

# **Corangamite Shire**

## **MINUTES**

# **Ordinary Council Meeting**

*Held 7.00 pm • Tuesday 18 October 2016*

*Killara Centre  
210-212 Manifold Street, Camperdown*

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# Table of Contents

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Item No.		Page No.
<b>1.</b>	<b>PRESENT.....</b>	<b>3</b>
<b>2.</b>	<b>APOLOGIES.....</b>	<b>3</b>
<b>3.</b>	<b>DECLARATIONS OF CONFLICT OF INTEREST.....</b>	<b>3</b>
<b>4.</b>	<b>CONFIRMATION OF MINUTES.....</b>	<b>3</b>
<b>5.</b>	<b>DEPUTATIONS &amp; PRESENTATIONS.....</b>	<b>5</b>
<b>6.</b>	<b>MAYOR'S REPORT .....</b>	<b>6</b>
6.1	MAYOR'S REPORT .....	6
<b>7.</b>	<b>COMMITTEE REPORTS.....</b>	<b>11</b>
7.1	AUDIT COMMITTEE REPORT .....	11
7.2	COBDEN AERODROME COMMITTEE OF MANAGEMENT 2016.....	13
<b>8.</b>	<b>INFORMATION BULLETIN.....</b>	<b>16</b>
<b>9.</b>	<b>PLANNING REPORTS.....</b>	<b>17</b>
<b>10.</b>	<b>OFFICERS' REPORTS.....</b>	<b>18</b>
10.1	ANNUAL REPORT 2015-2016.....	18
10.2	FINANCE REPORT .....	21
10.3	MARINE AND COASTAL ACT CONSULTATION PAPER .....	43
10.4	RECORDS OF ASSEMBLY OF COUNCILLORS .....	50
<b>11.</b>	<b>OTHER BUSINESS .....</b>	<b>54</b>
<b>12.</b>	<b>OPEN FORUM .....</b>	<b>55</b>
<b>13.</b>	<b>CONFIDENTIAL ITEMS .....</b>	<b>56</b>

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**MINUTES OF THE ORDINARY MEETING OF THE CORANGAMITE  
SHIRE COUNCIL HELD AT KILLARA CENTRE, 210-212 MANIFOLD  
STREET, CAMPERDOWN 7.00 PM ON  
18 OCTOBER 2016**

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**1. PRESENT**

Councillors J. Beard (Chairperson), R. Gstrein, P. Harkin, C. O'Connor,  
W. Oakes, G. Smith, N. Trotter.

Officers Andrew Mason, Chief Executive Officer  
Ian Gibb, Director Sustainable Development  
Brooke Love, Director Works and Services  
David Rae, Director Corporate and Community Services

**2. APOLOGIES**

Apologies from the following invited guests were noted:

- The Hon. Dan Tehan MP, Federal Member for Wannon
- Mr Richard Riordan MP, Member for Polwarth
- Ms Alma MacDonald, past Councillor
- Mr Jim O'Brien, past Councillor.

**3. DECLARATIONS OF CONFLICT OF INTEREST**

Nil.

**4. CONFIRMATION OF MINUTES**

**RECOMMENDATION**

That the Minutes of the Corangamite Shire Ordinary Council meeting held on Tuesday 27 September 2016 be confirmed.

**COUNCIL RESOLUTION**

**MOVED:** Cr O'Connor

**SECONDED:** Cr Trotter

That the recommendation be adopted.

**CARRIED**

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**COUNCIL RESOLUTION**

**MOVED:**            *Cr Oakes*  
**SECONDED:**    *Cr Gstrein*

That standing orders be suspended to conduct a Citizenship Ceremony.

**CARRIED**

Standing orders were suspended at 7.04 pm for a Citizenship Ceremony.

**COUNCIL RESOLUTION**

**MOVED:**            *Cr Oakes*  
**SECONDED:**    *Cr Trotter*

That standing orders be resumed.

**CARRIED**

The meeting resumed at 7.19 pm. All Councillors were present.

## **5. DEPUTATIONS & PRESENTATIONS**

Nil.

## 6. MAYOR'S REPORT

### 6.1 Mayor's Report

**Author:** Jo Beard, Mayor

**File No:** D16/669

**Previous Council Reference:** Nil

#### **Declaration**

Chief Executive Officer – Andrew Mason

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

Author - Jo Beard

In providing this advice to Council as the Mayor, I have no interests to disclose in this report.

Author – Chris O'Connor

In providing this advice to Council as Councillor, I have no interests to disclose in this report.

#### **Issues**

For the last Mayoral report of this elected Council, I have invited past Mayor Cr Chris O'Connor to join me in reflecting upon some of the achievements and challenges this Council has faced over the past four years. Cr O'Connor served as Mayor for three years (2012-2015), while I was elected in November 2015 to serve the final year of our term.

This Council began its journey back in November 2012. We had three new Councillors elected (Crs Oakes, Trotter and Harkin), as well as four re-elected (Crs O'Connor, Beard, Gstrein and Smith). Experience ranged from 18 months (me) to Cr Geoff Smith who had close to 30 years of service. Cr O'Connor was elected Mayor and we immediately got to work with senior officers to set a new agenda and construct a four year Council vision and plan. By April 2013, Council had consulted with our communities and developed a Council Plan that had an emphasis on good governance, strong advocacy and strengthening our communities.

A huge and unforeseen impact felt right across our region was the Telstra fire in November 2012. This made headlines nationally and the phone outage was an inconvenience shared by many. Combine this with an unbudgeted \$2.8 million superannuation call on Council and some serious issues were being faced early.

Leading on from work achieved by the previous Council, Planning Minister Matthew Guy announced the completion of the C30 Planning Scheme Amendment, which rezoned parcels of land that had been identified by a Tourism Opportunities Study (2010) for potential future tourism development. Initiatives such as these can take a long time to come to fruition and we are only now working with a number of potential investors and the State

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Government to enable some exciting projects in the not-too-distant future. Well-planned eco-tourism development that provides high-end accommodation will improve yield and create jobs that help us retain and grow our population.

Things have a habit of repeating themselves, and in the current climate it is sobering to recall that in January 2013, 600 dairy farmers met in a crisis meeting at Noorat to discuss their low returns. As a result, Council decided to decrease the farm rate from 95 cents in the dollar by 1 per cent annually for the following five years. Fast-forward more than three years and we are facing another dairy crisis. This time it is on the back of major dairy processors slashing farm gate prices and inflicting our farmers with retrospective paybacks. This Council has continued to advocate on behalf of our 'life blood' for better financial returns. A return that is deserved for not only our hardworking and dedicated farmers but also our broader communities who also suffer from these outrageous impacts. Corangamite Shire is playing an active role in this space, being part of ongoing conversations with the Minister for Agriculture and teaming with various dairy representative groups to help with ongoing support.

It's hard to believe that so much can change in only a couple of years. It was in 2014 that the sale of Warrnambool Cheese and Butter to a Canadian company highlighted the value in our dairy industry and expansion and new projects off-farm were being proposed. Fonterra, WCB and Murray Goulburn all signalled expansion plans. We also received a new planning proposal for a medium sized processing plant in Camperdown on the old Bonlac site. But, as the seasons change so does the dairy industry, and the unpredictable sector has now put a halt to work proceeding with the Camperdown Dairy International project until further notice.

Parking in Port Campbell has been a persistent issue and Council made a decision to purchase land in Morris Street, converting it to a car park and three small commercial blocks that are now being prepared for sale.

The Fire Services Levy became State Government Policy and councils were nominated to collect this tax on behalf of government. While not opposing the overall thrust of the policy, our Council lobbied hard with others to get the rural contribution down to a fairer proportion and for our expenses to be covered for collecting the levy.

Corangamite has a proud history of taking a regional view and our support of the Great South Coast Group (GSCG) has continued during this term. Corangamite chaired the Group for the first four years of its existence, as well as providing executive support and ensuring the Group would be a strong voice for the South West. We helped advocate for a new Cancer Centre in the South West through Peter's Project, and made a considerable financial commitment on behalf of our residents. To this day, we continue to maintain a strong presence on the Great South Coast Group, whose role has become even more important given the State Government's decision to form 'Regional Partnership Groups' across Victoria to identify priority projects in regional areas as well as flag possible policy changes. Councillors are not represented on the Partnership Group, cementing the importance of our existing GSCG and the work we do for the enrichment of our region.

Council helped with the completion of a Regional Growth Plan for the South West in late 2013, mapping out what was taking place currently, what opportunities existed, and what was needed to help fulfil the potential of our region.

A \$200,000 grant for the Cobden Airport was welcomed with great excitement. Combined with local fundraising that took place over many, many years, the community finally realised

the dream of achieving a sealed airstrip and lights for night landing. The facility is continuing to increase its service to the agricultural sector, as well as becoming a tourist asset for fly-in visitors.

Later in 2013, disappointingly, South West Institute of TAFE pulled out of its education arrangements at Glenormiston College. Following on from our fears and that of the communities, the Minister for Training and Skills began the long and formal search for a replacement tenant. It has only just been announced that education will be a future focus at this site.

In February 2014, Council passed our Emergency Management Policy. This policy highlights the increasing role Council is expected to play in emergencies. It is still an evolving space and we are being guided by the expectations and cost shifting that State Government imposes upon us.

After many years of deliberating, Council this year made the stance to wind back its contribution to the local SES units over the next two budget cycles. We have continued to voice our concerns to the State Government and hold hope that they will acknowledge the importance of their state service and allocate funding accordingly.

Also back in 2014, further budget pressures were new rules and regulations imposed for the construction of cells for the Naroghid Regional Landfill. The so called Best Practice Guidelines (BEPM) took the cost from \$250,000 to \$1.25 million and since then, to today's cost of \$2.5 million. Unfortunately, there is no long term environmental advantage obtained for the Corangamite Shire.

Our CEO, Mr Andrew Mason, was unanimously reappointed in July for a further five years and the Camperdown Streetscape project was brought forward with new plans and the consultation process commenced.

Council's new Leasing Policy designed to get better value for Council owned buildings leased by outside groups was proving problematic. The Terang Op-Shop Committee was unhappy with the determined rent. The problem was eventually sorted but highlighted the balance between getting a fair return for rate payers and the not-for-profit sector that is so important in supporting our communities. Also in Terang, the Kindergarten building was proving to be too small, restrictive and dysfunctional, particularly with the introduction of further hours required for pre-schoolers. A new centre was proposed, combining child health services, playgroup, parents groups, family support services, community meeting area and space for visiting early year's services and professionals. This bold and innovative proposal became a reality when Council received a \$776,000 State Government grant to combine with our budget allocation of \$1.15 million and \$14,000 raised by the Terang Kindergarten Committee. Terang Children's Centre officially opened in April 2016 and the \$1.94 million project was a real highlight for this Council as well as the Terang community.

The November 2014 State election 'Wish List' was not supported by promises from the new Labor State Government, and along with the new policy of 'rate capping', the Local Government sector continued face budgetary pressure. Budget 2015-2016 was conservative and responsible in such a tight economic climate. Council committed to paying off debt, putting money aside for landfill rehabilitation and future superannuation calls, as well as maintaining services and further investment into our roads.

Our 'Building Stronger Corangamite Communities Program' has continued throughout this council term and has proved to be very popular across our towns. One of the new programs



listed as a high priority by our communities for this term of council has been the 'Retail Façade Improvement Program'. This program encourages landlords to invest in the appearance of their retail outlets. The first round in 2015 was highly successful and oversubscribed. As a result of the program, there has been a remarkable difference within some of our towns with more exciting projects being supported with this budget.

A combined road sealing contract with Warrnambool City Council was a good example of things to come with shared services. The contract has led to a better than expected outcome and we were able to bring some projects forward because of lower unit costs.

At the November 2015 Council meeting Corangamite Council elected a new Mayor, Councillor Jo Beard.

The New Year began with the long awaited news the Terang township was finally set to receive natural gas. This was a huge boost not only for residents who had advocated for many years, but also for industry within the town.

Timboon Ice Creamery had mouths watering with the announcement of their successful funding to build a brand new factory/cafe. This will provide another reason for people to visit Timboon and sample our region's local produce.

This current year's budget was one of our toughest yet. We committed further funding to our local road network, including bridges and drainage, \$800,000 towards parks, open space and town improvements as well as balancing the desired services within our communities. This was our first budget that included a 2.5% rate cap. We worked hard together to make savings of \$500,000, however this did come at the detriment of certain projects across the board.

In March, we partnered with fellow Great South Coast councils to advocate for the retention of tertiary education in the South West following Deakin University's proposal to cease operating at its Warrnambool campus. After a long drawn-out process, people power prevailed, and six months on, Deakin has committed to a future here in the South West. Whilst on the topic of education, Beyond the Bell has recently received much needed funding to help this region address low attainment levels for Year 12 or equivalent. The South West region has data that reflects we are significantly below the state average in this area. Council continues to support this project and is actively involved in our local action group that brings various stakeholders together to collectively make a difference.

In terms of the VicRoads arterial road network within the Corangamite Shire, much research has been collated within affected industry to reinforce the advocacy we are continuing for improved and safer roads. A different approach is being signalled as previous efforts have gone unnoticed. This is an ongoing endeavour that our communities expect and deserve more from the State Government. Their road network is a mess and continues to be the number one issue not only for us, but also for our residents.

The recent rainfalls in September have caused even further havoc across our region, especially for roads. Thankfully the Skipton township was spared the same disaster they endured only five years ago. Rising flood waters reached the same levels as 2010, however the damages were less significant thanks to the flood mitigation works carried out within the town's drainage system. This has certainly been a real positive for Council and the Skipton community.

