

**LODDON SHIRE COUNCIL**

Notice of an Ordinary Meeting of the Loddon Shire Council to be held in the Council Chambers, Serpentine on Tuesday 25 February 2014 at 3pm.

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**1. APOLOGIES**

Nil

**2. PREVIOUS MINUTES**

**2.1 CONFIRMATION OF MINUTES**

**SUMMARY**

Seeking approval of the unconfirmed minutes of the previous Council Forum and Meetings.

Author: John McLinden - Chief Executive Officer

Council Plan ref: Core business 8: Compliance

File No: 02/01/001

Attachment: Nil

**RECOMMENDATION**

*That Council confirm:*

1. *the minutes of the Council Briefing of 28 January 2014*
2. *the minutes of the Ordinary Council Meeting of 28 January 2014*
3. *The minutes of the Council Forum of 11 February 2014*

**2.2 REVIEW OF ACTION SHEET**

**SUMMARY**

Approval of Action Sheet.

Author: John McLinden - Chief Executive Officer

Council Plan ref: Core business 8: Compliance

File No: 02/01/001

Attachment: 2.2 Action Sheet

**RECOMMENDATION**

*That Council receive and note the Action Sheet.*

### **3. COUNCILLORS' REPORTS**

#### **3.1 MAYORAL REPORT**

##### **SUMMARY**

Approval of the Mayoral Report.

Author:	John McLinden, Chief Executive Officer
Council Plan ref:	Core business 1: Leadership
File No:	02/01/001
Attachment:	Nil

##### **RECOMMENDATION**

*That Council receive and note the Mayoral Report.*

#### **3.2 COUNCILLORS' REPORT**

##### **SUMMARY**

Approval of Councillors' Reports.

Author:	John McLinden, Chief Executive Officer
Council Plan ref:	Core business 1: Leadership
File No:	02/01/001
Attachment:	Nil

##### **RECOMMENDATION**

*That Council receive and note the Councillors' Report.*

## 4. **DECISION REPORTS**

### 4.1 **COUNCILLOR INITIATIVE FUND**

#### **SUMMARY**

For Council consideration of suggested changes to the Councillor Initiative Fund in response to the Local Government Inspectorate's review of councillor discretionary funds.

Author	John McLinden, Chief Executive Officer
Council Plan ref:	Core business 3: Planning for future needs
File no:	02/04/001
Attachment:	List of past allocations from Councillor Initiative Fund

#### **RECOMMENDATION**

*That Council:*

1. *establish a Major Projects Reserve*
2. *abolish the Councillor Initiative Fund and transfer the unexpended balance to the Major Projects Reserve*
3. *develop a policy to manage the Major Projects Reserve*
4. *establish annual allocations within the budget process for sponsorships and donations and Major Projects*
5. *amend the Community Support Policy to recognise Council's sponsorships and donations program and to give guidance to Council in approving sponsorships and donations*

#### **PREVIOUS COUNCIL DISCUSSION**

Council discussed the review of councillor discretionary funds at its June 2013 Council Forum.

#### **BACKGROUND**

In October 2013 the Local Government Inspectorate completed its review of councillor discretionary funds and handed down a report which included commentary on the practices of councils across Victoria and also made reference to the Loddon Shire Council's Councillor Initiative Fund.

The Inspectorate, in handing its findings to Loddon Shire, noted that a good councillor discretionary fund program requires strong and auditable processes which are open and transparent. Characteristics of good CDF programs include:

- (a) Applications – the requirement for the person requesting funds from Council to apply in writing for these funds, indicating the need for the funds and how the funds will be used. Further, applications should include some type of justification for the amount of monies being requested, like a quote, for example.
- (b) Criteria for eligible grant recipients – publicly available policy regarding who is eligible for CDFs and how eligibility to access CDF monies is assessed. Such policies need to provide stringent requirements regarding the type of recipients, the amounts of monies which can be awarded and the method by which payments are to be authorised, so that there are no integrity gaps in the system. For example, does a resolution of council authorise the grant of monies or will an authorised person with adequate financial delegation perform this function.
- (c) Transparent assessment processes of applications – Council to have evidence of assessing each application against its assessment criteria and being able to provide non-successful applicants

reasons for their decision and the public evidence why successful applications were assessed as such.

- (d) Publicly available information regarding CDF recipients – Council should make information publicly available about who received CDF monies, how much was received and the purpose to which the funding will be used. Council can utilise its meetings, its website and its Annual Report to convey this information. Councils are required to make prescribed documents available for inspection. Such documents include Council grants and donations.
- (e) Acquittals of funds granted – ensuring that grants are utilised for the purpose that Council has allocated the funds.
- (f) Ensuring that there are no conflicts of interest issues in granting CDFs – Decision makers in the CDF processes should make declarations regarding whether they have a real, perceived or no conflict of interest in the matter being determined. This not only includes Councillors, but Council staff.

In reviewing the practices of the Loddon Shire Council, the Inspectorate has noted four areas as being possible issues. These are:

1. no formal policy/process in place for the Councillors Initiative Fund
2. no formal approval criteria published
3. no public reporting of funds expended
4. no acquittal details required from fund recipients.

The Inspectorate also notes that Council has a Community Grants Program and suggest that this has similar aims to the Councillor Initiative Fund. This final point will be contested.

### **ISSUES/DISCUSSION**

It is clear that the objectives of the Local Government Inspectorate's audit were to improve the transparency and therefore strengthen governance with respect to the allocation of public monies within local government. This initiative should be supported, and Council should take this opportunity to improve its own governance practices where there is the ability to improve.

