

MINUTES of the Ordinary Meeting of the Horsham Rural City Council held in the Municipal Chambers, Civic Centre, Horsham at 5.30pm on 27 August 2018.**Order of Business****1. PRESENT**

Cr Pam Clarke, Mayor; Cr Alethea Gulvin, Cr Josh Koenig, Cr Les Power, Cr David Grimble, Cr Mark Radford, Cr John Robinson.

ALSO IN ATTENDANCE:

Sunil Bhalla, Chief Executive Officer; Graeme Harrison, Director Corporate Services; Angela Murphy, Director Development Services; Kevin O'Brien, Director Community Wellbeing; John Martin, Director Infrastructure; Fiona Kelly, Executive Assistant.

2. OPENING

The Prayer and Acknowledge of Country Statement were read by the Chairman, Cr Clarke.

3. PRAYER

Almighty God, we pledge ourselves to work in harmony for, the social, cultural and economic well-being of our Rural City. Help us to be wise in our deliberations and fair in our actions, so that prosperity and happiness shall be the lot of our people. AMEN

4. ACKNOWLEDGEMENT OF COUNTRY STATEMENT

The Horsham Rural City Council acknowledges the five Traditional Owner groups of this land; the Wotjobaluk, Wergaia, Jupagalk, Jaadwa and Jadawadjali people. We recognise the important and ongoing place that all Indigenous people hold in our community.

We pay our respects to the Elders, both past and present, and commit to working together in the spirit of mutual understanding and respect for the benefit of the broader community and future generations.

5. WELCOME

Chairman, Cr Clarke welcomed those in attendance to the Council meeting.

The Mayor advised the gallery that the Council meeting will be recorded to maintain an audio archive.

Laurie Mann
Robin Barber
Allan Mills

David Bowe
Trish Schultz
Fletcher Mills

Gareth Hiscock (HABA)
Kath Dumesny

6. APOLOGIES

NIL

7. LEAVE OF ABSENCE REQUESTS

NIL

8. CONFIRMATION OF MINUTES

Cr Grimble noted that at Item 10.1 of the 16 July 2018 Council minutes, Petition on Rating Differentials report, his motion to extend speaking times was an “invalid motion”, not a “lost motion”.

Cr Radford noted that on page 6 of the 16 July 2018 Council minutes there needs clarification as to what the response was to Cr Robinson’s request to read a statement. The words, “that Cr Robinson’s statement was not allowed” be included in the minutes.

Cr Grimble noted the validity of his motion around rating on page 19 of the 16 July 2018 Council minutes. Cr Grimble sought clarification from the MAV and deemed his motion as valid.

Moved Cr Grimble, Seconded Cr Gulvin that confirmation and signing of the 16 July 2018 Council minutes be deferred until clarification of Cr Grimble’s motions have been obtained.

CARRIED

9. CONFLICTS OF INTEREST

Cr Radford declared a Conflict of Interest, under Section 79(2)(C) at Item No 11.10 (in open Council). Cr Radford made a submission to the Youth Strategy.

Suspend Standing Orders

Moved Cr Gulvin, Seconded Cr Koenig that Standing Orders be suspended for Public Question Time.

CARRIED

The time being 5.35pm the Council Meeting was suspended.

10. PUBLIC QUESTION TIME**Public question received from Robin Barber**

As you are aware, on 26 May this year at 12.15pm in Henderson Street, Horsham my mother-in-law tripped on a rised section of footpath. The injuries she sustained were quite horrific for an 85 year old pensioner. I have been in contact with John Martin concerning this matter, however I haven't for sometime heard what council is doing to rectify the foopaths in Horsham. Painting yellow lines adjacent to raised sections of path greater than 25mm and leaving the remainder of raised sections unpainted is not helping the elderly citizens of our community.

A systematic 10 year plan needs to be established to repair all raised sections of paths in Horsham. This will sit well with Council's Health and Wellbeing Plan that encourages all to be active including walking our streets.

So the question for Council is "the problem with Horsham footpaths has been around for years and years and I am sure Council spends more dollars on repairing our streets in Horsham than it does on repairing the foopaths, so it's time to address this issue and protect the lives of our elderly folk and repair these foopaths". So has the 10 year plan been established and if not, why not?

Response from John Martin, Director Infrastructure

The incident with Mr Barber's mother-in-law, and my subsequent discussions with Robin and Lee-Ann have triggered a couple of responses.

The first relates to how we manage trip hazards as they arise. Council has its own regular inspection program of footpaths, and we are also alerted to hazards by members of the public.

Our practice is that trip hazards above 25 mm are identified for repair. The yellow paint marking is an interim measure to help people avoid these hazards until we are able to repair them. What we are seeing, though, is that some footpath movement, below the 25 mm trigger is also causing problems.

Following the incident highlighted by Mr Barber, we are updating our procedures to accommodate that. This will focus on highlighting the smaller lips in our footpaths below the repair threshold.

We are spending over \$300,000 a year on footpath maintenance and replacement of sections of footpaths, mostly due to trip hazards. But we are only making slow progress on catching up with the long list of these, due to the large and sometimes rapid movement we experience in Horsham soils.

To tackle this, and related to Robin's proposal, we are putting together a backlog program on footpaths for consideration in the next budget process. The intention of this is that we will cost out a program to fix all the existing hazards, and repair them with stronger footpaths less likely to experience movement. Once we have caught up on this program, we will be able to stay on top of new hazards as they arise.

Depending on the scale of the program, and the extent of other capital works, a preliminary goal would be to catch up on the backlog in no more than three years, rather than the 10 suggested by Robin. But as I say, Council will need to consider this amongst the range of other capital works priorities that come up in the budget process.

Public question received from Fletcher Mills

My rates have gone up by 14.8% this year that's over \$4000. Ten years ago my rates were \$12,600, this years rates are \$31,700. There appears to be no limit to what we are expected to pay.

Question 1 - Can you please tell us what extra services we are receiving for all this extra money?

Response from Graeme Harrison, Director Corporate Services

- Rates are not a fee for service, they are a tax on capital improved value as measured by an independent valuation process, hence because your property value rises either through increases in the market value or through land acquisitions the amount of rates you pay rises.
- This is consistent with the Vertical Equity taxation principle which states that those better off should pay more than those worse off.
- Under the Ministerial Guidelines for differentials council must also consider capacity to pay – but council receives no information with respect to income levels which means this matter can only be assessed through other anecdotal information.
- In the last 10 years the compounded rate increase across the municipality has been 68.7% and because of the changes to the farm differential, farm rates have risen by 51.6% in that same time 17.1% less than the rest of the non-farm sector.

- The numbers you have quoted in the question include the bottom line figure on the rates notice which is not just rates. It also includes \$1,458 of the Fire Services levy & \$365 for the garbage charge. The FSL is a state based tax collected by council on behalf of the state and was not in existence 10 years ago.

Question 2. What can be done to even up the huge rate burden this year because we fear once our rates go up they won't come down.

- Council is commencing an independent review of the rating strategy and during this review issues of fairness and equity will be examined and detailed modelling will be conducted to understand the impact of any change before implementation
- In 2010-11 Council increased the farm differential from 5% to 10% and again in 2014-15 from 10% to 20% in those years farm rates did come down relative to the general rate.
- The farm sectors share of the overall rate pie was 30.1% 10 years ago, in 2008-09. After the introduction of the increased differential in 2014-15 it dropped to 28.4% and now because farm values have continued to rise significantly greater than all other sectors the percentage share is now 30.4%. It was as high as 30.6% in 2004-05.

Mr Mills asked that his questions be responded to by Cr Grumble.

Question 1 - Can you please tell us what extra services we are receiving for all this extra money?

Cr Grumble responded. The increase in your rates is not aligned with your individual circumstances receiving extra services for your higher contribution. I am not aware of your property located in Dooen North Road will receive any extra services.

Question 2. What can be done to even up the huge rate burden this year because we fear once our rates go up they won't come down.

Council is committed to a rate review for next year which is of no use to addressing your current concerns. The opportunity to address the rate imbalance is increasingly more difficult to address unlike our neighbouring municipalities who have responded to similar issues with fairness. They have determined lawful, appropriate, responsive and fair deliberations. The decision to understand equity and farmers have the capacity to tweak is a political one that requires the minimum of four votes in the affirmative, but also requires council to appropriately amend the document rather than relying on public submissions were the community aren't aware of impacts. Continue to talk to Councillors around your concerns and use the VFF to conduit to the Local Government Minister raising your concerns around the imbalances you see.

I have no magic wand, however I understand your valid and reasonable concerns including 5% of the community paying 92% of the rate revenue increase. This could never be fair and equitable, let alone acceptable. We need to advocate for a different funding model which offers a better solution and I see that as the answer.

Follow up question from Mr Fletcher Mills

How can other Councils achieve fairer rates when Horsham Rural City Council cannot.

Cr Grimble responded. They believe their rating strategy is fair and I believe some councils have had legal advice around that.

Resume Standing Orders

Moved Cr Power, Seconded Cr Gulvin that Standing Orders resume.

CARRIED

The time being 5.50pm the Council Meeting resumed.

11. OFFICERS REPORTS

11.1 2018 STATE ELECTION ADVOCACY PRIORITIES

Author's Name: Susan Surridge **Director:** Chief Executive Officer

Author's Title: Coordinator Community Relations and Advocacy **File No:**

Department: Community Relations and Advocacy

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): No **Reason:** Nil

Appendix

2018 State Election Advocacy Priorities (**Appendix "11.1A"**)

Purpose

To seek Council's endorsement of its advocacy priorities leading up to the 2018 State Government election.

Summary

The report identifies the following 2018 State Election Advocacy priorities for the Horsham Rural City Council:

Council Infrastructure Projects

- CBD Revitalisation Stage 1
- Horsham Regional Livestock Exchange Roofing
- Horsham Aquatic Centre Redevelopment
- Horsham Town Hall – replacement of heritage floor

Regional advocacy projects

- Return of Passenger Rail to Horsham – funding of Business Case
- Mobile Blackspots
- State-wide Rates Strategy

Recommendation

That Council adopt the 2018 State Government election priorities for the Horsham Rural City Council as outlined in **Appendix "11.1A"**.

Moved Cr Grimble, Seconded Cr Gulvin that the recommendation be adopted including advocating for a more sustainable funding model for local government.

CARRIED

Report

Background

The Victorian State Government election will be held in November 2018. Over the next three months, Council will be in a position to advocate for priority projects and services to be funded by the post-election government.

Discussion

A strategic approach is required for Council to maximise advocacy opportunities in the lead up to the State election. A list of four key Council infrastructure projects and three regional priorities, supported by a brief advocacy summary, will be developed for use with government departments, political parties and media.

The Council Plan and Capital Budget detail priority projects for the Horsham municipality that Council has approved and support. The Council Plan also details regional projects that Council support and advocate for (2017 Annual Report pg. 12).

In developing the strategic advocacy projects for the upcoming State Government election, the key consideration has been to focus on important Council projects that are ready to proceed if funding becomes available.

The list of key advocacy projects is included as **Appendix "11.1A"**.

Financial Implications

Any council contribution required for the successful priority projects shall be considered as part of the annual budget preparation process.

Links To Council Plans, Strategies, Policies

The 2018 State Election Advocacy priorities are directly linked to key internal documents: the Council Plan and the 2018/2019 Council Budget.

The priorities are also included in the Wimmera Southern Mallee Regional Investment Plan (2017) and reflect the priorities of the Wimmera Southern Mallee Regional Partnership.

Consultation/Communication

The identified advocacy priorities reflect community priorities as determined through ongoing consultation and engagement.

Risk Implications

Not applicable

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

The 2018 State Election Advocacy priorities, once endorsed by Council, will be supported by advocacy material to be used in communication with State Government Ministers and Departments, media and the community in the lead-up to the election in November 2018.

11.2 REVIEW OF LOCAL LAW NO 1 GOVERNANCE – MEETING PROCEDURE

Author's Name: Sue Frankham **Director:** Sunil Bhalla
Author's Title: Governance Officer **File No:** F25/A03/000001
Department: Chief Executive Officer

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): No **Reason:** Nil

Appendix

- Local Law No 1 Governance – Meeting Procedure with proposed changes highlighted in track changes (**Appendix “11.2A”**)
 - Clean copy of Local Law No 1 Governance – Meeting Procedure incorporating proposed changes (**Appendix “11.2B”**)
 - Summary of submissions received in relation to the review of Local Law No 1 Governance – Meeting Procedure (**Appendix “11.2C”**)
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Purpose

To propose amendments to the Horsham Rural City Council Local Law No 1 Governance – Meeting Procedure.

Summary

- Local Law No 1 Governance – Meeting Procedure was adopted by Council on 1 February 2016.
- Councillors and Directors participated in a workshop on 13 June 2018 to further review the meeting procedure and a number of proposed changes were discussed, particularly in relation to Part C.3 – Councillor Reports and Acknowledgements and Part E – Motions and Debate.
- A report on the proposed changes was presented to the ordinary meeting of Council on 16 July 2018 and it was resolved “to defer the decision to adopt the revised Local Law No 1 Governance Meeting Procedure until appropriate public community consultation and feedback is received”.
- Community feedback was invited on the proposed amendments from 20 July to 8 August 2018.
- Sixteen submissions were received.