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It's funny, Local Government is challenging yet rewarding at the same time. Representing our communities on Corangamite Shire Council is a privilege. It is a privilege we will never take for granted and serving as Mayor is a true honour.

We have both had an incredible four years alongside our wonderful team. A team of people who are supportive, innovative, honest, intelligent, sensible, committed, and best of all, caring. Truly caring to those around them and motivated to make a difference. Our staff are inspiring to work with and we wish to thank them for all their support and expertise over the years. The positive culture within this Council is infectious. It is credit to both staff and Councillors that this organisation is held in such high esteem amongst peers.

**Information only.**

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## 7. COMMITTEE REPORTS

### 7.1 Audit Committee Report

**Author:** David Rae, Director Corporate and Community Services

**File No:** D16/644

**Previous Council Reference:** 26 July 2016, Item 8.1

#### **Declaration**

Chief Executive Officer – Andrew Mason

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

Author - David Rae

In providing this advice to Council as the Director Corporate and Community Services, I have no interests to disclose in this report.

#### **Summary**

This report provides Council with a summary of business considered at the 8 September 2016 meeting of the Audit Committee.

#### **Introduction**

The Audit Committee (the Committee) is an independent advisory committee to Council. The primary objective of the Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

#### **Issues**

Attendees at the Committee meeting were as follows:

**Councillors:** Cr Ruth Gstrein, Cr Chris O'Connor, Cr Neil Trotter, Cr Jo Beard (ex officio member)

**Independent Members:** Nancy Johnson (Chairperson)  
Andrew Jeffers  
Colin Hayman

**Officers:** Andrew Mason, Chief Executive Officer  
Brooke Love, Director Works and Services  
David Rae, Director Corporate and Community Services  
Adam Taylor, Manager Finance

**Guests:** Andrew Zavitsanos, Crowe Horwath (Internal Auditor)  
Chris Kol, Coffey Hunt (Victorian Auditor General's Office Agent)

**Declaration of Conflict of Interest:** Andrew Jeffers declared an indirect conflict with agenda item 6.5, 2015-2016 Procurement Summary.

The Committee considered the following matters at the meeting:

- 2015-2016 Financial Statements and Performance Statement
- 2015-2016 Draft Management Letter
- 2015-2016 Procurement Summary
- Fraud Control Plan Annual Review
- Strategic Risk Profile Biannual Update
- Health and Safety Management System Review
- Finance Report for period ending 31 May 2016.

### **Policy and Legislative Context**

Reporting of the Audit Committee's activities is consistent with the Committee's Charter and the following commitments in the 2013-2017 Council Plan:

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

Model contemporary standards of corporate governance and professional standards.

### **Financial and Resource Implications**

There are no financial and resource implications as a consequence of this report.

### **Conclusion**

The next meeting of the Audit Committee is scheduled for December 2016 and a report on that meeting will be presented at the January 2017 Council meeting.

**Information only.**

### **COUNCIL RESOLUTION**

**MOVED:**            *Cr Trotter*  
**SECONDED:**      *Cr Gstrein*

**That Council receives the Audit Committee report.**

**CARRIED**

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## 7.2 Cobden Aerodrome Committee of Management 2016

**Author:** Lyle Tune, Manager Works

**File No:** D16/664

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

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

Author - Lyle Tune

In providing this advice to Council as the Manager Works, I have no interests to disclose in this report.

### Summary

This report seeks Council endorsement of the nominated Committee of Management for the Cobden Aerodrome for 2016-2017.

### Introduction

The Cobden Aerodrome Committee of Management manages the Cobden Aerodrome on behalf of Council.

The Committee consists of a broad representation of community members to ensure that the Aerodrome is managed in a manner that will provide most benefit to the community.

Council appoints two Councillor Representatives to the Committee with voting rights and a Council officer (currently Manager Works) to act as Executive Officer to the Committee. The Executive Officer does not have voting rights.

### Issues

The Annual General Meeting of the Cobden Aerodrome Committee of Management was held on 5 October 2016 in the Cobden Civic Hall at 6.30 pm.

Representatives are elected from the following organisations:

- Council Representative – two positions (as appointed by Council)
- Community Representative – six positions
- Cobden Hospital Representative – one position
- Cobden Aero Club Representative – one position
- Progressing Cobden Representative – one position
- Industry Representative – one position.

Members of the Committee hold office for a term of three years. Re-election of positions on the Committee is staged on a three year cycle, as detailed in the Cobden Aerodrome Development Plan 2006-2009, and as follows:

Year 1 2016- 2017	2 x Community Representatives 1 x Aero Club Representative
Year 2 2017- 2018	2 x Community Representatives 1 x Progressing Cobden
Year 3 2018- 2019	2 x Community Representatives 1 x Industry Representative 1 x Cobden Hospital Representative

In 2016-2017, two Community Representative positions were vacated (the Aero Club Representative position has been held over until next year). These positions were held by Gary Evans and Garth McLennan.

Two nominations were received for election to the vacant Community Representative positions. The two Community Representatives nominated and re-elected were Gary Evans and Garth McLennan. .

The Committee's membership is now nominated as follows:

Organisation	Representative	Elected
Community	Gary Evans	2016-2017
Community	Garth McLennan	2016-2017
Community	Philip Robertson	2015-2016
Community	Lew Matthews	2015-2016
Community	Des Pekin	2014-2015
Community	Les Mulholland	2014-2015
Aero Club representative	Bill Woodmason	2015-2016
Cobden Hospital	Alma MacDonald	2015-2016
Progressing Cobden	Eunice Dawe	2015-2016
Industry	Warren Ponting	2015-2016
Councillor	Council Appointed	
Councillor	Council Appointed	
Council (Non voting Executive Officer)	Works Manager (Lyle Tune)	Council Appointed

### Policy and Legislative Context

The Cobden Aerodrome Committee of Management is a special committee of Council and has delegated decision making responsibilities under Section 86 of the *Local Government Act 1989*. Election of committee members is conducted in accordance with the Instrument of Delegation.

Committees of management are supported by the Council Plan 2013-2017 commitments:

Provide and advocate for a range of services, facilities and support to our people to enable them to fully engage and participate in the community.

Plan for and deliver improved asset capacity to meet future needs.

### Internal / External Consultation

A notice of the Annual General Meeting and committee vacancies was advertised in the Warrnambool Standard on 24 September and the Cobden Timboon Coast Times on 28 September 2016.

**Financial and Resource Implications**

The Committee operates within an annual budget allocation of \$15,785 (2016-2017) and identifies projects for consideration by Council as a part of the budget development process.

**Options**

Council may appoint the nominated members for the forthcoming year or reject the recommendation and request an alternate Committee membership.

**Conclusion**

The Committee membership will enable the continued active management and operation of the Cobden Aerodrome.

**RECOMMENDATION**

**That Council appoints the Committee of Management for the Cobden Aerodrome Committee of Management 2016-2017 as follows:**

<b>Organisation</b>	<b>Representative</b>
Community	Gary Evans
Community	Garth McLennan
Community	Philip Robertson
Community	Lew Matthews
Community	Des Pekin
Community	Les Mulholland
Aero Club representative	Bill Woodmason
Cobden Hospital	Alma MacDonald
Progressing Cobden	Eunice Dawe
Industry	Warren Ponting
Councillor	To be appointed by Council
Councillor	To be appointed by Council
Council (Non voting Executive Officer)	Works Manager (Lyle Tune)
<b>Office Bearers</b>	
Chairperson	Des Pekin
Vice Chairperson	Bill Woodmason

**COUNCIL RESOLUTION**

**MOVED:**            *Cr Oakes*  
**SECONDED:**    *Cr Trotter*

**That the recommendation be adopted.**

**CARRIED**

## **8. INFORMATION BULLETIN**

Nil.



## 9. PLANNING REPORTS

Nil.

## 10. OFFICERS' REPORTS

### 10.1 Annual Report 2015-2016

**Author:** Andrew Mason, Chief Executive Officer

**File No:** D16/650

**Previous Council Reference:** Nil

#### **Declaration**

Chief Executive Officer – Andrew Mason

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

#### **Summary**

This report provides information regarding the 2015-2016 Annual Report which is attached under separate cover for Council consideration and discussion.

#### **Introduction**

Council is required to prepare and circulate an annual report for each financial year based on requirements in the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014*.

An electronic copy of the Annual Report, including a report of operations, audited performance statement and audited financial statements for the year ending June 2016 was sent to the Minister for Local Government by 30 September 2016, as required by the Act. Copies of the Annual Report are available to the public at the Civic Centre and via Council's website at [www.corangamite.vic.gov.au](http://www.corangamite.vic.gov.au).

#### **Issues**

The Annual Report details Council's activities throughout the previous financial year. It contains relevant reporting data to demonstrate how Council performed against the Council Plan 2013-2017, Annual Plan and Budget for 2015-2016. It includes mandatory legislative reporting requirements, including the Local Government Performance Reporting Framework indicators, and also contains an overview of the highlights, challenges and future challenges for Corangamite Shire, a summary of which is outlined below.

#### **Highlights**

- Opening of the Terang Children's Centre
- Opening of the Simpson Community Hub
- Completion of the Skipton Flood Mitigation project, which has recently been successful in preventing flooding of the Skipton township
- Completion of annual \$2 million road reseal program in a joint contract with Warrnambool City Council for the first time
- Expansion of road rehabilitation works with \$4.6 million funding from the Federal Government's Roads to Recovery Program
- Increase in the Community Satisfaction rating for Customer Service by three points

- Completion of annual roadside weed control program with 950 km of roadsides treated, 17 % more than 2014-2015
- Decrease in kerbside waste from 6.9 kg/household per week to 6.5 kg/household per week
- Winning the Local Government Award for Tourism at the 2015 RACV Victorian Tourism Awards.

### **Challenges**

- Introduction of rate capping
- Reduction in milk prices affecting dairy farmers and associated industries
- Downward trend in Community Satisfaction for Local Government across Victoria
- Declining population figures from the ABS
- Further EPA restrictions on operation of Naroghid Landfill and meeting BPEM guidelines
- Condition of arterial road network in the Shire due to underfunding by the State Government
- Low recruitment for Family Day Care and loss of existing educators
- Decrease in animal registrations.

### **Future Challenges**

- Review of the *Local Government Act 1989*
- Development of a new Council Plan
- Mobile Child Care transition to Approved Services under the National Quality Framework
- Works to replace Castle Carey Road Bridge
- Negotiation of a sustainable Enterprise Bargaining Agreement
- Development of a design for the Port Campbell Streetscape upgrade
- Finish of Cell 14A and capping of Cells 11 and 12 at the Naroghid Landfill
- Work with Parks Victoria to implement Shipwreck Coast Master Plan.

### **Policy and Legislative Context**

Preparation of the Annual Report and reporting to the community is consistent with sections 131, 132 and 133 of the *Local Government Act 1989*, which requires Council to prepare an annual report containing the relevant statutory reporting data and submit the report to the Minister for Local Government within three months of the end of the financial year, in addition to making the report available to the public. The *Local Government (Planning and Reporting) Regulations 2014*, which details the reporting requirements, were also followed when preparing the report.

Under Section 134 of the Act, Council is required to consider the Annual Report in a meeting open to the public after the report has been submitted to the Minister and made available to the public.

Preparation and discussion of the Annual Report 2015-2016 at a public meeting is also consistent with the Council Plan 2013-2017 which states:

Council will model contemporary standards of corporate governance and professional standards.

### **Internal / External Consultation**

A public notice was placed in local newspapers to advise the public that the Annual Report for 2015-2016 has been prepared and will be considered by Council at the October ordinary Council meeting.

The Annual Report has been prepared in consultation with managers, senior officers, other staff and Councillors.

Council has given in-principle approval to the Performance Statement and Annual Financial Statements for the year ending June 2016 and endorsed Councillors Gstrein and Trotter to certify the statements in their final form. Council's Audit Committee has also been consulted.

### **Financial and Resource Implications**

Preparation, design and publication of the 2015-2016 Annual Report, including CDs containing the Performance Statement and Annual Financial Statements, is achieved through existing budget allocations.

### **Conclusion**

The Annual Report 2015-2016 provides a comprehensive overview and analysis of the wide range of services and projects undertaken by Council in 2015-2016 and reports on Council's performance results measured against the Council Plan, Annual Action Plan, Budget and Prescribed Performance Indicators.

Councillors, staff, committee members, volunteers and community partners are commended for their contribution towards Council's achievements during 2015-2016.

This report recommends that Council considers the 2015-2016 Annual Report.

### **RECOMMENDATION**

**That Council considers the 2015-2016 Annual Report.**

#### **COUNCIL RESOLUTION**

**MOVED:**            *Cr Gstrein*  
**SECONDED:**      *Cr Harkin*

**That the recommendation be adopted.**

**CARRIED**

## 10.2 Finance Report

**Author:** Adam Taylor, Manager Finance

**File No:** D16/634

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

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

Author - Adam Taylor

In providing this advice to Council as the Manager Finance, I have no interests to disclose in this report.

### Summary

To note Council's current financial position as at 30 September 2016 and to approve changes to the 2016-2017 Adopted Budget for carry forward budget items that have not been completed in 2015-2016.

### Introduction

Council adopted the 2016-2017 Budget at a special Council meeting in June 2016. Since then a number of 2015-2016 projects have been identified as incomplete, requiring remaining budgets to be carried forward to the 2016-2017 financial year. This report is seeking approval of listed carry forward budget items. An updated 2016-2017 budget forecast position is also provided including commentary on Council's financial performance as at 30 September 2016.

