriate and work together on a plan for how this is delivered, taking into account lower populations and the Council rates they are able to achieve.

This concern has been championed by RCV, an alliance representing the 38 rural councils in Victoria, who explored issues associated with the low rate base problem and developed an action plan. The recommendations in RCV’s *Sustainability Reform Program*¹⁸ need to be implemented.

4.5.2.4 Infrastructure supporting the visitor economy

Infrastructure investment is required to support growth in the visitor economy.

Roads need to be improved for safer travel. On the Sturt, Sunraysia, Mallee and Murray Valley Highways, where major tourist routes are shared with freight traffic, overtaking lanes and better intersections are needed.

To encourage tourism to its ‘gateway to the outback,’ the Mallee region must have all-weather access to Mungo National Park by sealing Arumpo Road and Marma Box Creek Road in NSW. In addition, the roads into Lake Tyrrell

¹⁸ <https://www.localgovernment.vic.gov.au/grants/rural-and-regional-councils-sustainability-reform>

Mallee Regional Economic Growth Strategy

and along the expanding Silo Art Trail must be brought up to a safe and appropriate standard.

Excellent mobile reception is required along all tourist routes. Tourists expect mobile connectivity that allows for 'on-demand' research, navigation and purchase of tourism-related services. They want to upload photos to social media, stay in touch with friends and be able to call for help if needed.

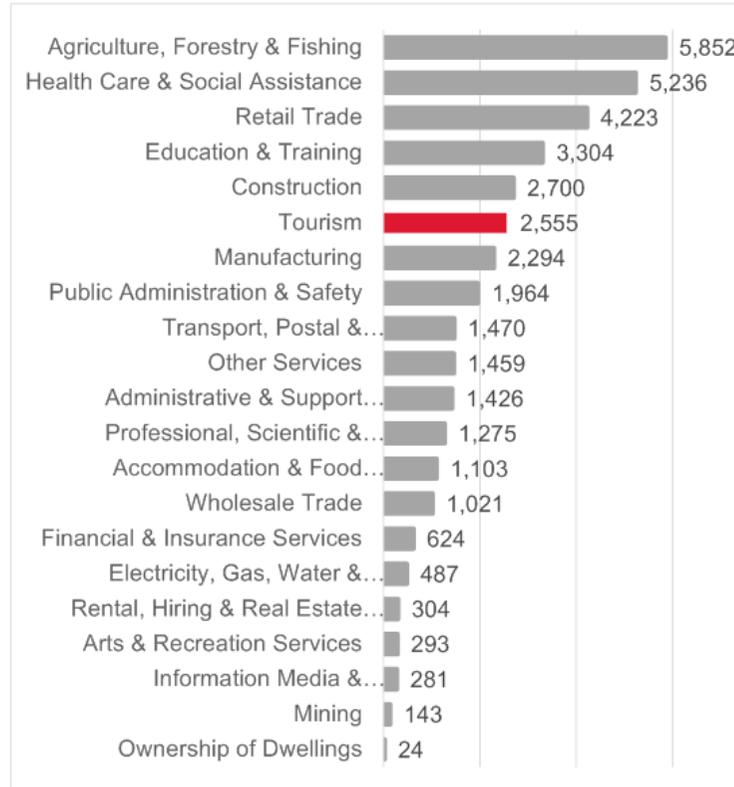
4.5.2.5 Build the value of the region's tourism assets

Tourism is estimated to employ 2555 people in the Mallee region but this figure could increase by taking a coordinated approach to destination marketing and developing the existing tourism assets. Opportunities include:

- Completing construction of the Murray River Adventure Trail, incorporating the Kerang-Koondrook Rail Trail, Koondrook to Cohuna Forest Trail, Koondrook to Torrumbarry Trail, and Ports of the Murray
- Building the Swan Hill to Lake Boga Active Trail
- Realising the potential of Lake Tyrrell and Tchingal Trail between the lake and Birchip
- Expanding the Silo Art Trail into the Mallee Shires.

The current Tourism Board structure is inadequate to support tourism development in the Mallee. The region needs a tourism body that provides focus and coordination of opportunities for the entire Wimmera and Mallee dryland region (including the Mallee National Parks, the Silo Trail and Lake Tyrrell) and is resourced to effectively market this region.

Figure 4-17 Mallee Region Employment



Source: REMPLAN Tourism Analysis

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There is an urgent need for tourism training and ongoing support for local businesses. Stronger connections with local indigenous groups should be developed to ensure recognition of culturally significant traditions and landscapes and facilitate the development and promotion of tourism focused enterprises.

4.5.3 Economic benefits

Current estimates of visitation in the Mallee Tourism Region¹⁹ suggest total annual visitation of 1.147 million visitors. This is made up of 25,000 international visitors, 627,000 domestic overnights and 495,000 domestic day visitors.

The regional economy benefits when visitors extend their stay and increase their expenditure. Encouraging longer stays, higher value visitation and international visitors is a key target to boost regional exports.

Modelling the impact of increasing the average length of stay of International and Domestic Overnight visitors by a single night is estimated to generate an additional \$91.238 million annually. Taking into account indirect benefits, potential exists to create 512 direct jobs and another 247 jobs in industries with exposure to the visitor economy. Note that this excludes visitation to Buloke Shire, which contains two developing tourism products in the Silo Art Trail and Lake Tyrrell.

Table 4-4 Marginal economic benefit of an additional nights visitation within the region

Impact	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 2 Multiplier
Output (\$M)	\$91.238	\$37.149	\$30.537	\$158.924	1.742
Long Term Employment (Jobs)	512	125	122	759	1.482
Value-added (\$M)	\$40.929	\$16.376	\$17.322	\$74.627	1.823

¹⁹ TRA Regional Profiles, 2015. The Mallee Tourism Region includes the Local Government Areas of Mildura (RC), Swan Hill (RC) and Gannawarra (S) but excludes Buloke (S).

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5 Workshop Engagement

Chris Parham	Mildura Rural City Council
Chris Sounness	Birchip Cropping Group
Dean Wickham	Sunraysia Mallee Ethnic Communities Council
Debbie Lane	NSW Department Premier & Cabinet
Gareth Hatley	Victorian Planning Authority
Geoff Dea	SuniTAFE
Glenn Stewart	Mallee Regional Partnership
James Goldsmith	Buloke Shire Council
Jerri Nelson	Buloke Shire Council
Keith MacQueen	Bendigo Adelaide Bank
Kirsten Lloyd	Mildura Regional Development
Les Chettleburgh	NSW Department Premier & Cabinet
Leonie Burrows	Leonie Burrows & Associates
Phil Endley	Lower Murray Water
Sharon Morrell	Mildura Regional Development

8.2.9 ANNUAL PLAN UPDATE

Author's Title: Chief Executive Officer

Department: Office of the CEO

File No: GS/03/04

Attachments: 1 [↓](#) Annual Plan report

Relevance to Council Plan 2017 - 2021

Strategic Objective: Build a healthy and active community

RECOMMENDATION

That Council note the progress against the Council Plan 2017-2021 Annual Plan Year 2.

1. Executive Summary

This report is provided to Council to note the progress made against the 2018/19 Annual Plan. It is the third update for the financial year.

2. Discussion

Following the adoption of the 2018/19 budget, Council also adopted the 2018/19 Annual Plan. This plan provides for the key strategic work for the year in ensuring we meet the strategic priorities established in the 2017-2021 Council Plan. The Annual Plan will be reported against quarterly.

The attached table highlights the progress made under the Annual Plan and shows a number of actions completed or in progress.

Some of the key highlights since the 13 February Update include:

- Successful funding for three mobile blackspots in the area.
- Progression of rating strategy
- Submission of funding application for shared service corporate system
- Adoption of long term financial plan
- Economic Development Advisory Committee established and met.
- Lake amenity facilities completed
- Additional funding sought for key freight routes
- Completion of Charlton drainage designs
- Contracts let for e-waste sites at Birchip and Sea Lake
- Progress against partnership and stakeholder review

A further report will be provided to the July 2019 Council meetings.

3. Financial Implications

The table highlights the financial commitments made to achieving the Annual Plan, which was also a key consideration in the development of the 2018/19 budget.

4. Cost Shift Considerations

There are no cost shift considerations associated with this report.

5. Community Consultation

Many of the projects and actions listed have had a significant amount of community consultation.

6. Internal Consultation

Staff from the management team have provided input into this report.

7. Legislative / Policy Implications

This report provides key status updates against Council's key strategy/policy, being the Council Plan.

8. Environmental Sustainability

There are no environmental sustainability considerations in this report.

9. Conflict of Interest Considerations

No staff involved in the preparation of this report have a conflict of interest

10. Conclusion

Council is making solid progress against the Annual Plan, with a significant amount of items completed and underway. It is recommended that Council note this report.

YEAR 2 Annual Plan – April 2019 progress report

Deliver our services in a financially viable way						
Action	Description of activity	Strategic Basis	Measure	Completion date	Status (complete, in progress, not yet started)	Comments
Improve our financial planning and reporting	Implementation of Long Term Financial Plan	Council Plan 1.1	LTFP adopted by Council	28/02/2019	Completed	Adopted at February meeting
Continuous service improvement for efficient and flexible service	Shared services project with Wimmera Councils	Council Plan 1.2	Final report delivered to Council	31/12/2019	Completed	Report completed and presented to Councillor Briefing
Enhance our communication and technology to improve productivity, service delivery and communication with the community.	Invest in the priorities of the ICT strategy to improve productivity including Phase 2 of the implementation of a corporate system.	Council Plan 1.3	Signing of Contacts and implementation commenced	30/03/2019	In progress	Project delayed in order to pursue external funding opportunity through Rural Councils Transformation Program. EOI has been successful and we have been invited to develop a full business case. Outcome of funding application due in June 2019.
Advocate for improved financial outcomes for rural communities	Undertake a Rating Strategy to ensure equitable outcomes for communities.	Council Plan 1.4	rating strategy adopted by council	30-Mar-19	In progress	Draft Revenue and Rating strategy, and aligned Rating policy developed. Draft documents to be placed on public exhibition following April meeting.

Build a healthy and active community						
Project Name	Description	Strategic Basis	Measure	Completion date	Status	Measure
Seek effective place based services and initiatives focussed on prevention based measures	Partner with a range of Buloke stakeholders to advance primary prevention measures within Buloke with a focus on mental health and healthy living.	Council Plan 2.1	Develop publications that promote place based health services	30-Apr-19	Completed	Buloke Dementia Pathways project actively participated in through SMPCP, handout developed. Strong links formed with EWHS, mental health team linked with key community touch points and contacts. -
Advocate for accessible public and community transport for all Buloke residents	Through the Flexible Local Transport Program, develop accessible materials on local transport options utilising the information gathered in the stage one baseline report for the Local Mallee Transport Options.	Council Plan 2.2	Accessible material distributed	30-Oct-18	In progress	We now have 5 communities with an active Community Transport project and all have their vehicle. A \$15,000 funding application has been successful through Flexible Local Transport Solutions Program for the development of material for distribution to community. Project working group formed, project plan developed, and second milestone invoice submitted - work progressing.
Promote and enhance passive and active recreation	Work with the Mallee CMA on the recreational Tyrrell Creek projects- new connections	Council Plan 2.3	Three projects completed	30-Mar-19	Completed	Works completed at Tchum Lake signage, Tchum Lake Walking Track, Stoney Crossing Repairs (Lake Tyrrell) and Lake Marlbed study and signage.
Develop community plans to enhance the liveability of all Buloke communities	Adopt the Buloke Integrated Community Plan	Council Plan 2.4	Integrated plan adopted by Council	30-Dec-18	Completed	Plan adopted at December Council meeting.

Project Name	Description	Strategic Basis	Measure	Completion date	Status	Measure
Develop a Buloke inclusiveness plan to address access and engagement of all residents.	Actively advocate for the effective roll out of the NDIS in Buloke.	Council Plan 2.6	transfer of known eligible HACC clients to NDIS	30-May-19	In progress	Inclusiveness Plan developed. Draft feedback phase completed and changes now being incorporated. Effective relationships being established with NDIA, NDS, advocacy groups and Intereach (LAC) to facilitate information dissemination to community, both potential participants and service providers. Transfer of some clients have already been completed, with significant work to occur until June 30.
Implement the Municipal Early Years Plan and Child & Youth Strategy to address the needs of young people in the Shire.	Supported Playgroup to be rolled out across Buloke Shire with new funding received.	Council Plan 2.8	Two supported community playgroups	30-Jun-19	In progress	Supported Playgroup rolled out in Watchem and Charlton. Individual family supports as per agreement are underway.

Diversify and enhance our local economy						
Project Name	Description	Strategic Basis	Measure	Completion date	Status	Measures
Strengthen Agribusiness diversification	Undertake a review of the rural land use elements of the Buloke Planning Scheme to ensure it reflects agricultural activities.	Council Plan 3.1	Rural land use strategy adopted by council	30-Sep-18	In progress	Workshops to be conducted in May, findings to be presented to briefing in May 2019.
Capitalise on Tourism opportunities	Implement Economic Development and Tourism Year 1 Strategies.	Council Plan 3.2	year 1 Action Plan implemented	30-Jun-18	In progress	A number of actions underway, including establishing advisory committee, investment in tourism infrastructure projects delivered, work plan ongoing.
Capitalise on Tourism opportunities	Construction of tourism facilities at Lake Tyrrell to capitalise on visitors to the area.	Council Plan 3.2	construction completed	30-Dec-19	In progress	Preparing tender documentation for construction, finalising Cultural Heritage Management Plan and attempting to secure final funding for roadworks
Capitalise on Tourism opportunities	Amenity upgrades at three lakes to be built by summer 18/19	Council Plan 3.2	construction completed	30-Dec-19	Completed	Wooroonook, Tchum and Watchem Lake amenities opened. Defects period in place.
Advocate and facilitate improved and equitable connectivity to promote liveability	Apply for all five eligible locations in Round 1 of the State Governments Mobile Blackspot Program to improve telecommunications and liveability	Council Plan 3.3	applications submitted	30-Aug-18	Completed	Extremely successful outcome. Over thirty sites nominated. 3 out of the 9 stations announced for Mallee region in Buloke – Glenloth East, Berriwillock and Wilkur.

Project Name	Description	Strategic Basis	Measure	Completion date		Measures
Encourage and promote renewable energy options as a driver of economic growth and a sustainable environment	Work with agricultural intensive animal husbandry and BCG to demonstrate renewable energy options.	Council Plan 3.4	Renewables in agriculture session held	30-Aug-18	Commenced	BCG funding application successful and microgrid partially installed. Discussions about demonstrations underway
Seek funding for regional supply chain strategies (Road and Rail) to secure viable market access for Buloke products	Seek funding under the Local roads to market program for a key freight route.	Council Plan 3.5	Grants submitted	30/06/2019	Completed	Applications made and Yeungroon Rd, Watchem-Warracknabeal Rd and Birchip Corack Rd successful. Additional applications made for Watchem-Warracknabeal Rd and Culgoa-Ultima Road.
Promote the lifestyle and economics of living in Buloke.	Annual evaluation of sustainability and community grants success	Council Plan 3.6	report to Council	30-Aug-18	Completed	Report presented to August briefing. Secondary report presented to February briefing.
Enhance community cohesion and attractiveness with well maintained and functional streetscapes.	Deliver improvements to the main street of Birchip to upgrade safety and implement their streetscape masterplan priorities.	Council Plan 3.7	construction completed	30-Mar-19	In progress	Detailed designs complete. Regional Roads Victoria have pulled the original funding for this project. Second application made to Regional Roads Victoria.

Responding to and enhancing our built and natural environment						
Project Name	Description	Strategic Basis	Measure	Completion date		Measures
Reduce the asset renewal gap	Develop and maintain a suite of projects on key buildings across Buloke that are ready to submit for grant opportunities.	Council Plan 4.1	1 design for each asset class	30-Jan-19	Completed	Designs completed for Skate Park, Recreation Reserve, Streetscape (riverfronts), Charlton Hall, Charlton Childcare, drainage and a range of road rehabilitation projects
Partner with communities to develop fit for purpose multi use hubs	Construction of Charlton Park 2020	Council Plan 4.2	Facility constructed and open to the public	30-Sep-19	In progress	Works progressing well for August opening
Partner with communities to develop fit for purpose multi use hubs	Finalise plans and construct Donald Community Precinct	Council Plan 4.2	Facility constructed and open to the public	30-Sep-19	In progress	Works progressing well for a September opening
Build community preparedness and resilience to the effects of extreme weather events	Develop the Charlton Drainage Designs	Council Plan 4.4	Drainage design completed	30-Apr-19	Completed	Designs complete
Enhance the strategic delivery of council assets	Use the asset management software system to inform ongoing capital and financial budgets	Council Plan 4.4	Building and roads asset data centralised in system	30-Jan-19	Completed	Transfer of building and road data into Asset Management system has been completed
Ensure the ongoing practical management and protection of the shire's native vegetation	Use an MOU with the Dept. of Corrections to assist our Landcare groups to achieve community identified problem locations to eradicate weeds	Council Plan 4.5	Two sites achieved	30-Apr-19	In progress	Discussions with Department of Justice commenced. Unlikely to complete roadside works and consideration for alternative projects

Project Name	Description	Strategic Basis	Measure	Completion date		Measures
Support communities' access to recreational water by enhancing our aquatic features	Green Lake - earthworks completed	Council Plan 4.6	works complete and taps turned on	30-Dec-18	Completed	Works completed and lake is filling with water
Become a champion of environmental sustainability through design and practice	Commence Stream 3 of Sustainability Victoria funding to retrofit two high use community buildings for better energy efficiency.	Council Plan 4.7	two building retrofitted	30-Jun-19	Not yet commenced	Energy audits received in early February. Scope completed and quotations being sought.
Improve waste management practices and reduce waste to landfill for improved environmental outcomes	Apply for funding for E-Waste container storage to improve waste management practices	Council Plan 4.8	Facility constructed at Birchip landfill	30-May-19	In progress	Funding applications successful for Birchip and Sea Lake sites. Contracts let for works

5

Support our Councillors, Staff, Volunteers and the Community to make informed and transparent decisions						
Project Name	Description	Strategic Basis	Measure	Completion date		Actions to date
Implement a robust compliance and risk framework to ensure statutory obligations are fulfilled	Develop a Business Continuity Management Plan that ensures a robust framework to ensure Council meets its statutory obligations.	Council Plan 5.1	key documents in place in accord with transition phases	as per regulation requirements	Completed	Plans completed and presented to Senior Leadership Team. Outcomes of annual testing regime to be reported to Audit Committee.
Ensure the Buloke organisational development strategy supports our culture	Implementation of the online Learning Management System.	Council Plan 5.2	Successful Completion of three compulsory modules by all staff	30-Nov-18	Completed	System implemented, staff training completed.
Ensure our Councillors have support in performing their roles and responsibilities	Review and adopt updated meeting local law	Council Plan 5.3 and 5.5	meeting procedure and common seal law adopted	28-Feb-19	In progress	Formal consultation commenced in accord with s223 under the Act. Final adoption anticipated May Ordinary Meeting
Monitor partnership arrangements to maximise services for Buloke	Assess key partnerships with stakeholders such as BCG, WMT, NPC, LMCLP and CVGA .	Council Plan 5.4	report to council	28-Feb-19	Complete	2 workshops held with Council. Review complete. Improvement actions to be followed through
Recognise our volunteers and support their significant contributions	Implementation of Volunteer Strategy	Council Plan 5.5	50% of actions implemented	30/06/2019	In progress	Successful Volunteer Week event in Donald through EWHS partnership. Partnership and engagement with communities around support for volunteers. Workshops attended in Volunteer management and culture. Recognition poster created for MOW volunteers, more

						streamlined Police Check process underway. 2019 Volunteer Week preparation underway
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8.2.10 RURAL COUNCILS TRANSFORMATION PROGRAM

Author's Title: Chief Executive Officer

Department: Office of the CEO

File No: GR/17/08

Attachments: 1 [↓](#) RCCC business case

Relevance to Council Plan 2017 - 2021

Strategic Objective: Deliver our service in a financially viable way

RECOMMENDATION

That Council:

1. Notes that Buloke Shire Council is a participant in a grouping of Councils that have made an application for funding under the Victorian Government Rural Councils Transformation Program (RCTP) for the following initiative:
 - (a) Rural Council Corporate Collaboration in conjunction with several other Councils and Horsham Rural City Council (as lead)
2. Notes that for an RCTP application to be eligible for consideration, the following criteria must be met:
 - (a) Submission of a joint business case by 31st March 2019.
 - (b) Each Council must pass an accompanying resolution committing to implement the business case, if approved for funding. The resolution must be lodged with Local Government Victoria by 30th April 2019.
3. Approves the submission of the business case by Horsham Rural City Council on behalf of Buloke Shire Council.
4. Approves implementation of the project initiatives within the submitted business case by Buloke Shire Council, subject to the application being approved for RCTP funding.

1. Executive Summary

This report is presented to Council to consider endorsing an application under the Victorian Government Rural Councils Transformation Program (RCTP) for the Rural Council Corporate Collaboration in conjunction with several other Councils

2. Discussion

The Victorian Government through its Rural Councils Transformation Program has committed \$20 million of funding in the 2018-19 financial year for the implementation of large-scale transformation projects at a regional level. The program aims to improve the sustainability of rural and regional councils who would otherwise not be able to invest in large-scale transformative projects.

Council has partnered with a number of municipalities (West Wimmera, Hindmarsh, Yarriambiack, Horsham, Loddon, Central Goldfields, Pyrenees and Golden Plains) on the Rural Council Corporate Collaboration (RCCC) project which is being led by Horsham Rural City Council.

The concept behind RCCC is three fold;

1. The ability to collaborate through utilisation of cloud based technology
2. An IT operating model with unified implementation beginning with finance and payroll
3. A transformational program office for best practice to uplift local council capabilities.

The intention is that through unified platform, process and applications Council will be better positioned to share resources where there are current skill gaps, increase efficiencies through business intelligence and automation as well as better customer experience through interface and streamlined access.

The nine rural and regional councils within the Rural Councils Corporate Collaboration (RCCC) are important contributors to the liveability and productivity of regional and rural communities across western Victoria. Through their role in the provision of local services, infrastructure, governance, leadership, as well as in the facilitation of community wellbeing, they play the most foundational role across areas of Victoria that are significantly impacted by drought and other environmental factors, economic uncertainty and population decline as Victorians become increasingly metro-centric.

Additionally, many of these councils are important partners with the State Government and other organisations in the provision of services and infrastructure to rural Victoria and carry the burden of large geographies with a small rate paying base. As such, these rural and regional councils face a range of barriers that will limit their sustainability over the longer term - limited by financial pressures and constraints, relatively high infrastructure and service delivery costs, as well as organisational human capital capability constraints and operational capacity issues.

The Rural Council Transformation Program (RCTP) submission seeks to alleviate some of this through the seed funding of a transformation program that will see the nine councils combine to share their corporate service functions. They will achieve this in the first phase through the introduction of a new finance and payroll platform that will harmonise these functions and enable simplification, leading to an increased automation of council corporate functions, whilst facilitating the sharing of human capital resources across the region, thus alleviating the individual burdens upon single rural councils. If successful the collaboration project will move in to developing a scope and tender for the agile IT products required to ensure we have appropriate, affordable and up to date technology.

3. Financial Implications

This project aims to improve Councils financial management technology and be a key enabler of shared services going forward.

In addition, Council has in the past had substantial funding set aside for purchasing a corporate system. This project has been put on hold whilst the outcomes of the RCCC application is considered.

4. Consultation

Extensive consultation has occurred between the participating Councils and staff, Local Government Victoria and KPMG

The eight other participating Central Highlands Councils Victoria members are also considering the business case and project at this time.

5. Environmental Sustainability

No applicable to this report.

6. Conflict of Interest Considerations

Council Officers affirm that no direct or indirect interests need to be declared in relation to the matter of this Report.

7. Legislative / Policy Implications

- Charter of Human Rights and Responsibilities Act 2006
- Buloke Shire Council Plan 2017-2021
- Buloke Shire Council Annual Plan – Year 2
- Local Government Act 1989

8. Conclusion

It is recommended that Council endorse the business case and submission to Local Government Victoria.



Rural Councils Transformation Program

Rural Councils Corporate Collaboration
#09 Horsham Group



Rural Councils Transformation Program

Rural Councils Corporate Collaboration - Shared Services Program

Lead council(s) and contact details	Horsham Rural City Council 18 Roberts Avenue, Horsham VIC 3400 Key contact Sunil Bhalla, Chief Executive Officer P: (03) 5382 9720 <i>Sunil.Bhalla@hrcc.vic.gov.au</i>
Member councils / entities	Buloke Shire Council Central Goldfields Shire Council Golden Plains Shire Council Horsham Rural City Council Hindmarsh Shire Council Loddon Shire Council Pyrenees Shire Council West Wimmera Shire Council Yarriambiack Shire Council
Total funding requirements:	\$5.63m over an estimated 15 month program of transformation, enables completion of Phase 1, of a 2 Phase complete transformation program.

For convenience the business case assessment criteria are reproduced below from the 'Rural Councils Transformation Program Funding Guidelines'. The Department of Environment, Land, Water and Planning reserves the right not to award funding in the case that no applications reasonably meet these criteria.

Criteria	Description	Weighting
Financial sustainability	Demonstrate how the proposal will deliver efficiencies / savings that will contribute to improved sustainability of involved councils	35%
	Quantify the financial benefits of the proposal in annual terms and demonstrate that there will be a positive Net Present Value (NPV) within five years, which will be sustained beyond this period	
Evidence-based	Clearly articulates the evidence of the need and how the proposal will address this need	25%
	Outlines a robust framework for collecting data or other evidence to assess the proposal's outcomes and, if applicable, to assess its viability as a model that can be replicated or scaled up	
Impact	Clearly quantifies the expected improvements from current baseline resourcing and service provision levels or council operations that will result from the proposal	25%
	Outlines how the proposal project will result in a transformation of significant scale	
	Demonstrates that the proposal project will have a positive impact on rural communities through improving service delivery quality or scope	
Collaboration	Demonstrates clear and comprehensible partnering arrangement governance arrangements, including roles and responsibilities for project delivery on an ongoing basis*	15%



Rural Councils Transformation Program

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Rural Councils Transformation Program

1 Overview

1.1 Executive Summary

The nine rural and regional councils within the Rural Councils Corporate Collaboration (RCCC) are important contributors to the liveability and productivity of regional and rural communities across western Victoria. Through their role in the provision of local services, infrastructure, governance, leadership, as well as in the facilitation of community wellbeing, they play the most foundational role across areas of Victoria that are significantly impacted by drought and other environmental factors, economic uncertainty and population decline as Victorians become increasingly metro-centric. Additionally, many of these councils are important partners with the State Government and other organisations in the provision of services and infrastructure to rural Victoria and carry the burden of large geographies with a small rate paying base. As such, these rural and regional councils face a range of barriers that will limit their sustainability over the longer term - limited by financial pressures and constraints, relatively high infrastructure and service delivery costs, as well as organisational human capital capability constraints and operational capacity issues.

The Rural Council Transformation Program (RCTP) submission seeks to alleviate some of this through the seed funding of a transformation program that will see the nine councils combine to share their corporate service functions. They will achieve this in the first phase through the introduction of a new finance and payroll platform that will harmonise these functions and enable simplification, leading to an increased automation of council corporate functions, whilst facilitating the sharing of human capital resources across the region, thus alleviating the individual burdens upon single rural councils.

The nine rural and regional councils that form the RCCC are:

Figure 1. Map of RCCC councils

- **Buloke Shire Councils**
- **Central Goldfields Shire Council**
- **Golden Plains Shire Council**
- **Hindmarsh Shire Council**
- **Horsham Rural City Council**
- **Loddon Shire Council**
- **Pyrenees Shire Council**
- **West Wimmera Shire Council**
- **Yarriambiack Shire Council**



RCCC is seeking seed funding of \$5.63m under the RCTP program to establish an IT platform to share corporate services across the councils. The IT platform would consist of a cloud-based Enterprise Resource Planner (ERP) with corporate function modules being transitioned across over the entirety of the transformation program. The funding being sought under the RCTP would cover the establishment of the transformation, the capital funding for implementing and transitioning across the Finance and Payroll modules for each of the nine councils and the necessary Transformation Program Office (TMO) to successfully support the RCCC transformation.

Rural Councils Transformation Program

Figure 2. RCCC cloud solution



Cloud Based ERP Solution

- A cloud based solution is a single, integrated system that can be accessed **Anywhere, Anytime & Any Device**
- The cloud based solution would provide:
 - Modern and seamless solution
 - Simplified user experience
 - Unify business processes across the councils
 - Increase visibility for better decision making
 - A common security framework providing a single point for security management.

- Across the RCCC it was decided that **first phase** of the Transformation would focus sharing Finance and Payroll functions
- Finance and Payroll were chosen for their **relative uniformity** across the RCCC.
- As a consequence, the need to operate from a **single Chart of Accounts** is acknowledged.
- Similarly, the desire to have **common business processes** to complete the Finance and Payroll functions will be a necessity and the virtual shared service operating model will facilitate this.

General Ledger	Treasury Management
Account Payable	Inbound Grants Management
Account Receivable	Cost Centre Management
Budgeting & Forecasting	Payment Processing
Bank Reconciliation	Financial Consolidation
Finance Reporting	Inventory Management
Collection Management	Billing
Trust and Bond Management	
Finance	

Payroll
Awards Interpretation
Payment Processing
Time & Attendance
Payroll

Figure 3. RCCC finance and payroll functions

Fundamental to the transformation is the establishment of shared corporate services. Shared corporate services, combined with the introduction of a single ERP, enables simplified business processes that are common across all nine councils. A common chart of accounts and mapping into each councils corporate functions, establishes single ways of working across the finance and payroll function, in the first instance that will enable the ability to share people resources. Additionally, the proposed cloud-based ERP platform enables remote working, thus creating no imperative to establish a centrally located centre of employment that would lead to council roles being moved away from their current rural locations.

Phase one has three stages across four work streams to achieve its transformative implementation.

Figure 5. RCCC virtual shared service model

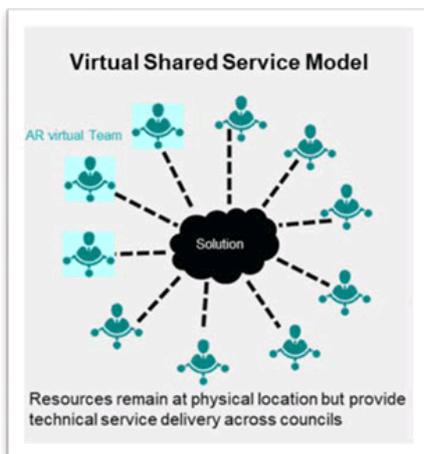
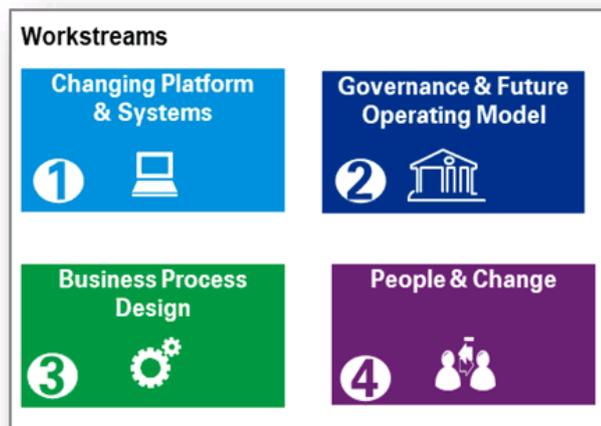


Figure 4. RCCC transformation work streams



Rural Councils Transformation Program

The funding being sought from the RCTP is to implement Phase 1 of a two-phased transformation program. The RCTP provides the opportunity to realise this first step, support it with seed funding, and set up the RCCC to realise immediate and progressive benefits. The complete transformation will see the nine RCCC councils share a common ERP platform with finance, payroll, rates & property, records management, asset management, and HR functions harmonised across the councils. With single applications for each function and common business processes, each council's employees managing these functions will be able to rely upon each other for technical, specialist and back up support.

Figure 6. RCCC Transformation Phases



Figure 7. RCCC Phases and Costing

Phase	Work streams	Key Activities	Costings
1.1 Design IT Operating Model	<ul style="list-style-type: none"> Governance & Future Operating Model 	<ul style="list-style-type: none"> Formalise Governance model Establish TMO High level current state analysis for each council Decide on future IT operating model 	\$584k
1.2 Specification, Select & Procure	<ul style="list-style-type: none"> Changing Systems 	<ul style="list-style-type: none"> Establish market approach Design tender documents Decide on vendor Negotiate contract 	\$1.8m
1.3 Implement Finance & Payroll	<ul style="list-style-type: none"> Business Process Design People & Change 	<ul style="list-style-type: none"> Implement new finance application Implement new payroll application Create unified business processes Change management and continuous improvement 	\$3.24m
			TOTAL \$5.63m

Rural Councils Transformation Program

1.2 Summary Statistics

Figure 8. Summary statistics

Description							(\$ million)	
	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing	
Total operational funds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total operational expenditure	5.627	0.000	0.000	0.000	0.000	5.627	0.000	
Net RCTP funds sought	5.627	0.000	0.000	0.000	0.000	5.627	0.000	
Total capital funds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total capital expenditure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Net RCTP funds sought	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Deliverables – specify	<ul style="list-style-type: none"> • Development of a future IT operating model • Procurement of an ERP across participating councils • Transition of first corporate function(s) to new ERP 							
Performance measure impact	Improvements in customer satisfaction and financial sustainability measures (refer Section 4 for further detail).						n/a	n/a
Total existing staff (FTE)	0.0	0.0	0.0	0.0	0.0	n/a	0.0	
Total existing staff change (FTE)	±0.0	±0.0	±0.0	±0.0	±0.0	n/a	±0.0	
Total existing non-staff (FTE)	0.0	0.0	0.0	0.0	0.0	n/a	0.0	
Total non-staff change (FTE)	±0.0	±0.0	±0.0	±0.0	±0.0	n/a	±0.0	
Total Labour (FTE)	0.0	0.0	0.0	0.0	0.0	n/a	0.0	

Rural Councils Transformation Program

2 Problem identification

2.1 Background

This section provides the context for this business case, including the immediate financial and operational challenges being faced by regional and rural councils in Victoria, the objectives and intended role of the RCTP in addressing these challenges, and the work undertaken to date on the RCCC Program.

2.1.1 Rural and Regional Councils Sustainability Reform Program and RCTP

As stated in 1.1 Rural and regional councils are important contributors to the liveability and productivity of regional and rural communities through their role in the provision of services, infrastructure, local governance and leadership, as well as in the facilitation of community wellbeing. With increasing service delivery demands and increasing costs to serve and barriers limiting revenue growth or innovation, many rural and regional councils are facing a range of barriers that limit their sustainability over the longer term.

Recognising these challenges and the need to ensure regional Victorians benefit from stronger and more sustainable local governments, the Victorian Government has committed to work collaboratively with rural and regional councils to help them respond to the barriers and structural issues facing the sector.¹ In the 2017-18 Victorian State Budget, \$1 million was committed to the establishment of the Rural and Regional Councils Sustainability Reform Program, which analysed key challenges and developed suite of policy reforms to provide long-term financial and operational sustainability for the sector.

As an outcome of this work (undertaken by KPMG), the Victorian Government committed \$20 million to the establishment of the RCTP (refer Figure 10 below).²

Figure 9. RCTP objectives



The RCTP intends to provide seed funding of \$2 million to \$5 million for large scale proposals that will implement transformation of existing rural and regional council functions. Councils were required to form partnerships of three or more councils to submit an Expression of Interest (EOI) by November 2018 for assessment by the RCTP Board, which approved a shortlist of applications to develop and submit a detailed business case (this document).

2.1.2 RCCC Program and participating councils

The plight of rural and regional councils within western Victoria as covered by the RCCC participating councils is well known as they are some of the least populated shires; and have many ageing assets and infrastructure requiring ongoing and significant capital and maintenance expenditure; and are experiencing population decline as people seek the security of well paid jobs in larger regional or metropolitan centres.

The nine rural and regional councils within the RCCC are critical contributors to the liveability and productivity within each of their regional and rural communities across western Victoria and wish to maintain their status as such.

¹ Victorian Government, Minister for Local Government, *Better Supporting Our Regional Councils*, 11 May 2017, accessed at <http://www.premier.vic.gov.au/better-supporting-our-regional-councils/>

² Victorian Government, Department of Environment, Land, Water and Planning, *Rural Councils Transformation Program*, 14 August 2018, accessed <https://www.localgovernment.vic.gov.au/media-releases/rural-councils-transformation-program>

Rural Councils Transformation Program

The RCTP submission seeks to alleviate some of this increasing issues inherent in being a rural or regional council within Victoria by enabling an innovative transformation program that should distribute meaningful benefits across the region. To achieve this the RCCC will introduce of a new finance and payroll platform that will harmonise these corporate, or 'back office', functions to enable simplification and an increased automation of council corporate activities. This would be resourced through the sharing of resources across the councils, thus alleviating the individual burdens upon single rural councils.

Figure 10. RCCC transformation program

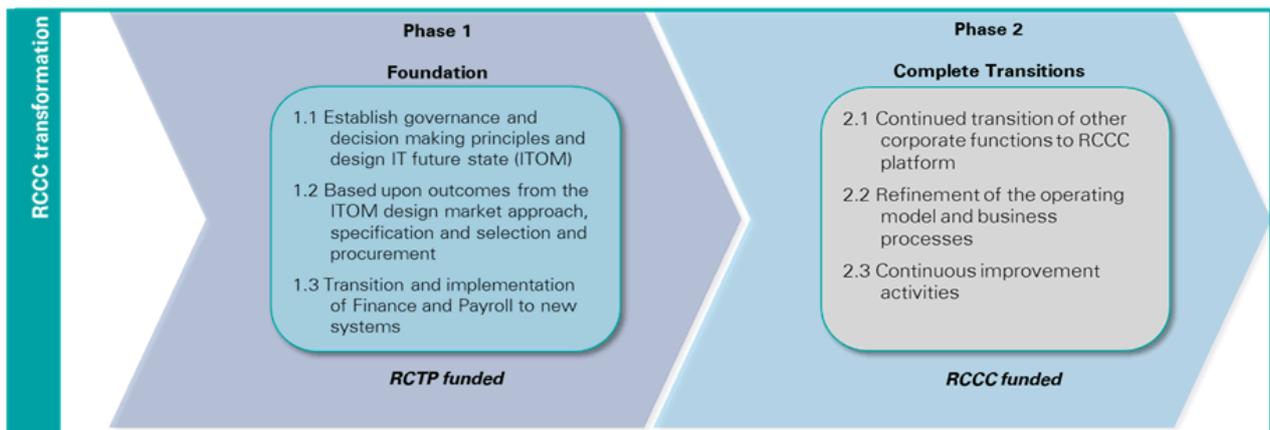


Figure 11. RCCC objectives

Agreed Project Objectives
Strong alliance between the rural and regional councils involved and an agreement to compromise and collaborate to build consensus, ultimately leading to improved services to the local community by refocussing back office effort towards service delivery.
The transformation should follow a structured project approach to maximise outcomes with an emphasis on integrated processes and change management to build a long-term knowledge investment in the region and to benefit future phases.
Focus on corporate services; initially transforming the Finance and Payroll functions, including an IT platform, integration layer, applications and processes to create efficiencies and better reporting; leading the way for ongoing collaboration and innovation with other functions.
Whilst remaining de-centralised, the costs and benefits of the shared services will be apportioned between the councils to promote both financial and non-financial sustainability within the region.

Rural Councils Transformation Program

Figure 12 below summarises the councils currently participating in the development of the RCCC program and provides a high-level profile of the combined shires.

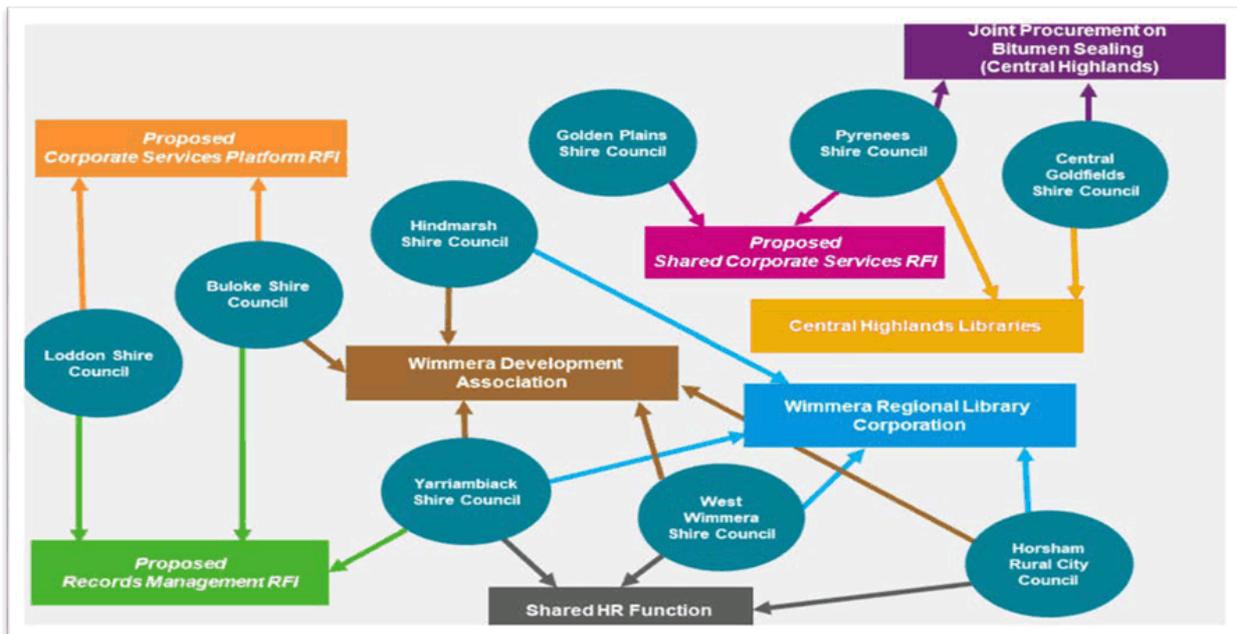
Figure 12. Profile of RCCC councils

RCCC Information	
Population	<ul style="list-style-type: none"> Total: 92,606 Range: 3,867 – 19,833
Geography	<ul style="list-style-type: none"> 21% of total Rural & Regional Victorian councils Covering approximately 25% of the state of Victoria
Annual Budget	<ul style="list-style-type: none"> Total: \$273.5 m Range: \$17.3m - \$50m
FTEs	<ul style="list-style-type: none"> Total: 1134 Range: 73 – 206
Strategy Alignment	<ul style="list-style-type: none"> Councils already collaborate through official and unofficial channels. All facing similar challenges and looking to solve service delivery issues but revenue is not growing at the same pace as costs

The RCCC councils cover large geographic areas across western Victoria, representing almost 25% of the state. Each shire has relatively low population density compared to larger shires and metropolitan areas and a contributing factor is the movement of rural populations to the larger regional towns within the shires and are some of the most under privileged in the state from a socio-economic perspective. This is creating a vacuum of talent in the more remote rural shires such as Yarriambiack and West Wimmera, and with many of the larger farms increasingly being owned by corporations, not individual landowners, the need to retain employment within the region is a significant driver to improve and upgrade to the nine council's corporate functions.

With the nine councils already collaborating across many forums and in multiple cross-council partnerships (evidenced in Figure 13 below), the launch of the RCTP in August 2018 provided a catalyst for the RCCC councils to realise their ambition of officially collaborating to resource their corporate functions and the opportunity to obtain the seed funding required to initiate their program and deliver the first tranche of benefits to councils and their communities. This would then enable councils to self-fund subsequent phases of work and deliver the benefits available from a more substantial transformation program to realise the benefits for the RCCC region.