Recommendation

That Council:

1. Adopt the revised Local Law No 1 Governance – Meeting Procedure as outlined in **Appendix “11.2B”**.
2. Publish a notice advising of the amendments to Local Law No 1 Governance – Meeting Procedure in the next Victorian Government Gazette in accordance with Section 112(2) of the *Local Government Act 1989*.
3. Note that the revised Local Law No 1 Governance – Meeting Procedure will come into effect immediately following publication in the Victorian Government Gazette.

Moved Cr Radford, Seconded Cr Koenig that the recommendation be adopted.

CARRIED

Cr Grimble called for a Division of Council**For the motion**

Cr Power
Cr Radford
Cr Gulvin
Cr Clarke
Cr Koenig

Against the motion

Cr Grimble
Cr Robinson

Cr Grimble presented a notice of rescission to the Chief Executive Officer.

Report**Background**

Local Law No 1 Governance – Meeting Procedure prescribes the manner in which Council and Special Committee proceedings are conducted to ensure orderly and efficient activities.

On 13 June 2018, Councillors and Directors participated in a workshop to further review the meeting procedure.

The process by which Council may amend this procedure is much simpler than that required to change the local law, but before it comes into force the following must occur:

1. a notice of motion be given to Council to amend the procedure.
2. a formal notice published in the Government Gazette once amendments have been adopted, as per Section 112 (2) of the *Local Government Act 1989*.

At the ordinary meeting on 2 July 2018, Council received a Notice of Motion from Cr Mark Radford and resolved “That Council having conducted a review of its Meeting Procedure (incorporated by reference in to Local Law No.1 – Governance), intends to amend the revised procedure at its meeting on Monday, 16 July 2018.”

At the ordinary meeting on 16 July 2018, Council resolved “to defer the decision to adopt the revised Local Law No 1 Governance – Meeting Procedure until appropriate public community consultation and feedback is received”.

Discussion

Feedback from the community was invited on the proposed amendments to Local Law No 1 Governance – Meeting Procedure from 20 July to 8 August 2018. This was promoted widely through the Wimmera Mail-Times and The Weekly Advertiser newspapers and on the Horsham Rural City Council website.

A total of 16 submissions were received. Details of the submissions received are attached as **Appendix “11.2C”** and a summary of the issues and Officer response is provided below.

Issue/Suggestion	Response
Concerns in relation to confining section C.3 to Councillor attendances and acknowledgments only. Lack of opportunity to raise	Councillors can raise matters of concern to them or the community at any time with the Chief Executive Officer, Directors and their fellow Councillors. These matters can be responded to straight away and do not need to wait until a formal Council meeting. The primary objective of the formal Council meeting is to consider officer reports and make decisions. Councillors also meet on the first and second Monday of the month for briefings on upcoming

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issues or community concerns.	Office reports, presentations from community groups and other stakeholders, and other discussions. These sessions also provide opportunity for Councillors to raise any matters of concern and request information from Officers. In some instances these discussions may lead to preparation of a report by the officers, which can be presented to the next appropriate Council meeting.
Suggestion to suspend standing orders at the end of the agenda before the confidential meeting or after the meeting has closed to allow people in the gallery to put their concerns to Council	Councillors are contactable by phone and email. Members of the community can also make an appointment to meet with them.
Suggestion to provide an opportunity in advance of the meeting for the public to be aware of questions to be raised during public question time	As the public questions can be lodged until 5pm on the Friday before the Council meeting, they can't be included in the agenda as it is distributed on Thursday. Officers can explore the option to publish them on the website by midday on the day of the meeting.
Suggestion to introduce live video streaming to enable all ratepayers to participate	Council intends to commence video streaming of its meetings in the near future. This, however, is subject to procurement of some equipment and software. Responses to all public questions are included in the minutes of the meeting.

Following a review of the submissions, no further changes are proposed to the revised procedure. A copy of the meeting procedure with the proposed changes highlighted in track changes is attached to this report as **Appendix "11.2A"**. A clean copy of the meeting procedure is attached as **Appendix "11.2B"**.

Links To Council Plans, Strategies, Policies

2017-2021 Council Plan –

Goal 4 – Governance and Business Excellence

4.4 Achieve high standards of organisational performance

Consultation/Communication

Feedback from the community was invited on the proposed amendments to Local Law No 1 Governance – Meeting Procedure from 20 July to 8 August 2018. This was promoted widely through the Wimmera Mail-Times and The Weekly Advertiser newspapers and on the Horsham Rural City Council website.

Risk Implications

Not applicable

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the *Victorian Charter of Human Rights and Responsibilities Act 2006*.

Conclusion

Following Council resolution at its ordinary meeting on 16 July 2018, submissions were invited from the community on the proposed changes to Local Law No 1 Governance – Meeting Procedure. No further changes are proposed and it is recommended that Council now adopt the revised procedure.

11.3 MOCKINYA FIREFIGHTING WATER SUPPLY

Author's Name: Martin Duke / John Martin **Director:** John Martin
Author's Title: Manager Engineering Services **File No:** F16/A12/000001
Department: Infrastructure

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

Fire Dams (**Appendix "11.3A"**)
Mockinya Fire Dam Summary (**Appendix "11.3B"**)

Purpose

To present information and recommendations for Council in response to a resolution from the 2 July 2016 meeting, concerning firefighting water supply in the Mockinya area.

Summary

- There is a prolonged history to this subject, which initially involved a proposal for a fire dam to be constructed at Mockinya.
- Records show that Council received \$7,334 from the CFA to supply and install two tanks at the Mockinya site. These funds were fully expended in 2008-09.
- Since around 2015-16 there has been a renewed call from the community for a dam at Mockinya to be constructed.
- The changed regulatory regime since 2008 has meant the cost of a dam has significantly increased, potentially to be around \$145,000.
- A number of options have been considered, including use of an existing dam on a nearby farm, and the supply of tanks.
- A proposal to construct tanks with a capacity of 500 kL is now being supported by the community. The cost of these tanks is estimated at \$63,000.
- To date, it has not been a Council responsibility to fund these types of installations. A number of funding options have been considered. An application has been made to the Government's "Pick My Project" scheme to fund these works.

Recommendation

That Council support the Pick My Project application to fund the installation of tanks at Mockinya for firefighting purposes.

Moved Cr Radford, Seconded Cr Gulvin that the recommendation be adopted.

CARRIED

Report

Background

Minutes of the Council meeting of 3 November 2008 show that Council had received a grant of \$7,334 (ex GST) as part of an estimated cost of \$11,000 for the installation of two 6,000 gallon tanks via a CFA Fire Access Road Subsidy Scheme (FARSS) grant. These tanks were installed on the stack site adjacent to a Wimmera Mallee Pipeline connection, on the Henty Highway, adjacent to the Jallumba-Mockinya Road intersection.

This project was funded in conjunction with another tank installation at Dadswells Bridge. Total income received by Council for the project was \$17,821, and the combined expenditure shown for the project was \$29,171. Hence the funds were expended in full.

More recently, advocacy through the Municipal Fire Management Planning Committee (MFMPC) has expressed a desire for a dam to be installed on the north side of the Jallumba-Mockinya Road adjacent to a tributary of Norton Creek, not far from the Henty Highway. It has been stated that this dam was the intention of the earlier FARSS grant.

A summary of the recent timeline of this matter is:

- January 2014 – the Northern Grampians Complex Fire demonstrated the ongoing need for reliable firefighting water storage in or around Mockinya, and that the existing smaller plastic tanks are not adequate, considering the risk of melting and quantities of water potentially needed.
- 2016 – CFA Brigades and Groups start to raise again the problems of inadequate fire water storage at Mockinya - the option of a dam being preferred.
- June 2016 – a report prepared in relation to the dam at Mockinya, including discussion of an alternative option, utilising an existing dam. (Appendix 1 – also addresses a related issue in the Arapiles area).
- March 2017 – Local Fire Advisory Committee advocates for a dam.
- Mid 2017 – participation in meetings on site to explore the options. Strong advocacy for the dam to be built.
- Late 2017 early 2018 – officers investigated the regulatory requirements for a dam construction, finding:
 - environmental controls and offsets, and cultural heritage controls for a dam at the preferred site would add significant costs to the project.
 - The cost for the dam, including these items, were ascertained via quotes from relevant contractors at around \$320,000.
 - Officers reviewed these figures and were able to identify potential cost savings to reduce the cost to \$145,000. (Refer Appendix 2 – summary report dated February 2018)

- March 2018 – the Local Fire Advisory Committee meeting on 6 March 2018 resolved that unless a much higher priority is identified in the next 6 months, the Mockinya steel storage tanks, of at least 110 kL be the highest priority for the 2018 FARSS application for 2019-20 funding.
- June 2018 – MFMPC considered the Local Advisory Group recommendation. The committee supported the option for two larger tanks, with a combined capacity of 500 kL, and recommended that funding options for this be investigated.
- June 2018 – Council staff scoped out the project, including pipe works and landholder permissions (the site is owned by VicRoads).
- July 2018 – Grampians Group Officer submitted a funding application for \$63,000 through the State Government's 'Pick My Project' scheme.

Discussion

The design concept for fire-fighting water supply in the Wimmera Mallee Pipeline Project was that tanks or hydrants (where there was sufficient flowrate) would be installed at an approximately 5 km grid spacing across the system. This design concept was endorsed by the CFA Chief Officer at a meeting in September 2004. The concept was based on the assumption that the typical fire in the area would be a crop/stubble fire, and that the fire front would move with the wind.

Water for fighting these fires would be sourced from tanks, including Council-owned and landholder tanks. A 28 kL tank being able to supply multiple top-ups of a typical tanker with 3 – 6 kL capacity.

As the fire moved, additional tanks would become close to the fire front, providing a moving source of water close to the fire front.

Some shortcomings with this concept have emerged. Firstly, in some fires loss of power can mean a loss of pressure in the pipeline system, meaning that hydrants would not operate. Secondly, some plastic fittings, such as air valves, are exposed and can melt in fires – leading to breaks in the system, and a failure of water supply.

Further, around the perimeter of the pipeline footprint, there is the potential for large fires in forest areas, such as the Grampians, to require a much larger source of water at a fixed point. In fires such as the Northern Grampians Complex Fire, Council's and other resources can be made available to provide a fleet of water tankers to supply fire-fighting tankers. However, ideally, there should be a network of larger fixed storages around the perimeter of the pipeline area.

The initial proposals for fire water storage at Mockinya were for a dam, it is not clear what led to the installation of tanks at that time.

Changes in the regulatory regime since 2008 relating to water management, native vegetation removal and cultural heritage, have led to significant changes in the requirements of scoping works to build a dam on a potentially sensitive site, i.e. in a waterway.

The cost of even the lower-bound estimate for a dam at the site, some \$145,000 is clearly very large for a project estimated some 10 years ago to cost around \$11,000.

Options of using existing nearby farmers' dams have been investigated, with the concept that Council would pay for the annual topping up of the storage. This would have been a cheaper initial cost option. However, it has been difficult identifying suitable sites, i.e. with good access to water and roads, and landowners who are willing for a dam to be made available in this way.

Financial Implications

Fire-fighting water supply works are not normally funded by Council, and it has been suggested that the Government's Pick My Project scheme might be a potential funding scheme for this project, for the amount of \$63,000. It is not guaranteed that the project will be successful in being funded through this scheme.

Community voting on the Pick My Project scheme has now commenced, and it is possible that announcements of successful projects could potentially occur later in September. If so, this would enable the works to be completed prior to summer.

The other likely source of funds is the Fire Access Road Subsidy Scheme (FARSS). This was the initial source of funding, used for the installation of the existing tanks. Discussion with Ballarat CFA Community Safety officers has suggested that further funding for this site would not be available through this fund. Further enquiries have been made about access to this fund, however, the timing of any potential grant would not enable works to be installed prior to this fire season.

This Council has previously made a concerted effort, in collaboration with other Councils in the region, to attract funding from the Fire Services Levy to be used for this type of installation. This lobbying, which included letters to the Ministers for Emergency Services, Water and Local Government, was unsuccessful.

Links To Council Plans, Strategies, Policies

It is not consistent with Council's plans or policies that Council fund firefighting installations.

Consultation/Communication

The following have been engaged in discussions about the firefighting water storage in Mockinya:

- Laharum CFA Group and its Brigades – strong advocates over long years for the storage
- CFA Region 17
- CFA Community Safety Branch in Ballarat
- Municipal Fire Management Planning Committee (MFMPC)
- The Local Advisory Fire Prevention Committee

- DELWP
- Wimmera CMA
- GWMWater
- VicRoads. Note that at a recent meeting on site with representatives of the Wonwondah Fire Brigade and the CFA Laharum Group, VicRoads fully endorsed the use of the location for tanks.

Risk Implications

The provision of additional firefighting capacity at Mockinya would improve the ability to respond to fires in that area, enhancing community safety and asset protection.

Environmental Implications

The proposed tank installation has no apparent environmental implications. VicRoads has agreed to the tanks being installed on a disturbed area, historically a VicRoads stack site.

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

The provision of tanks at Mockinya represents a suitable compromise to the original proposal for a dam for firefighting purposes. Securing funding for the works is the remaining challenge.

11.4 SUSTAINABLE MELBOURNE FUND – ENVIRONMENTAL UPGRADE AGREEMENT

Author's Name: Stephen Pykett **Director:** Angela Murphy
Author's Title: Manager Economic Development **File No:** F15/A01/000001
Department: Economic Development

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

Nil

Purpose

To seek Council support to enter into an agreement with Sustainable Melbourne Fund (SMF) to facilitate access to the Environmental Upgrade Agreement (EUA) scheme in Horsham Rural City Council.