### Issues

#### **Budget Variations**

Council's target "cash position" is \$5 million or greater on an annual basis. The "cash position" as at 30 June 2016 was \$11.59 million, which was primarily due to incomplete capital works and non-recurrent projects and to a lesser extent a favourable result to the adjusted forecast. The higher than forecast "cash position" as at 30 June 2016 will fund the carry forward budget adjustment included in this report. A summary of the forecast 30 June 2017 "cash position" after the inclusion of the carry forward adjustments is as follows:

"Cash position" as at 30 June 2016	\$11.59 million
2016-2017 adopted Surplus/(Deficit)	(\$1.63) million
2015-2016 Carry forward adjustments	(\$2.51) million
<b>Forecast "cash position" as at 30 June 2017</b>	<b><u>\$7.45 million</u></b>

After adjusting for carry forward and forecast adjustment budget items of \$2.51 million, the forecast “cash position” of \$7.57 million is within the target range of \$5 million or greater. A summary of the total carry forward adjustments are as follows.

Department carry forwards	\$53,325
Capital Project carry forwards	\$1,216,537
Recurrent Operating Projects carry forwards	\$715,471
Non Recurrent Operating Projects carry forwards	\$523,193
<b>Total Carry Forwards</b>	<b>\$2,508,526</b>

Council’s 2016-2017 adopted budget is a “cash” deficit of \$1,632,118. As a result of the carry forwards, Council’s operating “cash” result is forecast to be a deficit of \$4,140,645. No further amendments to the budget are proposed. A detailed listing of the operating and capital income carry forwards is contained in the attached report.

2016-2017 adopted Surplus/(Deficit)	(\$1,632,118)
2015-2016 carry forwards (net)	(\$2,508,526)
<b>2016-2017 Forecast “cash” Surplus/(Deficit)</b>	<b>(\$4,140,645)</b>

### **Financial Performance**

Council’s financial performance for 2016-2017 is on target with a year to date favourable cash variance of \$713,011 compared to budget. Main contributors to the better than forecast result as at 30 September are:

- Recurrent operations are \$510,458 favourable to budget as a result of timing and forecasting differences.
- Project expenditure is \$149,566 favourable to budget due to grants received earlier than budgeted. These income differences are offset by expenditure incurred as a result of the floods in September.
- Capital expenditure is \$122,578 unfavourable to budget mainly due to gravel resheeting program being ahead of budget.
- Rate Income is \$70,579 ahead of budget due to supplementary rates.
- The remaining variations are associated with timing differences for loans and reserve transfers.

### **Policy and Legislative Context**

The report meets Council’s requirements for reporting under the *Local Government Act 1989* and is in accordance with its Council Plan 2013-2017 commitment that:

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

### **Internal / External Consultation**

The report has been prepared in consultation with relevant department managers and has been reviewed by the Senior Officer Group. As there are no changes to rates or charges and no proposed new borrowings, the forecast budget is not required to be publicly advertised.

### **Financial and Resource Implications**

The report indicates that Council’s forecast financial position at 30 June 2017 will differ from the adopted Budget predominantly due to the carried forward 2015-2016 budget items.

The purpose of the carry forward review is to identify specific commitments from the 2015-2016 financial year, and make a budget allowance for the completion of committed capital and non-recurrent projects up to remaining 2015-2016 unspent budgets. The review also identifies where grant funds have been received late in the 2015-2016 financial year which require unbudgeted specific expenditure in 2016-2017 to fulfil the grant requirements. Additionally, the review identified where expenditure or income for a 2016-2017 budget item occurred, or was received in 2015-2016. In this situation a reduction of the 2016-2017 budget allocation is proposed.

### Options

Council can choose to:

1. Accept the adjustments to the 2016-2017 forecast budget which include 2015-2016 carry forwards.
2. Not accept the adjustments to the 2016-2017 forecast budget.

It is important to note that if Council chooses not to accept the adjustments, the listed 2015-2016 carried forward committed capital and non-recurrent projects will not be able to be completed unless 2016-2017 budgeted commitments are rationalised.

### Conclusion

Council's financial performance for 2016-2017 remains on target. The year to date cash variance of \$713,011 is favourable compared to budget, this is primarily due to timing issues. After the proposed carry forward adjustments of \$2.51 million, Council's "cash position" will remain within the target range of \$5 million or greater due to the favourable 2015-2016 "cash" result when compared to the 2015-2016 adjusted forecast.

### RECOMMENDATION

**That Council approves the forecast budget for 2016-2017, which includes 2015-2016 carry forward budget items as presented.**

#### COUNCIL RESOLUTION

**MOVED:** *Cr O'Connor*

**SECONDED:** *Cr Harkin*

**That the recommendation be adopted.**

**CARRIED**

#### Attachments

1. Quarterly Financial Performance Report September 2016



**CORANGAMITE  
SHIRE**

Council Financial Performance  
Report  
September 2016



## Table of Contents

1. Performance Summary

2. Cash Budget

3. Recurrent Operations

4. Projects

5. Capital

6. Project Delivery

7. Investments

8. Outstanding Debtors

9. Purchasing and Procurement

Appendix

Detailed Reports – Financial Statements

1. Balance Sheet for period ended 30 September 2016
2. Income Statement for period ended 30 September 2016
3. Cash Flow Statement for period ended 30 September 2016

## Quarterly Financial Performance Report For the period 1 July to 30 September

### Synopsis

The purpose of this report is to provide Council an update and commentary on the financial performance of Council's operations on a quarterly basis.

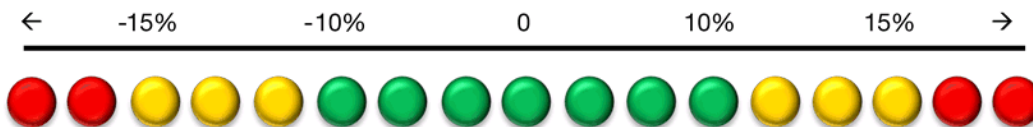
### Definitions

- Adopted Budget: represents the Budget adopted by Council in June.
- Reviewed Budget: the Adopted Budget adjusted for approved budget amendments through either a Carry-forward Budget Review of Mid-Year Budget review.
- Forecast Budget: most recent estimated financial position including impact of proposed budget amendments.
- Positive amounts: represents income, contribution to Council or favourable variation.
- Negative amounts: represents expenditure, cost to Council or unfavourable variation. NB: Some sections in this report show expenditure as positive numbers. Where this occurs they are grouped as "expenditure" or "expenses".

### Notes to the report

#### Variance indicator thresholds

The following tolerances are used on all reports represented by traffic light indicator

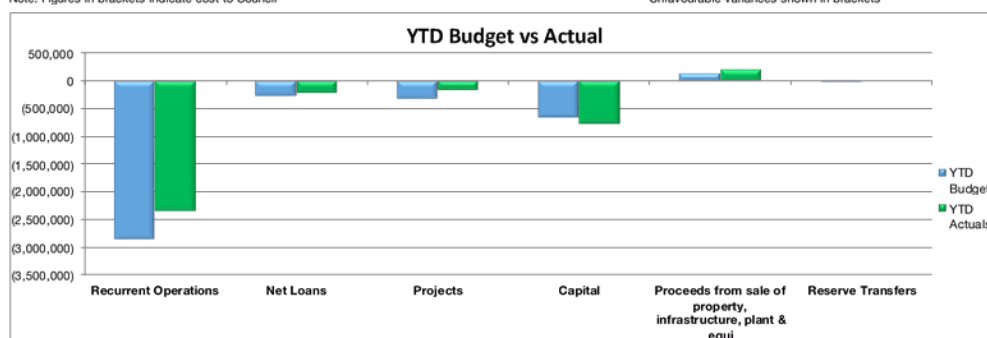


### 1. Performance Summary

	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Budget	YTD Actuals	YTD Variance fav/(unfav)	
						\$	%
Recurrent Operations	(9,869,374)	(9,869,374)	(10,638,170)	(2,851,197)	(2,340,739)	510,458	18%
Rate Income	20,062,190	20,062,190	20,062,190	20,068,244	20,138,823	70,579	0%
Net Loans	(1,097,134)	(1,097,134)	(1,097,134)	(274,283)	(234,226)	40,058	(15%)
Projects	(1,383,000)	(1,383,000)	(1,906,193)	(324,104)	(174,537)	149,566	46%
Capital	(8,810,100)	(8,810,100)	(10,026,637)	(658,328)	(780,906)	(122,578)	(19%)
Proceeds from sale of property, infrastructure, plant & equi	874,300	874,300	874,300	126,500	191,644	65,144	51%
External Loan Funds	18,972	18,972	18,972	29,743	(216)	(29,959)	(101%)
Reserve Transfers	(1,427,972)	(1,427,972)	(1,427,972)	(29,743)	0	29,743	(100%)
<b>Surplus/(Deficit)</b>	<b>(1,632,118)</b>	<b>(1,632,118)</b>	<b>(4,140,645)</b>	<b>16,086,832</b>	<b>16,799,843</b>	<b>713,011</b>	<b>4%</b>
Surplus/(Deficit) B/forward	7,645,183	7,645,183	11,594,000				
<b>Surplus/(Deficit) at end of year</b>	<b>6,013,065</b>	<b>6,013,065</b>	<b>7,453,355</b>				

Note: Figures in brackets indicate cost to Council

Unfavourable variances shown in brackets



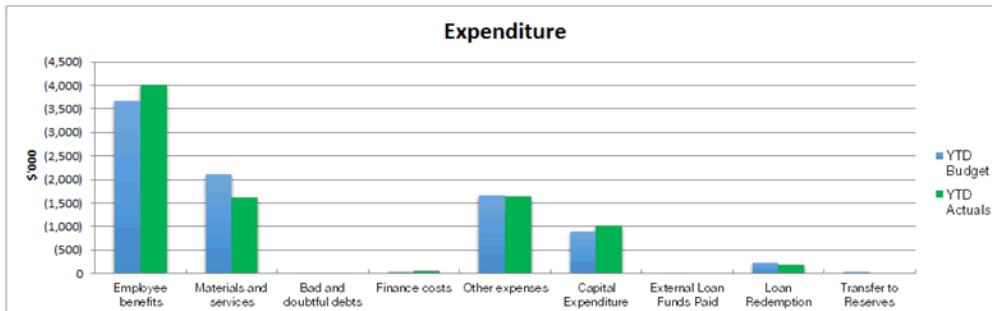
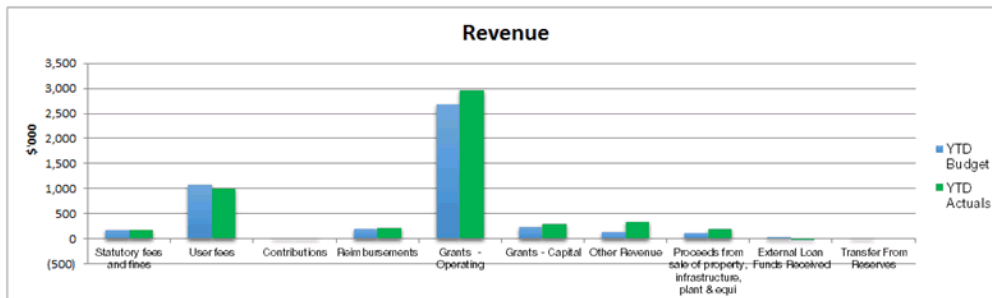
Key Performance Indicators	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Actuals	Trend
<b>Underlying Result (VAGO)</b> (Total operating result/Total revenue)	8.1%	8.1%	5.9%	71.6%	↑
<b>Working capital ratio</b> (current assets/Current liabilities)	242.4%	242.4%	203.0%	606.4%	↔
<b>Self-financing</b> (cash generated from operating activities/Revenue)	30.3%	30.3%	29.8%	3.1%	↓
<b>Indebtedness</b> (non-current liabilities/Own source revenue)	5.2%	5.2%	5.2%	9.0%	↔
<b>Debt commitment ratio</b> (interest and loan repayments as a % of rate revenue)	5.5%	5.5%	5.5%	1.2%	↓