Figure 13. Evidence of RCCC relationships prior to RCTP funding



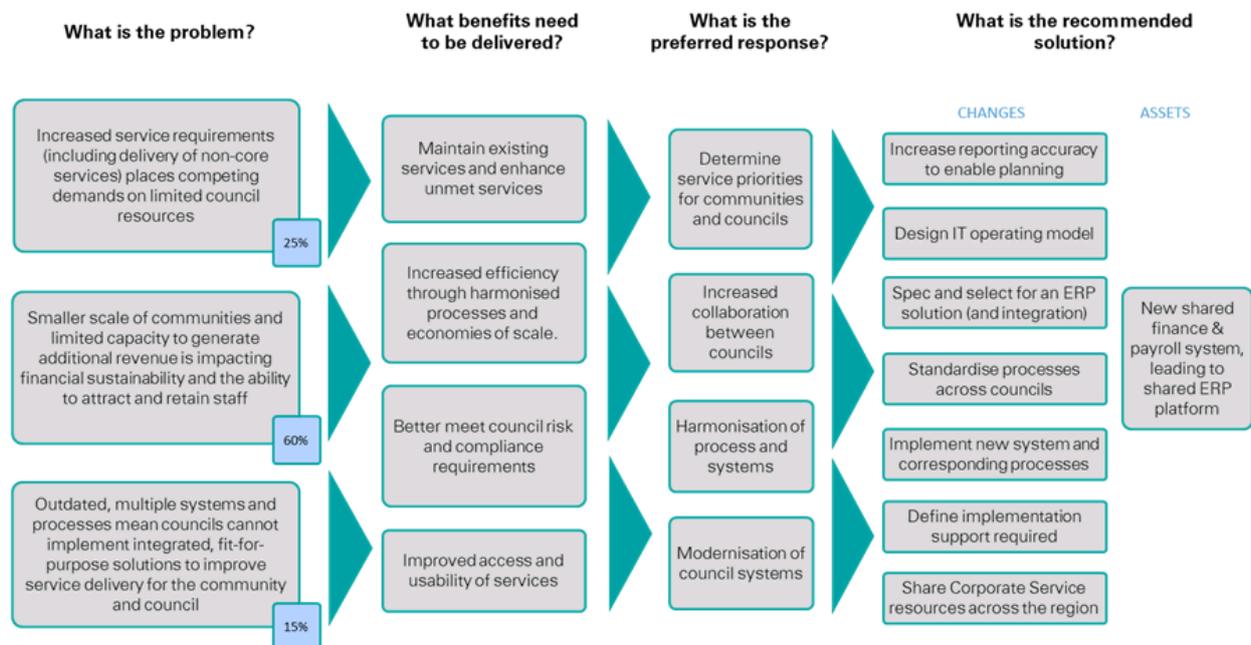
Rural Councils Transformation Program

2.2 Definition and evidence of the problem

A gradual decline in RCCC ability to service its community is exacerbated by a population that is ageing at a greater rate than other Victorian regions, with the proportion of residents over the ages of 50 and 65 being higher than the state average. While key industries vary across shires, they mostly include an agricultural focus, with the industry being an important contributor to their local economies, but the face of farming is becoming more corporatised and white collar roles within the region are becoming sparse. RCCC members wish to maintain their status as a major employer across the region and are seeking a transformation to provide such opportunities to their staff, now and into the future.

Figure 14 below provides a summary of the three main problems facing the RCCC councils, as well as the key benefits and responses to be delivered, thus leading to the solution.

Figure 14. Investment Logic Map (ILM)



More detailed evidence to support each problem is provided on the following pages.

2.2.1 Problem 1 – Summary of evidence

Increased service requirements (including delivery of non-core services) places competing demands on limited council resources

The traditional community expectation that local government services be largely confined to 'roads, rates and rubbish' is no longer the reality. Communities are increasingly expecting local government to be responsible for providing a more diverse range of services. This expectation is even more prominent in rural and regional communities where councils are the "backbone" of the community, and are required to provide additional services to fill gaps that other areas of government or the private sector would likely fill in metropolitan areas.

For the RCCC councils, community service expectations and needs are heightened by the relative socio-economic disadvantage of these communities and the abandonment of corporate organisations in providing these services locally due to geographic unsustainability (refer to Figure 15). This translates to an increased reliance on local council support and services.



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The RCCC councils are in a particularly unique situation with many of their community assets aging as the post-war rural building boom that sustained many western Victorian towns' economies in the second half of the twentieth century begin to age beyond repair. There is a significant push within RCCC communities to provide amenities and opportunities for their community such as swimming pools, sports stadiums, kindergartens, playgrounds and sealed roads.

Figure 15. Relative socio-economic disadvantage score³

2017/18	Buloke	Central Goldfield	Golden Plains	Hindmarsh	Horsham	Loddon	Pyrenees	West Wimmera	Yarriambiack	RCCC Average	Victorian State Average
Relative Socio-Economic Disadvantage (out of 10 where 1 is the most disadvantaged and 10 is the least disadvantaged)	3	1	8	2	4	2	1	5	1	3	5.6

Community expectations are also impacted by changing demographics. The RCCC programs seeks to create and retain high capability jobs within the region and with the introduction of cloud-based applications, would enable remote working opportunities that are currently not present in many RCCC councils.

Additionally due to the dispersed communities in rural regions of western Victoria, local councils in the RCCC are having to support the delivery of state government and large organisation's local service delivery, such as serving as or using their premises as agencies for other organisations. Often this is ancillary activity is completed through the council's current resources thus further reducing their capacity to meet other service delivery objectives.

As elaborated further in 2.2.2 there is genuine constraint within each council to increase revenue to systematically improve service delivery and as a consequence community satisfaction ratings may be impacted. Due to these constraints the RCCC councils are not able to allocate sufficient funding and resources into delivering the services that communities are increasingly expecting of them. A transformation of council's internal service delivery would then flow through to outward service delivery through a re-focus of effort and energies.

Figure 16. Community satisfaction ratings 2017-18⁴

2017/18	Buloke	Central Goldfield	Golden Plains	Hindmarsh	Horsham	Loddon	Pyrenees	West Wimmera	Yarriambiack	RCCC Average	Victorian State Average
Community satisfaction with community consultation and engagement (out of 100)	53	45	50	60	53	51	55	58	62	54	57
Community satisfaction with council decisions (out of 100)	50	42	51	60	49	48	57	61	61	53	58

³ LGPRF data

⁴ LGPRF data

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As shown above, the RCCC council communities do not feel satisfied with the level of council engagement or with councils' ability to make decisions in their best interests, relative to metropolitan councils or the Victorian state average.

Implications for this business case:

- With limited capacity to grow revenue, there is a need to gain internal efficiencies to support council service delivery
- This will require initial investment to improve corporate functions to allow greater support for other service delivery demands

2.2.2 Problem 2 – Summary of evidence

Smaller scale of communities and limited capacity to generate additional revenue is impacting financial sustainability and the ability to attract and retain staff

The rural nature, geographic isolation and small scale of the RCCC councils directly contributes to financial sustainability challenges. As already outlined in Section 2.2.1, the councils rely heavily on rates as a source of revenue, with revenue growth restricted through the introduction of rate capping and also the demographic profile of their communities (i.e. reducing and ageing populations). Separate to rates, the majority of remaining revenue for RCCC councils is sourced externally via government grants, this reliance creates uncertainty and does not contribute to revenue growth.

Figure 17. Grants revenue as a proportion of total revenue⁵

2017/18	Buloke	Central Goldfield	Golden Plains	Hindmarsh	Horsham	Loddon	Pyrenees	West Wimmera	Yarriambiack
Grants revenue compared to total revenue (%)	45.1%	41.6%	49.5%	40.8%	31.4%	57.3%	51.5%	59.8%	43.5%
Rates revenue compared to total revenue	49.4%	43.5%	36.7%	45.9%	45.6%	31.7%	41.4%	22.6%	48.5%
Combined Grants and Rates revenue compared to total revenue	94.5%	85.1%	86.3%	86.7%	77.0%	89.0%	92.8%	82.5%	92.0%

As shown above, collectively rates and government grants represent 77-95% per cent of RCCC council's revenue. Grant funding has also declined in real terms over recent years, primarily due to a policy decision to temporarily freeze indexation rates of core Commonwealth Government Financial Assistance Grants⁶. Combined with restrictions on rates as a result of rate capping, this means the RCCC councils are highly constrained in their ability to generate a meaningful amount of additional revenue.

RCCC councils are constrained in their ability to generate additional revenue to fund these services and amenities. As shown in Figure 18 below, councils are also heavily reliant on rates as a source of revenue but since the introduction of the Fair Go Rates system in 2015 are unable to increase rates beyond a defined capped amount.

⁵ LGPRF data

⁶ KPMG, Victorian Government, *Rural and Regional Councils Sustainability Reform Program Phase 1 Final Report*, 19 December 2017.

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Figure 18. Rates revenue as a proportion of underlying revenue and rate increases

2017/18	Buloke	Central Goldfield	Golden Plains	Hindmarsh	Horsham	Loddon	Pyrenees	West Wimmera	Yarriambiack	RCCC Average	Victorian State Average
Rates as a percentage of adjusted underlying revenue	45.1%	41.6%	49.5%	45.9%	45.6%	31.7%	41.4%	22.6%	48.5%	41.3%	59.6%
Average rate increase from FY06/07 to FY15/16	6.1%	7.33%	8.9%	6.30%	7.25%	4.92%	6.08%	6.02%	6.1%	7.0%	
Publicised rate increase for FY18/19	2.0%	2.3%	2.3%	2.0%	2.3%	2.3%	3.5%	3.5%	2.3%	2.5%	

Therefore at the same time as councils are experiencing an increase in community expectations for services and corresponding expenditure pressures, their ability to grow their key source of revenue is being constrained. This is further exacerbated by the ageing population, with pensioners entitled to rate concessions, the reduced rates applicable to farmers and a constrained ratepayer base.

Financial pressures on RCCC councils are also heightened by higher costs of service provision and a lack of economies of scale due to low populations being spread across large geographic areas. Figure 19 provides a number of indicators that point to these cost pressures, which, combined with revenue constraints are impacting the financial sustainability of RCCC councils and their ability to meet community expectations for service delivery.

Figure 19. Sustainability capacity indicators⁷

2017/18	Buloke	Central Goldfield	Golden Plains	Hindmarsh	Horsham	Loddon	Pyrenees	West Wimmera	Yarriambiack
Population density per length of road	1.16	10.25	13.12	1.79	6.66	1.59	3.73	1.42	1.40
Infrastructure per head of municipal population	\$31,352	\$23,610	\$18,012	\$27,273	\$21,267	\$43,768	\$30,116	\$56,295	\$21,094
Expenses per head of municipal population	\$4,080	\$2,294	\$1,657	\$3,048	\$2,524	\$4,502	\$3,502	\$8,345	\$3,297
Own source revenue per head of municipal population	\$2,315	\$1,298	\$1,132	\$1,891	\$1,808	\$1,869	\$1,537	\$3,192	\$2,074
Recurrent grants per head of municipal population	\$1,377	\$737	\$530	\$1,200	\$540	\$1,836	\$1,116	\$2,229	\$1,358

Figure 20. Comparison sustainability capacity indicators

2017/18	RCCC Average	Victorian State Average
Population density per length of road	4.57	108.55
Infrastructure per head of municipal population	\$30,310	\$14,192
Expenses per head of municipal population	\$3,694	\$1,935
Own source revenue per head of municipal population	\$1,902	\$1,459
Recurrent grants per head of municipal population	\$1,214	\$450

⁷ LGPRF data

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The sustainability comparison measures above indicate the RCCC councils' financial limitations relative to Victorian state-wide figures are negatively impacted by their requirement to service large infrastructure asset bases, at least double the state average. While RCCC has an almost 30% higher receipt for its own-source revenue per head compared with the state, the council's operational budget can only be covered consistently with recurrent grants 37% times the size of those given to the rest of the state. These unsustainable factors affect their capacity to meet the service and infrastructure needs of their communities currently and will only exacerbate into the future if no ongoing efficiencies are gained. The result of this disproportional reliance on additional external funding sources, often contingent to a particular service or program, means that investment by RCCC councils in core infrastructure and services is either not possible or delayed (refer Figure 19 for further examples).

Figure 21. Unfunded council projects



Types of approved projects that the RCCC councils are currently unable to afford include:

- Community hubs and facilities used for recreation and leisure e.g. swimming pools, libraries, sporting complexes, parks and gardens
- Renewal of roads and building stock
- Drainage infrastructure and waste management
- Land improvements and irrigation
- Aged care services and facilities
- Community, environment and health services
- Community engagement
- Digital service delivery
- Service and governance reviews
- Strategic planning e.g. ageing planning, early use planning

The small scale and rural nature of RCCC councils also makes it difficult to attract and retain staff with the necessary skills and experience to support effective service delivery. The RCCC councils, like many rural and regional councils, are considered major employers within their areas. This is in line with Section 3C of the *Local Government Act 1989*, which lists one of a council's key objectives being to promote employment opportunities. Rural and regional councils need staff with multiple skills and the ability to perform an array of functions in order for them to meet their obligations to communities. To remain sustainable and respond to changing community needs the councils also require staff with strong management, strategic thinking and particular specialist skills.

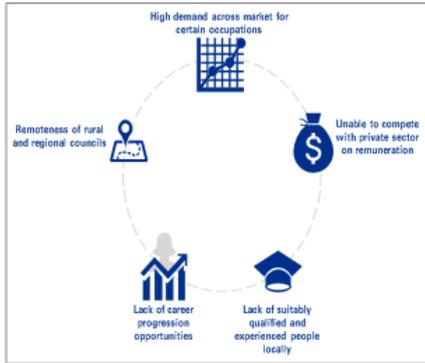
However, the RCCC councils struggle to attract this type of talent to their communities. This difficulty is not unique to western Victoria and is highlighted in a 2018 review undertaken by the Local Government Workforce Development Group.⁸ According to the review, 69 per cent of Australian local governments experience skills shortages. For Victorian rural councils in particular, the top skill shortage occupations are engineers, building surveyors and town planners.

⁸ Local Government Workforce Development Group, Australian Local Government Association, *Local Government Workforce and Future Skills Report Australia*, September 2018.

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Figure 22 outlines key reasons behind these skills shortages as identified in the review.

Figure 22. Reasons for council staff shortages



These factors are all experienced by the RCCC councils, who acknowledge that their small scale, location and operating environment are not always attractive to staff. Collectively the councils have reported difficulties in recruiting and retaining suitable staff in areas such as finance, IT, risk management, environmental and building planning and engineering. This has often created the need to engage contractors on high-cost, short term contracts to fill these gaps, which is not sustainable financially or operationally. If not addressed, the struggle to attract and retain talented staff will continue to negatively impact the RCCC councils' financial sustainability and service delivery in the short and long term. The RCCC program seeks to alleviate this by enabling remote working and creating higher capability roles that are supported by additional resourcing across the region.

Implications for this business case:

- There is an opportunity to consolidate functions to create economies of scale and related efficiencies
- Effective sharing of resources across councils would enable coverage of resource gaps
- Creating a shared service will allow for local career opportunities with potential for larger roles, greater peer groups and ability to engage modern technology

2.2.3 Problem 3 – Summary of evidence

Outdated, multiple systems and processes mean councils cannot implement integrated, fit-for-purpose solutions to improve service delivery for the community and council

For the majority of Australian local councils, investment in enabling technology is viewed as the foundation for the success of future local government initiatives and programs.⁹ Some key focus areas for council technology transformation include technology driven process efficiency and automation, technology-enabled services and enterprise technology systems and ICT function transformation.¹⁰ Such improvement enables improved customer experiences and also drive efficiencies across multiple council functions.¹¹

The RCCC councils are severely constrained in their ability to realise the benefits of transformation due to their ageing, inappropriate, numerous and inefficient systems and processes. The current technical environment is complex and characterised by multiple applications and vendors for key functions (refer below), and varying levels of need for system replacement. Importantly council applications don't allow connectivity with each other thus requiring a large manual effort to analyse different data sets to enable informed decision making, accurate reporting and the increasing demands placed upon councils to measure multiple performance indicators.

⁹ KPMG, Public Sector Network, *Key steps to council transformation: Increasing efficiency and citizen satisfaction through ICT and digital transformation*, November 2018.

¹⁰ *ibid*

¹¹ *ibid*

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Figure 23. Existing application vendors

Councils	Finance system	Payroll system	Asset management	Records management	General IT
Buloke Shire	Sun Systems (H)	IBIS Payroll (H)	Pitney Bowes (M)	KnowledgeOne - RecFind (H)	Combination of Windows 7 & Windows 10 (L)
Central Goldfields Shire	Finesse (H)	Payroll.net (H)	Assetmaster (L)	MagiQ (H)	Moving towards Windows 8 (M)
Golden Plains Shire	IT Vision - SynergySoft and Altus Civica - BIS (H)	IT Vision - SynergySoft (H)	Limited use of Assetic Assets, Moloney, Asset Asyst, Open Office - CRMS, Microsoft Office (H)	Altus - ECM (BluePoint Content+ prior to acquisition by IT Vision) (M)	Windows 8 & Windows 10 (anticipated to be a full Windows 10 site in 2019) (L)
Hindmarsh Shire	Civica (L)	Civica (L)	MyData (M)	DocXpert (M)	Windows 8 & above (L)
Horsham Rural City Council	Civica Authority (H)	Civica Authority (H)	Assetic (H)	Recfind 6 (H)	Windows 10 (L)
Loddon Shire	Attaché BI (H)	Attaché BI (H)	Assetic and Maloneys (H)	Infovision (M)	Windows 7 & Windows 10 (M)
Pyrenees Shire	SynergySoft (M)	SynergySoft (M)	No formal system (H)	RecFind 6 (H)	Windows 7 & 10 (M)
West Wimmera Shire	Civica - Authority and BIS (budgeting) (M)	Civica Authority (M)	Moloney Asset Management System, AssetAsyst - implementing Confirm (H)	RecFind 6 (H)	Windows 8 & above (L)
Yarriambiack Shire	Civica (H)	Cloud (H)	Assetfinda (L)	Manual, paper based (L)	Windows 7 (H)

Out of scope for phase 1

Legend

Recommendation to replace system

L Low M Medium H High

The current systems in place across the councils do not enable efficient and effective business processes and council service delivery. They impede the development of more efficient processes due to the requirement for multiple manual interventions and the use of MS Excel as a data recording substitute, restrict the capability of particular roles to grow their expertise, such as Payroll where it is only a required part-time function, and also limit the number of higher functioning roles in each council as more effort is required for the manual interventions than can be dedicated to strategic planning and decision making. The number of lower grade roles dedicated to “just pushing information through the systems” to enable Council reporting is disproportional to many council’s desired roles that engage strategic thinking and planning to solving complexities and provide more efficient service delivery within the councils.

Figure 24 outlines some more specific pain points experienced by RCCC councils, which impact their delivery of efficient and effective corporate services.

Figure 24. Council pain points

Council	Finance	Payroll
Buloke Shire	<ul style="list-style-type: none"> Manual processes 	<ul style="list-style-type: none"> Current system can't provide single touch as required Paper based
Central Goldfields Shire	<ul style="list-style-type: none"> Out of date platform which does not integrate well with other systems 	<ul style="list-style-type: none"> Cannot process some items in EBA
Golden Plains Shire	<ul style="list-style-type: none"> Integration of system Problems retrieving and analysing data 	<ul style="list-style-type: none"> One person department EBAs - common award with 79 different schedules
Hindmarsh Shire	<ul style="list-style-type: none"> Cost of attracting IT expertise Cost of hours required for processes 	<ul style="list-style-type: none"> Ability to attract staff Too much internal focus
Horsham Rural City Council	<ul style="list-style-type: none"> Manual, paper based process Quality of info Lack of performance measurements 	<ul style="list-style-type: none"> Paper based timesheets Manual inputs
Loddon Shire	<ul style="list-style-type: none"> Paper based systems Manual inputs Chart of accounts unable to deliver activity-based costing 	<ul style="list-style-type: none"> Paper based system Manual inputs Lack of information accessibility
Pyrenees Shire	<ul style="list-style-type: none"> Reporting 	<ul style="list-style-type: none"> Paper based timesheets and purchase orders
West Wimmera Shire	<ul style="list-style-type: none"> Lack of diversity within the current skillset 	<ul style="list-style-type: none"> Physical and technical support is currently required Current use of contractor is inefficient
Yarriambiack Shire	<ul style="list-style-type: none"> Manual processes Timing pressures 	<ul style="list-style-type: none"> Manual processes Paper based timesheets

Rural Councils Transformation Program

With seed funding providing the foundation for a successful transformation onto a cloud-based finance and payroll platform the beginning of being able to realise shared services across the region becomes a reality. A common platform, applications and processes enable search council to support and back up each other and provide for higher functioning roles that can offer career opportunities to those in rural and regional council employment.

Implications for this business case:

- Current systems and processes for common functions are inefficient and create complexity and risk for each council
- Harmonisation of processes and applications will enable shared service delivery and enable support to provide efficiencies

2.2.4 Timing considerations

The RCCC councils are already experiencing significant financial and operational challenges, as outlined in Section 2.2 of this business case. Funding and resources are stretched thin in an effort to maintain current service levels for core functions, with community expectations for increased and improved services unable to be met within existing budgets. With significant constraints impacting the ability of RCCC councils to generate additional revenue, meaningful service improvements will require ongoing productivity improvements across councils and more efficient delivery of back office functions.

The RCCC councils recognise this imperative, which has driven their interest in pursuing a sustainable solution to their shared problems across the region. However with an inability to resource financially or within their current human capital there can be no significant progress made without seed funding such as that offered through the RCTP. Without this funding, there is concern from councils that they will never be able to achieve a shared service model and will continue to rely upon themselves to maintain and update their aging systems individually. Such an approach would only increase the cost to serve for each council and not bring about the solution to resourcing which plagues many of the RCCC councils. And consequently never enable an improvement to council service delivery without a significant injection of capital and expertise to bring about transformation as proposes under the RCTP.

The importance of RCTP funding to enable commencement of the RCCC transformation is highlighted in each councils' long-term strategies and plans. Each council's five year plan already outlines a commitment to collaborate and explore options to improve sustainability. Figure 25 outlines the immediacy of each council's strategic objectives and their alignment to the RCCC transformation, thus demonstrating they are prepared and to begin implementation upon funding success.

Figure 25. Alignment of strategic objectives



Rural Councils Transformation Program

Having already spent much time considering how to solve for the ongoing sustainability of their councils, the RCCC has is committed to working together to solve collectively and the RCTP funding provides an avenue to set the foundation for formalised collaboration with western Victoria. Figure 26 below outlines the well-considered drivers for change that hope to be solved by the RCCC transformation.

Figure 26. Drivers for Change

Key Drivers for Change	STRATEGIC 	<ul style="list-style-type: none"> Increasing service needs of their communities and the demands placed upon the RCCC to meet these. The desire to deliver consistent services across the region. Seeking out collaboration partners, not just with each other, but as larger group with influence on third parties. An improvement to internal and external reporting capabilities to improve decision making, efficacy and timeliness. A need to support their local people with career opportunities and progression and to attract and retain high capability, specialist roles within the RCCC region.
	ECONOMIC 	<ul style="list-style-type: none"> Current operations see many in the RCCC unsustainable and requiring a significant transformation to build sustainability within service delivery (internal & external) . Due to their size and location, many of the in the RCCC are disadvantaged in their procurement. Grouping together under a shared service model should address this buying power disadvantage. There is an increasingly high reliance upon with contractors to maintain vital services within each Rural Council. Very few financial benefits with regards to labour can be realised until a technology solution replaces manual workflows.
	OPERATIONAL 	<ul style="list-style-type: none"> Manual Processing for key business processes, such as timesheets, contributes to increased risk, creating time intensive, yet low skilled roles. Multiple applications within the business processes requires double-entry to transfer data from one application to another. Very few applications are connected, and all experience diminishing vendor support. Inconsistency between the RCCC for the same business processes increases complexity and complicates service delivery for their customers, especially those who cross council boundaries. Increased workflow automation through an IT platform and accompanying applications would benefit the work/life balance of employees as would the dynamics of a shared service operating model.

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3 Recommended (preferred) solution

This section outlines the recommended solution in detail, the proposed program governance arrangements, alternative options considered (including scalability), and the implications of continuation of the business as usual approach.

3.1 Details of recommended solution

The recommended solution to achieve the full RCCC transformation of shared corporate services across the RCCC through the implementation of a fully integrated enterprise resource planning (ERP) solution for council corporate services. This will enable:

- the full integration of the agreed corporate functions across RCCC councils;
- a harmonisation of business processes;
- a duplicated chart of accounts across the councils;
- comparable reporting within the councils;
- simplified resourcing with the ability to backfill across the councils;
- ease of reporting and gathering of data from across different corporate functions of the council; and
- deliver financial savings and productivity benefits for each council enabling reinvestment in council services and infrastructure.

The RCCC program will be delivered across two phases defined by their funding source:

- Phase 1: Foundation** – Designing the future state IT operating model (ITOM) and the initial transition of the finance and payroll corporate services functions; and
- Phase 2: Completion** – Continued transition of corporate services and further refinement of the operating and shared service model;

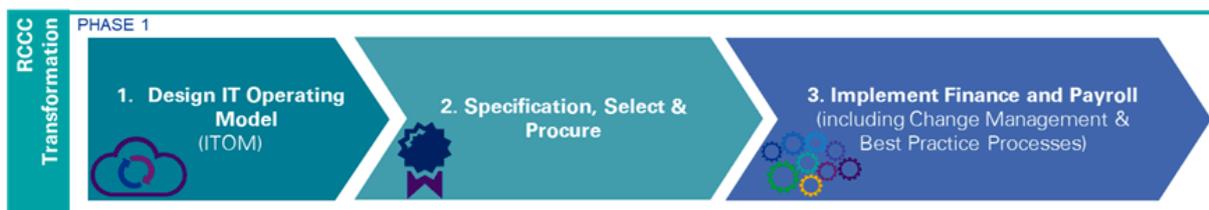
This business case seeks \$5.63 million in RCTP funding to enable delivery of Phase 1. This amount represents the 'seed' funding required to establish the transformation program, and deliver the first phase of corporate services integration (i.e. finance and payroll) across all councils. The benefits delivered from this first phase will then enable the RCCC councils to self-fund the remainder of the transformation program.

Acknowledging the amount sought is higher than the suggested \$5m amount, the RCCC believes this reasonable in transforming such a large group and when transforming the critical finance and payroll functions it is imperative that funding is not understated to meet an arbitrary limit. With the RCCC councils covering 20% of the geography of the state and well intentioned in their collaboration to better meet the needs of their collective communities, including the sharing of lessons learnt and business processes created throughout the transformation, the additional amounts would enable a fully supported transformation program to be realised

3.1.1 Phase 1 – Foundation

The first phase of the RCTP program includes the steps outlined in Figure 27 below, and will be fully funded by the contribution being sought from the RCTP via this business case.

Figure 27. Phase 1 steps



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Further detail on these steps is included in the sub-sections below. A program roadmap with a breakdown of key activities, deliverables and funding milestones can be found in Section 7.4 of this business case.

1.1 Design of IT Operating Model (\$390k)

Governance

The first step of the Foundation phase involves the agreement upon the most suitable arrangement for the RCCC to formally collaborate, own the mutual technology assets, and engage program staff into the Transformation Management Office (TMO).

It is expected that the TMO will be established independent to the nine RCCC councils, but maintain governance and instruction from all council CEOs. It will operate in the same manner as a traditional Program Management Office (PMO) by managing the program of work and undertaking key program activities, being accountable to the collective CEOs for milestones and working alongside each council and the selected vendor to enable success.

Under direction of the CEOs, the TMO will also be responsible for managing the procurement of the technology solution platform (e.g. defining requirements, market engagement, vendor selection, etc.), overseeing the transition of the corporate functions to the new applications, the creation of harmonised business processes and program decision making. The TMO will also monitor and report on the realisation of benefits over the life of the RCCC program. Further detail on governance in in section 3.2.

Further detail on governance and decision making protocols for the RCCC program are described in section 3.2.

Design

The design of the target IT operating model (ITOM), will outline the desired future state for RCCC's service functions and complete the associated IT planning and implementation roadmap. The TMO will work with the councils to design the ITOM for the full transformation program, including:

Figure 28. ITOM components



- defining the services to be offered under the RCCC;
- high level RCCC organisational and governance principles;
- the high level target state solution architecture;
- the required people capability to deliver under the model;
- analysis of the risks and security requirements; and
- a roadmap on how to achieve this.

1.2 Specification, Selection & Procurement (\$1.99m)

Upon completion of the ITOM, the TMO will be responsible for procuring the ERP platform. This will first require a specification and selection process (also known as "spec and select") to identify the detailed business and system requirements for all councils, which will inform an assessment of the appropriateness of the solutions available in the market. The TMO will work in close collaboration with management and staff of the RCCC councils during this specification process, before formally approaching the market through issuance of a Request for Tender (RFT), inviting potential suppliers to submit responses for evaluation.

Included as part of the response will be the requirement for a Systems Integrator (SI). This team consists of a group of IT specialists who will work with the vendor to stand up the new solution. The TMO will play a critical role to hold the SI accountable to their contracted deliverables and ensure fit for purpose solutions are implemented. In doing this there will be close involvement from councils SME's to inform fit for purpose solutions whilst also gaining key TMO implementation skills that will be embedded locally and be of benefit to each council in the ongoing phases to empower the transformation through to completion.

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1.3 Commence transition of finance and payroll functions (\$3.24m)

The third step of the Foundation phase involves commencing the implementation and transition of RCCC's finance and payroll functions to new applications. This transitioning of new corporate service functions onto the shared platform will continue throughout the life of the transformation program as each agreed corporate services function is progressively transitioned across. As Phase 1 focuses upon implementing a unified finance and payroll function for all councils, it is critical to allow resourcing for the associated change management, business process optimisation and migration activities that occur. The business case provides the requisite support for this to uplift local capability while resourcing for success.

The implementations from Phase 1 will act as a proof of concept for the transition of the remaining corporate service functions during subsequent phase. This should be enabled at a reduction in required resourcing due to protocols, reporting and ways of working being established by the TMO during Phase 1 and importantly the principle of local employee uplift.

3.1.2 Phase 2 – Transition

Beyond the RCTP supported Phase 1, the RCCC are committed to leveraging the foundation to realise the ultimate vision and benefits of their shared service model. Phase 2 of the program will involve transition of the remaining corporate service functions to the new platform. This will occur progressively, with each function transitioning to the platform as recommended by the initial ITOM roadmap. Analysis to finalise and agree the roadmap during the Phase 1 design of the ITOM, is critical to enabling later success in Phase 2, this would include recommendations on which or how councils should transition, consideration of factors including but not limited to cost, effort required, impact on people and BAU processes, and end-of-life for each council's existing systems and applications.

The corporate services functions likely to be in scope for transition, subject to the outcome of the ITOM, include, in no particular order:

- Records Management;
- Property and Rates;
- Human Resources;
- Asset Management; and
- IT.

Implementing a shared corporate service platform will involve considerable organisational and cultural change across all nine councils and training of staff across all corporate services functions. Given this involves a transformation of core functions, change may also disrupt business as usual activities during implementation. This will be managed through detailed implementation and contingency planning, with the TMO taking a leading role in managing this agile process. This phase will also involve refinement of the business model and processes initially established in Phase 1, in an effort to continuously improve the RCCC shared service.

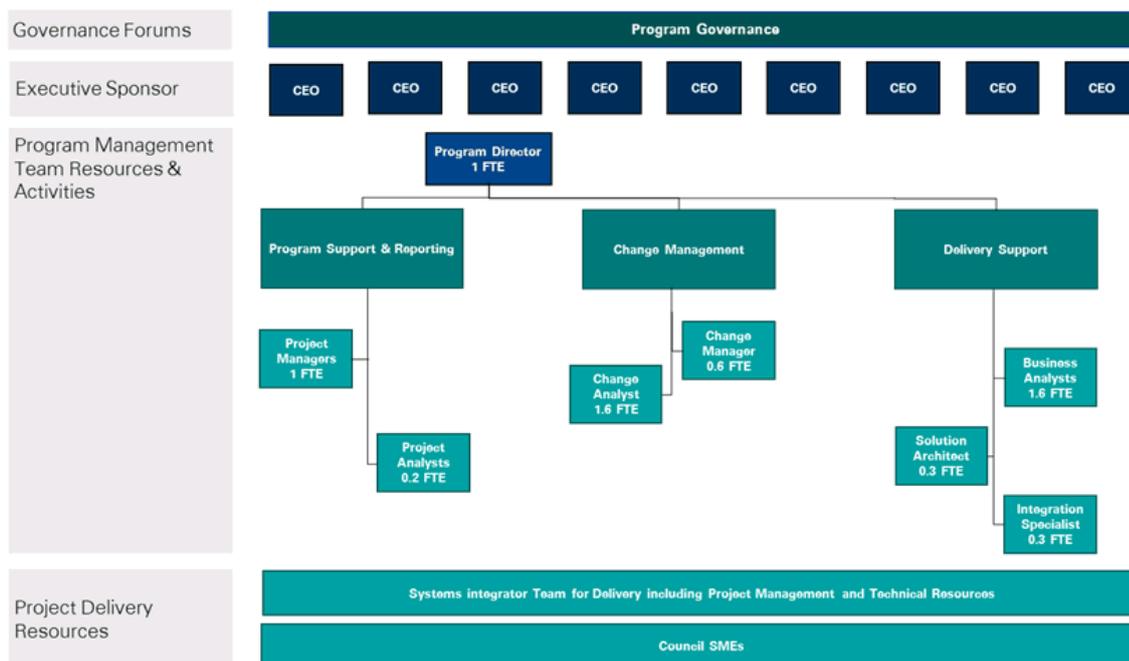
It is understood that Phase 2 will be self-funded by RCCC councils.

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3.2 Partnering – legal / governance arrangements

Figure 29 below outlines the proposed transformation program governance structure for the establishment and delivery of the RCCC program. This TMO structure is intended to formalise the collaboration across RCCC councils and provide a clear framework for decision-making through the development of the ITOM, and oversight of the program delivery, while still maintaining autonomy for each council.

Figure 29. Proposed governance structure



Final RCTP program governance and decision making arrangements will be confirmed as an initial activity within Phase 1, with scope and accountabilities of each council and the RCCC clearly defined. It is expected that Executive Sponsors will ensure senior representation from each participating council and is anticipated to be reflected in the constitution of the entity. It is envisaged that this group will become the Project Control Group (PCG) for the transformation. The RCCC is intended to manage the financing of the transformation upon receipt of the RCTP funding and to negotiate any complementary payments required from councils to continue the transformation through to completion. Such a governance model should ensure a fit for purpose arrangement that enables realisation of the outcomes of the transformation, the sharing of the consequential benefits and a minimising of risk for each council involved.

The TMO will perform an important role in the management and delivery of the RCTP program, with its resourcing to remain consistent throughout Phase 1. The recommended resourcing will be implemented via a delivery partner model, which will enable resources to be flexed up and down as required throughout the phase. The delivery partner will also assist in negotiating the relationship with the SI team and ensuring fit-for-purpose quality and delivery as contracted and always working in the interests of the councils involved.

As such, the business case includes external resourcing for the delivery partner under that would see them partner with council employees to uplift and embed transformation skills with the relevant local council Subject Matter Experts (SMEs). This model is recommended as a consequence of the councils not currently having the necessary capability or capacity to resource a complex TMO such as is required, but would like to see TMO capability developed to enable uplift and benefit for their local employees, allowing them to maintain a majority commitment to their business-as-usual activities, and largely mitigating the need for heavy backfill or on boarding costs during Phase 1.

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For Phase 1, the TMO will be responsible for initial program set up which will include activities such as:

- allocating team roles and responsibilities;
- establishing reporting and decision making arrangements;
- managing the detailed program schedule; and
- establishing and managing program registers (e.g. risks, issues, actions, decisions, dependencies, change control).

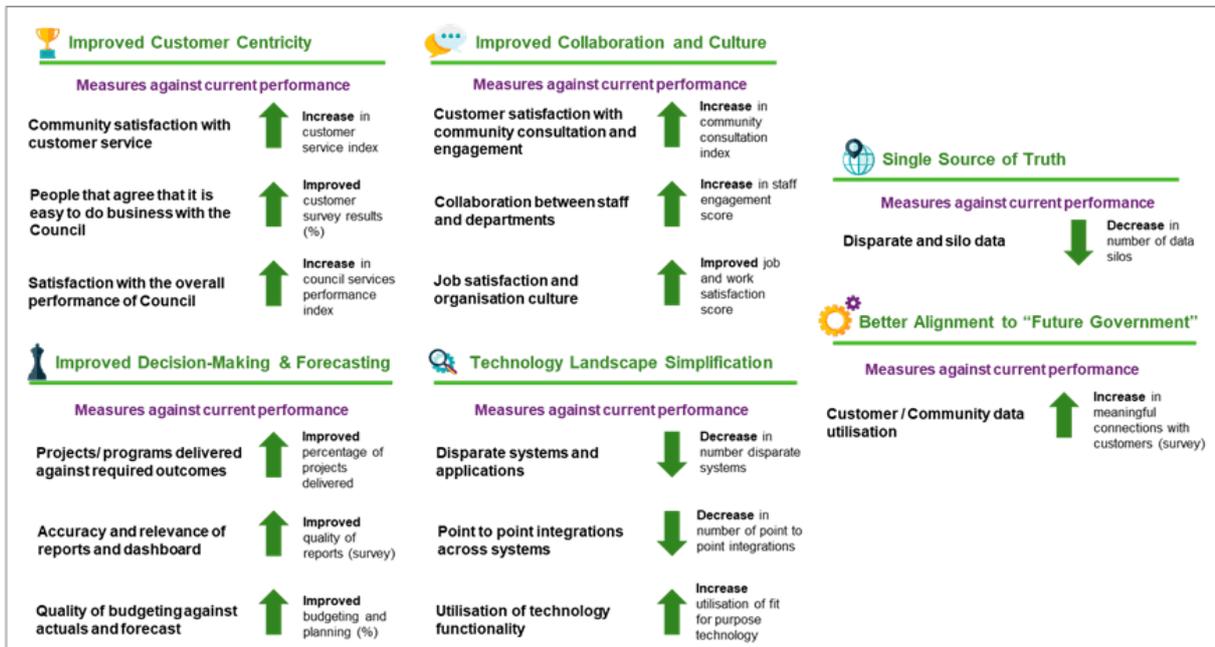
Such a governance model enables current council staff to remain under their employment conditions with no anticipated requirement for the RCCC to hold employees beyond the completion of the transformation, unless otherwise desired. Costs and benefits would be negotiated via a system of yet to be determined SLAs.

3.3 Evidence of the proposed solution’s effectiveness

RCCC is aware of similar transformations being undertaken within other councils, namely metropolitan ones and single jurisdictions that will engage the same technology solutions as those proposed within the transformation. While it is yet to be proven that a shared services solution across multiple councils can achieve the full articulated effectiveness benefits, the RCCC is generous in its collaborative and agile approach and prepared to commit to the shared corporate service model as an example for others to follow or join in the future.

The estimated effectiveness is described in Figure 30 below.

Figure 30. Indicative effectiveness benefits





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3.4 Scalability of the recommended solution

The proposed RCCC transformation program and the delivery phases has been developed to align with the RCTP program guidelines and program objectives. However, the scope of the reform and level of investment required is scalable, as outlined in Figure 31 below.

Figure 31. Scalability of the recommended solution

Element	Scalability
Number of councils	<p>For Phase 1 and 2, the recommended solution includes the involvement of the nine participating RCCC councils. And although other councils have expressed their desire to become part of the collaboration, it is recommended that the number of participating councils remains stable for Phase 1. This decision was taken based on the practicality of involving new consortium members within the timeframes of Phase 1 delivery and the dilution of benefits as more councils join.</p> <p>There is however a genuine desire and interest to broaden participation once Phase 1 has succeeded and proof of concept is established. The ITOM would consider the potential of additional councils participating in future phases.</p> <p>However, it is known from earlier work on the RCCC that other councils in surrounding locations maintain some level of interest in the program due to the refinements in objectives and messaging through the RCTP process. While there may be opportunity to expand the scale of the model to include these councils, this would likely entail delays to the transformation program and require additional investment to achieve the RCCC vision across a larger group of councils.</p>
'In scope' services	<p>The RCCC will incorporate an agreed list of corporate functions to be delivered across councils. Participating councils will have an opportunity to define this complete scope as part of the Foundation phase through the development of an ITOM. This list will be developed based on a range of factors, such as cost, complexity and need, and will determine the level of integration across councils.</p> <p>There is an opportunity to scale the recommended solution through variation in the number of 'in scope' functions. However, a decision on scope will need be made collectively, as is provided for in the development of the ITOM as part of Phase 1. There may be greater benefits available from an increased scope, but this will need to be balanced against the additional complexity, risks and potentially diminishing marginal benefits for participating councils.</p>
Program phasing	<p>There is an opportunity to also scale the recommended solution across phases, such as including additional corporate functions as part of the initial transition during Phase 1. This would provide additional benefits earlier but would need to be balanced against the additional costs (beyond the RCTP contribution) and complexity, which could jeopardise council participation in subsequent phases.</p>

The above highlights potential variations in scale and the trade-offs required in terms of costs, benefits and risks. The recommended solution seeks to balance these competing factors by providing an initial solution that is deliverable within the RCTP budget and timeframes, and that delivers the desired return on investment for councils and communities. Noting that the RCCC is committed to sharing its learnings and outcomes to the benefit of all Victorian local councils.



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3.5 Alternatives considered

A range of alternative approaches available to the councils to address the identified problems and deliver the targeted benefits were considered during development of this business case and the preliminary Scoping Analysis. But with multiple conversations between RCCC CEOs over recent time an agreeable solution was easily decided. A summary of these alternative approaches and their assessment is provided in Figure 32 below.

Figure 32. Alternatives considered

Alternative approaches	Description and assessment
Do nothing – do not request RCTP funding and self-fund full transformation	<p>Description: <i>In the absence of RCTP funding, the RCCC councils could not contemplate a full scale, shared service transformation as proposed and would instead seek to upgrade their current systems individually.</i></p> <p>Assessment:</p> <ul style="list-style-type: none"> The RCCC councils are currently experiencing significant revenue and funding constraints, which means they are unable to divert sufficient funding from business as usual activities to commence any transformation program. RCTP funding provides the catalyst and seed funding required to commence the desired transformation program and deliver the first tranche of benefits required to prove the concept and enable funding of future phases. Without this contribution, the first substantive step towards a shared corporate service for the region would not be possible, which in turn prevents the gaining of efficiencies across the councils.
Outsource corporate services to another organisation	<p>Description: <i>The RCCC councils could outsource their corporate service functions to another organisation.</i></p> <p>Assessment:</p> <ul style="list-style-type: none"> This approach would have dire consequences for the RCCC rural and regional communities impacted. The loss of jobs in a region already economically challenged would bring about domino effects such as school, business and amenity closures. This approach does not align with any of the council's strategic objectives and would create greater reliance on state government and private enterprise to support rural communities. This approach also challenges the desire to strengthen local employment opportunities and provide incentives to maintain community wellbeing and as such was disregarded very early in the process.
Transformation into Centres of Excellence across the region	<p>Description: <i>Instead of a establishing a virtual shared service, disbursed across each council, there may be scope to centralise into multiple Centres of Excellence (CoEs) locations across the region. In this scenario a particular CoE would focus on delivering a specific corporate services function (e.g. Horsham Council CoE would deliver Human Resources across all councils).</i></p> <p>Assessment:</p> <ul style="list-style-type: none"> Co-location through centralising corporate services into CoEs would enable efficiencies while also providing each council with greater control and the ability to maintain most of their current staff. This approach would involve significant upfront costs and complexity as resources and technology are consolidated into CoEs, with a slow ramp-up of benefits and synergy effects. One or two councils may also realise greater benefits through ownership of functions with greater scope for efficiency.

Analysis of costs, benefits and risks was undertaken during the development of this business case for the alternative approaches. The preferred option – **to undertake the full RCCC transformation program through the implementation of a common shared service solution for council corporate services** – was identified as the recommended solution for further analysis.