Summary

This report includes details of the;

- Legislative framework for Environmental Upgrade Agreements (EUA's)
- Benefits of environmental upgrades to commercial properties
- Financial terms and implications of EUA's
- Assistance model offered by Sustainable Melbourne Fund

Recommendation

That Council:

1. Agree to establish the Environmental Upgrade Agreement program.
2. Appoint Sustainable Melbourne Fund to administer and support the delivery of Environmental Upgrade Agreements.
3. Delegate to the Chief Executive Officer the power to enter into an Environmental Upgrade Agreement on behalf of the Council.
4. Delegate to the Chief Executive Officer the power to declare and levy an environmental upgrade charge.

Moved Cr Radford, Seconded Cr Koenig that the recommendation be adopted.

CARRIED

Report

Background

Council received an offer from the Sustainable Melbourne Fund in April 2018 to provide access to EUA's in Horsham Rural City Council through its Better Building Finance platform.

An EUA is an agreement between a property owner, a bank and local government that facilitates a building upgrade to improve energy efficiency. EUAs allow for the tenants and building owners of commercial and industrial property to collaborate on energy, water and waste projects that will reduce the impact to the environment and reduce operating costs. Unlike other alternative finance options, EUAs allow tenants to contribute financially to the project where it makes sense to do so and help shape the project to best suit their needs. Importantly, EUA finance also offers 100% project finance, competitive interest rates and long term finance.

The Sustainable Melbourne Fund (SMF) designed and implemented the EUA program for the City of Melbourne, the first Australian municipality to offer EUAs. They are now the Third Party Administrator (TPA) for the EUA program, actively engaging with the finance and property sectors as a trusted intermediary for building owners.

The Sustainable Melbourne Fund:

- Establishes EUA programs for local government
- Acts as an intermediary to implement the program on behalf of Council
- Provides ongoing monitoring and reporting

As of September 9th 2015 legislation was passed by the Victorian Government that allows all Victorian Councils to offer EUAs to their business community.

Provisions in the Local Government Bill, currently before parliament, could extend this provision to domestic properties.



Discussion

Through implementing EUAs, Council will be taking an innovative step that provides opportunities and benefits to Horsham business ratepayers to access capital to improve their buildings. Upgrading buildings is a proven creator of local jobs and investment, increases environmental performance and asset value.

Key benefits are outlined below:

- **Low Cost Abatement.** Upgrading buildings delivers savings on utility bills, driving down the overall cost of energy for business while also reducing the impacts of climate change. Environmental Upgrade Agreements (EUAs) are a mechanism for building owners to access attractive finance for retrofitting.
- **Overcome structural and market barriers.** EUA finance can overcome the split-incentive barrier (between owners and renters) by enabling the costs and benefits to be shared with the building occupiers. This means that building owners and tenants pay back the loan at the same time that they are benefiting from the lower costs of a more resource efficient building. If ownership or tenancy rights change, the new owners take up the loan and pay it through their rates. Without this system businesses have a disincentive to invest in efficiency because they may move premises before paying off the loan.
- **Reduce Financial Risks.** EUAs unlock private investment in local communities. As a consequence, there is no financial risk to local councils budgets and does not require government handouts.
- **EUAs can work with any grants/subsidies available for projects through local, state or federal government departments to enhance the business case for a building retrofit. As such EUAs are a means of attracting government money into local communities.**

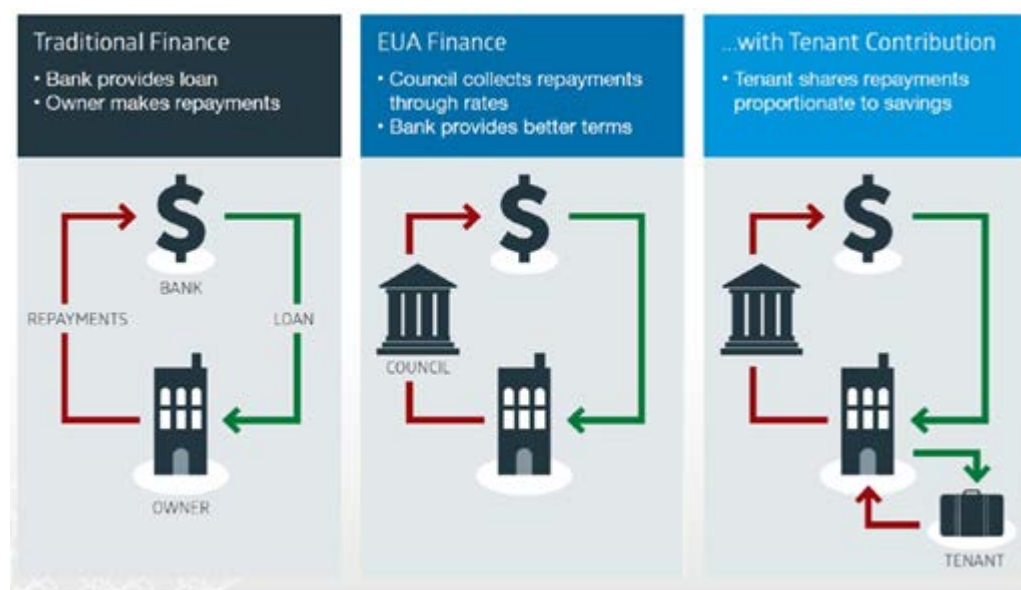
The following data is provided by Sustainable Melbourne Fund to illustrate the fees and expected benefits:

EUAs address an important cash flow consideration typical in commercial property ownership. The table below analyses a building owner's decision making process when considering commissioning a 30kW solar array. Under a non-EUA finance structure the capital borrowed and repayments made are the responsibility of the building owner. In this case the building owner borrows \$40,740 over 7 years requiring an annual principal and interest repayment of \$7,940. Importantly, as the tenant pays all electricity costs, all savings attributable to this project will be to the benefit of the tenant. This results in an overall decrease in shareholder value (represented as a Net Present Value (NPV)) of negative \$41,340.

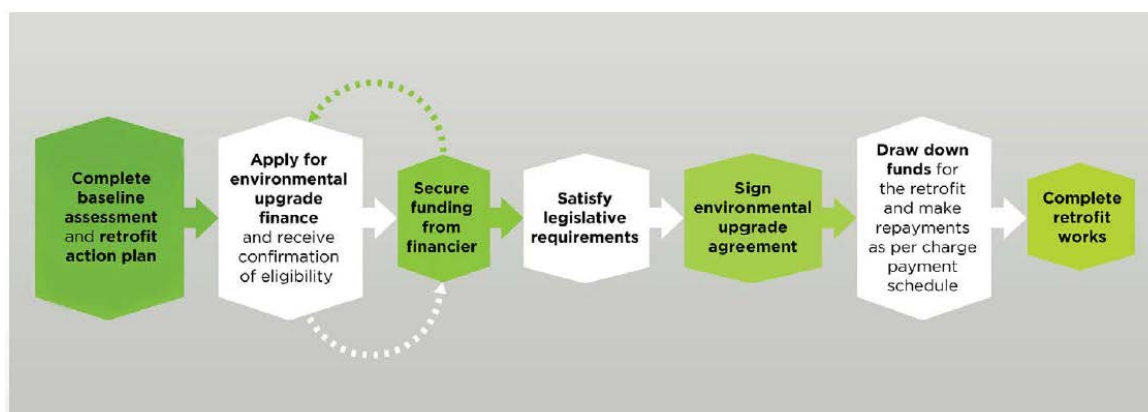
However under an EUA, the tenant can contribute to the loan to the point where they are still better-off and shift the cash flow of the project to a positive annual cash flow. The ability for the tenant to contribute to the loan repayments means that the costs and benefits align for the building owner, resulting in an overall positive outcome for the project for both parties. Using the example below, under an EUA the building would borrow all costs associated with the solar install – including GST and by providing the property as security with the council rates being the repayment mechanism, lenders would be willing to provide up to 10 year finance at cheaper interest rates with repayments quarterly. This results in repayment costs being below current energy costs for the tenants; incentivising tenants to contribute to the repayment costs. This returns a positive NPV of \$3,758 for the project to the building owner.

	Lease	EUA
Loan Amount	\$40,740 (ex GST)	\$45,474 (inc GST)
Interest Rate	9.3%	7.1%
Years of loan	7	10
Payments Per Year	12	4
Annual Payment (P & I)	-\$7,940	-\$6,463
Annual Savings	\$0	\$6,463
Project Simple Payback (yrs)	N/A	7
Net Annual Cost	-\$7,940	\$0
Cash – flow Benefit	-\$7,940	\$0
NPV (pre tax)	-\$41,340	+\$3,758

Tenant Receipts = 100% of savings



EUA Application process and fees for businesses



SMF will charge application and ongoing processing fees to all project applications, payable by the applicants (at present, these are the charges within the City of Melbourne. These are currently under review, but the SMF envisage these to be uniform regardless of council area). An administration fee of 0.072% is collected and itemized as part of the repayments.

PROJECT SIZE	APPLICATION FEE (\$)	PROCESSING FEE (\$)	TOTAL UPFRONT FEE (\$)
< \$50,000	600	N/A	600
> \$50,000 and < \$200,000	600	612.5	1,212.50
> \$200,001 and < \$400,000	600	1,350.00	1,950.00
> \$400,001 and < \$800,000	600	2,340.00	2,940.00
> \$800,001 and < \$1,400,000	600	3,630.00	4,230.00
> \$1,400,001 and < \$2,500,000	600	4,875.00	5,475.00
> \$2,500,001 and < \$4,000,000	600	6,175.00	6,775.00
> \$4,000,001 and < \$8,000,000	600	9,600.00	10,200.00
> \$8,000,001 and < \$12,000,000	600	16,000.00	16,600.00
> \$12,000,001	600	19,200.00	19,800.00

Financial Implications

SMF do not charge a fee to Council for access to the service. There will be costs associated with the implementation of processes within the finance unit to run the program.

Links To Council Plans, Strategies, Policies

Council Plan 2017-2021:

- Goal 2 – Sustaining the Economy
 - 2.1 Cultivate opportunities for the municipality to prosper and pursue possibilities for new development
- Goal 5 - Natural and Built Environments
 - 5.1 Promote sustainability by encouraging sound environmental practice.

Consultation/Communication

Sustainable Melbourne Fund will assist Council to develop the EUA offering and the EUA application and administration process. They will also adapt all the EUA application documentation and templates, including process flowcharts and check sheets currently in use within the City of Melbourne to best match internal requirements.

Beyond the set-up, as part of the Third Party Administrator Services, they will process the applications including help line support and liaise with each of the relevant departments highlighted in the table below to obtain the information required to enable the signing of EUAs in an efficient manner and participate in stakeholder engagement activities (networking events, presentations, information sessions) to promote the program.

Department	Activity
Council	<ul style="list-style-type: none"> Pass resolution to offer EUAs in the municipality Provide instrument of delegation to CEO (or delegate) to sign EUAs
Legal Department	<ul style="list-style-type: none"> Review and agree to template EUA form and other template documentation Ad hoc responses to legal queries regarding the EUA template Confirm final documentation is in order prior to execution by CEO – SMF will provide confirmation that in our opinion the documentation is complete and accurate Store copy of the signed EUA for Council records (e.g. in the vault)
Property Services	<ul style="list-style-type: none"> Confirm property exists in your municipality and is used for non-residential purposes Levy Environmental Upgrade Charge (EUC) and issue EUC notice Collect quarterly EUC payments Provide Quarterly EUC payment summary
Finance	<ul style="list-style-type: none"> Remit quarterly payments to Lenders Remit quarterly fees (any applicable) to relevant parties
Economic Development Department Team	<ul style="list-style-type: none"> Promote EUA and EUF through existing programs and channel partners Conduct on the ground engagement with relevant stakeholders
Marketing & Communications	<ul style="list-style-type: none"> Assist with development of marketing collateral Actively seek media opportunities to promote EUA success in the municipality

Risk Implications

Not applicable

Environmental Implications

EUA's facilitate energy, water and waste projects that will reduce the impact to the environment of business operations. The program will also serve to further raise awareness of the positive steps that can be taken to reduce environmental footprints.

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

Environmental Upgrade Agreements offer an alternative source of funding to finance energy efficiency upgrades to commercial properties. Outcomes include reduction of costs to businesses and positive environmental impacts. Reducing the costs to businesses will increase their sustainability and act as an incentive to attract new businesses, and jobs, to Horsham.

The model has been operating successfully in Victoria in other Local Government areas and can be implemented using a consistent template and method reducing risk to council.

11.5 RATES STRATEGY REVIEW

Author's Name: Graeme Harrison **Director:** Graeme Harrison
Author's Title: Director Corporate Services **File No:** F27/A01/000001
Department: Corporate Services

Officer Declaration of Interest

Rates are a matter that impact all residents and ratepayers in common and as such do not present any conflicts of interest for officers.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

Rates Strategy Review Project Brief (**Appendix "11.5A"**)
Terms of Reference for Rates Strategy Advisory Committee (**Appendix "11.5B"**)
Rates Strategy Advisory Committee Further Information (**Appendix "11.5C"**)

Purpose

To endorse the Rates Strategy Review Project Brief for the purpose of procuring independent contractor services and the terms of reference for the establishment of a Rates Strategy Advisory Committee to provide input in to the review.