In response to the Local Government Inspectorate's report, Council may choose to retain its Councillor Initiative Fund, to modify it, or to abandon and discontinue the practice. Regardless of which decision Council makes, if it proposes to retain or amend the program, then there is clearly a need to develop policy and guidelines to assist Council in administering these funds if Council is to comply with the recommendations of the Local Government Inspectorate.

#### Historical use of the Councillors Initiative Fund

A review of the allocations that have been made under the Councillors Initiative Fund since 2005 reveal that the fund has been used for a broad variety of purposes. The fund has been used:

- to support the provision of infrastructure, for example, financial support for the Wedderburn Medical Centre and the Tarnagulla Memorial Park septic system
- to support events including the Boort Olive Festa and the Rhythms in the Valley Concert
- to provide sponsorships including sponsorship on two occasions for the Murray to Moyne charity fundraising bicycle race
- for a number of other activities, including the purchase of a locally produced painting, to fund feasibility studies, and to support a youth worker.

The attached list provides a comprehensive list of the allocations since 2005.

The amounts provided under the fund also vary greatly ranging from \$251 up to \$85,000.

The actual purpose of the fund is to provide Council with the flexibility to respond to issues that were not foreseen at the time preparing an annual budget. This flexibility has provided Council with the ability to support genuine community initiatives and to provide top up funding to quality projects that needed small amounts of funding for completion.

It should be noted that funds from Councils current Councillor Initiative Fund can only be released upon a resolution of Council. This provides some transparency.

The Local Government Inspectorate suggested that Councils Community Grants program may be a suitable vehicle to replace the Councillors Initiative Fund. This proposal is rejected. The Community Grants program operates for a different purpose and has a number of rules that means it cannot replace the Councillor Initiative Fund.

It is suggested that Council may wish to retain the fund, although in an amended form, and to strengthen the governance around the operation of the fund through the development of appropriate policy, procedure and public reporting.

Why have a cumulative fund?

The current practice of the Loddon Shire is to roll over the unexpended balance of the Councillors Initiative Fund from one year to the next. This means that in 2013/14 the funds available have increased based on the \$100,000 per annum allocation to a total funds available of \$540,152. Allowing the fund to accumulate creates a nest egg to assist with bigger projects. Council should consider whether this is what the Councillors Initiative Fund was for or should we be building a specific reserve for the purpose of assisting the funding of bigger projects.

**COSTS/BENEFITS**

Nil

**RISK ANALYSIS**

Nil

**CONSULTATION AND ENGAGEMENT**

Nil

## 4.2 REVIEW OF RISK MANAGEMENT POLICY

### **SUMMARY**

This report seeks Council's approval of the Risk Management Policy.

Author	Jude Holt, Director Corporate Services
Council Plan ref:	Core business 8: Compliance
File no:	18/01/001
Attachment:	Risk Management Policy

### **RECOMMENDATION**

*That Council adopts the Risk Management Policy.*

### **PREVIOUS COUNCIL DISCUSSION**

Council was provided with an overview of the current Risk Management Policy at the Council Forum held on 28 January 2014.

### **BACKGROUND**

Council's current risk management policy was adopted on 22 July 2012. It was developed by a risk consultant that Council engaged during the flood recovery process.

The policy uses the Australian/New Zealand Standard AS/NZS ISO 31000:2009 as a base for setting Council's risk management position.

### **ISSUES/DISCUSSION**

The policy is now due for review. During investigation of any potential improvements to the current policy, the Standards Australia Guide for managing risk in not-for-profit organisations (HB 266:2010) was referenced.

This document provides a guide on the risk matrix for not-for-profit organisations, and includes consequence types of:

1. Financial impact
2. People, effects (employees, volunteers, and clients)
3. Reputation
4. Service outputs
5. Legal and compliance
6. Management impact.

Council's current risk matrix includes:

1. Financial cost – broken into three sections of:
  - a. From a whole of organisation view
  - b. Individual projects
  - c. Single act of fraud
2. Occupational health and safety
3. Quality – reputation
4. Timeliness – service delivery
5. Environmental impact.

There are some similarities between Council's risk matrix and the standard, while there are also differences. Council's policy includes environmental impact which is not included in the standard. It

could be argued that any environmental risk that Council would be involved in could be placed under the reputation heading, as the real risk to Council is its reputation should something go wrong.

The standard includes legal and compliance and management impact, which are not included in Council's policy.

### **Proposed changes to policy**

It is proposed that the risk matrix attached to the policy be changed to include the consequence groups identified in HB266:2010, and to expand the likelihood groups to incorporate those recommended.

The major changes to consequence groups relate to the addition of legal and compliance and management impact, and removal of environmental impact.

There is currently no reference to legal and compliance in Council's policy. In the lead up to this review, officers had been discussing the possibility of building in a compliance aspect to the risk matrix, given the importance that legislation has on Council's activities; however, by building in a legal aspect, the risk matrix would be enhanced to cover any potential legal liability that Council may face due to an emerging risk.

There is also no reference to management impact in Council's policy. Council is a small organisation which is heavily reliant on its staff; as such this is a valid group to be considered in the policy.

The expansion of likelihood criteria in the risk matrix provides more information around each of the likelihood groups which should assist officers in their determination when assessing risks.

### **COSTS/BENEFITS**

There are no direct costs associated with adoption of the policy.

### **RISK ANALYSIS**

The Risk Management Policy is the primary policy for management of risks, and its application across functions of Council should assist in minimising Council's risk exposures.

### **CONSULTATION AND ENGAGEMENT**

In accordance with Council's Strategic Document or Policy Development Approval and Review Process, the policy was provided to the Audit Committee and the management and leadership team, and has been provided at a Council Forum for discussion prior to be presented to Council at an Ordinary Meeting for approval.



### 4.3 INTRODUCTION OF GOVERNMENT STAKEHOLDER ENGAGEMENT POLICY

#### **SUMMARY**

This report seeks Council's approval of the Government Stakeholder Engagement Policy.