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3.6 Evaluation strategy

If successful, the consortium of RCCC councils will be required to enter into a funding agreement with the Department of Environment, Land, Water and Planning (DELWP). This agreement will include a list of agreed milestones, as funding will be released by milestones to the councils. This means that the RCCC councils will be subject to regular progress reporting, where they will be required to provide appropriate evidence against agreed milestones in order for DELWP to release the performance-based component of the funding allocation, expected to be at least 25 per cent of the total funding.¹²

The specific evaluation criteria and monitoring and reporting requirements that the councils will need to comply with will be determined when entering into the funding agreement. As outlined in the RCTP funding guidelines this will include the provision of regular progress reports to DELWP, as well as any ad hoc reports or data requested.¹³ A Project Outcomes and Financial Acquittal report will also be required at the RCCC program's conclusion.¹⁴

The RCCC councils undertake regular internal evaluations of their projects to ensure they are meeting agreed milestones, achieving intended benefits and are meeting the expectations and needs of their communities. These evaluations will be performed by the councils and the programs PCG throughout the lifecycle of Phase 1, in an effort to ensure it is on track and to identify opportunities to improve program design and delivery. The TMO and will be responsible for regularly evaluating the program and reporting on its progress to the PCG.

3.7 What are the implications of a 'business as usual' approach?

The continuation of a 'business as usual approach' would represent a missed opportunity to utilise the RCTP to deliver the full range of potential benefits from the RCCC program for councils and their communities.

This approach would be characterised by:

- Increasing divergence between community services needs and expectations, and the financial and operational capacity to deliver. This would contribute to diminished community satisfaction and / or the need to reduce or cease delivery of selected core services.
- An inability of the participating councils to achieve the economies of scale necessary to deliver efficiencies in the delivery of corporate functions, meet short and long term resourcing requirements, and provide an opportunity for innovation / specialisation in the delivery of key services
- Councils would be unable to achieve their documented objectives relating to financial sustainability, regional collaboration and partnerships, and innovation in service delivery.
- Continued financial sustainability challenges due to limited and constrained revenue sources, growing expenditure requirements, and limited capacity to invest in service delivery reform / innovation. This requiring a greater reliance upon state government grants to maintain fundamental services.

While the RCCC councils have identified the RCCC program as a means to address many of these issues, under the current arrangements, participating councils are unable to initiate or fund the required foundational work to deliver the first tranche of program benefits, and set the program up for sustained success. Instead, there would be no capability or capacity for the RCCC program to proceed in any mutually agreeable form, but perhaps only as a consequence of dire unsustainability by one or more councils requiring to lean on a larger rural council

¹² Department of Environment, Land, Water and Planning, *Rural Council's Transformation Program Funding Guidelines*, August 2018.

¹³ *ibid*

¹⁴ *ibid*

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4 Benefits

This section summarises the benefits of the recommended solution, outlines a framework and proposed measures to monitor the realisation of the program benefits, and identifies the expected impact on key measures of council service delivery.

4.1 Benefits of recommended solution

The transition of RCCC's corporate service functions to a shared services model is intended to maintain and increase community access to local services and assets across the RCCC region, strengthen council capability and capacity to maintain and respond to emerging service needs and allow councils to better develop and resource their local human capital.

Figure 33. RCCC program benefits



These benefits were identified through the ILM process and have some accompanying financial benefits as described below.



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Figure 34. Indicative RCCC financial benefits

<i>Financial Benefit</i>	<i>Detail</i>	<i>Amount</i>
Increased Finance & Payroll Labour Productivity	Immediate organisation productivity improvements through better systems integration and more efficient ways of working, resulting in the potential to reallocate up to 16 FTE p.a. to more value adding tasks (e.g. Property and Ratings) across the RCCC. Key benefits identified from reducing manual processing due to optimised systems and processes, to enable less transactional activities and more automated and value-adding activities.	Approx. \$3.3m over 5 years
Finance & Payroll Operating Model Improvements	Improvements in the structure of the target operating model for Corporate Services (i.e. Customer Service and IT), resulting in the potential to reallocate up to 16 FTE p.a. to more value adding tasks. Key benefits identified from enabling a more streamlined, efficient and effective processes and ways of service delivery to both internal and external customers.	FTE redirection is anticipated to enable greater strategic planning thus freeing capacity to focus on service delivery
Finance & Payroll Vendor-related Cost Avoidance	<p>Reduced application costs to existing vendors as a result of moving to new IT Finance and Payroll solution.</p> <p>Future integration and upgrades cost avoidance as part of moving towards Cloud Solutions (e.g. Software as a Service based solution(s))</p> <p>Reduced printing costs as a result of digitisation and automation of processes across the organisation</p>	Anticipated cost avoidance of approx. \$1m
Reduced Capital and Maintenance Spend	Capital and maintenance cost savings through improved approaches to service planning resulting in more targeted strategic spending and improved strategic alignment with community needs. Support from improved systems will further enable better data quality and contribute to reduced costs of maintaining and replacing assets.	<p>Cost avoidance of an estimated 500k per council for each to implement their own new finance and payroll system.</p> <p>Reduction in maintenance spend of approximately 753k over nine councils for their current finance and payroll system.</p>

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4.1.1 Benefits measurement and monitoring

Benefit 1 – Maintain existing services and enhance unmet services

The realisation of the above benefits from the transformation will enable RCCC councils to allocate additional funding and resources to the delivery of the services required to meet the needs of their communities. This will contribute to improved community satisfaction with council performance and benefits to local communities.

Importantly, a proportion of the benefits delivered by Phase 1 will be used to justify and fund the subsequent phase of the RCCC program (beyond the scope of the RCTP support), which will provide further financial and service delivery benefits to councils and their communities

Figure 35. Benefit 1 - Investment KPIs

Benefit	Investment KPI	Measure	Baseline	Target
Maintain existing services and enhance unmet services	Availability of services and assets to the community	Compliance with timeframes for key activities (e.g. Planning)	To be confirmed	5% reduction in time taken due to labour productivity benefits
	Community satisfaction	Community satisfaction with council decisions	Based on FY17/18 figures reported in LGPRF data	All RCCC councils rated at level equivalent to similar councils
		Community satisfaction with community consultation and engagement.	Based on FY17/18 figures reported in LGPRF data	All RCCC councils rated at level equivalent to similar councils

Benefit 2 – Increased efficiencies through harmonised processes and economies of scale

Adopting a shared services model and common finance and payroll applications will improve the councils' financial sustainability, thus strengthening their capability and capacity to respond to the needs of their communities. The streamlining of corporate functions and sharing of resources across councils will provide economies of scale and lower the cost of service provision. This model will also prove more attractive to skilled, experienced staff and enable short and long term resourcing needs to be covered. This places the councils in a much stronger position to respond to any emerging needs.

Figure 36. Benefit 2 – Investment KPIs

Benefit	Investment KPI	Measure	Baseline	Target
Increased efficiencies through harmonised processes and economies of scale	Improved financial sustainability indicators	IT related expenditure for Records Management function	Based on FY18/19 IT expenditure for Records Management	Total reduction in IT expenditure across RCCC councils by 2020-21)



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Benefit 3 – Better meet council risk and compliance requirements

The streamlining of people, processes and systems across corporate services functions will make it more efficient for councils to conduct required risk and compliance activities, reducing the time and effort needed to perform relevant tasks and reporting. For example, completion of LGPRF reporting requirements, annual budgeting, etc.

Figure 37. Benefit 3 – Investment KPIs

<i>Benefit</i>	<i>Investment KPI</i>	<i>Measure</i>	<i>Baseline</i>	<i>Target</i>
Better meet council risk and compliance requirements	Reduced time and effort to meet compliance requirements	Compliant measures that are currently in operation (LGPRF)	Based on FY17/18 figures reported in LGPRF data	100% compliance for all RCCC councils

Benefit 4 – Improved access and usability of services

With large geographic areas to be covered and resourcing constraints, better effort can be managed across the RCCC to ensure a relevant and fit for purpose distribution and planning of services across western Victoria.

Figure 38. Benefit 4 – Investment KPIs

<i>Benefit</i>	<i>Investment KPI</i>	<i>Measure</i>	<i>Baseline</i>	<i>Target</i>
Improved access and usability of services	Reduced time and effort to meet service needs	Compliance with timeframes for key activities (e.g. Planning)	To be confirmed	Overall reduction in time taken due to labour productivity benefits

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4.2 Historical service performance

Service performance should see a gradual increase as the benefits of the full transformation are realised. In years one to three, while the transformation is still gaining traction and becoming embedded the benefits may not be as measureable against current performance. But RCCC expect that certain indicators will improve as a consequence of the sharing of corporate services across the region.

Figure 39 below summarises the historical output performance associated with the delivery of corporate service functions within the RCCC councils.

Figure 39. Historical output performance

Performance measure	Unit of measure	2017-18 (Actual)	2018-19 (Budget)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)
Community satisfaction with council decision making								
Buloke	%	50/100	50/100	50/100	50/100	50/100	50/100	50/100
Central Goldfields	%	42/100	42/100	42/100	42/100	42/100	42/100	42/100
Golden Plains	%	51/100	51/100	51/100	51/100	51/100	51/100	51/100
Hindmarsh	%	60/100	60/100	60/100	60/100	60/100	60/100	60/100
Horsham	%	49/100	49/100	49/100	49/100	49/100	49/100	49/100
Loddon	%	48/100	48/100	48/100	48/100	48/100	48/100	48/100
Pyrenees	%	57/100	57/100	57/100	57/100	57/100	57/100	57/100
West Wimmera	%	61/100	61/100	61/100	61/100	61/100	61/100	61/100
Yarriambiack	%	61/100	61/100	61/100	61/100	61/100	61/100	61/100
Financial – Asset renewal as a percentage of depreciation								
Buloke	%	57.89	57.89	57.89	57.89	57.89	57.89	57.89
Central Goldfields	%	142.20	142.20	142.20	142.20	142.20	142.20	142.20
Golden Plains	%	75.35	75.35	75.35	75.35	75.35	75.35	75.35
Hindmarsh	%	57.07	57.07	57.07	57.07	57.07	57.07	57.07
Horsham	%	82.79	82.79	82.79	82.79	82.79	82.79	82.79
Loddon	%	35.98	35.98	35.98	35.98	35.98	35.98	35.98
Pyrenees	%	72.33	72.33	72.33	72.33	72.33	72.33	72.33
West Wimmera	%	80.87	80.87	80.87	80.87	80.87	80.87	80.87
Yarriambiack	%	107.71	107.71	107.71	107.71	107.71	107.71	107.71

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4.3 Estimated impact on service performance measures and sustainability

Figure 40 below summarises the estimated impact on service performance and sustainability associated with the recommended solution.

Figure 40. Historical output performance

Performance measure	Existing/New	Unit of measure	Baseline	Change in target from section 4.2 if proposal is endorsed				
			2018-19 (Budget)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)
Community satisfaction with council decision making								
Buloke	Existing	%	50/100	Exceed rating for similar councils				
Central Goldfields	Existing	%	42/100	Exceed rating for similar councils				
Golden Plains	Existing	%	51/100	Exceed rating for similar councils				
Hindmarsh	Existing	%	60/100	Exceed rating for similar councils				
Horsham	Existing	%	49/100	Exceed rating for similar councils				
Loddon	Existing	%	48/100	Exceed rating for similar councils				
Pyrenees	Existing	%	57/100	Exceed rating for similar councils				
West Wimmera	Existing	%	61/100	Exceed rating for similar councils				
Yarriambiack	Existing	%	61/100	Exceed rating for similar councils				
Financial – Asset renewal as a percentage of depreciation								
Buloke	Existing	%	57.89	5% increase over 5 years				
Central Goldfields	Existing	%	142.20	5% increase over 5 years				
Golden Plains	Existing	%	75.35	5% increase over 5 years				
Hindmarsh	Existing	%	57.07	5% increase over 5 years				
Horsham	Existing	%	82.79	5% increase over 5 years				
Loddon	Existing	%	35.98	5% increase over 5 years				
Pyrenees	Existing	%	72.33	5% increase over 5 years				
West Wimmera	Existing	%	80.87	5% increase over 5 years				
Yarriambiack	Existing	%	107.71	5% increase over 5 years				

Source: 'Know your council', Performance Summary Data (2017-18)

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5 Current Council Service(s) Delivery

5.1 Revenue history and forecasts ('business as usual')

In 2017-18, total revenue of \$293.0m was received across the nine councils. This is anticipated to increase by 2.5 per cent per annum across the forward estimates.

As illustrated below, rates and charges are the largest component of revenue for the RCCC. It is estimated that rates and charges will account for approximately 42 per cent of total revenue going forward, with operating grants accounting for a further 30 per cent.

Figure 41. Revenue history and forecast

	(\$ million)						
Revenue	2017-18 (Actual)	2018-19 (Budget)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)
Rates and charges	124.5	127.6	130.8	134.1	137.4	140.8	144.4
Operating grants (specific purpose)	87.6	89.8	92.1	94.4	96.7	99.1	101.6
User fees	17.6	18.1	18.5	19.0	19.5	20.0	20.5
Net gain on disposal of property, infrastructure, plant and equipment	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Other	62.9	64.5	66.1	67.8	69.4	71.2	73.0
Total	293.1	300.4	307.9	315.6	323.5	331.6	339.9

Source: Local Government Performance Reporting Framework (LGPRF) Data (2017-18)

5.2 Expenditure history and forecasts ('business as usual')

In 2017-18, expenditure totalled \$273.5m across the nine councils. This is expected to increase by 2.5% per cent per annum.

Figure 42. Expenditure history and forecast

	(\$ million)						
Expenditure	2017-18 (Actual)	2018-19 (Budget)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)
Staffing (including on-costs)	95.4	97.7	100.2	102.7	105.3	107.9	110.6
Net loss on disposal of property, infrastructure, plant and equipment	3.2	3.3	3.4	3.5	3.5	3.6	3.7
Materials and Consumables	101.3	103.8	106.4	109.0	111.8	114.6	117.4
Annualised cost of capital	66.3	68.0	69.7	71.4	73.2	75.0	76.9
Bad and doubtful debts	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Borrowing Costs	1.1	1.1	1.1	1.2	1.2	1.2	1.3
Other	5.9	6.1	6.2	6.4	6.6	6.7	6.9
Total	273.5	280.3	287.3	294.5	301.9	309.4	317.2

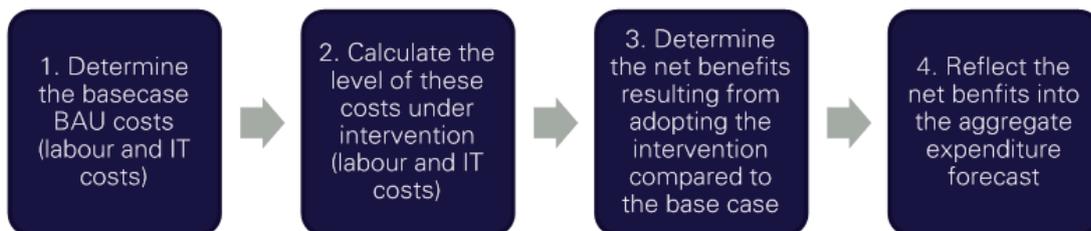
Source: LGPRF Data (2017-18)

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6 Revenue sought for the recommended solution

6.1 Expenditure forecasts

The following methodology has been adopted in determining the intervention’s expenditure forecast:



1. Determine the **relevant BAU costs** – this step involves building an understanding of the base case costs associated with the intervention (i.e. the current costs of providing this service). In this case, it has been determined that both labour and IT-related cost categories are associated with the proposed intervention.
2. Calculate the level of **costs under the intervention** – this step involves determining the estimated costs of delivering the intervention against the cost categories established as part of Stage 1 (i.e. labour and IT-related).
3. Determine the **net benefit** resulting from adopting the intervention – this process calculates the cost variance between adopting the intervention and operating under the base case (BAU).
4. **Reflect the net benefit into an aggregate expenditure forecast** – this step involves reflecting the net benefit/loss of each cost category against relevant line items in the aggregate Horsham Consortia of Councils expenditure forecast. Variances relating to labour cost have been incorporated into *Staffing (including on-costs)*, whilst changes to IT-related costs have been incorporated into *Materials and Consumables*.

1. Determine the relevant base case (BAU) costs

Figure 43 outlines the base case costs (BAU costs) for the RCCC at an aggregate level. Both labour and IT-related function costs have been derived from LGPRF data, a mandatory performance reporting framework for all Victorian councils. An indexation of 2.5 per cent per annum has been applied to all costs across the forward estimates.

Figure 43. Base case (BAU) costs

Cost by Function (BAU)	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing
	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)		
(\$ million)							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	4.354	4.462	4.574	4.688	4.806	22.884	4.926
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	1.298	1.331	1.364	1.398	1.433	6.825	1.469
Rates and planning	-	-	-	-	-	-	-

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		(\$ million)					
Cost by Function (BAU)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing
Sub-total	5.652	5.793	5.938	6.087	6.239	29.709	6.395
IT Costs							
Finance	0.697	0.715	0.732	0.751	0.769	3.664	0.789
IT	0.198	0.203	0.208	0.213	0.219	0.000	0.224
Payroll	0.094	0.096	0.099	0.101	0.104	0.494	0.106
Asset management	0.343	0.352	0.361	0.370	0.379	0.000	0.388
Records management	0.184	0.188	0.193	0.198	0.203	0.000	0.208
Sub-total	1.516	1.554	1.593	1.632	1.673	4.158	1.715
Total	7.168	7.347	7.531	7.719	7.912	33.866	8.110

2. Calculate the level of costs under the intervention

Figure 44 outlines the estimated labour and IT function costs under the intervention at an aggregate level. Total labour costs reflect the estimated labour productivity benefits expected to be realised against both the finance and payroll functions from 2020-21 onwards.

IT-related costs are estimated to remain the same as the base-case, with the exception of finance and payroll. Under the intervention, the finance and payroll costs will incur an initial project implementation costs, as well as ongoing operating fees.

Figure 44. Costs under the intervention

		(\$ million)					
Cost by Function (intervention)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	4.354	4.070	3.915	3.938	4.037	20.313	4.138
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	1.298	1.214	1.168	1.175	1.204	6.058	1.234
Rates and planning	-	-	-	-	-	-	-
Sub-total	5.652	5.284	5.083	5.113	5.241	26.372	5.372
IT Costs							
Finance	4.659	0.280	0.280	0.280	0.280	5.779	0.287
IT	0.198	0.203	0.208	0.213	0.219	-	0.224
Payroll	-	0.060	0.060	0.060	0.060	0.240	0.062

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(\$ million)							
Cost by Function (intervention)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing
Asset management	0.343	0.352	0.361	0.370	0.379	-	0.388
Records management	0.184	0.188	0.193	0.198	0.203	-	0.208
Sub-total	5.384	1.083	1.102	1.121	1.140	6.019	1.169
Total	11.036	6.366	6.185	6.233	6.381	32.391	6.540

3. Determine the net benefit resulting from adopting the intervention

Figure 45 reflects the variance between adopting the intervention and operating under the base case (BAU).

Figure 45. Net benefits

(\$ million)							
Cost by Function (net benefits)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	-	0.393	0.659	0.750	0.769	2.570	0.788
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	-	0.117	0.196	0.224	0.229	0.767	0.235
Rates and planning	-	-	-	-	-	-	-
Sub-total	-	0.510	0.855	0.974	0.998	3.337	1.023
IT Costs							
Finance	(3.962)	0.435	0.452	0.471	0.489	(2.115)	0.502
IT	-	-	-	-	-	-	-
Payroll	0.094	0.036	0.039	0.041	0.044	0.254	0.045
Asset management	-	-	-	-	-	-	-
Records management	-	-	-	-	-	-	-
Sub-total	(3.868)	0.471	0.491	0.512	0.533	(1.862)	0.546
Total	(3.868)	0.981	1.346	1.486	1.531	1.475	1.570

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4. Reflect the net benefit into the expenditure forecast

Figure 46 incorporates the net benefit/loss of each cost category detailed in Figure 44 into the relevant expenditure line item. In this case, changes to labour related costs have been reflected within *Staffing (including on-costs)*, whilst changes to IT-related costs have been incorporated into *Materials and Consumables*.

Figure 46. Expenditure under the intervention

Expenditure under the intervention	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing
Staffing (including on-costs)	100.185	102.180	104.402	106.915	109.588	523.270	112.327
Net loss on disposal of property, infrastructure, plant and equipment	3.367	3.451	3.537	3.626	3.716	17.696	3.809
Materials and Consumables	110.249	108.569	111.275	114.048	116.891	561.033	119.813
Annualised cost of capital	69.670	71.412	73.197	75.027	76.903	366.210	78.826
Bad and doubtful debts	0.334	0.343	0.351	0.360	0.369	1.757	0.378
Borrowing Costs	1.147	1.176	1.205	1.235	1.266	6.030	1.298
Other	6.249	6.405	6.565	6.730	6.898	32.847	7.070
Total	291.202	293.536	300.533	307.941	315.631	1,508.843	323.522

6.2 Proposed revenue sources and alternatives

It is not anticipated that the revenue for the RCCC will be impacted under this intervention. As such, the proposed revenue is estimated to remain the same as under the base case.

Figure 47. Proposed revenue

Revenue	(\$ million)						
	2017-18 (Actual)	2018-19 (Budget)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)
Rates and charges	124.5	127.6	130.8	134.1	137.4	140.8	144.4
Operating grants (specific purpose)	87.6	89.8	92.1	94.4	96.7	99.1	101.6
User fees	17.6	18.1	18.5	19.0	19.5	20.0	20.5
Net gain on disposal of property, infrastructure, plant and equipment	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Other	62.9	64.5	66.1	67.8	69.4	71.2	73.0
Total	293.1	300.4	307.9	315.6	323.5	331.6	339.9

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6.3 RCTP grant sought

As detailed in Figure 48, this intervention requires significant up-front investment (\$4.3m in 2019-20), with on-going costs of \$240,000 relating to the SI integration.

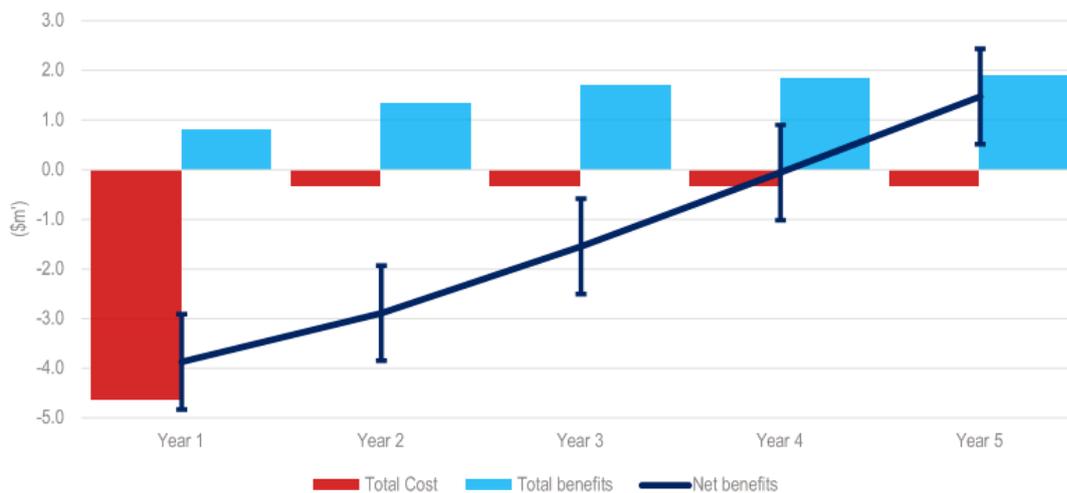
Figure 48. Project implementation costs

							(\$ million)	
RCTP Grant	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing	
RCTP grant budget allocation								
Phase 1: ITOM, Spec & Select and Procure	2.384					2.384		
Phase 2: Implementation including change management	3.243	0.34	0.34	0.34	0.34	4.603	0.34	
Total	5.627	0.340	0.340	0.340	0.340	6.987	0.340	

6.4 Return on investment

The Net Present Value (NPV) projected for proposed intervention for the RCCC is **\$604,623**. This assumes a 7% discount rate, consistent with Department of Treasury and Finance guidelines. This represents a return on investment of **11 percent**.

Figure 49. Graph of Return on investment





7 Deliverability

This section outlines key delivery considerations for the recommended solution. This includes an assessment of risks and identification of mitigation strategies, consideration of stakeholder impacts and considerations, identification of delivery timeframes and milestones, and consideration of change readiness and impacts for key stakeholders.

7.1 Assessment and management of risks and sensitivities

This section identifies and assesses the key risks associated with the recommended solution, identifies strategies to manage these risks and considers the impact of the RCCC program on different stakeholder groups.

7.1.1 Risk assessment

Figure 50 below summarises the program risks identified, describes their causes and outlines their potential consequences.

Figure 50. Identification of risks

Risk	Causes	Consequences
RCTP business case is not approved	<ul style="list-style-type: none"> Business case content is not agreed upon or sufficiently developed by submission due date of 31 March 2019 	<ul style="list-style-type: none"> Failure to secure RCTP funding to deliver RCCC program as planned Requirement for councils to self-fund Prioritisation of program and benefits likely to change
RCTP business case understates costs and / or overstates benefits	<ul style="list-style-type: none"> RCCC councils experience unexpected costs in relation to RCCC program delivery Occurrence of unexpected events during program timeframe impact ability to achieve KPI targets 	<ul style="list-style-type: none"> RCCC program unable to be delivered within budget Additional funding required in order to complete program (Phase 1 and/or subsequent phases). Failure to realise intended benefits and demonstrate success to DEWLP
Lack of stakeholder support for reform	<ul style="list-style-type: none"> Stakeholders are not appropriately engaged or communicated with Expected or actual job losses as a result of the RCCC program 	<ul style="list-style-type: none"> Lack of confidence in the program from councils Lack of confidence in the councils from staff and community
Disruption to the organisation (i.e. councils)	<ul style="list-style-type: none"> Streamlining processes and introducing new systems that significantly change current way of working Redirecting resources and some internal funding to RCCC program service delivery 	<ul style="list-style-type: none"> Change management risk Negative impact on councils' BAU activities
RCCC program fails to meet councils' needs	<ul style="list-style-type: none"> Unable to develop ERP solution that meets business and system requirements Corporate services functions prove too difficult to streamline and migrate 	<ul style="list-style-type: none"> Program outcomes not achieved Benefits not realised
A council wishes to exit the RCCC program	<ul style="list-style-type: none"> Poor management of each council's priorities and expectations Pressure coming from councillors and / or community 	<ul style="list-style-type: none"> Reduced scope of implementation Reduced ability to deliver the RCCC program and realise intended benefits
Unable to procure an appropriate ERP platform	<ul style="list-style-type: none"> Vendors unable to provide / build an ERP platform that fits the business and system requirements of the councils 	<ul style="list-style-type: none"> Unable to progress program, achieve program outcomes or realise benefits

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These risks were assessed using a qualitative risk assessment framework, as shown in Figure 51.

Figure 51. Risk assessment framework

Consequences	Likelihood				
	Very low = 1	Low = 2	Medium = 3	High = 4	Very high = 5
Critical = 5	5	10	15	20	25
Major = 4	4	8	12	16	20
Moderate = 3	3	6	9	12	15
Minor = 2	2	4	6	8	10
Insignificant = 1	1	2	3	4	5

Exposure key: Very high High Moderate Low

A summary of the outcomes of this assessment is provided in Figure 52 below.

Figure 52. Risk assessment outcomes

Risk	RCTP program risk rating
RCTP business case is not approved	Low
RCTP business case understates costs and / or overstates benefits	Moderate
Lack of stakeholder support	Moderate
Disruption to the organisation (i.e. councils)	Moderate
RCCC program fails to meet councils' needs	Moderate
A council wishes to exit the RCCC program	Moderate
Unable to procure an appropriate ERP platform	Low

7.1.2 Risk management

Figure 53 below summarises the proposed mitigation strategies for those program risks identified in and assessed as 'Moderate' risk or above.

Figure 53. Key risks to the success of this program

Risk	Management strategy
RCTP business case understates costs and / or overstates benefits	<ul style="list-style-type: none"> Develop detailed plan and detailed business case PMO accountable to track against the business case Transparency to Executive Sponsors of spend Defined stage gates for approval (i.e. RCTP funding milestones) Engage a delivery partner with necessary expertise to support councils in managing the program of work to ensure it is delivered within budget and realises intended benefits outlined in the business case
Lack of stakeholder support	<ul style="list-style-type: none"> Develop detailed stakeholder engagement strategy / plan and change management strategy / plan Communicate early and often Push for positive results early Engage key stakeholders, councillors and community early Communicate tangible benefits for customers, staff and local government in general Engage a delivery partner that will assist with necessary stakeholder engagement and communication activities to ensure stakeholder buy-in

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Disruption to the organisation (i.e. councils)	<ul style="list-style-type: none"> Planned and considered migration strategy Redesign processes then shift Engage a delivery partner with necessary change management capability that can support the councils in training staff and transitioning to the new operating model Ensure council staff are sufficiently supported to maintain BAU
RCTP program fails to meet councils' needs	<ul style="list-style-type: none"> Engage key stakeholders in detailed design phase Assess system capability Staged approach to program implementation (i.e. multiple delivery phases, RCTP funding milestones) Develop and implement benefits realisation strategy and plan

7.1.3 Stakeholder impacts and management arrangements

Figure 54 below identifies the different stakeholder groups impacted by this proposed investment and their interest in this program.

Figure 54. Stakeholder impacts



The proposed communication arrangements will vary across these groups.



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Figure 55. Stakeholder engagement / communication arrangements

Stakeholder group	Focus of engagement / communications
Council communities	<ul style="list-style-type: none"> • Ensure communities are informed of the RCCC program’s purpose and the benefits that it will provide (i.e. increased access to services and assets) • Consult communities on potential areas to reinvest savings to improve council service delivery
Council staff	<ul style="list-style-type: none"> • Ensure staff are well informed of changes to council corporate services and understand potential implications for their individual roles • Ensure staff are appropriately trained to perform roles under the new shared services model
Other rural and regional councils	<ul style="list-style-type: none"> • Keep other Victorian rural and regional councils informed of program progress • Approach other councils after Phase 2 complete to discuss potential of joining the shared services model and transitioning their corporate services functions to the ERP platform
Existing and potential system vendors	<ul style="list-style-type: none"> • Negotiate the closure of existing contracts with vendors for systems and applications that will no longer be required once the ERP platform is implemented • Issue public notice to invite tenders from any system vendors wishing to build and implement an ERP platform for the RCCC program
Government – DELWP / LGV	<ul style="list-style-type: none"> • Negotiate funding arrangement, subject to success of this business case • Regularly report on progress of the RCCC program and how it is tracking against the intended benefits

7.2 Impacts

The recommended solution will result in social and economic impacts within the RCCC council communities and surrounding regional areas. These are described further below.

7.2.1 Social impacts

A 2017 KPMG report highlighted a number of issues experienced by rural and regional communities that impact council service delivery. These communities have relatively lower populations spread across larger land areas than their metropolitan counterparts, with minimal population growth and increasingly ageing populations.¹⁵ People in these communities are also more likely to be socially disadvantaged, obese, have high rates of tobacco smoking and alcohol consumption.¹⁶

These factors impact the scope of services that councils are expected to deliver as well as councils’ ability to deliver those services. Councils are also impacted by organisations that look to re-locate their services away from these communities and to larger, more profitable markets, placing greater expectation on councils to meet social needs.

The RCCC program provides an opportunity for the participating councils to achieve significant financial savings which can be redirected to meet community expectations and provide better social outcomes. This investment will also help to increase customer satisfaction with councils through end to end process improvement, reduced turnaround times and increased levels of specialisation, compliance and governance.

7.2.2 Economic impacts

The most significant economic impact of the RCCC program will be the impact on the financial sustainability of the participating councils. Investment in streamlining corporate services through adopting a shared ERP platform and the potential savings and efficiencies gained will over time reduce the costs associated with delivering services and

¹⁵ KPMG, Victorian Government, *Rural and Regional Councils Sustainability Reform Program Phase 1 Final Report*, 19 December 2017.

¹⁶ *ibid*



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assets to the community. The program will also impact local employment as a shared services operating model will enable councils to offer more strategic, specialised and attractive job opportunities which will keep jobs in rural and regional communities, instead of losing them to larger metropolitan areas.

7.3 Readiness and implementation process

The RCCC councils are committed and appreciate the necessity to make this seed funding produce sustainable results for each council that will result in the desired efficiencies and service delivery benefits. They already collaborate across the region and continually looking for further opportunities to develop these mutually beneficial relationships. As a group of councils their residents cross each other's boundaries and expect comparable services across the council border; their staff connect informally and at times rely upon each other for advice and peer support; they are similar in their profiles and committed to maintaining local services and employment. The implementation of the recommended solution is seen as a continuation of their ongoing collaborative efforts and a natural progression to stem the decline in their local areas.

The RCCC understand the significant impact the transformation will have on their staff and have sought a solution that supports them through the change process by uplifting local capability and involving their staff as necessary to input into key decisions. This is also reflected in the governance arrangements proposed in this business case to support implementation and help to minimise change management risks. The structure of the TMO includes multiple work streams, including a stream to manage the change impact on councils. In Phase 1 of the transformation, the TMO will work to fully articulate the future state, which will provide a clear view on the extent of the change required, staff and other stakeholders likely to be impacted. A delivery partner will also be engaged to support the TMO and the councils, using their expertise to help mitigate key risks around change and delivery.

Another key aspect of implementation in Phase 1 will be the procurement of the ERP platform. The RCCC councils will adhere to the public tender and procurement policy requirements of Section 186 of the *Local Government Act 1989*. The councils will ensure through their procurement activity that value for money, open and fair competition, accountability, risk management, probity and transparency, and social value is provided.¹⁷

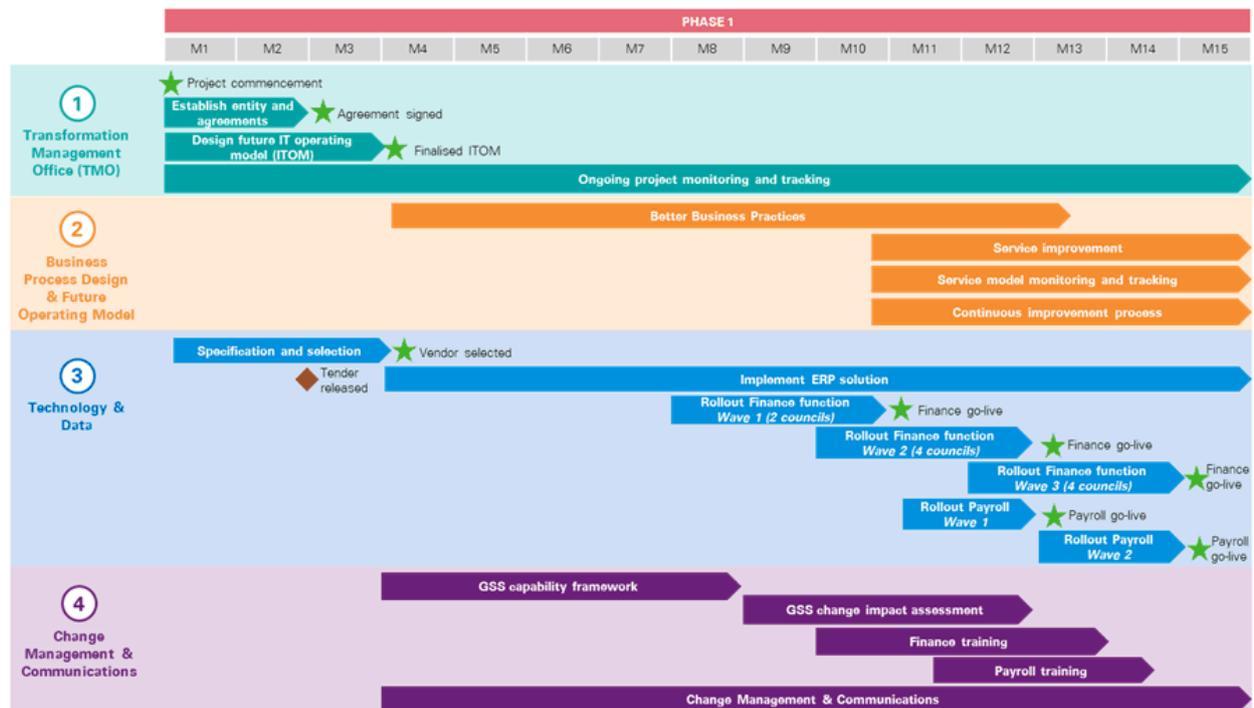
¹⁷ Department of Environment, Land, Water and Planning, Procurement, 16 October 2018, accessed <https://www.localgovernment.vic.gov.au/strengthening-councils/procurement>

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7.4 Timelines and milestones

Figure 56 outlines the key activities and milestones associated with Phase 1 of the delivery of the recommended solution.

Figure 56. RCCC program roadmap



To enable success fully supported Phase 1, the roadmap is proposed to enable staff to gain confidence with the program of work and engage in the transformation with greater ease. There is no requirement for redundancies throughout the implementation of Phase 1, though there may be scope for a re-purposing of roles as finance and payroll functions become more automated through the introduction of the new applications. Upon request from the RCCC a significant investment in Change Management and assessment has been dedicated in Phase 1. Along with specialist in technical IT support upfront and better business process resources throughout. Overall a considered program of work, that understand s the current state of the RCCC and what they wish to accomplish to achieve their transformation.



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8 Staffing requirements

8.1 Staff/Contractors

As detailed in Figure 57, it is estimated that 5.4 FTE are required to assist in implementation of this intervention in 2019-20, with a further 1.5 FTE required in 2020-21

It is estimated that the delivery of this intervention will facilitate the **transition of 10.2 FTE** from back office functions (i.e. finance and payroll functions) to front of office positions. This will be spread across three years between 2020-21 and 2022-23.

Figure 57. Staffing requirements over life of the RCTP project

Functional category		2019-20	2020-21	2021-22	2022-23	2023-24	Ongoing
New staff	Frontline	-	-	-	-	-	-
	Back office	-	-	-	-	-	-
	Contractor	+5.4	+1.5	-	-	-	-
Subtotal		+5.4	+1.5	-	-	-	-
Existing staff	Frontline	-	+5.6	+3.6	+1.0	-	-
	Back office	-	- 5.6	- 3.6	- 1.0	-	-
	Contractor	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-
Total staff		+ 5.4	+ 1.5	0	0	0	0



9 Other relevant information

While it is appreciated the RCTP seeks to support Rural and Regional councils, the RCCC has some of the lowest population and economically constrained councils within Victoria; some bordering on long term unsustainability due to their large asset base maintenance requirements over a the largest geographic areas within the state, dwindling economic opportunities and negative population growth. Opportunities for employment, particularly with corporate type roles are limited and the RCCC wish to sustain their desirability as one of the largest local desirable employers.

Further relevant information is outlined below.

Figure 58. RCCC Strategic Information

STRATEGIC	
Service Delivery Demands	<ul style="list-style-type: none"> Rural communities are increasingly feeling the gulf of service delivery in their local regions. As technology makes distance appear closer, and corporations are moving services away from rural centres; it is increasingly Local Council that is left to carry local service delivery demands. From running the only swimming pool in the district to feeding Seniors within the community, these RCCC are required to meet the increasing service needs of their community, with little additional funding to provide it.
Collaboration Partners	<ul style="list-style-type: none"> Each of the Councils has outlined within their strategies the desire to collaborate with partners. As geographic neighbours, this is obvious, but what is also achieved through collaboration is thought diversity, procurement savings via greater buying power, a stronger opportunity to innovate and pilot new service delivery, and efficiencies through better back office utilisation that can be re-directed to front office, customer facing services.
Local Employer of Choice	<ul style="list-style-type: none"> With few large employers, outside of education and health with the RCCC area, it falls onto these councils to be an employer of choice in their local communities. But with roles and functions not large enough to sustain high-functioning employees, it is difficult to attract and retain skilled people to the smaller towns. Supplementing this is the ability to offer career progression to those employed as they naturally seek further development and challenges. By operating under a shared IT platform, supported by a shared services function, the scope of leadership will grow, as will the requirement to work as a team, not a one person unit, that sees if they are on leave, Payroll can't be actioned. Shared Services enables resources to be pooled, to offer diversity in work and with the backing of a robust IT platform, even the ability to work remotely.
Consistent Service Provision	<ul style="list-style-type: none"> Along with increased demand for services, there is an community expectation of consistency across the region with the provision of services. A common platform and shared service vision for these RCCC will enable this to become a reality. These RCCC all share similar characteristics around isolation of geography and distance from metropolitan centres, and with their constituents crossing council boundaries to do business, complete farming activities, and meet others, it is important that the provisioning of the same services feels the same.
Reporting Capability	<ul style="list-style-type: none"> The RCCC ability to provide timely, accurate and relevant access to information, for both internal and external customers, is constrained by their lack of technology tools to collect, analyse and report data. This has impacts on decision making consistency, speed and resourcing. An upgrade of technology to a single IT platform, particularly for Finance and Payroll, supported by a shared service function would enable the information and reporting capability to increase so that again these efficiencies can be re-directed to improve service delivery outcomes.



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Figure 59. RCCC Economic Information

ECONOMIC	
Sustainability	<ul style="list-style-type: none"> As outlined by VAGO, this RCCC are some of the most unsustainable within Victoria and a transformation is imperative to ensure their economic sustainability. Beginning with Finance and Payroll functions, leveraging a single IT platform and creating shared services, will create efficiencies in IT budgets and Finance and allow these savings to be re-invested to deliver better service outcomes.
Technology Gains	<ul style="list-style-type: none"> Back office costs are unable to gain any financial efficiencies without a subsequent gain in process efficiency, which can only be obtained via a technology transformation. Council employees are currently working at full capacity, with many engaging in repetitive manual, paper based tasks due to the constraints within the current systems. By transforming current processes and making them less resource intensive, these freed up hours can be re-directed to enhance service delivery.
Contractor Costs	<ul style="list-style-type: none"> It can be observed that many in the RCCC are heavily dependent upon high-cost contract labour for some of their skilled jobs. This is due to an inability to attract and retain talent to more remote areas and roles not covering enough scope, breadth or progression within individual councils. Additionally, when councils manage to attract talent, local councils compete with each other for that same talent. With the creation of shared services, there will be greater breadth and opportunities of roles and may lead to the narrowing of this skills gap.
Procurement	<ul style="list-style-type: none"> As some of the smallest councils in Victoria, the RCCC are disadvantaged in their procurement, not only for capital items, but for services as well. By joining forces to operate under a shared service, their influence and ability to negotiate on price and vendor terms increases. Whilst it is hard to quantify these benefits, this will ultimately lead to economic advantages.

Figure 60. RCCC Operational Information

OPERATIONAL	
Manual Processes	<ul style="list-style-type: none"> Manual processing of paper based processes, especially timesheets are very time intensive, high risk and require low skilled roles. There is little opportunity to change this without a technology backed capability uplift, that results in more efficient processes, time and labour savings cannot be captured.
Increased Automation	<ul style="list-style-type: none"> Through an introduction of an IT platform and cloud based applications across the RCCC the increased automation to workflows and approvals should reduce the workloads on staff and widen the accountability to enable better work/life balances i.e. staff can take their leave, secure in the knowledge that there is someone else to look after the work.
Consistent Business Processes	<ul style="list-style-type: none"> As mentioned, these councils are some of the smallest within Victoria, are geographically co-located and all mostly deliver the same services. There is benefit in having the same processes for the same service; this allows a better sharing of knowledge and through the adoption of a common language and methodology, will enable cross-council collaboration and opportunities for resource sharing. This way of operating leads to continuous improvement and ongoing benefits realisation.
Multiple Applications	<ul style="list-style-type: none"> A legacy of multiple applications that don't communicate with each other creates a jigsaw of bespoke reporting and double keying to transfer information from one system to the other underlined by the risk of data integrity. To improve reporting and data inputs, an IT platform that allows for multiple systems to communicate and share information is required.



10 Attachments

- Appendix A – Profile of RCCC councils
- Appendix B – Financial impact on RCCC councils
- Appendix C – Investment Concept Brief
- Appendix D – Investment Logic Map
- Appendix E – Benefit Management Plan
- Appendix F – Strategic Assessment

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11 Checklist

<i>Initiative title:</i>	<i>Rural Councils Transformation Program business case template</i>	
<i>Department:</i>	<i>Department of Environment, Land, Water and Planning</i>	Yes
1.	Is the problem clearly defined?	<input type="checkbox"/>
2.	Is it clear what the RCTP is purchasing?	<input type="checkbox"/>
3.	Are the links to policy(ies) and contributions explicit?	<input type="checkbox"/>
4.	Are impacts on performance measures specified?	<input type="checkbox"/>
5.	If the submission has multiple components, have these been described separately and is the impact of each component clearly articulated in the costings, staffing and performance measures sections?	<input type="checkbox"/>
6.	Has Local Government Victoria (LGV) been engaged on the development of the draft business case?	<input type="checkbox"/>
7.	Has the <i>Business case</i> been completed in the form of the business case template?	<input type="checkbox"/>
8.	Have costings been agreed with LGV?	<input type="checkbox"/>
9.	Have detailed costings been provided in Excel?	<input type="checkbox"/>



Rural Councils Transformation Program

12 Ministerial Guideline for Entrepreneurial Powers / Application Form

The following attachments accompany this document.