Summary

- History of the background for the review and council obligations with respect to the Local Government Act, Auditor General's Office and Local Government Victoria's Rates strategy Guidelines.
- An explanation of the key matters of:
 - Fairness, Equity and the Capacity to Pay
 - Differentials – implications and history
 - Timeframes for completion of the project.
- Presentation of the Consultancy Brief.
- Presentation of the Draft Terms of Reference for the Advisory Group.

Recommendation

That Council:

1. Endorse the Rates Strategy Project Brief for the purpose of engaging an independent contractor to undertake the Rates Strategy Review during 2018.
2. Approve the terms of reference for the establishment of a Rates Strategy Advisory Committee to provide input into the Rates Strategy Review during 2018.

Moved Cr Koenig, Seconded Cr Grimble that the recommendation be adopted.

Cr Robinson put forward an amendment –

That where we have 3 residential rate payers, 1 residential ratepayer from Natimuk or similar, and that it be in relation to the residential sector, that we have 2 rate payers, commercial that there be 2 commercial rate payers, one of whom should be from Business Horsham, 2 rate payers from large industrial estates and in relation to farmers, there should be 2 rate payers one of which should be chosen by VFF, which makes a total of 8. To make the odd number, that a further contributor be someone with an accounting background. Three relevant council officers be reduced to one being the Director Corporate Services.

Moved Cr Gulvin, Seconded Cr Radford that Standing Orders be suspended.

CARRIED

The time being 6.46pm the Council Meeting was suspended.

Standing Orders were suspended to allow time for Cr Robinson to formalise his motion and to provide copies to all Councillors.

Moved Cr Robinson, Seconded Cr Gulvin that Standing Orders resume.

CARRIED

The time being 6.58pm the Council Meeting resumed.

Amendment

Moved Cr Robinson, Seconded Cr Gulvin that Council:

- 1. Endorse the Rates Strategy Project Brief for the purpose of engaging an independent contractor to undertake the Rates Strategy Review during 2018.**
- 2. Approve the terms of reference for the establishment of a Rates Strategy Advisory Committee to provide input into the Rates Strategy Review during 2018.**
- 3. In the event of insufficient applications from any sector, consider additional representations from the industrial/commercial sector (Business Horsham)**
- 4. Ex officio with no voting rights - relevant council officers as required.**
- 5. At least one of the farmers be represented by the VFF.**

When the amendment was **PUT** it was **CARRIED**. The amendment then became the substantive motion and when it was **PUT** it was **CARRIED**.

Moved Cr Grimble, Seconded Cr Power that the independent chair of the Rates Strategy Review be appointed by Council.

CARRIED

Report

Background

During the development of the Council Budget for 2018-19, Council resolved to not make any significant or material adjustments to its Rates Strategy as presented but to undertake a detailed and independent review of the Rates Strategy prior to the Budget period for 2019-20.

Council Objectives in the Local Government Act 1989 (The Act):

- Section 3C (2) (f) require the “equitable imposition of rates and charges”.
- Section 136 (2) (b) requires Council to pursue spending and rating policies that are consistent with a “reasonable degree of stability in the level of rates burden”.
- Section 3C (1) requires council to have regard to the “long term and cumulative effects of decisions”

Rates are not a fee for service but a tax based on property values (wealth tax). There is a direct relationship between property holdings and disadvantage – less wealthy people tend to own lower valued properties. Property owners with higher valued assets generally have a greater capacity to pay.

The stability of the rates allocations are impacted currently every 2 years when property values are adjusted to reflect the movement in values within the municipality (this will move to yearly from 2018-19).

There are a number of key aspects of equity that need to be considered:

1. Horizontal equity - ratepayers in similar situations should pay similar amounts.
2. Vertical equity – the view that those better off should pay more than those worse off.
3. Benefit principle points to the fact that some groups may have more access to Council services.
4. Capacity to pay principle is that some will have a greater or lesser capacity to pay the assessed rates, particularly as property value is unrealized wealth and a ratepayer may be asset rich and cash poor.

Council through its Rating Strategy must strike a balance between the various competing objectives particularly of horizontal and vertical equity. How that balance is achieved between these competing and conflicting objectives is largely a political decision (there is no clear right or wrong) and needs to take into account the views and opinions of the community.

The Victorian Auditor General’s Report from February 2013 looked at Rates Strategies across a number of Councils. The report made 9 recommendations one of which included the need to conduct periodic comprehensive reviews of a Council’s Rates Strategy and the requirement to undertake modelling and benchmarking as a part of the decision making processes.

The report also identified the need for Councils to utilise the guidance materials provided by Local Government Victoria (LGV).

The LGV Revenue & Rating Strategy Guide suggests the following Best Practise approach in relation to the development of a Rates Strategy:

“... a process that supports considered decision-making and the transparent expression of a council’s views. It is the fulsome consideration of the whole revenue picture by council that matters most. A revenue and rating strategy ideally comprises a number of components and may include documents on:

- *a council rationale and objectives discussion including its pricing policy and core components of its rating structure*
- *related research and background discussion on the municipality and past practices*
- *comprehensive rates, fees and charges impact modelling on the municipality*
- *explanatory material*
- *opportunity for public review/consultation.*

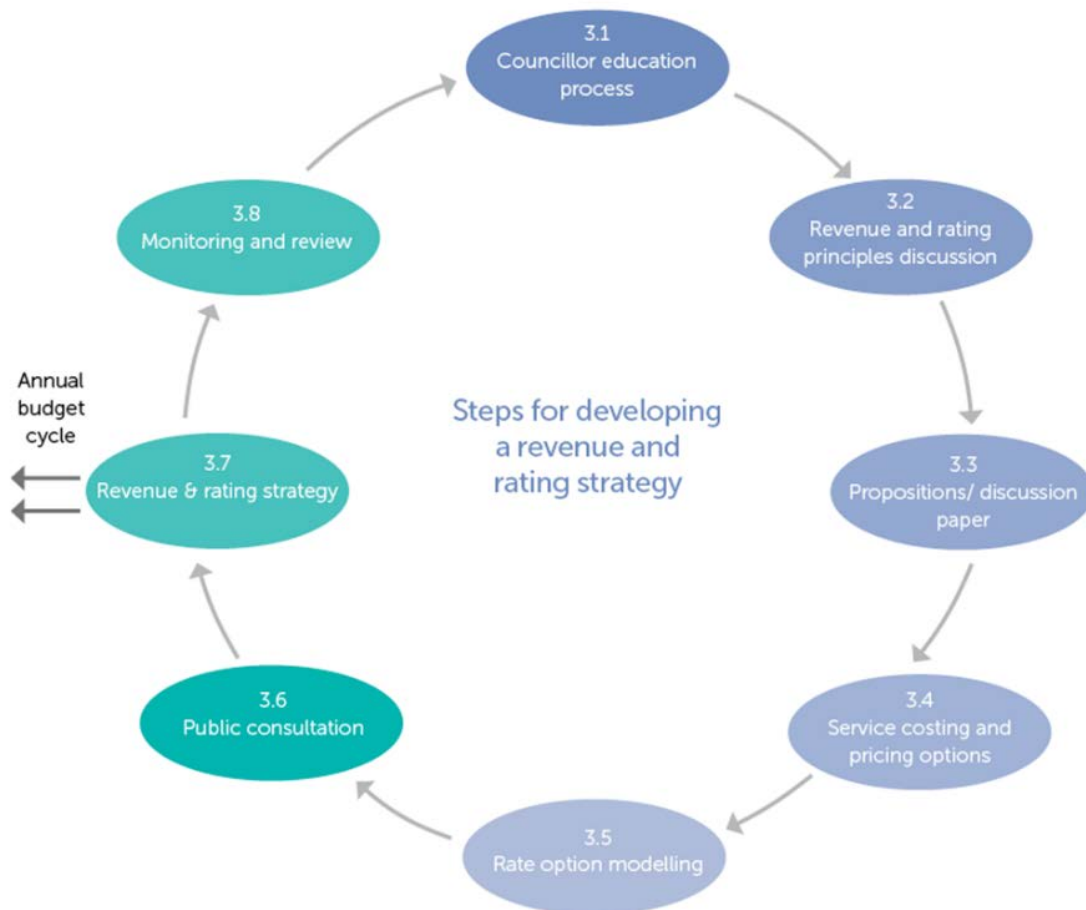
Above all of these steps is the need for time. A revenue and rating strategy is unlikely to take less than six months and could take up to 12 months depending on the level of community engagement. A revenue and rating strategy should cover at least a four-year period, consistent with the strategic resource plan and be updated each time a general revaluation takes place.

<i>Steps for developing a revenue and rating strategy</i>	<i>Result</i>
<i>Education process for councillors</i>	<i>Informed council that understands the underlying principles and the process for preparing a revenue and rating strategy</i>
<i>Discussion of the major revenue and rating principles</i>	<i>Formulation of a council view based around councillors’ response to some common propositions</i>
<i>Proposition/discussion paper</i>	<i>Distillation of the views expressed by councillors and a statement of preferred principles (and priorities) to apply to the setting of rates, fees and charges and the basis of a council’s pricing policy for its services</i>
<i>Costing of services and pricing options</i>	<i>Striking of the revenue balance between rates and other sources of revenue for funding the delivery services</i>
<i>Modelling of rating options</i>	<i>Proposed rating structure for the consideration of the council and community</i>

Order of Business

<i>Public consultation process</i>	<i>Expression of a council’s rationale for the different options and a preferred approach</i>
<i>Preparation of the revenue and rating strategy</i>	<i>Strategy that informs the preparation of the budget</i>
<i>Monitoring and review</i>	<i>Review of the revenue and rating strategy at least every two years in line with the general revaluation of properties within the municipal district</i>

Each of the above steps is shown in the following process diagram and discussed in more detail further in the LGV document:



Department of Transport, Planning and Local Infrastructure

Discussion

A. FAIRNESS AND EQUITY

Issues of fairness and equity are judgemental in nature, complex and subjective. The matter is not simple or black & white. Consideration and thought needs to be given to the relative questions of what is fair and what is not. Fairness will differ depending upon an individual's view on matters.

But a central question is essentially, whether it is "fair" to tax capital improved land values?

The issue of Capacity to Pay is often raised as a matter when considering Equity issues and fairness, yet council has access to very limited sources of information in this regard.

The LGV Guidance materials discusses this matter at length, but provides the following suggested questions which provides a good insight in to the complex nature of these matters:

- *Who are the poor and disadvantaged in a community (single renting pensioners and unemployed as well as home owning pensioners)?*
- *Is a council making assumptions about the relative capacities of different type of property owners e.g. pensioners versus single income families with little home equity?*
- *When devising rates, fees and charges, do you map income and wealth across your municipality?*
- *What is the breadth of businesses within your community, and what council services do they use and consume?*
- *Is it reasonable to treat a range of very different property types as very large blocks?*
- *What proportion of the economy within your local government area is small / large / heavy / light / rural business?*
- *Who are the farmers – small family businesses or large multi-nationals or a mix?*
- *Do you compare similar rates; for example a small business with a house versus family farm?*
- *Do you understand the property profiles in your local government area? For instance:*
 - *Who owns vacant land in your municipality?*
 - *Are they speculators, investment holders or superannuation organisations?*
 - *Which type own large blocks, small blocks?*
 - *Does a vacant land differential rate affect the behaviour change you are seeking or does it only make for a symbolic rate?*
- *Have you considered the appropriateness of rebates for addressing environmental problems?*
- *Have you considered the rating of specific uses such as charities and not for profit organisations?*
- *Should you benchmark your rates against adjoining councils?*
 - *Now?*
 - *Over time?*
 - *What are the reasons for differences between adjoining councils?*

- *By funding an extra program in your budget which property owners are you pressuring?*
 - *Are these property owners benefitting from this and like programs?*

Understanding these things can help you develop a series of rationales, which will underpin decisions about the rating system.

The options that council may use to address capacity to pay include differentials, waivers & deferrals.

B. DIFFERENTIALS

One of the rating mechanisms that Council has available to it is to use differential rates to provide a discount or a premium to individual sectors within its rate payers and thereby address identified equity issues.

Differentials are often the most spoken about component of the rating system particularly in the rural context and in relation to the farm sector. However the level assigned to the discount is often not substantiated or evidence-based and varies considerably between councils. The reasons why the rate in the dollar on one type of property is higher/lower than another needs to be explained and communicated.

To utilise differentials there are legislative requirements to be met and Ministerial Guidelines to be adhered to when giving and considering the use and adjustment of differentials. The Ministerial Guidelines call for Council to consider differentials for the farm sector, but also to exercise care when considering a differential for dryland and irrigated farmland.

Council first introduced a farm differential in 1999/2000 of 95% of the General Rate. It then reduced the differential further in 2010/11 to 90%. The subsequent reduction to 80% was only made following an extensive review of the Rating Strategy in 2014/15 which involved detailed engagement with the community.

Council has not in the past made decisions to change or introduce differentials without due consultation with the community. Council considers that a change to a differential or the introduction of new differentials would be a material change requiring a proper review process to ensure principles of natural justice are followed.

A discount given to one sector will result in an increase to all other sectors.

C. CONSULTANCY BRIEF

The attached consultancy brief (**Appendix “11.5A”**) has been prepared to procure the services of a consultant to undertake the review. Some key matters to note are:

- The development of an over-arching Rating Policy as an output.
- A revised Rates Strategy is an output.
- There are very tight timeframes to complete this process.