Author	Jude Holt, Director Corporate Services
Council Plan ref:	Core business 10: Advocacy and partnerships
File no:	18/01/001
Attachment:	Government Stakeholder Engagement Policy

#### **RECOMMENDATION**

*That Council adopts the Government Stakeholder Engagement Policy.*

#### **PREVIOUS COUNCIL DISCUSSION**

Council was provided with an overview of the proposed Government Stakeholder Engagement Policy at the Council Forum held on 28 January 2014.

#### **BACKGROUND**

A new Government Stakeholder Engagement Policy has been prepared in draft and is presented for Council's consideration.

The need for a Stakeholder Engagement Framework was raised during an internal audit review that was presented to the Audit Committee in August 2013.

Council engaged a consultant to undertake this piece of work which has resulted in the draft policy as presented, and draft procedures that support the guiding principles in the policy. The procedures will support staff in ensuring that they protect important relationships with stakeholders, and will also serve as a valuable induction tool for new staff taking on roles within Council as they will outline the stakeholders for their specific role, and the minimum standards expected from them in engaging with the stakeholders.

It should be noted, that the framework has been confined to "government" stakeholders, as these are deemed as being very important to Council in delivery of services and programs. For the purpose of the policy, government stakeholders have been identified as:

- Local government (councils)
- State and Federal government Ministers and their departments
- Government authorities appointed under legislation
- Private contractors engaged to undertake activities required in accordance with legislation
- Peak bodies acting for and on behalf of Council in industry matters.

The policy outlines the benefits of stakeholder engagement as:

- improved two way communication between local, State and Federal government agencies
- early identification of potential risks in the delivery of programs, services and facilities
- opportunities to influence policy and decisions at a State or Federal government level for the benefit of Loddon Shire residents
- a greater understanding of State and Federal government agency processes and requirements
- opportunity to access various funding or support programs offered by government agencies and departments.

It also describes the guiding principles of relationships with government stakeholders as:

- respect
- openness, trustworthiness and transparency
- responsiveness
- diligence.

#### **ISSUES/DISCUSSION**

Nil

#### **COSTS/BENEFITS**

There are no direct costs associated with adoption of the policy.

#### **RISK ANALYSIS**

This policy has been created to protect important government relationships by minimising the risk of those relationships not being maintained due to a change in personnel.

#### **CONSULTATION AND ENGAGEMENT**

In accordance with Council's Strategic Document or Policy Development Approval and Review Process, the policy was provided to the management and leadership team, and has been provided at a Council Forum for discussion prior to be presented to Council at an Ordinary Meeting for approval.

#### 4.4 FINANCE REPORT FOR THE PERIOD ENDING 31 JANUARY 2014

##### **SUMMARY**

This report provides Council with financial information for the period ending 31 January 2014.

Author	Deanne Wingfield, Manager Financial Services
Council Plan ref:	Strategic enabler: Sound financial management protocols
File no:	08/06/001
Attachment:	Finance Report for Period Ending 31 January 2014

##### **RECOMMENDATION**

*That Council:*

1. *receives and notes the 'Finance Report for the period ending 31 January 2014'*
2. *approves budget revisions included in the report for internal reporting purposes only*
3. *approves the supplementary valuations of rateable and non-rateable properties in respect of the 2013/14 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2013/14.*

##### **PREVIOUS COUNCIL DISCUSSION**

Council is provided with Finance Reports on a monthly basis.

##### **BACKGROUND**

The Finance Report for the period ended 31 January 2014 includes standard monthly information about budget variations, cash, investments, interest, debtors and creditors, and provides a comparison of year-to-date actual results to year-to-date budget (by dollars and percentage) and total revised budget (by percentage).

The information is in the format provided in the 2013/2014 Budget, and includes operating results, capital expenditure and funding sources. It also provides a focus report.

This Finance Report also includes supplementary valuations. Each year Council makes a number of additions, subtractions and alterations to the valuations contained in the annual rate book. These changes arise from various sources including:

- splitting of parcels into new rateable assessments
- development of vacant or unproductive land (urban and rural)
- consolidation of separate rateable assessments into one assessment
- re-assessment of property valuations arising from objections to the initial valuation
- additions and cancellations of licences (grazing and water frontages)
- change of use
- covenant on Title
- area amendment
- change of Australian Valuation Property Classification Code (AVPCC)
- supplementary valuation correction.

### **ISSUES/DISCUSSION**

This month a capital and major projects variance report has been included as per the new reporting regime. This gives explanation notes for capital expenditure and some major projects included as operating expenditure and is designed to provide Council with progress information on these works.

### **COSTS/BENEFITS**

The benefit to Council and the community is that accurate and regular financial reporting is being disclosed along with an accurate representation of property valuations is reflected in Council's rating system and the distribution of rate notices for the year 2013/2014.

Provision of financial reports on at least a quarterly basis is a requirement of the Local Government Act.

### **RISK ANALYSIS**

The provision of regular and accurate finance reports to Council minimises the risk of Council not delivering projects within the approved budget. Council's risk exposure is also increased if the rating system does not reflect the valuation changes associated with supplementary valuations as Council will not be aware of the changes, which can alter the rate revenue in the current year and in future rating years.

### **CONSULTATION AND ENGAGEMENT**

There has been considerable consultation internally with respective managers in understanding their budget responsibilities and keeping within budgetary constraints.

Consultation with ratepayers and authorities that act on behalf of ratepayers occurs when a change to a property is required or occurs by virtue of a sale.

External engagement with the community was undertaken during the submission period of the budget, and regular reporting provides a mechanism of monitoring the financial outcomes of Council against that expectation.

