



South Gippsland
Shire Council

Come for the beauty, Stay for the lifestyle

COUNCIL AGENDA PAPERS

11 June 2014

**SPECIAL MEETING OF COUNCIL
COUNCIL CHAMBERS, LEONGATHA
COMMENCING AT 12.45PM**

MISSION

To effectively plan and provide for the social, built, economic and natural environments that ensure the future wellbeing of South Gippsland Communities.

SOUTH GIPPSLAND SHIRE COUNCIL

**NOTICE IS HEREBY GIVEN THAT SPECIAL MEETING OF
COUNCIL OF THE SOUTH GIPPSLAND SHIRE COUNCIL WILL BE
HELD ON 11 JUNE 2014 IN THE COUNCIL CHAMBERS,
LEONGATHA COMMENCING AT 12.45PM**

INDEX

SECTION A - PRELIMINARY MATTERS	1
A.1 WELCOME	
A.2 OPENING PRAYER	
A.3 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS	
A.4 APOLOGIES	
A.5 REQUESTS FOR LEAVE OF ABSENCE	
A.6 DECLARATION OF CONFLICT OF INTEREST FOR COUNCILLORS	
A.7 DECLARATION OF CONFLICT OF INTEREST FOR STAFF	
SECTION B - COUNCIL REPORT	5
B.1 2014-2015 ANNUAL BUDGET AND 2014-2108 RATING STRATEGY SUBMISSION HEARING, CONSIDERATION AND DETERMINATION	5
SECTION C - COUNCIL REPORTS.....	15
C.1 S223 #1 REQUEST FOR RECURRING FUNDING FOR THE PORT WELSHPOOL COAST GUARD FLOTILLA	15
C.2 S223 # 2 RECREATIONAL VEHICLE DUMP STATION - MEENIYAN	19
C.3 S223 #3 CONSIDERATION TO WORK IN PARTNERSHIP TO DEVELOP THE LEONGATHA LIBRARY ON A NEW SITE	22
C.4 S223 #4 RATEPAYERS VIEWS, CARAVAN PARKS & COAL CREEK ...	25
C.5 S223 #5 BUDGET CONCERNS, EMPLOYEE COSTS, CARAVAN PARKS, COAL CREEK, GRANTS TO ORGANISATIONS	33
C.6 S223 #6 RATE INCREASES FOR VACANT LAND.....	53

C.7	S223 #7 PROPOSED RATING STRATEGY FOR COMMERCIAL PROPERTY	56
C.8	S223 # 8 PROPOSED RATING STRATEGY 2014-2018 IS ILLEGAL	59
C.9	S223 #9 CONCERN WITH RATING STRATEGY & BUNN LANEWAY DRAINAGE	63
C.10	S223 #10 FOOTPATH AND LIGHTING - GRAND RIDGE EAST ROAD, MIRBOO NORTH	67
C.11	S223 # 11 BALD HILL WIND FARM / ROAD MAINTENANCE MUNBILLA ROAD, TARWIN LOWER	71
C.12	S223 #12 RATES COMPARISON AND INCREASES	74
C.13	S223 #13 WALKERVILLE INFRASTRUCTURE NEEDS ANALYSIS	77
C.14	S223 #14 RESIDENTIAL RATE INCREASE CONCERN	80
C.15	S223 #15 BUSHFIRE MANAGEMENT OVERLAY AND PLANNING PERMIT	84
C.16	S223 #16 RATING STRATEGY SUBMISSION	87
C.17	S223 #17 VARIOUS BUDGET CONCERNS	92
C.18	S223 #18 REZONING OF PROPERTY FROM FARM TO RESIDENTIAL	99
C.19	S223 #19 VALUATION OF PROPERTIES WITH WIND GENERATORS.....	102
C.20	S223 #20 VARIOUS BUDGET CONCERNS	105
C.21	S223 #21 RATE INCREASE ON VACANT LAND	112
C.22	S223 #22 RESIDENTIAL RATE INCREASE CONCERN	115
C.23	S223 #23 WASTE MANAGEMENT AT SANDY POINT	118
C.24	S223 #24 FUNDING FOR COMMUNITY INFORMATION, ADVOCACY & REFERRAL SERVICES AND FOODBANK SERVICES	121
C.25	S223 #25 REQUEST FOR COUNCIL FUNDING KORUMBURRA ROUND TABLE	126
C.26	S223 #26 NEW OFFICES, ART CENTRES, INFRASTRUCTURE MAINTENANCE, ROAD FUNDING, SWIMMING POOLS, SERVICES AND EMPLOYMENT	131
C.27	S223 #27 RATE INCREASE AND LACK OF SERVICES VENUS BAY	136

C.28 S223 #28 PROPERTY VALUES VS REFLECTING CAPACITY TO PAY..... 143

C.29 S223 #29 EMPLOYEE COSTS AND SERVICE DELIVERY..... 146

C.30 S223 #30 OBJECTION TO RATES INCREASE..... 149

C.31 S223 #31 OBJECTION TO RATES INCREASE..... 153

C.32 S223 #32 POOR SERVICES DELIVERY FROM COUNCIL..... 157

C.33 S223 #33 RATES INCREASE ON FARMING LAND CONCERN..... 163

SECTION D - MEETING CLOSED..... 167

Tim Tamlin
Chief Executive Officer

SECTION A - PRELIMINARY MATTERS

A.1 WELCOME

Please ensure Mobile phones remain 'off' during the Council Meeting.

A.2 OPENING PRAYER

We pray to God to guide us so that the thoughts we have and the decisions made this day, are in the best interests of the people of the South Gippsland Shire.

Amen

A.3 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS

The South Gippsland Shire Council respectfully acknowledges the Traditional Custodians of this Land, Elders past and present, their Spirits and Ancestors.

A.4 APOLOGIES

Councillor Kieran Kennedy with Leave of Absence (granted 19 March 2014).

A.5 REQUESTS FOR LEAVE OF ABSENCE

A.6 DECLARATION OF CONFLICT OF INTEREST FOR COUNCILLORS

Any interest that a Councillor or staff member has deemed to be significant and has disclosed as either a direct or an indirect interest is now considered to be a conflict of interest. Conflict of interest legislation is in sections 77A, 77B, 78, 78A-D and 79 of the Local Government Act 1989. This legislation can be obtained by contacting the Council's Corporate Services Directorate (Governance Services) or by accessing the Victorian Legislation and Parliamentary Documents website at www.legislation.vic.gov.au. An interest may be by close association, financial, conflicting duties or receipt of gifts.

If a Councillor or staff member discloses any interest in an item discussed at any Council Meeting (whether they attend or not) they must:

- Complete a disclosure of interest form prior to the Meeting (forms are available from the Organisational Development Department – Governance).
- Advise the Chair of the interest immediately before the particular item is considered (if attending the Meeting).
- Leave the Council Chamber or Meeting room while the item is being discussed and during any vote taken (if attending the Meeting).

The Councillor or staff member will be advised to return to the Council Chamber or Meeting room immediately after the item has been considered and the vote is complete.

Councillors should check the Minutes of the Council Meeting to ensure their disclosure is recorded accurately.

Councillors are not required to disclose conflict of interest in relation to matters only considered at Meetings they do not attend.

Detailed information is available in Conflict of Interest – A Guide for Councillors June 2011.

Type of Interest		Example of Circumstance
Direct Interest		Reasonably likely that your benefits, obligations, opportunities or circumstances will be directly altered. Reasonably likely to receive a direct benefit or loss measurable in money. Reasonably likely that your residential amenity will be directly affected.
Indirect Interest	Close Association	A member of your family has a direct interest or an indirect interest. A relative has a direct interest. A member of your household has a direct interest.
	Indirect financial Interest	Likely to receive a benefit or loss, measurable in money, resulting from a change to another person's interest. Holding shares in a company or body that has a direct interest (subject to threshold) When a person with a direct interest owes money to you.
	Conflict of Duty	Manager or member of the governing body of an organisation with a direct interest. Trustee for a person with a direct interest. Past dealings in relation to the matter as duty to another person or body.
	Applicable Gift	Gifts valued at \$500 in previous 5 years. Election donations valued at or above \$500 in previous 5 years. Gifts other than election campaign donations that were received more than 12 months before a person became a Councillor are exempt.
	Party to the Matter	Initiated or became party to civil proceedings in relation to the matter.

Privacy

Council is required to keep minutes of each Council meeting. The minutes contain details of proceedings which may include personal information about community members disclosed as part of presentations, submissions and questions. The minutes of Council meetings are a public record and can be inspected by members of the public.

Council undertakes audio recordings of Council Meetings as a contribution to good governance and accuracy of minutes. An audio recording of this meeting is being made for the purpose of verifying the accuracy of minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, and subpoena or by any other law such as the Freedom of Information Act 1982. It should be noted that other people present at the meeting may be recording the meeting and Council has limited power to regulate this. Council has developed a policy to regulate recordings, "Sound Recording of Council Meetings". A copy of this policy is located on Council's website www.southgippsland.vic.gov.au. Further information or a copy of the policy or can be obtained by contacting Council's Organisational Development Department (Governance).

A.7 DECLARATION OF CONFLICT OF INTEREST FOR STAFF

Sections 80B and 80C of the Local Government Act 1989 require members of Council staff who have delegated functions and /or provide advice to Council or a Special Committee to disclose conflicts of interest. If Council staff have written, provided information/advice or approved a Council Report and have a conflict of interest it is the responsibility of that staff member to disclose the interest. Guidance to identifying and disclosing a conflict of interest is contained in Department of Planning and Community Development in '*Conflict of Interest A Guide for Council staff*', October 2011.

SECTION B - COUNCIL REPORT

B.1 2014-2015 ANNUAL BUDGET AND 2014-2108 RATING STRATEGY SUBMISSION HEARING, CONSIDERATION AND DETERMINATION

Corporate Services Directorate

EXECUTIVE SUMMARY

At the Council Meeting 16 April 2014, Council endorsed the 2014-2018 Rating Strategy and the Draft 2014-2015 Annual Budget for public exhibition. The draft Budget document contains the 'Linkages to the 2013-2017 Council Plan', the 'Services, Initiatives and Service Performance Indicators and the updated four year 'Strategic Resource Plan'.

Submissions closed on Wednesday 28 May 2013 at 5.00pm, with 33 submissions received by close of business. The submissions along with a response and recommendations are presented in this report for Council's consideration and determination at this Special Meeting of Council.

Decisions by Council in regard to the submissions will be utilised to finalise the 2014-2015 Annual Budget (Budget), along with any refinements to the 2013-2017 Council Plan/Strategic Resource Plan arising from the submission hearing and final Budget, and the 2014-2018 Rating Strategy to be presented to Council for adoption at the 25 June 2014 Ordinary Council Meeting.

Document/s pertaining to this Council Report

- **Attachment 1** - S223 Submission Summary of submitters who have requested to speak to their submission.
- **Attachment 2** - S223 Submission Summary

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

- Local Government Act 1989, sections 125, 129 and 223 and Part 8, Rates and Charges on Rateable Land
- Valuation of Land Act 1960
- Cultural and Recreational Lands Act 1963
- Ministerial Guidelines for Differential Rating, April 2013
- Rating Practices in Local Government VAGO, February 2013
- Local Government (Planning and Reporting) Regulations 2014
- Developing a Rating Strategy - A Guide for Councils, MAV July 2004

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Special Charge Scheme Policy 2010
- Communication and Consultation Policy
- Councillor Code of Conduct
- Strategy and Plan Management Policy
- Public Submission Process (Section 223)
- Special Charge Scheme Policy 2010
- Debt Recovery of Unpaid Rates Policy 2013
- Rates and Hardship Policy 2013
- Long Term Financial Plan 2013-2014

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation
Objective:	4.1	Pursue best practice in organisational development and operations of the organisation
Strategy:	4.2.3	We will make informed decisions and provide opportunities for the community to participate in the decision making process.

CONSULTATION

Council has completed a formal Section 223 Public Submission process for the draft 2014-2018 Rating Strategy (draft Rating Strategy) and the draft 2014-2015 Annual Budget (draft Budget).

Thirty-three (33) submissions were received by the closing time of 5.00pm on 28 May 2014. The submissions have been reviewed and recommendations developed for each submission by various Council Departments for Council's consideration. The submissions along with their corresponding reports and recommendations are contained within Section C of the Agenda as individual reports. An index of the submissions for submitters wishing to be heard is contained in **Attachment 1** and a list of the remaining Submissions is contained in **Attachment 2**.

A further 3 late submissions were received after the closing date. Late submitters were advised that their submissions could not be received as part of the formal process, however they were all offered an opportunity to present their request to Council at a Public Presentation session, if desired.

A Council briefing was held on 4 June 2014 to provide Councillors with a copy of the submissions and associated draft reports and recommendations so that questions and financial ramifications of any changes could be raised and answered in time for consideration at this Special Meeting.

REPORT

Background

The role of Council is to provide leadership for the good governance of the Shire. This is achieved by establishing strategic directions articulated in the four year Council Plan and in the provision of approximately 120 services provided by Council. These are required to be funded in a sustainable and responsible manner. The draft Budget articulates the allocation of resources to achieve all of these outcomes. The Local Government Act 1989 (Act) sets out in sections 125, 129 and 223, the requirements to be met in reviewing and preparing the Council Plan and Budget.

The draft Rating Strategy has been prepared to determine how the rate burden is to be spread across various land categories. The draft Rating Strategy includes a new range of differentials to be applied to various land categories. In effect this means that the 'general rate' differential applied to all Residential properties is set at 100% and other land categories may have either a higher or lower percentage allocated to them compared to this general rate.

Amendments to the Local Government Act 1989 were made by the State Government in April 2014, along with supporting regulations found in Local Government (Planning and Reporting) Regulations 2014. The draft Budget is being modified as required to meet these new legislative requirements.

New Ministerial guidelines for developing a Rating Strategy were introduced in 2013. These new guidelines have been used in the preparation of the draft Rating Strategy.

A combined formal public consultation process in accordance with Section 223 of the Act has been completed for these plans. The submission period was open for a minimum 28 day period. It was closed at close of business on Wednesday 28 May 2014 at 5.00pm, with 33 written submissions received.

Discussion

There are a number of key themes arising from the submissions. The majority of these are similar to those received in 2013. These include:

- Concern with the rate increase – general (12)
- Concern with rate increase – burden on business and/or farming
- Concern with staff costs

- Concern with provision of services – although few submitters have suggested where changes could be made. Examples that have been included are:
 - Coal Creek
 - Green waste fees
 - Shire managed caravan parks
- Concern with expenses of Council – fleet, telephones, staff development
- Concern with Councillor Allowances
- Request for a Regional Library upgrade in Leongatha
- Funding requests from Community based organisations
- Concern on valuation of properties
- Service delivery

Responses have been drafted for all the submissions for consideration by Council at this Special Meeting.

While each submission has been responded to in its own right, generally without a change to the budget, Council may want to use this opportunity to consider any potential changes to the budget as a result of the collective views provided by community members.

There have been no submissions received specifically seeking amendment to 'Section 2 - Linkage to the Council Plan' within the Budget, which contains the new strategic planning framework required as part of the new legislated reforms, or to the refined wording of Council's Vision, Mission and Values and Integrated Planning Framework. There were no submissions requesting any changes to Council's Outcomes, Strategic Objectives or Strategies.

Options

Council may choose to accept, amend or alter any or all of the recommendations for each submission.

Any amendments to the Budget may require amendments to the Initiatives contained in Part 3 of the Budget. These Initiatives replace the former Annual Plan actions used by Council over the past three years. This change is made in line with the new legislative changes to the Local Government Act 1989 and supporting Regulations.

Proposal

It is proposed that Council suspend standing orders to hear those people who have indicated a desire to speak to their submissions. These are outlined in **Attachment 1**. It is then proposed Council resume standing orders to consider and determine all 33 submissions.

FINANCIAL CONSIDERATIONS

The current draft Budget is sustainable and meets the requirements determined by the Act. Many of the submissions have indicated that they are concerned with continuing rate rises as they place a financial burden on various members of the community including businesses/farmers.

Council in determining any potential reduction in the rate rise will need to consider not only the current year, but also ramifications of the impact for future years. Council is required to ensure that a sustainable budget can be passed that will not place a financial burden on future generations.

A number of submissions raise concerns with the differentials in the draft Rating Strategy.

Council in determining any potential change to any differentials will need to consider that a change in any one differential land category will impact all others.

RISKS

If Council determines that only reasonably insignificant changes be made to the Budget or Rating Strategy, then these plans can proceed with only minor amendments to the adoption stage scheduled for the 25 June 2014 Council Meeting.

If Council determines that significant changes are to be made that will have a detrimental impact on sections of the community by either increasing or decreasing the Budget, and/or Council services, and/or land differentials in the Rating Strategy, then Council may be required to undertake a further Section 223 public consultation process.

If this is required, Council may not be able to meet the legislated deadline of 31 August 2014 or Council's resolutions for the adoption of the Budget and Rating Strategy by 30 June 2014. In this situation a request to the Minister for Local Government for an extension of time would be required by Council, however the Minister may choose not to grant an extension, potentially leaving Council in breach of the Act. Further, Council would need to amend its resolutions for these plans to be adopted by 30 June 2014.

Council needs to consider if any changes determined today create a significant shift from the adopted Council Plan, draft Budget or draft Rating Strategy thereby warranting a further Section 223 public consultation process. The key consideration for a further public consultation process would be

required if any person was likely to be disadvantaged as a result of the change or if Council would want to increase borrowings. If this outcome is deemed necessary then Council should consider moving an additional recommendation to seek the Minister's permission for an extension of time in which to adopt the Budget and amend its resolutions to adopt the Budget and Rating Strategy made on 16 April 2014, to reflect the need for a further formal public consultation process.

CONCLUSION

The Council has dedicated an extensive amount of time over the past ten months to review each service, find efficiencies, establish a new Rating Strategy and prepare a sustainable Budget.

This report requires Council to hear people that have requested to speak to their submissions, consider the submissions and determine a response to the submissions. Submitters will be notified of Council's decision, along with the reasoning upon which it has been based.