- Timeframes need to be able to suit councils statutory requirements around the budget and will not, in all cases be the best timing for the community with the Christmas break and farming harvest operations.
- There is a need to first educate then engage the advisory committee.
- There is a requirement to communicate with, educate and engage the broader Community.

D. ADVISORY COMMITTEE TERMS OF REFERENCE

The attached terms of reference (**Appendix "11.5B"**) have been developed to guide the establishment and operations of an Advisory Committee. The key matters to note regarding the Advisory Committee are:

- The role of the Advisory Committee is to make recommendations to Council on an over-arching Rating Policy and on adjustments to the Rates Strategy.
- The committee will be chaired by a paid independent person with knowledge of rating systems.
- The committee will, as far as practical, be composed of representatives proportionate to the share of rates paid by each sector.
- A diverse committee will be sought that provides both gender equity and ages representative of the general adult population.
- Appointments to the committee will be made by the Chief Executive Officer
- The committee will take on board and consider information provided to the committee from any public submission or engagement processes.
- Confidentiality, integrity and commitment are key values for the success of the committee.
- The Committees recommendations may not necessarily be the final adopted position of council, but should strongly inform council's decision.
- Further logistical information for the committee is provided in **Appendix "11.5C"**.

E. INDEPENDENCE

It is intended to achieve independence in the review through two specific appointments:

- I. Engaging a consultant to manage the entire review process and the engagement with Council, the Advisory Committee specifically and the broader community more generally.
- II. To establish an Advisory Committee that will be chaired by an independent person who has knowledge of local government rating and is not a resident or ratepayer of the municipality.

F. THE ROLE OF OFFICERS

Officers input will be to provide assistance to the consultant in the provision and gathering of information and the modelling of options.

Officers will manage the recruitment and appointment processes for the consultant and the Advisory Committee positions.

G. TIMEFRAMES

The following indicative timeframes are identified for this project:

No.	Action	Target Commencement Date	Target Completion Date
1	Council decision to proceed with Rates Strategy Review		27 Aug 18
2	Councillor education process	28 Aug 18	17 Dec 18
3	Appointment of Consultant	28 Aug 18	17 Sep 18
4	Appointment of Advisory Committee	28 Aug 18	17 Sep 18
5	Develop community engagement plan	17 Sep 18	1 Oct 18
5	Rates Strategy Review period	1 Oct 18	7 Dec 18
6	Report to Council Briefing		17 Dec 18
7	Draft Rates Strategy & Policy Report to Council		28 Jan 19
8	Section 223 Community Consultation period	29 Jan 19	26 Feb 19
9	Hear & consider submissions received and make any changes accordingly	27 Feb 19	5 Mar 19
10	Adopt any changes & if they are significant than a further Section 223 consultation period will be required	12 Mar 19	9 Apr 19
11	Consider submissions received	10 Apr 19	17 Apr 19
12	Council to adopt final Rates Strategy & Rates Policy		29 Apr 19

Additional to these timeframes are those of the budget cycle for 2019-20 which would see Council adopting a draft budget most likely at the Council meeting on the 29 April 2019. The draft budget is adopted following a detailed budget development process being undertaken from early December 2018 through to end of March 2019.

2019 will be the first year of yearly valuation revisions and this information will not likely be finalised until sometime from late April to late May depending upon the timelines set independent of council by the Valuer General.

Financial Implications

The costs associated with the review shall be covered from the existing operating budgets.

Links To Council Plans, Strategies, Policies

The Rates Strategy is undertaken in-conjunction with the development of the Council Budget.

Council Plan Key Priority 4.1.01 Review the rates strategy and implement.

Consultation/Communication

A detailed community engagement plan will be developed as part of the review process. The engagement plan will include the establishment of an advisory committee for representative community input, opportunities for the broader community to engage in the review, a range of communication tools will be utilised, and a process will be undertaken at conclusion to evaluate the effectiveness of the engagement.

Information will be provided broadly to the community of the final decision of council detailing how the decisions were made, their implications for ratepayers and the expected outcomes.

Risk Implications

Currently the Local Government Bill is before parliament for a new Local Government Act. Should this Bill be passed then there will be some statutory implications for Council with regards to its rating processes, most significantly regarding the level of the municipal charge. The exact impact remains uncertain until such time as the new Act comes in to force, but may require consideration during the Rates Strategy Review period.

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

Whilst it has been demonstrated above that the issue of rating within the community is complex, challenging and subjective, council has a robust and compliant Rates Strategy already in place. Therefore to attempt to review this within a much shorter timeframe of 4 months is achievable.

11.6 REVIEW OF COUNCILLOR ALLOWANCES, EXPENSE REIMBURSEMENT AND SUPPORT POLICY**Author's Name:** Sue Frankham**Director:** Graeme Harrison**Author's Title:** Governance Officer**File No:** F20/A05/000001**Department:** Governance and Information Management**Officer Declaration of Interest**

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

Councillor Allowances, Expense Reimbursement and Support Policy (**Appendix "11.6A"**)

Purpose

To adopt the revised Councillor Allowances, Expense Reimbursement and Support Policy.

Summary

- Horsham Rural City Council adopted a revised Councillor Allowances, Expense Reimbursement and Support policy on 19 December 2016.
- This policy required further clarification in relation to reimbursement of expenses when Councillors attend functions and events.
- The policy has been revised to include a new section titled "Functions and Events" (see pages 4 and 5 of Appendix).

Recommendation

That the revised draft Councillor Allowances, Expense Reimbursement and Support Policy (excluding the tracked changes) be adopted by Council.

Moved Cr Radford, Seconded Cr Koenig that the recommendation be adopted.

CARRIED

Report

Background

Sections 74 and 75 of the *Local Government Act 1989* provide details of Council's obligations in relation to Councillor and Mayoral allowances, reimbursement of expenses and the support to be made to the Mayor and Councillors to enable them to effectively undertake their duties.

Under Section 74(1), Council must review and determine the level of Councillor and Mayoral allowances within six months after a general election or by the next 30 June, whichever is the latter. In accordance with this requirement, Horsham Rural City Council adopted a revised Councillor Allowances, Expense Reimbursement and Support policy on 19 December 2016.

Discussion

It has been identified that the Councillor Allowances, Expense Reimbursement and Support policy requires further clarity in relation reimbursement of expenses when Councillors attend functions and events. A new section titled "Functions and Events" has been included in the policy. It provides details for reimbursement of expenses where:

- a Councillor is the designated Council representative and they are required to perform an official duty at a function or event
- a Councillor and their partner are invited to a function or event and no official duties are required
- a Councillor attends formal local functions and events supported by Council

Financial Implications

A financial allocation for Councillors to attend functions and events is provided in the 2018-2019 budget.

Links To Council Plans, Strategies, Policies

2018-2022 Council Plan
Goal 4 – Governance and Business Excellence

Consultation/Communication

Amendments to this policy were made with reference to the *Victorian Government Information Guide on Mayor and Councillor Entitlements - November 2008*.

Risk Implications

This updated policy minimises the risk of inappropriate or inconsistent claims or payments being made to Councillors.

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the *Victorian Charter of Human Rights and Responsibilities Act 2006*.

Conclusion

The revised Councillor Allowances, Expense Reimbursement and Support policy will provide clarity for expense reimbursement when Councillors attend functions and events.

11.7 COMMUNITY SATISFACTION SURVEY 2018

Author's Name: Graeme Harrison **Director:** Graeme Harrison

Author's Title: Director Corporate Services **File No:** F14/A05/000001

Department: Corporates Services

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

2018 Horsham Rural City Council – Community Satisfaction Report (**Appendix "11.7A"**)

Purpose

To advise Council of the results of the 2018 Local Government Community Satisfaction Survey and planned follow-up actions.

Summary

- Reporting of the summarised results from the 2018 Community Satisfaction Survey
- Reporting of planned actions to address matters raised through the survey

Recommendation

That Council:

1. Note the 2018 Horsham Rural City Council Community Satisfaction survey results.
2. Note the planned actions to improve community's satisfaction in the areas of concern.

Moved Cr Koenig, Seconded Cr Gulvin that Council -

1. **Note the 2018 Horsham Rural City Council Community Satisfaction survey results.**
2. **Note the planned actions to improve community's satisfaction in the areas of concern.**
3. **That the Horsham Rural City Council review the community engagement process.**

CARRIED

Report**Background**

Horsham Rural City Council has again participated in the Local Government Community Satisfaction survey. The survey provides Council with some of the key performance indicators required under the Planning and Reporting Regulations (2014). The survey contains 13 compulsory questions and Council also selected two additional free text questions.

The survey is conducted by Computer Assisted Telephone Interviewing, which is a representative random probability survey of residents aged 18+ years, and seeks to target the surveys to the gender and age profile of the community. The survey is undertaken from publicly available phone records, including up to 15% mobile phone numbers to cater to the diversity of residents in the Council, particularly young people. 64 of the 79 Councils across the state participated in this particular survey in 2018.

400 completed interviews were achieved from 1 February to 31 March 2016. Horsham has been classified for the purposes of this year's survey as a Regional Centre which includes Bendigo, Geelong, Latrobe, Mildura, Wangaratta, Warrnambool and Wodonga.

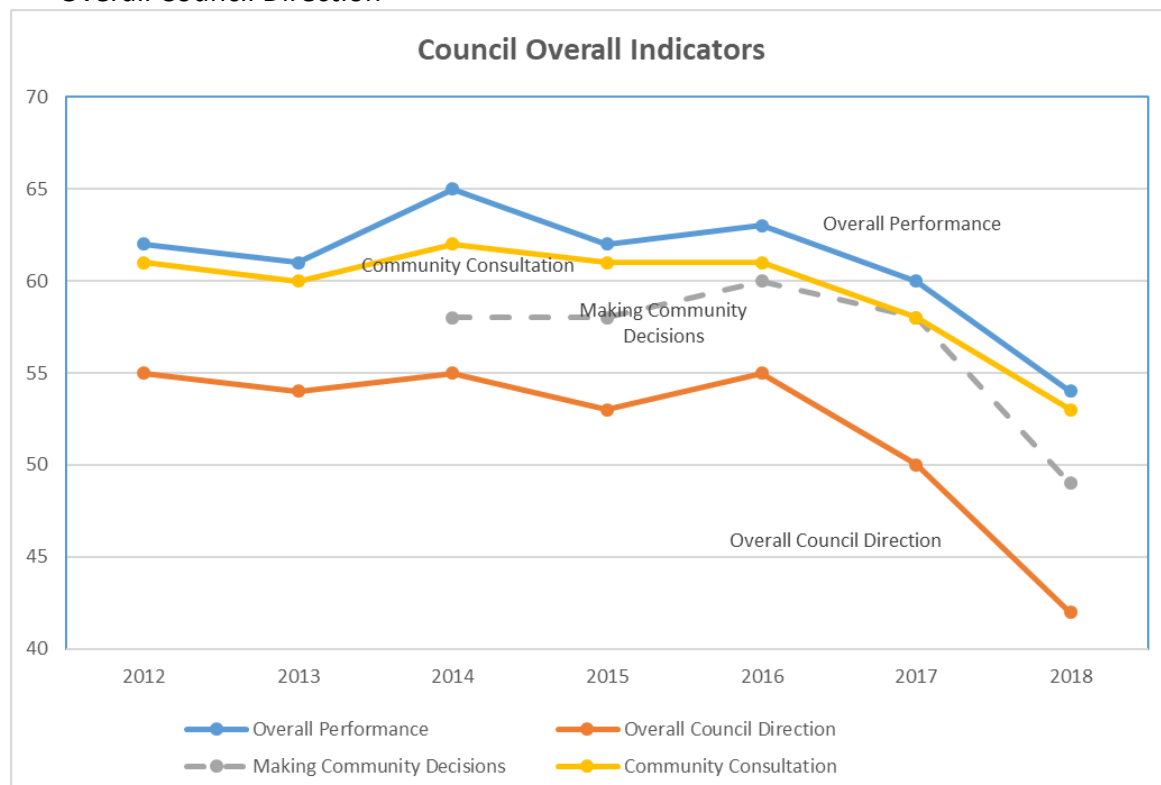
The main objective of the survey is to assess the performance of Council across a range of measures, and to seek insight into ways to provide improved or more effective service delivery. The core measure compared to the previous year, Regional Centres and State-wide averages are shown in the following table:

Performance Measures	Horsham 2018	Horsham 2017	Regional Centres 2018	State-wide 2018	Highest score	Lowest score
OVERALL PERFORMANCE	54	60	58	59	Aged 18-34 years	Aged 50-64 years
COMMUNITY CONSULTATION (Community consultation and engagement)	53	57	55	55	Aged 18-34 years	Aged 35-64 years
ADVOCACY (Lobbying on behalf of the community)	52	56	54	54	Aged 18-34 years	Aged 35-49 years
MAKING COMMUNITY DECISIONS (Decisions made in the interest of the community)	49	58	52	54	Aged 65+ years	Rural Area
SEALED LOCAL ROADS (Condition of sealed local roads)	44	44	54	53	Aged 65+ years, Horsham Area	Rural Area
CUSTOMER SERVICE	70	70	72	70	Aged 18-34 years	Aged 50-64 years
OVERALL COUNCIL DIRECTION	42	50	53	52	Aged 18-34 years, Women	Aged 50-64 years

Results declined across demographic and geographic sub-groups on most measures, with no notable distinctions by area of residence. The largest differences tend to exist at the generational level, and residents aged 50 to 64 years are less favourable than residents overall in their impressions of Council's performance on most measures.