#### 4.5 STANDPIPE/TRUCKWASH USAGE AND COST ANALYSIS

##### **SUMMARY**

Provides a summary of financial costs and usage statistics associated with the operation of Councils network of truckwash and standpipe facilities.

Author	Ian McLauchlan, Director Operations
Council Plan ref:	Strategic enabler: Sound financial management protocols
File no:	15/08/008
Attachment:	Standpipe and Truckwash Usage Summary Truckwash & Standpipe Annual Expenditure vs. Income Figures Breakdown of Current Standpipe Operational Costs Breakdown of Current Truckwash Operational Costs

##### **RECOMMENDATION**

*That Council:*

1. *Receive and note the usage statistics and cost analysis of the standpipe and truckwash network within Loddon Shire.*
2. *Continue to monitor the usage across the standpipe and truckwash network for a further nine (9) months, so as to inform any future discussion regarding potential rationalisation or amalgamation of standpipe infrastructure.*
3. *During this review period undertake preliminary consultation with local community groups and AvData Customers to ascertain the level of importance placed upon the availability and continued operation of low use facilities located at Mitiamo, Serpentine and Shelbourne.*
4. *Consistent with the direction for achieving full cost recovery of this service, consider a further price increase to the charge applied to water accessed via the standpipe network during development of the upcoming 2014-2015 Fees and Charges schedule.*

##### **PREVIOUS COUNCIL DISCUSSION**

During its ordinary meeting in April 2013 Council adopted the 2013 – 2014 Fees and Charges schedule which specified charges to be applied across the Standpipe and Truckwash network within Loddon Shire.

In adopting the charges to be applied to these facilities Council directed that the associated fees be set in such a way that operation of the truckwash and standpipe network be cost neutral i.e. full cost recovery.

##### **BACKGROUND**

In 2007 Council completed a program of significant upgrade to its standpipe and truckwash infrastructure including installation of the AvData key access system, automation valve work, solar power supplies and pipework modifications. These improvements facilitated the engagement of a third party administrator to monitor facility usage, manage customer accounts and collect usage fees on Council's behalf.

Council currently operates eight standpipes and two truckwashes across the Shire, namely:

Standpipes:

Pyramid Hill	Tarnagulla
Inglewood	Bridgewater
Serpentine	Wedderburn
Mitiamo	Shelbourne

Truckwashes:

Boort	Pyramid Hill
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In addition to the fixed standpipe services Council also operates two emergency supply mobile standpipe units. These units operate during exceptional circumstances outside the standard charge and administration processes associated with the fixed installations, under joint Council/GMW emergency water supply planning arrangements.

An analysis of usage observed across the fixed standpipe and truckwash facilities has identified substantial variations not only between sites but also at individual sites in any given year. A summary of usage statistics across each of the standpipe and truckwash sites for the past five years has been provided within attachment 1.

Attachment 2 provides a summary of income and expenditure observed over the past five financial years in relation to standpipes and truckwashes. This profile identifies that Council has regularly subsidised the operation of the standpipe and truckwash network and in some instances incurred significant maintenance and renewal costs.

**ISSUES/DISCUSSION**

Council first set the rate for water obtained via its standpipe network in 2007, following completion of the various infrastructure improvements. At this time water accessed via the standpipes was charged at \$3.00 (other than Shelbourne which was charged at \$1.00) and truckwashes were charged out at \$0.40 per minute.

As part of Council adopting the 2013-2014 fees and charges schedule, the price of water accessed via the standpipe network was increased from the previously approved rate of \$4.00 (adopted in 2012-13) to \$4.50. Unfortunately previously approved price increases in 2011-12 and 2012-13 (to \$3.50 and \$4.00 respectively, were not passed on to customers. This in effect has meant that customers observed a price increase from the original rate adopted in 2007 of \$3.00 to \$4.50 from 1 July 2013.

The failure to pass on previous price increases combined with the observed price increase from 1 July 2013 (of \$1.50 or 50%), has created significant angst amongst customers accessing these facilities. This angst was exacerbated by the lack of notification to customers of the applied price rise.

There is no obligation to advise customers accessing the standpipe network of any price increase. A specific disclaimer to this effect is included within the user agreement signed by all customers prior to being issued with the relevant network keys. Despite this it is believed that improvements in customer service may be easily made through the provision of written notification to all registered customers in the event of any further price adjustments or service modifications.

The main complaint raised by customers is however the set rate of \$4.50 per kilolitre versus the published water charge price by Coliban water of \$2.14 (note: this is the water charge component only, exclusive of any service fees). A number of customers have challenged Councils rationale in setting the current charge rate of \$4.50.

Consequently Council requested that a full financial analysis of operational expenditure across the standpipe and truckwash network be undertaken, demonstrating the actual costs to Council in providing this service, the required service charge to achieve full cost recovery and provision of an explanation as to the cost elements comprising the observed service charge (inclusive of all costs not only the water charge rate).

This analysis has taken into account the combination of both fixed and variable costs associated with the operation, maintenance and renewal of standpipe and truckwash infrastructure. In identifying operational costs, reference has been made to both current charges applied by other authorities and service providers such as Coliban Water, Telstra and AvData, as well as those costs incurred directly by Council for the routine maintenance and renewal and infrastructure and equipment.

In addition to the financial analysis, an assessment of relative usage for each of the sites listed above was also undertaken. This analysis has yielded some interesting results and has clearly identified significant variances in the level of usage between sites.

As seen within attachment 1, usage across individual sites varies significantly. Usage at individual standpipe sites is also observed to vary on an annual basis. It is believed that annual variation at any particular site may be associated with either changing environmental conditions i.e. drought or the existence of localised infrastructure projects requiring water deliveries.