2. Cash Budget

	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Budget	YTD Actuals	YTD Variance fav/(unfav) \$	%
<b>REVENUE</b>							
Rates and charges	20,062,190	20,062,190	20,062,190	20,068,244	20,138,823	70,579	0%
Statutory fees and fines	189,450	189,450	189,450	181,193	181,950	758	0%
User fees	5,356,998	5,356,998	5,356,998	1,076,533	1,002,735	(73,798)	(7%)
Contributions	49,793	49,793	254,468	7,000	7,500	500	7%
Reimbursements	897,361	897,361	897,361	188,110	226,812	38,702	21%
Grants - Operating	9,904,940	9,904,940	10,071,811	2,683,805	2,954,606	270,800	10%
Grants - Capital	4,730,000	4,730,000	5,187,000	240,000	287,739	47,739	20%
Other Revenue	454,193	454,193	454,193	134,207	330,723	196,517	146%
Proceeds from sale of property, infrastructure, plant & equi	874,300	874,300	874,300	126,500	191,644	65,144	51%
External Loan Funds Received	118,972	118,972	118,972	29,743	(216)	(29,959)	(101%)
Transfer From Reserves	175,000	175,000	175,000	0	0	0	0%
<b>Total Revenue</b>	<b>42,813,197</b>	<b>42,813,197</b>	<b>43,641,743</b>	<b>24,735,335</b>	<b>25,322,316</b>	<b>586,982</b>	<b>59%</b>
<b>EXPENDITURE</b>							
Employee benefits	(14,757,699)	(14,757,699)	(14,869,446)	(3,666,494)	(4,002,501)	(334,007)	(9%)
Materials and services	(10,596,109)	(10,596,109)	(11,503,302)	(2,119,707)	(1,627,073)	492,634	23%
Bad and doubtful debts	(2,000)	(2,000)	(2,000)	0	(1,392)	(1,392)	(0%)
Finance costs	(139,732)	(139,732)	(139,732)	(34,933)	(52,163)	(17,230)	(49%)
Other expenses	(3,279,902)	(3,279,902)	(3,772,498)	(1,657,948)	(1,634,876)	23,072	1%
Capital Expenditure	(13,009,500)	(13,009,500)	(14,835,037)	(898,328)	(1,022,406)	(124,078)	(14%)
External Loan Funds Paid	(100,000)	(100,000)	(100,000)	0	0	0	(0%)
Loan Redemption	(957,402)	(957,402)	(957,402)	(239,351)	(182,062)	57,288	24%
Transfer to Reserves	(1,602,972)	(1,602,972)	(1,602,972)	(29,743)	0	29,743	100%
<b>Total Expenditure</b>	<b>(44,445,316)</b>	<b>(44,445,316)</b>	<b>(47,782,388)</b>	<b>(8,648,503)</b>	<b>(8,522,473)</b>	<b>126,030</b>	<b>(19%)</b>
<b>Surplus/(Deficit)</b>	<b>(1,632,118)</b>	<b>(1,632,118)</b>	<b>(4,140,645)</b>	<b>16,086,832</b>	<b>16,799,843</b>	<b>713,011</b>	<b>4%</b>

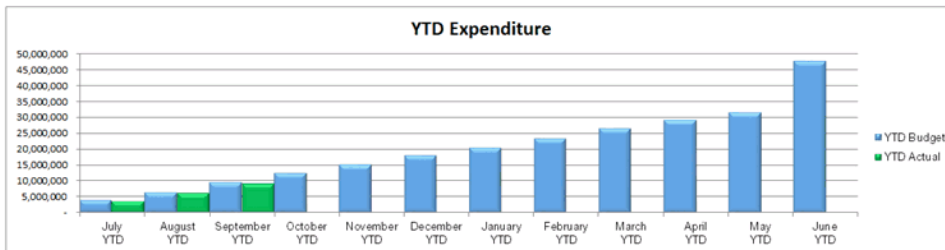
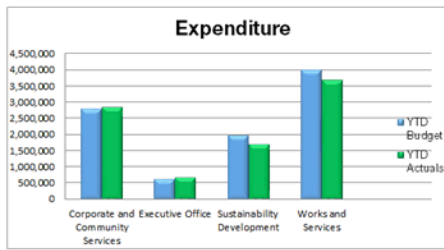
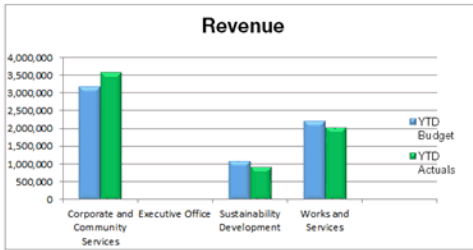
Note: Figures in brackets indicate cost to Council

Unfavourable variances shown in brackets



### 3. Recurrent Operations

	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Budget	YTD Actuals	YTD Variance fav/(unfav)	
						\$	%
<b>Recurrent Operations</b>							
<b>Revenue</b>							
Corporate and Community Services	12,537,612	12,537,612	12,484,287	3,192,131	3,583,729	391,598	12%
Executive Office	31,400	31,400	31,400	1,756	1,015	(741)	(42%)
Sustainability Development	5,604,368	5,604,368	5,604,368	1,091,230	911,690	(179,541)	(16%)
Works and Services	6,908,240	6,908,240	6,908,240	2,216,287	2,031,955	(184,332)	(8%)
<b>Revenue Total</b>	<b>25,081,620</b>	<b>25,081,620</b>	<b>25,028,295</b>	<b>6,501,403</b>	<b>6,528,388</b>	<b>26,985</b>	<b>0%</b>
<b>Expenses</b>							
Corporate and Community Services	8,846,673	8,846,673	8,937,684	2,784,960	2,830,481	(45,521)	(1%)
Executive Office	2,326,717	2,326,717	2,538,614	617,620	676,527	(58,908)	(10%)
Sustainability Development	9,444,760	9,444,760	9,833,813	1,967,395	1,693,889	273,506	14%
Works and Services	14,332,845	14,332,845	14,356,355	3,982,625	3,668,230	314,395	8%
<b>Expenses Total</b>	<b>34,950,994</b>	<b>34,950,994</b>	<b>35,666,465</b>	<b>9,352,600</b>	<b>8,869,127</b>	<b>483,473</b>	<b>5%</b>
<b>Recurrent Operations Total</b>	<b>9,869,374</b>	<b>9,869,374</b>	<b>10,638,170</b>	<b>2,851,197</b>	<b>2,340,739</b>	<b>510,458</b>	<b>18%</b>



**Comments:**

**Recurrent Revenue** is \$27,000 ahead of the year to date budget.

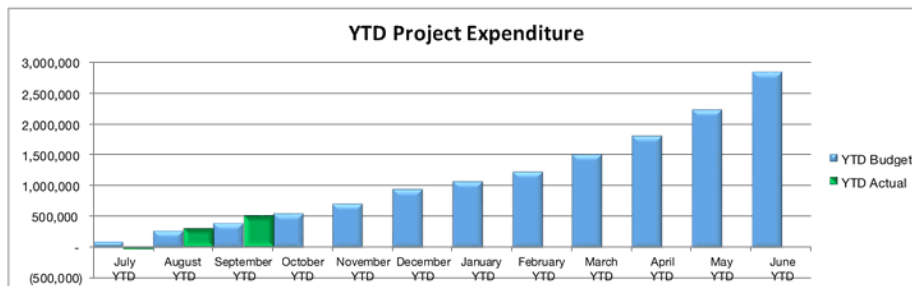
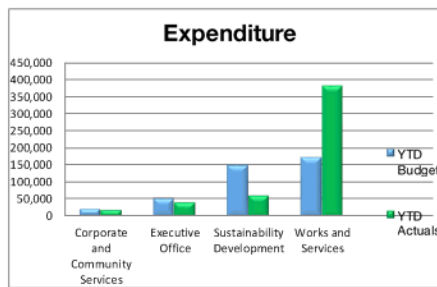
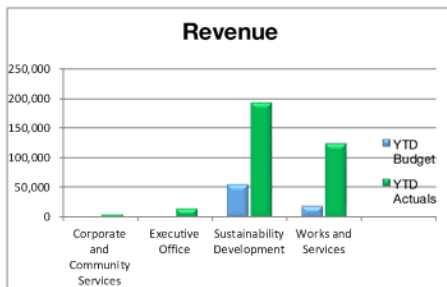
- Investment Income is \$196,000 above year to date due to phasing of the budget.
- Landfill revenue \$116,000 below year to date budget.
- SES Funding \$52,000 below budget as the state government has yet to pay operating grants.
- South West Alliance income is \$75,000 below year to date budget.

**Recurrent expenditure** is \$483,000 below the year to date budget.

- Kerbside waste contract \$125,000 below year to date budget due to phasing
- Leachate Dam & Cell Construction at Landfill \$72,000 below budget due to inclement weather delaying works.
- SES Contribution \$77,000 below budget due to operating grant not yet being received.
- Fleet costs are \$479,000 below budget due to an error in budget phasing.

4. Projects

	Adoted Budget	Reviewed Budget	Forecast Budget	YTD Budget	YTD Actuals	YTD Variance fav/(unfav)	
						\$	%
<b>Projects</b>							
<b>Revenue</b>							
Corporate and Community Services	0	0	0	0	5,000	5,000	0%
Executive Office	0	0	3,000	0	15,000	15,000	0%
Sustainability Development	157,690	157,690	271,190	54,190	193,845	139,655	258%
Works and Services	548,000	548,000	704,371	18,000	124,188	106,188	590%
<b>Revenue Total</b>	<b>705,690</b>	<b>705,690</b>	<b>978,561</b>	<b>72,190</b>	<b>338,033</b>	<b>265,843</b>	<b>368%</b>
<b>Expenses</b>							
Corporate and Community Services	197,000	197,000	249,269	22,291	20,596	1,695	8%
Executive Office	138,000	138,000	190,770	51,250	43,418	7,832	15%
Sustainability Development	653,190	653,190	1,073,350	149,621	62,581	87,040	58%
Works and Services	1,070,500	1,070,500	1,341,365	173,132	385,975	(212,843)	(123%)
<b>Expenses Total</b>	<b>2,058,690</b>	<b>2,058,690</b>	<b>2,854,754</b>	<b>396,294</b>	<b>512,570</b>	<b>(116,277)</b>	<b>(29%)</b>
<b>Projects Total</b>	<b>1,353,000</b>	<b>1,353,000</b>	<b>1,876,193</b>	<b>324,104</b>	<b>174,537</b>	<b>149,566</b>	<b>46%</b>



Comments:

**Project Revenue** is \$265,000 above the year to date budget.

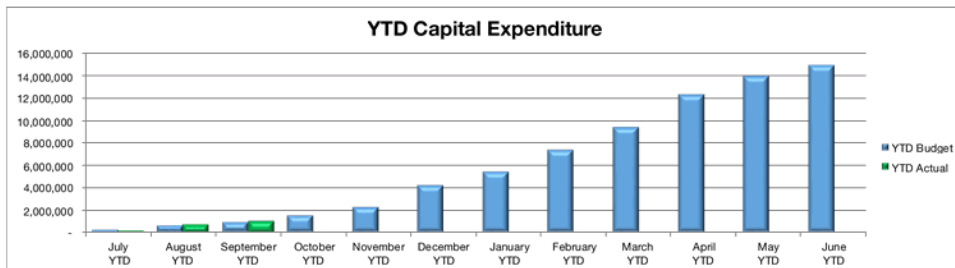
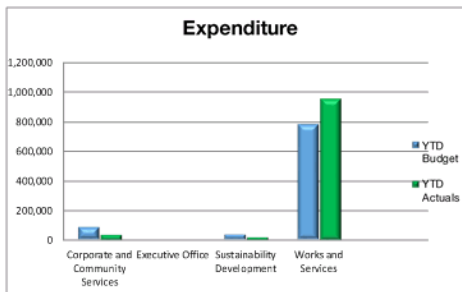
- \$134,000 grant for waste management innovation was received earlier than anticipated
- \$81,000 grant relating to the Cobden fitness centre was receipted through council and paid to the centre
- \$25,000 received for South West Alliance emergency call outs due to flood events.

**Project expenditure** is \$116,000 above the year to date budget.

- \$151,000 relates to expenditure on flood recovery which was not budgeted. Most of these expenses will be recovered.
- \$81,000 relates to the Cobden fitness centre grant as mentioned above.
- A number of other projects had been budgeted to be completed but have not yet been finalised

### 5. Capital

	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Budget	YTD Actuals	YTD Variance fav/(unfav)	
						\$	%
<b>Capital</b>							
<b>Revenue</b>							
Executive Office	0	0	26,000	0	0	(0)	0%
Works and Services	4,199,400	4,199,400	4,782,400	240,000	241,500	1,500	1%
<b>Revenue Total</b>	<b>4,199,400</b>	<b>4,199,400</b>	<b>4,808,400</b>	<b>240,000</b>	<b>241,500</b>	<b>1,500</b>	<b>1%</b>
<b>Expenses</b>							
Corporate and Community Services	107,500	107,500	397,565	85,442	39,841	45,601	53%
Executive Office	10,000	10,000	163,900	0	0	0	0%
Sustainability Development	110,500	110,500	132,500	32,500	23,157	9,343	29%
Works and Services	12,781,500	12,781,500	14,141,072	780,386	959,407	(179,021)	(23%)
<b>Expenses Total</b>	<b>13,009,500</b>	<b>13,009,500</b>	<b>14,835,037</b>	<b>898,328</b>	<b>1,022,406</b>	<b>(124,078)</b>	<b>(14%)</b>
<b>Capital Total</b>	<b>8,810,100</b>	<b>8,810,100</b>	<b>10,026,637</b>	<b>658,328</b>	<b>780,906</b>	<b>(122,578)</b>	<b>(19%)</b>



**Comments:**

**Capital Income:** The year to date capital income is in line with the current budget.

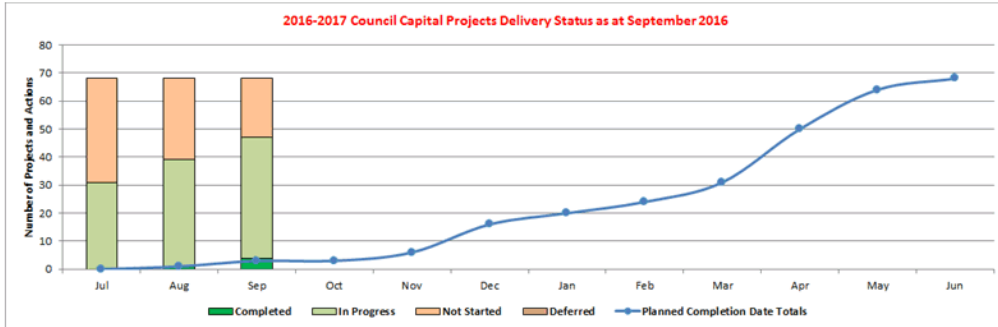
**Capital expenditure** is \$124,000 above the year to date budget.