Four of these measures provide a more general view of Council's performance and they have all trended lower since 2016. These are:

- Overall Council Performance
- Community Consultation
- Making Community Decisions
- Overall Council Direction



- 1. Overall Council Performance:** The report notes that Horsham Rural City Council's overall performance has declined significantly and is at its lowest level since 2012 and at 54 is statistically significantly lower than the average rating for councils state-wide (59) and councils in regional centres (58).

Positive ('very good' or 'good') ratings are down ten percentage points from 47% in 2017, although more residents rate Horsham Rural City Council's overall performance as 'very good' or 'good' (37%) than 'poor' or 'very poor' (18%). A further 44% sit mid-scale providing an 'average' rating.

- 2. Community Consultation:** Council's performance on community consultation, is in line with (if not slightly lower than) the State-wide and Regional Centres group averages. Results declined across demographic and geographic sub-groups. In addition, 24% of residents mention community consultation as an area in need of improvement. Like other measures, performance ratings *declined significantly*, by four index points, in this area since 2017. Performance in this area is at its lowest level since 2012 after declining for two consecutive years.

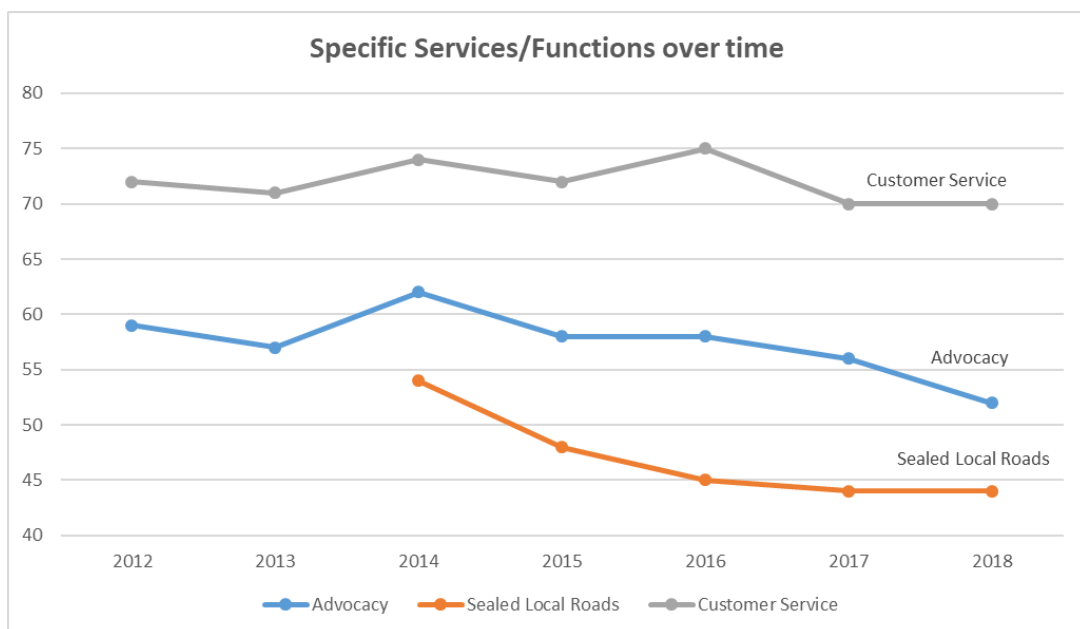
3. Making Community Decisions: The most significant decline in 2018 was a nine point drop on the measure of community decisions (index score of 49). Council’s performance is significantly lower than the average ratings for councils State-wide and in the Regional Centres group on this measure (index scores of 54 and 52 respectively). Performance in this area was consistent between 2014 and 2017, decreasing for the first time in the past year. Performance is now eleven points down on Council’s peak rating of 60 index points in 2016.

4. Overall Council Direction: Dropped by 8 points which was on the back of a 5 point drop in 2017, so an overall a 13 point drop since 2016. The largest differences tend to exist at the generational level, and residents aged 50 to 64 years are less favourable than residents overall in their impressions of Council’s performance on most measures.

There are a further 3 measures that relate more specifically to particular functions of Council but still provide an overall measure of performance. These are:

- Advocacy
- Sealed Local Roads
- Customer Service

Horsham Rural City Council’s performance on community consultation, advocacy, and customer service is in line with (if not slightly lower than) the State-wide and Regional Centres group averages. These measures have not shown the same negative trend since 2016 as is the case for the previous 4 measures:



5. Advocacy: Advocacy is a difficult measure to assess and will be influenced by specific broader matters under discussion within the community from time to time, it has experienced a 4 point drop.

6. **Sealed Local Roads:** Sealed local roads is an area that stands out as in need of Council attention. With a performance index score of 44, Council rated lowest in this service area. While performance ratings in this area did not change in the past year, Council performs significantly lower than the State-wide and Regional Centres group averages (index scores of 53 and 54 respectively).
7. **Customer Service:** Customer service, with an index score of 70, is a positive result for Council and is Council's best performing area. Performance in this area is similar to the State-wide and Regional Centres group averages for councils (index scores of 70 and 72 respectively).

Performance on this measure mirrors the 2017 result. Performance peaked in 2016 (index score of 75) before declining the following year. More than one-quarter (26%) rate Council's customer service as 'very good', with a further 43% rating customer service as 'good'. Net positive ratings are in line with 2017 results. Residents aged 18 to 34 years (index score of 78) are significantly more favourable in their impressions of customer service than residents overall.

Additional to the Core Measure questions Council asked the following 2 questions with the results summarised as follows:

1. **Best Aspects about Council:** Free text responses were sought on the question "*What is the best thing about Council?*" The responses were classified by the survey agency as follows:

2018 Best Aspects



2. Areas for Improvement: Free text responses were sought on the question “*What does Council need to do to improve*” The responses were classified by the survey agency as follows:

2018 Areas for Improvement**Discussion**

The survey agency concluded that the Perceptions of Council *declined significantly* on most measures in the past year, but that said, they suggested that Council look to areas where current performance is both lower than what has been achieved previously and significantly lower than the group average for Regional Centres.

The areas that stand out as being most in need of Council attention are community decisions and sealed local roads. They also suggested that consideration should also be given to residents aged 50 to 64 years, who appear to be most driving negative opinion in 2018.

They also noted that Council has been performing well in Customer Service and has received higher performance ratings on this measure historically, and so efforts should be made to ensure it does not deteriorate further.

It is also important not to ignore, and to learn from, what is working amongst other groups, especially residents aged 18 to 34 years, and use these lessons to build performance experience and perceptions in other areas.

Following the presentation to Council by JWS Research and the discussions had on that night and then further with the Executive Management Group, Departmental Managers and Communications teams, the following observations were made and action items developed:

Observations:

- The survey was undertaken during a period when there were some sensitive issues being hotly debated in the community around the Horsham Bypass, Wimmera Sports Stadium and the alternative date for a Melbourne Cup Public Holiday. These may have skewed some of the opinions expressed.

Actions:

1. Community Consultation and Making Community Decisions

- Review the Community Engagement Policy and procedures to ensure that there are strong processes to close the loop on engagements.
- Improve project planning to provide clarity to the community re their expectations and ensure clear timelines for delivery. Under the recent organisational restructure, a Project Office has been established to assist with the delivery of a project management framework across the entire organisation.
- The Media and Communications Unit needs to lead the activities around external communications to ensure that:
 - Council communicates the information on projects and programs.
 - Communicate with the community as soon as decisions are made, and clearly explain the reasons behind the decisions.
 - Identify issues of interest to the community in advance and provide timely communications.
 - Distribute a community newsletter at regular intervals.
 - Publish photos of before and after of some of the many community grants allocated each year.
 - Explore the opportunities for providing more effective information in the Public Notices page in the local papers.
 - Develop a Community engagement calendar to be included on the Have Your Say page on Council's website.
 - Utilise Community map better to spatially represent things happening within the community.
 - Improve Council's logo, branding and facility signage.
 - Improve the use of multi-media and social media to communicate generally the things that Council is doing.

2. Sealed Local Roads

- Add a question to next year's survey to identify specific road names, so that information can inform Council's programming and understanding of whether the issue is a local road issue or a Vic Road roads issue.
- Communication to educate the community re what is a local road versus a Vic Roads Road.
- Improve signage of works being undertaken on local roads by Council

- Implement the use of Community Map to display local roads capital and maintenance programs.
 - Provide some general information out to the community regarding Council's roads program, overall spend on roads and how that expenditure is funded.
3. Advocacy
- Develop a Strategic Advocacy Plan.
 - Develop a clear advocacy list for the upcoming state election.
 - Communicate Council's major advocacy campaigns to the community.
 - The recent organisational restructure has established a unit for Advocacy and Community Relations which will bring together existing staff in to a single unit to provide a critical mass and support for the functions of media, communications, advocacy & community engagement.
4. Customer Service
- Improve technology and processes to enable customer focused service delivery.
 - Close the feedback loop on Customer Requests to improve customer interactions.
 - Complete improvements to the customer service area at the Civic Centre to provide better all abilities access and consolidation of customer service functions.
 - Improvement to information services for the community through more targeted newsletters, press releases, website information and Council have your say pages.
5. Other items
- Investigate what is being done by those councils that do not utilise the JWS Research Survey to determine if alternative survey methodologies may give us better information to act upon.
 - Investigate the timing of the survey to identify if a better more suitable time can be found that links with Council's planning processes.
 - The organisational restructure is establishing a separate Governance Unit with a new position of Governance Co-ordinator. This will provide some much needed resources and bring together these functions from across the organisation thereby again providing critical mass and support for these important functions.

Financial Implications

The survey participation costs of \$11,800 were included as part of the 2017/18 Council Budget.

Links To Council Plans, Strategies, Policies

Key Direction 4.1	Continuously improve communication and engagement with the community through effective consultation.
Key Direction 4.2	Advocate on behalf of the community and region.
Key Direction 4.5	Achieve high standards of organisational performance.

Consultation/Communication

The full survey results are quite detailed in terms of demographic breakdown and content and are available to Council through a portal. The summary report has been attached here for public information. Council has had an individual briefing with the survey providers JWS Research and discussed the results.

Risk Implications

The measures of Community Engagement and Overall Council Performance are included on the Know Your Council website for comparison with all other councils across the state. The inclusion here presents a reputational risk to Council if the poor performance is not addressed.

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

Dealing with these high level issues of community perceptions of Council are challenging. Community opinion can be swayed by individual negative events within Council and the poor performance is cause for reflection particularly as to what both Council and Officers can do to address these issues.

11.8 QUARTERLY FINANCIAL REPORT 30 JUNE 2018

Author's Name: Zac Gorman

Director: Graeme Harrison

Author's Title: Management Accountant

File No:

Department: Finance Department - Corporate Services

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

Quarterly Financial Report June 2018 (**Appendix "11.8A"**)

Purpose

To provide Council with the quarterly financial report for the quarter ending 30 June 2018.

Summary

- Quarterly financial report is provided in accordance with statutory requirements.
- The report is not finalised at this point in time pending any final adjustments resulting from the financial year end processes and audit.

Recommendation

That Council note the Quarterly Financial Report for the period ending 30 June 2018.

Moved Cr Grimble, Seconded Cr Radford that the recommendation be adopted.

CARRIED

Report

Background

Under Section 138 (1) of the Local Government Act 1989, a financial statement is to be provided to open Council comparing actual to budget for revenue and expenditure at least once every three months.

Discussion

The attached report has been prepared to provide Council with an overview of finances year-to-date and comparisons to budget in a simple easy to read format.

As at the 13 August 18 the financial accounts were not finalised for the year ending 30 June 2018. Some entries may still occur in the ledger arising from final year end processing and audit, although there is likely to be minimum impact on the results as reported here-in.

The final financial accounts will be reported in September following the completion of the annual audit process.

Financial Implications

Staff time to compile and prepare this report is included in the 2018-19 budget.

Links To Council Plans, Strategies, Policies

Goal 4 – Governance and Business excellence

Four Year priority - 4.4.5 Improve performance reporting and regular management reporting across all areas of Council

Consultation/Communication

This report together with more extensive analysis and detail is provided to Council each month as part of the Finance and Performance Committee agenda and to the Audit Committee on a quarterly basis.

Risk Implications

The provision of relevant information on a regular basis is an important part of Council's internal controls and is necessary for Council to meet its obligations under Section 3 of the Local Government Act 1989, which ultimately makes Council accountable for the good financial management of the municipality.

There is a risk that either too much or too little information is provided to council for it to carry out this responsibility. Council must therefore ensure that it has sufficient information to be satisfied that finances are in order and that budgetary and financial planning goals are being met.

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

The financial report provides a summary of council's performance against budget for the year ended 30 June 2018.

11.9 DELEGATIONS UPDATE

Author's Name: Graeme Harrison **Director:** Graeme Harrison
Author's Title: Director Corporate Services **File No:** F19/A02/000001
Department: Corporate Services

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

Council to Staff Delegations (**Appendix "11.9A"**)

Purpose

To update Council's delegations to staff with changes arising from the Maddocks Lawyers delegation service and for new and changed position titles created during the recent staff restructure.

Summary

- Background information with respect to delegations generally
- The following changes are accounted for in the delegation documents:
 - Maddocks Lawyers updated information provided to Council every 6 months to account for changes within legislation.
 - Changes to position titles and responsibilities associated with Council's recent restructure
- Listing of the legislation that has had some change from the Maddocks recent update

Recommendation

That Council, in the exercise of the powers conferred by section 98(1) of the *Local Government Act 1989* (the Act) and the other legislation referred to in the attached instrument of delegation (**Appendix "11.9A"**).