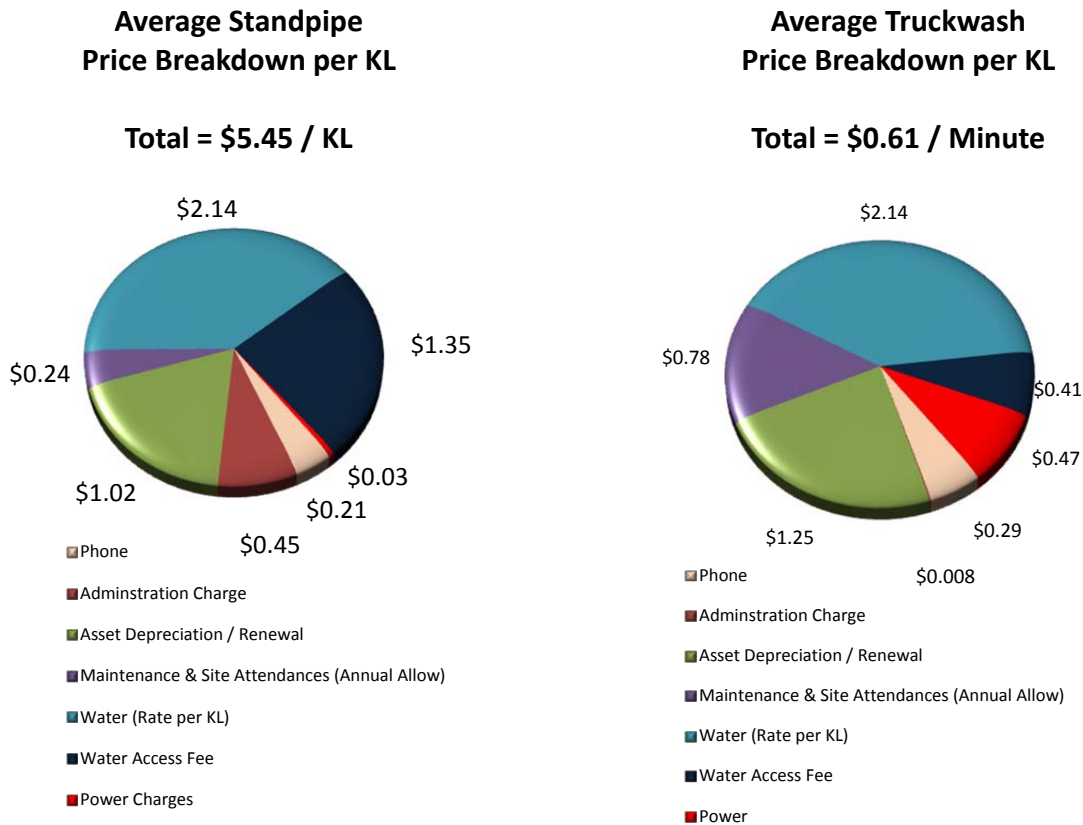
In any event it is apparent that certain standpipe sites within Loddon, on average, receive minimal or sporadic usage. These low use sites generate little income to offset their ongoing maintenance and operation, and as such consideration may be given to the eventual closure of a number of low use sites.

A breakdown of the costs associated with the operation of Councils standpipes and truckwashes may be seen in attachment 3 & 4. This breakdown is based upon average throughput across the standpipe and truckwash network over the past 5 years and is believed to be representative of the true cost to Council (at present) for the provision of this service.

As seen within attachment 3 the current calculated charge required across the standpipes to cover operational costs incurred by Council is \$5.45. This is significantly higher than the current observed charge rate of \$4.50. In line with Councils instruction of moving to a fully self-funding service, it is envisaged that further price increases for water accessed via the standpipe network will be recommended during development of the 2014-15 Fees and Charges Schedule.

The calculated required charge rate of \$0.61 per minute for truckwash use is slightly lower than the current charge of \$0.75. It is considered that the current truckwash rate is set at a level which is consistent with Council's directive for full cost recovery and therefore this rate should not require adjustment in the new financial year.

Figure 1: Required Standpipe and Truckwash Charges to Achieve full Cost Recovery :



Alternative approaches to control required standpipe costs are available through the rationalisation or amalgamation of infrastructure. In order to fully inform Councils decision in this regard it is proposed that further monitoring of usage at all standpipe sites occur over the next nine (9) months. Additionally it is proposed that preliminary discussions with potentially affected communities be held to ascertain local views as to the potential closure of any particular site and the associated impact upon the local community.

Notionally the standpipes identified as the particular focus of the above review include Shelbourne, Serpentine and Mitiamo. Given the proximity of standpipes in Bridgewater and Inglewood, consideration may also be given to the amalgamation of these sites into a single location (namely Bridgewater).

Such changes to the availability of the service would need to take into consideration community expectations for water supply/security and may require extensive consultation prior to any modifications to this service being implemented.

**COSTS/BENEFITS**

Benefits afforded to the local community through the operation of the standpipe and truckwash network primarily relate to ready access, as and when required, to potable (or in some cases non potable) water supplies without the need to be connected to the Coliban reticulated system.

Water accessed via the standpipe and truckwash network serves a number of uses ranging from rural property domestic supply through to construction or engineering applications.

The operation of the standpipe and truckwash network does however require the provision and maintenance of various infrastructure as well as the existence of an available water supply (either Coliban or other source). As such significant cost is associated with the provision of this service which in essence services a relatively limited proportion of the local community.



Council have therefore taken a position that the operation of this service should not be subsidised by the general population and should operate on a full cost recovery or user pays arrangement. Charge rates adopted for the standpipes are therefore moving towards achieving this.

It is also noted that a comparison between urban customers accessing the Coliban reticulated system versus rural customers reliant on rainfall and standpipe water deliveries, has identified that the cost between both forms of water supply is comparable (based upon a typical household water usage profile and average rainfall conditions).