1. Entrepreneurial Powers Ministerial Guideline
2. Application for Ministerial Approval for the Exercise of Entrepreneurial Powers
3. Application for Ministerial Approval for the Exercise of Entrepreneurial Powers – Explanatory Notes

Benefits Summary

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	Option 1: Existing service(s) arrangements						Option 2: Recommended new service(s) arrangements					
	2019-20	2020-21	2021-22	2022-23	2023-24	Ongoing	2019-20	2020-21	2021-22	2022-23	2023-24	Ongoing
Analysis period (years)	5 years					N/A	5 Years					N/A
Capital costs (\$m)												
Operational costs (\$m)												
Cost-Benefit Analysis (of monetised costs and benefits)												
Discount factor						N/A						N/A
Present value of benefits (\$m)						N/A						N/A
Present value of costs (\$m)						N/A						N/A
Net Present Value (\$m)						N/A						N/A
Other important considerations												
Scenario analysis (in NPV)												
Pessimistic scenario (\$m)						N/A						N/A
Optimistic scenario (\$m)												
Non-monetisable disbenefits/benefits (e.g. small, med., large)						N/A						N/A
Impacts (e.g. small, med., large)						N/A						N/A
Preferred option												
Provide a summary to justify the preferred option.												



Appendix A – Profile of RCCC councils

TBC

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Appendix B – Financial impact on RCCC councils

13.1 A. Revenue history and forecasts ('business as usual')

Revenue	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	(Actual)	(Budget)	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
(\$ million)							
Buloke							
Rates and charges	13.1	13.4	13.8	14.1	14.4	14.8	15.2
Operating grants (specific purpose)	11.4	11.7	12.0	12.3	12.6	12.9	13.3
User fees	0.8	0.8	0.8	0.8	0.8	0.9	0.9
Net gain on disposal of property, infrastructure, plant and equipment	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other	3.6	3.7	3.8	3.9	4.0	4.1	4.2
Sub Total	28.8	29.6	30.3	31.0	31.8	32.6	33.4
Central Goldfields							
Rates and charges	14.4	14.8	15.2	15.5	15.9	16.3	16.7
Operating grants (specific purpose)	8.5	8.8	9.0	9.2	9.4	9.7	9.9
User fees	2.2	2.3	2.3	2.4	2.4	2.5	2.6
Net gain on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	8.5	8.7	8.9	9.1	9.4	9.6	9.8
Sub Total	33.7	34.5	35.4	36.3	37.2	38.1	39.1
Golden Plains							
Rates and charges	22.1	22.7	23.2	23.8	24.4	25.0	25.6
Operating grants (specific purpose)	10.5	10.8	11.0	11.3	11.6	11.9	12.2
User fees	2.9	2.9	3.0	3.1	3.2	3.2	3.3
Net gain on disposal of property, infrastructure, plant and equipment	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other	7.6	7.8	8.0	8.2	8.4	8.7	8.9
Sub total	43.3	44.4	45.5	46.6	47.8	49.0	50.2
Hindmarsh							
Rates and charges	8.5	8.7	9.0	9.2	9.4	9.7	9.9
Operating grants (specific purpose)	5.5	5.7	5.8	5.9	6.1	6.2	6.4
User fees	0.9	0.9	0.9	0.9	0.9	1.0	1.0
Net gain on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.1	0.1	0.1	0.1



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Other	3.2	3.3	3.4	3.5	3.6	3.7	3.8
Sub Total	18.2	18.6	19.1	19.6	20.1	20.6	21.1
Horsham							
Rates and charges	26.1	26.8	27.5	28.2	28.9	29.6	30.3
Operating grants (specific purpose)	10.6	10.8	11.1	11.4	11.7	12.0	12.3
User fees	6.9	7.1	7.2	7.4	7.6	7.8	8.0
Net gain on disposal of property, infrastructure, plant and equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other	12.7	13.0	13.3	13.7	14.0	14.3	14.7
Sub Total	56.3	57.8	59.2	60.7	62.2	63.8	65.3
Loddon							
Rates and charges	10.8	11.1	11.4	11.7	12.0	12.3	12.6
Operating grants (specific purpose)	14.8	15.2	15.6	16.0	16.4	16.8	17.2
User fees	1.6	1.6	1.7	1.7	1.8	1.8	1.8
Net gain on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	5.7	5.8	6.0	6.1	6.3	6.4	6.6
Sub Total	33.0	33.8	34.6	35.5	36.4	37.3	38.2
Pyrenees							
Rates and charges	9.8	10.1	10.3	10.6	10.9	11.1	11.4
Operating grants (specific purpose)	9.5	9.7	10.0	10.2	10.5	10.7	11.0
User fees	0.8	0.8	0.8	0.8	0.8	0.9	0.9
Net gain on disposal of property, infrastructure, plant and equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other	3.2	3.2	3.3	3.4	3.5	3.6	3.7
Sub Total	23.3	23.9	24.5	25.1	25.7	26.4	27.0
West Wimmera							
Rates and charges	7.4	7.6	7.8	8.0	8.2	8.4	8.6
Operating grants (specific purpose)	6.9	7.0	7.2	7.4	7.6	7.8	7.9
User fees	0.7	0.7	0.7	0.7	0.7	0.8	0.8
Net gain on disposal of property, infrastructure, plant and equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other	17.0	17.4	17.8	18.3	18.7	19.2	19.7
Sub Total	32.0	32.8	33.6	34.4	35.3	36.2	37.1
Yarriambiack							
Rates and charges	12.1	12.4	12.7	13.0	13.4	13.7	14.0
Operating grants (specific purpose)	9.9	10.1	10.4	10.7	10.9	11.2	11.5
User fees	1.0	1.1	1.1	1.1	1.1	1.2	1.2

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Net gain on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.4	1.5	1.5	1.6	1.6	1.6	1.7
Sub Total	24.5	25.1	25.7	26.4	27.0	27.7	28.4
Total	293.1	300.4	307.9	315.6	323.5	331.6	339.9

13.2 B. Expenditure history and forecasts ('business as usual')

Expenditure	(\$ million)						
	2017-18 (Actual)	2018-19 (Budget)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)
Buloke							
Staffing (including on-costs)	9.2	9.5	9.7	9.9	10.2	10.4	10.7
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	7.6	7.8	8.0	8.2	8.4	8.6	8.9
Annualised cost of capital	7.1	7.3	7.5	7.7	7.9	8.1	8.3
Bad and doubtful debts	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Borrowing Costs	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	0.7	0.7	0.7	0.7	0.7	0.8	0.8
Sub Total	25.1	25.7	26.4	27.0	27.7	28.4	29.1
Central Goldfields							
Staffing (including on-costs)	12.1	12.4	12.7	13.0	13.4	13.7	14.0
Net loss on disposal of property, infrastructure, plant and equipment	1.7	1.8	1.8	1.9	1.9	1.9	2.0
Materials and Consumables	8.4	8.6	8.8	9.0	9.2	9.5	9.7
Annualised cost of capital	7.2	7.4	7.6	7.8	8.0	8.2	8.4
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Sub Total	30.0	30.7	31.5	32.3	33.1	33.9	34.8
Golden Plains							
Staffing (including on-costs)	17.6	18.0	18.5	18.9	19.4	19.9	20.4
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0



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Materials and Consumables	11.4	11.7	12.0	12.3	12.6	12.9	13.2
Annualised cost of capital	7.6	7.8	8.0	8.2	8.4	8.6	8.8
Bad and doubtful debts	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Borrowing Costs	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Other	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Sub Total	37.3	38.2	39.1	40.1	41.1	42.2	43.2
Hindmarsh							
Staffing (including on-costs)	6.6	6.7	6.9	7.1	7.2	7.4	7.6
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	4.6	4.7	4.8	4.9	5.0	5.2	5.3
Annualised cost of capital	4.8	5.0	5.1	5.2	5.3	5.5	5.6
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.3	1.4	1.4	1.4	1.5	1.5	1.6
Sub Total	17.3	17.7	18.2	18.6	19.1	19.6	20.1
Horsham							
Staffing (including on-costs)	17.6	18.0	18.5	19.0	19.4	19.9	20.4
Net loss on disposal of property, infrastructure, plant and equipment	1.1	1.2	1.2	1.2	1.3	1.3	1.3
Materials and Consumables	19.6	20.1	20.6	21.1	21.6	22.2	22.7
Annualised cost of capital	11.1	11.4	11.7	12.0	12.3	12.6	12.9
Bad and doubtful debts	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Borrowing Costs	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Sub Total	50.1	51.3	52.6	53.9	55.3	56.6	58.1
Loddon							
Staffing (including on-costs)	10.9	11.1	11.4	11.7	12.0	12.3	12.6
Net loss on disposal of property, infrastructure, plant and equipment	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Materials and Consumables	13.3	13.6	14.0	14.3	14.7	15.1	15.4



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Annualised cost of capital	9.2	9.5	9.7	9.9	10.2	10.4	10.7
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Sub Total	33.8	34.6	35.5	36.4	37.3	38.2	39.2
Pyrenees							
Staffing (including on-costs)	6.4	6.6	6.7	6.9	7.1	7.2	7.4
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	12.3	12.6	13.0	13.3	13.6	14.0	14.3
Annualised cost of capital	6.7	6.9	7.0	7.2	7.4	7.6	7.8
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Sub Total	25.7	26.4	27.0	27.7	28.4	29.1	29.8
West Wimmera							
Staffing (including on-costs)	6.9	7.1	7.3	7.4	7.6	7.8	8.0
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	18.4	18.9	19.3	19.8	20.3	20.8	21.3
Annualised cost of capital	6.6	6.8	7.0	7.2	7.3	7.5	7.7
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Sub Total	32.3	33.1	33.9	34.8	35.6	36.5	37.4
Yarriambiack							
Staffing (including on-costs)	8.2	8.4	8.6	8.8	9.0	9.2	9.5
Net loss on disposal of property, infrastructure, plant and equipment	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Materials and Consumables	5.6	5.8	5.9	6.1	6.2	6.4	6.5
Annualised cost of capital	5.8	6.0	6.1	6.3	6.4	6.6	6.8



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Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.1	2.2	2.2	2.3	2.3	2.4	2.4
Sub Total	22.0	22.6	23.1	23.7	24.3	24.9	25.5
Total	273.5	280.3	287.3	294.5	301.9	309.4	317.2

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13.4 C. Expenditure forecasts

13.4.1 1. Determine the relevant base case (BAU) costs

The below table outlines the base case costs (BAU costs) for each individual council within the Horsham Consortia of Councils. Both labour and IT-related function costs have been derived from LGPRF data, a mandatory performance reporting framework for all Victorian councils. An indexation of 2.5 per cent per annum has been applied to all costs across the forward estimates.

Cost by Function (BAU)						(\$ million)	
	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing
Buloke							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.283	0.290	0.298	0.305	0.313	1.489	0.320
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.084	0.086	0.088	0.090	0.092	0.440	0.095
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.367	0.376	0.386	0.395	0.405	1.929	0.415
IT Costs							
Finance	0.037	0.038	0.039	0.040	0.041	0.194	0.042
IT	0.042	0.043	0.044	0.045	0.046	0.221	0.047
Payroll	0.012	0.012	0.013	0.013	0.013	0.064	0.014
Asset management	0.040	0.041	0.042	0.043	0.044	0.210	0.045
Records management	0.019	0.019	0.020	0.020	0.021	0.099	0.021
Sub-total	0.150	0.154	0.157	0.161	0.165	0.788	0.170
Central Goldfields							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.357	0.366	0.375	0.384	0.394	1.877	0.404
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	-	-	-	-	-	-	-
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.357	0.366	0.375	0.384	0.394	1.877	0.404
IT Costs							
Finance	0.026	0.027	0.027	0.028	0.029	0.137	0.030
IT	0.059	0.060	0.062	0.063	0.065	0.309	0.067
Payroll	0.015	0.016	0.016	0.017	0.017	0.081	0.017
Asset management	0.031	0.032	0.033	0.033	0.034	0.164	0.035
Records management	0.022	0.022	0.023	0.023	0.024	0.114	0.024
Sub-total	0.153	0.157	0.161	0.165	0.169	0.805	0.173

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Golden Plains								
Labour Costs								
Asset management	-	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-	-
Finance	0.910	0.933	0.956	0.980	1.005	4.785	1.030	
HR	-	-	-	-	-	-	-	
IT	-	-	-	-	-	-	-	
OHS	-	-	-	-	-	-	-	
Payroll	0.231	0.236	0.242	0.248	0.255	1.213	0.261	
Rates and planning	-	-	-	-	-	-	-	
Sub-total	1.141	1.170	1.199	1.229	1.260	5.998	1.291	
IT Costs								
Finance	0.061	0.062	0.064	0.065	0.067	0.319	0.069	
IT	0.033	0.034	0.035	0.035	0.036	0.173	0.037	
Payroll	-	-	-	-	-	-	-	
Asset management	0.024	0.024	0.025	0.026	0.026	0.125	0.027	
Records management	0.087	0.089	0.091	0.094	0.096	0.458	0.099	
Sub-total	0.204	0.210	0.215	0.220	0.226	1.075	0.231	
Hindmarsh								
Labour Costs								
Asset management	-	-	-	-	-	-	-	
Customer engagement	-	-	-	-	-	-	-	
Finance	0.398	0.407	0.418	0.428	0.439	2.090	0.450	
HR	-	-	-	-	-	-	-	
IT	-	-	-	-	-	-	-	
OHS	-	-	-	-	-	-	-	
Payroll	-	-	-	-	-	-	-	
Rates and planning	-	-	-	-	-	-	-	
Sub-total	0.398	0.407	0.418	0.428	0.439	2.090	0.450	
IT Costs								
Finance	0.194	0.199	0.204	0.209	0.215	1.022	0.220	
IT	-	-	-	-	-	-	-	
Payroll	-	-	-	-	-	-	-	
Asset management	0.044	0.045	0.047	0.048	0.049	0.233	0.050	
Records management	0.013	0.013	0.013	0.014	0.014	0.066	0.014	
Sub-total	0.251	0.257	0.264	0.271	0.277	1.320	0.284	
Horsham								
Labour Costs								
Asset management	-	-	-	-	-	-	-	
Customer engagement	-	-	-	-	-	-	-	
Finance	0.385	0.394	0.404	0.414	0.425	2.022	0.435	
HR	-	-	-	-	-	-	-	
IT	-	-	-	-	-	-	-	
OHS	-	-	-	-	-	-	-	
Payroll	0.629	0.645	0.661	0.677	0.694	3.305	0.711	
Rates and planning	-	-	-	-	-	-	-	

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Sub-total	1.013	1.039	1.065	1.091	1.119	5.327	1.147
IT Costs							
Finance	0.059	0.060	0.062	0.063	0.065	0.310	0.067
IT	0.011	0.011	0.011	0.011	0.012	0.055	0.012
Payroll	0.048	0.050	0.051	0.052	0.053	0.255	0.055
Asset management	0.148	0.152	0.156	0.160	0.164	0.779	0.168
Records management	0.009	0.009	0.009	0.009	0.010	0.045	0.010
Sub-total	0.275	0.282	0.289	0.296	0.303	1.444	0.311
Loddon							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.698	0.716	0.734	0.752	0.771	3.670	0.790
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	-	-	-	-	-	-	-
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.698	0.716	0.734	0.752	0.771	3.670	0.790
IT Costs							
Finance	0.018	0.018	0.019	0.019	0.020	0.094	0.020
IT	0.002	0.002	0.002	0.002	0.002	0.008	0.002
Payroll	0.005	0.005	0.005	0.005	0.006	0.027	0.006
Asset management	0.033	0.033	0.034	0.035	0.036	0.171	0.037
Records management	-	-	-	-	-	-	-
Sub-total	0.057	0.059	0.060	0.062	0.063	0.300	0.065
Pyrenees							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.490	0.503	0.515	0.528	0.541	2.577	0.555
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.130	0.133	0.136	0.140	0.143	0.683	0.147
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.620	0.636	0.652	0.668	0.684	3.260	0.702
IT Costs							
Finance	0.014	0.014	0.014	0.015	0.015	0.072	0.015
IT	-	-	-	-	-	-	-
Payroll	0.013	0.013	0.014	0.014	0.014	0.068	0.015
Asset management	-	-	-	-	-	-	-
Records management	0.019	0.019	0.020	0.020	0.021	0.098	0.021
Sub-total	0.045	0.046	0.047	0.049	0.050	0.238	0.051
West Wimmera							
Labour Costs							

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Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.694	0.711	0.729	0.747	0.766	3.648	0.785
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.099	0.102	0.104	0.107	0.110	0.523	0.112
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.794	0.813	0.834	0.855	0.876	4.171	0.898
IT Costs							
Finance	0.106	0.109	0.112	0.114	0.117	0.558	0.120
IT	0.052	0.054	0.055	0.056	0.058	0.275	0.059
Payroll	-	-	-	-	-	-	-
Asset management	0.009	0.009	0.009	0.009	0.009	0.045	0.010
Records management	0.016	0.017	0.017	0.017	0.018	0.085	0.018
Sub-total	0.183	0.188	0.192	0.197	0.202	0.962	0.207
Yarriambiack							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.138	0.142	0.145	0.149	0.153	0.726	0.156
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.126	0.129	0.132	0.136	0.139	0.662	0.142
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.264	0.271	0.277	0.284	0.291	1.388	0.299
IT Costs							
Finance	0.182	0.187	0.192	0.196	0.201	0.958	0.206
IT	-	-	-	-	-	-	-
Payroll	-	-	-	-	-	-	-
Asset management	0.015	0.015	0.015	0.016	0.016	0.077	0.017
Records management	-	-	-	-	-	-	-
Sub-total	0.197	0.202	0.207	0.212	0.217	1.035	0.223
Total	7.168	7.347	7.531	7.719	7.912	37.676	8.110

13.4.2 2. The level of costs under the intervention

The below table outlines the estimated labour and IT function costs under the intervention for each council within the Horsham consortia.

Total labour costs reflect the estimated labour productivity benefits expected to be realised against all functions (e.g. asset management, customer engagement, etc.) from 2020-21 onwards.

IT-related costs are estimated to remain the same as the base-case, with the exception of finance and payroll functions. Under the intervention, finance and payroll costs will incur an initial project implementation costs, as well as an ongoing operating fee.

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Cost by Function (net benefits)	2019-20 (Forecast)	2020-21 (Forecast)	2021-22 (Forecast)	2022-23 (Forecast)	2023-24 (Forecast)	5-year total	Ongoing	(\$ million)
Buloke								
Labour Costs								
Asset management	-	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-	-
Finance	0.365	0.341	0.328	0.330	0.338	1.701	0.346	
HR	-	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-	-
Payroll	0.109	0.102	0.098	0.098	0.101	0.507	0.103	
Rates and planning	-	-	-	-	-	-	-	-
Sub-total	0.473	0.442	0.426	0.428	0.439	2.208	0.450	
IT Costs								
Finance	0.390	0.023	0.023	0.023	0.023	0.484	0.024	
IT	0.017	0.017	0.017	0.018	0.018	0.087	0.019	
Payroll	-	0.005	0.005	0.005	0.005	0.020	0.005	
Asset management	0.029	0.029	0.030	0.031	0.032	0.151	0.033	
Records management	0.015	0.016	0.016	0.017	0.017	0.081	0.017	
Sub-total	0.451	0.091	0.092	0.094	0.095	0.823	0.098	
Central Goldfields								
Labour Costs								
Asset management	-	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-	-
Finance	0.379	0.354	0.341	0.343	0.351	1.767	0.360	
HR	-	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-	-
Payroll	0.113	0.106	0.102	0.102	0.105	0.527	0.107	
Rates and planning	-	-	-	-	-	-	-	-
Sub-total	0.492	0.460	0.442	0.445	0.456	2.294	0.467	
IT Costs								
Finance	0.405	0.024	0.024	0.024	0.024	0.503	0.025	
IT	0.017	0.018	0.018	0.019	0.019	0.091	0.019	
Payroll	-	0.005	0.005	0.005	0.005	0.021	0.005	
Asset management	0.030	0.031	0.031	0.032	0.033	0.157	0.034	
Records management	0.016	0.016	0.017	0.017	0.018	0.084	0.018	
Sub-total	0.468	0.094	0.096	0.097	0.099	0.855	0.102	
Golden Plains								
Labour Costs								
Asset management	-	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-	-
Finance	0.414	0.387	0.372	0.374	0.384	1.930	0.393	

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HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.123	0.115	0.111	0.112	0.114	0.576	0.117
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.537	0.502	0.483	0.486	0.498	2.506	0.510
IT Costs							
Finance	0.443	0.027	0.027	0.027	0.027	0.549	0.027
IT	0.019	0.019	0.020	0.020	0.021	0.099	0.021
Payroll	-	0.006	0.006	0.006	0.006	0.023	0.006
Asset management	0.033	0.033	0.034	0.035	0.036	0.171	0.037
Records management	0.017	0.018	0.018	0.019	0.019	0.092	0.020
Sub-total	0.512	0.103	0.105	0.106	0.108	0.934	0.111
Hindmarsh Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.393	0.367	0.353	0.355	0.364	1.833	0.373
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.117	0.110	0.105	0.106	0.109	0.547	0.111
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.510	0.477	0.459	0.461	0.473	2.380	0.485
IT Costs							
Finance	0.420	0.025	0.025	0.025	0.025	0.522	0.026
IT	0.018	0.018	0.019	0.019	0.020	0.094	0.020
Payroll	-	0.005	0.005	0.005	0.005	0.022	0.006
Asset management	0.031	0.032	0.033	0.033	0.034	0.163	0.035
Records management	0.017	0.017	0.017	0.018	0.018	0.087	0.019
Sub-total	0.486	0.098	0.099	0.101	0.103	0.887	0.105
Horsham Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.469	0.438	0.422	0.424	0.435	2.188	0.446
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.140	0.131	0.126	0.127	0.130	0.653	0.133
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.609	0.569	0.548	0.551	0.565	2.841	0.579
IT Costs							
Finance	0.502	0.030	0.030	0.030	0.030	0.623	0.031
IT	0.021	0.022	0.022	0.023	0.024	0.112	0.024

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Payroll	-	0.006	0.006	0.006	0.006	0.026	0.007
Asset management	0.037	0.038	0.039	0.040	0.041	0.194	0.042
Records management	0.020	0.020	0.021	0.021	0.022	0.104	0.022
Sub-total	0.580	0.117	0.119	0.121	0.123	1.059	0.126
Loddon							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.514	0.481	0.462	0.465	0.477	2.399	0.489
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.153	0.143	0.138	0.139	0.142	0.715	0.146
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.667	0.624	0.600	0.604	0.619	3.114	0.634
IT Costs							
Finance	0.550	0.033	0.033	0.033	0.033	0.682	0.034
IT	0.023	0.024	0.025	0.025	0.026	0.123	0.026
Payroll	-	0.007	0.007	0.007	0.007	0.028	0.007
Asset management	0.041	0.042	0.043	0.044	0.045	0.213	0.046
Records management	0.022	0.022	0.023	0.023	0.024	0.114	0.025
Sub-total	0.636	0.128	0.130	0.132	0.135	1.161	0.138
Pyrenees							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.708	0.662	0.637	0.641	0.657	3.304	0.673
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.211	0.197	0.190	0.191	0.196	0.985	0.201
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.919	0.859	0.827	0.832	0.852	4.289	0.874
IT Costs							
Finance	0.758	0.046	0.046	0.046	0.046	0.940	0.047
IT	0.032	0.033	0.034	0.035	0.036	0.169	0.036
Payroll	-	0.010	0.010	0.010	0.010	0.039	0.010
Asset management	0.056	0.057	0.059	0.060	0.062	0.293	0.063
Records management	0.030	0.031	0.031	0.032	0.033	0.157	0.034
Sub-total	0.876	0.176	0.179	0.182	0.185	1.599	0.190
West Wimmera							
Labour Costs							
Asset management	-	-	-	-	-	-	-

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Customer engagement	-	-	-	-	-	-	-
Finance	0.704	0.658	0.633	0.637	0.653	3.284	0.669
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.210	0.196	0.189	0.190	0.195	0.979	0.199
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.914	0.854	0.822	0.826	0.847	4.263	0.868
IT Costs							
Finance	0.753	0.045	0.045	0.045	0.045	0.934	0.046
IT	0.032	0.033	0.034	0.034	0.035	0.168	0.036
Payroll	-	0.010	0.010	0.010	0.010	0.039	0.010
Asset management	0.055	0.057	0.058	0.060	0.061	0.292	0.063
Records management	0.030	0.030	0.031	0.032	0.033	0.156	0.034
Sub-total	0.870	0.175	0.178	0.181	0.184	1.589	0.189
Yarriambiack							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.409	0.382	0.368	0.370	0.379	1.907	0.389
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.122	0.114	0.110	0.110	0.113	0.569	0.116
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.531	0.496	0.477	0.480	0.492	2.476	0.504
IT Costs							
Finance	0.438	0.026	0.026	0.026	0.026	0.543	0.027
IT	0.019	0.019	0.020	0.020	0.021	0.098	0.021
Payroll	-	0.006	0.006	0.006	0.006	0.023	0.006
Asset management	0.032	0.033	0.034	0.035	0.036	0.169	0.036
Records management	0.017	0.018	0.018	0.019	0.019	0.091	0.020
Sub-total	0.506	0.102	0.103	0.105	0.107	0.923	0.110
Total	11.036	6.366	6.185	6.233	6.381	36.201	6.540

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13.4.3 3. Determine the net benefit resulting from adopting the intervention

The below table reflects the variance between adopting the intervention and operating under the base case (BAU).

(\$ million)							
Cost by Function (net benefits)	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	Ongoing
	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)		
Buloke							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	(0.081)	(0.050)	(0.030)	(0.025)	(0.025)	(0.212)	(0.026)
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	(0.025)	(0.016)	(0.010)	(0.008)	(0.008)	(0.067)	(0.009)
Rates and planning	-	-	-	-	-	-	-
Sub-total	(0.106)	(0.066)	(0.040)	(0.033)	(0.034)	(0.279)	(0.035)
IT Costs							
Finance	(0.353)	0.014	0.015	0.016	0.017	(0.290)	0.018
IT	0.025	0.026	0.027	0.027	0.028	0.133	0.029
Payroll	0.012	0.007	0.008	0.008	0.008	0.044	0.009
Asset management	0.011	0.012	0.012	0.012	0.012	0.059	0.013
Records management	0.003	0.004	0.004	0.004	0.004	0.018	0.004
Sub-total	-0.301	0.063	0.065	0.068	0.070	-0.035	0.072
Central Goldfields							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	(0.022)	0.012	0.035	0.042	0.043	0.110	0.044
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	(0.113)	(0.106)	(0.102)	(0.102)	(0.105)	(0.527)	(0.107)
Rates and planning	-	-	-	-	-	-	-
Sub-total	(0.135)	(0.094)	(0.067)	(0.060)	(0.062)	(0.417)	(0.063)
IT Costs							
Finance	(0.379)	0.002	0.003	0.004	0.005	(0.365)	0.005
IT	0.042	0.043	0.044	0.045	0.046	0.219	0.047
Payroll	0.015	0.010	0.011	0.011	0.012	0.060	0.012
Asset management	0.001	0.001	0.001	0.001	0.001	0.007	0.001
Records management	0.006	0.006	0.006	0.006	0.006	0.030	0.006
Sub-total	-0.315	0.063	0.065	0.067	0.070	-0.050	0.072
Golden Plains							
Labour Costs							
Asset management	-	-	-	-	-	-	-

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Customer engagement	-	-	-	-	-	-	-
Finance	0.497	0.546	0.584	0.606	0.621	2.855	0.637
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.107	0.121	0.131	0.137	0.140	0.637	0.144
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.604	0.668	0.716	0.743	0.762	3.492	0.781
IT Costs							
Finance	(0.382)	0.036	0.037	0.039	0.040	(0.230)	0.041
IT	0.014	0.014	0.015	0.015	0.016	0.074	0.016
Payroll	-	(0.006)	(0.006)	(0.006)	(0.006)	(0.023)	(0.006)
Asset management	(0.009)	(0.009)	(0.009)	(0.009)	(0.010)	(0.046)	(0.010)
Records management	0.070	0.071	0.073	0.075	0.077	0.366	0.079
Sub-total	-0.307	0.107	0.110	0.114	0.117	0.141	0.120
Hindmarsh							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.005	0.040	0.064	0.073	0.075	0.257	0.076
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	(0.117)	(0.110)	(0.105)	(0.106)	(0.109)	(0.547)	(0.111)
Rates and planning	-	-	-	-	-	-	-
Sub-total	(0.112)	(0.069)	(0.041)	(0.033)	(0.034)	(0.290)	(0.035)
IT Costs							
Finance	(0.226)	0.174	0.179	0.184	0.189	0.500	0.194
IT	(0.018)	(0.018)	(0.019)	(0.019)	(0.020)	(0.094)	(0.020)
Payroll	-	(0.005)	(0.005)	(0.005)	(0.005)	(0.022)	(0.006)
Asset management	0.013	0.014	0.014	0.014	0.015	0.070	0.015
Records management	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.021)	(0.005)
Sub-total	-0.235	0.160	0.165	0.169	0.174	0.433	0.179
Horsham							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	(0.084)	(0.044)	(0.018)	(0.010)	(0.010)	(0.167)	(0.011)
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.489	0.514	0.535	0.551	0.564	2.653	0.578
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.405	0.470	0.517	0.541	0.554	2.486	0.568

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IT Costs							
Finance	(0.443)	0.030	0.032	0.033	0.035	(0.313)	0.036
IT	(0.011)	(0.011)	(0.011)	(0.012)	(0.012)	(0.057)	(0.012)
Payroll	0.048	0.043	0.044	0.046	0.047	0.229	0.048
Asset management	0.111	0.114	0.117	0.120	0.123	0.584	0.126
Records management	(0.011)	(0.011)	(0.012)	(0.012)	(0.012)	(0.059)	(0.013)
Sub-total	-0.305	0.165	0.170	0.175	0.180	0.385	0.185
Loddon							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	0.184	0.235	0.271	0.287	0.294	1.271	0.301
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	(0.153)	(0.143)	(0.138)	(0.139)	(0.142)	(0.715)	(0.146)
Rates and planning	-	-	-	-	-	-	-
Sub-total	0.031	0.092	0.133	0.148	0.152	0.556	0.156
IT Costs							
Finance	(0.532)	(0.015)	(0.014)	(0.014)	(0.013)	(0.588)	(0.014)
IT	(0.022)	(0.022)	(0.023)	(0.023)	(0.024)	(0.115)	(0.025)
Payroll	0.005	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Asset management	(0.008)	(0.008)	(0.008)	(0.009)	(0.009)	(0.042)	(0.009)
Records management	(0.022)	(0.022)	(0.023)	(0.023)	(0.024)	(0.114)	(0.025)
Sub-total	-0.579	-0.069	-0.070	-0.071	-0.072	-0.860	-0.073
Pyrenees							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	(0.218)	(0.159)	(0.122)	(0.113)	(0.115)	(0.727)	(0.118)
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	(0.081)	(0.064)	(0.054)	(0.051)	(0.052)	(0.303)	(0.054)
Rates and planning	-	-	-	-	-	-	-
Sub-total	(0.299)	(0.224)	(0.175)	(0.164)	(0.168)	(1.030)	(0.172)
IT Costs							
Finance	(0.744)	(0.032)	(0.031)	(0.031)	(0.031)	(0.868)	(0.031)
IT	(0.032)	(0.033)	(0.034)	(0.035)	(0.036)	(0.169)	(0.036)
Payroll	0.013	0.003	0.004	0.004	0.004	0.029	0.005
Asset management	(0.056)	(0.057)	(0.059)	(0.060)	(0.062)	(0.293)	(0.063)
Records management	(0.011)	(0.011)	(0.012)	(0.012)	(0.012)	(0.059)	(0.013)
Sub-total	-0.831	-0.130	-0.132	-0.134	-0.136	-1.361	-0.139
West Wimmera							

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Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	(0.010)	0.054	0.096	0.111	0.114	0.365	0.116
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	(0.110)	(0.094)	(0.084)	(0.083)	(0.085)	(0.457)	(0.087)
Rates and planning	-	-	-	-	-	-	-
Sub-total	(0.120)	(0.041)	0.012	0.028	0.029	(0.092)	0.029
IT Costs							
Finance	(0.647)	0.064	0.066	0.069	0.072	(0.376)	0.074
IT	0.020	0.021	0.021	0.022	0.022	0.106	0.023
Payroll	-	(0.010)	(0.010)	(0.010)	(0.010)	(0.039)	(0.010)
Asset management	(0.047)	(0.048)	(0.049)	(0.051)	(0.052)	(0.247)	(0.053)
Records management	(0.014)	(0.014)	(0.014)	(0.015)	(0.015)	(0.071)	(0.015)
Sub-total	-0.687	0.013	0.014	0.016	0.018	-0.626	0.018
Yarriambiack							
Labour Costs							
Asset management	-	-	-	-	-	-	-
Customer engagement	-	-	-	-	-	-	-
Finance	(0.271)	(0.241)	(0.222)	(0.221)	(0.227)	(1.181)	(0.232)
HR	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-
OHS	-	-	-	-	-	-	-
Payroll	0.004	0.015	0.023	0.025	0.026	0.093	0.027
Rates and planning	-	-	-	-	-	-	-
Sub-total	(0.267)	(0.225)	(0.200)	(0.196)	(0.201)	(1.088)	(0.206)
IT Costs							
Finance	(0.255)	0.161	0.165	0.170	0.175	0.415	0.179
IT	(0.019)	(0.019)	(0.020)	(0.020)	(0.021)	(0.098)	(0.021)
Payroll	-	(0.006)	(0.006)	(0.006)	(0.006)	(0.023)	(0.006)
Asset management	(0.018)	(0.018)	(0.018)	(0.019)	(0.019)	(0.092)	(0.020)
Records management	(0.017)	(0.018)	(0.018)	(0.019)	(0.019)	(0.091)	(0.020)
Sub-total	-0.309	0.100	0.104	0.107	0.110	0.113	0.113
Total	-3.868	0.981	1.346	1.486	1.531	1.475	1.570

13.4.4 4. Reflect the net benefit into the expenditure forecast

The below table incorporates the net benefit/loss of each cost category detailed in Figure 45 into the relevant expenditure line item. In this case, changes to labour related costs have been reflected within *Staffing (including on-costs)*, whilst changes to IT-related costs have been incorporated into *Materials and Consumables* for each of the individual councils.

Rural Councils Transformation Program

Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24	5-year total	(\$ million) Ongoing
	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)		
Buloke							
Staffing (including on-costs)	9.8	10.0	10.2	10.5	10.7	51.3	11.0
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	8.3	8.2	8.4	8.6	8.8	42.2	9.0
Annualised cost of capital	7.5	7.7	7.9	8.1	8.3	39.4	8.5
Bad and doubtful debts	0.1	0.1	0.1	0.1	0.1	0.6	0.1
Borrowing Costs	0.3	0.3	0.3	0.3	0.3	1.6	0.4
Other	0.7	0.7	0.7	0.8	0.8	3.7	0.8
Sub Total	26.8	27.0	27.7	28.4	29.1	138.9	29.8
Central Goldfields							
Staffing (including on-costs)	12.8	13.1	13.4	13.8	14.1	67.2	14.4
Net loss on disposal of property, infrastructure, plant and equipment	1.8	1.9	1.9	1.9	2.0	9.5	2.0
Materials and Consumables	9.1	8.9	9.2	9.4	9.6	46.2	9.9
Annualised cost of capital	7.6	7.8	8.0	8.2	8.4	39.9	8.6
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Borrowing Costs	0.2	0.2	0.2	0.2	0.2	0.9	0.2
Other	0.4	0.4	0.4	0.5	0.5	2.2	0.5
Sub Total	32.0	32.3	33.1	33.9	34.8	166.1	35.6
Golden Plains							
Staffing (including on-costs)	17.9	18.3	18.7	19.1	19.6	93.5	20.1
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	12.3	12.2	12.5	12.8	13.1	62.9	13.5
Annualised cost of capital	8.0	8.2	8.4	8.6	8.8	41.9	9.0
Bad and doubtful debts	0.1	0.1	0.1	0.1	0.1	0.4	0.1
Borrowing Costs	0.4	0.4	0.4	0.4	0.4	1.8	0.4
Other	0.3	0.3	0.3	0.3	0.3	1.4	0.3
Sub Total	38.8	39.3	40.3	41.3	42.3	202.1	43.4



Rural Councils Transformation Program

Hindmarsh							
Staffing (including on-costs)	7.0	7.1	7.3	7.5	7.6	36.5	7.8
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	5.0	4.8	4.9	5.0	5.1	24.8	5.2
Annualised cost of capital	5.1	5.2	5.3	5.5	5.6	26.7	5.7
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.4	1.4	1.5	1.5	1.6	7.4	1.6
Sub Total	18.5	18.5	19.0	19.4	19.9	95.4	20.4
Horsham							
Staffing (including on-costs)	18.1	18.5	18.9	19.4	19.9	94.7	20.4
Net loss on disposal of property, infrastructure, plant and equipment	1.2	1.2	1.3	1.3	1.3	6.3	1.4
Materials and Consumables	20.9	20.9	21.4	22.0	22.5	107.8	23.1
Annualised cost of capital	11.7	12.0	12.3	12.6	12.9	61.3	13.2
Bad and doubtful debts	0.1	0.1	0.1	0.1	0.1	0.4	0.1
Borrowing Costs	0.3	0.3	0.3	0.3	0.3	1.6	0.3
Other	0.3	0.3	0.3	0.3	0.3	1.4	0.3
Sub Total	52.5	53.3	54.6	55.9	57.3	273.6	58.8
Loddon							
Staffing (including on-costs)	11.4	11.6	11.8	12.1	12.4	59.4	12.7
Net loss on disposal of property, infrastructure, plant and equipment	0.1	0.1	0.1	0.1	0.1	0.4	0.1
Materials and Consumables	14.6	14.4	14.8	15.1	15.5	74.4	15.9
Annualised cost of capital	9.7	9.9	10.2	10.4	10.7	51.0	11.0
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.3	0.3	0.4	1.7	0.4
Sub Total	36.0	36.4	37.2	38.2	39.1	186.9	40.1
Pyrenees							
Staffing (including on-costs)	7.0	7.1	7.2	7.4	7.6	36.3	7.8

Rural Councils Transformation Program

Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	13.8	13.4	13.7	14.1	14.4	69.5	14.8
Annualised cost of capital	7.0	7.2	7.4	7.6	7.8	37.0	8.0
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.3	0.3	0.3	1.6	0.3
Sub Total	28.2	28.1	28.7	29.4	30.1	144.5	30.9
West Wimmera							
Staffing (including on-costs)	7.4	7.5	7.6	7.8	8.0	38.2	8.2
Net loss on disposal of property, infrastructure, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and Consumables	20.0	19.8	20.3	20.8	21.3	102.3	21.9
Annualised cost of capital	7.0	7.2	7.3	7.5	7.7	36.7	7.9
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.3	0.3	0.4	1.7	0.4
Sub Total	34.7	34.8	35.6	36.5	37.4	178.9	38.3
Yarriambiack							
Staffing (including on-costs)	8.8	9.0	9.2	9.4	9.7	46.1	9.9
Net loss on disposal of property, infrastructure, plant and equipment	0.3	0.3	0.3	0.3	0.3	1.5	0.3
Materials and Consumables	6.2	6.0	6.1	6.3	6.4	31.0	6.6
Annualised cost of capital	6.1	6.3	6.4	6.6	6.8	32.2	6.9
Bad and doubtful debts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowing Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.2	2.3	2.3	2.4	2.4	11.6	2.5
Sub Total	23.7	23.8	24.4	25.0	25.6	122.5	26.2
Total	291.2	293.5	300.5	307.9	315.6	1,508.8	323.5

13.5 D. Revenue forecasts

It is not anticipated that the revenue for each council within the Horsham Consortia will be impacted under this intervention. As such, the proposed revenue is estimated to remain the same as under the base case for each council.