Horsham Rural City Council (Council) RESOLVES THAT –

- 1) There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached *Instrument of Delegation to members of Council staff*, the powers, duties and functions set

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out in that instrument, subject to the conditions and limitations specified in that Instrument.

- 2) The instrument comes into force immediately the common seal of Council is affixed to the instrument.
- 3) On the coming into force of the instrument all previous delegations to members of Council staff (other than the Chief Executive Officer) are revoked.
- 4) The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

Moved Cr Radford, Seconded Cr Power that the recommendation be adopted.

CARRIED

Report

Background

Powers to Council are granted through Part 1A of the Act which defines the charter for Local Governments. This states the purpose of Local Government, its objectives, role, functions and powers. Under Section 3F Council's powers are defined and are essentially very wide in nature. Section 3F (1) states *"Subject to any limitations or restrictions imposed by or under this Act, a Council has the power to do all things necessary or convenient to be done in connection with the achievement of its objectives and the performance of its functions"*.

Because these powers are very wide Council cannot operate by means of passing a resolution every time that it wishes to act. So for day to day operations Council needs others to make decisions and act on its behalf.

Under Section 98 (1) a Council may by instrument of delegation delegate to members of its staff any power, duty or function of a Council under the Act "or under any other Act". Other Acts however may also have provisions relating to delegation also. If there is any conflict in delegation or authorisation between Acts then those relevant to the more Specific Acts will prevail over the General Acts.

Council cannot, however, delegate the following:

- the power of delegation,
- the power to declare a rate or charge,
- the power to borrow money,
- the power to approve expenditure not contained in a budget approved by Council,
- the power, duty or function of the Council under Section 223 of the Act
- any prescribed power

Any delegation made under Section 98(1) to a member of staff or to the Chief Executive Officer (CEO) must be made by a resolution of Council.

Under Section 98(2) & (3) of the Act, the CEO is specifically given the power to delegate to any member of the Council staff any power, duty or function of their office other than the power of delegation.

Delegations made by the CEO to members of staff do not, however, need to be made via a resolution of Council. They do, however, need to be maintained in a register.

Under Section 98 (4) of the Local Government Act 1989 (the Act), Council must keep a register of delegations to members of Council Staff. As new legislation is adopted or amendments made to existing legislation delegations will change.

Under Section 98(5) delegations may be made to individual persons or to the holder of an office or position. Council has always taken the approach to delegate to the position wherever possible rather than the individual staff member.

Section 98 (6) of the Act requires Council to review delegations within 12 months of a general election. However, regardless of this statutory requirement delegations should be made carefully and reviewed regularly to ensure:

- Decision-makers are clearly identified
- Accountability and responsibility is clearly identified
- Conditions, limitations and guidelines are well documented
- Precision in the making of decisions that will be defensible under legal scrutiny

Some Acts contain specific powers of delegation to persons other than the CEO. In these cases there is a presumption that a power of delegation cannot be sub-delegated in the absence of express authority to do so, hence Council must delegate these items direct to individual staff members.

Under the Building Act 1993, Municipal Building Surveyors (MBS) may also delegate their powers to other officers. This is therefore not a delegation by Council but by the MBS to staff and is signed-off by the MBS.

Council may also delegate powers to Special Committees established under Section 86 of the Act or Section 188 of the Planning and Environment Act 1987. Each committee must have an Instrument of Delegation that clearly articulates the nature of the delegation, and any conditions or limitations under which the delegation is to be exercised.

In summary there are five delegation types:

- A. Delegations of Council:
 1. Council to CEO
 2. Council to Staff
 3. Council to Special Committees
- B. Delegation by Others:
 4. CEO to staff*
 5. Municipal Building Surveyor to Staff

* the CEO to staff delegation also includes a section on Miscellaneous and Administrative powers which are best described as operational in nature and do not arise out of specific legislation.

Council has put in place detailed guidelines that help staff understand their obligations and responsibilities when it comes to exercising a delegated power. Each staff member receives a copy of their individual delegations and they are reminded to read and understand the guidelines for the exercising these delegated powers.

Discussion

Council manages its delegations by subscribing to a service from Maddocks Lawyers which provides Council with amendments to existing legislation and updates on new legislation. These updates are usually received on a six monthly basis, and as such an update was received in July 2018, which takes account of legislative changes since December 2017. Also a mini-update was received in May 2018 in relation to delegations from the Municipal Building Surveyor to Staff and in relation to CEO delegations to Staff in respect to building regulations.

A. DELEGATIONS OF COUNCIL

1. Delegation to the Chief Executive

The delegation to the CEO was updated in Oct 17 and there were no further updates at this point in time.

2. Delegations from Council Direct to Staff:

There are a number of amendments that impact on delegations from Council to Staff:

- Domestic Animal Act 1994 S.41A(1)
- Heritage Act 1995 has been replaced by the Heritage Act 2017 – the relevant provision for Council has changed from S.84(2) to S.166
- Planning & Environment Act 1987 has had some significant number of changes in relation to:
 - The Public Land Contributions Amendment Act – the provisions impact on Council powers when operating as a collecting authority, development authority or a planning authority
 - Distinctive Areas and Landscapes Amendment Act provisions S.46AW to 46AZK have been added for when Council is the responsible entity.

Details of all of the delegations from Council to Staff are shown in **Appendix “11.9A”**.

3. Delegation to Special Committees

There are no changes to the delegations to special committees.

B. DELEGATIONS BY OTHERS

1. Delegations from CEO to Staff

Under Section 98 (2) & (3) of the Act, the Chief Executive Officer is specifically given the power to delegate to any member of the Council staff any power, duty or function of their office other than the power of delegation. These delegations have also been updated but do not need to be made by resolution of Council, so have not been attached to this report.

The Acts/Regulations that have had some amendment are as follows:

- Domestic Animals Amendment (Puppy Farms and Pet Shops) Act 2017
- Fines Reform Act 2014
- Infringements Act 2006
- Land Act 1958
- Local Government Act 1989 (arising from the Distinctive Areas and Landscapes Amendment Act)
- National Parks Act 1975
- Public Health and Wellbeing Act 2008 (due to the Child Wellbeing Legislation Amendment Act 2018)
- Subdivision Act 1988 (due to the Public Land Contributions Amendment Act)
- Valuation of Land Act 1960 (due to State Taxation Acts Further Amendment Act 2017)
- Building Regulations 2018
- Infringements Regulations 2016 have been revoked by the IA Regulations.

2. Delegation Municipal Building Surveyor to Staff

There was a significant amendment of the Building Act 1993 that came in to force on 31 January 2018. And new Building Regulations 2018 that came in to force 2 June 2018. Powers, duties and functions remain largely unchanged except for the relevant numbering has been impacted.

Financial Implications

The financial impact of the review of delegations is limited to staff time and the cost of the Maddocks Delegation Service which has been included in the 2018-19 budget.

Links To Council Plans, Strategies, Policies

Goal 4 – Governance and Business Excellence

Consultation/Communication

The attached delegations have been updated using the Maddocks Lawyers delegation service and with consultation with relevant Council officers.

Risk Implications

The risk to Council of having inadequate instruments of delegation are, that actions are carried out without appropriate authority and therefore are subject to be challenged in a court of law.

Also the fact that a delegation has been made does not affect the Council's powers in relation to the issue concerned. A delegate's decision (once made) is taken to be the decision of the Council itself. The Council can therefore find itself bound by a decision which it may not itself have made. This risk is mitigated by having in place appropriate policies and guidelines under which delegation should be exercised. Guideline G04/004 has been put in place to address this issue and was reviewed in 2017 by the Executive Management Group.

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

It is a significant task to maintain delegations when the organisation is in change along with changing legislation. This update will require further review around responsibilities for specific functions as new positions and roles arising from the restructure, are bedded down within the organisation.

11.10 YOUTH STRATEGY

Cr Radford declared a Conflict of Interest, pursuant to Section 79 of the Local Government Act, 1989 in respect of Item No. 11.10 and left the Council Chamber at 7.37pm.

Author's Name: Anne Donovan

Director: Kevin O'Brien

Author's Title: Arts, Culture and Recreation Manager

File No: F12/A06/000002

Department: Community Wellbeing

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c): Yes No **Reason:** Nil

Appendix

Final Youth Strategy (**Appendix "11.10A"**)

Public Exhibition Feedback Summary (**Appendix "11.10B"**)

Grampians Community Health Submission (**Appendix "11.10C"**)

Women's Health Grampians Submission (**Appendix "11.10D"**)

Mark Radford Submission (**Appendix "11.10E"**)

Simon Risson Church of Christ (**Appendix "11.10F"**)

Purpose

To endorse the Horsham Rural City Council (Council) Youth Strategy.

Summary

Council at its ordinary meeting of 2 July 2018 resolved to release the draft Youth Strategy for public consultation. The Strategy articulates a vision for Horsham and sets out recommendations and an implementation plan to enable Council to be well positioned to respond to the diverse and changing needs of all its young people now and into the future.

The Draft Strategy has been out for public consultation from 3 July – 29 July 2018 and a number of submissions have been received. The Youth Strategy (**Appendix "11.10A"**) has been updated to reflect some of the comments and feedback received.

Recommendation

That Council endorse the Final Youth Strategy.

Moved Cr Koenig, Seconded Cr Gulvin that the recommendation be adopted.

CARRIED

Cr Radford returned to the Council Chamber at 7.45pm

Report

Background

Council at its ordinary meeting of 2 July 2018 resolved to release the draft Youth Strategy for public consultation.

Comprehensive community engagement was undertaken to help shape the Draft Strategy. The Draft Youth Strategy was placed on public consultation from 3 July-29 July 2018. Over 325 people, including 200 young people participating in the first consultation period.

An overview of the consultation, including the main issues raised, was presented to a Councillor Briefing Session on 28 May 2018 and 25 June 2018.

Discussion

Council currently contracts out its youth service delivery role to Grampians Community Health and they operate youth services under the Nexus brand. As this contract expires in March 2019 a Draft Youth Strategy was developed to:

- To provide Council with contemporary and future facing, equitable and accessible, models for youth service delivery that reflects the needs of a diverse regional city population
- Provide a service delivery map of the current services
- Identify opportunities for young people to be empowered to make decisions on service delivery that suits their needs
- Increase meaningful engagement opportunities with Council.

The Draft Youth Strategy presents Council with an opportunity to implement a future facing and contemporary youth focused plan.

The Draft Strategy proposes that a new model for youth services be implemented that sees a transition away from a centre-based youth services model to an outreach and collective impact model. This will include the retention of the youth role internally within Council. It is proposed that this role coordinate local services under the new collective impact model to deliver on emerging priorities and coordinate engagement with young people.

Neighbouring Councils all have an internal Council Youth Officer role, and this role is able to undertake a range of activities to support young people in their community and lever opportunities for increased youth participation in a range of council activities.

It has also proposed that some type of youth council be developed to provide young people with more meaningful opportunities with Council. This is in response to young people, services and schools identifying that young people need more opportunities to engage with Council on a range of topics. This new model also proposes that Council Officers will be required to report on the implementation of the Youth Strategy to a group of young people who will then report on achievements and/or blockages to Council.

The Draft Strategy proposes change to the current service delivery model within Horsham and these proposed changes, especially the transition of the youth services role from a contracted out model to an internal Council role, represents change to how Council has delivered youth services over the last ten years.

Financial Implications

Council contributes \$140 0000 to Grampians Community Health for the operation of Nexus. The proposed Youth Strategy recommendations can be covered from current budget allocations.

Links To Council Plans, Strategies, Policies

Development of a Youth Strategy aligns with:

- Council Plan
 - 1.2 Develop a safe, active and healthy community, encouraging participation:
 - 1.2.08 Review of Youth services in consultation with other agencies and develop a strategy
- Health and Wellbeing Plan
 - 3 Improving Mental Health:
 - Develop a Youth Strategy

Consultation/Communication

The Draft Youth Strategy was out for public consultation from 3 July-29 July 2018 and was supported by the following activities:

- Meeting with Grampians Community Health 28 June 2018
- Media Release 3 July 2018
- Have Your Say Page – HRCC website. This included an online submission form
- HRCC Social Media posts throughout the consultation period. This included seeking comments on Facebook
- Youth Strategy Facebook post pinned to top of HRCC page
- Secondary schools encouraged to shared post and put in newsletters
- Emails to teachers who participated in school workshop to encourage sharing posts and Strategy with young people who attended workshop
- Targeted email to all workshop participants:
 - Services: 4/7/18 & 17/7/18
 - Survey participants (under 25 who provided consent to be contacted): 4/7/18 & 17/7/18

- Youth Workers: 16/7/18
- Sporting Clubs: 16/7/18
- Internal promotion
- Meeting with Nexus Youth Workers and young people 26 July 2018

A total of 43 submissions/ comments were received and a summary of comments and proposes responses is attached in **Appendix "11.10B"**. In summary, they were:

- Four written submissions received from Grampians Community Health, Women's Health Grampians, Mark Radford and Simon Risson Church of Christ (see **Appendices "11.10C", "11.10D", "11.10E", "11.10F"**)
- Twenty five Facebook comments. Many of these comments were not relevant as they were not about the Draft Youth Strategy directly. Many comments were about rates and sporting facilities.
- Thirteen online submission forms (sent direct from Have Your Say Horsham Youth page)

Risk Implications

If Council does not endorse the Final Youth Strategy, there is a risk that youth services in Horsham will not be able to adapt and change to the challenges and opportunities required to meet current and future need.