### **RISK ANALYSIS**

Rationalisation or reduction in the number standpipe locations has the potential to impact upon the availability of water throughout the Loddon Community.

Failure to set an appropriate charge rate for water accessed via these facilities will result in continuation of Council subsidising the service.

### **CONSULTATION AND ENGAGEMENT**

Approximately 3 written customer complaints have been received by Council in relation to the current charge rate applied across the standpipe network.

It is proposed that further consultation with local communities and customers be undertaken to ascertain the level of importance placed upon the continuing availability of each standpipe installation.

#### 4.6 EVENT SPONSORSHIP SCHEME - REVIEW OF APPLICATION PROCESS

##### **SUMMARY**

Recommends changes to the closing deadlines and allocation processes relevant to Councils Event Sponsorship Scheme.

Author	Allan Stobaus, Manager Community and Recreation
Council Plan ref:	Strategic Platform 4: Make our towns liveable and memorable
File no:	16/02/04
Attachment:	Event Sponsorship Guidelines and Application Form

##### **RECOMMENDATION**

*That Council:*

1. *Implement changes to the Event Sponsorship guidelines whereby applicants requesting support from the "Loddon Shire: Events Sponsorship Scheme" must submit their applications at least 30 days prior to the date of their event to be eligible for assistance.*
2. *Provide Officers discretionary authority to approve or reject applications under the Event Sponsorship scheme in accordance with Council approved guidelines.*

##### **PREVIOUS COUNCIL DISCUSSION**

At its December 2013 meeting Council requested that officers undertake a review of the "Event Sponsorship Scheme" application process, in particular the issues associated with application submission deadlines.

##### **BACKGROUND**

In recent times several community groups have submitted applications to the scheme that have been ineligible under the guidelines as these applications were received after the closing date.

Feedback from these groups has indicated that the lag time between applications closing and the event could be up to 6 months and that it is difficult for them to plan their event that far ahead.

At present, closing dates for submissions are as follows:

- For events planned between, January and June, applications are required to be received by the last Friday in October.
- For events planned between, July and December, applications are required to be received by the last Friday in May.

These closing times were put in place for the following reasons:

- To allow for a council report to be completed that advises Council on what events are recommended for funding.
- To advise Council of the content and timing of upcoming event, for the next 6 months.
- To assist with the management of the Event Sponsorship budget.

##### **ISSUES/DISCUSSION**

This report recommends that the following changes be made the Event Sponsorship application deadlines and assessment process:

- That to be eligible for funding, applications to the scheme must be received no later than 30 days prior to the event.

- That, Council Officers be given the discretion to approve or refuse applications based on the assessment of each application against the guidelines.
- That information reports be provided to Council as required and advising of the following:
  - Which applications have been approved or not approved for funding and why.
  - A summary of each event funded under the scheme i.e. content and timing of the event.
  - A summary of the status of the Event Sponsorship budget

It is expected that these changes will result in the following outcomes:

- Reduced time between application deadlines and the event date thus alleviating the issue associated with community groups having to make applications up to 6 months prior to the event taking place.
- By providing Council Officers with discretionary powers to approve applications and allocate funds, this will result in a streamlined internal management process.
- By providing Council with a monthly information report, councillors will still be informed on what events are coming up in the municipality in the following month.

### **COSTS/BENEFITS**

These guideline changes may result in more applications being received; this may put pressure on the Event Sponsorship budget.

This budget is currently \$20,000 per annum, it may be necessary for council officers to request a budget variation in the latter part of the financial year to fund all eligible events.

### **RISK ANALYSIS**

Although some late applications to the scheme may be received, the proposed change to the application deadline is expected to reduce the number of late applications submitted.

### **CONSULTATION AND ENGAGEMENT**

Consultation in regard to this report has been undertaken with community groups and internal staff.

#### 4.7 PURCHASE OF WATER RIGHT TO SUPPORT LITTLE LAKE BOORT

##### **SUMMARY**

Report seeks Council consideration of a proposal to purchase additional water entitlement for Little Lake Boort.

Author	John McLinden, Chief Executive Officer
Council Plan ref:	Strategic Platform 4: Make our towns liveable and memorable
File no:	15/08/001
Attachment:	Nil

##### **RECOMMENDATION**

*That Council:*

1. *authorise the Chief Executive Officer to purchase a water entitlement of up to 300 mL and that this water be applied to the Little Lake Boort water account*
2. *approve expenditure of up to \$500,000 for this purchase.*

##### **PREVIOUS COUNCIL DISCUSSION**

August 2013 Council Forum – Water Requirements for Recreational Facilities in Loddon Shire.

February 2014 Council Forum - discussion led by Cr Beattie.

##### **BACKGROUND**

Little Lake Boort is a relatively shallow lake of an approximate depth of 1.2 m and an area of 74 ha. The lake is an ornamental and recreational lake with high environmental values set within the township of Boort. The township has developed around the lake and is provided with picturesque sporting, picnic and passive recreation opportunities around the lake. The lake also provides an anchor for the Boort Lakes Caravan Park which is an important site for tourism and other medium-term and short-term accommodation.

##### **ISSUES/DISCUSSION**

With the lake being a relatively shallow lake, it suffers from high rates of evaporation. Given its location, it is estimated that the lake loses 1.5 m of water depth yearly on an average year through evaporation and seepage. This means that the lake needs approximately 900 mL of water per annum to operate. With the provision of this water, the lake is able to be held at a level to promote waterskiing through spring, summer and autumn.