RECOMMENDATION

That Council:

- 1. Move to suspend Standing Orders to hear people speak in support of their submission, as outlined in Attachment 1.**
- 2. Resume Standing Orders following the hearings to consider and determine the 33 submissions received.**
- 3. Consider and determine the 33 submissions in accordance with each submission report in Section C.**
- 4. Require the 2014-2015 Annual Budget and Long Term Financial Plan and 2014-2018 Rating Strategy be amended to align with the decisions made to the submissions prior to formal adoption by Council.**
- 5. Note that no submissions were received seeking amendment to 'Section 2 - Linkage to the Council Plan' within the Budget, which contains the new strategic planning framework, refined wording of Council's Vision, Mission and Values and Integrated Planning Framework and existing strategic outcomes, objectives or strategies of the 2013-2017 Council Plan.**

STAFF DISCLOSURE OF INTEREST

Nil

Attachment 1
S223 Submissions requesting to speak

The following persons have requested that they be able to speak to their submissions:

#	Time	Person/ Organisation	Submission	Status
1.	12:50pm	Rocco Maruzza	Funding for Port Welshpool Coast Guard	No Budget change
2.	1.00pm	Clive Hope	RV Dump Station in Meeniyah	Amend – allocate \$2,500 to install a Public Dump Point in Meeniyah on provision of supporting documentation
3.	1.10pm	John Murrell	Leongatha Library expansion/upgrade	No Budget change
4.	1.20pm	Mr John McKay	Visitor information centres Coal Creek Shire managed Caravan Parks Shire employment	No Budget change
5.	1.30pm	Megan Knight	Employee costs Caravan Parks Coal Creek Grants to Organisations	No Budget change

Attachment 2 S223 Submissions

The following persons have not requested to speak to their submissions:

#	Person/ Organisation	Submission	Status
6.	John Doward	Objection to increased vacant land rates	No budget change
7.	Peter Watchorn	Objection to business rate increase	No budget change
8.	Michael McDonnell	Objection to rate increase Doesn't agree that it is legal to increase rates	No budget change
9.	Francesca Raiti	Objection to rate increase	No budget change
10.	S Keel & P Bickerton-Keel	Footpath and lighting issues	No budget change
11.	John Brandenberger	Requested properties surrounding Bald Hills Wind Farm be valued accordingly (at lower rate)	No budget change
12.	Andrew Twining	Requested rate comparisons eg: this year compared to last year	No budget change
13.	Irene Irvine	Allocation of infrastructure services (see TRIM note) in Walkerville	No budget change
14.	Robert Boelen	Objection to rate increase (referred to Rating Strategy document)	No budget change
15.	Bernard and Joan Park	Planning permit not approved by Bushfire Mngt Overlay - paying rates on a block of land worth very little	No budget change
16.	Tony Westaway	Objection to Commercial rate increase / Leongatha commercial sustainability	No budget change

#	Person/ Organisation	Submission	Status
17.	Peter & Wilma Western	Concern about lack of clarity about which teams are responsible for delivery Concern about municipal complex siting study Interest in hydrotherapy pool project	No budget change
18.	Steve George	Opposed to rezoning his property from Farm to Residential	No budget change
19.	Robert Liley	Bald Hills Wind Farm should be zoned as Commercial or Industrial and adjoining properties revalued to reflect decline in their value	No budget change
20.	Jennifer Williams	Swimming Pools Coal Creek Visitor Information Roadside weed management Promote attractions	No budget change
21.	Linda Marshall & Terence Steele	Objection to rate increase on vacant land	No budget change
22.	Gay and Frank Costin	Objection to rate increase	No budget change
23.	Stewart Homer	Regular green waste collection for Sandy Point	No budget change
24.	John Davies Milpara House	Request for Council funding	No budget change
25.	John Davies Korumburra Round Table	Request for Council funding	Amend – refer \$20,000 as contribution to Korumburra Signage Project
26.	Jason Pincini	Increase funding priority on road network	No budget change
27.	Robert Gayner	Objection to rate increase Lack of services in Venus Bay	No budget change

#	Person/ Organisation	Submission	Status
28.	Anja van der Geest	Property valuation does not reflect ratepayers level of wealth or capacity to pay rates	No budget change
29.	Fred Couper	Staff costs 1/2 of Council expenditure Council need not be responsible for maintaining parks & gardens - use volunteers Same decisions each year, Council need a new approach on operations	No budget change
30.	Jackie Wilson	Objection to rate increase	No budget change
31.	Neil Shaw	Objection to rate increase	No budget change
32.	Sam Bryce-Johnson	Roads are dangerous Objection to rate increase Close Coal Creek	No budget change
33.	Anne Bowden	Objection to rate increase on farming land	No budget change

SECTION C - COUNCIL REPORTS

C.1 S223 #1 REQUEST FOR RECURRING FUNDING FOR THE PORT WELSHPOOL COAST GUARD FLOTILLA

Pathway/TRIM	D1665214	Date	15 April 2014	Wish to be heard	Y
From	Rocco Maruzza – Australian Volunteer Coast Guard Association				

COUNCIL PLAN / STRATEGY / STUDY

Outcome	2. Closely Connected Communities
Objective	2.1: Engage and work collaboratively with our community.
Strategy	2.1.3: We aim to minimise barriers and find ways to support our volunteers, community groups and committees to provide services beyond those that Council, by itself, can provide.
Responsible unit	Community Services

SUMMARY OF ISSUES RAISED

- Port Welshpool Coast Guard Flotilla maintains a free service in the Corner Inlet and Wilson's Promontory areas to provide search, rescue and education programs.
- The service is a volunteer service.
- The Port Welshpool Coastguard is requesting recurrent funding of \$15,000 per year from Council to support their work.
- No other State or Federal Government funding is received by the group.
- Workload on this service is increasing as more people take up recreational boating activities.
- The service provided is an important service to support growing tourism activity based around boating and fishing.
- This service is classified as a 24/7 on call emergency service.

MANAGEMENT RESPONSE

- Recurrent funding of \$15,000 per year is not recommended.

- Council currently contributes \$3,000 per annum or 10% of the ticket machine takings to the Port Welshpool Coastguard.
- Council also provides annual funding to two other volunteer safety services each year-SES and Surf Life Saving Victoria-to provide services in South Gippsland. The surf life-saving service is not able to be provided without the Council contribution.
- Council will offer assistance to the Port Welshpool Coastguard committee to develop a business plan to access regular funding support.
- Council works with a range of other local and regional grant giving groups, and Council officers could assist the Coastguard committee with information on potential supporters.
- The Committee will be encouraged to send representatives to the annual community engagement conference to talk to grant givers and colleague organisations.
- Council will encourage the Port Welshpool Coastguard committee to consider applying for Council community grants where appropriate, and will provide the committee with the current guidelines and information. The Port Welshpool Coastguard has applied for some community grants in the past with mixed success.
- The Service is a registered chapter of the Australian Volunteer Coastguard flotilla.
- Council is actively supporting a greater level of tourist visitation to the Corner Inlet area including Port Welshpool, and this is likely to increase the amount of recreational boating activity in the area serviced by the Port Welshpool Coastguard.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

REQUEST FOR RECURRING FUNDING FOR THE PORT WELSHPOOL COAST GUARD FLOTILLA

AUSTRALIAN VOLUNTEER COAST GUARD ASSOCIATION

Incorporated in A.C.T. ARBN 001 273 883
ABN 49 752 214 122



Office of Origin:
Port Welshpool Flotilla, VF 20
P.O. BOX 163, Welshpool, VIC, 3966
Telephone Base: (03) 5688 1537
Search & Rescue Mob: 0428 366 467
Email: portwelshpool@bigpond.com

25/03/2014

To the Councillors
South Gippsland Shire Council
Leongatha

Recurring Funding for the Port Welshpool Coast Guard.

The Victorian Flotilla 20 (VF20) maintains a presence in all coastal areas of Corner Inlet and Wilsons Promontory and provides a range of free services to the local community including search and rescue and educational programs. The Flotilla is a not-for-profit organisation with funding primarily sourced from single payment grants (mainly for capital purchases) and local fundraising to cover recurring expenditures. The Flotilla lacks a reliable and ongoing funding source thereby restricting the organisation's ability to maintain its services to the growing boating community in this region. As a non-statutory body, the Coast Guard is not eligible for on-going government funding. Addressing arrangements for ongoing funding is the single largest issue for the long term sustainability of the Port Welshpool Coast Guard Flotilla.

Port Welshpool Coast Guard Flotilla VF20 is submitting an application to the South Gippsland Shire Council requesting recurring funding \$15,000 per financial year in this year's budget to support the Flotilla's day to day financial costs. This includes building community resilience and community safety, streamlining governance arrangements, establishing clear and effective response and control arrangements, strengthening emergency management planning processes, and building capacity and capability of the emergency management sector.

VF20 does not receive any recurring funding from State or Federal Governments but is still classified as an emergency service that provides a voluntary on call 24/7 service to the local community. Financial support is required if the Flotilla is to continue supplying this service cost free to the growing public boating community. This response is currently needed by the emergency management process that requires capacity and capability of the emergency management sector within the Shire of South Gippsland.

Recreational boat ownership and boating activity has increased significantly in Victoria from 2010 to 2013. There are currently over 169,200 registered recreational vessels and private water crafts (PWC) in Victoria, with recreational boating registrations increasing steadily over time with the number of registered vessels growing by 5% between June 2009 and December 2012.

The AUSTRALIAN VOLUNTEER COAST GUARD ASSOCIATION is a voluntary organisation to promote safety in the operation of small craft. It guards the coast in the most effective way - Initially by EDUCATION, EXAMINATION & EXAMPLE and finally by SEARCH and RESCUE.
Page 1 of 2

supported by
the Victorian
Government



A summary of our current financial details is presented as follows:

FINANCIAL STATUS		17 March, 2014	
EXPENDITURE	Projected Annual	Draft Budget 13/14	
Administration Fees	\$ 100	\$ 500	
Bout Supplies	\$ 600	\$ 800	
Capital Requirements	\$ 9,000	\$ 10,000	
Electricity	\$ 2,000	\$ 2,000	
Fundraiser Costs	\$ 11,000	\$ 3,000	
Fuel	\$ 6,000	\$ 6,000	
Group Membership Fees	\$ 2,500	\$ 2,500	
Insurance	\$ 4,000	\$ 4,000	
Maintenance	\$ 3,000	\$ 1,500	
Miscellaneous	\$ 1,200	\$ 1,400	
Office & Stationery	\$ 300	\$ 500	
Postage	\$ 120	\$ 200	
Training	\$ 8,000	\$ 8,000	
Telephone	\$ 2,880	\$ 3,600	
TOTAL (Expenses)	\$ 50,700	\$ 44,000	
REVENUE			
Capitation Fees	\$ -	\$ 500	
Donations	\$ 3,000	\$ 2,500	
Grants - Operational	\$ 3,000	\$ 3,000	
Grants - Capital	\$ 9,479	\$ 10,000	
Interest	\$ 300	\$ 300	
Fundraisers - Other	\$ 11,000	\$ 6,000	
Fundraisers - Raffles	\$ 6,500	\$ 6,500	
Miscellaneous	\$ 7,500	\$ 200	
Project Payments	\$ 2,000	\$ 2,000	
Squadron Payments	\$ 8,000	\$ 6,000	
TOTAL (Revenue)	\$ 50,779	\$ 37,000	
	\$ 79	\$ (7,000)	

As can be seen above, the organisation has already invested \$9,000 in capital items this year and has future plans to procure a new vessel and replacement of its operational premises.

Rocco Maruzza
 Flotilla Commander

C.2 S223 # 2 RECREATIONAL VEHICLE DUMP STATION - MEENIYAN

Pathway/TRIM D1835914 Date 28/04/2014 Wish to be heard Y
From Mr Clive Hope

COUNCIL PLAN

Outcome: 1.0 A Prosperous Shire
Objective: 1.1 Work with the business community to support existing businesses, diversify employment opportunities and to attract new business.
Strategy 1.1.1 We will promote and encourage tourism through development support.
Responsible unit Economic Development and Tourism

SUMMARY OF ISSUES RAISED

- Long outstanding issue of Dump Station in Meeniyana, it has been 5 years since Meeniyana Progress Association started negotiations to install a dump station.
- The Dump Station will be connected to a private system than directly into South Gippsland Waters system. This will require a back flush machine and a water meter to be installed.
- The dump point connection cost will be approximately \$5,100.00. Meeniyana Progress Association Inc, are obtaining additional quotes.
- Meeniyana Progress Association request that Council contribute to the cost on a 50/50 basis with Meeniyana Progress Association Inc.

MANAGEMENT RESPONSE

- Council Recreational Vehicle (RV) Strategy will be considered at the Ordinary Council Meeting **28 May 2014, 2:00pm.**
- The RV Strategy identifies nine strategically placed locations of private and public dump points in South Gippsland.
- The RV Strategy outlines Council supports community groups in their aims to install a public dump point and encourages community groups to communicate with the CMCA, the land owner and South Gippsland Water to ensure they meet the requirements and obtain the relevant approvals.

- At this stage funds have not been allocated to any of the Actions identified in the RV Strategy.
- Council to consider allocating \$2,500 in the 2014/15 budget to assist in the installation of the Meeniyán Public Dump Point, on the provision that Council is provided with documentation:
 - That states South Gippsland Water approves the public dump point and that it can be kept unlocked during daylight hours; and
 - That the infrastructure, ongoing and any future costs are managed by the Meeniyán Progress Association Inc.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | ✓ |
| b) No change | |
| c) Further discussion required | |

RECOMMENDATION

That Council:

1. **Receive and note the submission.**
2. **Allocate \$2,500 in the 2014-2015 Budget to be set aside for installing a Public Dump Point in Meeniyán subject to satisfactory provision of the following:-**
 - a. **Confirmation that South Gippsland Water approves the public dump point;**
 - b. **Written confirmation that access will be provided to the public; and**
 - c. **That the ongoing and any future costs will be managed by the Meeniyán Progress Association Inc.**
3. **Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RECREATIONAL VEHICLE DUMP STATION - MEENIYAN

MEENIYAN PROGRESS ASSOCIATION INC

(ABN 14 319 869 471)
PO Box 83
Meeniyan
Vic 3956



24 April 2014



Mr Tim Tamlin
Chief Executive Officer
South Gippsland Shire Council
Private Bag 4
Leongatha
Vic 3953

Dear Mr Tamlin,

Re: RV Dump Station

I refer to previous correspondence and discussions relating to the long outstanding issue of a Dump Station in Meeniyan and am pleased to advise that a site has now been located that is acceptable to South Gippsland Water.

This site is on privately owned land at the rear of commercial premises in Whitelaw Street. The Dump Station will be accessible from Tomkins Road at the rear of the shops. South Gippsland Water requires that the Dump Station be connected to a private system rather than directly into SG Water's system. This means that there will need to be a back flush machine and also a water meter installed. An initial quote has been obtained indicating a total cost of approximately \$5,100.00 and a further two quotes are being obtained.

As you are aware it is now over 5 years since our Association started negotiations for a dump station. The voluntary hours amassed by our members in getting this far would, if calculated, be astounding. A Dump Station at Meeniyan that is easily accessible from the highway is consistent with Council's RV Policy and I write to request that the Shire contribute to the cost on a 50/50 basis with Meeniyan and further that this request be included on the Agenda for the next Council meeting with an opportunity to address Council.

I look forward to receiving your reply.

Yours Faithfully,



Clive Hope,
Secretary/Treasurer
Tel: 56647464

C.3 S223 #3 CONSIDERATION TO WORK IN PARTNERSHIP TO DEVELOP THE LEONGATHA LIBRARY ON A NEW SITE

Pathway/TRIM D1925114 Date 29 April 2014 Wish to be heard Y
From West Gippsland Library Corporation

COUNCIL PLAN / STRATEGY / STUDY

Outcome 3. Integrated Services & Infrastructure
Objective 3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and Infrastructure development.
Strategy 3.1.3: We will develop an integrated planning approach for our townships and villages, so that facilities are located in areas where they are most appropriate.
Responsible unit Community Services

SUMMARY OF ISSUES RAISED

- Limitation due to size restrictions at the current Leongatha Library site preventing the Corporation from expansion and introducing additional services.
- Potential increase in membership and visitation by expanding the Leongatha Library on a new and larger site in comparison with similar developments outside this Shire.

MANAGEMENT RESPONSE

- A budget adjustment is not formally requested by the Corporation.
- The lease for the Leongatha Library extends to 2017. Council is currently investigating a range of options for the future location of the library when the lease expires and will consult with the Corporation as part of that process.
- This will provide Council with the opportunity to plan for a Municipal Precinct of which the Leongatha Library would be part.

BUDGET CONCLUSION

The Council regards the Corporation as a key partner in planning for new social community infrastructure in the Shire and will engage closely with the Corporation as it considers the upgrade or redevelopment of any of its libraries.

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

CONSIDERATION TO WORK IN PARTNERSHIP TO DEVELOP THE LEONGATHA LIBRARY ON A NEW SITE

West Gippsland Regional Library Corporation
65 Victoria Street,
Warragul, Victoria 3820
P: 03 5622 2849
03 5622 3089
ABN 90 793 610 846

29/4/14

Mr. Tim Tamlin
Chief Executive Officer
South Gippsland Shire Council
Private Bag 4,
LEONGATHA, Vic 3953

Proposed Annual Budget 2014-2014

SOUTH GIPPSLAND
SHIRE COUNCIL
- 2 MAY 2014

Dear Mr Tamlin,

The Corporation would like to take the opportunity to provide a submission on **Proposed Annual Budget 2014-2015** currently being exhibited for public comment in our libraries.

The Corporation is very pleased to see Initiatives 1 and 2 proposed under the **Strategic Outcome 3 – Integrated Services and infrastructure**. Recently we provided Council with a detailed submission in relation to the Draft Leongatha Community Infrastructure Plan in which we highlighted the many ways in which a modern public library would support and enhance the key strategies and outcomes associated with this plan.

The current library building was not designed to provide the range of services and facilities that are the hallmarks of a contemporary public library service. It is not sufficiently flexible, the space is too small and it is not possible to integrate library provision with other community services.

We are keen to work constructively with Council in the achievement of both initiatives 1 and 2 –assisting Council officers to envisage the location, space and facility requirements of a contemporary public library service both now and for the next 25-30 years. We are also very happy to work with Council in identifying the key elements for placement of the library in Leongatha prior to the expiry of the current lease.

Under the Living Libraries program, the Victorian Government provides funding for refurbishment, relocation and indeed building from scratch of public libraries. In 2012-2013 we assisted Bass Coast Council in gaining a grant of \$300,000 to assist in the refurbishment of the new Wonthaggi Principal Library. We are hopeful that a new 4 year program will be included in the forthcoming State Budget.

Since the new Wonthaggi Principal Library was opened in the refurbished Target building in the heart of the shopping precinct, visitor numbers have increased by 232%, loans have increased by 25%, membership by 238% and the building is now regularly used by Council and community groups for presentations, displays, community events and functions.

We look forward to continuing the very strong relationship the Corporation enjoys with Council through the Board members, Councillor Newton and Director of Community Service Jan Martin, and the many very productive officer level interactions.