- Gravel resheeting currently \$340,000 over budget due to phasing of the budget.
- Equipment purchases below budget by \$333,000. All large equipment purchases will need to wait until after caretaker period has finished.
- A number of other smaller differences make up the result.

### 6. Project delivery

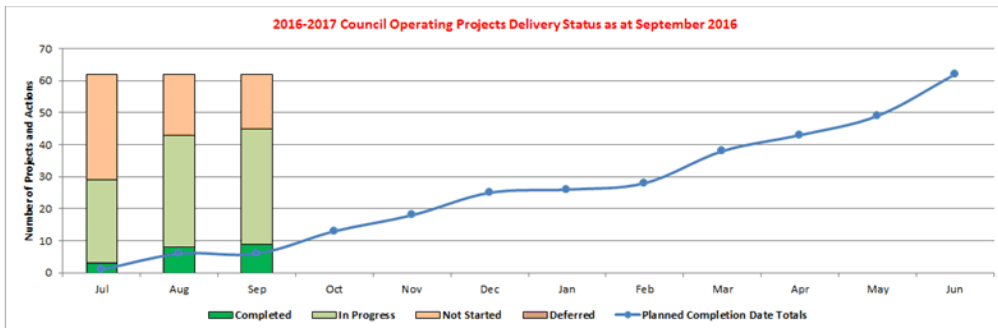
The graphs and tables below provide an overview of the status of Council’s capital and operating projects for the reporting period. As reflected in the financial reports, project delivery is on target at the end of the reporting period.

#### Capital Projects



Directorate	Council	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Project	Capital Projects												
Not Started		37	29	21	0	0	0	0	0	0	0	0	0
In Progress		31	38	43	0	0	0	0	0	0	0	0	0
Completed		0	1	4	0	0	0	0	0	0	0	0	0
Deferred		0	0	0	0	0	0	0	0	0	0	0	0
Unfunded		0	0	0	0	0	0	0	0	0	0	0	0
Total		68	68	68	0	0	0	0	0	0	0	0	0
Planned Completion Date Totals		0	1	3	3	6	16	20	24	31	50	64	68

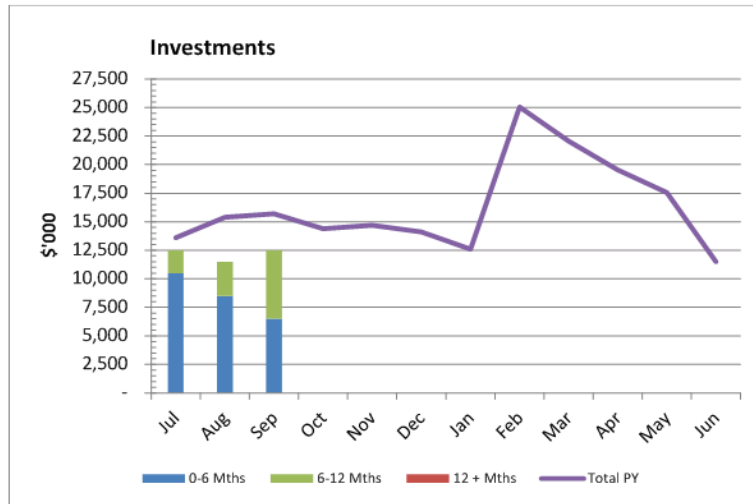
#### Operating Projects



Directorate	Council	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Project	Operating Projects												
Not Started		33	19	17	0	0	0	0	0	0	0	0	0
In Progress		26	35	36	0	0	0	0	0	0	0	0	0
Completed		3	8	9	0	0	0	0	0	0	0	0	0
Deferred		0	0	0	0	0	0	0	0	0	0	0	0
Unfunded		0	0	0	0	0	0	0	0	0	0	0	0
Total		62	62	62	0	0	0	0	0	0	0	0	0
Planned Completion Date Totals		1	6	6	13	18	25	26	28	38	43	49	62



**7. Investments**

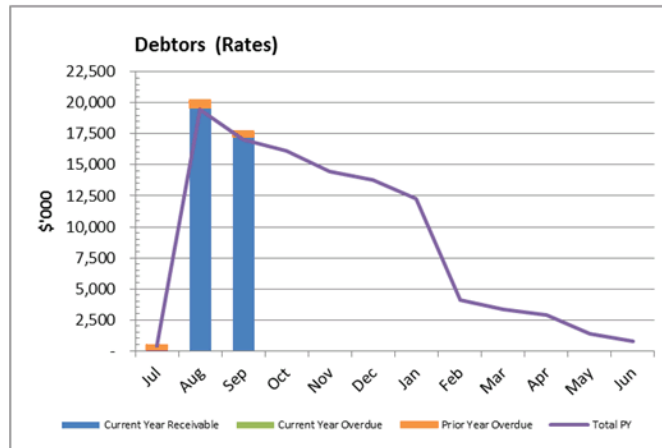


The above graph shows the 2015-2016 total investments as a comparative line and categorises current year investments by term. Term deposits are comparatively lower than this time last year as a result of grants paid in advance in the prior year.

## 8. Outstanding Debtors

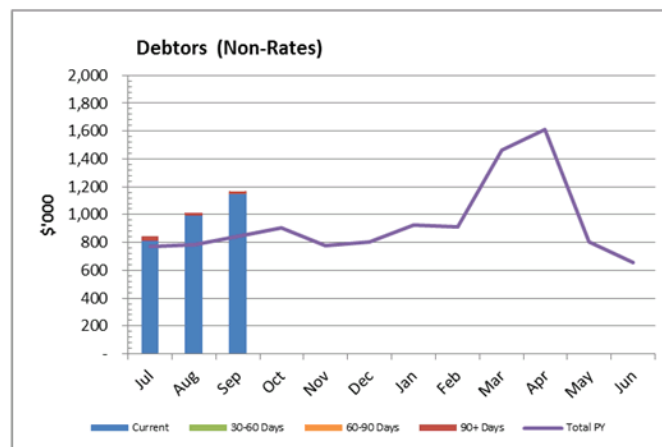
### Rate Debtors

The below graph shows the total outstanding debt from the 2015-2016 financial year as a comparative line with the stacked bar graph showing the current year outstanding rates, categorised as current, current year overdue and prior year overdue. In this period there is no current year overdue rates.



Rates are raised in August and the first instalment is due on 30 September, the second instalment 30 November, the third instalment 15 February and the final instalment 15 May. Rates debt relating to prior years is slowly reducing as payment arrangements are followed and collection through external collection agencies pursued. The overdue debt has profiled similarly to the previous financial year.

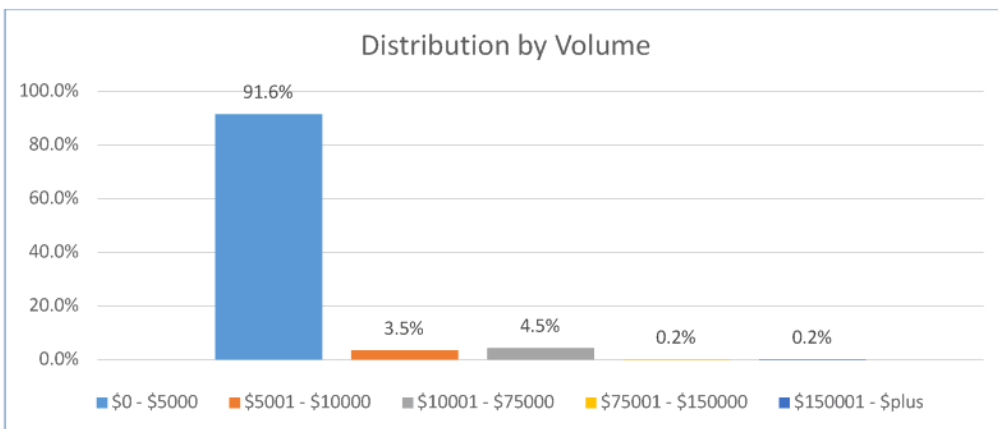
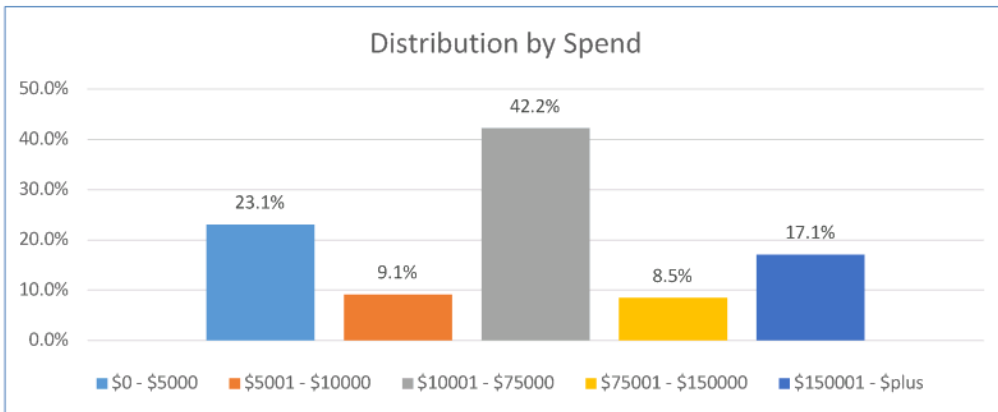
### Sundry Debtors



Sundry Debtors are showing a higher total amount owing than the same period last year. There are a small number of large debtors who had not paid at 30 September and these debtors are being followed up to ensure payments are made.

**9. Purchasing and Procurement**

The graph below details Council's procurement activity for the reporting period by spend and volume. The top graph details the cumulative expenditure by value whilst the bottom graphs details the cumulative transactions by volume. For example 91.6% of transactions for the period were for a value of \$5,000 or less with a cumulative value representing 23.1% of total procurement.



**Budget Variations**  
**Carry forwards**

Type	Expenditure	Income	Total	Details
Department Costs				
Pre School Administration		53,325	53,325	Prepaid income. Funding for 2016 calendar year was received in May 2016. 50% of this income is for the 16-17 financial year
<b>Total Department Carry Forward</b>	<b>0</b>	<b>53,325</b>	<b>53,325</b>	
<b>Capital Projects</b>				
Enterprise Software	28,500		28,500	Migration of Property and Rating to CityAnywhere delayed due to unavailability of software.
Plant & Equipment Purchases	275,948		275,948	Truck replacement (\$150K), sign truck (\$105K), horizontal chipper (\$20K)
Parking Morris St Port Campbell LGF	13,108		13,108	Remaining funds required for footpath construction from car park to Lord St
Footpath (SCS) Timboon-Gurdlevale Road, Timboon	120,000	(60,000)	60,000	Special Charge Scheme process for footpath to occur in 2016-2017
Campdown Theatre - Lighting and Sound Upgrade	45,250	(26,000)	19,250	Waiting for further funding
Timboon Streetscape	21,324		21,324	Remaining funds to make available for streetscape work extras
Swimming Pool Upgrades	14,446		14,446	Works arranged in 2015-2016, contractor not available until August 2016
Public Toilet Upgrades - Various	50,475		50,475	Perennialium toilet works scheduled for 2016-2017 following review
Terang Children's Centre - Construction	141,623		141,623	Project complete. Amount carried forward for potential defects
Bones Access Road Bridge (B084)	31,400		31,400	Design for Bones Access Road Bridge is ongoing in 2016-2017
Footpath (SCS) Adams St, Cobden, Parrot St to Clarke St, east side	88,283	(27,000)	61,283	Special Charge Scheme process for footpath to occur in 2016-2017
Corporate Information System	17,000		17,000	Further implementation expenses for OneBI are expected before full deployment.
TechnologyOne Assetic Integration - Technology One	7,000		7,000	Go-live has been deferred until after auditors sign-off on revaluation.
Bicycle Strategy Implementation	14,525	(7,000)	7,525	As part of TfAC funding requirement, upgrade of Bicycle Strategy to be done by Dec 2016
Public Art - Town 4	15,000		15,000	Project to be completed in September/October
Mobility Solution	24,000		24,000	Implementation of Mobility held-over
Timboon - Construction	228,322	(450,000)	(221,678)	Project continuing in 2016-2017
Footpath (SCS) Swanston St, Terang Lyons to Galloway St, South side	100,000	(30,000)	70,000	Special Charge Scheme process for footpath to occur in 2016-2017
Footpath (SCS) Tregear St, Morris St to Cairns St Port Campbell	31,000	(9,000)	22,000	Special Charge Scheme process for footpath to occur in 2016-2017
TechOne eServices modules	42,500		42,500	eServices have been configured but not yet implemented on web site.
iPad for Material & Child Health nurses	7,000		7,000	Implementation of CDS deferred until July 2016
TechnologyOne/gis integration	17,000		17,000	Further GIS integration work will be required for Defect Inspections.
New Website	93,650		93,650	Website to be delivered in late 2016
Port Campbell Transfer Station Wall & Infrastructure Renewal	22,000		22,000	Project to be finalised in early 2016-2017
McKinnon Street, Cobden Terang Rd to Ewing St, Terang	33,002		33,002	Works deferred to 2016-2017 due to adverse weather
Castle Carey Bridge (B025) Realignment Stage 1	60,000		60,000	To cover design works
Port Campbell - Emergency Works	93,823		93,823	Remaining budget to be made available for final elements (plantings) and Streetscape Design
Port Campbell - Design	50,000		50,000	Project to be delivered in 2016-2017
Campdown Court House - Roof & Box Guttering	26,330		26,330	Works completed in June/July, invoice to follow.
Campdown Clocktower Face Renewal	54,830		54,830	Carry forward, coupled with budget allocation in 2016-2017 to complete project.
Lismore Depot - Office Renewal	7,256		7,256	Complete works in July 2016.
Civic Centre Old Chambers Balcony	15,000		15,000	Works completed in June/July, invoice to follow.
Upgrade to electronic wiring for Elms Automated Watering Sys	30,000		30,000	Works to be carried out 2016-2017
Kindergarten Minor Refurbishment Grants	5,442		5,442	Unexpended grant income still to be acquired. Projects commenced in 15-16 and will be completed in 16-17
<b>Total Capital Projects Carry Forward</b>	<b>1,825,537</b>	<b>(609,000)</b>	<b>1,216,537</b>	