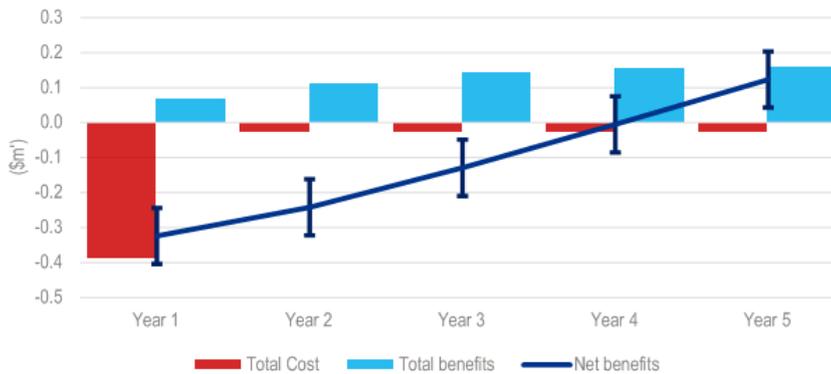
Rural Councils Transformation Program

13.6 D. Return on investment

A high-level summary on each of the nine council's financial returns is provided below:

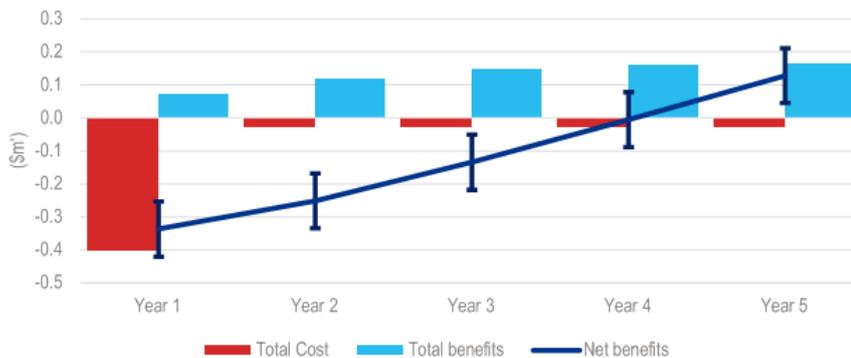
Buloke

- It is anticipated that Buloke will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Buloke will generate a total of \$0.6m in benefits.
- Net benefits associated with the intervention are expected to be \$123,500



Central Goldfields

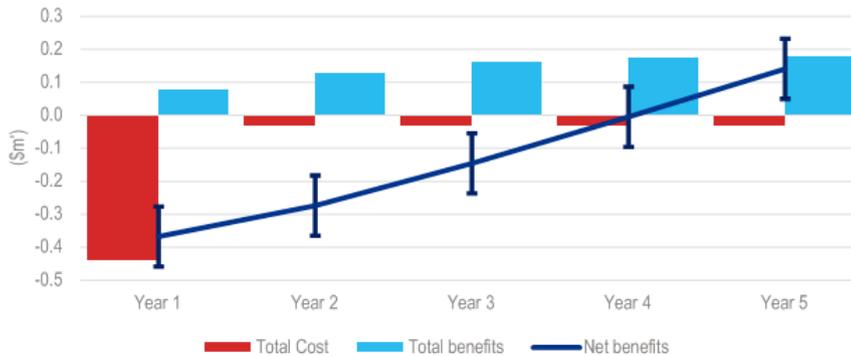
- It is anticipated that Central Goldfields will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Central Goldfields will generate a total of \$0.6m in benefits.
- Net benefits associated with the intervention are expected to be \$128,300



Golden Plains

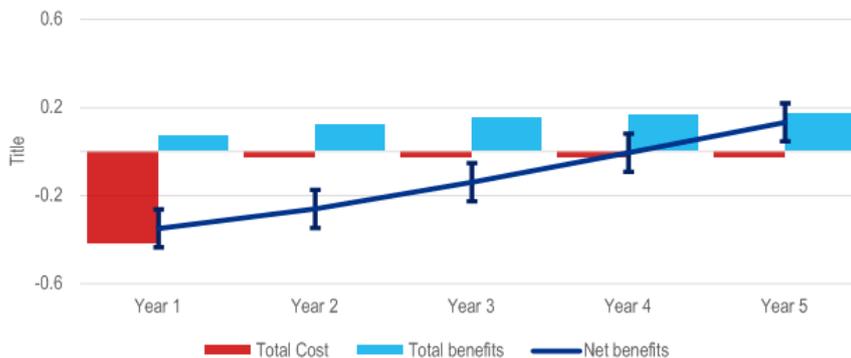
- It is anticipated that Golden Plains will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Golden Plains will generate a total of \$0.7m in benefits.
- Net benefits associated with the intervention are expected to be \$140,200

Rural Councils Transformation Program



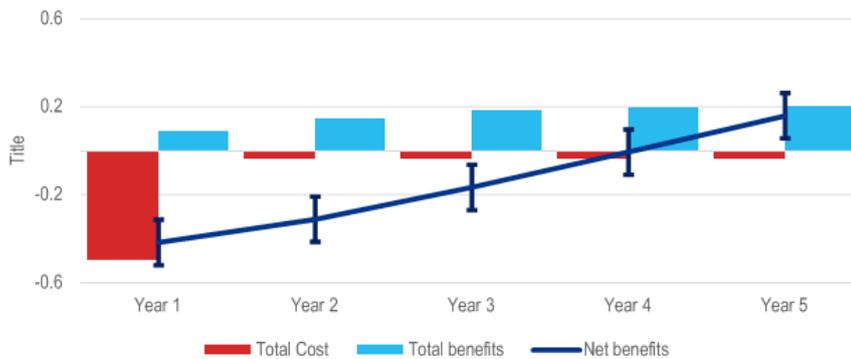
Hindmarsh

- It is anticipated that Hindmarsh will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Hindmarsh will generate a total of \$0.7m in benefits.
- Net benefits associated with the intervention are expected to be \$133,100



Horsham

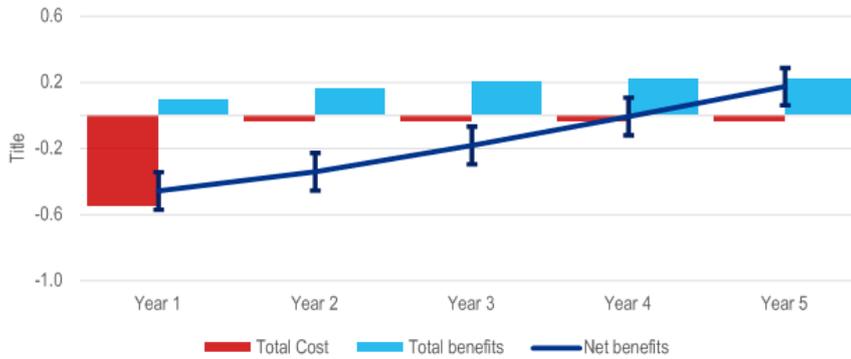
- It is anticipated that Horsham will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Horsham will generate a total of \$0.8m in benefits.
- Net benefits associated with the intervention are expected to be \$158,900



Loddon

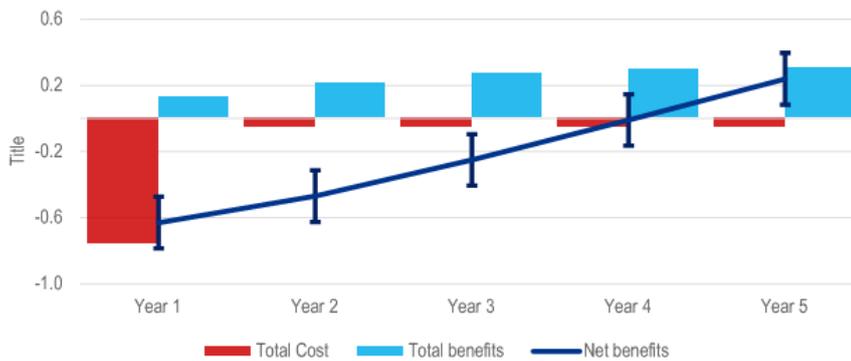
- It is anticipated that Loddon will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Loddon will generate a total of \$0.8m in benefits.
- Net benefits associated with the intervention are expected to be \$174,200

Rural Councils Transformation Program



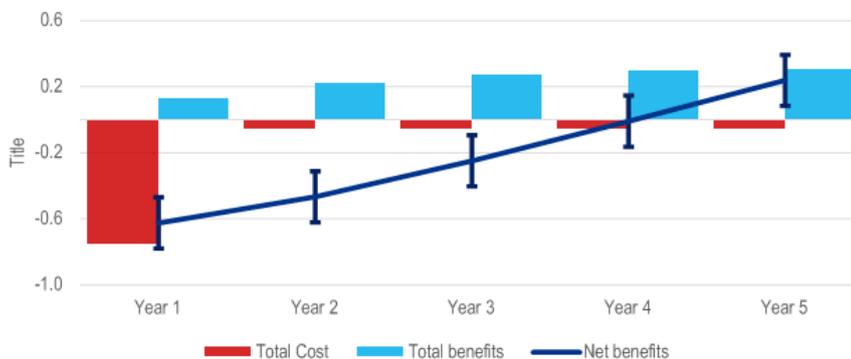
Pyrenees

- It is anticipated that Pyrenees will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Pyrenees will generate a total of \$1.2m in benefits.
- Net benefits associated with the intervention are expected to be \$239,900



West Wimmera

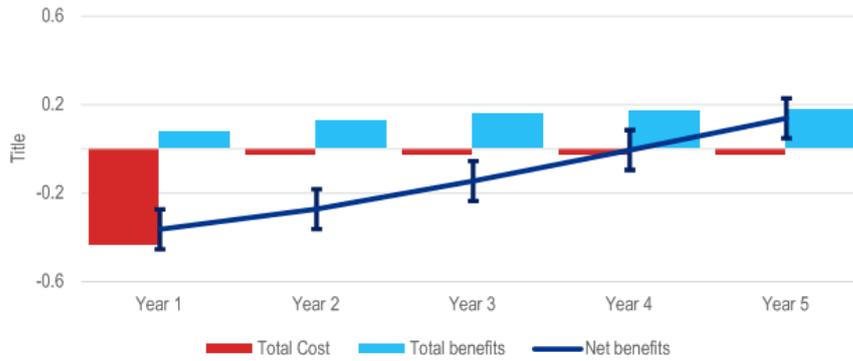
- It is anticipated that West Wimmera will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that West Wimmera will generate a total of \$1.2m in benefits.
- Net benefits associated with the intervention are expected to be \$238,400



Yarriambiack

- It is anticipated that Yarriambiack will experience a positive cash flow from year two onwards.
- Under this intervention, it is expected that Yarriambiack will generate a total of \$0.7m in benefits.
- Net benefits associated with the intervention are expected to be \$138,500

Rural Councils Transformation Program





Appendix C – Investment Concept Brief



Appendix D – Investment Logic Map



Appendix E – Benefit Management Plan



Appendix F – Strategic Assessment

8.3 FINANCIAL REPORTS

8.3.1 FINANCIAL PERFORMANCE AS AT 28 FEBRUARY 2019

Author's Title: Manager Finance

Department: Corporate Services

File No: FM/19/03

Attachments:

- 1 [Income Statement](#)
- 2 [Balance Sheet](#)
- 3 [Cash Flow Statement](#)
- 4 [Cash Flow Graph](#)
- 5 [Capital Works Program](#)
- 6 [Capital Works Graph](#)

Relevance to Council Plan 2017 - 2021

Strategic Objective: Deliver our service in a financially viable way

RECOMMENDATION

That Council receives and notes the Financial Performance Report for the month ending 28 February 2019.

1. Executive Summary

The **Income Statement** provides a summary of the total income and total expenditure relating to Council's annual recurrent operations. It also specifically includes capital income but does not include capital works expenditure. The surplus/(deficit) is disclosed at item B on the Income Statement (Attachment 1). So as operating revenues can be compared to operating expenditures, an adjustment is made to exclude all capital income. The presentation of this income statement and resultant surplus/(deficit) is reported at item A.

For the first eight months of the financial year ending 28 February 2019, the surplus disclosed was \$598k. *Excluding* capital grants income of \$3.5m, a deficit of \$2.9m was recorded. See notes 2 and 7 on the income statement for the reasons behind this deficit, but in summary, Flood monies of \$4.8m have not been received as at 28 February due to State Government change in disbursement policy. However, \$2.141m has now been received in March.

The **Balance Sheet** effectively shows a summary of the value of Assets (what we own) and our Liabilities (what we owe), both of which balance off against each other to show Net Assets or Equity (our net worth). Council's net worth as at this accounting period was \$206m.

The **Cash Flow Statement** has been updated to include the cashflow projections based on the Forecast Budget. The actual to budget comparisons for July to December has been consolidated. The corresponding cash flow chart maps actual cash alongside budgeted cash and restricted funds. At 28 February 2019, Council's Cash and Cash Equivalents were \$17.5m.

The **Capital Works Program** depicts \$4.895m of capital works having been expended to the end of this accounting period. The Annual Budget for capital works is \$14.454m to be funded by Capital Grants of \$7.5M. However, delays in some projects result in a lower Annual Forecast of \$12.790m. Forecasted contributions has reduced to \$1.2M (from \$2.3M) but Council Cash of \$4.6M remains unchanged. Council has let a number of large scale contracts in the first half of

the 2018/19 financial year (i.e. Charlton Park, Donald Community Precinct, Road Rehabilitation) and expenditure will increase over the coming four months.

2. Financial Implications

The table below provides an overview of Council's financial performance as at 28 February 2019.

Income Statement - Excluding Capital Grants and Contributions	YTD	YTD	YTD	Annual	Annual
	Actuals	Budget	Variance	Budget	Forecast
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Total Income	20,563	24,848	(4,284)	26,603	26,783
Total Expenses	23,518	25,038	1,521	32,936	33,242
Surplus/(Deficit)	(2,954)	(191)	(2,764)	(6,332)	(6,459)
Add back Capital Grants Income and Contributions	3,552	7,256	(3,704)	9,812	9,038
Surplus/(Deficit) including Capital Grants Income and Cont.	598	7,065	(6,467)	3,479	2,579
Capital Works Program	4,895	7,697	(3,500)	14,454	12,709
Cash and Cash Equivalents		Restricted	Un-Rest.	Total	
		1,374	16,125	17,499	

The following commentary is provided:

a. Total income excluding capital grants and contributions

The negative variance of \$4.464m occurs largely as a result of Flood Natural Disaster Funding (\$5m variance) not having been received (see note 2 per Income Statement for further detail). \$2.141m of this delayed funding has since been received in March and the balance is expected before 30 June.

b. Total expenses

Favourable variance of \$1.79m materially explained by flood restoration works under budget expectations by \$1.27m (see note 7).

c. Capital Grant Income and Contributions

Roads to Market and Heavy Vehicle Safety Productivity Program funding are yet to be received (\$1.15m). Funding for Lake Tyrell (\$952k) not received in full.

d. Capital Works Program Expenditure

Council has expended \$4.895m on capital works YTD this period, with significant large contracts let.

e. Cash and Cash Equivalents

Council has cash of \$17.499m of which \$1.374m is restricted being committed to capital projects.

3. Community Consultation

No consultation with the community was required for the production of this report.

4. Internal Consultation

The reports have been prepared in consultation with the budget managers directly responsible for Council budgets.

5. Legislative / Policy Implications

The report is consistent with the requirements of the *Local Government Act 1989*.

6. Environmental Sustainability

This report has no direct impact on environmental sustainability.

7. Conflict of Interest Considerations

No officer involved in the preparation of this report had a conflict of interest.

8. Conclusion

Grant income for both operating and capital are behind where Council planned to be on a year to date basis. However, \$2.141m of this outstanding funding has been received in March due to proactive effort in attaining these funds especially with the Natural Disaster Funding Authority (Treasury and Finance). The remaining monies are forecasted to come in before the end of the financial year.

Forecasting has been finalised in the reports provided and incorporated in Cashflow and Capital Expenditure charts to indicate 30 June positions.

Income Statement

Buloke Shire Council

28 February 2019

Income Statement - Excluding Capital Grants and Contributions	YTD Actuals \$'000	YTD Budget \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000	Ref:
Income						
Rates and charges	13,323	13,316	7	13,316	13,325	
Statutory fees and fines	96	83	13	100	102	
User fees	471	457	15	777	768	
Grants - operating (recurrent)	3,417	3,269	148	4,425	4,514	1
Grants - operating (non-recurrent)	2,746	7,340	(4,593)	7,365	7,410	2
Grants - capital (recurrent) - EXCLUDED						
Grants - capital (non-recurrent) - EXCLUDED						
Contributions - cash	188	79	110	139	177	3
Contributions - capital - EXCLUDED						
Gain (Loss) on Disposal of Assets	41	0	41	10	10	
Other Income	98	76	21	127	132	
Interest	182	228	(45)	345	345	5
Total Income excluding Capital Grants and Contributions	20,563	24,848	(4,284)	26,603	26,783	
Expenses						
Employee benefits	5,787	6,370	584	9,601	9,134	6
Materials and services	12,347	13,297	950	15,149	15,780	7
Bad and doubtful debts	1	0	(1)	52	53	
Depreciation and amortisation	4,734	4,707	(27)	7,061	7,185	
Finance costs	148	149	1	297	297	
Other expenses	501	515	14	776	793	
Total Expenses	23,518	25,038	1,521	32,936	33,242	
A Surplus/(Deficit) excluding Capital Grants and Contributions	(2,954)	(191)	(2,764)	(6,332)	(6,459)	
Add back Capital Grants Income and Contributions						
Grants - capital (recurrent)	270	918	(648)	1,224	1,252	10
Grants - capital (non-recurrent)	2,868	4,611	(1,744)	6,317	6,574	11
Contributions - capital	415	1,727	(1,312)	2,271	1,212	12
Total Capital Grants Income	3,552	7,256	(3,704)	9,812	9,038	
B Surplus/(Deficit) including Capital Grants Income and Cont.	598	7,065	(6,467)	3,479	2,579	

Notes:

- More recurrent operating grant income received YTD than budgeted. Many *overs* and *unders* but principally greater receipts for CHSP Home Help (favourable variance of \$49K), Finance (\$28K), MCH (\$42K) and Supported Playgroups (\$28K).
- Due to a change in State Government policy whereby monies are no longer advanced, Council is yet to receive Flood Natural Disaster Funding of about 5M (var. per YTD budget). Expenditure on Flood Restoration to February was \$8.042M. Forecasting has receipt of all monies (\$9M) by 30 June 2019.
- Contribution from Birchip Kindergarten received earlier than planned (\$45k) and Department of Treasury and Finance (\$29k) as *compensation* for Anl. Valuations. Also insurance reimbursement received regarding Donald landfill (\$23K)
- Variance mostly due to timing of term deposit rollover. Should balance out over remainder of financial year.
- A favourable underspend of \$584k on employee costs. Notable salary and on-cost underspends include within Roads Sealed (\$125k), Finance (\$107k), Assets and Infrastructure (\$65k), Mun. Emg Mgt (\$60), Heavy Plant (\$51k), Risk (\$46) and HR (\$57k). Some of these positions are contractors (Finance and HR) so savings here will be partially offset by overspends in Materials and Services.
- Favourable YTD variance of \$950K on Materials and Services mostly explained by flood restoration works (YTD budget of \$9m of which \$8.042m has been expended (Var \$1.27m) - annual Budget of \$9M is on target). External Contracts are over by \$266k with employee budget savings being offset here re Finance, HR and Risk. Consulting fees for Flood Recovery Management unbudgeted (Var 90k).
- Roads to Recovery Federal Grant of \$648k was outstanding as at February. However, \$321K has now been received in March bringing funding received to \$590K. To February \$548k has been spent on R2R capital works.
- YTD \$4.611M of Capital Grants expected with only \$2.867M having been received to date of this report. Funding is outstanding for the Lake Tyrrell Infrastructure upgrades (\$1.428M), Rehabilitation works on Yuengroon Road stage 1 (\$0.8M) and Lake amenities development (\$0.4M).
- Seven projects requiring capital contribution funding with Charlton Park 2020 Redesign (YTD variance of 456k) and Donald Flood Study Levee Development (\$454k variance) the most material. Both these projects have reduced capital income forecasts, as does the Library Project (monies received last year) and Donald Flood Study Levee Stage 1. A Capital Income report is available if detail is required.

Buloke Shire Council

Balance Sheet

As at 28 February 2019

	Actual February 2018	Actual February 2019	Annual Budget 2019	Variance LY to TY	Ref
	\$000's	\$000's	\$000's	\$000's	
Assets					
Current assets					
Cash and Cash Equivalents	21,116	17,499	13,924	(3,617)	1
Trade and Other Receivables - Current	3,127	4,415	1,491	1,288	
Inventories	119	64	119	(55)	
Non current assets classified as held for sale	0	0	0	0	
Other assets	227	19	544	(208)	
Total current assets	24,589	21,997	16,078	(2,592)	
Non-current assets					
Investment in associates	224	0	0	(224)	
Property, infrastructure, plant and equipment	180,269	191,251	186,895	10,982	3
PIPE - Work In Progress		5,574			3
Total non-current assets	180,493	196,825	186,895	10,758	
Total assets	205,082	218,822	202,973	8,166	
Liabilities					
Current liabilities					
Trade and other payables	639	1,809	1,470	1,171	
Trust funds and deposits	573	599	114	26	
Provisions - Current	2,462	2,500	1,945	38	
Interest Bearing Loans and Borrowings - Current	0	0	7,000	0	
Total current liabilities	3,674	4,908	10,529	1,234	
Non-current liabilities					
Provisions - Non Current	536	485	1,077	(51)	
Interest Bearing Loans and Borrowings -Non Current	7,000	7,000	0	0	
Total-non current liabilities	7,536	7,485	1,077	(51)	
Total liabilities	11,210	12,393	11,606	1,183	
Net Assets	193,872	206,429	191,367	6,983	
Equity					
Accumulated surplus	95,486	99,222	99,899	3,736	
Reserves	90,992	106,608	87,989	15,616	
YTD Surplus / (Deficit)	7,393	598	3,479	(6,795)	
Total Equity	193,872	206,429	191,367	12,557	2

Notes:

- Compared to last year cash has reduced by \$3.617m. Flood Recovery of \$4.8m is expected as at 28 February. \$2.141m has since been received in March.
- Council's net position is \$12.958m stronger than at this time last year.
- As at 30 June 2018 (last year), PIPE Work in Progress was:

\$	1,627,744
----	-----------
- For this accounting period, WIP is:

\$	5,574,024
----	-----------
- WIP movement to this period is:

\$	3,946,280	This item matches Capital Works Expenditure.
----	-----------	----------------------------------------------
- Cash and Cash Equivalents balance per this period is:

\$	17,499,346	Matches movement in Cash Flow Statement.
----	------------	------------------------------------------

BULOKE SHIRE COUNCIL

Statement of Cash Flows
 28 February 2019

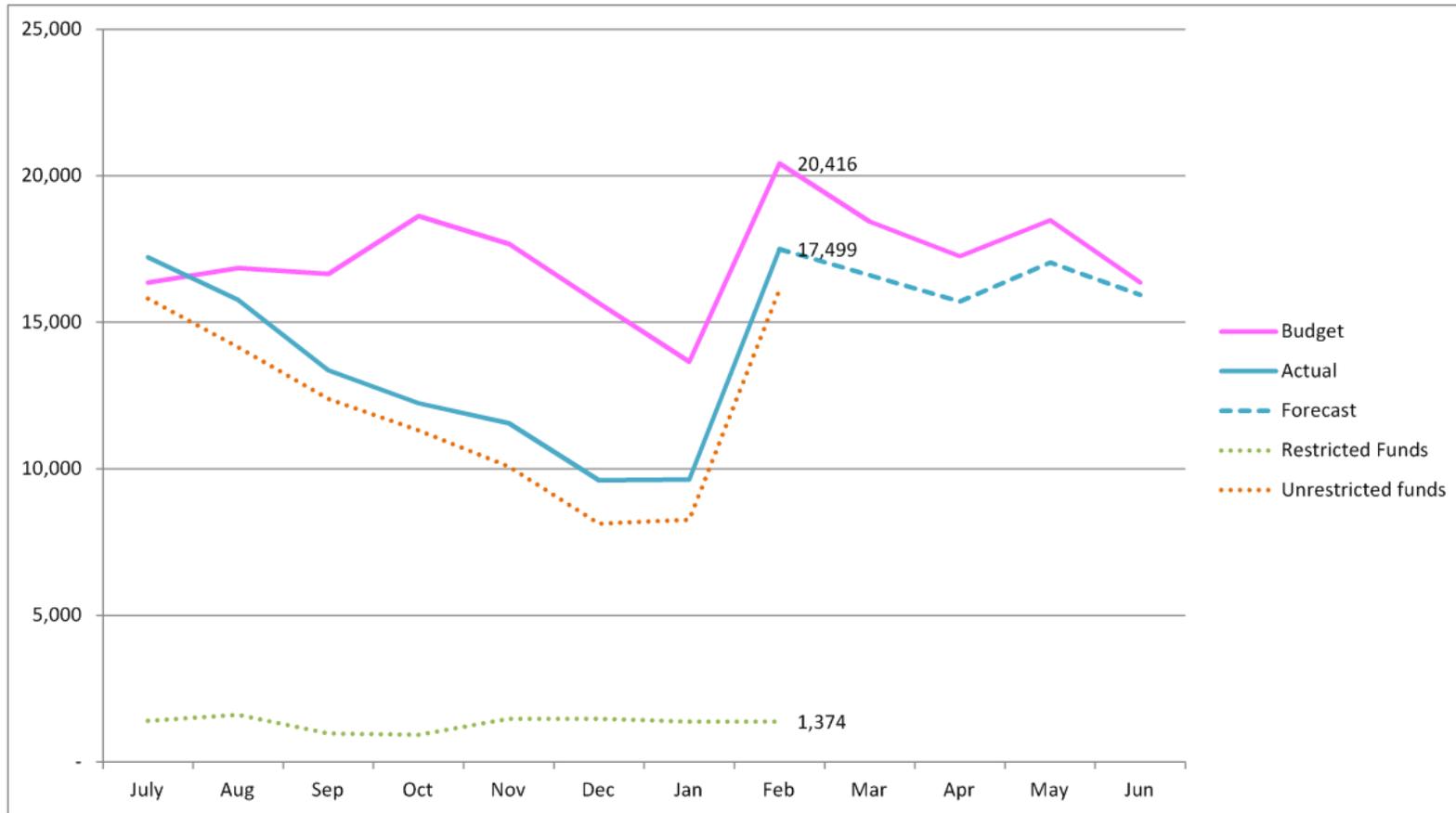
Notes	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Forecast	Budget	Forecast	Budget	Forecast	Budget
	JUL - DEC 2018		Jan-19		Feb-19		Mar-19		Apr-19		May-19		Jun-19	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Cash flows from operating activities:													
	2,825	3,147	794	734	7,777	7,661	614	611	394	392	506	503	270	269
	39	41	14	0	11	4	7	7	3	3	3	3	42	42
	(249)	514	284	(35)	22	133	74	74	34	34	55	55	79	79
	3,154	6,720	1,947	35	495	866	(403)	(403)	424	423	668	668	3,480	3,479
1 & 3	2,055	1,473	431	27	652	-	1,813	1,813	902	902	2,300	2,300	1,026	1,026
	314	760	82	579	207	327	34	34	148	148	518	518	45	45
	112	-	57	-	13	-	-	-	-	-	-	-	-	-
	32	-	59	-	479	-	-	-	-	-	-	-	-	-
	195	1,734	(12)	(12)	52	76	21	26	(53)	(64)	821	991	(1,878)	(2,267)
	88	1,350	101	645	89	224	(121)	236	(52)	103	(217)	424	9	(18)
	(4,259)	(4,844)	(735)	(744)	(708)	(746)	(733)	(733)	(723)	(723)	(952)	(952)	(859)	(859)
2	(11,245)	(9,171)	(2,374)	(2,857)	(920)	(272)	(1,173)	(1,173)	(560)	(560)	(852)	(852)	(1,779)	(1,779)
	(251)	(341)	(15)	(26)	(235)	(306)	35	(37)	31	(33)	90	(96)	67	(72)
	(7,190)	1,383	631	(1,656)	7,935	7,966	169	455	547	625	2,941	3,563	502	(54)
	Cash flows from investing activities:													
4	(3,269)	(5,857)	(581)	(334)	(57)	(1,206)	(1,061)	(2,437)	(1,442)	(1,810)	(1,462)	(2,186)	(1,604)	(2,069)
5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(100)	-	(17)	-	(17)	-	-	-	-	-	-	-	-	-
	(3,369)	(5,857)	(597)	(334)	(74)	(1,206)	(1,061)	(2,437)	(1,442)	(1,810)	(1,462)	(2,186)	(1,604)	(2,069)
	Cash flows from financing activities:													
	(108)	(149)	-	-	-	-	-	-	-	(149)	(149)	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(108)	(149)	-	-	-	-	-	-	-	(149)	(149)	-	-	-
	(10,667)	(4,623)	34	(1,990)	7,861	6,760	(892)	(1,981)	(895)	(1,185)	1,330	1,229	(1,102)	(2,124)
6	20,270	20,270	9,604	15,647	9,638	13,657	17,499	20,416	16,607	18,435	15,713	17,250	17,042	18,479
	9,603	15,647	9,638	13,657	17,499	20,416	16,607	18,435	15,713	17,250	17,042	18,479	15,941	16,355
	1,476		1,374		1,374									
	8,131		8,267		16,125									

Notes

- Capital Grant received in advance (2017/18)
- Operating Expenditure carry forward
- Capital Grant funding forecast in 2017/18 now to be received in 2018/19
- Capital Works carry forward from 2017/18 program
- Library equity received in 2017/18
- Cash (including Financial Assets) at the end of 2018
- Except for note 6, adjustments to be incorporated in mid year forecasts in readiness for 2019. They are not included in budget figures.

Buloke Shire Council

Cash Flow Chart 18/19
as at 28 February 2019



Capital Works Program
 28 February 2019

Buloke Shire Council

Asset Class	Project Description	Provisionary				
		YTD Actuals \$'000	YTD Budget \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000
BAF	000073 - Split system replacement program	6	-	6	15	75
BAF	000080 - Charlton Park 2000 Roadage	1,418	2,850	(1,432)	2,200	3,442
BAF	000089 - Wycheproof Office external refurbishment	-	-	-	-	16
BAF	000090 - Municipal Offices renewal program	68	70	(2)	70	71
BAF	000091 - Swimming Pool renewal program	13	-	13	40	40
BAF	000092 - Donald Community Precinct Construction	469	806	(337)	1,025	1,030
BAF	000096 - Charlton Museum roof upgrade	-	25	(25)	25	26
BAF	000097 - Wechuproof Centre Laundry Demolition	16	12	4	12	26
BAF	000098 - Sport safety improvements	31	40	(9)	40	40
BAF	000099 - Sustainability developments project	-	-	-	104	104
BAF	001100 - Wechup pool painting	20	18	2	18	20
BAF	001161 - Wechup Leisure Centre Changeover Redevelopment	-	-	-	-	10
Sub-Total_Buildings		2,212	3,815	(1,603)	3,499	5,750
PME	00051 - IT & Equipment replacement	114	116	-2	155	147
PME	00052 - Asset Management System - 2017	28	20	8	30	30
PME	00053 - IT systems renewal	12	300	(288)	300	240
PME	00054 - Phone system replacement	2	-	2	-	2
PME	00063 - Major Plant	507	600	(93)	600	600
PME	00063 - Small Plant	9	10	(1)	20	20
Sub-Total_Plant & Equipment		748	1,046	(298)	1,485	1,046
FFF	00008 - HACC Minor Capital Works	2	-	2	-	-
FFF	00013 - Library books purchase	200	200	(0)	200	200
FFF	00015 - Library Project	18	-	18	-	10
Sub-Total_Furniture Fixings & Fixtures		220	200	20	200	210
Infra_LP	00025 - Wechup upgrades - power connection and fiber optic	32	30	2	30	31
Infra_LP	00026 - Sea Lake Transfer Station E-Works	-	-	-	-	44
Infra_LP	00027 - Wechup Landfill E-Works	-	-	-	-	32
Sub-Total_Infrastructure_Landfill		32	30	2	30	107
Infra_Other	00084 - Streetscape Plan and Implementation Stage 1	48	-	48	125	-
Infra_Other	00085 - Playground Replacement program	3	-	3	40	40
Infra_Other	00086 - Park irrigation upgrades	3	40	(37)	40	40
Infra_Other	00087 - Park furniture/B&Q upgrades	3	-	3	20	20
Infra_Other	00088 - Lake amenities development (Stage 1)	542	800	(258)	300	375
Infra_Other	00090 - Tourism and Cultural Heritage signs	4	-	4	-	4
Infra_Other	00092 - Lake Tyrrell infrastructure upgrades (Stage 1)	96	1,647	(1,551)	2,471	173
Infra_Other	00095 - Town entrances - tree planting	-	20	(20)	40	40
Infra_Other	00096 - Donald Skate Park	-	-	-	-	10
Sub-Total_Infrastructure_Other		1,002	2,507	(1,505)	3,336	1,028
Infra_Roads_R2R	00200 - Road Reseal Program	-	-	-	700	700
Infra_Roads_R2R	00240 - Road Seal - Younggrove Road	-	70	(70)	70	70
Infra_Roads_R2R	00241 - Northern earth-seal road works	-	300	(300)	150	150
Infra_Roads_R2R	00242 - Carack East - Chipmunk Rd (Carack) (4000m)	140	50	90	127	140
Infra_Roads_R2R	00243 - Main A Rd (Harrowlock) (1100m)	38	36	2	36	38
Infra_Roads_R2R	00244 - Cooks and Rivers Road (Younggrove) (1000m)	112	84	28	84	112
Infra_Roads_R2R	00245 - Sea Lake Springfield Rd (Sea Lake) (2500m)	24	80	(56)	80	74
Infra_Roads_R2R	00246 - Speed Estate School Bus Rd (Gardahilly) (5000m)	147	145	2	145	147
Infra_Roads_R2R	00247 - Charlton - Swan Hill Road (Donibobbin) (1000m)	-	64	(64)	64	64
Infra_Roads_R2R	00607 - Major Patch Program 2016/2017	10	-	10	100	100
Infra_Roads_R2R	00615 - Wechup Creek Pavement Renewal	29	-	29	621	621
Infra_Roads_R2R	00616 - Younggrove Road Pavement Renewal	36	-	36	960	960
Infra_Roads_R2R	00621 - Watchdog - Starackin Road - Ch 10 \$100k to Ch 12	-	-	-	-	523
Sub-Total_Infrastructure_Roads		507	625	(118)	3,336	3,985
Infra_FcPth	00025 - Heaver Street, Sea Lake (St Marys)	-	36	(36)	36	36
Infra_FcPth	00026 - Davies Street, Charlton (Charlton College)	-	56	(56)	56	56
Sub-Total_Infrastructure_Footpaths		-	92	(92)	92	92
Infra_Drainage	00020 - Donald Road Study - Linear Development Stage 2	72	120	(48)	120	120
Infra_Drainage	00021 - Charlton Drainage Design	-	70	(70)	70	59
Infra_Drainage	00024 - Charlton Road Linear - Feasibility	-	-	-	-	10
Sub-Total_Infrastructure_Drainage		72	190	(118)	190	189
Total Capital Works Program		4,895	7,697	(2,802)	14,454	12,789

Ref: Notes
 * Project Carried Forward from 2017/18

*1 Delays in the commencement of the Charlton Park project therefore funding delayed

*2 Expenditure and income for Museum project expected in Feb. 2019

3 IT System Project has had a change in scope due to opportunities with the Ward Council's Transition Fund whereby greater will be allocated to ward Councils in a shared service arrangement for a new Corporate System. Council along with Ludlow Sites intend to proceed with procurement of a new Break Management System.

4 Project completed and capitalised (Transferred from WIP to appropriate Asset Category)

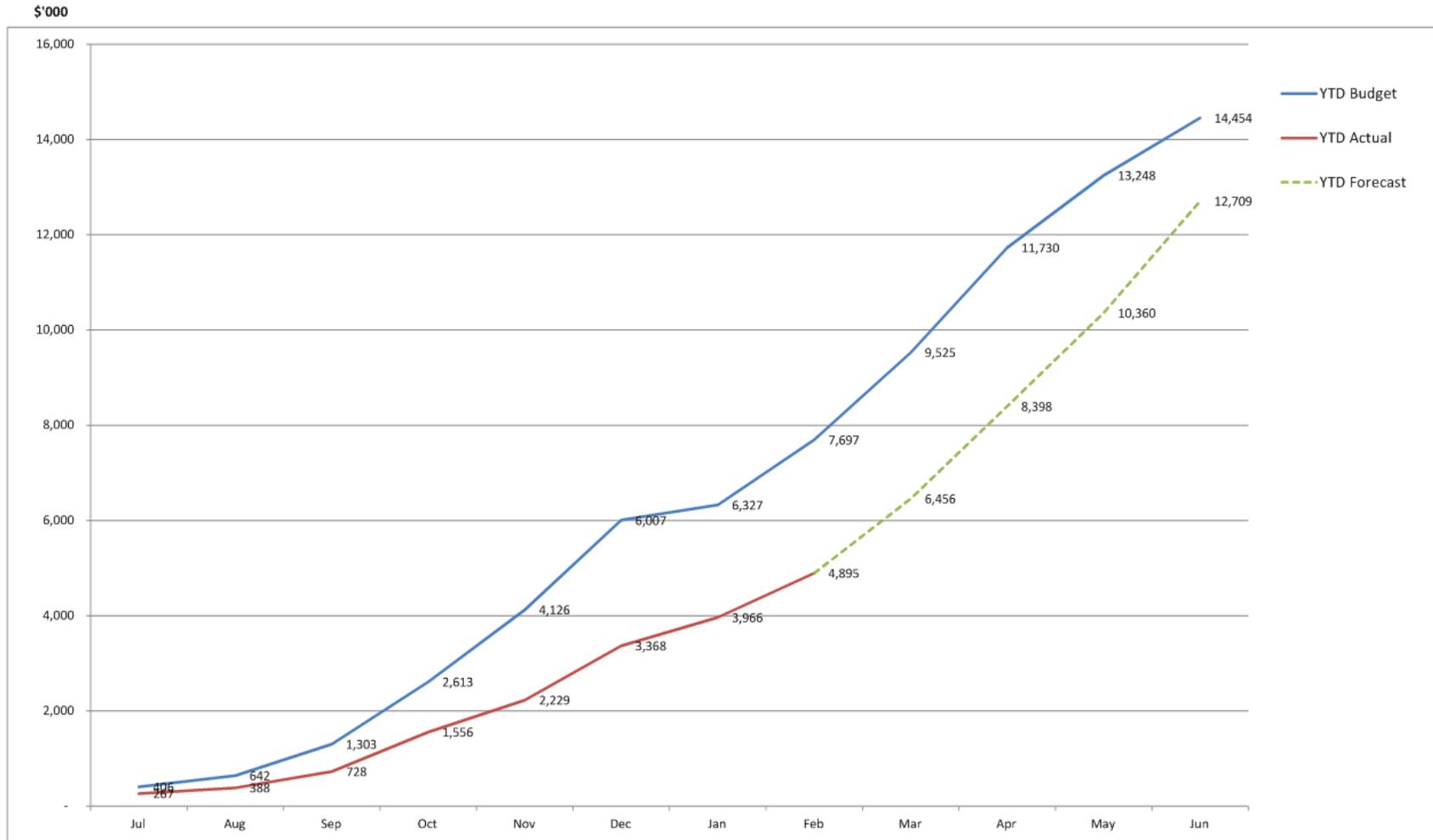
5 The Lake Tyrrell project has experienced delays mainly due to heritage issues. Forecast has been downgraded significantly.

6 Refer Income Statement Notes 10-12 regarding capital income variance YTD

28 February 2019

	YTD Actuals \$'000	YTD Budget \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000
Capital Income					
Grants - Capital (re-current)	279	818	(539)	1,224	1,252
Grants - Capital (non-re-current)	2,868	4,811	(1,943)	4,327	6,574
Contributions - Capital	415	1,327	(912)	2,271	1,323
Council Cash	-	-	-	4,642	4,642
Total Capital Income	3,562	7,236	(3,674)	12,464	13,881
Total Expenditure on Capital Works	3,748	7,697	(3,949)	14,454	12,789
Capital Works Program Net Result	(186)	(461)	(285)	(200)	(908)

Buloke Shire Council
Capital Works Program 2018/19
Cummulative Capital Expenditure as at 28 February 2019



8.3.2 DRAFT AUDIT COMMITTEE MEETING MINUTES 6 FEB 2019

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 [↓ Draft Audit Committee Minutes 6 February 2019](#)

Relevance to Council Plan 2017 - 2021

Strategic Objective: Deliver our service in a financially viable way

RECOMMENDATION

That Council notes the draft Minutes of the Audit Committee meeting held on 6 February 2019.

1. Executive Summary

The Audit Committee is a statutory committee of Council which considers matters of governance, finance and risk management. The Committee is comprised of three independent members and the Mayor. The Committee provides advice on the integrity and effectiveness of Council's financial reporting and risk management system.

2. Discussion

At its 6 February 2019 meeting, the Committee considered the following matters:

- Outstanding Actions
- Audit Committee Work Plan
- Legislative Compliance status
- Risk Management status
- Draft Sundry debtor management and debt collection policy
- Internal Audit Draft Scope for Children's Services Audit
- Internal Audit schedule changes.
- 2019/20 Draft Budget Timetable
- Financial Report as at 31 December 2018
- Audit Committee Self-Assessment Survey

3. Financial Implications

The cost of the Audit Committee function is incorporated into the 2018/19 Annual Budget.

4. Cost Shift Considerations

There are no cost shift implications associated with the Committee.

5. Community Consultation

Not applicable

6. Internal Consultation

Councillors and senior staff are invited to attend, and present as required to at Committee meetings. Recommendations from the Committee are communicated to relevant staff members for action.

7. Legislative / Policy Implications

Council is required under the *Local Government Act 1989* to create and maintain an Audit Committee.

8. Environmental Sustainability

Not applicable

9. Conflict of Interest Considerations

No officer involved in the preparation of this report had a conflict of interest.

10. Conclusion

The draft Audit Committee minutes are attached for the information of Council.



AUDIT COMMITTEE MEETING

MINUTES

Wednesday 6 February 2019

Commencing at 1:00 pm

Wycheproof Supper Room

367 Broadway Wycheproof

**Anthony Judd
Chief Executive Officer
Buloke Shire Council**

ORDER OF BUSINESS

1. WELCOME

The Chair opens the meeting and welcomes those present.

2. RECEIPT OF APOLOGIES

Cr. Graeme Milne, Cr. Daryl Warren

3. ATTENDEES

Jessica Adler (Chair), Tom Evans (Member), Margaret Abbey (Member), Cr Carolyn Stewart (Mayor), Anthony Judd (CEO), Hannah Yu (Director Corporate Services), Sean Portelli (Acting Manager Finance), David Pell (AASBendigo – External Audit), Wayne O’Toole (Director Works and Technical Services), Zoe Watts (Manager Governance), Jennifer Hewett (Governance Officer)

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

MOTION:

That Audit Committee adopts the Minutes of the Audit Committee Meeting held on Wednesday, 5 December 2018.

MOVED: JESSICA ADLER

SECONDED: TOM EVANS

CARRIED.

Minutes were confirmed and signed by Chair.

5. CHIEF EXECUTIVE BRIEFING

Briefing by Chief Executive Officer to the Audit Committee Meeting including any legal matters.

The Chief Executive Officer briefed the committee on the following topics:

- The Rain Event in December that resulted in some areas of Birchip to flood also tested the Emergency Management procedures. A number of properties were inundated and more experienced water under floors. Council has now moved to the recovery phase of the process.
- New state and federal flood restoration funding arrangements are now in place. Council is now required to provide evidence of pre road conditions before the event, and provide estimates before work commences. Funding is by reimbursement.
- The Long Term Financial Plan is now in draft and will go to council for adoption at their February 2019 meeting. A question was asked by the Committee in relation to Council’s attitude to debt. The CEO responded that there is Council resistance to debt, but would be considered for intergenerational projects.

- A consultant has been engaged to assist Council to develop the rating strategy to provide a long term rating strategy.
- Budget forecasting for the 2018/19 year has been completed and Council is now moving into Budget preparation for the 2019/20 Financial year.
- The Chair asked a question in relation to staffing, the CEO responded that interviews for the Finance Manager position were conducted earlier in the week and more discussions need to be undertaken. A quarter of the staff have been identified as being over 60 and the new Manager HR is being proactive at capturing corporate knowledge and staff development.
- When appointed, part of the Finance Manager role would be to implement a new corporate management system which is being anticipated over the next two years. A number of councils are collaborating together to get grant funding from the Rural Council Transformation Fund, to fund this project.
- No recyclable waste was deposited into the landfills; however there has been some increase to the costs in the past year. Council is undertaking joint procurement with a number of other councils to contract for waste and recycling collection.

6. DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

There were no declarations of interest.

7. MATTERS FOR DECISION / DISCUSSION / NOTING

7.1	OUTSTANDING ACTION ITEMS	4
7.2	AUDIT COMMITTEE WORK PLAN	5
7.3	LEGISLATIVE COMPLIANCE	6
7.4	RISK MANAGEMENT	7
7.5	ASSET MANAGEMENT INTERIM REPORT	9
7.6	DRAFT SUNDRY DEBTOR MANAGEMENT AND DEBT COLLECTION POLICY	11
7.7	LEGISLATIVE COMPLIANCE FRAMEWORK	12
7.8	INTERNAL AUDIT - DRAFT SCOPE - CHILDRENS SERVICES	13
7.9	INTERNAL AUDIT SCHEDULE CHANGES	14
7.10	2018/19 BUDGET TIMETABLE - DRAFT	16
7.11	DRAFT FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2018	17
7.12	AUDIT COMMITTEE SELF ASSESSMENT SURVEY	20

8. ANY OTHER BUSINESS

9. MEETING CLOSE

NEXT MEETING

THE NEXT AUDIT COMMITTEE MEETING WILL BE HELD IN CHARLTON DISTRICT OFFICE

1 HIGH ST, CHARLTON ON WEDNESDAY, 8 MAY 2019 AT 2:00PM.

Anthony Judd

CHIEF EXECUTIVE OFFICER

7. Matters For Decision / Discussion / Noting

7.1 Outstanding Action Items

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Outstanding Action Items

RECOMMENDATION

That the Audit Committee Meeting notes the status of the outstanding action items.

Executive Summary

The attachment to this report contains outstanding actions and their current status. It identifies the source of the action, whether from an audit or a direct request of the Audit Committee and also the timeframes on which it will be complete.

The Outstanding Actions report attached has been amended to include a reference number to each action item. A summary table has also been included to indicate the number of actions closed and added since the last meeting.

Officers are required to provide updated commentary and to advise when an action is complete. Once complete to the satisfaction of the Audit Committee, the action will be removed from the report.

Current comments are indicated by red font.

Discussion

The Committee noted the report. The Chair indicated items 3, 5, 6, 12, 14 and 16 may be struck off the register. The Committee also made positive comments regarding quality and detail of the Compliance Register.

7.2 Audit Committee Work Plan

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Work Plan

MOTION:

That the Audit Committee Meeting review the attached annual work plan

MOVED: JESSICA ADLER

SECONDED: TOM EVANS

CARRIED.

Purpose

The work plan incorporates all matters to be considered by the Audit Committee over a twelve month period, including matters outlined in the Audit Committee Charter adopted by Council in November 2017.

The attached annual work plan has been populated to status of current documents and processes, and key documents and initiatives to be to be considered within the 2019 meeting schedule, that are known.

The work plan is a dynamic document; it will be reviewed and adjusted at each meeting of the Audit Committee and additional items added as they become known.

Discussion

The Committee reviewed the work plan, and indicated it was the best work plan they had seen providing high quality and detailed information.