Yours Sincerely

John Murrell
Chief Executive Officer



www.wgrlc.vic.gov.au
wgrlc@wgrlc.vic.gov.au

C.4 S223 #4 RATEPAYERS VIEWS, CARAVAN PARKS & COAL CREEK

Pathway/TRIM D2142914 Date 14 May 2014 Wish to be heard Y

From Mr John McKay

COUNCIL PLAN / STRATEGY / STUDY

Outcome	4. A Leading Organisation
Strategic Objective	4.1 Improve the Financial Sustainability of Council, including diversifying revenue streams
Strategy	4.1.1 We will explore innovative ways of increasing revenue and reducing expenditure, where appropriate
Responsible unit	Corporate Services, Engineering Services, Development Services

SUMMARY OF ISSUES RAISED

1. Concern with Council direction, accountability and interest in views/concerns of ratepayers.
2. Concern with the proposed rate increases and Council expenditure with references to:
 - a. *Visitor Information Centres*
 - b. *Coal Creek*
 - c. *Shire managed Caravan Parks*
 - d. *Shire employment and containment at 1.8%*
 - e. *The need for cost saving being heeded by Council*
3. Concern that the rating formula needs to be addressed and reduced as the results have merely cost people more.

MANAGEMENT RESPONSE

- 1. Concern with Council direction, accountability and interest in views/concerns of ratepayers**

Throughout the year Council has encouraged and invited the community to engage with Council on key strategic directions that will impact the community. Just a few of these include:

- Rating Strategy Steering Committee – involved 7 community members from each of the main rating categories to develop a Rating Strategy Discussion Paper to inform Council's new Rating Strategy. (John was one of the active participants in this formally appointed committee of Council).
- Three community workshops were held this year to inform the 2014-2015 Budget; one was held in December and two in February. These workshops provided community members with information regarding the challenges and constraints faced by Council and sought participants' involvement in sharing their views and concerns on a range of issues. Specific topics covered included Coal Creek, Tourism/Visitor Information Centres, Swimming Pools, along with a range of other challenges faced by Council in preparing the annual Budget.
- Council provides opportunities on both the third and fourth week of every month for community members to make presentations directly to Council on issues of concern to them. Many community members have utilised these opportunities throughout the year.
- Throughout the year Council has advertised and invited community feedback on strategies and policies prepared, prior to final adoption.
- Council also facilitates business and community networks throughout the year aimed at bringing people together with common areas of interest.
- Specific targeted campaigns are further engagement activities Council has led throughout the year. Examples include: the roads campaign, child care services in Mirboo North and Foster, and continuing discussions with Section 86 Committees and community members interested concerned with the swimming pools.

As a result of these engagement activities some examples of the outcomes include:

- Council's decisions on many matters, including strategies and policies have been informed by these interactions;
 - The majority of recommendations by the Rating Strategy Steering Committee have been endorsed by Council in the Proposed 2014-2018 Rating Strategy;
 - Child care services in Mirboo North and Foster have been able to continue;
 - Local communities and network groups are working towards improved facilities and services for the Shire and its diverse and unique communities.
-

- Council has committed to continue its review of services to find improved efficiencies, determine the future levels of service that are required and build an understanding of the community's changing needs.
- 2. **Concern with the proposed rate increases and Council expenditure with references to:**

a. *Visitor Information Centres*

Council runs two Visitor Information Centres that are accredited with the Victorian Tourism Industry Council. Accreditation requires 9am-5pm operation, 364 days of the year to provide a service to tourists, visitors and tourism operators. Each centre is staffed by a solitary Council Officer and a trained volunteer for the majority of the year with two officers on some long weekends and during the Christmas holiday period.

b. *Coal Creek*

Accurate financials for Coal Creek are presented in quarterly reports for Council's consideration. A report was presented to Council on 28 May 2014. Council deferred making a decision until November 2014.

c. *Council Managed Caravan Parks (Yanakie & Long Jetty Foreshore)*

Council took over the management of Yanakie Caravan Park on 23 September 2013 and Long Jetty Foreshore Caravan Park on 23 November 2013. Council resolved to directly manage these parks due to the fact that they were not fully complying with regulations and State Government Policy and guidelines relating to Crown Land Caravan Parks.

A draft Business Plan was developed in liaison with other relevant Departments of Council and this document was tabled at the 28 August 2013 Council Meeting.

Council liaised with other Councils who are also managing their own caravan parks, and this vital feedback gave Council the required background information and confidence to manage the parks.

Council has undertaken risk assessments, prepared a draft Business Plan, recruited and trained staff, established budgets, developed procedures, investigated occupational health and safety issues, identified further training needs, developed communications materials, met with State Government, met with Department of Environment and Primary Industries (DEPI) representatives and obtained legal advice on compliance issues.

During the 2013/14 financial year, Council has completed the following improvement works:

- Yanakie - New washing machines and dryers, new clothes lines, soft fall for the playground, fixed the basketball ring, installed hand dryers in both amenity blocks, undertaken tree maintenance / removal, installed recycling bins / green waste bin, medico sanitary bins.
- Long Jetty Foreshore Caravan Park – Installed recycling bins, medico sanitary bins, beach access gate and handrails at kiosk.

Council reports on the caravan parks in the Quarterly Performance Report, under the Engineering Services Directorate / Property Department. This Quarterly Performance Report informs the community on the budget and lists highlights at both parks every quarter. Once the caravan parks have been running for a full year, Council will be in a better position to communicate to the public how the parks are travelling with regards to budget.

Council has developed a caravan park webpage on our homepage www.southgippsland.vic.gov.au > [caravan parks](#) which houses all the relevant information pertaining to the Yanakie & Long Jetty Foreshore Caravan Parks, including communications, forms, policies, legislation etc.

d&e Shire employment and containment at 1.8% and The need for cost saving being heeded by Council

During the ‘zero based’ review of all services this year, Council highlighted a range of services as high priority for more detailed reviews. Council will continue to review its services to determine the most effective and efficient means of delivering them. Staffing resources are just one of the considerations Council considers in the review of services. The four main services Council has committed to review in detail in 2014-2015 are:

- a. Coal Creek;
- b. Economic Development and Tourism, including the Visitor Information Centres;
- c. Home and Community Care Services; and
- d. Swimming Pools;

3. Concern that the rating formula needs to be addressed and reduced as the results have merely cost people more

The endorsed 2014-2018 Rating Strategy has been based on the in-depth review and deliberations of the Rating Strategy Steering Committee. As outlined above, the Committee consisted of 7 community members and 3 Councillors appointed by Council. The Committee considered numerous models throughout their deliberations and presented a Discussion Paper for Council in February that was subject to community feedback and a Community information session, prior to the contents being formalised into the draft 2014-2018 Rating Strategy endorsed by Council at the April Council Meeting.

The removal of the Municipal Charge over a two year period that has been endorsed in the 2014-2018 Rating Strategy has had a significant impact on the rating formula. Its gradual removal has resulted in lower valued properties in most land categories having rate relief, while higher value properties will experience a rate rise.

The next planned review of the Rating Strategy is currently scheduled for the 2017-2018 financial year, unless otherwise determined by Council for an earlier review. This is the timeframe recommended by the Rating Strategy Steering Committee as an appropriate timeline to undertake the next formal review.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATEPAYERS VIEWS, CARAVAN PARKS & COAL CREEK

John McKay
P.O. Box 281
FOSTER, Vic., 3960
(Ph 5682 1783)
e-mail: jmck35@bigpond.com



To: The Chief Executive Officer
South Gippsland Shire Council
9 Smith Street
LEONGATHA, Vic., 3953

11-5-14

South Gippsland Shire Council Draft Budget for 2014-2015

Dear Mr Tamlin,

May I, please, be given the privilege of addressing Council on Wednesday 11th June ?

I was accorded this privilege last year, and I am most appreciative.

This time I want to express my concern at the direction our shire appears to be taking. (I attach a copy of my letter to the councillors.)

I send it to you as a courtesy, and to request that it will be an agenda/discussion item at the open meeting on 11-6-14. I intend to attend this meeting.

Whilst I hope that my letter (to councillors) is self explanatory, I want to emphasise some of the points.

These include the apparent unwillingness of council to heed any of the ratepayers' complaints, a complete disregard of normal business practice, in terms of 'living or operating within our means', and an unwillingness to address major expense items.

I am particularly critical of council's decision to manage caravan parks, without any apparent business plan, or demonstration of council's experience in this area.

I am very critical of the continued operation of the Coal Creek park. I am aware of some of the (DSE) lease conditions, and procrastination is neither solving the problem, or reducing these incredible losses.

I look forward to your reply

Yours Faithfully

A handwritten signature in black ink, appearing to read "John McKay".

John McKay

John McKay
P.O. Box 281
FOSTER, Vic., 3960
(Ph 5682 1783)
e-mail: jmck35@bigpond.com

South Gippsland Shire Council
9 Smith Street
LEONGATHA, Vic., 3953

6th May 2014

South Gippsland Shire Council Budget for 2014-2015

Dear Councillor

I am writing this letter to all of our councillors because of my extreme concern regarding the direction in which I feel the council is heading. I see blatant extravagance, a disregard for accountability, and a lack of interest in the views/concerns of the ratepayers. There are no signs that council listens to us, or cares.

Last year I also wrote to our councillors on this subject, and did not receive a response from any of you. I understand my letter was read by at least one of you because he took offence.

I did, however, much later, receive a nice letter from the previous mayor. The letter I received thanked me for my interest, and stated that the shire was embarking on a cost saving programme with targeted savings of 1%.

I shall also be the first to admit that hindsight is a wonderful tool. In this case it proves at least one of our mistakes. This time it was the borrowing of money, to the tune of I believe, three million dollars, to 'tide us over'....meaning to allow the shire to continue business as usual. What we should have done, quite obviously, was to trim back our expenditure by at least the borrowed amount and live within our means. We are paying for this negligence now.

Can the ratepayers have some indication that you, our elected councillors, are taking heed of our concerns? The proposed rate increases are unacceptable, as is the rate at which the shire is spending money. Do we need to consult the ombudsman, or mount a class action to fix this outrageous problem?

May I suggest that consideration is given to reducing staff numbers? Our salary bill is the highest component of shire expenditure.

May I also suggest a review of every item of expenditure? I particularly refer to having two Information centres in a shire of 27,000 people. I also question the viability of Coal creek, and the shire managed caravan park project. May we see some accurate figures for these ventures ?.

One comment about our high rates was that we do not have a big enough population. Maybe we should consider amalgamation with another shire ? Bass Coast ? (They have a far more interesting coal mine setup than we do.)

We now have received a statement from council that the recommendations of the ratings sub committee have been accepted and will be implemented. What was also included in the advice letter sent to us was an item that the shire employment will be 'contained' at 1.8% increase. Why?

My concern, along with many other ratepayers is that council is not taking seriously the question of cost saving. There is absolutely no indication that anything is being done, or even considered that steps are being taken to reduce our costs. This is particularly important following the results of the ratings differentials committee. Forgive me for repeating myself but those results will effectively reduce the rates applicable to one sector and necessarily increase those paid by the residential sector. Unless the rating formula is addressed and reduced we have merely cost ourselves more. Council must do its part by reducing costs.

There are many areas where costs can be reduced. Council needs to examine all shire activities. If, as one councillor suggested last year, services must be cut, and inferred that ratepayers should indicate which services, then we need advice regarding the costs of each service.

I am further concerned about council's /the shire's venture into managing caravan parks. What can council report on the success or otherwise on this venture?

How honest and transparent are the costing reports on other shire ventures, such as Coal Creek?

Do we, the ratepayers have to go to the ombudsman to get your attention? Or do we need to establish a class action, and as a group, let council know how much we are prepared to pay, following which council will know exactly what the income will be and will need to work within the set limits...like any other business ?

Yours Faithfully

John McKay

C.5 S223 #5 BUDGET CONCERNS, EMPLOYEE COSTS, CARAVAN PARKS, COAL CREEK, GRANTS TO ORGANISATIONS

Pathway/TRIM D2355014 Date 26 May 2014 Wish to be heard Y
From Megan Knight

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4.0: A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services, Engineering Services, Development Services

SUMMARY OF ISSUES RAISED

1. General comments on the Budget – insufficient time for Council to consider feedback, the budget document and budget perspective.
2. Commentary on the framing of the Budget.
3. Commentary on decisions Council should make and proposed budget parameters.
4. Council Employee costs, including training of staff, provider and catering costs.
5. The cost of the Chief Executive Office and People & Culture Department.
6. Council Ventures - Caravan Parks.
7. Council Ventures - Coal Creek.
8. No grants to organisations and various council expenses.
9. Plans and Reports in the 14/15 Budget.
10. Council needs to take back control of the budget and set parameters for executive management to frame the budget within – Council is a simple service provider.

MANAGEMENT RESPONSE

1. **General comments on the Budget – insufficient time for Council to consider feedback, the budget document and budget perspective**

All councils face the challenge of considering community feedback while meeting constraints of legislative requirements. While the formal 223 public submission process provides a final opportunity for community members to provide comment on the endorsed Budget, a range of activities precede this process that inform the preparation of the draft Budget.

Throughout the year Council has encouraged and invited the community to engage with Council on key strategic directions that will impact the community and influence the development of the draft Budget. Just a few of these include:

- Rating Strategy Steering Committee – involved 7 community members from each of the main rating categories to develop a Rating Strategy Discussion Paper to inform Council's new Rating Strategy.

The Discussion Paper was endorsed by Council and advertised for community feedback. An information session was held to inform interested ratepayers of the recommendations in that paper. Further, once the 2014-2018 Rating Strategy was endorsed, a letter was sent to every Ratepayer encouraging them to consider the changes and the potential impact on their circumstances.

- Three community workshops were held this year to inform the 2014-2015 Budget; one was held in December and two in February. These workshops provided community members with information regarding the challenges and constraints faced by Council and sought participants' involvement in sharing their views and concerns on a range of issues. Specific topics covered included Coal Creek, Tourism/Visitor Information Centres, Swimming Pools, along with a range of other challenges faced by Council in preparing the annual Budget.

Media coverage, many personalise invitations to individuals that have shown an interest in Council finances throughout the year and invitations to all of the business and community groups connected to each of Council's network groups, were encouraged to participate in the two February workshops. Participants commented that it was disappointing that only 33 community members participated.

In November/December 2013 Council called approximately 150 residents across the Shire, personally inviting them to participate in a forum to inform the Annual Plan and further research activities. Participants at this forum commented that it was disappointing that only 7 community members accepted the invitation and attended.

Even though participation rates were low at these pre-budget activities, Council considered the responses provided by the community in the development of the draft Budget.

- Council provides opportunities on both the third and fourth week of every month for community members to make presentations directly to Council on issues of concern to them. Many community members have utilised these opportunities throughout the year. Council has gauged community interest and sentiment on a range of issues with many components within the budget influenced through these presentations.
- Throughout the year Council has advertised and invited community feedback on strategies and policies prepared prior to final adoption. The next stages of implementation of these strategies are reflected in operational and capital budgets, including the initiatives set out in Section 3 of the Budget.

The Budget document has been prepared and is constructed in accordance with legislative requirements and in line with the 'Model Budget' required to be used by all councils. The 'Model Budget' references the Institute of Chartered Accountants best practice guide for reporting local government budgets in Victoria. New legislative and regulatory requirements that became law in late April are being incorporated into the final version of the Budget being presented to Council in June.

Council established a Financial Sustainability Steering Committee consisting of all Councillors in August 2013. This Committee has met monthly with to undertake a zero based budget review, consider shared service opportunities and review the capital works program.

As a result of Council and staff efforts, efficiencies have been introduced that are resulting in reduced printing costs and reduced fleet costs. Improved efficiencies have been introduced by reducing manual processes for procurement activities. Council has also utilised shared purchasing agreements for awarding various tenders that has led to reduced costs than would have been possible if Council had tendered for the services on its own.

Council will be continuing detailed reviews of services in the coming year, commencing with Coal Creek, Swimming Pools, Home and Community Care and Economic Development/ Tourism.

2. Commentary on the framing of the Budget

Council applies a 3 way budgeting methodology when developing annual and longer term budgets. The methodology involves the linking of financial statements into an integrated model and analysing a series of key financial performance indicators. The objective of strategic budgets that are part of a long term financial plan is to achieve financial sustainability in the medium to long term, whilst still achieving Council's strategic objectives as specified in the Council Plan.

Council will have very limited financial capacity in the following 3 financial years, which is evidenced by the underlying working capital ratio being significantly below the strategic target of 1.50 to 1. This is taken into consideration when setting rates and charges not only for 2014/15 but in the immediate years that follow.

Rate revenue is budgeted to increase by \$1.8million or 5.4% when compared to forecast budget for previous 2013/14 financial year. The increase also takes into consideration special rates and charges and supplementary income.

The general rate will increase by 5.5% and the waste services charge will decrease by 16%. Overall, the average increase in rates and charges will be 4.13%.

Caution must be exercised when looking at this 4.13% average 'rates and charges' increase. As a result of the changes to differential rates for different property classes, reallocation of some costs previously funded by waste charges, the reduction in the municipal charge as well as general revaluation property movements, individual property owners will experience significantly differing increases or decreases in rates and charges compared to this average.

The gradual phasing out of the municipal charge has the most pronounced financial impact on redistributing the rate burden amongst all rate payers. Generally speaking, lower valued properties will receive some financial relief and higher valued properties will pay more.

Employee costs (\$22.2 million) make up 39% of Councils operating expense (48% if you do not include depreciation expense). The employee costs for 2014/15 budget has been adjusted to take into account Enterprise Agreement wage movements (4%) and banding movements. It also has factored in the increase in superannuation contributions from 9.25% to 9.50%.

Where an inflation movement has been used in material and consumable calculations (\$23 million), it has been modelled at being 2.5% in 2014/15.

The budgeting methodology used in the capital works program (\$14 million) depends on the nature and timing of the projects. For the majority of infrastructure projects that occur yearly, such as roads, bridges culverts and drains, the costing in future years is based on an indexed increase of 4.25%. The increase over and above the Road Bridge Construction Index (3.25%) allows for regional cost impacts of the closed quarry and creates a conservative buffer for the forward capital works program.

3. Commentary on decisions Council should make and proposed budget parameters

Council has been in control of the Budget throughout its development. As outlined previously, the Financial Sustainability of Council has been integrally

involved in the review of all services, the review of the Capital Works Program, the review of the Financial Strategies, considering the parameters of the draft Budget, review of several drafts of Budget and consideration of the impacts of the State and Federal Government proposed budgets.