There is also a reputational risk to Council as community members, services and young people have participated in the development of the Draft Youth Strategy, and provided considered and meaningful responses that have helped shape the Strategy. If the Strategy is not supported, this may impact affect Council relationships these stakeholders.

Environmental Implications

Not applicable

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

The Youth Strategy is a well-researched document that is based on:

- strategic evidence
- a profile of Horsham's young people
- review of national, state and Council plans and policies relating to young people
- review of Council's current youth services delivery and comparison with neighbouring councils
- mapping of current services that are available to young people in Horsham

- comparison with other Victorian councils
- review of best practice youth service delivery and youth engagement.

The Strategy articulates a vision for Horsham and sets out recommendations and an implementation plan to enable Council to be well positioned to respond to the diverse and changing needs of all its young people now and into the future.

12. COUNCILLORS' REPORTS

Cr Grimble

- Condolences to Ivy McGrath and family for the sad passing of Bill McGrath.
- 27 July – Wimmera Southern Mallee Regional Transport Group WIFT site visit at Dooen followed by meeting in Horsham
- 31 July – Meeting with State MP Walsh and Emma Kealy, Member for Lowan about the Wimmera River precinct.
- 7 August – Meeting with Knowles Tivendale, consultant for HITS review
- 9 & 10 August - Australian Livestock Saleyards Association Conference in Melbourne, opened by Hon Jaala Pulford.
- 17 August – Western Highway Action Committee meeting in Melton. The group discussed their priorities. Interesting discussions around congestion concerns. A lot of people are commuting to Melbourne every day.
- 18 August – Attended the Vietnam Veterans Commemorative Service and luncheon on behalf of the Mayor. Peter Haslau was their guest speaker.
- 22 August – WIFT committee of management meeting.
- 23 August – Cr Grimble received clarification from the MAV on meeting validity, saying his motion at the last Council meeting was in fact a valid motion.
- 24 August - Rail Freight Alliance meeting in Melbourne.
- 26 August – 2018 FIM World Junior Motocross Championships at Dooen. Congratulations to everyone involved. This was a great event. Well done to Kenny Watts and the club for holding this event.

Cr Power

- 11 July – Wimmera Suicide Prevention and Awareness Network meeting at Nexus. The group need more members to come along and voice their opinion on the prevention of suicide in the Wimmera.
- Prior to being a Councillor I had never gone to the Art Gallery, but now I regularly attend their gallery openings. Went to "The Studio" Exhibition Launch which was exceptional.
- 18 August – Took part in the Police and Horsham Saints Blue Ribbon event at Horsham Saints football ground.
- 26 August - 2018 FIM World Junior Motocross Championship at Dooen and saw what volunteers do in the community.
- Cr Power acknowledged the passing of two community members, David Chilver and the Hon Bill McGrath.

Cr Gulvin

- Horsham Council Bicycle Advisory Committee meeting. Discussed the Hamilton Street, Firebrace Street roundabout alterations to make it safer for bike riders, pedestrians and motor vehicles. The group will present a strategic plan to Council.

- Sport and Recreation Advisory Group meeting.
- Horsham Integrated Transport Strategy discussion with the consultant.
- Horsham Regional Art Gallery Advisory meeting. Discussed "The Studio" exhibition which was well received. They also had the opening of Oscar Wilde and Del Kathryn Barton. The art work they had and way it was created to make it theatrical was amazing.
- Farewelled Art Gallery Director Adam Harding.
- Cr Gulvin passed on condolences to Bill McGrath's family. He has been a great support to Cr Gulvin.
- 18 August – Kalimna Park Croquet Club official opening of the croquet season.
- 26 August - 2018 FIM World Junior Motocross Championship event. The motocross was incredible and fantastic to have this event in Horsham. The Motocross Club have done a brilliant job.

Cr Robinson

- Cr Robinson acknowledged the passing of the Hon Bill McGrath. He was Police Minister when Cr Robinson was a sergeant in Horsham and also launched the rescue helicopter in Warrnambool.
- Cr Robinson acknowledged the passing of David Chilver. He had much to do with youth through the scouting movement.
- Cr Robinson addressed rates issues with farmers.
- Cr Robinson has concerns about the Basketballer Association. Cr Robinson hopes to get answers so he can put up a motion at the next Council meeting. The new model doesn't work and we need to deal with this matter.

Cr Radford

- Cr Radford acknowledged the passing of the Hon Bill McGrath. He was a great supporter of our local community.
- Cr Radford acknowledged the passing of his friend David Chilver. He was a very active in the scouting movement and the Lions Club. This community owes a lot to him particularly the young people in leadership.
- Cr Radford paid tribute to Harry Denson who passed away too young.
- Cr Radford acknowledged the work of Adam Harding Art Gallery Curator and Director. The gallery is what it is today because of Adam.
- Mary-Anne and Martin Duke will be finishing up at Horsham Rural City Council soon. Cr Radford acknowledged their work to our community.
- Cr Radford attended Puccini's Madame Butterfly opera at the Horsham Town Hall. The music was beautiful. It was performed on stage with no microphone, pure acoustic music.
- 26 August - 2018 FIM World Junior Motocross Championship event.

Cr Koenig

- Cr Koenig shared condolences for those lives lost.
- 2 August – Official opening of the Kalkee Road Children’s Hub. It was great to see the opening well attended.
- 24 August - World Junior Motocross Welcome Ceremony at the Town Hall. The Mayor did a great job to get the kids all riled up.
- 22 August – Cr Koenig met with St Michaels and St Johns Primary School Grade 5 and 6 students. They wanted to know the link between my 9 to 5 job and the Council job.
- Cr Koenig participated in the Horsham parkrun on 25 August. There is a Facebook page to register for future events.
- Cr Koenig received many calls about the youth strategy and what it means going forward.
- Cr Koenig sincerely acknowledged those people who have reached out to him in the past month.

Cr Clarke (Mayor)

- Cr Clarke acknowledged the passing of David Chilver. He was a very quiet gentleman who just got things done. Cr Clarke also acknowledged the passing of the Hon Bill McGrath. Cr Clarke has known Bill and Ivy for many years.
- Cr Clarke thanked the Councillors who have worked over the past 5 weeks and those who have filled in for the Mayor when she couldn’t attend.
- 18 July - Australian Ballet Regional Tour. They only do two performances in Victoria and they want to return to Horsham next year.
- 2 August - Official opening of the Kalkee Road Children’s Hub. The Hub was on the cards 10 years ago and it is good to see it finished and working well.
- 2 August – May Park revitalisation project and changing places opening.
- Puccini’s Madame Butterfly opera at the Horsham Town Hall. We wouldn’t have these events if it wasn’t for our Performing Arts Centre.
- 8 August - Guest speaker at Wimmera Australians in Retirement AGM and Monthly Meeting
- 8 August - Natimuk and District Soldier's Memorial Hall AGM
- 10 August - Mock Council Meeting for grades 5 and 6 students from Ss Michael and Johns Primary School.
- 14 August - Men’s Probus Club guest speaker
- Mayoral Advisory Panel meeting with Minister for Local Government
- 15 August – MAV Rural and Regional Forum
- 20 August – Meeting with Jess Grimble and Clint King about digital subscriptions for the Wimmera Mail-Times Newspaper.
- 23 August – Regional Cities Victoria annual cocktail function at Parliament House with Sunil Bhalla. It was an informal event to approach the Ministers. Jaala Pulford and Peter Walsh spoke about the increased growth in Melbourne. They recognise there needs to be more investment into regional Victoria.
- 24 August - Regional Cities Victoria forum

- 24 August - Welcome ceremony for the 2018 FIM Junior Motocross at the Town Hall.
- 26 August - 2018 FIM World Junior Motocross Championship Official Opening. Cr Clarke congratulated the club for their amazing work in preparing for this event.

Moved Cr Power, Seconded Cr Radford that the Councillors' Reports be adopted.

CARRIED

Moved Cr Gulvin, Seconded Cr Robinson that Standing Orders be suspended for a 5 minute break.

CARRIED

The time being 8.21pm the Council Meeting was suspended.

Moved Cr Koenig, Seconded Cr Power that Standing Orders resume.

CARRIED

The time being 8.25pm the Council Meeting resumed.

Moved Cr Grimble, Seconded Cr Radford that Council acknowledge the sad passing of the Hon Bill McGrath and David Chilver.

CARRIED

13. URGENT BUSINESS

NIL

14. PETITIONS AND JOINT LETTERS

NIL

15. PROCEDURAL BUSINESS

15.1 ASSEMBLY OF COUNCILLORS – RECORD OF MEETINGS

Council Briefing meeting held on Monday 23 July 2018 at 5.00pm in the Reception Room.

Council Briefing meeting held on Monday 6 August 2018 at 5.00pm in the Reception Room.

Council Briefing meeting held on Monday 13 August 2018 at 5.00pm in the Reception Room.

Refer to **Appendix “15.1A”**.

RECEIVED

15.2 SEALING OF DOCUMENTS

Section 173 Agreement – 99 Robinson Street, Horsham

Lease of Real Estate – Horsham and District Kinder Association Premises 24A Kalkee Road, Horsham

RECEIVED

15.3 INWARD CORRESPONDENCE

NIL

15.4 COUNCIL COMMITTEE MINUTES

15.4.1 Haven Recreation Reserve Advisory Committee meeting held on Tuesday 26 June 2018 at 7.30pm at the Haven Hall

Moved Cr Radford, Seconded Cr Power that Item No 15.4.1 be received.

CARRIED

15.4.2 Horsham Sports and Recreation Advisory Committee Meeting held on Thursday 17 May 2018 at 4.30 pm in the Council Chambers, Horsham Rural City Council Offices

15.4.3 Bicycle Advisory Committee Meeting held on Wednesday 6 June 2018 at 5.00pm in the Committee Room, Horsham Rural City Council Offices

15.4.4 Dudley W Cornell Reserve Advisory Committee meeting held on Thursday 14 June 2018 at 7.30pm at the Kalkee Road Children’s Hub, Horsham

15.5.5 Western Highway Action Committee meeting held on Friday 15 June 2018 at 10.00am at the VicRoads Project Office, Ballarat

15.5.6 Horsham Regional Livestock Exchange Board of Management meeting held on Thursday 21 June 2018 at 5.00pm at the Horsham Regional Livestock Exchange, Western Highway, Horsham

Moved Cr Grimble, Seconded Cr Koenig that Item No 15.5.6 be received.

CARRIED

15.5.7 Horsham Racecourse Reserve Advisory Committee meeting held on Tuesday 26 June 2018 at 7.30pm at the Central Park Tennis Club Pavilion

15.5.8 Horsham Recreation Reserve Committee of Management on Tuesday 4 July 2018 at 6.00pm at the AFL Wimmera Offices, 27 Hocking Street, Horsham

15.5.9 Horsham Tidy Towns Committee Meeting held on Tuesday 17 July 2018 at 12.30pm in the Middle Meeting Room, Horsham Rural City Council Offices

15.5.10 Horsham College Community Oval Committee of Management meeting held on Wednesday 18 July 2018 at 7.30pm at the Horsham College Oval Sports Pavilion

15.5.11 Sunnyside Park Advisory Committee Meeting Held on Wednesday, 25 July 2018 at 7.30 pm Sunnyside Bowling Clubrooms

15.5.12 Wimmera Southern Mallee Regional Transport Group (WSM RTG) held on Friday 27 July 2018 at 11.00am in the Reception Room, Horsham Rural City Council offices

15.5.13 RoadSafe Wimmera Inc meeting held on 13 August 2018 at Horsham SES building McPherson Street, Horsham

15.5.14 RoadSafe Wimmera Inc Annual General Meeting held on 13 August 2018 at Horsham SES building McPherson Street, Horsham

15.5.15 Western Highway Action Committee meeting held on Friday 17 August 2018 at 10.00am at the Melton City Council, Civic Centre Meeting Room, Melton

15.5.16 Horsham Regional Art Gallery Advisory Committee meeting held on Thursday 9 August 2018 at 5.15pm at the Horsham Town Hall Foyer

Refer to **Appendix "15.4A"** for copy of minutes.

Moved Cr Power, Seconded Cr Koenig that Item No's 15.5.2, 15.5.3, 15.5.4, 15.5.5, 15.5.7, 15.5.8, 15.5.9, 15.5.10, 15.5.11, 15.5.12, 15.5.13, 15.5.14, 15.5.15 & 15.5.16 be received.

CARRIED

16. NOTICES OF MOTION

NIL

Moved Cr Robinson, Seconded Cr Power that the Council Meeting close to consider item number 17.1 of the Director Infrastructure and item number 17.2 of the Director Corporate Services Report deemed to be of a confidential nature in accordance with Section 89(2) of the Local Government Act, 1989.

CARRIED

The time being 8.30pm the Council meeting closed.

Moved Cr Gulvin, Seconded Cr Koenig that the Council meeting open.

CARRIED

The Council Chamber doors were opened at 8.35pm.

Moved Cr Gulvin, Seconded Cr Koenig that the recommendations in the closed Council meeting be adopted.

CARRIED

The meeting closed at 8.36pm.

The Mayor, Cr P Clarke

Chairperson