7.3 Legislative Compliance

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Compliance Report - Feb 19

RECOMMENDATION

That the Audit Committee Meeting note the legislative compliance report.

Purpose

A legislative compliance register has been developed, containing items for compliance to the *Local Government Act 1989* and associated regulations. Inclusion of items for compliance to other legislative vehicles is being added progressively as they are identified.

The Legislative Compliance Framework places the responsibility on the individual departments to identify compliance items and to notify the Governance Team for inclusion into the register. The register also provides provision for identification of compliance / non-compliance, and review due dates, in accordance with the Act or Best Practice, in effect, providing Council with a gap analysis to ensure that all the key elements under same are met.

Reporting of Legislative Compliance is by exception. Overdue items and items due within 3 months are reported. The Register is still being developed and does not contain all compliance items at this stage, and where evidence of completion of item has not yet been located the report will show the item as non-compliant.

The register will form the basis of a legislative compliance framework and will expand to incorporate Council's obligations for other legislation, and standards.

Discussion

The report will be reviewed monthly by Executive Management, with action to prioritise outstanding items according to risk.

The Committee suggested Council officers link this to the Risk Register.

7.4 Risk Management

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Risk Management Report

RECOMMENDATION

That the Audit Committee Meeting note:

1. Council's January 2019 risk report

Purpose

Council and management are responsible for reviewing all major strategies and actions for their impact on the risk facing the organisation. Additionally, management is responsible for establishing and maintaining an effective system of internal control that supports the achievement of Council's objectives.

The risk register is a useful tool in providing an analysis of Council's key risks. It ensures there is a common and consistent understanding of risks facing Council. The register is also a means of communicating key risks to the Audit Committee.

In 2018 the Audit Committee requested further information on risks actions, progress and trends to be reported on a regular basis. The attached risk register will be reviewed by the Audit Committee at each meeting.

Council Officers note that a previous internal audit report on its risk management culture highlighted improvement is required to increase Council's risk maturity. Council Officers agree with this assessment, and will be working to make marked improvements to its risk reporting, including analysis and grouping of risks across strategic, corporate, operational, OHS and fraud categories. This is a big undertaking and is likely to take some time to properly embed knowledge and accountability across the organisation. Council Officers will continue to keep the Audit Committee updated with the status of this project.

Discussion

The Committee suggested consideration of a further Risk Management Audit. In addition, further information in future reports may include Financial Sustainability, Human Resources, and Reputational risks.

AASB Auditor identified accumulated leave and the potential for a 'call' linked to the defined benefits scheme as key risks to be identified.

7.5 Asset Management Interim Report

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: Nil

RECOMMENDATION

That the Audit Committee Meeting note:

1. The status of actions taken to ensure effective asset management.

Purpose

Previous internal and external audits conducted at Council have highlighted a number of concerns with its asset management processes and frameworks. Prior year open findings are incorporated into Council's regular Outstanding Action report.

The Audit Committee have requested separate key milestone reports to give a level of assurance to Council that recording and financial reporting of assets is progressing in accord with Council's action plan. Council Officers propose a status report is presented to the Audit Committee on a six monthly basis at minimum.

Key actions taken by Council to date to continue the development of its asset management systems and processes include:

- Purchase and implementation of Council's asset management system
- Ongoing componentising, approximately 45% of key buildings completed
- Road condition inspection, valuation and report by Maloney scheduled in April/May 2019
- Road Management Plan Updated
- Road Maintenance Completed
- Monthly Asset Management/Finance Meetings
- Monthly capitalisation occurring
- Draft forward capital works plan as part of the Long Term Financial Plan development
- Planning commenced for update of Asset Management Plans to be presented to Council – Late 2019.

Actions from the Internal Audit by RSD on asset management are being undertaken and are on schedule. A service was undertaken during December 2018 which considered the actions from the audit report and set out a timeline for their completion.

Discussion

The Director Works and Technical Services provided an update on the progress of implementation of the actions from earlier VAGO and Internal Audit reports. Council has purchased a system for Asset Management and implementation, with an expected timeframe of 12 to 18 months to update the componentisation of the key buildings.

A consultant has been engaged to value roads and assess their condition.

The CEO confirmed a condition assessment for road valuations are conducted every three years, and degradation is based on the assessment until the next visual assessment.

7.6 Draft Sundry Debtor Management and Debt Collection Policy

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Draft Sundry Debtor Management and Debt Collection Policy

RECOMMENDATION

That the Audit Committee Meeting note the draft Sundry Debtor Management and Debt Collection policy

Purpose

Council's Sundry Debtor Management and Debt Collection policy has been reviewed in accord with Council's policy schedule. The policy sets out key guidelines and requirements which must be followed to when managing debtors and implementing debt control measures. This policy forms part of Council's operational policy suite.

The policy is attached for review and comment by the Audit Committee.

Discussion

The Committee suggested amending the policy to allow the Manager Finance waive, with advice to the Director Corporate Services and CEO, immaterial amounts. Additionally, the Committee recommended the Manager Finance provide quarterly reports to senior management, and to provide a report for written off debts to Audit Committee.

AASB queried the scope of the policy, indicating there appears to be nothing about fines in the policy. The Acting Manager Finance responded that the scope of the policy applies to all types of debtors, including those not specifically identified in the policy.

7.7 Legislative Compliance Framework

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Draft Legislative Compliance Framework

RECOMMENDATION

That the Audit Committee Meeting note the draft Legislative Compliance Framework

Purpose

RSD Audit was engaged to conduct an internal legislative compliance audit in 2018 to review the legislative compliance processes in place at the Buloke Shire Council.

A number of findings and recommendations made as part of the internal audit report related to the need for a complete and consistent approach which formally defines Council processes and responsibilities. The draft Legislative Compliance Framework has been developed in response to these recommendations. The Framework is attached for review by the Audit Committee.

Discussion

The Committee noted the framework and indicated that it was of a high standard, specifically the clarification with respect to roles and responsibilities of compliance and inclusion of a checklist.

7.8 Internal Audit - Draft Scope - Childrens Services

Author's Title: Director Corporate Services

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Draft Scope Children's Services Audit

MOTION:

That the Audit Advisory Committee endorse the draft scope from the Internal Auditor on Children's Services.

MOVED: TOM EVANS

SECONDED: MS. MARGARET ABBEY

CARRIED.

Purpose

Council's Internal Auditors, RSD Audit, propose to undertake a review of Council's Maternal and Child Health and Immunisation units taking into account Children's Services practices and procedures in accordance with Council's established Strategic Audit Plan.

The proposed scope for this audit was forwarded to members of the Audit Committee during January 2019 seeking feedback in relation to the proposed Audit due to commence in February 2019.

The Audit Report will be provided to Audit Committee and findings will be assigned to relevant Council departments and status updates will form part of the future Outstanding Actions report.

Discussion

The Committee noted the draft scope.

The Committee also expressed their concern regarding the absence of a representative from Council's Internal Auditors and the meeting and whilst acknowledging there is a cost, they would like to have a representative at the meetings.

7.9 Internal Audit Schedule Changes

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: Nil

MOTION:

That the Audit Committee Meeting endorse:

And provide feedback on proposed changes to the internal audit schedule.

MOVED: TOM EVANS

SECONDED: MS. MARGARET ABBEY

CARRIED.

Purpose

Council is moving into the third year of its internal audit schedule prepared by RSD Audit. The schedule was developed in consultation with Council Officers and the Audit Committee following an independent review by RSD following their engagement as Council's internal auditors.

A recent review of the internal audit program by Council Officers has been undertaken as a result of staff turnover within the past two years, and projects which are scheduled to occur within the next twelve months.

Mindful of the above, Council Officers seek feedback from the Audit Committee on the following:

Proposal to focus the recommended audit on our Financial Controls on the area of grant acquittal following feedback and advice from Council's Consultant Manager Finance, highlighting this as an area which will most benefit from review in the short term. This Internal Audit has not been costed into the 2018/19 annual budget and Council Officers therefore propose deferring a scheduled Internal Audit.

Internal Audits scheduled for Building Maintenance and Data Mining proposed to be deferred as a result of staff transitions and limitations on time, and as a result of the additional Internal Audit on Financial Controls being recommended by the Audit Committee. With all roles currently or in the process of being filled Council Officers are confident the audit will be more beneficial to Council once staff are trained, and have a higher level of experience in their roles.

If the Audit Committee is happy to accept the proposed deferral of Building Maintenance and Data Mining, it is proposed to schedule an Internal Audit for Plant and Fleet Management. This function was identified on RSD's initial assessment as a high priority area and also aligns with priorities within Works and Technical Services.

Discussion

The Committee accepted that the recommended changes to the schedule are quite reasonable in view of staff changes, and that an audit on Financial Controls focussed on grants and acquittals due to the unprecedented value of Capital Grants in recent time is warranted.

AASB also agreed that the Financial Controls was warranted and Plant has high values so would also be of benefit.

A revised Internal Audit schedule will be provided to Audit Committee at its next meeting in May.

7.10 2018/19 Budget Timetable - Draft

Author's Title: Director Corporate Services

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Draft 19/20 Budget Timetable

RECOMMENDATION

That the Audit Advisory Committee notes the Draft 2019/20 budget timetable.

Purpose

Council produces a budget timetable so that all stakeholders are aware of their obligations and the timeframes in which they need to complete them so that Council can meet its legislative requirements.

This budget timetable has been prepared to allow for ample Councillor briefing and input and to allow for community input prior to the draft budget being placed on public exhibition.

As part of this process the Strategic Resource Plan will also be reviewed and updated to take into account this budget and the new Council Plan.

In order to ensure the Audit Committee is provided with the draft Annual Budget document prior to distribution to the public as part of the Council Ordinary Meeting Agenda, Council Officers propose to bring forward the scheduled 2019 May Audit Committee meeting.

Discussion

The Director Corporate Services addressed the Committee and indicated that the Budget Timetable will be tabled at the December Audit Committee Meeting in the future. The work plan will be updated accordingly. The Committee noted the draft budget timetable.

Discussion was had regarding the Audit Committee meeting date in May being after Council adopts the Draft Budget for public exhibition and that the Audit Committee should have opportunity prior to this to review the Draft budget. The Committee indicated that there would be no need to alter the meeting date as they play an advisory role and would accept a copy of the Draft Budget to be circulated to them via email.

7.11 Draft Financial Performance as at 31 December 2018

Author's Title: Acting Manager Finance

Department: Corporate Services

File No: FM/19/03

Attachments:

- 1 Income Statement
- 2 Balance Sheet
- 3 Cash Flow Statement
- 4 Cash Flow Graph
- 5 Capital Works Program
- 6 Capital Works Graph

Relevance to Council Plan 2017 - 2021

Strategic Objective: Deliver our service in a financially viable way

RECOMMENDATION

That Audit Committee :

Notes the Draft Financial Performance Report for the month ending 31st December 2018.

Purpose

The **Income Statement** provides a summary of the total income and total expenditure relating to Council's annual recurrent operations. It also specifically includes capital income but does not include capital works expenditure. The surplus/(deficit) is disclosed at item B on the Income Statement (Attachment 1). So as operating revenues can be compared to operating expenditures, an adjustment is made to exclude all capital income. The presentation of this income statement and resultant surplus/(deficit) is reported at item A.

For the first six months of the financial year ending 31 December 2018, the surplus disclosed was \$1.148m. *Excluding* capital grants income of \$2.22m, a deficit of \$1.1m was recorded. See notes 2 and 7 on the income statement for the reasons behind this deficit, but in summary, Flood monies have not been received due to State Government change in disbursement policy, and flood reconstruction works are ahead of the original program (annual budget has not been reached).

The **Balance Sheet** effectively shows a summary of the value of Assets (what we own) and our Liabilities (what we owe), both of which balance off against each other to show Net Assets or Equity (our net worth). Council's net worth as at this accounting period was \$207m.

The **Cash Flow Statement** is formatted to show a 12 month forecast. The corresponding cash flow chart maps actual cash alongside budgeted cash and restricted funds. At 31 December 2018, Council's Cash and Cash Equivalents were \$9.6m.

The **Capital Works Program** depicts \$3.368m of capital works having been expended to the end of this accounting period. The Annual Budget for capital works is \$14.454m to be funded by Capital Grants of \$7.5M, Contributions \$2.3M and Council Cash of \$4.6M. Council has let a number of large scale contracts in the first half of the 2018/19 financial year (i.e. Charlton Park, Donald Community Precinct, Road Rehabilitation) and expenditure will increase over the coming six months.

2. Financial Implications

The table below provides an overview of Council's financial performance as at 31 December 2018.

Income Statement - Excluding Capital Grants and Contributions	YTD	YTD	YTD	Annual
	Actuals	Budget	Variance	Budget
	\$(000)	\$(000)	\$(000)	\$(000)
Total Income	17,728	20,064	(2,335)	26,603
Total Expenses	18,800	16,514	(2,286)	32,936
Surplus/(Deficit)	(1,072)	3,550	(4,622)	(6,332)
Add back Capital Grants Income and Contributions	2,220	5,825	(3,605)	9,812
Surplus/(Deficit) including Capital Grants Income and Cont.	1,148	9,375	(8,227)	3,479
Capital Works Program	3,368	6,007	2,639	14,454
Cash and Cash Equivalents		Restricted	Un-Rest.	Total
		1,476	8,131	9,607

The following commentary is provided:

a. Total income excluding capital grants and contributions

The negative variance of \$2.34m occurs largely as a result of Flood Natural Disaster Funding (\$2.8m variance) not having been received (see reference 2 per Income Statement for further detail). This is a timing matter.

b. Total expenses

Unfavourable variance of \$2.29m materially explained by flood restoration works exceeding budget expectations (see reference 7).

c. Capital Grant Income and Contributions

Roads to Market and Heavy Vehicle Safety Productivity Program funding are yet to be received (\$1.15m). Funding for Lake Tyrell (\$952k) and Roads to Recovery (\$342k) also not received in full.

d. Capital Works Program Expenditure

Council has expended \$3.37m on capital works YTD this period, with significant large contracts let.

e. Cash and Cash Equivalents

Council has cash of \$9.6m of which \$1.48m is restricted being committed to capital projects.

3. Community Consultation

No consultation with the community was required for the production of this report.

4. Internal Consultation

The reports have been prepared in consultation with the budget managers directly responsible for Council budgets.

5. Legislative / Policy Implications

The report is consistent with the requirements of the *Local Government Act 1989*.

6. Environmental Sustainability

This report has no direct impact on environmental sustainability.

7. Conflict of Interest Considerations

No officer involved in the preparation of this report had a conflict of interest.

8. Conclusion

Grant income for both operating and capital are behind where Council planned to be on a year to date basis. Council is being proactive in attaining these funds especially with the Natural Disaster Funding Authority (Treasury and Finance), where grants received have been fully acquitted (as at December) and Council having spent \$6.55m of its own monies (\$7.25m total spend YTD less \$700k received).

Discussion

The Acting Manager Finance addressed the Audit Committee highlighting the key changes and links between the reports to cross check the accuracy of the reports.

The Committee queried whether un-expended funds for capital projects would be carried forward into the 2019/20 annual budget. The CEO responded in the affirmative.

Discussion was held regarding possible changes to the timing of financial reports to Council in the future.

7.12 Audit Committee Self Assessment Survey

Author's Title: Governance Officer

Department: Corporate Services

File No: FM/02/09

Attachments: 1 Audit Committee Self-Assessment responses

RECOMMENDATION

That the Audit Committee Meeting note:

The feedback received from the 2018 Self-Assessment Survey

Purpose

In accord with the Audit Committee Charter, an Audit Committee self-assessment survey was undertaken from 14 December 2018 to 16 January 2019. Council's Audit Committee members and Councillors were invited to participate in the survey. Three responses were received.

The survey is designed to ensure the Audit Committee has the opportunity to self-evaluate and receive feedback on its performance over the preceding twelve months, and considers:

- Its effectiveness as an Advisory Committee to the Buloke Shire Council,
- Areas for improvement, and ensuring plans to support improvement are developed, and
- Compliance with the Charter

The survey was issued to members of the Audit Committee and Councillors. The final survey results have been attached to this report.

Survey data highlights a slight decrease in the Audit Committee's view of its performance during 2018. There has been a slight decrease in satisfaction with performance from 2017 in the following areas:

- Effective and efficient internal audit functions
- Fostering and maintaining an ethical environment
- Assurance that systems are in place within Council to identify risks
- Scheduled audit reviews in accord with risk assessments
- Accountability of Corporate Governance arrangements
- Effectiveness of internal control systems in place
- Review of performance of external audit

Additionally, areas where the Audit Committee respondents advised in the 2017 assessment they believe performance could improve and which remain rated as somewhat adequate include:

- Measures in place to provide early warning of issues affecting Council's financial well being
- Level and effectiveness of business continuity and disaster recovery planning
- Review of performance of internal audit
- Recommended internal audit appointments to Council

It is noted that the responses received indicate the Audit Committee are effective in working with management and internal auditors in order to monitor corporate governance. Mindful of the results of the 2018 evaluation survey, Council's Audit Committee are encouraged to make

suggestions on what action is required to support the role it plays as part of Council's governance framework.

Discussion

The Audit Committee noted the report and discussed the decreases in satisfaction from the 2017 assessment:

Matter: Fostering and maintaining an ethical environment

Comment: May be assessed from results of internal audits and controls

Matter: Effectiveness of internal control systems in place

Comment: Monitoring compliance to internal controls will assist in this assessment

Matter: Review of External Audit

Comment: Suggestion put by Committee to hold in-camera sessions with Auditors at each meeting

Positive feedback was provided in regard to the content of the Self-Assessment and how it ties back to the Charter. The Committee suggested moving the timing of the assessment in the future.

8. ANY OTHER BUSINESS

Margaret Abbey informed the Committee that she will be the recipient of the Public Service Medal. The Committee congratulated Ms Abbey on her achievements.

9. MEETING CLOSE

Meeting was closed at 3.00 pm

8.4 ORGANISATIONAL REPORTS

8.4.1 BULOKE SHIRE COUNCIL CUSTOMER SERVICE CHARTER

Author's Title: Manager Customer Engagement

Department: Office of the CEO

File No: CM/14/22

Attachments: 1 [↓](#) Buloke Shire Council Customer Service Charter

Relevance to Council Plan 2017 - 2021

Strategic Objective: Support our councillors, staff, volunteers and the community to make informed and transparent decisions.

RECOMMENDATION

That Council adopts the Customer Service Charter.

1. Executive Summary

This report is presented to Council for consideration of the adoption of the Buloke Shire Council Customer Service Charter.

The Charter is an action of the Buloke Shire Council Customer Service Strategy, adopted by Council in September of 2018, which set out the organisation's commitment to customer service excellence, both internally and externally, and outline the key actions to be taken to achieve related Strategic Objectives outlined in the Council Plan 2017-2021.

2. Discussion

The Customer Service Charter outlines Council's commitment to its customers and builds on the 'all of organisation' approach to customer service outlined in the strategy.

The charter sets out clearly the contact standards Council adheres to for the numerous ways customers engage Council.

If adopted, this charter would replace the existing Customer Service Charter. An education program will roll out across the organisation once the Charter is adopted.

3. Financial Implications

Any costs associated with the delivery of the Customer Service Charter are included within Council's operational budget.

4. Cost Shift Considerations

Nil.

5. Community Consultation

There was no external consultation for the Customer Service Charter.

6. Internal Consultation

The Customer Service Charter has undergone significant internal consultation with the Customer Service Officers and Executive Management. After an initial draft document was devised by Manager Customer Engagement on the back of this consultation some final edits were made around the inclusion contact standards for Requests for Services.

7. Legislative / Policy Implications

Nil.

8. Environmental Sustainability

Nil.

9. Conflict of Interest Considerations

No officer involved in the preparation of this report has a conflict of interest.

10. Conclusion

That Council adopts the Customer Service Charter and promotes the charter via local media and social media channels.



CUSTOMER SERVICE CHARTER

OUR VISION

Buloke. Shaping our future together.

OUR VALUES

Council addresses its key values through:

- Good Communication
- Transparency in decision making
- Accountability by actions
- Working collaboratively with partners
- Taking responsibility
- Being responsive and timely



OUR COMMITMENT

Council is committed to our customers and to providing efficient and responsive services, whilst always striving for improvement. Council takes an all of organisation approach to Customer Service and values your feedback.

What our customers can expect when contacting Council:

- You will be spoken to in a friendly, courteous, helpful and professional manner
- We will listen to your communication carefully to establish your requirements
- We will value every customers' privacy by treating all personal information confidentially
- The provision of necessary and relevant information in a timely manner

HELP US TO HELP YOU

Excellent Customer Service outcomes are built on two way relationships. Council staff are members of your community and whilst we endeavour to satisfy each customer inquiry, we also ask customers to consider the following when contacting Council:

- Treat Council staff with respect, honesty and courtesy
- Provide accurate and (where possible) complete information
- Respect the rights of other customers
- Inform Council of any change to your details

CONTACT STANDARDS

-  **In Writing or by Email to Council** – From receipt of your correspondence, we will respond within 5 business days with an answer or indicate which department is managing your inquiry.
-  **Using Council's website** – The Buloke Shire Council website provides comprehensive, accurate and timely online information for residents, businesses and visitors. You can leave feedback on the website to detail your experience.
-  **In Person** – Council aims to resolve face to face inquiries immediately. Sometimes this is not possible, we may phone or write to you with a response.
-  **By Telephone** – Calls to Council will be answered in a timely manner and we will endeavour to resolve inquiries immediately. On occasions where your inquiry requires specialist attention we will try not to transfer your call more than once. For any inquiry that requires further action we will tell you when we expect to be able to resolve it. Request for a call back will be responded to within one business day.
-  **Via Social Media** – Council will endeavour to answer Social Media inquiries as quickly as possible during business hours. The member of staff who answers your online inquiry will identify themselves with the first name.

REQUESTS FOR SERVICES

Any requests for services will be logged onto our electronic request system. Response times will vary in accordance with our set service standards depending upon the nature of the request.

In instances where circumstances beyond Council's control affect our ability to meet this commitment we will keep you updated on the progress of your request.

COMPLAINTS HANDLING PROCESS

Council does its best to resolve complaints within 15 business days. If this is not possible, you will be informed of the progress of your complaint within 10 business days. More information on our complaint handling procedure is available at www.buloke.vic.gov.au or by contacting Council as outlined in this document.



CONTACT US

IN PERSON: 367 Broadway, Wycheproof.
Monday to Friday 8.30am to 5.00pm (excluding public holidays).

IN WRITING: PO Box 1, Wycheproof, Victoria 3527.

EMAIL: buloke@buloke.vic.gov.au

WEB: www.buloke.vic.gov.au

PH: 1300 520 520

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8.4.2 DRAFT REVENUE AND RATING STRATEGY AND POLICY

Author's Title: Director Corporate Services

Department: Corporate Services

File No: RV|11|01

Attachments: 1 [↓ Draft Revenue and Rating Strategy 2019-23](#)
2 [↓ Draft Rating Policy](#)

Relevance to Council Plan 2017 - 2021

Strategic Objective: Support our councillors, staff, volunteers and the community to make informed and transparent decisions.

RECOMMENDATION

That Council:

1. Having prepared a draft Revenue and Rating Strategy, and aligned draft Rating policy, places the documents on public exhibition;
2. Invites submissions from the community on the proposal contained in the draft Revenue and Rating Strategy, and draft Rating policy; and
3. Allows presentations in support of written submissions to be heard at Council's Ordinary Meeting to be held on 8 May 2019 at the Wycheproof District Council Offices.

1. Executive Summary

This report is for Council to consider the proposed Revenue and Rating Strategy 2019-23, and the Rating policy, for approval to exhibit and call for public submissions.

2. Discussion

Council made a commitment in the 2018/19 Annual Budget to develop a four year Rating and Revenue Strategy setting out the system of rates and charges to be adopted by Council for the purpose of distributing the rates burden across the Buloke municipality on a fair and equitable basis.

Council appointed an external consultant to support the development of the Revenue and Rating Strategy, in consultation with a Council-appointed Rating and Revenue Strategy Reference Group (the Reference Group) and the wider Buloke community. Consultation on a propositions paper was undertaken, with a particular focus on reviewing:

- The appropriateness of the current residential rate
- The appropriateness of the current commercial/industrial rates
- The appropriateness of the current farm land differential rate
- The municipal charge in the context of a broader rating strategy
- Other rates and charges
- Comparisons/benchmarking with rating strategies of comparable councils, taking into account the type and property dispersal patterns within the Buloke Shire
- Modelling and impact of various scenarios

The attached draft Revenue and Rating Strategy, and draft Rating policy has been developed incorporating feedback received from consultation with the Reference Group, the community and Councillors. Further information on these draft documents has been set out below:

Draft Revenue and Rating Strategy

Key proposals within the draft Revenue and Rating Strategy for 2019-23 years include:

- General rates levied using differential rates on Capital Improved Valuations:
 - Residential rates at 100% of the General rate
 - Farm rates at 82% of the General rate
 - Commercial rates at 100% of the General rate
 - Industrial rates at 100% of the General rates
- Municipal Charge levied on all rateable properties maintained at \$170
- Service rates and charges levied for kerbside garbage and recycling for eligible properties on the basis of full cost recovery
- Deferments and/or waivers of rates and charges in specific hardship cases
- Rebates and concessions offered in some circumstances as set out in legislation, such as for the State funded Pensioner Rebate Scheme and as per Council policy and other agreements
- Rates may be paid by quarterly instalment or as a yearly lump sum payment in February.

Draft Rating Policy

The purpose of the proposed Rating policy is to establish the framework for setting Council's four year Revenue and Rating Strategy. It provides for an annual review and possible adjustment in intervening years where Council is of the opinion that the Revenue and Rating Strategy does not provide for the equitable imposition of rates and charges.

A summary of the policy is set out below:

- Council will give consideration to the good practice taxation principles where determining equitable imposition of rates and charges
- Council will use the capital improved value valuation method to satisfy equity principles and utilise differential rates
- Council will prove a differential rate for farms in recognition of the changes to property values relative to other categories, the high value of land as an input to farm operations, the contribution that the farm sector makes to the economic activity of the Shire and the lower level of service usage associated with their rural isolation
- Council will levy a municipal charge on the grounds that all properties should contribute to its administrative costs
- Council will levy a charge for kerbside garbage and recycling services on the basis of full cost recovery
- Council will levy special rates and charges wherever it believes these may be appropriate
- Council will allow payment of rates and charges by lump sum in February, as well as quarterly instalments.

Additionally, the following parameters have been proposed for the purposes of determining when a detailed review of the Revenue and Rating Strategy is required in any budget year:

- The 2019-20 rate burden for any differential rate category changes by +/- 1% or greater following a general revaluation of properties
- Any change in the legislative framework that materially impacts the equitable imposition of rates and charges.

3. Financial Implications

Council has set aside funds within the 2018/19 Annual Budget to support the development of the Revenue and Rating Strategy.

The Revenue and Rating Strategy will be a key source document in the preparation of the 2019/20 Annual Budget and the long term financial plan.

4. Cost Shift Considerations

There are no new cost shift considerations relevant to this report.

5. Community Consultation

The development of the Revenue and Rating Strategy included consultation with the Council-appointed Revenue and Rating Strategy Reference Group, and consultation with the wider Shire community.

This report recommends formal consultation commence with the community with respect to the draft Strategy.

6. Internal Consultation

Councillors have attended two briefings in relation to the development and content of the proposed Revenue and Rating Strategy, and the Rating policy.

7. Legislative / Policy Implications

The Revenue and Rating Strategy, and Rating policy, will allow Council to meet best practice guidelines for Local Government, but is not currently a legislative obligation. The Local Government Bill 2018 identifies that Local Government will be required to adopt a Revenue and Rating Strategy.

The Rating Strategy will be undertaken within the following context:

- *Local Government Act 1989*
- Local Government Bill 2018
- Ministerial Guidelines for Differential Rating
- Local Government Better Practice Guide 2014 'Revenue and Rating Strategy'
- Council Plans

8. Environmental Sustainability

Not applicable.

9. Conflict of Interest Considerations

No Officer involved in the preparation of this report has a conflict of interest.

Interests of Councillors and Officers who reside in the Buloke municipality do not exceed the interest generally held by Buloke Shire ratepayers.

10. Conclusion

The draft Revenue and Rating Strategy 2019-23, and the draft Rating policy has been prepared for endorsement by Council and consultation with the Buloke community.



REVENUE AND RATING STRATEGY 2019-23

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1. INTRODUCTION

1.1 Purpose

The purpose of the Revenue and Rating Strategy is to set out the system of rates and charges adopted by the Buloke Shire Council (the Council) for the purposes of distributing the rates burden across the municipality on a fair and equitable basis. The Strategy is reviewed and adopted every four years following a general election of the Council. This Revenue and Rating Strategy is for the four year period 2019-23.

1.2 Background

In 2018 Council decided to prepare a Revenue and Rating Strategy following the adoption of the Annual Budget 2018-19 which included significant increases in the valuations and rates for farm land as a result of the general revaluation of properties as at 1 January 2018. The objective was to develop a Revenue and Rating Strategy ensuring it meets statutory requirements, the Tax Design Principles and needs of ratepayers.

The development of the Revenue and Rating Strategy included:

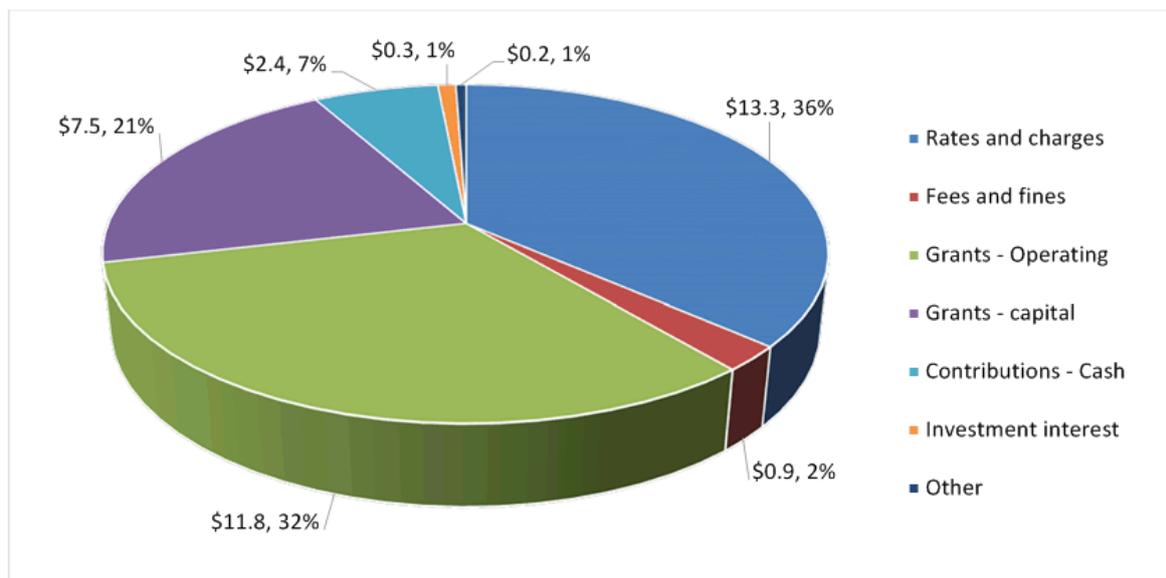
- Consultation with the Revenue and Rating Strategy Reference Group (the Reference Group)
- Consultation with the wider Shire community
- Review of the appropriateness of the current residential rate
- Review of the appropriateness of the current commercial/industrial rates
- Review of the appropriateness of the current farm land differential rate
- Review of the municipal charge in the context of a broader rating strategy
- Consideration of other rates and charges
- Comparisons/benchmarking with rating strategies of similar councils but taking into account the type and property dispersal patterns in the municipality
- Modelling and impact of various scenarios.

This draft Revenue and Rating Strategy for 2019-2023 has been prepared for endorsement by Council and consultation with the community.

2. REVENUE COMPOSITION

2.1 Revenue Composition

The composition of Council's revenue for the 2018-19 year is shown in the graph below.



Note: All \$numbers on the graph are shown in millions.

2.2 Revenue Balance

In determining if services should be funded through rates or other revenue sources, Council considers whether services are either entirely or partially "public goods". That is, is a service providing a broad benefit to the community or a particular benefit to individuals or groups. In the case of public goods it is often difficult or impractical to exclude non-ratepayers from the benefits or to attribute costs.

Where possible, Council sets user charges based on the cost of provision of those services where there is clearly a direct benefit to users, such as the garbage collection service, in which the revenue from the charges for household garbage services are set to meet the total cost of all waste services, including collection, treatment and disposal. At the same time small scale services or those where it would be difficult to attribute costs or collect fees are funded through rates.

2.3 Rate Capping

The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For the 2018-19 year the FGRS cap was set at 2.25%. For the 2019-20 year it has been set at 2.50%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

From the 2019 year general revaluations of all properties will be undertaken on an annual basis. As a result the actual rate increase for an individual rateable property may differ from the rate cap percentage due to changes in its valuation. Where the change in an individual property valuation is higher than the average for all rateable properties, the rate increase for that property may be greater than the cap. Where the change in the property valuation is lower than the average for all properties, the rate increase may be lower than the cap.

3. CURRENT RATING STRUCTURE

3.1 Rating System

The rating system used by Council for the 2018-19 year is as follows:

- General Rates levied using differential rates based on Capital Improved Valuations multiplied by specified rates in the dollar, being: Residential rates at 100% of the General rate (2018-19: 0.7715 cents/\$CIV), Farm rates at 88% of the General rate (2018-19: 0.6789 cents/\$CIV) and Commercial/Industrial rates at 100% of the General rate (2018-19: 0.7715 cents/\$CIV)
- Municipal Charge levied on all rateable properties, representing 6.4% of total revenue from the municipal charge and general rates, with exemptions for properties making up single farm enterprises and cultural and recreational lands (2018-19: \$170 per property)
- Service Rates and Charges levied for kerbside garbage and recycling for eligible properties (2018-19: \$414)
- Deferments and/or waivers of rates and charges in specific hardship cases
- Rebates and Concessions offered in some circumstances as set out in legislation such as for the State funded Pensioner Rebate Scheme and as per Council policy and other agreements.

3.2 Comparison with Other Councils

A comparison of the Council's rates and charges for the 2018-19 year with other comparable councils is shown in the tables below.

Council	Residential	Commercial	Industrial	Farm
Differential rates				
West Wimmera	100%	100%	100%	100%
Mildura	100%	120%	120%	95%
Hindmarsh	100%	90%	90%	90%
Buloke	100%	100%	100%	88%
Swan Hill ¹	100%	125%	100%	82%-96% ¹
Horsham	100%	100%	100%	80%
Yarriambiack	100%	100%	100%	72%
Ararat	100%	100%	100%	55%
Northern Grampians ²	100%	100%	100%	47% ³

¹ Dry land 82%; Irrigation land 96%

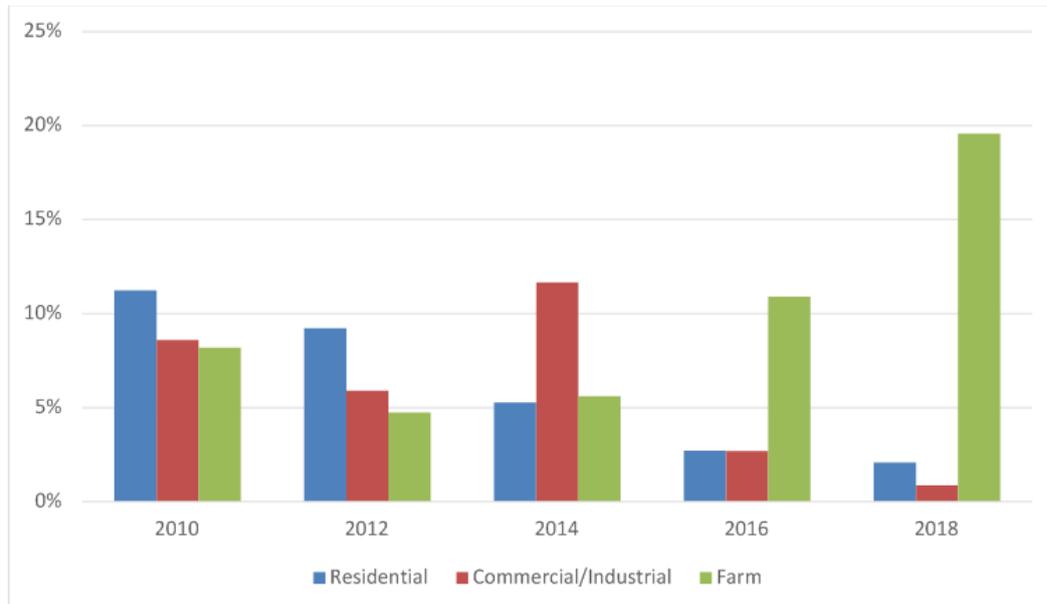
² Northern Grampians reduced its differential rate on farms by 18% to achieve a 2.25% average rate increase

Council	Charge
Municipal Charge	
Horsham	\$287
Hindmarsh	\$199
Buloke	\$170
Northern Grampians	\$156
West Wimmera	\$147
Mildura	\$100
Ararat	\$92
Yarriambiack	\$73
Swan Hill	\$0

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

3.3 Valuation and Rating Analysis

General Revaluation Outcomes – Valuations



The above graph shows the general revaluation outcomes since 2010 for property valuations. Residential had the highest valuation growth in 2010 and 2012, business in 2014 and farm for the 2016 and 2018 revaluation years. The largest disparity in valuation outcomes occurred in the 2016-17 and 2018-19 years resulting in a significant shift in the rate burden to farm land (see graph below).

The Council Valuer, Mr Ben Sawyer has advised that the preliminary general revaluation results as at 1 January 2019 are likely to be similar to the 2018 results albeit for a 12 month period. The highest average valuation increase by differential rate category is expected to be approximately 11% and the lowest 1%.

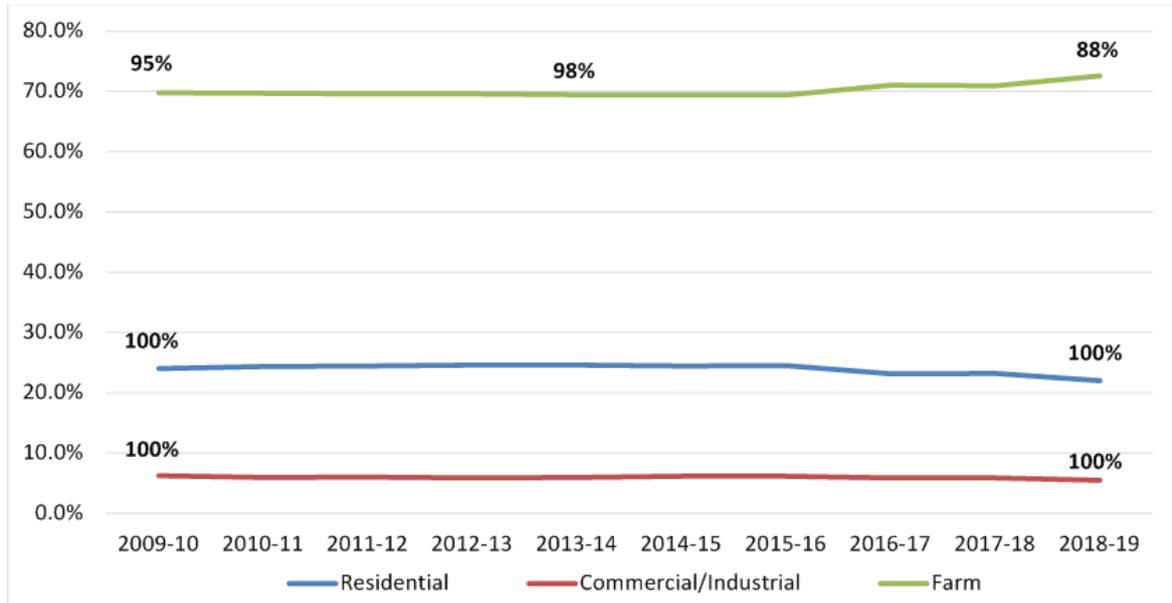
General Revaluation Outcomes – Rates



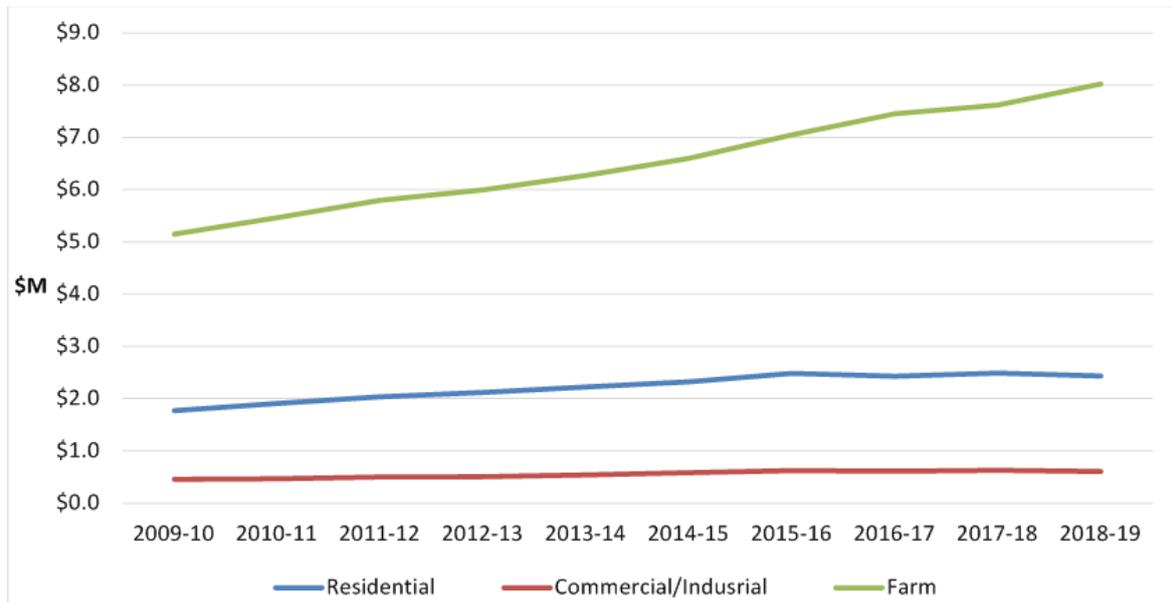
The above graph shows the general revaluation outcomes since 2010 for general rates. For the 2016 and 2018 revaluation years both residential and commercial/industrial properties experienced general rate decreases compared to farm properties which experienced general rate increases of 5.3% and 5.7% respectively.

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

General Rate Burden Outcomes



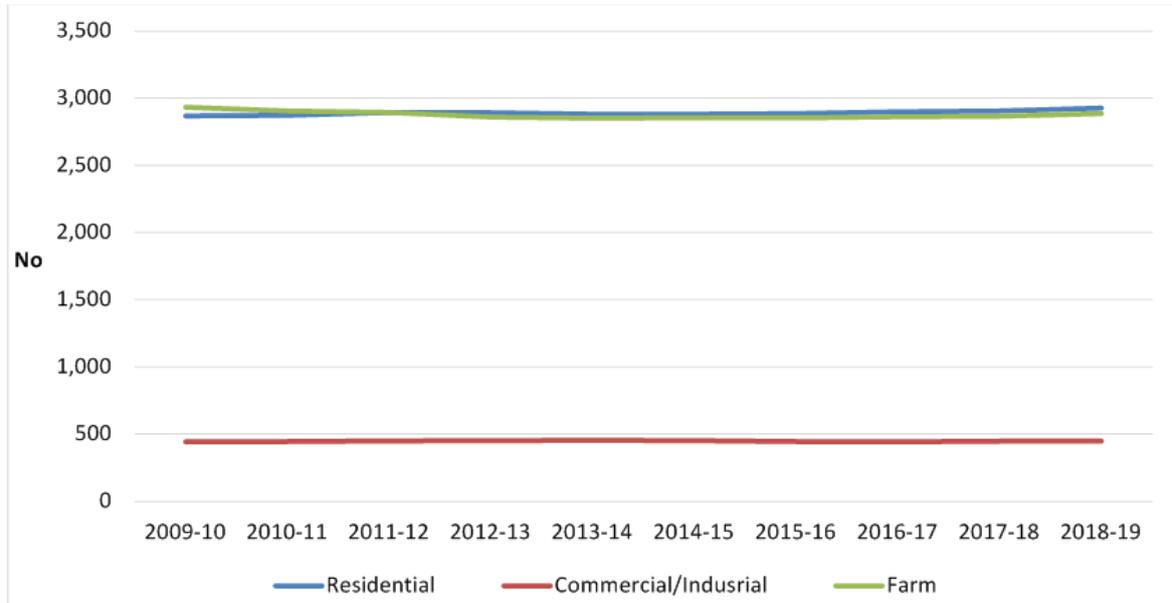
The above graph shows the proportion of the total general rates raised, that each category of land (residential, commercial/industrial, farm) has paid over the past 10 years. This is often referred to as the general rate burden. Over the past 10 years the farm general rate burden has increased from 70% to 73% with the farm differential rate increasing from 95% to 98% of the residential rate in 2013-14 and decreasing to 88% in 2018-19. Over the same period the residential general rate burden has decreased from 25% to 22% and commercial/industrial has decreased from 6.0% to 5.5% with no change in the differential rate.