Timboon Community Planning	16,755			16,755	Community Planning Town Budget
Derrinallum Community Planning	21,679			21,679	Community Planning Town Budget
Cobden Community Planning	25,825			25,825	Community Planning Town Budget
Simpson Community Planning	13,273			13,273	Community Planning Town Budget
Lismore Community Planning	15,552			15,552	Community Planning Town Budget
Camperdown Community Planning	36,335			36,335	Community Planning Town Budget
Skipton Community Planning	4,744			4,744	Community Planning Town Budget
Terang Community Planning	18,834			18,834	Community Planning Town Budget
Princesown Community Planning	17,726			17,726	Community Planning Town Budget
Darlington Community Planning	2,725			2,725	Community Planning Town Budget
Noorat Community Planning	34,186			34,186	Community Planning Town Budget
Port Campbell Community Planning	4,263			4,263	Community Planning Town Budget
Eco Dev Strategy Outcomes	13,000			13,000	Committed to Urban Enterprise for the Economic Development Strategy Update
Internal Auditing	4,000			4,000	risk assessment with auditors
HACC Minor Capital Grant	40,561			40,561	Minor capital grant income. Unexpected income received in June 2016. Will be used to support HACC reform.
Smiles 4 Miles - Health Program	12,869			12,869	Unexpended grant income - needs to be acquitted
Freera Funding	5,581			5,581	Unexpended grant income - needs to be acquitted
Organisational Training	25,000			25,000	for leadership training and coordinator training
Various Hard-court Upgrades Cont	10,000			10,000	Project to audit all hard court facilities to provide future direction on upgrade requirements
Cobden Airstrip	9,000			9,000	Works ordered not invoiced
Cell Construction - Nareglid Cell 12	114,096			114,096	Delayed due to inclement weather
Roadside Weed Targeting Program	6,818			6,818	Award/grant money received for Weed App development
Project Co-ordinator Grant	7,327			7,327	Grant funding
Building condition assessment and data conversion (Asetic)	4,000			4,000	Carry forward for buildings audit 16-17
Leachate Dam Construction	227,166			227,166	Delayed due to inclement weather
Noorat Water Quality Monitoring	20,646			20,646	Accounts still to come in
Sustainability House FDC	510			510	Carry forward for final payment in 2016-2017
MACH Software	3,000			3,000	Implementation of CDS was deferred until July 2016
<b>Total Recurrent Operating Projects Carry Forward</b>	<b>715,471</b>			<b>715,471</b>	

Non Recurrent Operating Projects					
National Youth Week	900			900	No budget allocation was made because funds were unexpected.
Twelve Apostles Trail Design Planning	134,800	(90,000)		44,800	Project to be finalised in 2016-2017
Cadden stony project	10,000			10,000	Community Planning project carry forward
Cadden Dairy park business plan	2,000			2,000	Community Planning project carry forward
Port Campbell town entry signage	10,000			10,000	Community Planning project carry forward
Simpson Recreation Reserve Social Room Extension		(52,675)		(52,675)	Extension sought on the final payment
Recreation initiatives	10,926			10,926	Received funding in 2015-2016 for walk to school. Program to be delivered 2016-2017
Camperdown Courthouse	10,000			10,000	Community Planning project carry forward
VASP program	24,321	(10,000)		14,321	Expenditure and grant to carry over.
Rifle Range Feasibility Study	87,827	(3,500)		84,327	Carry Forward. Waiting on Origin Energy re Gas Pipeline advice.
Lake Bullen Merri Master Plan	7,243			7,243	Carry forward as final plan is not complete
Business Attraction	8,478			8,478	Camperdown Dairy Relocation commitment.
Market Prospectus Tourism Opportunity	14,656			14,656	Carry Forward. Urban Enterprise contracted.
Stage 1 Waste Management Innovation Options Investigation	222,397	(100,000)		122,397	Investigation continuing
Noorat Recreation Reserve - Netball Shelter & Lighting	4,000	(4,000)		0	Project complete, awaiting acquittal to be completed in 2016-2017
Slipion Recreation Reserve - sprinkler system	6,000	(6,000)		0	Project complete, awaiting acquittal to be completed in 2016-2017
Terang Recreation Reserve - oval lighting	25,000			25,000	Application into Community Facilities Funding Program, awaiting outcome.
Terang Lake Precinct		(3,000)		(3,000)	Final Grant to be received on completion of project
Camperdown Cricket Club Pitch Realignment	6,850	(696)		6,154	Community project to be completed.
RDV Population Growth Grant	2,231			2,231	Project continuing
B&B Farm Stay Forum & Training	4,000			4,000	Market Demand for another forum early next year, possibly 2 forums
Corangamite Event Strategy	16,931			16,931	SED contracted to complete the Festivals and Events Strategy, second half 2016.
Terang Harness Racing Contribution	50,000			50,000	2016-2017 financial commitment
Recreation Facility & Open Space Strat 2015-2019	28,289	(3,000)		25,289	Scheduled to be completed August 2016, carry forward to 2016-2017 budget
Camperdown Botanic Gardens Conservation Mgt Plan	25,453			25,453	Refinement of the Plan before a Public Notice period has extended timeframes
Techno Contract Management	16,000			16,000	The review of Contract Management was deferred due to other commitments
Beyond the Bell Action Group	5,163			5,163	\$10k was received unexpectedly in June 2016. The project associated with this income is still being completed
Regional HAAC Strategy	15,000			15,000	unspent funds to support our transition to new CHSP (HAAC) system and the introduction of the NDIS
Update Council Promotional Material	5,000			5,000	Project waiting on final signoff but almost complete.
Retail Area Facade Improvement Program	13,539			13,539	To be used on second round of program or businesses who have deferred in 2015-2016
Online Booking Service for VIC	679			679	Minor works to be made to computer display area.
Kindergarten Central Enrolment Project	7,706			7,706	Grant income to be acquired. Project has commenced and still needs to be completed in 2016-2017
CCMA Landcare Grant 2015/2016	7,675			7,675	Grant carried forward
Dump Point Timboun	5,000			5,000	Awaiting letter of confirmation from community group
Primary Aspirations	1,500			1,500	Funds were unexpected and were received late in the year
Corangamite Youth Drug & Alcohol Program	1,000			1,000	Funds were unexpected and were received late in the year
Mobile Child Care Reform	5,000			5,000	Mobile Child Care reform has been pushed out by 12 months by the Fed govt. Will still need to spend these funds in 2016-2017.
<b>Total Non Recurrent Operating Projects Carry Forward</b>	<b>796,064</b>	<b>(272,871)</b>		<b>523,193</b>	
<b>Total Carry Forward</b>	<b>3,337,072</b>	<b>(828,546)</b>		<b>2,508,526</b>	

**Appendix**

Financial Statements

1. Balance Sheet for the period ended 30 September 2016
2. Income Statement for the period ended 30 September 2016
3. Cash Flow Statement for the period ended 30 September 2016

## 1. Balance Sheet for the period ended 30 September 2016

	Prior Year Balance	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Actuals
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	16,302,791	12,129,000	12,129,000	9,620,473	15,477,035
Financial Assets	107,954	142,000	142,000	142,000	108,169
Rate Receivables	685,593	700,000	700,000	700,000	17,757,867
Other Trade Receivables	1,180,402	1,800,000	1,800,000	1,800,000	1,270,478
Inventories	66,521	93,000	93,000	93,000	189,765
Other assets	1,273,588	569,000	569,000	569,000	248,801
<b>Total Current Assets</b>	<b>19,616,847</b>	<b>15,433,000</b>	<b>15,433,000</b>	<b>12,924,473</b>	<b>35,052,117</b>
<b>NON CURRENT ASSETS</b>					
Investments in associates	237,601	214,000	214,000	214,000	237,601
Financial Assets	358,972	313,000	313,000	313,000	358,972
Trade and other receivables	68,595	89,000	89,000	89,000	62,665
WIP - Capital	1,244,365	13,019,500	13,019,500	14,845,037	2,266,771
Fixed assets	409,884,013	403,951,500	403,951,500	403,951,500	409,884,013
<b>Total Non Current Assets</b>	<b>411,793,547</b>	<b>417,587,000</b>	<b>417,587,000</b>	<b>419,412,537</b>	<b>412,810,022</b>
<b>Total Assets</b>	<b>431,410,394</b>	<b>433,020,000</b>	<b>433,020,000</b>	<b>432,337,010</b>	<b>447,862,139</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	2,436,945	2,500,000	2,500,000	2,500,000	981,645
Trust funds and deposits	132,896	205,000	205,000	205,000	128,150
Interest bearing liabilities	968,855	312,000	312,000	312,000	786,793
Provisions - current	3,725,467	3,350,000	3,350,000	3,350,000	3,883,383
<b>Total Current Liabilities</b>	<b>7,264,163</b>	<b>6,367,000</b>	<b>6,367,000</b>	<b>6,367,000</b>	<b>5,779,971</b>
<b>NON CURRENT LIABILITIES</b>					
Interest bearing liabilities - non-current	2,223,945	1,918,000	1,918,000	1,918,000	2,223,945
Provisions - non-current	5,367,741	5,420,000	5,420,000	5,420,000	5,346,890
<b>Total Non Current Liabilities</b>	<b>7,591,686</b>	<b>7,338,000</b>	<b>7,338,000</b>	<b>7,338,000</b>	<b>7,570,835</b>
<b>Total Liabilities</b>	<b>14,855,849</b>	<b>13,705,000</b>	<b>13,705,000</b>	<b>13,705,000</b>	<b>13,350,805</b>
<b>Net Assets</b>	<b>416,554,545</b>	<b>419,315,000</b>	<b>419,315,000</b>	<b>418,632,010</b>	<b>434,511,333</b>
<b>EQUITY</b>					
Operating Surplus/Deficit	10,083	3,419,484	3,419,484	2,736,494	18,004,527
Accumulated surplus	212,058,560	209,612,516	209,612,516	209,612,516	212,068,643
Asset revaluation reserve	203,161,574	203,495,000	203,495,000	203,495,000	203,161,574
Reserves	1,324,329	2,788,000	2,788,000	2,788,000	1,276,590
<b>Total Equity</b>	<b>416,554,545</b>	<b>419,315,000</b>	<b>419,315,000</b>	<b>418,632,010</b>	<b>434,511,333</b>



**2. Income Statement for the period ended 30 September 2016**

	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Budget	YTD Actuals	YTD Variance favourable/ (unfavourable)
<b>REVENUE</b>						
Rates and charges	20,062,190	20,062,190	20,062,190	20,068,244	20,138,823	70,579
Statutory fees and fines	189,450	189,450	189,450	181,193	181,950	758
User fees	5,356,998	5,356,998	5,356,998	1,076,533	1,002,735	(73,798)
Contributions	49,793	49,793	254,468	7,000	7,500	500
Reimbursements	897,361	897,361	897,361	188,110	226,812	38,702
Grants - Operating	9,904,940	9,904,940	10,071,811	2,683,805	2,954,606	270,800
Grants - Capital	4,730,000	4,730,000	5,187,000	240,000	287,739	47,739
Other Revenue	454,193	454,193	454,193	134,207	330,723	196,517
<b>Total Revenue</b>	<b>41,644,925</b>	<b>41,644,925</b>	<b>42,473,471</b>	<b>24,579,092</b>	<b>25,130,888</b>	<b>551,797</b>
<b>EXPENDITURE</b>						
Employee benefits	14,757,699	14,757,699	14,757,699	3,666,441	4,002,501	(336,059)
Materials and services	10,596,109	10,596,109	11,503,301	2,129,707	1,627,073	502,634
Bad and doubtful debts	2,000	2,000	2,000	0	1,392	(1,392)
Depreciation	9,450,000	9,450,000	9,450,000	0	0	-
Finance costs	139,732	139,732	139,732	34,933	52,163	(17,230)
Other expenses	3,279,902	3,279,902	3,772,498	1,657,948	1,634,876	23,072
<b>Total Expenditure</b>	<b>38,225,442</b>	<b>38,225,442</b>	<b>39,625,230</b>	<b>7,489,029</b>	<b>7,318,005</b>	<b>171,024</b>
<b>(Surplus)/Deficit from Operatio</b>	<b>3,419,484</b>	<b>3,419,484</b>	<b>2,848,242</b>	<b>17,090,063</b>	<b>17,812,883</b>	<b>722,821</b>
Proceeds from sale of property, infrastructure, plant & equip	874,300	874,300	874,300	126,500	191,644	(65,144)
Written down value property, infrastructure, plant and equip	874,300	874,300	874,300	0	0	0
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	0	0	0	126,500	191,644	(65,144)
<b>(Surplus) / deficit for period</b>	<b>3,419,484</b>	<b>3,419,484</b>	<b>2,848,242</b>	<b>17,216,563</b>	<b>18,004,527</b>	<b>787,964</b>