The Loddon Shire currently owns 300 mL of water and has access to 300 mega litres of bulk water entitlement in addition to its 300 mL water right. This means that Council currently holds 600 mL of water to operate the lake and would benefit from owning a further 300 mL. If Council were to purchase this water, it would ensure the operation of the lake in all but the most extreme drought periods. The provision of this water would secure the future of Little Lake Boort and would greatly assist in underpinning the economy of the Boort retail sector.

Given the current water market, it would be expected that the cost of purchasing 300 mL of water would be in the order of \$450,000. The annual operating cost of owning an additional 300 mL of water would be \$15,000 per annum. Council's current operating budget for Little Lake Boort would absorb this cost as these monies are already budgeted for and are provided to allow Council to buy temporary water as and when needed to keep the lake operating.

Water analysts predict that the cost of permanent water right is set to increase. It is expected that the cost of water could go to \$2000 per megalitre.

If Council were to choose to invest in the purchase of water, this water could be traded temporarily during periods of low demand thus returning some financial benefit to Council. Investing in water as an asset is a little different to investing in bricks and mortar or other community infrastructure. Investing in water right provides Council with the opportunity to trade this water, thus producing a revenue stream.

The primary beneficiary of this purchase will be the Boort economy and the residents of Boort. There is some knock-on effects to other parts of the municipality but the overwhelming benefit of this investment will be to the Boort community. The Council can afford to make this purchase, and has three sources of revenue that would be available immediately to make this purchase.

Funding sources are:

- from Council's current cash surplus of \$2.1 million
- from the Councillor Initiative Fund which currently sits at \$540,000
- from Council's Community Planning Strategic Pool of \$500,000

Council has allocated the 2013/14 strategic pool. If Council were to use the strategic pool to fund this purchase it would be possible for Council to notionally allocate the 2014/15 allocation to the purchase of water for Little Lake Boort and to fund the purchase immediately from Council's cash reserves and to reimburse Council's cash reserves from the strategic allocation in the following financial year. Given the specific nature of this investment and its clear benefit to the Boort community, it is suggested that Council should fund this purchase from the Community Planning Strategic Fund.

#### **COSTS/BENEFITS**

See above.

#### **RISK ANALYSIS**

Nil.

#### **CONSULTATION AND ENGAGEMENT**

Nil.

## 5. **INFORMATION REPORTS**

### 5.1 **COMPLETION OF MATERNAL AND CHILD HEALTH SCHOLARSHIP**

#### **SUMMARY**

This report is to advise Council of the completion of the first of three Maternal & Child Health scholarships.

Author	Wendy Gladman, Director Community Wellbeing
Council Plan ref:	Core business 2: Provision of wellbeing services
File no:	12/05/002
Attachment:	Nil

#### **RECOMMENDATION**

*That Council receive and note this report detailing the completion of the first Maternal and Child Health scholarship provided by Council.*

#### **PREVIOUS COUNCIL DISCUSSION**

Nil

#### **BACKGROUND**

In 2011 Loddon Shire Council entered into a partnership with the City of Greater Bendigo (COGB) to provide three Maternal and Child Health scholarships (one per year), with the COGB administering the scholarship program on behalf of Loddon.

Successful applicants receive a scholarship to the value of \$3500, paid in two instalments:

- \$2000 on enrolment into a relevant course
- \$1500 on receipt of a successful academic transcript.

The Loddon scholarship for 2012/13 was provided to Ms Anthea Ryan.

#### **ISSUES/DISCUSSION**

Ms Ryan commenced the two year training in 2012 and completed her studies in December 2013.

On completion of the appropriate studies and having received the required qualification, Ms Ryan has satisfied the requirements for the completion of the scholarship.

Mrs Ryan will now have the opportunity to join Council's Maternal & Child Health service.

#### **COSTS/BENEFITS**

Each scholarship offered is to the value of \$3,500, with \$2,000 paid on enrolment into a relevant course and \$1500 on receipt of a successful academic transcript. Council has budgeted for three scholarships to the value of \$3500 each, with the second of these being offered in 2014/2015.

#### **RISK ANALYSIS**

The offering of scholarships aims to increase the availability of qualified Maternal & Child Health nurses for employment at Loddon. The Community Wellbeing department will review the success of the scholarship program following the completion of the third scholarship to determine if a request to Council for the funding of further scholarships will be made.

**CONSULTATION AND ENGAGEMENT**

Nil

## 5.2 ROAD NETWORK DEFECT RECTIFICATION COMPLIANCE SUMMARY REPORT

### **SUMMARY**

Provides a summary of Loddon Shires compliance against its Road Management Plan for the period 1 October 2013 to 31 December 2014, being the Second Quarter of the 2013 - 2014 Financial Year.

Author	Steven Phillips, Manager Works
Council Plan ref:	Core business 5: Providing quality infrastructure
File no:	14/01/022
Attachment:	Nil

### **RECOMMENDATION**

*That Council receive and note the road network defect rectification compliance summary report.*

### **PREVIOUS COUNCIL DISCUSSION**

This is the second report for 2013 - 2014 financial year presented to Council summarising road network defect rectification compliance against requirements specified within the Loddon Shire Road Management Plan.

### **BACKGROUND**

This report is produced quarterly and provides Council with evidence of the Loddon Shire's performance against requirements specified within the Loddon Shire Road Management Plan.

### **ISSUES/DISCUSSION**

The following Defect Compliance Summary Report outlines Councils compliance against requirements specified within the Road Management Plan to the end of the most recent quarter. The report indicates compliance by percentage for each of Councils Road Patrol Areas.