The above graph shows the general rates that each category of land (residential, commercial/industrial, farm) has paid over the past 10 years. This shows the general rate burden in absolute dollar terms. Over the past 10 years the farm general rate burden has increased from \$5.2 million to \$8.0 million. Over the same period the residential general rate burden has increased from \$1.8 million to \$2.4 million and commercial/industrial has increased from \$0.5 million to \$0.6 million.

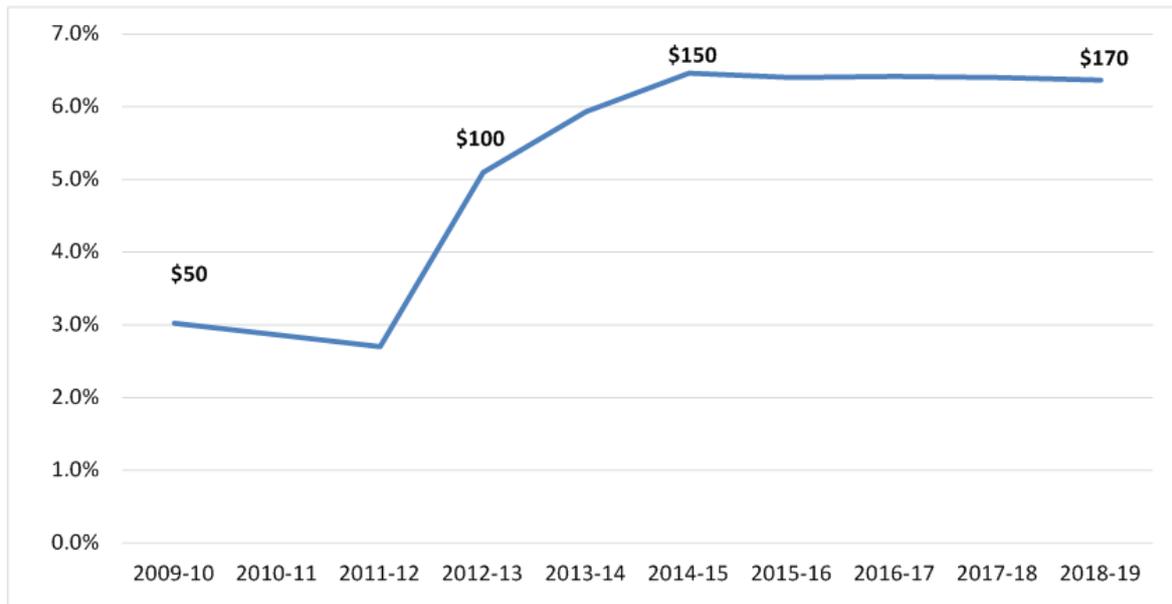
BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

Rate Assessments



The above graph shows that the number of residential assessments has increased by 2.0% over the 10 year period from 2,868 in 2009-10 to 2,926 in 2018-19. This is compared with farm assessments which has declined by 1.6% or 47 assessments and business assessments which has increased by 1.1% or 5 assessments over the same period. Since 2013-14 the number of farming entities has decreased from 1,113 to 1,046.

Municipal Charge



The above graph shows the proportion of revenue from general rates and municipal charge represented by the municipal charge over the past 10 years. The municipal charge has increased from 3.0% of total revenue from general rates and the municipal charge in 2009-10 to 6.4% in 2018-19. Over that time the municipal charge has increased from \$50 to \$170 per property.

4. STAKEHOLDER ENGAGEMENT

Stakeholder engagement was undertaken as part of the review and consisted of an on-line survey, written submissions and listening posts. The feedback has been provided by type of engagement and where possible, aligned to the good taxation principles. The comments are ratepayer verbatim.

4.1 Summary

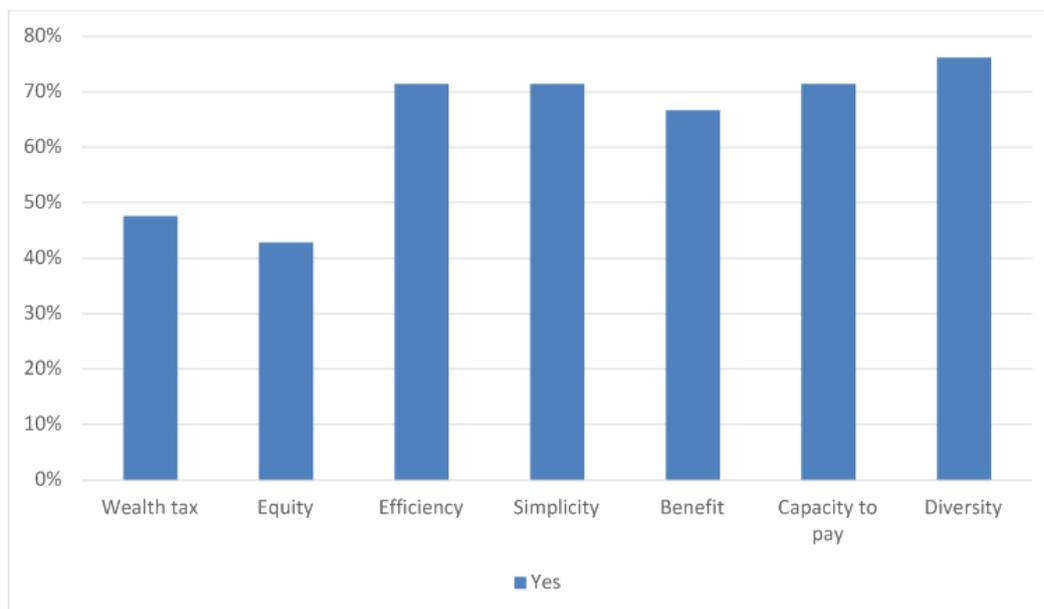
The table below provides a summary of stakeholder engagement undertaken as part of the review.

Source	Type	Total
Survey	Completed surveys	21
Submissions	Received submissions	0
Listening posts	Copies of proposition paper	261

4.2 Survey

The on-line survey consisted of multiple-choice questions and free text. The results for each question are shown in the graphs below.

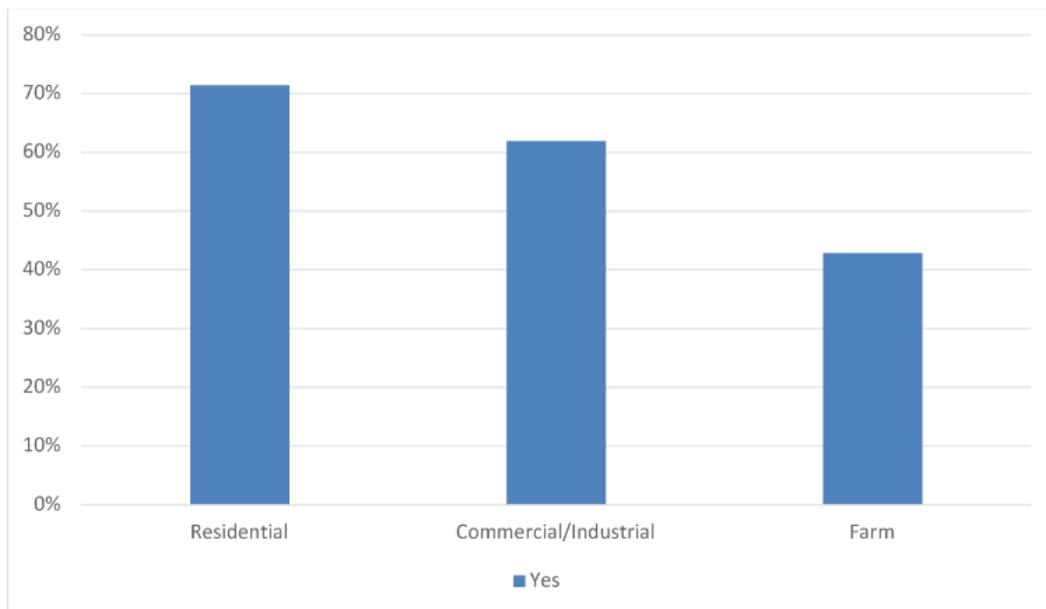
Appropriateness of the taxation principles when setting rates and charges



The above results indicate that most people agreed that the taxation principles of diversity, efficiency, simplicity and capacity to pay were the most appropriate.

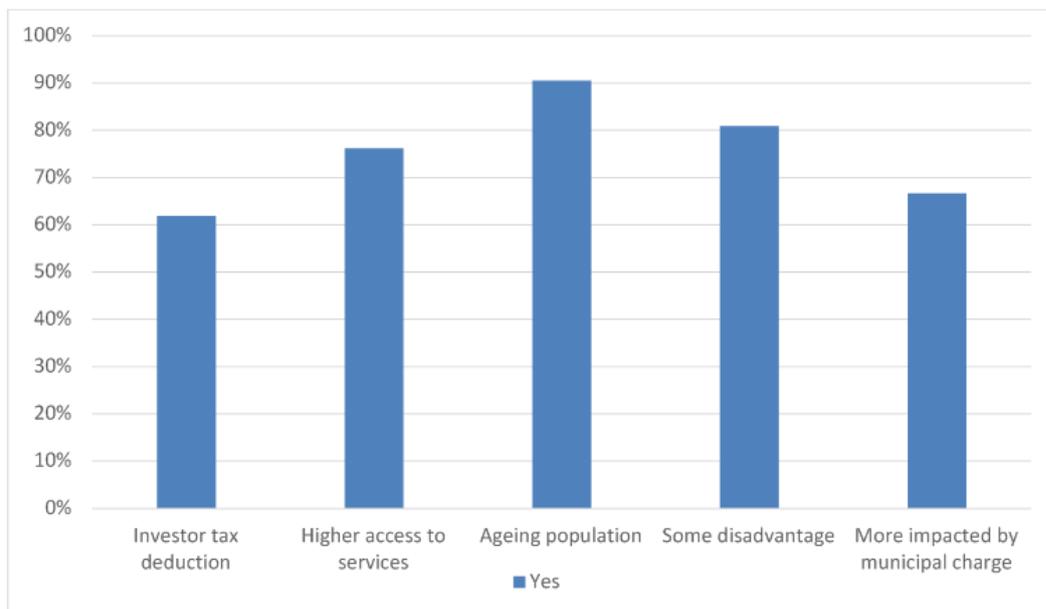
BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

Appropriateness of the current differential rates



The above results indicate that most people agreed that the differential rate level for residential properties is appropriate but the differential rate for farm properties was not appropriate.

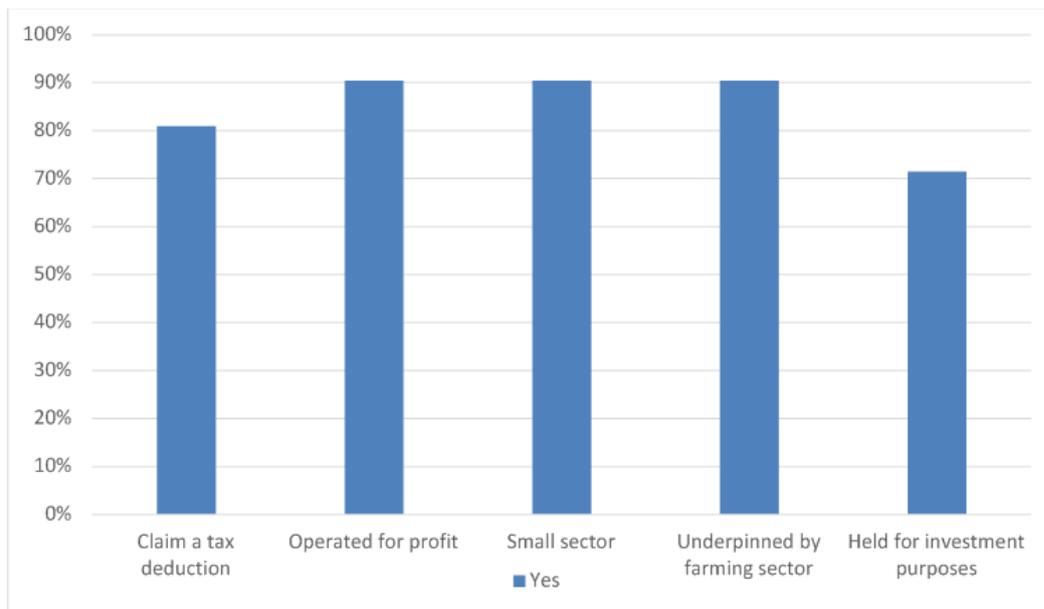
Appropriateness of the residential rate factors



The above results indicate that most people agreed that the residential category has an ageing population, a high level of disadvantage and higher access to services.

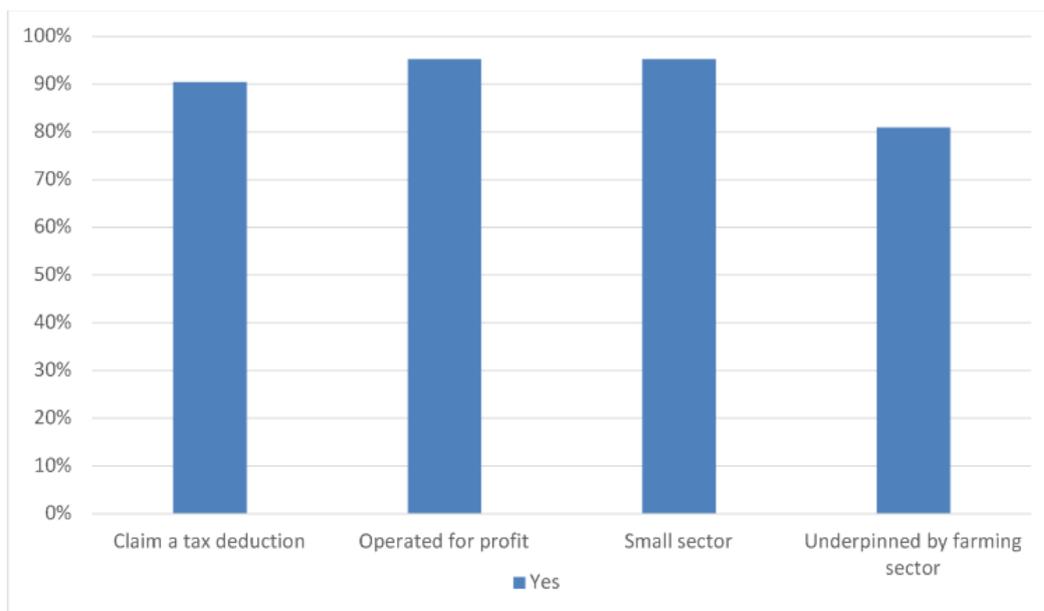
BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

Appropriateness of the commercial rate factors



The above results indicate that most people agreed that the commercial rate factors were appropriate.

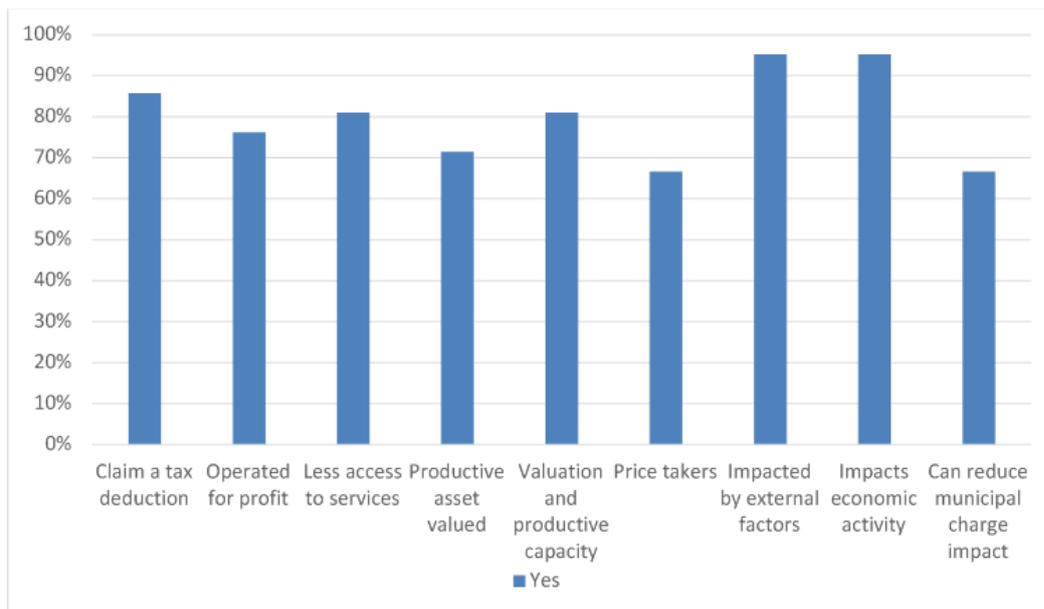
Appropriateness of the industrial rate factors



The above results indicate that most people agreed that the industrial rate factors were appropriate.

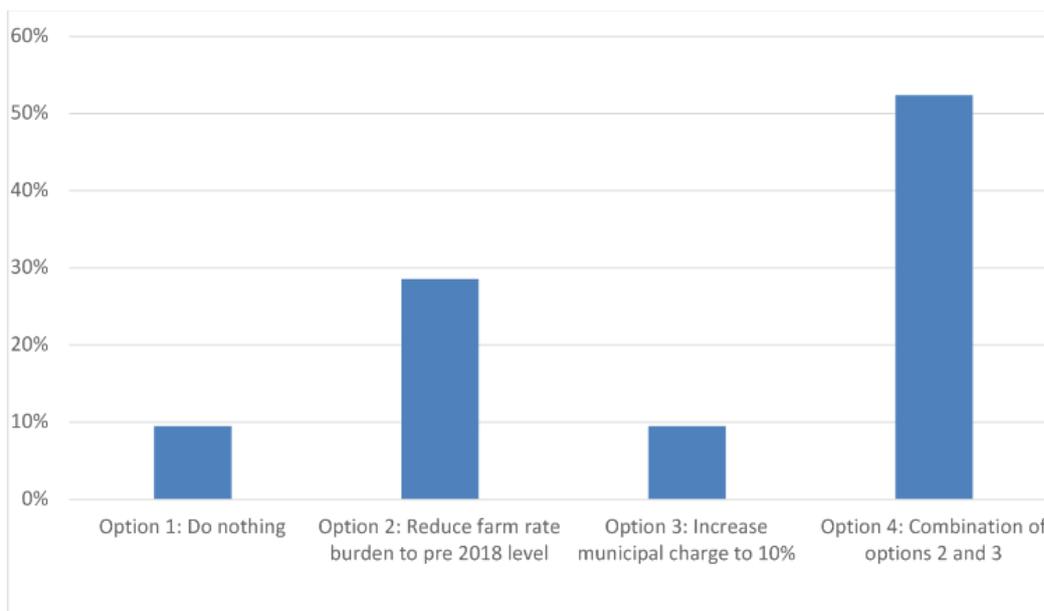
BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

Appropriateness of the farm rate factors



The above results indicate that most people agreed that the farm rate factors were appropriate.

Most equitable option for sharing the rate burden



The above results indicate that most people agreed that option 4 provided the most equitable sharing of the rates burden (refer Section 9. Rate Modelling).

Other comments by survey participants

- Farmers need to be looked after to the best ability of council.
- We believe that the farming differential should be much lower than 82%. Farmers are carrying way too much of the rate burden whilst receiving the lowest access to services and also having a low capacity to pay compared to their land value.
- Separate rates from land value as the value of land has nothing to do with productivity and ability to pay
- Most farmers will agree the only services they see from council is roads and they are far from adequate

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

- The rates need to be fair both for farmers but also for a lot of the towns that have lost access to council services, be they shire offices, proper tips, etc.
- Rates in the Buloke Shire are a too high for the amount the shire actually does for the town. They have done nothing to upgrade facilities in regard to sewage etc. They make building in the towns almost impossible because they won't condemn places that shouldn't be lived in and are leaving the value of the properties at a low level that the banks don't see viable to lend in these small towns.
- Buloke Shire rates for residential properties are too high for the value of the property. Farmers get government help whereas wage earners can't
- The current rating system is inequitable. Farmers are paying 72.5% of the rates but are way less than 50% of the rate payers. For that rate burden we might get our road graded once every 1 or 2 years. No other services are provided to rural rate payers. It is absurd you can have a situation that a town-based business can turn over a million dollars but pay rates on the property value of say \$250,000 and a farmer turns over say \$250,000 and pays rates on a property value of say a million dollars
- In the period 2009-10 to 2018-19 the farm rate revenue has risen by 53%. This is in comparison to Residential rate increasing by 33%, and commercial/industrial by 20%. As the farm rate per enterprise is huge in comparison to individual residences or commercial properties, this excess increase is multiplied in dollar terms by a factor of 5 or more.

4.3 Listening Posts

Listening posts were held at the following locations:

- Birchip (34 papers distributed)
- Wycheproof (65 papers distributed)
- Donald (70 papers distributed)
- Sea Lake (44 papers distributed)
- Charlton (48 papers distributed).

5. CAPACITY TO PAY

An analysis was undertaken of the capacity of different categories of Buloke ratepayers to pay rates and charges. The analysis included review of ABS census data, ABARES data and other relevant sources.

5.1 Differential Rates

The *Ministerial Guidelines for Differential Rating (Guidelines) 2013* state that differential rates are a useful tool to address equity issues that may arise from the setting of Council rates derived from property valuations. Circumstances whereby common types and classes of land consistently demonstrate significant relative rate disparities, including access to services arising from the use of a uniform rate, may be addressed by use of differential rates. The *Local Government Better Practice Guide: Revenue and Rating Strategy 2014* (the Guide) also suggests that capacity to pay is another ground for considering differential rates.

A council may decide that capacity to pay is fundamentally reflected by property value or that the application of the wealth tax and benefit principles should be moderated for groups of ratepayers because of capacity to pay considerations. As rates are levied on unrealised wealth in the form of property, their nexus with ratepayers' capacity to pay may be tenuous (ratepayers may be asset rich but cash poor or vice versa).

The Guide suggests that on equity and good public policy grounds, it is appropriate that the meaning and assessment of capacity to pay is agreed, at least from a practical point of view, and that decisions are influenced by a strong understanding of the factors relevant to particular property classes in order to make informed, albeit, generalised observations about their capacity to pay rates.

5.2 Data Analysis

ABS Data

The following key indicators are based on the 2016 ABS census data:

- Median total household income in Buloke was \$839 per week compared to Victoria at \$1,419 per week
- Buloke ranked 5th out of 79 Victorian councils for the percentage of individuals with an income less than \$400 per week
- Median age in Buloke was 51 years compared to Victoria at 37 years
- 28.2% of Buloke residents were aged 65 or over compared to Victoria at 15.6%
- 5.4% of Buloke residents were aged 85 or over compared to Victoria at 2.2%
- 4.1% of Buloke residents had attended a university or tertiary institution compared to Victoria at 17.8%
- 10.6% of Buloke residents had completed year 12 compared to Victoria at 15.9%
- Buloke was ranked 24th most disadvantaged out of 79 Victorian councils in terms of the level of relative socio-economic disadvantage.

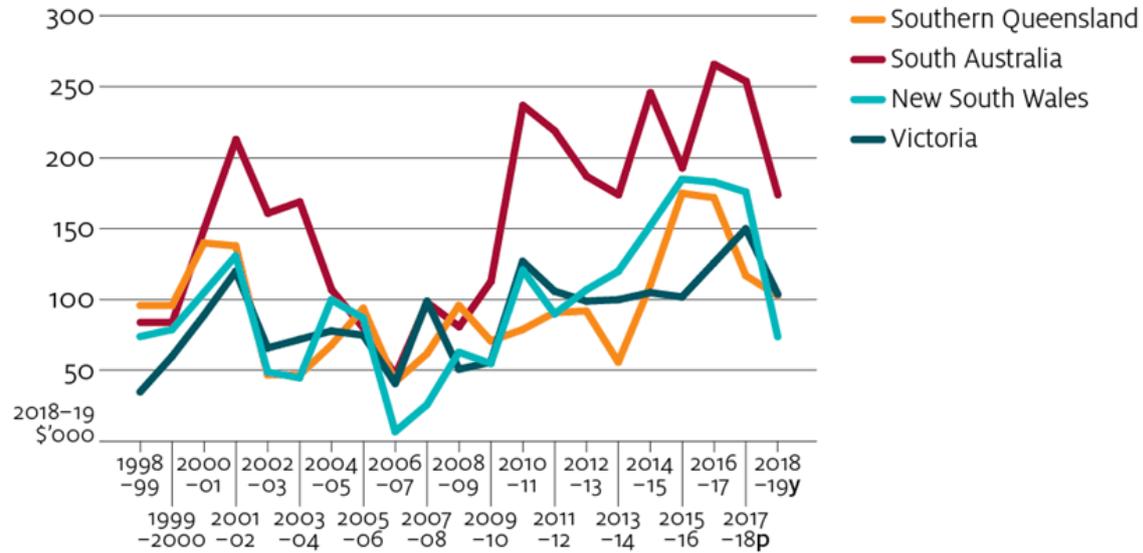
The above indicators show that the Buloke generally had worse statistical results over a broad range of key indicators than Victoria as a whole, particularly in regard to the level of household incomes

Farm Incomes

ABARES (Australian Bureau of Agricultural Research Economics) regularly publishes research and reports on business performance outcomes in the farming sector. Farming is broad term and there are many different factors that come into play in its various segments and sub-segments that impact of profitability. Notably, these include international commodity prices and local climatic conditions. It is noted, in this respect, the current severe drought conditions that are impacting on Australian agriculture in general and the Wimmera in particular. Drought conditions directly impact on market prices, quality of produce and cost of production and therefore have a direct and significant impact of farm profitability.

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

The following chart shows farm cash incomes (broad acre and dairy) for Victoria and three other states over the past 20 years. It is based on a Report on Drought Impacts released by ABARES in December 2018.



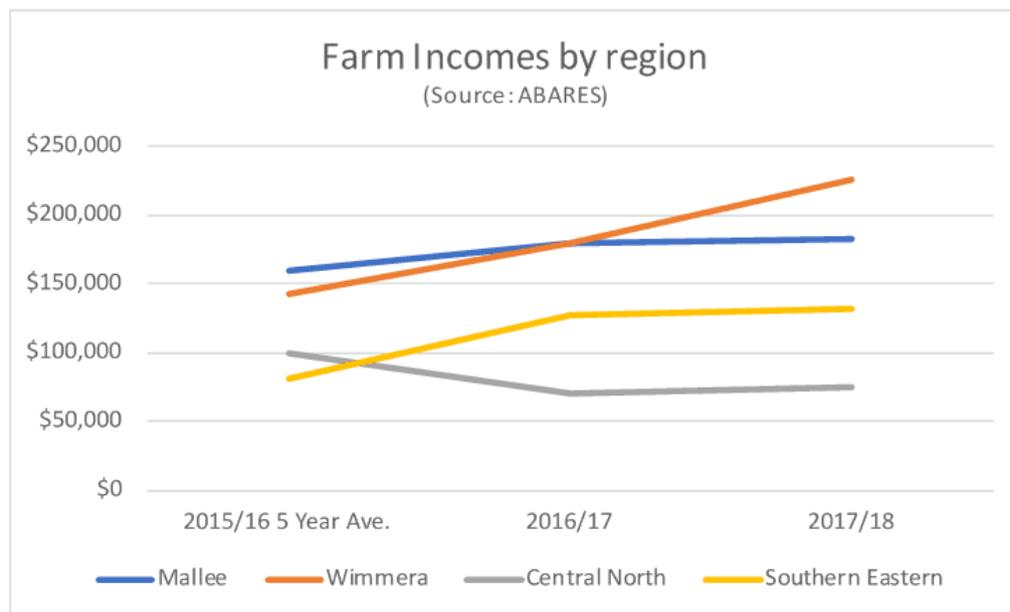
Source: ABARES, Drought Impacts on Broadacre and Dairy Farms in South-Eastern Australia, Dept of Agriculture and Water Resources, 2018

In aggregate, broadacre farms accounted for 65 per cent of Australian farm businesses and an estimated 60 per cent of the total gross value of Australian agricultural production in 2016–17.

The ABARES Report notes that the impacts of the 2018 drought on farm incomes may not be as severe as experienced in previous droughts, but that aggregate and average trends would likely mask significant variation in performance across different industries and regions.

It states that across South-Eastern Australia, average farm cash income on broadacre farms will decline by nearly \$70,000 per farm in 2018-19 (from \$169,700 to \$102,000) and that farm profit will be the lowest it has been in a decade.

The following chart shows the trend in cash farm incomes by region in Victoria over the past 3 years.

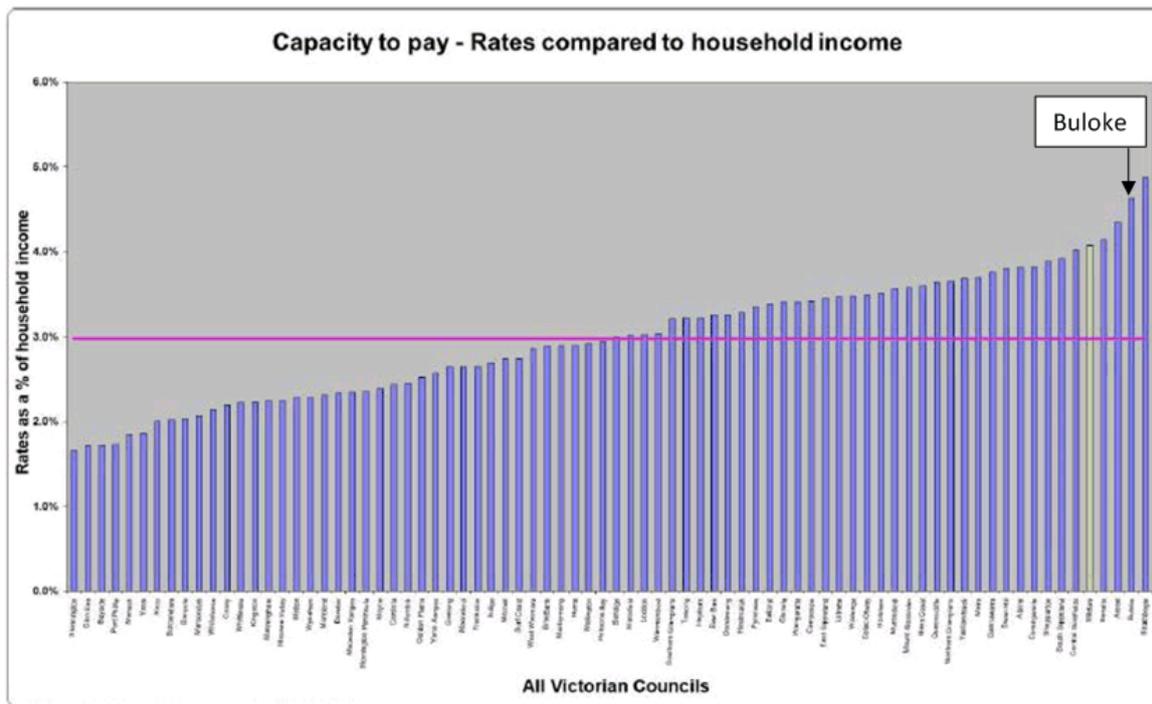


Source: ABARES

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

This data shows that farm incomes generally have increased nationally and in Victoria, as well as in the Wimmera region over the past 3 years. This is expected to decline in 2018-19 as shown in the previous graph.

Rates Compared to Household Data



Source: Strategy Plus 2016/2017

The above chart indicates that in 2016-17 Buloke was the second highest Victorian council at more than 4% when comparing the proportion of household income represented by rates.

6. PROPOSED RATING STRUCTURE

6.1 Rating System

Based on the analysis in the previous sections, Council believes that the current rating system does not provide for an equitable imposition of rates and charges. It therefore proposes the following rating system for the 2019-23 years:

- General Rates levied using differential rates based on Capital Improved Valuations multiplied by specified rates in the dollar, being:
 - Residential rates at 100% of the General rate
 - Farm rates at 82% of the General rate
 - Commercial rates at 100% of the General rate
 - Industrial rates at 100% of the General rate.
- Municipal Charge levied on all rateable properties, representing approximately 6% of total revenue from the municipal charge and general rates, with exemptions for properties making up single farm enterprises
- Service Rates and Charges levied for kerbside garbage and recycling for eligible properties on the basis of full cost recovery
- Deferments and/or waivers of rates and charges in specific hardship cases
- Rebates and Concessions offered in some circumstances as set out in legislation such as for the State funded Pensioner Rebate Scheme and as per Council policy and other agreements
- Rates may be paid by quarterly instalment or as a yearly lump sum payment in February.

6.2 General Rates

The Council introduced a farm differential in recognition of the high value of land as an input to farm operations, the contribution that the farm sector makes to the economic activity of the Shire and the lower level of service usage associated with their rural isolation. Over the past 10 years the farm differential rate has increased from 95% to 98% of the residential rate in 2013-14 and then was decreased to 88% in 2018-19 in recognition of the significant increase in farm property values relative to other property categories following the 2018 general revaluation of properties.

For the 2019-23 years, Council proposes to reduce the farm differential rate by a further 6% to 82% of the general rate in recognition of the significant change to relative property values expected from the 2019 general revaluation of properties. Council proposes to maintain the differential rate of 100% of the general rate for all other property categories. A definition of each type of land is included in Appendix A.

6.3 Municipal Charge

The municipal charge is intended to cover some of the “administrative costs” of a Council. Over the past 10 years, the municipal charge has increased from 3.0% of total revenue from general rates and the municipal charge budgeted in 2009-10 to 6.4% in 2018-19. Over that time the municipal charge has increased from \$50 to \$170 per property.

For the 2019-23 years, Council proposes to maintain the municipal charge at \$170 on the grounds that while it is regressive in nature and it has an adverse impact on lower valued properties, all properties should contribute to its administrative costs.

6.4 Service Rates and Charges

Council has service rates and charges for kerbside garbage and recycling. The Council’s policy in regard to setting the charges is full cost recovery for the waste collection services.

For the 2019-23 years, Council proposes no change to its policy on service rates and charges.

6.5 Rebates and Concessions

The Municipal Rates Pension Concession is set at half the rates and charges levied on eligible pensioners up to a maximum of \$218.30 for the 2018-19 year and is fully funded by the State Government. Eligible pensioners are also entitled to receive a concession on the Fire Services Property Levy. Ratepayers may also apply for a rate rebate to protect remnant native vegetation. This rebate is administered in accordance with the Rate Rebate Scheme for Protection of Indigenous Vegetation Guidelines.

For the 2019-23 years, Council proposes no change to its policy on rebates and concessions.

6.6 Deferments, Discounts and Waivers

Council has a separate and specific policy, “Hardship Policy” for the handling of hardship cases which allows deferment of all or part of rates for varying times depending on circumstances, interest may also be waived in hardship cases.

For the 2019-23 years, Council proposes no change to its policy on deferments, discounts or waivers.

6.7 Payment of Rates

Rates may be paid by quarterly instalment or as a yearly lump sum payment in February. The Council also widely publicises the opportunity it allows for paying rates by arrangement throughout the year and encourages ratepayers who may be having difficulty to discuss payment arrangements with rates staff.

For the 2019-23 years, Council proposes no change to its policy on payment of rates.

7. FINANCIAL IMPACT OF PROPOSED CHANGES

7.1 Modelling

For the purposes of determining the financial impact of the proposed Revenue and Rating Strategy on each category or class of ratepayer, the current and proposed rating structures have been modelled over the next five years based on the assumptions below.

7.2 Assumptions

The following assumptions have been made in regard to future rating years for the purposes of modelling the financial impact of the proposed rating structure:

- Future rate cap increases have been set at 2.5%
- Future property valuation increases have been based on the average growth over the past two general revaluations (i.e. 2016 and 2018) period and applied annually
- The growth in the number of assessments has been based on the average growth over the past two general revaluations period and applied annually.

7.3 Financial Impact

Summary

Measure	Residential	Farm	Commercial	Industrial
Rate burden: Current 2018-19	24.8%	69.4%	2.0%	3.8%
Rate burden: Proposed 2019-20	26.4%	67.9%	2.0%	3.8%
Change	+1.6%	-1.5%	0%	0%

Note: The rate burden includes the general rate and municipal charge

Measure	Residential	Farm	Commercial	Industrial
Average rate: Current 2018-19	\$1,001	\$2,851	\$1,098	\$1,864
Average rate: Proposed 2019-20	\$1,062	\$2,852	\$1,120	\$1,917
Change (\$)	+\$61	+\$1	+\$22	+\$53
Change (%)	+6.1%	0%	+2.0%	+2.8%
Rate cap (%)	+2.5%	+2.5%	+2.5%	+2.5%

Note: The average rate includes the general rate and municipal charge

The above table compares the rate burden and average rate (general rate and municipal charge) for the 2018-19 year and that which would exist in the 2019-20 year under the proposed rating structure. It shows that under the proposed rating structure, farm land would experience a decrease in the rate burden of -1.5% to 67.9%, which is the same level that existed prior to the 2018 general revaluation.

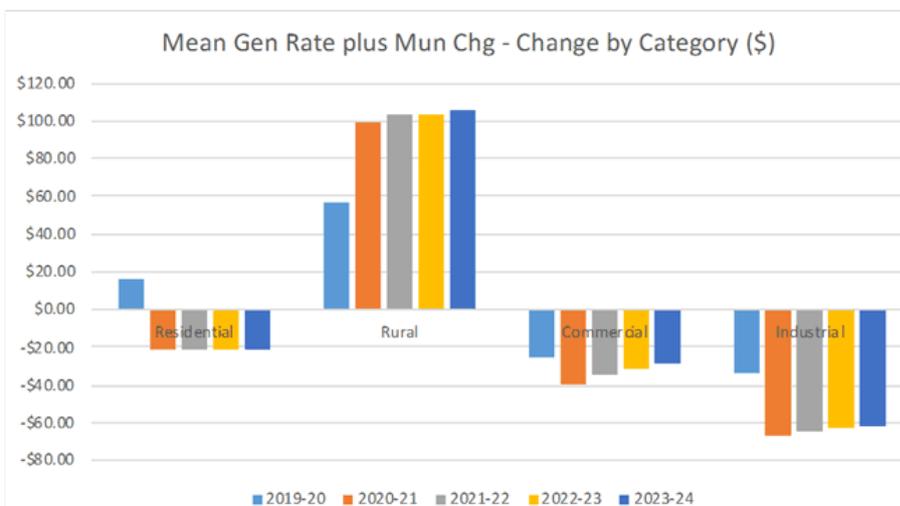
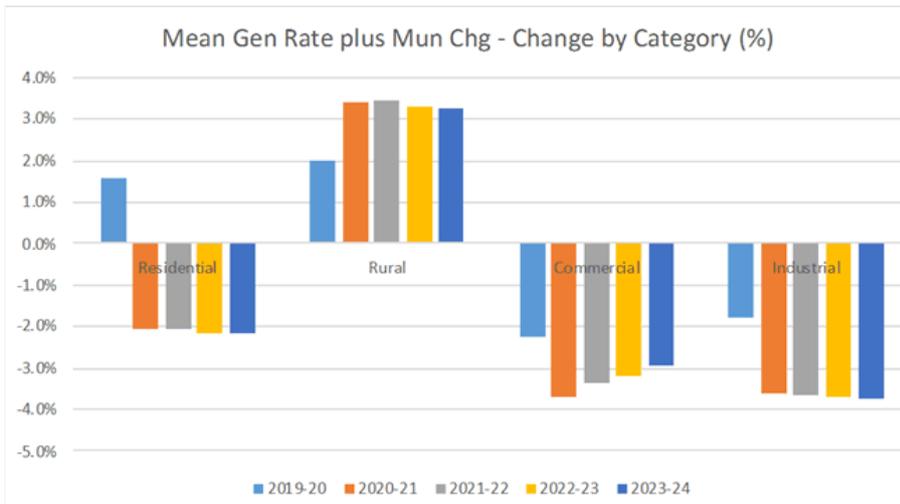
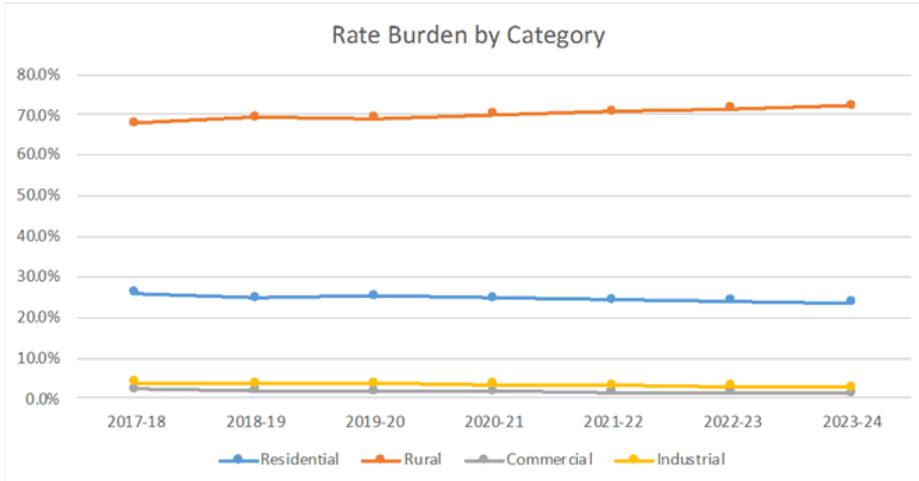
The reduction in the farm rate burden would be transferred to the other rating categories with residential land bearing most of the change. The average rate impact for residential properties would be an increase of +\$61 or +6.1% (rate cap 2.5%) compared to commercial properties which would increase by +\$22 or +2.0% (rate cap 2.5%) and industrial properties which would increase by +\$53 or +2.8% (rate cap 2.5%) on average.

Note: The farm differential of 82% proposed for the 2019-20 year is based on the expected outcome of the 2019 general revaluation of properties. The actual farm differential for the 2019-20 year may differ from this once the final outcomes of the 2019 general revaluation are known and will need to be recalculated to ensure that the farm rate burden (general rate and municipal charge) equals the 2017-18 level.

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

Current Rating Structure

The following graphs show the impact of the current rating structure on the rate burden and mean (average) general rate and municipal charge over the next five years.



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Under the current rating structure, the general rate and municipal charge burden for farm land will increase from 69.4% in 2018-19 to 72.4% by 2023-24. This will result in average rate increases for farm land of between +2.0% and +3.4% per annum over the five year period. This is compared to residential land which will experience average rate changes of +1.6% and -2.2% per annum, commercial land of -2.3% and -3.7% and industrial land of -1.8% and -3.8% over the same period.

The tables below show the impact of the current rating structure including the rate cap increase of 2.5% for 2019-20 on the general rate and municipal charge, for a range of residential, farm, commercial and industrial property valuations.