### 3. Cash Flow Statement for the period ended 30 September 2016

	Adopted Budget	Reviewed Budget	Forecast Budget	YTD Actuals
<b>Cash flows from operating activities</b>				
Rates and charges	19,748,000	19,748,000	19,748,000	3,066,548
Statutory fees and fines	189,000	189,000	189,000	181,950
User fees	5,250,000	5,250,000	5,250,000	911,266
Contributions	50,000	50,000	254,675	7,500
Grants - Operating	9,905,000	9,905,000	10,071,871	2,954,606
Grants - Capital	4,730,000	4,730,000	5,187,000	287,739
Reimbursements	897,000	897,000	897,000	226,812
Other Revenue	454,000	454,000	454,000	282,984
Payments to employees	(14,758,000)	(14,758,000)	(14,869,747)	(3,865,436)
Payments to suppliers	(14,572,000)	(14,572,000)	(15,971,788)	(3,815,708)
<b>Net cash provided by operating activities</b>	<b>11,893,000</b>	<b>11,893,000</b>	<b>11,210,011</b>	<b>238,262</b>
<b>Cash flows from investing activities</b>				
Payments for property, infrastructure, plant and equipment	(13,009,000)	(13,009,000)	(14,834,538)	(1,022,406)
Repayment of loans and advances from/(to) Organisations	19,000	19,000	19,000	5,715
Proceeds from sale of property, infrastructure, plant and equipment	874,000	874,000	874,000	191,644
<b>Net cash flow from investing activities</b>	<b>(12,116,000)</b>	<b>(12,116,000)</b>	<b>(13,941,538)</b>	<b>(825,047)</b>
<b>Cash flows from financing activities</b>				
Finance costs	(139,000)	(139,000)	(139,000)	(52,163)
Trust funds and deposits	0	0	0	(4,745)
Proceeds from interest bearing loans and borrowings	0	0	0	0
Repayment of interest bearing loans and borrowings	(957,000)	(957,000)	(957,000)	(182,062)
<b>Net cash from financing activities</b>	<b>(1,096,000)</b>	<b>(1,096,000)</b>	<b>(1,096,000)</b>	<b>(238,971)</b>
Net increase (decrease) in cash and cash equivalents	(1,319,000)	(1,319,000)	(3,827,527)	(825,756)
Cash and cash equivalents at beginning of the year	13,448,000	13,448,000	13,448,000	16,302,791
<b>Cash and cash equivalents at end of the year</b>	<b>12,129,000</b>	<b>12,129,000</b>	<b>9,620,473</b>	<b>15,477,035</b>

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## 10.3 Marine and Coastal Act Consultation Paper

**Author:** Ian Gibb, Director Sustainable Development

**File No:** D16/642

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

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

Author - Ian Gibb

In providing this advice to Council as the Director Sustainable Development, I have no interests to disclose in this report.

### Summary

The purpose of this report is for Council to consider the *Marine and Coastal Act Consultation Paper* and to make a submission to the Department of Environment, Land, Water and Planning (DELWP).

### Introduction

DELWP has released the *Marine and Coastal Act Consultation Paper*. Feedback on the consultation paper is required to be lodged by Sunday 23 October 2016.

The *Marine and Coastal Act Consultation Paper* and associated documents are available to download from DELWPs *Have your say* website (<http://haveyoursay.delwp.vic.gov.au/marine-coastal-act>).

### Issues

Development of a new Marine and Coastal Act was an election commitment of the Victorian Government.

A consultation paper has been released. The consultation paper identifies the following seven drivers for changing the existing coastal and marine management system:

1. Clearer governance and institutional arrangements
2. Strengthening marine management policy and planning
3. Integrating planning systems
4. Adapting to climate change
5. Sustainable resourcing
6. Improving knowledge
7. Involving the community.

The proposed reforms canvassed within the consultation paper, if implemented, would likely have significant implications for local government. Appendix 6 of the Consultation paper (p.90) provides a summary of all of the proposed reforms.

The key proposed reforms relating to local government are summarised as follows:

- Replace the Victorian Coastal Council with a Marine and Coastal Council. (p.38)
- Phase out the three Regional Coastal Boards at the end of their current term (June 2018) and have their functions performed by a combination of the Marine and Coastal Council, the five coastal Catchment Management Authorities (CMAs) and new Regional and Strategic Partnerships. (p.47)
- Strengthen the role of the five coastal CMAs to provide expert advice on issues such as coastal erosion as well as coastal flooding and inundation.
- Require the Minister for Energy, Environment and Climate Change to prepare a Marine and Coastal Strategy every four years and to release the Strategy with an accompanying implementation plan. (p.41)
- Require the Minister to prepare a statewide Marine and Coastal Policy prior to the next Strategy to clearly articulate statewide policy positions. The coastal component would largely involve consolidating the various policy statements and the Hierarchy or Principles outlined in the 2014 Victorian Coastal Strategy. (p.41)
- Enable agencies (including councils) to form Regional and Strategic Partnerships (RASPs) to deal with regional planning or issue-based planning that crosses jurisdictional boundaries. RASPs would be instigated by the Minister upon recommendation by the Marine and Coastal Council or if the statewide strategy identifies the need for one. The Act would include a prescribed process for RASPs to develop plans, or other outputs. (p.45)
- Category 2 Committees of Management (CoMs) to be transitioned into Category 1 CoMs or allocated to local government to manage as CoM. (p.49)
- Local communities to continue to be encouraged to be involved in coastal management through formal and informal opportunities such as Coastcare, Landcare, local advisory bodies, the appointment of section 86 CoM under the *Local Government Act* or appointment to Category 1 CoMs. (p.50)
- Category 1 CoMs to be encouraged to investigate further opportunities to collaborate with local government in delivery of shared services such as waste management, vegetation management, compliance and monitoring and integration of key policy and planning. (p.50)
- Coastal Crown land managers to be required to develop a Coastal Management Plan (CMP), on a five yearly basis, in consultation with the DELWP and the community. A CMP can be prepared for multiple coastal reserves and in partnership with several land managers. (p.58)
- Clarification and simplification of when and how the Minister's consent is required for applications for use and development of Crown land and in the marine environment out to three miles. (p.59)
- Strengthen the enforcement of unauthorised use and development and include penalty provisions for non-compliance with consent conditions. (p. 60)
- Recognise climate change in the objectives of the new Act and provide strong policy, guidance and technical expertise to decision makers on the process of adapting to climate change, aligned with the *Climate Change Act*. (p.64)
- The Marine and Coastal Council to investigate measures to provide greater transparency on the costs and revenue generated and spent in coastal and marine areas. (p.67)

The following officer comments are provided in relation to key matters.

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### **Governance**

The key changes advocated in the consultation paper in relation to the governance framework are summarised as:

- Establishment of a Marine and Coastal Council
- Phase out three Regional Coastal Boards
- A greater role for coastal CMAs.

The consultation paper proposes phasing out the Regional Coastal Boards, while strengthening the role of coastal Catchment Management Authorities (CMAs). CMAs would be expected to provide leadership in integrating natural resource management across catchment, coasts and marine environments.

Coastal CMA boards would be reviewed to ensure appropriate coastal and marine expertise and the CMAs would be supported to build their capabilities. The CMAs would provide advice on issues such as flooding, erosion and other threats but would not be expected to manage coastal protection assets nor manage or direct specific natural resources such as fisheries.

The expanded role of the coastal CMAs to prepare regional catchment strategies with stronger marine and coastal components potentially offer benefits in terms of improved planning outcomes. However it is noted this reform is being proposed without any review of the purposes of CMAs.

Critical to the CMAs' success however, will be the provision of appropriate resourcing and support. Any new or additional responsibilities arising from these proposed reforms would need to be costed and funded. A key concern in relation to these proposed arrangements is the capacity of the CMAs to resource coastal issues and to undertake functions currently performed by the Regional Coastal Boards. The charter of CMAs is also narrowly focused around environment and land management, and this is of concern given the broader role of the coast and coastal management issues (for example in relation to tourism, recreation etc.).

There is a risk that councils would be expected to make up any capability shortfall of the CMAs if this reform were to be poorly implemented.

The governance reforms also promote a more formal role for traditional owners. However, the consultation paper does not discuss any changes in relation to native title settlement or opportunities for a "whole of coast" settlement. Nor does it discuss any reforms in relation to Indigenous Land Use Agreements.

### **Crown Land Committees of Management**

With regards to committees of management (CoMs), the consultation paper proposes disbanding Category 2 (small) CoMs and transitioning them into larger Category 1 CoMs or to local government to manage as a CoM. Parks Victoria is also identified as an alternative manager.

The responsibilities of CoMs include:

1. Managing areas of coastal Crown land, including preparation of Coastal Management Plans (CMPs) and management and maintenance of assets.
2. Contributing to Regional and Strategic Partnerships (RASPs).
3. Assisting the integration of coastal management planning with strategic municipal planning.

The consultation paper at p.48 states that Category 1 CoMS and local government are likely to be well placed to deal with future challenges, and the consultation paper promotes a stronger future role of local government and Category 1 CoMs. It is proposed to transition smaller Category 2 CoMs into either larger Category 1 CoMs or to local government to manage as the CoM. Whilst this proposal does not have specific implications for Corangamite Shire, increased expectations of local government are a sector wide issue. Harnessing and maintaining community involvement is also important. The role of community members currently participating in smaller Category 2 CoMs will be expected to transition to volunteer roles in Friends of Groups or coast-care programs and or community advisory groups.

### ***Establishment of Regional and Strategic Partnerships (RASPs)***

The consultation paper proposes introducing Regional and Strategic Partnerships (RASPs) to bring local government, community and agencies together to solve shared problems associated with regional planning or issue-based planning across jurisdictional boundaries (e.g. coastal hazard assessments, adaptation plans, or visitation demand management strategies) (p.45).

The Minister would be able to instigate a RASP upon recommendation by the Marine and Coastal Council or if the statewide strategy identifies the need for one. The Marine and Coastal Council would recommend a RASP in response to a request from, and after consultation with relevant agencies.

The paper notes that councils could be expected to lead a RASP. There is no indication if or how a council would be financially supported to do so.

### ***Resourcing***

The consultation paper acknowledges that resourcing arrangements for coastal and marine environments need to be improved in order to deal with the challenges posed by climate change, population growth and ageing assets (p.65).

All Victorians derive benefits from Victoria's coastline. In seeking to apply the 'beneficiary pays', it is essential that the State recognises that the coast is a State asset and that it would be manifestly unfair to expect local residents and rate payers in coastal areas to solely or predominantly shoulder the burden of coastal management.

Numerous State-led reviews and reforms are currently underway that interact with coastal and marine management. The new Biodiversity Plan and the review of the *Flora and Fauna Guarantee Act*, for example, may increase expectations and requirements around coastal conservation. The next Climate Change Adaptation Plan will surely consider coasts as a climate-vulnerable asset. Pending further consultation and finalisation of these reviews, it is unclear what the implications will be for coastal land managers. If councils are expected to take on increased responsibilities as coastal land managers it will be critical to determine how this will be resourced and supported by the State.

Although there is limited data on revenue and expenditure related to coastal land management, the need for new charging and cost-sharing mechanisms is recognised. Possible cost savings identified include greater use of shared services by coastal land managers; a reduction in the number of advisory institutions; and reduced duplication within the land use planning system. Further application of the 'beneficiary pays principle' is also suggested, with a review of fees and charges recommended to identify inconsistencies and gaps. The lack of a clearly defined cost-sharing arrangement for the maintenance, repair,

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renewal and construction of coastal infrastructure that offers both public and private benefits is also noted.

The consultation paper refers extensively to coastal land managers and CoMs being required to work closely (in some cases much more closely) with the community. There is no indication that councils or other CoMs would be supported (financially or otherwise) to expand their existing community consultation and engagement activities.

Councils' financial constraints arising from rate capping are not acknowledged at all in the paper.

It also of concern that the consultation paper does not discuss the future role and functions of the State in relation to future management of the coast. It does not articulate future coastal management responsibilities of the State and how these will be resourced.

Resourcing is a critical issue in relation to the future success of a number of the proposed reforms. The Consultation Paper does not provide sufficient detail on how resourcing will be provided to meet proposed obligations, for example in relation to the increased responsibilities of coast CMA's.

### **Climate Change**

The consultation paper (p.28) notes that:

- climate change will continue to affect Victoria's coastal and marine areas
- sea level rise, increases in the severity and frequency of storms and rising temperatures are leading to increased flooding of low-lying areas; erosion of dunes; loss of beaches, sand dunes and saltmarshes and mangroves; and increased salinity in estuaries, rivers and bays
- the current framework for planning and responding to climate change lacks certainty
- there is a perceived lack of action due to concerns about liability
- many coastal assets, such as sea walls and groynes, are old and no longer viable and there is a lack of clarity regarding who has responsibility for constructing new coastal protection assets.

The Victorian Coastal Strategy 2014 states that as a general principle, use of the coast and the location of public and private assets should respect natural processes. On private land the Crown does not have an obligation to reduce the impacts of coastal hazards, sea level rise and natural processes (p.62).

In relation to the issue of liability for the impacts of natural processes, the paper notes that in NSW section 733 of the *Local Government Act 1993 (NSW)* provides that councils are not liable for damage caused by flooding and natural hazards in the coastal zone as a result of the doing or omitting to do something in good faith, such as granting or refusal of a development application. There is opportunity for Victoria's new Act to further clarify liability for the impacts of natural processes.

The issue of liability (in relation to climate change impacts and the coast) is critical for Council both as a coastal land manager and as a planning authority. There continues to be a lack of clarity around climate change adaptation roles and responsibilities. This impacts funding and resourcing of data and information that is needed to inform local and regional decision making.