While local government several decades ago may have been a 'simple service provider' meeting basic community needs of 'roads', 'rates' and 'rubbish', this is no longer the case. Local government is now a highly complex industry with legislative responsibilities for a wide range of services. The State Government has further increased legislative responsibilities to Local Government in 2014-15 for Roadside Weed Maintenance and for organisational performance reporting.

South Gippsland Shire provides in excess of 100 separate services. A majority of these services are required by legislation and therefore are required to be delivered by Council. A proportion of services are provided through grants provided by other levels of government. Many of these have tight constraints and legislative and regulatory controls that need to be met. The number of discretionary services provided by Council are quite limited.

Where Council is able to set the standards or level of service provision and determine if various discretionary services should continue, there are often conflicting community opinions on these services. While some people advocate terminating the provision of some services, many others equally as strongly advocate for them to continue.

As a result of all these factors Council is faced with significant challenges in establishing the annual budget and deliberates seriously over the decisions made on behalf of the community.

If Council determined that the rate rises should be frozen for 5 years, services would have to be reviewed and rationalised to ensure that the current and forward budgets are financially sustainable. The financial assessment would be referenced using a series of key financial performance indicators that are not dissimilar to what the Victoria Auditor General's Office use to assess the financial viability of councils.

Council received advice on 15 May that the Australian Government was going to pause indexation on the national pool of financial assistance grants provided to local government. The final 2014-2015 Budget will take into account the changed funding arrangement.

Council has a specific financial strategy' target consistent underlying surpluses that provide sufficient funds for both recurrent service level and asset renewal and upgrade requirements'. The Long Term Financial Plan indicates that Council will generate underlying surpluses from 2015/16 onwards.

4. Council Employee costs, including training of staff, provider and catering costs

The majority of Council services are labour intensive and need to be delivered by trained competent staff. As outlined above, Council is legislated to provide an extensive number of services and these must be delivered regardless of the number of ratepayers within the Shire/City Council. The 120 services are delivered by 261 EFT, effectively 1 service provided per 2.1 EFT.

A sound organisational structure is required to deliver these 120 services. Customer facing staff delivering services would be significantly hampered if there is not strong leadership and capable administrative support providing direction, undertaking necessary research and procurement, managing associated risks and meeting the multitude of regulatory requirements of numerous Acts.

The Council has reviewed several outsourced services in the past two years. The review of the waste transfer service and two caravan parks has determined that these services will be managed more effectively by bringing them back in-house. Both services have resulted in an increase in the total number of staff; without these services Council EFT would have been reduced in both 2013-2014 and 2014-2015.

The proposal made to renegotiate the Enterprise Agreement to reduce staff costs will not be actioned. The Enterprise Agreement is a legally binding agreement that cannot be renegotiated. It will be reviewed in 2016.

A review of the staff structure was undertaken in 2013-2014. No external consultants were used in the review. Adjustments to roles and responsibilities have been achieved through positive and proactive negotiations with staff at no increased cost to Council.

5. The cost of the Chief Executive Office and People & Culture Department

Loss of productivity through high staff turnover, poor morale, extensive use of sick leave, increased stress claims, poor customer service and inadequate achievement of an organisation's objectives, are all signs of an organisation that does not support its staff, provide strong leadership or encourage a culture of customer service.

The Chief Executive Office and the People and Culture, along with senior management have made significant in-roads to improving the staff culture at South Gippsland Shire. As a result, both the number and calibre of people applying for positions have significantly improved compared to four or five years ago.

Attracting quality skilled people to rural areas is a significant challenge in a highly competitive market. The remuneration of staff is an important factor in encouraging quality candidates to both apply and remain in Council's employ. Community expectations of Council staff in rural areas are often exceptionally

higher than in larger metropolitan areas. There is an expectation that staff need to be multi-skilled, willing to go the extra mile to respond to every request for assistance, yet not be remunerated accordingly.

Staff are exceptionally hard working and are very attuned to our local communities. It is their dedication to support their local communities that often keeps them here, even though there are many opportunities for them to gain equivalent work with higher levels of remuneration and lower workload pressures in many metropolitan councils. Competing for quality skilled staff in this wider competitive market is one of the factors taken into consideration when negotiating the Enterprise Agreement.

The flow on benefits for the community in supporting a skilled and empowered workforce are reflected in the development and implementation of quality strategic plans, better management of risks, improved management of staff performance and development and more responsive customer service.

The Executive Office budget plays a primary role, with the Mayor and Councillors in placing the needs of South Gippsland Shire communities in front of local, region, state and national leaders. Council has received significant grant funding for a range of priority projects as a result of these advocacy activities.

Further, the Executive Office budget covers the allowances paid to the Mayor and Councillors for the significant contributions these individuals provide to the community. These funds go towards re-cooping costs incurred in meeting their duties as elected representatives of the Shire. The allowances paid are within the limits imposed by the State Government.

A review of the Executive Office structure was completed in 2013-2014. Some capacity identified in one support position will be used to assist Council's increasing governance requirements.

6. Council Ventures - Caravan Parks

a) *Where is the huge profit confidently predicted by Council:*

The report to Council on 28 August 2013 clearly indicated that projected cash flows will be reviewed once trading figures were known in order to refine income and expenditure streams.

Having trading figures to refer to plus hands-on knowledge of the maintenance and safety risks at the Parks, we have refined the income and expenditure. The profit estimated to be achieved will be reinvested into capital improvements at the Parks. This is necessary to improve the safety conditions at the Parks (eg. fire fighting service at Yanakie, electrical safety and Long Jetty) and reduce risk exposure. It will also be put towards improving service delivery with improvements to shop and residence at Yanakie, solar hot war at Yanakie, renovating the recreation room at Long

Jetty and a powerhead replacement program.

The Parks are profitable and profits made from the Parks are reinvested into the Parks. Once the safety and service delivery improvements have been addressed at the Parks, profits will be redirected into other crown land in the Shire.

b) From the quarterly PR ending March 2014 a below the line loss of \$485,137 in the 13/14 year is projected:

Council is unsure how the figure in the submissions was calculated. Council's quarterly performance report ending March 2014, is showing a projected operating profit of \$59,345.00 for Yanakie whereas the actual was \$69,459.00. For Long Jetty it shows a projected operating profit of \$101,667.00 whereas the actual was \$75,297.00.

c) Figures in the 14/15 budget show an anticipated income of \$1.270m but with anticipated operating costs of \$879,191 and capital expenditure of \$238,191 there is a below the line profit of \$32,000 for both parks:

This has been addressed in a). Profits are reinvested into the Parks to reduce risk and improve service delivery.

d) A long way from the confident prediction of \$330,797 net profit from both park for the 14/15 year in the original business plan approved by Council:

This has been addressed in a)

e) Interesting to compare the figures from the original outward budgets set out in the rushed business plan:

Council have met or are close to meeting expectations for both Parks for the 13/14 financial year and have a better understanding for 14/15 financial year.

f) The budgeted income of 1.270m for 14/15 is of course higher as all rental and site costs, electricity charges etc have been substantially increased:

The new costs were developed after researching similar caravan parks in Gippsland and understanding where the maintenance risks are.

g) But there is no explanation for the blow out in expenses of over \$193,000 from the original estimates in the Council's plan for 14/15:

The 14/15 expenditure budget figure is \$1,245,298.00 and includes both operational and capital items.

- h) Council was also told that there would be no capital expenditure in the 14/15 year but we see \$238,191 being budgeted for:*

This has been addressed in a).

7. Council Ventures - Coal Creek

Coal Creek is a Community Park and Museum which provides a recreation space, museum and preserves cultural assets on behalf of the community. The budget forecast for Coal Creek is based on continuing operations as they are, without change. The opportunity to invest in Coal Creek to generate a higher yield per customer would show a decrease in operating costs to council. This has proved successful in other similar institutions such as Flagstaff Hill Maritime Museum and Sovereign Hill. The economic value that Coal Creek represents to the community at 2.9 M was calculated using an economic calculation tool known as REPLAN - a standardised system used to project and calculate income generating businesses in South Gippsland Shire. The next business plan, which will be reflective of council decisions, will be completed using existing staff.

The annual loss which Coal Creek represents to council is comparable with other faculties provided by council for the community.

Visitation calculation figures include any use which impacts on the infrastructure and utilities of the site. Our education program is a user pay facility and the local schools program is funded by the Department of Education. Coal Creek's records show that 38% of Coal Creek's usage is by community based activities, these are local residents utilising the site.

Calculations for closure of the Park were undertaken and reported to council by Pitcher Partners, an independent auditing and accounting firm and include an estimate for restoration of the site, removal of all buildings, relocation and storage of the 30,000 plus collection items.

The lease agreement with DEPI states that the site must be returned to its original condition. Closure of the Park, without restoring the Park to its original state, would require 2 x Maintenance personnel, 1 x Gardener, 1 x Administration Officer and a Curatorial Officer, at a minimum, to maintain the Park as static. Closure of the site would see the loss of more than one hundred volunteers who at present assist with these roles. Security and site patrols and utility costs would still be ongoing. The relocation of all community groups and the Visitor Information Centre would be required.

8. No grants to organisations and various council expenses

The Community Grants Program provides many community groups with funding that empower them to implement local projects of value to them.

The funds allocated to this program have been reduced by \$20,000 in the 2014-2015 Budget. These funds have been placed in the Community

Infrastructure Support fund to be used in maximising Council's ability to gain grant funding in partnership with community groups for major local projects.

Catering costs are utilised to provide sustenance for various Council events and functions. Consideration is given to events and functions to determine when catering should be provided. It is considered good manners and reflects standard industry practice to provide an opportunity for participants in activities to network over refreshments. Provision of catering to Council briefing and meeting days allows an informal opportunity for Councillors to interact together and share information on local events and issues. It also assists in keeping to the scheduled timelines of very busy days.

The need for printed brochures for services, tourism and corporate documents are required as one form of communication to promote Council, the Shire and Community groups or businesses. Many brochures are prepared in response to requests by community members, industry groups and government. Many brochures are funded or part funded from these groups or interested stakeholders. The majority of Council brochures are designed in-house by multi-skilled staff; saving extensive funds that would otherwise be required if design works were contracted out.

9. Plans and Reports in the 14/15 Budget

The plans listed in the endorsed 2014-2015 Budget with dollar amounts attached indicate plans that have been allocated specific funds generally over and above the operational budgets. Initiatives and plans with no specific dollar amounts shown will be delivered by the responsible Departments, within their operational budgets.

Council utilises its existing staff to undertake the majority of plans and reports, generally utilising external contractors when specialist skills are required, grant funds have been obtained or the workloads of existing staff exceed the capacity of the team to deliver in the timeframes required.

10. Council needs to take back control of the budget and set parameters for executive management to frame the budget within – Council is a simple service provider

Local Government is no longer a 'simple service provider' that should only provide very basic services. Council not only provides 120 services in its own right, it provides practical and greatly needed support to local Community Groups and Business Networks so that together the ever increasing needs of local communities are met.

Global and national events and impacts such as 911, the global recession, increased fraud management requirement, increased risk management requirements, increased legislative responsibilities, transferred responsibilities from the community and other levels of government and continually increasing community expectations, together have changed the 'environment' in which Council must operate in.

Council's reality is that management practices and low cost staffing arrangements of a decade ago no longer suit the fast paced, technological based and competitive labour market that now exists. Council is committed to working with staff, community members and groups, businesses, other levels of government and interested stakeholders to find more effective and efficient ways to deliver the wide ranging mix of services and facilities needed within the South Gippsland Shire and region.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

BUDGET CONCERNS, EMPLOYEE COSTS, CARAVAN PARKS, COAL CREEK, GRANTS TO ORGANISATIONS

Megan Knight
51 Blundens Road
FOSTER 3960
25 May 2014
Phone: 5682 1378
Email: mkn40425@bigpond.net.au

Mr T. Tamlin
Chief Executive Officer
South Gippsland Shire
9 Smith Street
LEONGATHA 3953

Dear Tim,

RE: **SUBMISSION TO COUNCIL ON 2014/2015 BUDGET**
All figures are taken from the Draft Annual Budget 2014/2015 and Council Agenda papers and Minutes and Registers for Public Inspection

I request to be heard in support of this submission at the Special Meeting of Council in the Council Chambers, Michael Place, Leongatha on Wednesday 11 June 2014.

1. General comments on the budget

a. The Timing

With ratepayer written submissions by 28/5 and submissions heard on 11 June prior to Council meeting 25 June approving the budget and submission to Government by 27 June – there is absolutely no time for Council to **genuinely** take on board ratepayer comments and make changes to the budget.

b. The Budget document

Ratepayers are not given a true budget – there is not a budget given showing **the cost centres** applicable within each Directorate. So for example you cannot find the income and expenditure (both operating and capital) for Splash. The 155 pages we are given is a hash of a strategic plan and forecast overall financials with a long listing of increased user charges and capital expenditure.

c. Budget perspective

There is no demonstration Council and Management that there has been a thoughtful review of costs of services provided and no listing of reining in of expenditure or cutting programs.

It seems it is more a document that this is what Management wants to do and therefore this is the income needed – rather than Council stating this is the income - now frame the budget within that income.

2. How has Council framed the budget

Council has set the rate increases for the next 5 years. If these are put into place then ratepayers face an increase in rates of over 25% over the next 5 years.

Take a simplistic example which illustrates the point. If you have a rate bill of \$2,000 in 13/14 then the following increases apply:

2014/15	15/16	16/17	17/18	18/19
4.13%	5.29%	4.83%	4.59%	4.36%
\$2082.60	\$2192.77	\$2298.68	\$2404.19	\$2509.01

It can be clearly seen that with the compounding effect, the ratepayer faces an increase of 25.45% over 5 years.

Even if Council were to set a rate increase of 2% p.a. over the next 5 years (in line with expected RBA inflation range) ratepayers would still face an increase in rates of 9.5%.

Comment:

No wonder Council has to factor in a rise of 25.45% for rates – look at their pricing !

Index	Index projections	Council Pricing
Commsec Wages Price Index for 2014/2015	3.4% and then projected to increase to 3.8%	In 2014/15 Council has allowed 4.3% rise in employee costs
Number of Full Time equivalent employees	In 2013/14 257.83	In 2014/15 261.49
Projected CPI increase on goods and services for 2014/15	2.7% and then projected to increase to around 2.9%	Yet Council has rate increases well over CPI
Road Bridge Construction Index for Victoria	Increased by 3.2% ending December 2013	Yet Council had an increase in rates of 6.75% in 2013/14 and projected increases well over this Index for the next 5 years

Council pricing is above index projections and see an increase in employee numbers.

Where is the evidence of the “zero based budgeting approach” we were promised last year – where each cost centre was to be looked at in terms of should it be provided by the Shire and if so , the actual costs and expenditure worked out.

3. So what decision should Council make ?

- COUNCIL HAS TO TAKE BACK CONTROL OF THE BUDGET
- Council should decide on a rates and charges increase of no more than 2% in 14/15 and no more than the lower range of inflation set by RBA over the next 5 years
- Council should provide clear parameters to Executive Management that a budget has to be produced reflecting this
- The budget will also need to reflect that Commonwealth grants have been frozen for the next 3 years
- **The Shire will need to be reminded it is a simple service provider and not a vanguard of social change – we don't need the Shire to be a Nanny and provide services telling us how to live our lives or to provide pretty pictures of our Shire. Council needs to identify the services which have to be provided and ditch the rest.**

4. Budget Parameters

The budget parameters set by Council and within which Executive Management has to frame the budget could include:

- Rates and charges increase to a maximum of 2% this year and no more than 2% over the outward 4 years – which reflects the RBA inflation range
- Short term goal that the budget has an underlying surplus
- Employee numbers be reduced to 250 for 14/15 with the goal of 240 in the outward years
- Annual increase in employee costs be restricted to a maximum of the Wages Price Index which is 3.4% in 14/15
- The 14/15 rates and charges income is estimated at \$35,652,000
- If the increase in rates and charges is dropped to 2% in 14/15 then this income would be reduced by \$713,000.
- A good starting point would be to tell Management that with rate reduction and freezing of Commonwealth grants the budget has to restrain and reduce expenditure by at least \$1.5M
- Minimum impact on actual services provided to ratepayers
- Management should provide for Council and ratepayer information a proper budget which has a line for each cost centre and cut all the extraneous wordy pages.

- Management should be required to itemise savings per cost centre in a simple spreadsheet which shows impact on expenditure (and income if relevant)
- The budget document should be just that – a proper budget – ditch the guff and keep it for the strategic plan.

5. So what specific action could be taken in the budget

a. The biggest single item of expenditure – employee costs – there are far too many administrative and managerial positions for a Council with 27,800 inhabitants

- Employee costs are \$23.145M (including capital costs)
- Employee costs represent 65% of rates paid in 14/15
- The average cost to ratepayers of each FTE is \$88,511 per annum
- It costs ratepayers an additional \$4206 per annum per each FTE to provide their human resources, payroll and industrial relations needs
- There is a ratio of 1 Council FTE per every 106 inhabitants of the Shire (that is every man, woman, teenager, child and baby)
- There is a ratio of 1 Council FTE per each 41 households in the Shire
- There is a ratio of 1 Council FTE per 73 rateable properties
- Despite Commsec Wages Price Index projected at 3.4%, the Council has budgeted for 4.3% increase in 14/15
- This is primarily due to the existing EBA which gives staff a guaranteed \$40 per week increase or 4%.
- An increase of 4.66 FTE is budgeted for.

Action which could be taken now:

- Renegotiate EBA. (It can be done !) Reduce rise from 4.3% to 2.3%
- Freeze executive management salaries – as far as I can work out 11 people receive about \$2M in remuneration ! Freeze for 3 years the same period as the Commonwealth grants have been frozen.
- Review executive contracts to reduce number of private use cars from 42 to 15.
- Freeze all new hiring to meet goal of 250 FTE for 14/15.
- Review of organisational structure to meet goal of 240 FTE in outward years - do it internally- do not employ a consultant! How many corporate planners does one small Council need ?
- Do not allow management to do huge expensive restructures – take control !
- Savings \$

b. Office of Chief Executive

- The Chief Executive Office has a cost to the budget of \$1.226M

Comments

- This Office provides no services to ratepayers – it exists to look after the CEO and assist the Councillors.