### **Date Imposed Works Action - Compliance Summary Report**

Date Range: 01/10/2013 to 31/12/2013

<b>Number of Works Actions</b>	<b>Number Completed By Due Date</b>	<b>Number Completed After Due Date</b>	<b>Number Not Completed</b>	<b>Compliance %</b>	<b>District</b>
15	15	0	0	100.0%	Boort
53	52	1	0	98.1%	Newbridge
143	141	2	0	98.6%	Pyramid Hill
68	67	1	0	98.5%	Wedderburn

#### DEFINITIONS

Number of Works Actions - Within the date range, count the defects that were due for action

Number Completed by Due Date - From those defects in Column A to be rectified, how many were rectified by the due date

Number Completed After Due Date - From those defects in Column A to be rectified, how many were rectified outside the due date

Number Not Completed - Column A - Column B - Column C

Compliance % - Column B Divided by Column A

District - Grouped By The AssetAsyst District

During the second quarter of 2013 - 2014, 98.8 % of all date imposed defects were completed before the specified due date. This is below the target of 100 % of date imposed defects repaired by due date. It is



noted however that all defects have now been completed and there are no outstanding date imposed defects.

Achieving the target of 100 % of date imposed defects repaired by due date was made difficult due to staff vacancies. The process for filling the staff vacancies was undertaken throughout the second quarter, with the final vacancies filled after the end of the quarter.

#### **COSTS/BENEFITS**

The benefits to the community in complying with the Road Management Plan are that it ensures a safe road network.

#### **RISK ANALYSIS**

Repairing 100 % of all date imposed defects before their due date limits Council's liability for any claims of damage made against Council. There have been no claims for damages against Loddon Shire as a result of a known defect this quarter.

#### **CONSULTATION AND ENGAGEMENT**

No internal or external consultation is required in the formation of this report.

### 5.3 INWARDS CORRESPONDENCE

#### **SUMMARY**

Relevant correspondence received by Council since previous meeting.

Author: John McLinden - Chief Executive Officer

Council Plan ref: Strategic enabler: Transparent communication

File No: various

Attachment: Copies of inwards correspondence

#### **RECOMMENDATION**

*That Council receives and notes the Inwards Correspondence.*

<b>Date</b>	<b>From</b>	<b>Subject</b>
28/1/14	Cr Jenny Houlihan, City of Greater Shepparton	Request for support – SPC Ardmona

## 5.4 PLANNING APPLICATIONS CURRENTLY BEING PROCESSED

### **SUMMARY**

Provides Council with an update on Planning applications currently under consideration and a register of planning permits issued between 11-01-2014 and 12-02-2014.

Author:	Amy Lanfranchi – Planning Officer
Council Plan ref:	Strategic platform 2 - Grow our population through appropriate development
File no:	02/01/001
Attachment:	List of Active Planning Applications, List of Applications Approved under Delegation

### **RECOMMENDATION**

*That Council receives and notes the 'Planning Applications Currently Being Processed' report.*

### **PREVIOUS COUNCIL DISCUSSION**

Council is provided with a monthly report identifying the status of planning applications currently under consideration or those permits which have been issued within the preceding month.

### **BACKGROUND**

The Loddon Shire's Planning Scheme sets out Council's objectives for the Shire with regard to land use and development via the Municipal Strategic Statement and Local Policies, and specifies which uses and developments require planning approval via zones and overlays.

As the responsible Authority it is Loddon Shire Council's duty to administer and enforce its planning scheme.

### **ISSUES/DISCUSSION**

Attachments 7.1(a) and 7.1(b) provides Council with a full list of planning applications currently under consideration and those planning permits issued between 11-01-2014 and 12-02-2014.

### **COSTS/BENEFITS**

Encouragement of appropriate development within the Shire is considered to offer a variety of benefits including population growth, economic diversity and development, infrastructure improvement or increased community and private services.

### **RISK ANALYSIS**

Failure to process planning applications in a timely manner or undertake rigorous assessment of development or works proposals is considered to pose the following risks:

- Barrier to development and associated economic growth within the Shire
- Proliferation of incompatible land use development
- Council's reputation as a regulatory authority
- Infrastructure, service provision or regulatory and enforcement pressures
- Protection of zones to accommodate intended activities or reduction of surrounding property amenity

### **CONSULTATION AND ENGAGEMENT**

Consultation and engagement with planning permit applicants is routinely conducted at the required periods throughout the assessment and permit approval process.

## **6. COMPLIANCE REPORTS**

### **6.1 DOCUMENTS FOR SIGNING AND SEALING**

#### **SUMMARY**

This report provides Council with a list of documents signed and sealed during the month.

Author:	John McLinden - Chief Executive Officer
Council Plan ref:	Core business 8: Compliance
File No:	02/01/001
Attachment:	Nil

#### **RECOMMENDATION**

*That Council:*

1. *receive and note the 'Document for Signing and Sealing' report*
2. *endorse the use of the seal on the documents listed*

#### **PREVIOUS COUNCIL DISCUSSION**

Nil

#### **BACKGROUND**

N/A

#### **ISSUES/DISCUSSION**

Deed of Settlement between Loddon Shire Council and Phillip Spencer for costs associated with legal proceedings following withdrawal of legal proceedings against Mr Spencer

Transfer of land, Certificate of Title Volume 3291 Folio 142 and Crown Grant Volume 3647 Folio 315, from Sandhurst Trustees Ltd to Loddon Shire Council

Transfer of land, Certificate of Title Volume 10888 Folio 590, from Loddon Shire Council to Hay Australia Bridgewater Pty Ltd

Contract 291 for bridge replacement and associated works, Puntons Road, between Loddon Shire Council and Murray Constructions Pty Ltd

**7. GENERAL BUSINESS**

**8. CONFIDENTIAL ITEMS**

Closing of Meeting to the Public

**RECOMMENDATION**

*That the meeting be closed to the public.*

**NEXT MEETING**

The next Ordinary Meeting of Council will be held on 25 February at Serpentine commencing at 3pm.