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### ***Clearer Policy and Management Arrangements***

The Consultation Paper advocates improved separation of policy from strategy. It proposes State-wide Marine and Coastal Policy set by the Minister with a Marine and Coastal Strategy developed by the Minister every four years.

The paper also proposes to strengthen marine management, with a Marine Spatial Planning Framework. Careful consideration needs to be given to the arrangements for implementation, noting the limitations of Planning Schemes in this regard.

### ***Complexity of coastal approvals processes***

It is considered that the consultation paper does not sufficiently address the current complexity of coastal approval processes. There is scope to achieve reforms of these processes, both to simplify requirements, and also to reduce the substantial length of time taken to achieve approvals under the current arrangements.

The focus of these reforms need to address both project approvals and permits and land tenure/lease arrangements.

In relation to project approvals, there is scope to rationalise requirements for *Coastal Management Act* consent, Parks Vic/Local Port works approval; CMA and EPA works approvals. There is a need to provide clearer guidance around project approvals required and the sequence of obtaining those approvals. Timeframes around approval processes are inconsistent and cannot easily be planned for. The complexity and uncertainty around approvals processes impacts project funding and delivery. In the context of the need to maintain and upgrade coastal infrastructure, it is important this is addressed.

There is a need to rework the relationships between planning permits and CMA consents, and to review mechanisms around implied consents (for example the arrangements in relation to existing uses prior to 1995).

In relation to land tenure and leases, the consultation paper does not address any proposed reforms. For example, there could be benefit in rationalising unreserved and reserved Crown land, and in reviewing the distinction between temporary and permanent reservations. There is also scope to reform processes around the issue and renewal of licences and permits.

### **Policy and Legislative Context**

Making a submission on the *Marine and Coastal Act Consultation Paper* is consistent with the following commitment in the Council Plan 2013-2017:

Council will demonstrate high levels of ethical behaviour and corporate governance standards. We will make budgetary decisions that are reflective of our financial circumstances. We will advocate for and with the community to achieve outcomes.

### **Internal / External Consultation**

An Expert Panel was established to guide development of the new Act, with a Stakeholder reference group formed to provide input. The MAV is a member of the Stakeholder reference group. DELWP have provided a series of 16 consultation questions.

The submission on the *Marine and Coastal Act Consultation Paper* has been prepared without any external consultation in order to achieve the deadline set by DELWP.

### **Financial and Resource Implications**

There are no financial or resource implications for Council in making this submission.



### Options

Council may choose to provide the submission on the *Marine and Coastal Act Consultation Paper* in its current form, or with minor alteration. Alternatively, Council may decide not to provide a submission to the Consultation Paper.

### Conclusion

The *Marine and Coastal Act Consultation Paper* provides an indication of proposed reforms likely to influence the preparation of a new Marine and Coastal Act for Victoria. A number of the proposals have implications for local government. A key risk is that there is potential for greater cost shifting toward local government, and that future arrangements in relation to resourcing are not sufficiently addressed. It is also of concern that the consultation paper is largely silent on the future role and functions of the State in relation to the coast. It is recommended that Council make a submission to DELWP in response to the Consultation Paper.

### RECOMMENDATION

**That Council:**

1. **Authorises the Chief Executive Officer to finalise a submission to DELWP on the Marine and Coastal Act Consultation Paper and lodge the submission by 23 October 2016.**
2. **Forwards a copy of Council's submission to the Municipal Association of Victoria.**

### COUNCIL RESOLUTION

**MOVED: Cr Trotter**  
**SECONDED: Cr Oakes**

**That the recommendation be adopted.**

**CARRIED**

### Attachments

1. Final Paper DELWP Marine and Coastal Act Consultation Paper - Under Separate Cover
2. Summary DELWP Marine and Coastal Act Final - Under Separate Cover

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## 10.4 Records of Assembly of Councillors

**Author:** Andrew Mason, Chief Executive Officer

**File No:** D16/651

**Previous Council Reference:** Nil

### Declaration

Chief Executive Officer – Andrew Mason

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

### Summary

This report documents the Assembly of Councillors to be reported since the last Ordinary Meeting of Council on 27 September 2016.

### Introduction

The *Local Government Act 1989* (the Act) requires that records of meetings which constitute an Assembly of Councillors be tabled at the next practicable meeting of Council and is incorporated in the minutes of the Council meeting.

### Issues

An 'Assembly of Councillors' is defined in the Act as a meeting at which matters are considered that are intended or likely to be the subject of a Council decision or subject to the exercise of a delegated authority and which is either of the following:

- A meeting of an advisory committee where at least one Councillor is present; or
- A planned or scheduled meeting that includes at least half the Councillors and at least one Council officer.

Typical meetings giving rise to an Assembly of Councillors at Corangamite Shire include Councillor briefings, advisory committees and planning site inspections. However, from time to time additional records may be reported in accordance with the Act.

Section 80A of the Act requires that a record must be kept of an Assembly of Councillors which lists:

- The Councillors and members of Council staff attending.
- The matters discussed.
- Disclosures of conflict of interest (if any are made).
- Whether a Councillor left the meeting after making a disclosure.

Records of an Assembly of Councillors are documented by a Council officer present at a meeting designated as an Assembly of Councillors. Responsibility for the maintenance of records associated with Assembly of Councillors rests with the Chief Executive Officer.

### **Policy and Legislative Context**

Tabling of the records of Assembly of Councillors ensures Council is compliant with the Act. In addition, this report is consistent with the Council Plan 2013-2017 strategy, "Council will demonstrate high levels of ethical behaviour and corporate governance standards".

### **Conclusion**

The records documenting the below Assembly of Councillors are attached:

- Councillor Briefing 27 September 2016
- Councillor Briefing 11 October 2016.

### **RECOMMENDATION**

**That Council accepts the attached Records of Assembly of Councillors.**

### **COUNCIL RESOLUTION**

**MOVED:**            *Cr Oakes*  
**SECONDED:**      *Cr Trotter*

**That the recommendation be adopted.**

**CARRIED**

### **Attachments**

1. Record of an Assembly of Councillors 27 September 2016
2. Record of an Assembly of Councillors 11 October 2016

# Council

## Record of an Assembly of Councillors



**Date:** 27 September 2016

**Time:** 2.00 pm

**Place:** Mt Elephant, Lismore township and Lismore Social Rooms

**Present:**

- Cr Beard                       Cr Gstrein                       Cr Harkin                       Cr Oakes  
 Cr O'Connor                       Cr Smith                       Cr Trotter

*Cr Harkin arrived at 3.50 pm; Cr Gstrein arrived at 4.30 pm*

**Officers:**

- Ian Gibb                       Brooke Love                       Andrew Mason                       David Rae

Rory Neeson

Garry Moorfield (Items 1, 2, 3, 4)

John Kelly and Lyle Tune (Item 2)

Mike Emerson (Item 4)

**Guests:**

Garry Poole (Item 1)

Lesley Brown, Gert Stammerberger, Val Lang, Chris Lang, (Items 1, 2 and 3)

**Issues Discussed:**

Item	Discussion Topic
1	<b>Mt Elephant Visitor Information Centre Site Visit</b>
2	<b>Lismore Township Walk</b>
3	<b>Lismore Progress</b>
4	<b>Northern Towns Destination Action Plan 2016</b>
5	<b>Hot Topics:</b> <i>New Shire Website, Conflicts of Interest, Swimming Pool Committees of Management, Agenda Items, Return of Council Property</i>
6	<b>Councillor Items:</b> <i>Loch Ard Energy, Timboon Ice Cream Factory, Flood Damage in Timboon, Timboon Hall Parking, Glenormiston Update, Terang War Memorial Lighting, Terang Industrial Road Conditions, Terang Historical Society, Mt Noorat Update, Escourt Street Toilets, Skipton Flood Update, Lismore Social Rooms, Rate Notices</i>

**Conflicts of Interest declared:** Nil.

**Councillor left the meeting at:** NA

**Councillor returned to the meeting at:** NA

**Councillor Conflict of Interest Form Completed:** NA

**Meeting close:** 6.00 pm

**Note taker:** Andrew Mason

# Council

## Record of an Assembly of Councillors

**Date:** 11 October 2016**Time:** 10.00 am**Place:** Old Chambers**Present:**

<input checked="" type="checkbox"/> Cr Beard	<input type="checkbox"/> Cr Gstrein	<input checked="" type="checkbox"/> Cr Harkin	<input checked="" type="checkbox"/> Cr Oakes
<input checked="" type="checkbox"/> Cr O'Connor	<input checked="" type="checkbox"/> Cr Smith	<input checked="" type="checkbox"/> Cr Trotter	

**Officers:**

<input type="checkbox"/> Ian Gibb	<input checked="" type="checkbox"/> Brooke Love	<input checked="" type="checkbox"/> Andrew Mason	<input checked="" type="checkbox"/> David Rae
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Adam Taylor (Item 4)

**Issues Discussed:**

Item	Discussion Topic
<b>1</b>	<b>Hot Topics:</b> <i>Continuous Improvement, Induction Program, Princetown, Road Drainage, Flooding, Glenormiston Heritage, Bailey Street, Roads Grants Programs, Castle Carey Bridge Update, Grand Stand Announcement, Regional Assembly Feedback, Great South Coast Group Feedback, Cobden Public Art, Bones Access, Tangerang MoU,</i>
<b>2</b>	<b>Councillor Items:</b> <i>Terang Sculpture Maintenance, Pipe Band Plaque, Investment in Retirement Living, Rural Valuations, Definition of Social Disadvantage, Electoral Signage, Street Stall Powerpoint, Timboon Action Committee, Streetscape Issues, Timboon Abbeyfield, Directional Arrows for International Drivers, Dairy Sector Update, Meeting with Minister for Agriculture and Regional Development</i>
<b>3</b>	<b>2015-2016 LGPRF Performance Summary</b>
<b>4</b>	<b>Budget Carry Forwards</b>
<b>5</b>	<b>Cr Harkin's Study Tour Learnings</b>

**Conflicts of Interest declared:** Cr C. O'Connor declared an indirect conflict of interest by close association at Item 1 (discussion of Castle Carey Bridge) in writing to the CEO.

**Councillor left the meeting at:** 11.05 am

**Councillor returned to the meeting at:** 11.15 am

**Councillor Conflict of Interest Form Completed:** Yes

**Meeting close:** 1.15 pm

**Note taker:** Andrew Mason

## 11. OTHER BUSINESS

The Mayor, Cr J. Beard, invited Councillors to raise items of other business.

The following items were submitted:

- Cr N. Trotter spoke on his attendance at the Corangamite Shire Youth Awards, acknowledging the Youth Council's work in hosting the event.
- Cr N. Trotter acknowledged Cr G. Smith and Cr C. O'Connor's contribution to Council.
- Cr R. Gstrein acknowledged the contributions of Cr G. Smith and Cr C. O'Connor to Council, detailing Cr Smith and Cr O'Connor's achievements.
- Cr C. O'Connor acknowledged the consideration of conditions by CFA Regions 6 in setting the fire restrictions this year.
- Cr C. O'Connor spoke of his concerns and the impact of likely State Government changes to maternity services at the Terang and Mortlake Health Service following statements made by the Victorian Minister for Health.

### COUNCIL RESOLUTION

**MOVED:** *Cr O'Connor*

**SECONDED:** *Cr Trotter*

**That write to the Victorian Minister for Health inviting the Minister to Corangamite to visit our hospitals, in particular the maternity services.**

**CARRIED**

- Cr G. Smith thanked Councillors for their kind remarks and shared some of his experiences during his time as Councillor. Cr Smith acknowledged the sound financial position of Council, noting Council's stewardship of its infrastructure, the positive benefits of community grants and the importance of contributing in local, state and federal initiatives. Cr Smith also stated he will miss Council and regards the Councillors and staff as friends.
- Cr C. O'Connor acknowledged Cr G. Smith as a great Councillor, acknowledged the CEO and fellow Councillors, stating that he enjoyed working with them and that it was a privilege to serve Corangamite. Cr O'Connor wished the new Council the best and acknowledged Cr J. Beard as Mayor and thanked her for her support.
- Cr G. Smith congratulated Cr J. Beard as Mayor.
- Cr C. O'Connor thanked his family for their support.
- Cr J. Beard spoke on the importance of acknowledging the families of Councillors. Cr Beard thanked Cr O'Connor for his mentoring and acknowledged his passion, business sense and leadership. Cr Beard also thanked Cr G. Smith, acknowledging his contribution to the culture of Corangamite Shire and the support shed has received from the Councillors.

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## 12. OPEN FORUM

The Mayor, Cr J. Beard, invited members of the public to ask a question or make a statement.

The following guests attending the meeting spoke in recognition of Cr G. Smith and Cr C. O'Connor:

- Brendan Ryan (past Mayor)
- Michael Absalom (past Councillor)
- Alan Kerr (past Councillor)
- Matt Makin (past Mayor)
- David Smith (son of Cr G. Smith)
- Evan Savage (past Councillor)
- Steve Cumming (past Councillor)
- Milton Parlour (past Councillor).

Cr J. Beard thanked the Chief Executive Officer, Andrew Mason, the senior officers, David Rae, Ian Gibb, Brooke Love, previous Director Works and Services Alex Green and Executive Assistant Penny MacDonald.

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**13. CONFIDENTIAL ITEMS**

Nil.

**Meeting Closed: 9.02 pm**

**I hereby certify that these minutes have been confirmed and are a true and correct record.**

**CONFIRMED:**

\_\_\_\_\_  
**(Chairperson)**

**DATE:**