Action which could be taken now:

- No more Councillor discretionary allowances
- Cut catering costs by half for Council and other admin meetings
- A review of this Department and its impact on the budget
- This review should include looking at the key responsibilities of all positions – how many people do we need looking after the CEO and Councillors
- Savings \$

c. People and Culture Department

- The cost of the People and Culture Department is \$1.1M.
- It is an expensive HR department !
- 6.4 FTE

Comment:

- It costs ratepayers \$4206 p.a. for each Council FTE to provide their HR and IR needs and training
- There is 1 People and Culture FTE : 40 FTE staff members
- This department provides no services to ratepayers. It provides the human resources, payroll, industrial relations needs and training of the Shire staff

Action which could be taken now:

- A review of the Department and its impact on the budget
- This review should include looking at the key responsibilities of all positions – how many people do you need looking after the staff
- End all HR external consultancies – if a particular issue absolutely needs external help and information pay for it on an hourly basis.
- Savings \$

6. Council ventures

Council should not be running any entrepreneurial ventures. (It should be running swimming pools which are a community service)

(a) Coal Creek

- The budgeted loss for Coal creek for 14/15 is \$600,000 rising to \$900,000 p.a. in the medium term
- In the 13/14 budget we were assured that Coal Creek was well on the way to “cost neutrality” !!!!
- It seems a loss of \$600,000 p.a. rising to \$900,000 per annum in the short term is budgeted for and this does not represent cost neutrality in my view.
- How many business plans are going to be commissioned before the truth is faced – Coal Creek in its present operation makes huge annual losses.
- The annual Coal creek loss represents 1.5% of rates this year.
- The proposal to borrow millions (more than \$6M !) to develop Coal Creek and provide further educational and recreational activities and thus in 15 years time make a profit is simply not based on common sense or financial acuity.
- The economic value to the community of Coal Creek, identified by Council at \$2.9M, is highly highly questionable.
- The figures of 68,000 visitors p.a. is highly questionable – the actual counting methods used, the fact that “visitors” include all who come to the Farmers Market, all who attend a community meeting at the venue, education activities etc.
- Council has got it down to 29,000 “true” visitors each year – but even that equates to 111 people **each day** the venture is open to visitors. But if it is freezing cold in June or boiling hot in January then the numbers must be doubled the next day to make up !

Action which could be taken now:

- A simple cost analysis of the impact of the closure of Coal creek
- This analysis should show clearly the quantifiable demonstrated savings to the budget
- What are the conditions of the Government lease if the venture is closed ?
- Then CLOSE it !
- Do NOT even entertain the idea of spending \$2.4M to close it.
- Keep 1.5 FTE maintenance people on site with a strict maintenance budget.
- Surely the site doesn't have to be cleared if venture is closed.
- Work out the cheapest way to keep the museum collection of artefacts,
- Savings \$
- Note costs still incurred in closing down of site

(b) Caravan Parks

- Where is the huge profit confidently predicted by Council ?
- From the quarterly Performance Report ending March 2014 a below the line loss of \$485,137 in the 13/14 year is projected
- Figures in the 14/15 budget show an anticipated income of \$1.270M but with anticipated operating costs of \$879,191 and capital expenditure of \$238,191 there is a below the line profit of \$32,000 from BOTH parks.
- A long way from the confident prediction of \$330,797 net profit from both parks for the 14/15 year in the original Business Plan approved by Council
- Interesting to compare the figures from the original outward budgets set out in the rushed Business Plan.
- The budgeted income of \$1.270M for 14/15 is of course is higher as all rental and site costs, electricity charges etc have been substantially increased !
- But there is no explanation for the blow out in expenses of over \$193,000 from the original estimates in the Council's plan for 14/15
- Council was also told that there would be no capital expenditure in the 14/15 year but we see \$238,191 being budgeted for.

Action which could be taken:

- A cost analysis of the impact of again leasing the caravan parks and demonstrated savings to the budget
- Put the two parks back to a lease arrangement and get a confirmed income of lease payment each year
- Supervise the leases correctly (if your prime reason for taking over the lease was to look after Crown land)
- Save 6.6 FTE
- instead of \$32,000 net profit, income from the 2 leases say at least a guaranteed \$?

7. Other actions which do not seem to have been considered

- No grants to organisations – this is simply rates we paid being returned to us – if an organisation is wanted by the community they will sustain it Save the cost not only of the grants but of the grant handover with smart folders, glossy papers and catering
- Saving \$
- Cut all catering costs by half
- Saving \$
- A review of all brochure printing – an absolute freeze on any glossy brochures for the next 12 months – why a glossy brochure on recreation reserves ?
- Let tourist ventures produce their own brochures just like any other small business
- Saving \$

- A thorough review of training provided by Council – ringing around to get people to marketing and tourism seminars – at no cost (EXCEPT OF COURSE TO THE RATEPAYER) with paid provider and catering is ridiculous and wasteful extravagance. This is not the role of the Shire.
- Saving \$
- A thorough review of economic development assistance – let State Government do it – I see they get all the credit for Burra Foods on a recent news show
- A thorough review of tourism assistance provided to individual operators – let the State Government do that and/or let individual operators cost that into their business plan as other enterprises have to do.
- Don't duplicate State and Commonwealth government departments on economic development and tourism or any other areas

8. Plans/Reports which are costed in the 14/15 Budget

I have been through the Budget papers and I have itemised the following reports/plans which are being commissioned. I am sure I have probably missed some.

- Only 6 have \$ figures attached that I can find although I do get lost in all the pages.
- The value of JUST those 6 plans is \$424,000.
- Although a Council decision was made in 2013 that the 2050 Vision Project was going to be deferred to 14/15 I cannot find anything on this. Is it hidden ?
- Strategic Resource Plan
- Economic Development and Tourism Strategy
- Korumburra Town Centre Framework Plan
- Turton Creek Environment Overlay Plan
- Coastal Townships Seasonal Population Change Study
- Domestic Wastewater Management Plan
- Roadside Weed Management Plan (\$15,000)
- Nyora Development Plan (\$200,000)
- Coal Creek Business Plan
- Review HACCS
- Municipal Precinct Plan (\$119,000)
- Short term plan Leongatha Library
- Foster Government co location plan (\$60,000)
- Business Continuity Plan
- Bushfire Management Overlay
- Various IT reports/studies/ consultancies (not clearly identified)

Comment and action which could be taken now:

- With the 11 most senior employee positions costing approximately \$2M per annum last year – why can't we get some value out of highly paid management and they do the plans !
- I can't recall Council putting to the ratepayers the idea of a new Municipal Precinct – yet clearly the proposal is now so advanced Council is looking at site choosing and concept plans costing \$119,000 ! Delete it.
- A Coastal Townships Seasonal Population Change Study to tell us that populations increase in summertime and decrease in winter time ! Delete it.
- Why not use Landcare groups to do the Weed Study. Save \$15,000.
- No need for a Coal creek Business Plan
- Savings \$

9. Summary

As a ratepayer I cannot face the prospect of a rate increase of more than 25% over the next 5 years.

It is just not sustainable to ask ratepayers to meet these increases.

COUNCIL HAS TO TAKE BACK CONTROL OF THE BUDGET AND SET THE PARAMETERS FOR EXECUTIVE MANAGEMENT TO FRAME THE BUDGET WITHIN .

Council has to stop meddling in our lives and understand the Shire is a simple service provider and not a vanguard of social change – we can only afford to pay for the services which we absolutely need.

We must also ensure that the most vulnerable in our community are adequately cared for within Council's ambit of responsibility.

Council has to work out what services it must provide, concentrate on that and oversee a hard reining in of expenditure and a mean lean Shire organizational structure to achieve that

This is the only way forward.

Yours sincerely

Megan Knight

C.6 S223 #6 RATE INCREASES FOR VACANT LAND

Pathway/TRIM D1875014 Date 29 April 2014 Wish to be heard N

From Mr John Doward

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation

Strategic Objective 4.1 Improve the financial sustainability of Council, including diversifying revenue streams

Strategy 4.1.1 We will make informed decisions and provide opportunities for the community to participate in the decision making process

Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Rate increases are unjustifiable for vacant land owners as they have and are projected in future years to exceed CPI.
- Services to vacant land owners have reduced over time.
- Encouraging vacant land owners to develop properties will be detrimental to the environment.

MANAGEMENT RESPONSE

- Program service areas for Council have a tendency to have costs that increase more than CPI. Victorian councils also have substantial infrastructure assets that have to be maintained and periodically replaced. Most Victorian councils have identified that they have asset renewal funding gaps. Council since 2003/04 strategically identified and prioritised funding for its asset renewal requirements. As a result there is no asset renewal funding gaps for all major classes of assets. There are adequate funds for recurrent cost requirements for all major asset classes for the current defined service levels as documented in Asset Management Plans. In the past 10 years Council's overall rates and charge rises have been lower than the average rate rises for large rural councils in all but two years.
- The decision to close the Sandy Point transfer station was based on a number of factors relating to service viability and community usage rates. Sandy Point residents are able to access transfer station services at the Walkerville transfer station which is located approximately 20 kilometres from Sandy Point. Greenwaste fees were implemented in

order to recover the cost of providing the service from those that use the service rather than the previous arrangement where costs were recovered through general rates, meaning that all ratepayers were subsidising the cost to provide the services.

- Council's Strategy is to: 'Actively plan for growth and economic development'. Council's Objective 4.1 is to 'Improve the financial sustainability of Council, including diversifying income streams'. The Vacant Land differential has been increased as an incentive to encourage developers and land owners to develop their land. This, in turn, will increase population growth, employment and business opportunities and add to the vibrancy and sustainability of the Shire. A greater number of rate payers in the Shire, allows the rate burden to be spread across a greater number of people.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATE INCREASES FOR VACANT LAND

26 – 28 Nathaniel St,
Pearcedale, Vic, 3912.
29th April 2014.

The Chief Executive Officer
South Gippsland Shire Council
Private Bag 4,
Leongatha, Vic, 3953

Proposed Rating Strategy 2014-2018 – Submission.

Dear Chief Executive Officer,

I am the owner of property 35 Ash Ave, Sandy Point, Vic, 3959. This is vacant land.

This property was purchased by my father in 1972 and passed to me in 1999.

The rates of this property have been increased from \$336.26 in 1999 to \$1,419.85 in 2013, an increase of 422% that far exceeds the CPI increase of 151% over this time. Note that the fire levy accounts for only \$100 of this increase.

Based on the tables on page 72 of the proposed rating strategy, increasing the differential of vacant land from 150% to 200% will further increase the rates to over \$1,650 (including the removal of the municipal charge), another 16% increase over 2 years also greatly exceeding the projected CPI increase of approximately 6% over this time.

I strongly object to the proposed rating strategy on the following grounds:

1. Rate increases over the past 15 years and proposed are unreasonable and unjustified as they have far exceeded CPI and vacant land owners' capacity to pay.
2. Council services have been reduced to vacant land holders over time, examples are the closure of the local Sandy Point Transfer Station and introduction of green waste fees at other transfer stations.
3. Vacant land provides conservation of the remnant indigenous vegetation that also supports the indigenous wildlife, attractive features for residents and visitors to the local area. Encouraging development on vacant land by increasing rates and economically forcing land owners to either build or sell will permanently damage or destroy this environment.

Your review and response to this submission would be very much appreciated.

Yours Sincerely,

John Doward
Rate Payer.

Data sources:

SGSC proposed rating strategy:

http://www.southgippsland.vic.gov.au//Files/Corporate_Services/Proposed_Rating_Strategy_2014-2018.pdf

CPI rates:

<https://www.ato.gov.au/Rates/Consumer-price-index/>

<http://www.abs.gov.au/websitedbs/d3310114.nsf/home/consumer+price+index+inflation+calculator>

<http://www.rba.gov.au/publications/smp/2014/feb/pdf/eco-outlook.pdf>

C.7 S223 #7 PROPOSED RATING STRATEGY FOR COMMERCIAL PROPERTY

Pathway/TRIM D1840714 Date 10 April 2014 Wish to be heard N
From Mr Peter Watchorn on behalf of Leongatha Chamber of Commerce & Industry Inc

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Rate increase incurred by businesses both Retail & Commercial will have a negative impact to Leongatha and surrounding area.
- If Landlords were to pay higher rates, Retailers and Business would struggle and tenants would see an increase in rents.
- Farmers get a reduction when they only pay one set of rates. Most businesses pay residential and business rates combined, isn't a farm a business also?

MANAGEMENT RESPONSE

- Commercial rates are paid from pre-tax money. At a tax rate of 30% (current company tax rate) this amounts to a benefit of 43%. It is considered appropriate from a capacity to pay principle perspective that this be taken into account when determining a differential rate for the Commercial Properties Category.
- Despite increasing the differential rate from 100% to 102.5%, the lower valued commercial properties would still pay less rates due to the abolition of the Municipal Charge. The highest valued properties would receive a considerable increase in their tax burden.
- From a capacity to pay perspective, ratepayers with higher value properties generally have a higher wealth and a greater capacity to pay. However from a farming industry perspective it can be argued that rates are in fact levied on unrealised wealth in the form of real property.

Therefore the nexus with ratepayers' capacity to pay becomes somewhat tenuous. Farmers may be asset rich and income poor.

- Farms effectively include a residential and business component. Farm rates are paid from pre-tax money and this includes the residential component of the farm. At a tax rate of 30% (current company tax rate) this amounts to a benefit of 43%. It is considered appropriate from a capacity to pay principle perspective that this be taken into account when determining a differential rate for the Farm Properties Category.
- Farming is considered to be a key industry and it is appropriate to provide some incentive to encourage farmers by moderating the rate impact. The farming category is also one of the categories significantly impacted by the reducing of the municipal charge. Decreasing the differential rate from 90% to 80% provides some rate relief to farmers after taking into consideration the property wealth, capacity to pay and incentive principles.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

PROPOSED RATING STRATEGY FOR COMMERCIAL PROPERTY



**Leongatha Chamber of
Commerce & Industry Inc**

P.O.Box 1 Leongatha 3953

President: Peter Watchorn
Ph 5662 2084

Leongatha-cci@hotmail.com

Date April 10th 2014.



Dear Mayor and current Councillors of the South Gippsland Shire Council.

In the recent review of the Rating strategy of the South Gippsland Shire Council we feel that any Rate increase incurred by Businesses both Retail & Commercial will have a negative impact to Leongatha and surrounding area. Both not only currently, but in to the future.

As you are aware all outgoing Rates includes for a commercial premises are paid by the tenant. Any rate rise to them is just another added burden upon their business. It could be argued that that the tenant could negotiate their terms with their landlord. But even if the Landlord were to pay the Rates we would see an increase in rents.

We feel that in the current retail in viorement that we are enduring now, Retailers and Business struggling to keep the doors open not only Leongatha but neighbouring towns, to have any rate rise will only impact on their business.

We understand Farmers are a vital part of our industry within the area but it very hard to define why they are to get a reduction when they only pay one set of rates.

Most business pay Residential & Business rates combined. Isn't a farm a business too?

We hope you will consider our opinion on this matter, and understand that in addressing these issues comes back to the current council financial position. We hope this will be addressed accordingly.

Yours Sincerely

Peter Watchorn
President LCC&I

To promote Commerce, Industry, and Civic Pride.

C.8 S223 # 8 PROPOSED RATING STRATEGY 2014-2018 IS ILLEGAL

Pathway/TRIM D1874614 Date 29 April 2014 Wish to be heard N

From Mr Michael McDonnell

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Proposed Rating Strategy 2014-2018 is illegal and highly likely that legal proceedings will be initiated against the Council if the matter proceeds
- Varying the rate for different situations is not allowed, Council has no power to do this

MANAGEMENT RESPONSE

Council has prepared the proposed 2014-2018 Rating Strategy within the context of the current legislative framework and with regard to the Victorian Ministerial Guidelines, to provide a detailed explanation of rating concepts and how they can assist in achieving Council's objectives.

Council can modify certain aspects of the rating system in accordance with the legislation, including the application of differential rates in the dollar (or differential rates) to different classifications of properties.

Council rates constitute a system of taxation on the local community for the purposes of local government. The value of land and its improvements (or Capital Improved Value) is generally used as the basis of taxation, which is a measure of the property wealth of the ratepayer. By legislation (*Valuation of Land Act 1960*), the value of all property is to be reassessed every two years and is to be relative to all other like property within the municipality. Together these address both horizontal equity (all ratepayers in a class pay a similar amount for an equivalent property within its category) and vertical equity (properties valued higher than others within a category pay more than lower valued properties).

The rating framework is set down in Part 8 Division 1 of the *Local Government Act 1989* and determines how a council develops a rating

system. The framework provides considerable flexibility to suit an individual council's requirements, which includes principles of equity, benefit, efficiency and community resource allocation. Under the *Local Government Act 1989*, Council has the power to levy:

- Uniform rates
- Differential rates
- Municipal charge
- Special rates and charges
- Service rates and charges and to
- Provide rebates and concessions
- Provide deferrals and waivers based on hardship

The *Local Government Legislation Amendment (Miscellaneous) Bill 2012* was enacted in October 2012. This legislation requires the Minister to issue guidelines which councils must have regard to before declaring a differential rate for any land. The guidelines address the objectives of differential rating; suitable uses of differential rating powers; and types of land that are appropriate for differential rating.

The Minister was given the power to seek an Order prohibiting any Council from making a declaration of a differential rate if the Minister considers the declaration would be inconsistent with any guideline. It is important to note that any prohibition Order does not have a retrospective effect.

Ministerial Guidelines were released in April 2013 and these were used by Council and the Rating Strategy Steering Committee to form the Rating Strategy Discussion Paper and the endorsed 2014-2018 Rating Strategy.

The *Valuation of Land Act 1960*, is the principle Act determining property valuations. Generally, each separate occupancy on rateable land must be valued and rated. Contiguous areas of vacant land with more than one title in the same ownership may be consolidated for rating purposes.

An assessment for the purpose of rating may be against any piece of land subject to separate ownership or occupation. In this context, land has been defined to include buildings, structures or improvements and may include automatic teller machines, show case, signage, advertising, radio and mobile communication towers.

Local government may adopt one of the following three valuation methodologies to value properties in its municipality:

Capital Improved Value (CIV): the total value of the property including the land value (i.e. Site Value) and other improvements including the buildings and landscaping.

Site Value (SV): the total value of land, plus any improvements which permanently affect the amenity or use of the land, such as drainage works, but excluding the value of building and other improvements.

Net Annual Value (NAV): the value of the rental potential of the land, less the landlord's outgoings (such as insurance, land tax and maintenance costs). For residential and farm properties this must be set at 5% of the CIV.

Section 161 of the *Local Government Act 1989* provides that a Council may raise any general rates by the application of a differential rate if:

- a. It uses the capital improved value system of valuing land; and
- b. It considers that a differential rate will contribute to the equitable and efficient carrying out of its functions.

South Gippsland Shire Council utilises Capital Improved Value as its valuation base.