CIV Range		Assessments	Residential		Change \$	Change %
From	To		2018-19	2019-20		
	\$99,999	1,367	\$595.99	\$584.72	-\$11.27	-1.9%
\$100,000	\$199,999	1,290	\$1,243.54	\$1,217.74	-\$25.81	-2.1%
\$200,000	\$299,999	228	\$1,976.60	\$1,934.02	-\$42.58	-2.2%
\$300,000	\$399,999	35	\$2,709.33	\$2,649.72	-\$59.61	-2.2%
\$400,000	\$499,999	3	\$3,402.59	\$3,316.90	-\$85.69	-2.5%
\$500,000	\$599,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$600,000	\$699,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$700,000	\$799,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$800,000	\$899,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$900,000	\$999,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$1,000,000		1	\$63,317.28	\$61,903.83	-\$1,413.44	-2.2%
Total/mean:		2,924	\$1,038.96	\$1,017.70	-\$21.26	-2.0%

CIV Range		Assessments	Rural		Change \$	Change %
From	To		2018-19	2019-20		
	\$99,999	228	\$433.66	\$447.37	+\$13.71	+3.2%
\$100,000	\$199,999	550	\$1,071.35	\$1,107.45	+\$36.09	+3.4%
\$200,000	\$299,999	543	\$1,734.94	\$1,794.19	+\$59.25	+3.4%
\$300,000	\$399,999	495	\$2,432.86	\$2,516.12	+\$83.25	+3.4%
\$400,000	\$499,999	351	\$3,089.13	\$3,195.52	+\$106.38	+3.4%
\$500,000	\$599,999	217	\$3,816.94	\$3,946.87	+\$129.93	+3.4%
\$600,000	\$699,999	129	\$4,510.58	\$4,665.22	+\$154.63	+3.4%
\$700,000	\$799,999	91	\$5,160.78	\$5,339.08	+\$178.30	+3.5%
\$800,000	\$899,999	62	\$5,882.32	\$6,083.13	+\$200.81	+3.4%
\$900,000	\$999,999	57	\$6,548.95	\$6,776.65	+\$227.70	+3.5%
\$1,000,000		153	\$10,124.44	\$10,475.27	+\$350.83	+3.5%
Total/mean:		2,876	\$2,811.39	\$2,907.76	+\$96.37	+3.4%

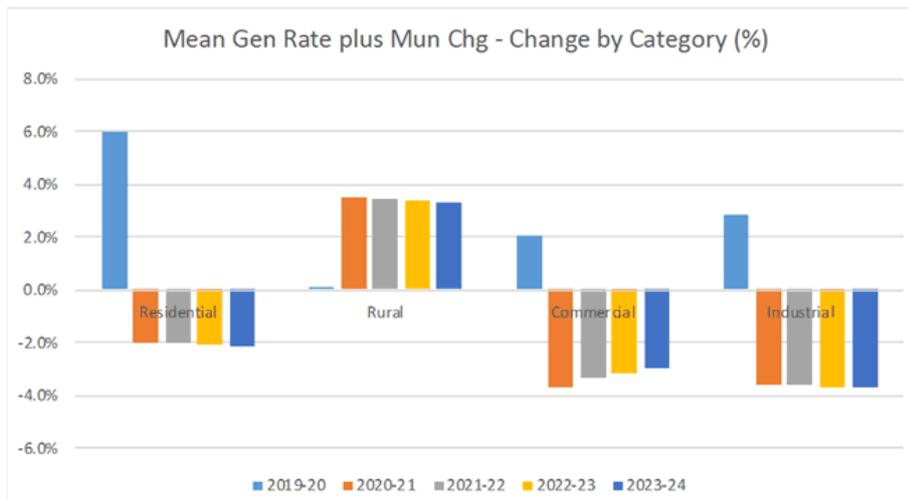
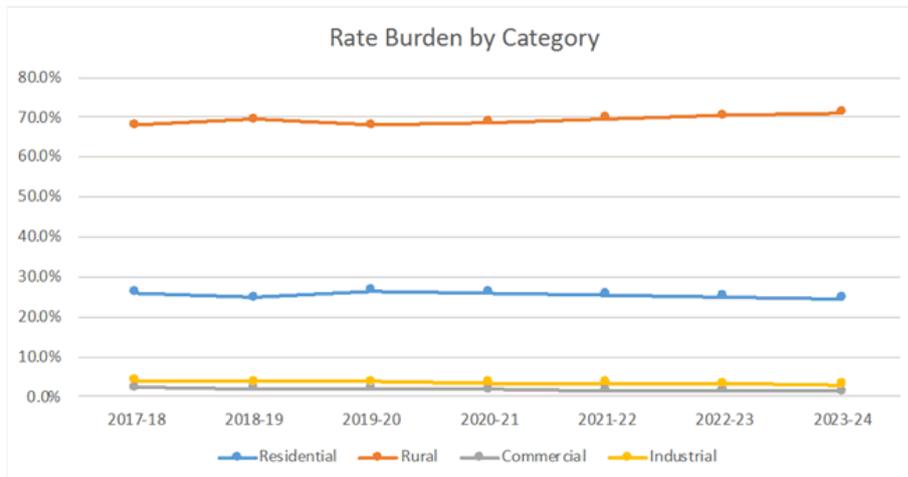
CIV Range		Assessments	Commercial		Change \$	Change %
From	To		2018-19	2019-20		
	\$99,999	128	\$541.10	\$523.88	-\$17.21	-3.2%
\$100,000	\$199,999	52	\$1,200.69	\$1,149.55	-\$51.15	-4.3%
\$200,000	\$299,999	16	\$2,047.64	\$1,963.75	-\$83.89	-4.1%
\$300,000	\$399,999	13	\$2,866.69	\$2,756.32	-\$110.37	-3.9%
\$400,000	\$499,999	8	\$3,681.29	\$3,349.56	-\$331.73	-9.0%
\$500,000	\$599,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$600,000	\$699,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$700,000	\$799,999	1	\$5,956.25	\$5,942.73	-\$13.52	-0.2%
\$800,000	\$899,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$900,000	\$999,999	1	\$7,653.55	\$7,636.06	-\$17.49	-0.2%
\$1,000,000		0	\$0.00	\$0.00	\$0.00	0.0%
Total/mean:		219	\$1,117.74	\$1,070.60	-\$47.15	-4.2%

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

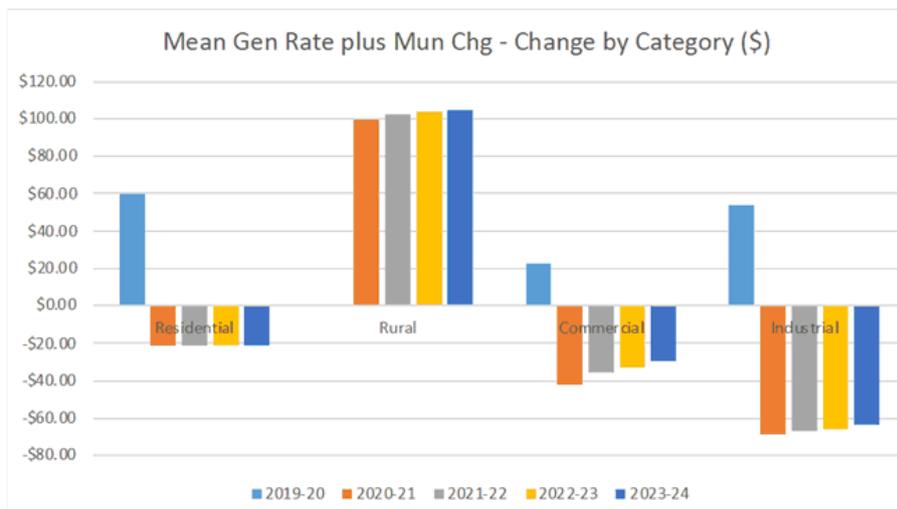
CIV Range From	To	Assessments	Industrial		Change \$	Change %
			2018-19	2019-20		
	\$99,999	149	\$470.01	\$457.99	-\$12.02	-2.6%
\$100,000	\$199,999	41	\$1,277.01	\$1,232.67	-\$44.34	-3.5%
\$200,000	\$299,999	15	\$1,984.57	\$1,911.89	-\$72.68	-3.7%
\$300,000	\$399,999	12	\$2,716.59	\$2,614.60	-\$102.00	-3.8%
\$400,000	\$499,999	2	\$3,483.59	\$3,350.88	-\$132.72	-3.8%
\$500,000	\$599,999	5	\$4,329.93	\$4,163.32	-\$166.61	-3.8%
\$600,000	\$699,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$700,000	\$799,999	1	\$6,303.43	\$6,057.77	-\$245.65	-3.9%
\$800,000	\$899,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$900,000	\$999,999	3	\$7,296.09	\$7,010.68	-\$285.41	-3.9%
\$1,000,000		10	\$21,066.08	\$20,229.15	-\$836.93	-4.0%
Total/mean:		238	\$1,900.11	\$1,830.81	-\$69.29	-3.6%

Proposed Rating Structure

The following graphs show the impact of the proposed rating structure on the rate burden and mean (average) general rate and municipal charge over the next five years.



BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023



Under the proposed rating structure, the general rate and municipal charge burden for farm land will decrease from 69.4% in 2018-19 to 67.9% in 2019-20 which is equivalent to the 2017-18 level. It will then continue to increase to 71.1% by 2023-24. This will result in average rate increases for farm land of between +0% and +3.5% per annum over the five year period. This is compared to residential land which will experience average rate changes of +6.0% and -2.1% per annum, commercial land +2.0% and -3.7% and industrial land +2.9% and -3.7% over the same period.

The tables below show the impact of the proposed rating structure including the rate cap increase of 2.5% for 2019-20 on the general rate and municipal charge, for a range of residential, farm, commercial and industrial property valuations.

CIV Range		Assessments	Residential		Change \$	Change %
From	To		2018-19	2019-20		
	\$99,999	1,367	\$595.99	\$606.33	+\$10.33	+1.7%
\$100,000	\$199,999	1,290	\$1,243.54	\$1,272.16	+\$28.61	+2.3%
\$200,000	\$299,999	228	\$1,976.60	\$2,025.63	+\$49.03	+2.5%
\$300,000	\$399,999	35	\$2,709.33	\$2,778.75	+\$69.42	+2.6%
\$400,000	\$499,999	3	\$3,402.59	\$3,480.32	+\$77.73	+2.3%
\$500,000	\$599,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$600,000	\$699,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$700,000	\$799,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$800,000	\$899,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$900,000	\$999,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$1,000,000		1	\$63,317.28	\$65,109.65	+\$1,792.37	+2.8%
Total/mean:		2,924	\$1,038.96	\$1,061.76	+\$22.80	+2.2%

CIV Range		Assessments	Rural		Change \$	Change %
From	To		2018-19	2019-20		
	\$99,999	228	\$433.66	\$439.21	+\$5.55	+1.3%
\$100,000	\$199,999	550	\$1,071.35	\$1,086.13	+\$14.78	+1.4%
\$200,000	\$299,999	543	\$1,734.94	\$1,759.51	+\$24.57	+1.4%
\$300,000	\$399,999	495	\$2,432.86	\$2,467.50	+\$34.64	+1.4%
\$400,000	\$499,999	351	\$3,089.13	\$3,133.50	+\$44.36	+1.4%
\$500,000	\$599,999	217	\$3,816.94	\$3,870.86	+\$53.92	+1.4%
\$600,000	\$699,999	129	\$4,510.58	\$4,574.84	+\$64.26	+1.4%
\$700,000	\$799,999	91	\$5,160.78	\$5,235.52	+\$74.74	+1.4%
\$800,000	\$899,999	62	\$5,882.32	\$5,965.13	+\$82.81	+1.4%
\$900,000	\$999,999	57	\$6,548.95	\$6,644.77	+\$95.82	+1.5%
\$1,000,000		153	\$10,124.44	\$10,270.65	+\$146.21	+1.4%
Total/mean:		2,876	\$2,811.39	\$2,851.45	+\$40.06	+1.4%

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

CIV Range		Assessments	Commercial			
From	To		2018-19	2019-20	Change \$	Change %
	\$99,999	128	\$541.10	\$542.56	+\$1.46	+0.3%
\$100,000	\$199,999	52	\$1,200.69	\$1,200.47	-\$0.23	-0.0%
\$200,000	\$299,999	16	\$2,047.64	\$2,057.00	+\$9.36	+0.5%
\$300,000	\$399,999	13	\$2,866.69	\$2,890.77	+\$24.08	+0.8%
\$400,000	\$499,999	8	\$3,681.29	\$3,514.85	-\$166.44	-4.5%
\$500,000	\$599,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$600,000	\$699,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$700,000	\$799,999	1	\$5,956.25	\$6,242.83	+\$286.58	+4.8%
\$800,000	\$899,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$900,000	\$999,999	1	\$7,653.55	\$8,024.19	+\$370.64	+4.8%
\$1,000,000		0	\$0.00	\$0.00	\$0.00	0.0%
Total/mean:		219	\$1,117.74	\$1,117.58	-\$0.17	-0.0%

CIV Range		Assessments	Industrial			
From	To		2018-19	2019-20	Change \$	Change %
	\$99,999	149	\$470.01	\$472.97	+\$2.96	+0.6%
\$100,000	\$199,999	41	\$1,277.01	\$1,287.91	+\$10.91	+0.9%
\$200,000	\$299,999	15	\$1,984.57	\$2,002.44	+\$17.88	+0.9%
\$300,000	\$399,999	12	\$2,716.59	\$2,741.68	+\$25.09	+0.9%
\$400,000	\$499,999	2	\$3,483.59	\$3,516.23	+\$32.64	+0.9%
\$500,000	\$599,999	5	\$4,329.93	\$4,370.91	+\$40.98	+0.9%
\$600,000	\$699,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$700,000	\$799,999	1	\$6,303.43	\$6,363.85	+\$60.42	+1.0%
\$800,000	\$899,999	0	\$0.00	\$0.00	\$0.00	0.0%
\$900,000	\$999,999	3	\$7,296.09	\$7,366.29	+\$70.20	+1.0%
\$1,000,000		10	\$21,066.08	\$21,271.92	+\$205.85	+1.0%
Total/mean:		238	\$1,900.11	\$1,917.15	+\$17.04	+0.9%

APPENDIX A: Definition of Land

Residential Land

Definition	Residential land is any rateable land which is occupied for the principal purpose of physically accommodating persons; or unoccupied but zoned residential under the Buloke Shire Planning Scheme and which is not commercial or industrial land
Objectives	The objectives of the rate are to: <ul style="list-style-type: none"> • Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the: <ul style="list-style-type: none"> – Construction and maintenance of infrastructure assets – Development and provision of health and community services – Provision of general support services
Characteristics	The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land. The vacant land affected by this rate is that which is zoned residential under the Buloke Shire Planning Scheme. The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning
Types and classes	The types and classes of rateable land within this rate are those having the relevant characteristics described above
Use of rate	The money raised by this rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land
Level of rate	100% of the general rate
Use of land	Is any use permitted under the Buloke Shire Planning Scheme
Geographic location	The geographic location of the land is wherever it is located within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Buloke Shire Planning Scheme
Types of buildings	The types of buildings on the land within this rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year

Commercial Land

Definition	Commercial land is identified as any rateable land which is occupied for the principal purpose of carrying out the manufacture or production of, or trade in, goods or services; or unoccupied but zoned commercial under the Buloke Shire Planning Scheme
Objectives	The objectives of the rate are to: <ul style="list-style-type: none"> • Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the: <ul style="list-style-type: none"> – Construction and maintenance of infrastructure assets – Development and provision of health and community services – Provision of general support services
Characteristics	The characteristics of planning scheme zoning are applicable to the determination of vacant land, which will be subject to the rate applicable to commercial land. The vacant land affected by this rate is that which is zoned commercial and/or industrial under the Buloke Shire planning scheme. The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning
Types and classes	The types and classes of rateable land within this differential rate are those having the relevant characteristics described above
Use of rate	The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land
Level of rate	100% of the general rate
Use of land	Is any use permitted under the Buloke Shire Planning Scheme
Geographic location	The geographic location of the land is wherever it is located within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Buloke Shire Planning Scheme
Types of buildings	The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

Industrial Land

Definition	Commercial land is identified as any rateable land which is occupied for the principal purpose of carrying out the manufacture or production of, or trade in, goods or services; or unoccupied but zoned industrial under the Buloke Shire Planning Scheme
Objectives	The objectives of the rate are to: <ul style="list-style-type: none"> • Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the: <ul style="list-style-type: none"> – Construction and maintenance of infrastructure assets – Development and provision of health and community services – Provision of general support services
Characteristics	The characteristics of planning scheme zoning are applicable to the determination of vacant land, which will be subject to the rate applicable to commercial land. The vacant land affected by this rate is that which is zoned commercial and/or industrial under the Buloke Shire planning scheme. The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning
Types and classes	The types and classes of rateable land within this differential rate are those having the relevant characteristics described above
Use of rate	The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land
Level of rate	100% of the general rate
Use of land	Is any use permitted under the Buloke Shire Planning Scheme
Geographic location	The geographic location of the land is wherever it is located within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Buloke Shire Planning Scheme
Types of buildings	The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year

BULOKE SHIRE COUNCIL REVENUE AND RATING STRATEGY 2019 – 2023

Farm Land

Definition	Is farm land that is: not less than 2 hectares in area; used primarily for grazing (including agistment), dairying, pig farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or growing of crops of any kind or any combination of those activities; used by a business that has significant and substantial commercial purpose or character, seeks to make a profit on a continuous or repetitive basis and is either making a profit or has reasonable prospect of making a profit from its activities
Objectives	<p>The objectives of the rate are to:</p> <ul style="list-style-type: none"> • Ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the: <ul style="list-style-type: none"> – Construction and maintenance of infrastructure assets – Development and provision of health and community services – Provision of general support services. • Recognise the changes to property values relative to other categories, the high value of land as an input to farm operations, the contribution that the farm sector makes to the economic activity of the Shire and in recognition of a lower level of service usage associated with their rural isolation.
Characteristics	<p>The characteristics of planning scheme zoning are applicable to the determination of vacant land, which will be subject to the rate applicable to farm land.</p> <p>The vacant land affected by this rate is that which is zoned farming under the Buloke Shire Planning Scheme.</p> <p>The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning</p>
Types and classes	The types and classes of rateable land within this differential rate are those having the relevant characteristics described above
Use of rate	<p>The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council.</p> <p>The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land</p>
Level of rate	82% of the general rate
Use of land	The use of the land within this differential rate, in the case of improved land, is any use of land
Geographic location	The geographic location of the land within this differential rate is wherever it is located within the municipal district
Planning scheme zoning	The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Buloke Shire Planning Scheme
Types of buildings	The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018/19 financial year



RATING POLICY

2019-23

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1. PURPOSE

The purpose of the Rating Policy is to establish the framework for setting the Buloke Shire Council's (the Council) Revenue and Rating Strategy. The Rating Policy and Revenue and Rating Strategy are reviewed and adopted every four years following a general election of Council. The Revenue and Rating Strategy is reviewed in the intervening years and adjusted where Council is of the opinion that the Strategy does not provide for the equitable imposition of rates and charges.

Council's policy in regard to rates and charges as set out in the *Local Government Act 1989* (the Act) is set out below. Further details are provided in Appendix A and Appendix B.

2. COUNCIL POLICY

2.1 Objectives

2.1.1 Legislation

Under Section 3C of the Act, the primary objective of a council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions. Further in seeking to achieve its primary objective, a council must ensure the equitable imposition of rates and charges.

Under Section 136 of the Act, a Council must pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden.

2.1.2 Policy

Council will give consideration to the good practice taxation principles when determining the equitable imposition of rates and charges.

2.2 Valuation Method

2.2.1 Legislation

A council may use the site value, net annual value or capital improved value system of valuation. For the purposes of calculating the site value, net annual value or capital improved value of rateable land, a council must use the current valuations made in respect of the land under the *Valuation of Land Act 1960*.

Valuations occurring up to January 2018 were undertaken on a two-year basis, with supplementary valuations able to be done where there are sales in subdivisions and consolidations, as well as following the construction and demolition of buildings. Changes were made to the *Valuation of Land Act 1960* that from 2019 it will require property valuations to be undertaken through the Valuer General's Office on an annual basis.

2.2.2 Policy

Council will use the capital improved value valuation method as this satisfies the equity principles and allows council to utilise differential rates in its rating structure.

2.3 Rates and Charges

2.3.1 Legislation

Under Section 155 of the Act, a council may declare the following rates and charges on rateable land:

- General rates under
- Municipal charges
- Service rates and charges

- Special rates and charges.

2.3.2 Policy

Council's policy in regard to the rates and charges able to be declared under the Act, are set out in the following sections.

2.4 Differential Rates

2.4.1 Legislation

Under Section 158 of the Act, a council when declaring rates and charges must declare whether the general rates will be raised by the application of a uniform rate or differential rates.

Under Section 161 of the Act, if a council declares a differential rate for any land, the council must:

- Specify the objectives of the differential rate including a definition of the types or classes of land which are subject to the rate and a statement of the reasons for the use and level of that rate
- Specify the characteristics of the land which are the criteria for declaring the differential rate.

A council must have regard to any Ministerial Guidelines before declaring a differential rate for any land. The Minister issued Guidelines in April 2013. These guidelines attempt to spell out clearly what types and classes of land may be considered for differentials and also those that are not appropriate for differentials or need to be "carefully considered".

The highest differential rate must be no more than four times the lowest differential rate.

2.4.2 Policy

Council will provide a differential rate for farms in recognition of the changes to property values relative to other categories, the high value of land as an input to farm operations, the contribution that the farm sector makes to the economic activity of the Shire and in recognition of a lower level of service usage associated with their rural isolation.

Council does not consider any other differential rate is appropriate for any of the other listed categories of land use within the Ministerial Guidelines.

Council gives consideration to the good practice taxation principles as set out Section 2.11 when setting differential rates. Council's policy on the taxation principles is provided in Appendix B.

2.5 Municipal Charge

2.5.1 Legislation

Under Section 159 of the Act, a council may declare a municipal charge to cover some of the administrative costs of the council. A council's total revenue from a municipal charge in a financial year must not exceed 20 per cent of the sum total of the council's total revenue from a municipal charge and total revenue from general rates. The *Local Government Bill 2018* proposes that this be reduced to 10%.

A person may apply to a council for an exemption from the payment of a municipal charge on rateable land if the rateable land is farm land, the rateable land forms part of a single farm enterprise and an exemption is not claimed in respect of at least one other rateable property which forms part of the single farm enterprise. In the case of a single farm enterprise which is occupied by more than one person, an exemption cannot be claimed in respect of more than one principal place of residence.

2.5.2 Policy

Council recognises the regressive nature of the municipal charge but will levy a municipal charge on the grounds that all properties should contribute to its administrative costs.

2.6 Service Rates and Charges

2.6.1 Legislation

Under Section 162 of the Act, a council may declare a service rate or charge for any of the following services:

- Provision of a water supply
- Collection and disposal of refuse
- Provision of sewage services
- Any other prescribed service.

2.6.2 Policy

Council will levy a charge for kerbside garbage and recycling services on the basis of full cost recovery.

2.7 Special Rates and Charges

2.7.1 Legislation

Under Section 163 of the Act, a council may declare a special rate or charge for the purposes of defraying any expenses or repaying (with interest) any advance made to or debt incurred or loan raised by the Council, in relation to the performance of a function or the exercise of a power of the council, if it will be of special benefit to the persons required to pay the special rate or special charge.

2.7.2 Policy

Council will levy special rates and charges wherever it believes these may be appropriate.

2.8 Payment Options and Incentives

2.8.1 Legislation

Under Section 167 of the Act, a council must allow rates and charges to be paid in four instalments. A council may also allow rates and charges to be paid in a lump sum. Under Section 168 of the Act a council may also provide incentives for prompt payment.

2.8.2 Policy

Council will allow payment of rates and charges by lump sum in February as well as quarterly instalments. A discount for early payment of rates will not be offered.

2.9 Rebates and Concessions

2.9.1 Legislation

Under Section 169 of the Act, a council may grant a rebate or concession in relation to any rate or charge:

- To assist the proper development of the municipal district; or
- To preserve buildings or places in the municipal district which are of historical or environmental interest; or
- To restore or maintain buildings or places of historical, environmental, architectural or scientific importance in the municipal district; or
- To assist the proper development of part of the municipal district.

A council resolution granting a rebate or concession must specify the benefit to the community as a whole resulting from the rebate or concession.

2.9.2 Policy

Council ratepayers may apply for the state government pensioner rebate if they hold an eligible Centrelink Pensioner Concession Card or DVA Gold Card specifying TPI or War Widow. Ratepayers may also apply for a rate rebate to protect remnant native vegetation. This rebate is administered in accordance with the 'Rate Rebate Scheme for Protection of Indigenous Vegetation Guidelines'.

2.10 Deferments, Discounts and Waivers

2.10.1 Legislation

Under Section 170 of the Act, a council may defer in whole or in part the payment by a person of any rate or charge which is due and payable for a specified period and subject to any conditions determined by the council if it considers that an application by that person shows that the payment would cause hardship to the person.

Under Section 171 of the Act, a council may waive the whole or part of any rate or charge or interest in relation to:

- An eligible recipient
- Any other class of persons determined by the Council for the purpose of waiving rates or charges on the grounds of financial hardship.

2.10.2 Policy

Council has a separate and specific policy, 'Hardship Policy' for the handling of hardship cases which allows deferment of all or part of rates for varying times depending on circumstances. Interest may also be waived in hardship cases.

2.11 Taxation Principles

2.11.1 Legislation

Wealth Tax

The Victorian Government's *Local Government Better Practice Guide: Revenue and Rating Strategy 2014* states that when developing a rating strategy, in particular with reference to differential rates, a council should give consideration to the following key good practice taxation principles:

- Wealth Tax
- Equity
- Efficiency
- Simplicity
- Benefit
- Capacity to Pay
- Diversity.

The "wealth tax" principle implies that the rates paid are dependent upon the value of a ratepayer's real property and have no correlation to the individual ratepayer's consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.

Equity

Horizontal equity – ratepayers in similar situations should pay similar amounts of rates (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation). Vertical Equity – those who are better off should pay more rates than those worse off (the rationale applies for the use of progressive and proportional income taxation. It implies a "relativity" dimension to the fairness of the tax burden).

Efficiency

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by rates.

Simplicity

How easily a rates system can be understood by ratepayers and the practicality and ease of administration.

Benefit

The extent to which there is a nexus between consumption/benefit and the rate burden.

Capacity to Pay

The capacity of ratepayers or groups of ratepayers to pay rates.

Diversity

The capacity of ratepayers within a group to pay rates.

2.11.2 Policy

Council will give consideration to the good practice taxation principles when determining the equitable imposition of rates and charges. Council's policy on the taxation principles is provided in Appendix B.

3. CHANGES TO THE RATING STRATEGY

Council has established the following parameters for the purposes of deciding when a detailed review of the Revenue and Rating Strategy is required in any budget year:

- The 2019-20 rate burden for any differential rate category changes by +/- 1% or greater following a general revaluation of properties
- Any change in the legislative framework that materially impacts the equitable imposition of rates and charges.

APPENDIX A: Policy on Rates and Charges

Residential Land

Principle:	A differential may be offered for residential land
Rationale:	A differential is considered appropriate for residential land under the Ministerial Guidelines for use of differentials
Issues:	<ul style="list-style-type: none"> • Rates are an allowable deduction for tax purposes for residential properties held for investment purposes and homebased businesses in relation to the portion of the home that is used for business purposes • Residential properties generally have a higher access to services • Residential properties tend to be lower in valuation and therefore are adversely impacted by the regressive nature of the municipal charge
Council Policy:	Council does not consider it appropriate to have a separate differential for residential land

Commercial Land

Principle:	A differential may be offered for commercial land
Rationale:	A differential is considered appropriate for commercial land under the Ministerial Guidelines for use of differentials
Issues:	<ul style="list-style-type: none"> • Rates are an allowable deduction for tax purposes for commercial properties • Commercial properties are operated for profit • A large number of commercial properties are held for investment purposes • The commercial category is much smaller in size than the residential or farm categories • Commercial business activity is underpinned by the farm sector
Council Policy:	Council does not consider it appropriate to have a separate differential for commercial land

Industrial Land

Principle:	A differential may be offered for industrial land
Rationale:	A differential is considered appropriate for industrial land under the Ministerial Guidelines for use of differentials
Issues:	<ul style="list-style-type: none"> • Rates are an allowable deduction for tax purposes for industrial properties • Industrial properties are operated for profit • The industrial category is much smaller in size than the residential or farm categories • Industrial business activity is underpinned by the farm sector
Council Policy:	Council does not consider it appropriate to have a separate differential for industrial land

Farm Land

Principle:	A differential may be offered for farming land
Rationale:	A differential is considered appropriate for farm land under the Ministerial Guidelines for use of differentials, and it is a specific requirement of these Guidelines for Council to consider a reduced differential for this category of land use
Issues:	<ul style="list-style-type: none"> • Rates are an allowable deduction for tax purposes for farm properties • Farm properties are operated for profit • Farm properties generally have a lower access to services due to their remoteness • An excessive rate burden is applied on farmers due to their land holding having a significantly greater value than for other small businesses • Farmers are unable to pass on increases in costs to prices • Farms are seen as more susceptible or fragile than other business operations to external factors • Farm activity underpins the economic activity of the Shire • Farms are less impacted by the municipal charge as they pay on a business entity basis rather by assessment
Council Policy:	Council considers it appropriate to have a separate differential for dryland farms in recognition of the distinct characteristics of this type of farm land and of changes to relative property values, the high value of land as an input to farm operations, and in recognition of a lower level of service usage associated with their rural isolation than other categories

Municipal Charge

Principle:	A Municipal Charge may be levied
Rationale:	A fixed charge may be levied in recognition of the fact that all rateable properties have an obligation to contribute to the administrative functions of Council. The charge cannot be more than 20% of total revenue from general rates and the municipal charge
Issues:	<ul style="list-style-type: none"> • As the municipal charge is a fixed charge, it is regressive, meaning that as the value of properties decrease, the municipal charge increases as a percentage of rates paid, thus the total burden is reduced on higher value properties • A reduction in the level of the municipal charge would benefit lower valued properties • Any reduction in the charge would need to be offset by an increase in the general rate which would increase the general rates on all properties across all sectors • The higher the municipal charge the greater is the benefit to farms with multiple assessments that are eligible for the “single farm enterprise” exemption.
Council Policy:	Council recognises the regressive nature of this charge but will levy a municipal charge on the grounds that all properties should contribute to its administrative costs

Service Rates and Charges

Principle:	Council may declare a service rate or charge for the provision of a water supply, collection and disposal of refuse, provision of sewage services and any other prescribed service
Rationale:	It is appropriate to have a user charge for the collection of kerbside garbage and recycling
Issues:	<ul style="list-style-type: none"> The calculation of the garbage charge is on a full cost recovery basis During 2017-18 the acceptable levels of contaminants in recyclable product delivered to China was reduced thereby impacting the recycling market. This resulted in a significant cost increase to council for the recycling service. Council has passed this charge on through the recycling charge to those properties receiving the service
Council Policy:	Council will levy a charge for kerbside garbage and recycling services on the basis of full cost recovery

Special Rates and Charges

Principle:	Special rates and charges may be declared for the purposes of defraying any expenses or repaying (with interest) any advance made to or debt incurred or loan raised by the Council, if it will be of special benefit
Rationale:	Special rates and charges have been utilised principally for drainage, footpaths and road schemes where the “benefit” to individual ratepayers can be clearly identified. They can also be used for marketing and promotion schemes
Issues:	<ul style="list-style-type: none"> Greater use of Special Charges when there are clearly “special benefits” that can be identified would help address some of the equity issues around the benefit principle
Council Policy:	Council will levy special rates and charges wherever it believes these may be appropriate

Payment Options

Principle:	Council must offer quarterly instalments but may also offer other options such as a lump sum payment
Rationale:	The lump sum payment option has remained in February largely due to the preference by the farming community to pay annually at this time. Interest can be charged on overdue payments
Issues:	<ul style="list-style-type: none"> Farming practises have changed in recent years and farm incomes are now often spread differently across the year Compulsory quarterly payments would offer opportunities for improved efficiencies in how the rates department operates and better debt management and cash-flow management for Council and potentially ratepayers alike
Council Policy:	Council considers it appropriate to allow payment of rates and charges by lump sum in February as well as quarterly payments

Rebates and Concessions

Principle:	Rebates and Concessions may be offered for a number of reasons as defined in Section 169 of the Act
Rationale:	Primarily “to assist the proper development of the municipal district” or to assist the preservation and /or restoration of places “of historical or environmental interest”
Issues:	<ul style="list-style-type: none"> • Council may offer rebates and concessions as it deems appropriate, and as established through clear policy direction • Council provides for the state funded pensioner rebate scheme and protection of remnant vegetation
Council Policy:	Council administers the State Government funded pensioner rebate scheme. Ratepayers may apply for the state government pensioner rebate if they hold an eligible Centrelink Pensioner Concession Card or DVA Gold Card specifying TPI or War Widow. Ratepayers may also apply for a rate rebate to protect remnant native vegetation. This rebate is administered in accordance with the Rate Rebate Scheme for Protection of Indigenous Vegetation Guidelines

Deferments, Discounts and Waivers

Principle:	Deferments, discounts and/or waivers of rates and charges are allowable in specific hardship cases
Rationale:	It is appropriate to assist ratepayers in the payment of rates and charges where there are demonstrated individual cases of hardship
Issues:	<ul style="list-style-type: none"> • Council has granted few waivers or discounts • Deferrals mean little lost revenue to Council and it picks up on the equity issue of capacity to pay, by delaying payment until assets are realised at a later date
Council Policy:	<p>Council has a separate and specific policy, “Hardship Policy” for the purposes of providing financial relief to ratepayers who are experiencing difficulty in meeting their financial obligations. Deferring or waiving of rates or charges or interest is only available to a ratepayer’s principal place of residence on properties rated as residential or retirement village properties. No option is available to defer or waive rates and charges on properties rated as vacant, commercial, industrial, or farm land.</p> <p>Ratepayers may have interest on outstanding rates or charges or part thereof, waived or rates or charges or interest deferred subject to a range of conditions. The total amount deferred on a single assessment cannot exceed 5% of the Capital Improved Value of the subject property</p>

APPENDIX B: Policy on Taxation Principles

Wealth Tax

Principle:	Council supports the principle that rates paid are dependent upon the value of the ratepayer's real property
Rationale:	To ensure that people in similar economic circumstances are treated similarly
Issues:	<ul style="list-style-type: none"> • There is a direct relationship between property holdings and disadvantage • Less wealthy people tend to own lower valued housing stock • Property owners with higher valued assets generally have a greater capacity to pay
Council Policy:	Council considers the wealth tax principle is a good starting point in developing its rating strategy

Equity (Horizontal)

Principle:	Council considers issues of horizontal equity when developing its rating strategy
Rationale:	To ensure that people in similar economic circumstances are treated similarly
Issues:	<ul style="list-style-type: none"> • It is difficult to assess individual economic circumstances • Levels of Government with more diverse taxing powers struggle to achieve this despite using a broad range of taxing instruments from income and assets tests, consumption versus income taxation etc
Council Policy:	Council will consider issues of horizontal equity in its rating strategy

Equity (Vertical)

Principle:	Council considers issues of vertical equity when developing its rating strategy
Rationale:	To ensure that people in different economic circumstances are treated differently
Issues:	<ul style="list-style-type: none"> • It is difficult to assess individual economic circumstances • Levels of Government with more diverse taxing powers struggle to achieve this despite using a broad range of taxing instruments from income and assets tests, consumption versus income taxation etc
Council Policy:	Council will consider issues of vertical equity in its rating strategy

Efficiency

Principle:	Council considers issues of economic efficiency when developing its rating strategy
Rationale:	The level of rates burden can affect the extent to which production and consumption decisions are made by people
Issues:	<ul style="list-style-type: none"> • Being more efficient, means that the burden on ratepayers can be reduced or ratepayer's utility can be increased by limited resources being diverted to more productive areas • For services where users are price sensitive, direct charging can influence demand

	patterns and thus lead to greater allocative efficiency
Council Policy:	Council will consider issues of efficiency in its rating strategy

Simplicity

Principle:	Council considers issues of simplicity when developing its rating strategy
Rationale:	The complexity of the rating system affects how easily it can be understood by ratepayers and the practicality and ease of administration
Issues:	<ul style="list-style-type: none"> • The simpler the rating system is, the easier it is for ratepayers to understand • Some complexity maybe required in the rating system to ensure there is equity in the imposition of rates • The simplicity principle can often conflict with other principles
Council Policy:	Council will consider issues of simplicity in its rating strategy

Benefit

Principle:	Council considers issues of “benefit” or “user pays” principle when developing its rating strategy
Rationale:	The benefit principle points to the fact that some groups may have more access to Council services
Issues:	<ul style="list-style-type: none"> • User charges, special rates and service charges lend themselves better to dealing with the issue of benefit • A user charge can be used where the benefit of a particular service can be mapped to an individual ratepayer • While rural ratepayers derive less benefit from library services or street lighting than their town counterparts the reverse may be argued with respect to the cost of repairing rural roads that are seldom travelled on by the urban ratepayer • Many services are not location specific • Access is not synonymous with consumption • Residents can travel or use technology to access services • Services provided in different locations within the municipality have different costs (e.g. waste collection in rural areas may be more costly than in urban areas) • Rates are a property wealth tax based on valuation of properties and not based upon access to services • Services are available on a “whole of life” basis (i.e. different services are accessed at different points during a person’s life)
Council Policy:	Council will consider issues of benefit in its rating strategy

Capacity to Pay

Principle:	Council considers issues of capacity to pay when developing its rating strategy
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Rationale:	Some groups may have a greater or lesser capacity to pay (i.e. asset rich but income poor)
Issues:	<ul style="list-style-type: none"> • Council does not have access to income information for all ratepayers to make an informed assessment • Individuals may apply on hardship grounds to have their rates deferred or interest waived and in doing so need to provide Council with some of this information
Council Policy:	Council will consider issues of capacity to pay in its rating strategy

Diversity

Principle:	Council considers issues of diversity when developing its rating strategy
Rationale:	Some ratepayers within a group may have a greater or lesser capacity to pay (i.e. city versus rural)
Issues:	<ul style="list-style-type: none"> • Establishing sub-groups may lead to an overly complex rating system • Council does not have access to income information for all ratepayers • Individuals may apply on hardship grounds to have their rates deferred or interest waived and in doing so need to provide Council with some of this information
Council Policy:	Council will consider issues of diversity in its rating strategy

8.5 REPORTS FROM COUNCILLORS

Nil

9. OTHER BUSINESS

9.1 NOTICES OF MOTION

9.1.1 MAV ACTION PLAN RECYCLING

Author's Title: Cr Daryl Warren

Department:

File No: WM/16/01

Attachments: 1 [↓](#) MAV Proposed Action Plan

RECOMMENDATION

That Council:

1. Endorse the Municipal Association of Victoria's 'Rescue Our Recycling' Action Plan;
2. Commit to undertaking the steps required by local governments outlined in the Action Plan;
3. Write to our local state and federal government MPs calling on them to urgently undertake the required steps outlined in the Action Plan;
4. Engage with providers of recycling services in the region to identify opportunities to enhance local recycling; and
5. Explore options for stream separation in kerbside recycling collections to reduce contamination rates and maximise the value of recyclable material including paper and cardboard, glass, and aluminium.

1. Background

Recycling is a key component of waste management in Buloke Shire. The public are strong supporters of recycling and the principles that underpin it. However, the recycling industry, and indeed the whole country, is currently in crisis. This is a result of under investment in the industry, reduced options for exporting our recyclable materials, and a variety of market failures. These issues, coupled with unsustainable levels of waste generation, have meant that significant amounts of potentially recyclable material could go into landfill.

In order to resolve the crisis, a range of short, medium and long-term strategies are required, and cooperation between the public and all three tiers of government is essential. The Municipal Association of Victoria has developed an Action Plan – 'Rescue our Recycling' – that outlines key steps that must be taken by relevant stakeholders (see Attachment 1). This motion is a public endorsement by Buloke Shire of this action plan, a commitment to undertake the steps required by local governments, and an agreement to lobby our state and federal government counterparts to work with local government to address the recycling crisis as a matter of urgency.

This motion aligns with our Council Plan, and our Economic and Tourism Development Strategy.



Proposed Action Plan

All three levels of government, as well as the private sector and the community, are responsible for making sure we manage our resources sustainably.

Victoria's recycling system is broken but, with the right policy leadership and investment, it can be saved and strengthened. Unsustainable levels of waste generation and market failure must be addressed.

We've identified five key actions each tier of government should take to rescue our recycling system. These actions are focused on achieving lasting beneficial change. They are not quick fixes, but urgently need to be implemented.

Victorian Government

Action 1: Invest in recycling infrastructure

Commit greater quantities of Sustainability Fund money to bolster sorting and processing capability in Victoria. We urgently need more capacity in our materials recovery facilities across the state.

Action 2: Fund and support market development

Commit greater quantities of Sustainability Fund money to drive demand for recycled content. Support research and development to increase uptake of new uses for recycled materials. Set mandatory procurement targets for Australian recycled material by government agencies. Incentivise procurement of Australian recycled content by others. Support the MAV to develop procurement options for councils.

Action 3: Introduce a container deposit scheme

Commit to introducing container deposit legislation into parliament this year and work with the MAV and councils to ensure it achieves the best outcomes for the community. Victoria and Tasmania are the only Australian states yet to commit to a scheme.

Action 4: Bolster community education

Commit greater quantities of Sustainability Fund money to develop and deliver a consistent state-wide community education campaign focused on:

- making waste-wise decisions
- putting pressure on producers to reduce waste
- what can and can't go into recycling and the costs of getting it wrong.

The education campaign should use the channels that most effectively reach the community and apply learnings from other successful government campaigns.

Action 5: Strengthen industry oversight / regulation

Recycling is considered an essential service by most, yet the few large operators we have in Victoria operate under a veil of secrecy. The State must improve transparency and accountability within the industry. Access to robust and credible data on market conditions, and costs and revenue within the recycling sector is essential to achieve best value for the community.

IMMEDIATE PRIORITY

In the immediate short-term, we call on the Victorian government to provide funding relief to councils affected by the SKM closures to cover unbudgeted additional costs arising from the urgent need to find alternative options for the community's recycling.

With more than half a billion dollars of unspent landfill levy income sitting in the Sustainability Fund, the Victorian government has the means to both support councils in the short term and to drive meaningful change to the system for the longer term.

The time for action is now.



Federal Government

Action 1: Mandate product stewardship

Introduce mandatory product stewardship for all products that generate waste. Put clear and binding targets within the *Product Stewardship Act* to drive action by industry. This approach would align with the polluter-pays principle, incentivising designers and producers to take responsibility for the environmental impacts of their products.

Action 2: Tackle consumer packaging

In partnership with state and territory ministers, review the *National Environment Protection (Used Packaging Materials) Measure 2011* to impose mandatory participation and binding obligations across the consumer packaging chain. As an interim measure, clarify obligations on industry so that it's easier to hold them to account.

Action 3: Strengthen the National Waste Policy

In partnership with state and territory ministers, adopt an action plan for the National Waste Policy that includes firm and ambitious targets and timelines that fast-track our transition to a circular economy.

Action 4: Regulate / ban production and importation of hard-to-recycle materials

Action 5: Standardise package labelling and certify use of recycled content

Mandate adoption of the Australasian Recycling Label for all consumer packaging sold in Australia and adopt a certification system for recycled content in line with the US or European models.

Local Government

Action 1: Collaborate for market expansion

Working with the Victorian government, investigate and support options to collaboratively procure kerbside recycling services with the aim of enhancing competition and attracting new investment in recycling in Victoria.

Action 2: Educate the community

Continue to develop and support delivery of community education that focuses on reducing waste and minimising contamination in recycling bins. Undertake regular bin audits to reduce contamination in kerbside recycling.

Action 3: Buy recycled

Wherever feasible, support market development via procurement of recycled content, both for corporate operations, services and infrastructure programs.

Action 4: Explore stream separation

Working with industry, pilot collection services that separates glass from the rest of kerbside recycling to reduce contamination of material.

Action 5: Advocate to and work with the federal and state governments to achieve the reforms outlined in the sections above. It is these tiers of government that have the powers to create a responsible and sustainable recycling system.

9.2 QUESTIONS FROM COUNCILLORS

Nil

9.3 URGENT BUSINESS

Nil

9.4 ANY OTHER BUSINESS

Nil

9.5 MATTERS WHICH MAY EXCLUDE THE PUBLIC

Nil

10. MEETING CLOSE