Council has prepared the endorsed 2014-2018 Rating Strategy based on the legislative requirements of relevant Acts and Ministerial Guidelines outlined above. The Minister for Local Government has been given the power to seek an Order prohibiting any Council from making a declaration of a differential rate if the Minister considers the declaration would be inconsistent with any guideline.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

1. **Receive and note the submission.**
2. **Note that no change be made to the budget.**
3. **Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

PROPOSED RATING STRATEGY 2014-2018 IS ILLEGAL

Email sent Council 29 April 2014

Dear Sir

Is the Council aware that the Proposed Rating Strategy 2014-2018 is illegal, and as quite a number of ratepayers are very distressed by the situation, it is highly likely that legal proceedings will be initiated against the Council if the matter proceeds.

The Australian Constitution is very clear on the matter. Simply put, Council must value all properties in their jurisdiction, and declare a rate as a percentage of that valuation to cover council operating costs.

This situation makes it fair and equitable for everyone. Varying the “rate” for different situations is not allowed, the council has no power to do this, and as such these fees are not enforceable.

I have had first hand experience with this situation. I refused to pay property “rates” because they were improperly charged. The matter went to Court, and I ended with judgement in my favour as the Council involved had to withdraw its case!

Please consider carefully what you propose to do, as from what I hear, people are lining up to take you on. If you wish to discuss the matter further, I can be contacted on 0425 796 855.

Yours Sincerely

Michael McDonnell

1A Gordon Street, Korumburra.

C.9 S223 #9 CONCERN WITH RATING STRATEGY & BUNN LANEWAY DRAINAGE

Pathway/TRIM D1945914 Date 5 May 2014 Wish to be heard N

From Francesca Raiti

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services

SUMMARY OF ISSUES RAISED

1. Rating Strategy is of no benefit to this ratepayer and Council has already decided the outcome.
2. Concern with the cost of living and the impact of rates on pensioners.
3. Concern with a lane drain that is impacting private property.

MANAGEMENT RESPONSE

- 1. Rating Strategy is of no benefit to this ratepayer and Council has already decided the outcome**

Council has been mindful that the changes proposed in the 2014-2018 Rating Strategy will affect all ratepayers. Lower valued properties will receive a reduction in their rate burden, while higher valued properties will receive an increase, as the Municipal Charge is gradually removed over the coming two financial years.

Council has actively sought community feedback on the Rating Strategy Discussion Paper prepared by the Rating Strategy Steering Committee and for the endorsed 2014-2018 Rating Strategy. Letters were sent to all ratepayers as a means of raising awareness of the endorsed 2014-2018 Rating Strategy and its potential impacts on their individual circumstances.

- 2. Concern with the cost of living and the impact of rates on pensioners**

Council is also mindful that the cost of living is a challenge for some ratepayers. Council has an adopted Rates and Charges Hardship Policy to

assist people struggling with financial hardship. This policy is available on Council's website and can be utilised by ratepayers in any of the land categories that meet the criteria contained in the policy. Any ratepayer experiencing financial hardship is encouraged to contact Council to discuss their situation.

Council has been reviewing services and seeking ways to reduce the rate burden on ratepayers. A concerted effort has been made to find efficiencies and savings within the budget this year that has resulted in the original 2013-2014 forecast rate rise of 6.25% being reduced to 4.13% in the endorsed 2014-2015 Budget. Council is committed to seeking more efficient ways to deliver services.

3. Concern with a lane drain that is impacting private property

A preliminary design and cost estimate for the reconstruction of Bunn Lane, including upgrading the associated drainage, has been prepared. The estimated cost is \$296,500 and is ranked at priority 11 in Council's Asset Management Criticality table for Drainage Projects. Currently, this project has not been allocated funds in the 15 year forward Capital Works Program due to other projects having a higher priority for funding.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

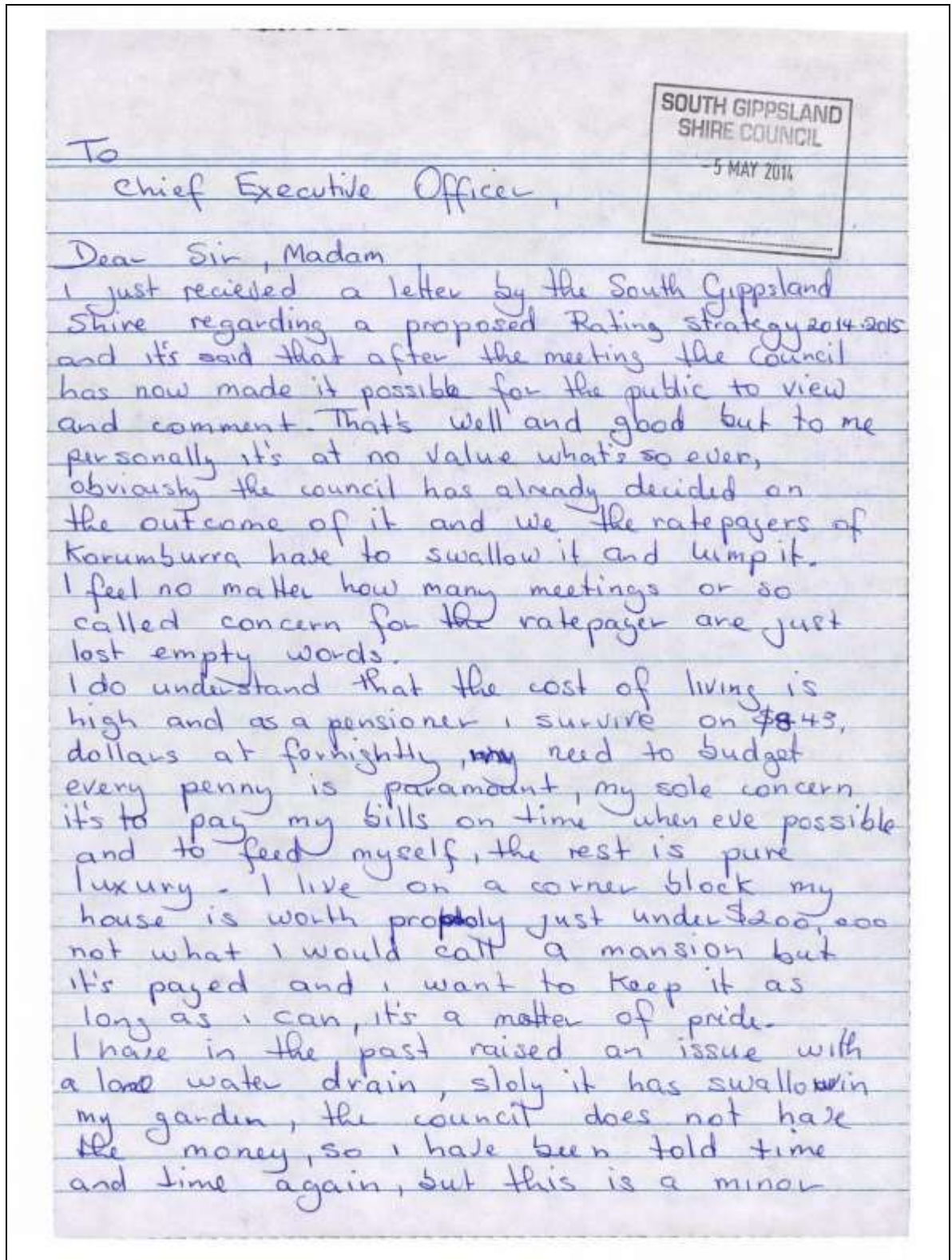
RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATING STRATEGY AND THE COST OF LIVING



problem it can wait until the
whole house gets swallowed up.
You have to forgive my cynical remarks
but my faith in bureaucracy is
nearly non-existent.

Life is tough as it is if you need
to increase the rates do so we cannot
stop you, you are bigger than us,
but do not patronize us by saying
otherwise, we do not believe you
especially me.

Francesca Raiti
1 Spring St Korumburra



C.10 S223 #10 FOOTPATH AND LIGHTING - GRAND RIDGE EAST ROAD, MIRBOO NORTH

Pathway/TRIM D2043214 Date 8 May 2014 Wish to be heard N

From S.M. Keel and P.M. Bickerton-Keel

COUNCIL PLAN / STRATEGY / STUDY

Outcome	3.0: Integrated Services and Infrastructure.
Strategic Objective	3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.
Strategy	3.4.1: We will plan for the service needs of the Shire's changing demographic.
Responsible unit	Engineering Department

SUMMARY OF ISSUES RAISED

Request for the construction of a footpath (north side) and adequate street lighting along Grand Ridge East Road, Mirboo North (from the corner of Giles Street to Scarlett Street). The submitter states there are a number of students that walk to school along the existing gravel path (south side) and the current condition is not safe.

MANAGEMENT RESPONSE

The existing gravel path on the south side of Grand Ridge East Road, was constructed years ago to cater for the students walking to and from school. Council investigated the construction of a footpath along the north side of Grand Ridge East Road, but due to driveway levels and the topography of this area it was deemed unsuitable for a path.

Council will investigate the option of constructing a footpath linking from the existing gravel path on Grand Ridge East Road to Scarlett Street, Wheildon Street and Peacock Street to enable connectivity to that area. Refer to the following map.



The project will be scoped and costed for consideration as part of the Footpath Extension Program in future year's budgets. This means that the project is currently unfunded. Project funding will be dependent on other footpath extension priorities and the amount of projects to fund with the allocated annual budget for this program.

With regards to adequate street lighting along Grand Ridge East Road, Council will investigate if this is feasible in 2014/15 and if so will install a light.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

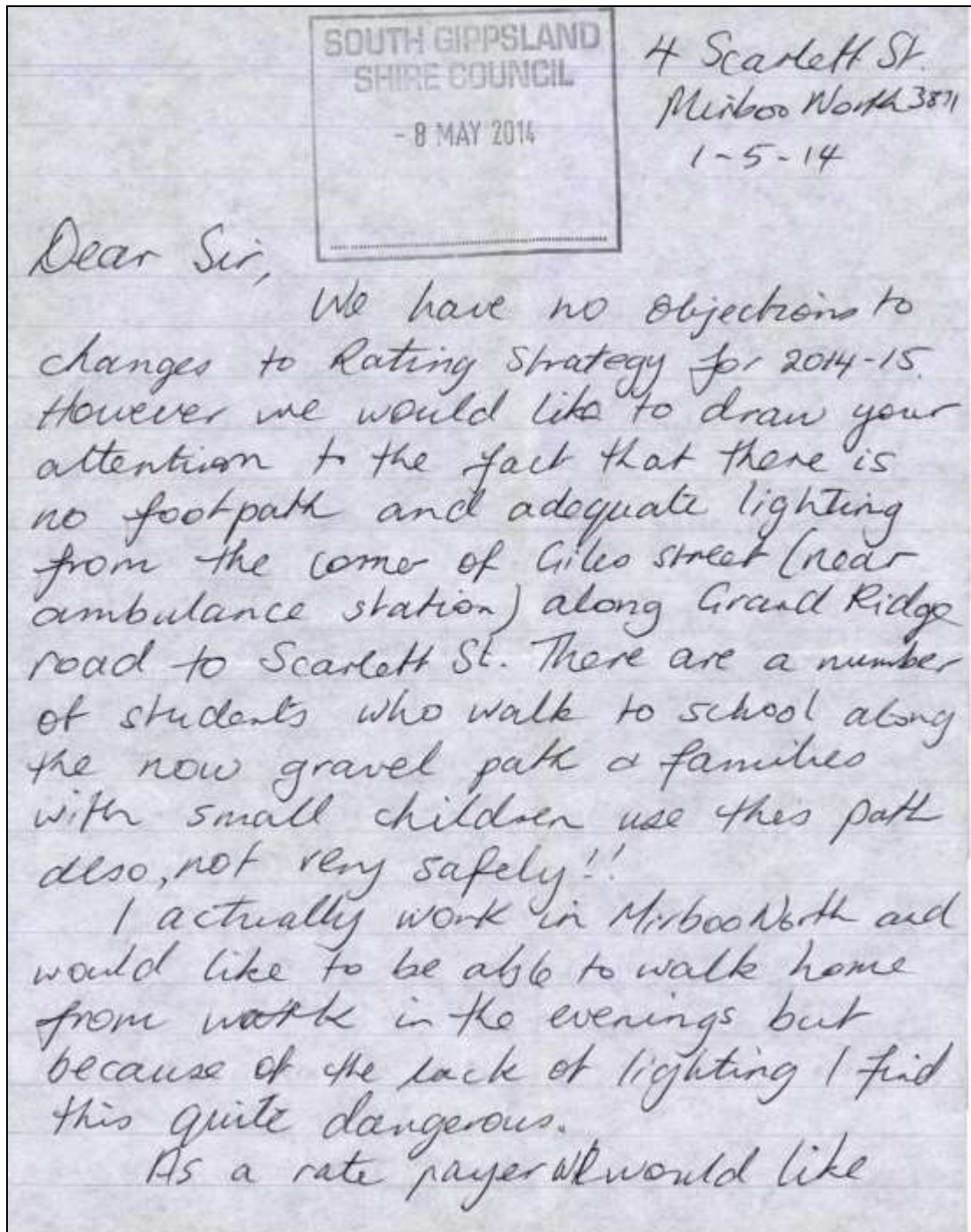
RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

**FOOTPATH AND LIGHTING - GRAND RIDGE EAST ROAD,
MIRBOO NORTH**



you to give these two matters some consideration in the council budget. Merboo North is still in the South Gippsland Shire but we believe it is overlooked sometimes in the small areas like - our footpath and lighting issues.'

Thanking you
S.M. Keel + P.M. Bickel-Keel

C.11 S223 # 11 BALD HILL WIND FARM / ROAD MAINTENANCE MUNBILLA ROAD, TARWIN LOWER

Pathway/TRIM D2103414 Date 10 May 2014 Wish to be heard N

From J & S Brandenberger

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation

Strategic Objective 4.1 Improve the financial sustainability of Council, including diversifying revenue streams

Strategy 4.11 We will make informed decisions and provide opportunities for the community to participate in the decision making process

Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

1. Need for valuations to be equitable for properties in the vicinity of the Bald Hills Wind Farm.
2. Need for the Bald Hills Wind Farm to be rated as industrial.
3. Road Maintenance for Munbilla Road, Tarwin Lower (Cape Liptrap).
4. Road Maintenance for Cape Liptrap Road, Tarwin Lower (Cape Liptrap).

MANAGEMENT RESPONSE

- 1. Need for valuations to be equitable for properties in the vicinity of the Bald Hills Wind Farm**

All properties are valued every 2 years at the relevant date and in accordance with legislative requirements. The next General Valuation is based on market levels as at 1 January 2014 and will be first used for the 2014 – 2015 rating year. All valuations are overseen by Valuer General Victoria.

- 2. Need for the Bald Hills Wind Farm to be rated as industrial**

The Bald Hills Wind Farm will be classified as Industrial under the Australian Valuation Property Classification Codes (AVPCC) on completion. This will result in the property being rated as Industrial for the purposes of the Fire services Property Levy and will be classified as Industrial under Councils proposed rating strategy. The Wind Farm ratepayer can nominate to be rated as per the Formula provided in the Electricity Industry Act (2000). If requested, this method takes precedent.

3. Road Maintenance for Munbilla Road, Tarwin Lower (Cape Liptrap)

Munbilla Road, Cape Liptrap is a private road and is not maintained by Council.

4. Road Maintenance for Cape Liptrap Road, Tarwin Lower (Cape Liptrap)

Council acknowledges the increased tourist traffic on Cape Liptrap Road and is planning to use water trucks, vibrating rollers and graders before Christmas every year to ensure the road is in good condition before the holiday period. This will be done within the existing budget.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

BALD HILL WIND FARM / ROAD MAINTENANCE MUNBILLA ROAD, TARWIN LOWER

Dear Sir/madam,

My name is John Brandenberger and my wife, Suzanne, and I live at 175 Munbilla Road Tarwin Lower (correct location is Walkerville/Cape Liptrap) My comments regarding rates in our area are twofold

1. With the construction of the Bald Hills wind farm proceeding, property valuations in the adjoining areas need to be reassessed fairly. Adjacent farms need revaluing lower as I believe has already happened in some instances. Lifestyle residential properties such as ours which overlook the wind farm need to be revalued lower to reflect the loss of amenity and saleability as reflected in the inability of any similar properties to sell when offered on the market. Very importantly from a revenue raising point of view the wind farm must be rezoned to industrial and rated accordingly.

2. Being some 60 km. from Leongatha residents in our area do not use many Council facilities. The one common facility we all use is roads and I request a fair deal for those of us living in remote parts of the Shire on unmade roads frequented by an increasing number of tourists as years go by. I draw particular attention to our circumstance living off Cape Liptrap Road which is poorly maintained and in terrible condition during the tourist season.

Our rates are high due to the coastal location which I accept but feel values need reviewing due to the wind farm and we need value for money with regard to the roads. Looking forward to your response

Cheers, John Brandenberger

C.12 S223 # 12 RATES COMPARISON AND INCREASES

Pathway/TRIM D1996214 Date 6 May 2014 Wish to be heard N
From Mr Andrew Twining

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Requested concise, easy summary of outcomes eg: rates from previous years compared to rates covered by Proposed Rating Strategy 2014-2018.
- Is Council basing the rate increase on CPI type increases or massive increases – Council needs to divulge why there needs to be such an increase and what alternatives exist.

MANAGEMENT RESPONSE

- A letter indicating rate comparisons from previous years and estimated rates in line with the Proposed Rating Strategy 2014-2018, was forwarded to Mr Twining Tuesday 20 May 2014.
- The financial modelling used in the Long Term Financial Plan utilises both Commsec and the Reserve Bank's economic forecasts. Where an inflation movement has been used in material and consumable calculations, it has been modelled at being 2.5% in 2014/15. In the following years, the default inflation index in the Long Term Financial Plan has been modelled to remain at 2.5% per annum. (CommSec forecasts that inflation will be 2.7% for 2014/15, increasing in the following financial year to 2.9%).
- Council is party to an Enterprise Agreement that remains in force until June 2016. The quantum and timing of salary increases under the agreement is an increase of 4% or \$40 per week, whichever is the greater payable September each year. Commsec Wages Prices Index

project a 3.4% movement to occur in 2014/15 and then to increase to 3.8% in following years.

- Program service delivery areas that include construction type projects will have a tendency to have costs that increase more than CPI. The budgeting methodology used in the capital works program depends on the nature and timing of the projects. For the majority of infrastructure projects that occur yearly, such as roads, bridges culverts and drains, the costing in future years is based on an indexed increase of 4.25% per annum. The Australian Bureau of Statistics showed that the Road Bridge Construction Index for Victoria increased by 3.3% for the year on year period ending December 2013. The increase over and above the Road Bridge Construction Index allows for regional cost impacts of the closed quarry and creates a conservative buffer for the forward capital works program.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATES COMPARISON AND INCREASES

Email sent to Council 6 May 2014

Gday,

what would be helpful is a concise, easy to find summary (table perhaps) re the outcomes..

EG this was my rates last year, these are my current rates, these are the proposed rates for the years covered by the strategy.. I understand it is not possible to do for each property at this stage.. however to show ..say % increase would be good..

Generally I like to leave it to the shire to set income and expenditure.. I do like to know is we are talking CPI type increases (fair enough) or MASSIVE increases.. the latter may require a further delving into why there needs to be such an increase and what alternatives exists..

An on-line tool perhaps??

Regards
Andrew Twining
0412 677 333

45 Canterbury Rd
Venus Bay

C.13 S223 #13 WALKERVILLE INFRASTRUCTURE NEEDS ANALYSIS

Pathway/TRIM D2181814 Date 14 May 2014 Wish to be heard N
From Dr Irene Irvine

COUNCIL PLAN / STRATEGY / STUDY

Outcome 3.0: Integrated Services and Infrastructure.
Strategic Objective 3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.
Strategy 3.1.4: We will plan for the service needs of the Shire’s changing demographic.
Responsible unit Assets & Strategic Planning & Development Departments

SUMMARY OF ISSUES RAISED

- Request for the allocation of funds for an infrastructure needs analysis for Walkerville based on tourism and visitor requirements.

MANAGEMENT RESPONSE

Council will be undertaking a study of seasonal population change on all South Gippsland Shire Council coastal towns commencing in July 2014. This study will be similar to community infrastructure plans completed for growth towns in the 2013 – 2014 financial year.

The study will draw together the latest research to determine the impact that fluctuating seasonal populations have on our coastal towns in relation to needs of the permanent community, the services and infrastructure available, coastal climate change impacts, emergency management (fire, flood and heatwave) and waste water infrastructure. It will also aim to develop an understanding of the timing of holiday home owners to permanently move to the area

In addition to the above it is suggested that the submitter also discusses concerns with the Walkerville Foreshore Committee.

BUDGET CONCLUSION

- | | |
|--------------------------------|-------------------------------------|
| a) Amend | <input type="checkbox"/> |
| b) No change | <input checked="" type="checkbox"/> |
| c) Further discussion required | <input type="checkbox"/> |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

WALKERVILLE INFRASTRUCTURE NEEDS ANALYSIS

From: [irene irvine](#)
To: [Council](#)
Subject: Comment on Proposed Budget
Date: Wednesday, 14 May 2014 7:37:37 PM

Dear Sir I wish to comment on the proposed Council budget in regard to the absence of an allocation for enhancement of services to Walkerville. While the permanent population of Walkerville is not large demand upon its infrastructure increases substantially at weekends and during long holiday breaks such as Christmas and Easter. It has been many years since funding allocations have been made that recognize the unique requirements of this coastal area. I therefore request that Council allocate funds for an infrastructure needs analysis of the area based on tourism and visitor requirements. I am sure the Foreshore and Ratepayers' Committees would be happy to co-operate with the same. Regards

Dr Irene Irvine
I Irvine&Associates (ABN No: 212 414 99270)
PO Box 133
Clifton Hill
Victoria Australia 3068
Tel/Fax 61 3 9482 3905
Mobile 0407948617
Email: irene@ireneirvine.com.au
Web: www.ireneirvine.com.au
Linked In: <http://au.linkedin.com/in/ireneirvine>

9-13 Acacia Road
Walkerville

C.14 S223 #14 RESIDENTIAL RATE INCREASE CONCERN

Pathway/TRIM D2206914 Date 15 May 2014 Wish to be heard N
From Mr Robert Boelen

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1 Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1 We will make informed decisions and provide opportunities for the community to participate in the decision making process
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- The 19.25% increase in the rate in the dollar is unjustifiable for residential properties and when taking into account the reduction of the municipal charge and property revaluations that the rate increase will be 9.25%.

MANAGEMENT RESPONSE

Rates and charges revenue includes 3 components:

- Rate in the dollar applied to capital improved value of rateable properties;
- A municipal charge which is a flat charge across rateable properties that ignores property values; and
- A waste service charge for garbage and recycling services. This charge applies only to properties that receives or can access the particular service.

The waste service charges are budgeted to reduce by 16% for all rateable properties that receive this service. In previous years the waste service charge also included the costs of street sweeping and litter bins. These costs are now proposed to be funded by all rate payers via the rate in the dollar component of their rate notice.

Council has proposed that the municipal charge be set at 10% of total rate revenue. Prior to 2014/15, Council was setting the municipal charge at 20%. The municipal charge for 2014/15 will be \$181.70 per rateable property which is 47% less than the 2013/14 charge of \$343.65.

The reduction of the municipal charge will benefit lower valued properties and be a dis-benefit to higher valued properties. The revenue foregone from a portion of the waste charges being reallocated to all property owners and the reduction in the municipal charge is why the general rate in the dollar had to be increased by 19.25%.

In the Proposed Budget, the overall revenue to be raised by all rates and charges compared with the previous financial year is expected to increase by 5.17%. However this also includes supplementary valuations that have been made for newly developed properties and subdivisions that occurred throughout the year.

If supplementary valuations and special charge income is ignored, on average the overall rates and charges rise is 4.13%. This takes into account the average increase in rates (from rate in the dollar and municipal charge) of 5.5% and decrease in waste service charges of 16%.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RESIDENTIAL RATE INCREASE CONCERN

9 Iluka Court
Waratah Bay
Vic. 3959

15 May 2014

South Gippsland Shire
Private Bag 4,
Leongatha,
Vic, 3953

Dear Sir/Madam,

I write regarding the proposed increase in CIV rates for South Gippsland Shire as proposed in the document "Proposed Rating Strategy 2014-2018". In terms of residential properties, Council has proposed an increase in \$ per \$ of CIV from 0.00379739 to 0.00452857. Along with a recommended reduction of 10% of total CIV rate in municipal rates for 2015, this still implies a minimum 9.25% annual increase in rates this year. From the graph shown on the following page, the following can be concluded:

1. A annual increase of 19.25% in \$ rate on CIV is projected for 2014-2015.
2. This would imply the minimum increase as it does not take into account any increases in property valuations, which are imminent.
3. This level of increase compares with an average annual increase for the previous five years of 3.32%, which was still above the nominal 3% consumer price index that should be used to gear price increases.

The removal of all of the municipal charges by 2015-2016 will then ostensibly leave a more reasonable level of rates, however, Council still receives a windfall 9.25% rates increase this year. In addition, the municipal charge appears to be a fairly questionable amount according to my rates notices. Council infers these charges have been 20% of rates, however, according to my calculations, the municipal charge has increased from only 10.8% in 2008 to 13.4% of \$/CIV in 2014.

I therefore raise my objection to the magnitude of this increase, which is unjustified and unreasonable. In addition, what has been published regarding municipal charges in the document "Proposed Rating Strategy 2014-2018" adds confusion as it does not concur with what has been charged during the past five years. In fact, one could be forgiven for thinking such confusion is intentional, as it clouds the real magnitude of the proposed rate burden increase.

In light of recently increased tipping charges and newly-introduced green waste charges, one could be forgiven for thinking residents are regarded simply as a resource to subsidise the Shire's financial management deficiencies.

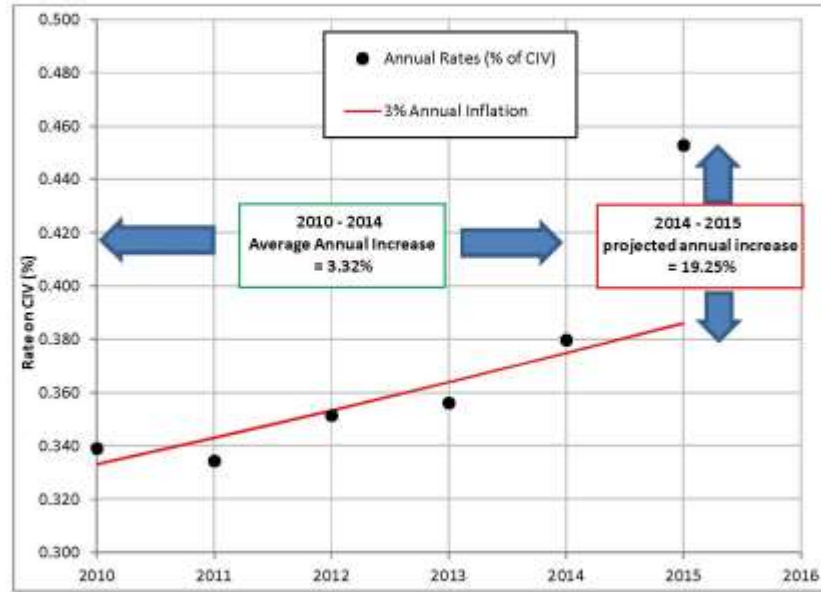
For Prom Ward residents, SGSC has been the one of the most expensive municipalities in Australia in terms of residential rates. This increase will take it into the unsustainable for many families.

Yours faithfully,



Robert Boelen

Page 1 of 2



\$ Rate on CIV: 2010 - 2015

C.15 S223 #15 BUSHFIRE MANAGEMENT OVERLAY AND PLANNING PERMIT

Pathway/TRIM D2264414 Date 28 May 2014 Wish to be heard N

From Bernard and Joan Park, 688 Boolarra-Foster Road,
Woorarra West

COUNCIL PLAN / STRATEGY / STUDY

(Refer to the Strategy, Plan etc)

Outcome	3.0 Integrated Services and Infrastructure
Strategic Objective	3.1 Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.
Strategy	3.1.5 We will encourage sustainable development that promotes the health, well-being and unique character of the community.
Responsible unit	Development Services Directorate Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Planning permit not approved by Bushfire Management Overlay.
- Paying rates on a block of land worth very little.

MANAGEMENT RESPONSE

- Council is required to assess planning permit applications in accordance with State Planning Policy. Planning applications that include land which is subject to the BMO are required to be referred to the CFA for comment. In many of these cases the CFA are a statutory referral authority and if they object to the planning application, Council has no alternative but to refuse the application. Council has provided feedback on the BMO via the Municipal Association of Victoria (MAV) who represent Victorian Councils. With respect to your current situation, the Minister for Planning announced changes to the BMO on the 28 May 2014. Once these changes are gazetted, it is suggested that you contact Council's planning department to see if there has been any favourable changes to your circumstances.
- All properties are valued every 2 years at the relevant date and in accordance with legislative requirements. The next General Valuation is based on market levels as at 1 January 2014 and will be first used for the 2014 – 2015 rating year. All valuations are overseen by the Valuer General, Victoria.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

BUSHFIRE MANAGEMENT OVERLAY AND PLANNING PERMIT

Email forwarded to Council on 20 May 2014.

Our situation.

868 Boolarra Foster Road, Woorarra West.

We have a .8 HA block. With a planning permit it had a sale value of approximately \$120,000.

We have come under the Bushfire Management Overlay, which has excluded us from obtaining

a planning permit. (which we spent over \$5000 for our application, including \$1000 to a registered Fire Safety Engineer, who recommended a BAL 29 rating for the site) This has reduced the sale value to maybe \$10,000. Our rates reflected some of the devaluation being reduced from \$86,000 improved value to \$36,000 improved value.

We are age pensioners, not professionals with complimentary salaries.

There are many flaws in the application of the BMO strategy. Defendable area can be enhanced in many innovative ways other than how many metres from the nearest tree, which in itself has no relevance to the safety or otherwise of the buildings.

Is the council looking into some of these issues, to help out it's rate payers, or is it taking the easy road of saying this is the rule?

At the moment we are paying rates on a valueless piece of Land!

Bernard and Joan Park,

03 97355810

C.16 S223 #16 RATING STRATEGY SUBMISSION

Pathway/TRIM D2279414 Date 29 April 2014 Wish to be heard N
From Mr Tony Westaway

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services

SUMMARY OF ISSUES RAISED

- Rate increase for commercial properties is flawed.
- Compared to other councils, South Gippsland has very restrictive planning practices.
- Concern that capital Improved Values of Commercial land may be overstated.
- Rate increases are unjustifiable for vacant land owners.
- Concern about lack of marketing strategy to promote town benefits.

MANAGEMENT RESPONSE

- From a comparative rates principle perspective among the large rural councils, no council gives a discount to commercial ratepayers, nine charge a differential greater than 100% and six charge a 100% differential rate. The median differential is 118%. Two out of six of our neighbouring councils charge a premium while the rest have set the differential at 100%.
- Commercial rates are paid from pre-tax money. At a tax rate of 30% (current company tax rate) this amounts to a benefit of 43%. It is considered appropriate from a capacity to pay principle perspective that this be taken into account when determining a differential rate for the Commercial Properties Category.
- The South Gippsland Shire Planning Scheme contains the same State Planning Policy Framework (SPPF) that all municipalities are required to

consider when determining planning permit applications. In addition to the SPPF, Council had adopted a number of Local Planning Policies (LPP) including the Leongatha Parking Strategy to which you refer. This strategy considers the current and future parking needs of Leongatha. It adopts lower car-parking requirements than required under the SPPF and provides a no cost waiver of up to four spaces where a business is unable to provide the number of car parking spaces required.

- All properties are valued every 2 years at the relevant date and in accordance with legislative requirements. The next General Valuation is based on market levels as at 1 January 2014 and will be first used for the 2014 – 2015 rating year. All valuations are overseen by Valuer General Victoria.
- Council’s Strategy is to: ‘Actively plan for growth and economic development’. Council’s Objective 4.1 is to ‘Improve the financial sustainability of Council, including diversifying income streams’. The Vacant Land differential has been increased as an incentive to encourage developers and land owners to develop their land. This, in turn, will increase population growth, employment and business opportunities and add to the vibrancy and sustainability of the Shire. A greater number of rate payers in the Shire, allows the rate burden to be spread across a greater number of people.
- Council takes an active role to promote the Shire and Leongatha through the Economic Development and Tourism team; whose responsibility is to promote and encourage the economic development of the whole shire. We have developed town specific materials and participate annually in the Regional Living Expo for three days in Melbourne. This attracts about 10,000 people looking to relocate from Melbourne and or start businesses. We follow up with bringing a number of these visitors on a tour of the Shire. We are currently working with the Chamber of Commerce on a marketing and branding project for the town. This involved individual visits and survey of all main street traders. Council has taken an active role in facilitating major new developments such as the Aldi supermarket, Salvation Army, new Holden Dealership and expansion of Murray Goulburn. A key upcoming project of Council will be the reconfiguration of Bair Street to make it more pedestrian friendly and an improved retail space.

BUDGET CONCLUSION

- | | |
|--------------------------------|-------------------------------------|
| a) Amend | <input type="checkbox"/> |
| b) No change | <input checked="" type="checkbox"/> |
| c) Further discussion required | <input type="checkbox"/> |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATING STRATEGY SUBMISSION

Thank you for the opportunity to comment on the proposed Rating Strategy. I am the property owner of 48 Bair Street Leongatha, the former Knights Garage which some 3 years ago was destroyed by fire.

I am extremely concerned about the potential for further significant rises in the rating base from commercial property land owners, which are already high in Leongatha and curtail tenant demand for retail uses.

Bair Street is slowly dying with some 13 shops currently vacant, with there being little prospect of this situation changing due to the high cost of outgoings (rating, taxation, water) and the level of competition facing retailers from on line trading. The prospect of the town by-pass will at least in the short term exacerbate this further, with potentially take away food outlets suffering significantly.

The proposal to increase the Commercial differential to 105% is very short sighted , when in fact Council should be looking at ways to promote retail tenants into the town, perhaps by offering rating incentives for 3-5 years to assist landlords who are already under financial stress and have reduced asking rents significantly in an attempt to encourage tenants.

The comparison to other Municipalities is also flawed as towns have not been subjected to the very restrictive planning practices as applied in Leongatha , in particular the car parking contributions and the success of neighbouring towns, such as Wonthaggi, who have drawn many potential tenants away i.e. Best & Less, Supercheap, Reject shop etc.

Not mentioned in the strategy is the impact the differential change is going to have on Capital Improved values this year where many landowners, myself included, will be objecting to the rating assessments. Council Valuers will no longer be able to rely on passing rental evidence in making their assessments, the two tiered market of those owners with tenants on existing leases and those without, is going to have a significant impact on capital value assessments. Due to the length of time some properties have been vacant and the future adverse outlook for the Leongatha retail sector I would suggest Capital Improved values for vacant properties should see a decline of at least 30% from current assessment levels, as rentals have fallen at even higher rates.

The strategy also mentions the increase of the rating differential to 200% for the vacant land category. Again this will drive down capital values as owners will not want to hold land in South Gippsland. They will sell at reduced prices to avoid this increased charge. Even the premise this recommendation is based on is flawed - increasing holding costs (rates) does not promote development. To develop a property the landowner requires a tenant or end user, why would you construct something for which there is no use and on which you have to pay even greater holding and interest costs.

Before Council approve reweighting the rating base I suggest that

consideration be given to ways to promote the retail heart of Leongatha and not let it wither away through increased vacancies and rating obligations. Where is the marketing strategy to promote the town benefits, does anyone hold retail data as to population and customer numbers, catchment area, retail spend, disposal income? Is there an now an active Development Officer for the town?

In the three years since my property was destroyed by fire the only contact I've had with Council is a Councillor's call offering commiseration, numerous make safe orders from the building office and an inordinately long process to gain Town planning approval to re-establish what originally existed. There was not one enquiry to offer assistance in moving forward and the data outlined above was not available to assist in securing a new tenant.

Before the commercial landowner group is rated harder Council really needs to make sure that measures are in place to ensure the sustainability of the Leongatha commercial area because at the moment it is under significant pressure and proposed strategic changes will only accelerate its failure.

Regards

Tony Westaway

C.17 S223 #17 VARIOUS BUDGET CONCERNS

Pathway/TRIM D2307214 Date 19 May 2014 Wish to be heard N
From Mr & Mrs Western

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services

SUMMARY OF ISSUES RAISED

1. Comfortable with finances but concerns about disclosure of information.
2. Concern about lack of clarity about which team or department are responsible for delivering.
3. Concern about \$119,000 for municipal complex siting study.
4. Requesting to carry out a Leongatha / CBD consultation process
5. Concern about study for seaside settlements.
6. Interest in seeing Hydrotherapy pool project progress.

MANAGEMENT RESPONSE

1. Comfortable with finances but concerns about disclosure of information

At the time when the 2014/15 proposed Annual Budget was prepared in 16 April no projects had at that time been identified as either incomplete or not commenced. It was noted that any such projects would be identified and disclosed in the Annual Budget that Council will consider and adopt on 25 June. All statutory and discretionary reserves including opening balances, transfers to and from each fund and closing balances are disclosed in the Annual Budget. There is similar disclosure in the Financial Statements at financial year end that are contained in the Annual Report. The Budget document that Council will consider in 25 June will also include a series of Service Performance Indicators that have been mandated by the Local Government (Planning and reporting) Regulations 2014.

2. Responsible Area for Service Delivery

In Section 3 Services Initiatives and Service Performance Indicators of the 2014/15 Annual Budget, in the table area the names listed under 'Business Area' are actual Departments.

The Community Services Directorate comprises five departments: Sustainability Services, Aged & Disability Services, Children & Family Services, Community Strengthening and Emergency Management.

The Aged & Disability Services Department offers a range of community support services including **Home Care, Personal Care, Respite Care, Meals on Wheels, Community Transport and Home Maintenance**. These services are provided by staff and volunteers to people who are frail aged, people with disabilities and their carers, assisting them to continue to live independently in their community.

The Sustainability Services Department offers a range of environmentally based services and are responsible for areas such as natural reserve management, roadside weed control, managing Council's energy and water use, running sustainability networks, kerbside rubbish collection, public litterbins, management of six waste & recycling transfer stations, operation of the Koonwarra Landfill and projects including climate change adaption, food accessibility, energy innovation, carbon neutral & climate change planning and the Sustainability Festival.

3. Municipal Precinct Investigation (\$119,000)

The purpose of this investigation is to understand what opportunities exist to consolidate and upgrade our accommodation as well as include the potential integration of services such as a library (lease expires in 2017), performing arts centre/space which is often raised by the community.

4. Leongatha / CBD consultation process

Council is currently undertaking a 'Streetlife' marketing and branding program with Leongatha CBD retailers and the Chamber of Commerce. This project is funded in part by the State Government and has involved Council officers working with every retail business in the CBD area.

Council is also preparing designs for Bair Street for discussion with the community.

5. Study for seaside settlements

A study on the changing nature and community pressures of our coastal settlements is intended to be completed before 2016 by Council staff. Council is very conscious of the pressures placed on coastal communities and their resources during peak visitation times. This is balanced by the need to

service small remote communities during low visitation times and the predicted rise in permanent population as the baby boomer generation retires.

6. Hydrotherapy pool project progress

The development of the hydrotherapy pool at SG SPLASH is estimated to be a multi-million dollar project. To reduce the cost to the rate payer, Council will be seeking grant funding towards the delivery of this project.

Forward capital works allocations provide for the delivery of the project in 2016/17 but this will be conditional on securing a significant proportion of project costs from external funding.

By completing the detailed design, we can genuinely demonstrate to potential funding bodies that the project is "shovel ready". If external funding is available for the delivery of the project prior to 2016/17 then the project may be considered earlier within the capital works program.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

VARIOUS BUDGET CONCERNS

SUBMISSION RE DRAFT SHIRE BUDGET FOR 2014/2015

Peter and Wilma Western 8 Park Drive Leongatha 3953

SOUTH GIPPSLAND
SHIRE COUNCIL
19 / 05 / 2014
21 MAY 2014

Summary:

1. Generally comfortable finances , while arguably prudent, can lead to complacency, and over-staffing. Too much emphasis on applying for grants, leading to grant-driven decisions and "make-work".
2. Vague and opaque outlines of activities and responsibilities, especially in "community" areas.
3. \$119,000 for Municipal complex siting study must be deleted because no case has been made for the proposed shift and build ; and no Townscape/CBD guidelines exist for Leongatha.
4. Impacts of generational change factors as well as competition from other towns outside the shire in decline of traditional shopping strips .
5. Delete "fluctuating population" study of sea-side settlements unless convincing argument made for its usefulness.
- 6 .Hydrotherapy pool- when ?

1. Surpluses and grant-driven decisions.

The Budget papers make it clear that the Shire's finances are in pretty good shape , despite the standard complaints about cost-shifting, and extra regulatory burdens. As there is no accounting for incomplete work the final situation is not totally clear, however. Budgeted but not completed items should be reported and transparent to ratepayers as part of the budget process.

While putting aside genuine surpluses so that the organisation can cope with unexpected costs seems fine in theory, this situation can also lead to complacency and unwillingness to seek continued efficiencies. If the "Reserve" continues to increase in ways that are not transparent to councillors and ratepayers however, there will be a loss of trust, suspicion about undeclared agendas, and increased indignation about the rate burden on residents and ratepayers.

There is a history of increased staffing without any real explanation - just "we trust the CEO". The Council has the responsibility to set the budget and the rate , the CEO has the responsibility of managing the organisation within the Council-set guidelines. Council, at budget time, has and should use their power to rein in ambit claims and demand much greater value for money.

There is great emphasis on obtaining grants ,with the aim of achieving grants for 30% of the applications. This sets up "applying for grants" as a major objective; not "what is the need?" and "how can it be met?" No grants cover the full cost of the program , and some have been extremely obscure in their aims and usefulness. Too many reports have gathered dust, only to be replaced by yet another report or plan with little measurable outcome.

When and how is the usefulness of various programs measured? Road building is quite tangible;"increasing participation in culture and recreation" as a result of officers' activity is not .

2

Where there are clear problems such as the decline in the "main street" retail precincts in the two major towns, either no action so far (apart from the by-pass in Leongatha) or very slow and drawn-out action (Korumburra) has occurred. But there still seems to be time and effort available for a third study of small sea-side settlements to add to previous consultations with either no or somewhat short-lived outcomes.

2. Vague and opaque outlines of activities and responsibilities, especially in "community" areas.

The budget outlines over-arching objectives and general activities as well as a few concrete initiatives. However except in areas such as roads, waste disposal and aged and disability services, there is a lack of clarity about which "team" or department is delivering and responsible for what. Descriptions are so general, and especially in "community" areas there seems to be overlap between departments/teams or whatever the groups are. The reader gets the impression that some people are coordinating other peoples' coordination.

How much time goes into staff meetings and how productive are they?

Old-fashioned cash budgeting gave more idea of which team was supposed to deliver what and at what budget, concepts much easier for ratepayers and citizens to come to grips with.

When past budgets showed incomplete projects with certain amounts carried forward, the ordinary person could get some idea of where things were being held up and for what reasons, where there were blowouts etc. Some explanations in this budget, for example re higher costs in the previous year for materials due to storm damage in that year don't make much sense unless it refers to extensive repair work on landslips.

3. Delete the \$119,000 for municipal complex siting study.

It is outrageous that the shire is proposing this study about where to locate a new municipal complex when no explanation of need or other justification for a new complex has been made. When if ever was there an in principle vote in open Council in favour of building a new municipal complex?

How can any reasonable recommendations be made when there are no agreed guidelines for streetscapes etc in the Leongatha Town Centre? No work on this has been done in the last 25 years. The absence of guidelines was demonstrated when Council lost the VCAT case re the new CFA building, the location of which in Bair Street was opposed by both the Council and Leongatha Chamber of Commerce.

The only argument publicly advanced for relocating/rebuilding the municipal complex was the claim that Smith Street is a premium retail precinct so the site is wasted on public buildings.

This somewhat insulting argument is obsolete, as new developments in Leongatha have occurred at the other end of town. The private company that bought the stadium, youth club and senior citizens rooms over 20 years ago promoted the idea of a "high-end" retail precinct in the part of the building not used for the cinema and restaurant. It didn't happen, and that part of the complex has been subsequently sold back to the Shire.

Fortunately we still have the pleasure of being able to see quality and popular films in the Stadium

3

Cinema complex , which needs better promotion than it seems to get. It is a great asset to Leongatha and has potential to attract considerably greater custom. Unlike the Wonthaggi Arts centre, Leongatha's cinema is wheelchair-friendly and can screen 4 films simultaneously .

Where is the documentation of a need for a new library? What are the shortcomings of the present building? Is the library a "Trojan Horse" for the Great Big New Municipal Complex? Isn't it possible to obtain a short extension of the lease or shorter renewed leases? If the present library building loses the council tenancy what would happen to that building?

The excuse "the lease is about to terminate" has been used before to force changes in Shire accommodation , regardless of community preferences. The perfectly adequate Council Chambers were converted to offices for the planning department who allegedly could not be trusted to carry out their duties only slightly removed from the CEO's office.

Spending \$119,000 on a siting study without establishing a case for a new complex is unjustified . and hardly the sort of thing "a leading organisation" should do.

4. Generational change impacts

It is essential and urgent to carry out a Leongatha Townscape / CBD consultation to establish agreement on guidelines and write these into the planning scheme. Construction of the bypass will not be magic solution to revitalising the town centre.

The closure of several local businesses especially those in Bair Street Leongatha have resulted in a very empty streetscape especially on the northern side. There have also been closures in the Industrial Estate , though not with the same impact. While there has been an application for a grant to assist attempts to attract new businesses , not much seems to be happening , apart from the welcome start of rebuilding the old "Henrietta's" site(formerly garage and showroom.)

Not surprisingly , there is a deal of local gloom about these events, and not much knowledge of attempts if any by the Shire's Economic Development group to assist. The gloom is despite the new developments (Holden, Salvos and Aldi) located on the outskirts of the "CBD".

Many long-standing business people have just made the decision it is time to retire, while a few decided on financial grounds to shut up shop. In these cases no buyers seem to have been found and no "next generation" has taken over.

While the next (now middle-aged) generation of some long-standing local businesses are doing well; and the next generation (also middle -aged) of some families who came to the area to farm, teach or otherwise settle for most of their working life have established themselves in their own local businesses, a common reaction to closures has been "we need the young people to stay".

Rather than bemoaning the inevitable loss of many young people who go elsewhere for education or opportunities , it would be better to carefully examine where the gaps and opportunities for business could be. And it might even be possible to use a large previously retail building for the library service if it needs to be relocated and there are advantages in service and accessibility and as a result.

In attempting to attract younger people with a good business idea , planning assistance , information on access to business training and marketing should be offered.

4

Even short-term rates reductions could be considered.

The large residential population outside the major towns is very obvious on certain busy shopping days , for example when it rains and farmwork is held up; and other normally "busy" times. The strength of local loyalties and "catching up" opportunities should not be underestimated, and could potentially be built on . The influx of holiday-makers in summer is also evident in Leongatha supermarkets and lunch shops.

5. Population study for seaside settlements

This looks very like a grant-driven initiative. What's the need and expected outcome? There have already been adjustments of shire services, for example, rubbish collection , to cope with seasonal population changes. Would this study have any tangible benefits for the communities studied or in improving the efficiency and scope of necessary shire services?

6. Hydrotherapy Pool

The hydrotherapy pool is part of the design for "Splash" and as the older population increases demand for this facility will also increase.

The community committee that monitors "Splash" has been told that design work has been funded and completed, so this project should be "shovel ready" However, it is not included in the Budget as far as we can discover. Why?

While only a few residents and ratepayers will make submissions on the budget, the council should be aware that many other people share the concerns of those who do take the time to make formal submissions . Councillors have a duty to consider such submissions carefully and take note of the considerable amount of disquiet in the community about the ever increasing, above- CPI increases in rates.

Wilma and Peter Western
8 Park Drive
Leongatha 3953

C.18 S223 #18 REZONING OF PROPERTY FROM FARM TO RESIDENTIAL

Pathway/TRIM D2323714 Date 16 May 2014 Wish to be heard N
From Mr Stephen George

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Concern about reclassification of rural lifestyle properties from farm land to general land.

MANAGEMENT RESPONSE

- Farming is considered to be a key industry and it is appropriate to provide some incentive to encourage farmers by moderating the rate impact. The farming category is also one of the categories significantly impacted by the reducing of the municipal charge. Decreasing the differential rate from 90% to 80% provides some rate relief to farmers after taking into consideration the property wealth, capacity to pay and incentive principles.
- It was considered that the reduced differential farm rate should only be applicable to genuine farming operations as distinct from hobby or rural lifestyle properties. Properties where primary production and associated improvements are secondary to the value of the residential home site and associated residential improvements should not be classified as Farm land for differential rating purposes. The definition of Farm Land for differential rating purposes was modified so that rural lifestyle properties are no longer defined as Farm land for differential rating purposes.
- If the ratepayer can establish that he has in fact established a business of farming by having a purpose built feedlot and that the land is used predominantly for farming purposes the land would be reclassified as farm land for rating purposes. To avoid doubt, 'business' for the purposes of identifying Farming Land, has the same meaning as that

given to it by section 2(1) of the Valuation of Land Act 1960 for the same purpose, being a business that :- has a significant and substantial commercial purpose or character; and seeks to make a profit on a continuous or repetitive basis from its activities on the land; and is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

REZONING OF PROPERTY FROM FARM TO RESIDENTIAL

GEORGE, Stephen

To: GEORGE, Stephen
Subject: rating proposal 2014-2015

Chief Executive Officer,
16/05/14

The following is in response to the proposed rating strategy
For 2014-2015



Part of councils rationale behind re zoning properties under 20 Ha from rural to residential, is that these are life style change properties and therefore rated accordingly. This is a generalisation that does not fit all cases

Nine years ago we bought our 14.6 Ha block in the middle of dairy farming and owner built a new home.

This was not because of life style change but more necessity. Our autistic son had to be moved from City life..

He was not coping, neither were we with all the complications. The additional financial burden and work load involved in taking on this land were not a welcoming change.

The size of our land was selected with careful thought and budget in mind..

I considered 14.6 Ha manageable but big enough to work as a feed lot and not nuisance value.

Since day one the land was put to use as intended, no different to what surrounding farms do that are bigger than 20Ha

We have undertaken a number of initiatives to sustain a feed lot. This includes remaking of dams, extra fencing, electric fence control, tanks and water irrigation.

Every effort has been made to farm the land,, it is not a life style change property.

We are now living in fear of being rated out by this proposed change to zoning from rural to residential.

As it is, we have suffered regular increases to rates, currently \$2,500 rural to nearly \$3000 if residential.

It is a struggle now, to cover rates.

The proposed rating strategy raises more questions than answers. More explanation in layman terms are required so that people can understand what it all means, not just now but also the future.

You, as a council must understand rate payers cannot keep sustaining regular increases in rates, especially

large amounts incurred by this re zoning...

This our home, not an investment property. We lose this there are no other options .

For the financial survival of my family I am strongly opposed to your rating strategy.

The only thing we have asked of council is every now and again routine maintenance on our road.

We more than pay our way with rates as there none of the council provided facilities we use.

I have had discussion with council representatives, Don Hill and June Ernst with regard to this matter.

I will visit planning to ascertain what may be required to keep my property recognised as a feed lot under the current rural zoning.

Regards, Steve George 134 Lowrys rd Fish Creek

Ph home 56832532 mob 0438100099.

A handwritten signature in blue ink, appearing to read "Steve George".

C.19 S223 #19 VALUATION OF PROPERTIES WITH WIND GENERATORS

Pathway/TRIM D2334714 Date 23 May 2014 Wish to be heard N
From Mr Robert Liley

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Properties with wind generators should not be rated as farms.
- Adjoining properties need to be revalued to reflect decline in value as a result of the nearby wind turbines.

MANAGEMENT RESPONSE

- Wind Farms will be classified as Industrial under the Australian Valuation Property Classification Codes (AVPCC) on completion. This will result in the property being rated as Industrial for the purposes of the Fire Services Property Levy and will be classified as Industrial under Councils proposed Rating Strategy. The Wind Farm ratepayer can nominate to be rated as per the Formula provided in the Electricity Industry Act (2000). If requested, this method takes precedent.
- All properties are valued every 2 years at the relevant date and in accordance with legislative requirements. The next General Valuation is based on market levels as at 1 January 2014 and will be first used for the 2014 – 2015 rating year. All valuations are overseen by Valuer General Victoria.

BUDGET CONCLUSION

- | | |
|--------------------------------|-------------------------------------|
| a) Amend | <input type="checkbox"/> |
| b) No change | <input checked="" type="checkbox"/> |
| c) Further discussion required | <input type="checkbox"/> |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

VALUATION OF PROPERTIES WITH WIND GENERATORS

Email received by council 23 May 2014

I wish to make the following submission with regard to the Shire rating strategy review:

That any property with wind generators on it should be rated as Commercial or Industrial rather than rural/farming properties. These properties must be revalued to reflect the earning power of the business and the earning power of the wind turbines.
Adjoining properties need to be revalued to reflect the decline in their value as a result of the nearby wind turbines.

Robert Liley
520 Walkerville Road
Fish Creek VIC 3959

C.20 S223 #20 VARIOUS BUDGET CONCERNS

Pathway/TRIM D2346914 Date 26 May 2014 Wish to be heard N
From Jennifer Williams

COUNCIL PLAN / STRATEGY / STUDY

Outcome 3.0: Integrated Services and Infrastructure
Strategic Objective 3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.
Strategy 3.1.4: We will plan for the service needs of the Shire's changing demographic.
Responsible unit Community Services and Engineering Services Directorates

SUMMARY OF ISSUES RAISED

- Community Centre and Municipal Complex Study.
- Swimming Pools.
- Coal Creek.
- Visitor Information Centres.
- Charges for Library Internet Usage and Book Borrowings.
- Roadside Weed Management and Drainage.
- Road Conditions and Drainage.
- Promoting our Attractions.

MANAGEMENT RESPONSE

1. Community Centre and Municipal Precinct Study

The purpose of this investigation is to understand what opportunities exist to consolidate and upgrade our accommodation as well as include the potential integration of services such as a library (lease expires in 2017), performing arts centre/space, community centre etc which is often raised by the community.

2. Swimming Pools

The Council has demonstrated a significant commitment to its 27,000 residents through the provision of swimming pools in the Shire. We fund the capital and maintenance costs and operations of one indoor all weather pool in Leongatha and 5 outdoor pools across the Shire. The level of investment and cost to maintain and upgrade all 6 pools is not financially sustainable.

In February 2012 Council adopted the Strategic Direction for Aquatic Facilities in South Gippsland. In that Strategy five trigger points were identified as indicators as to when the continuation of the operations of an outdoor pool would be reviewed and considered by Council.

The Foster pool activated two trigger points which are aligned to each other. Attendance at the Foster pool has been well below the “average” attendance of 9,062 for the past 4 years. This has impacted on the financial viability of the pool as regardless of the number of paying customers the pool has been open and staffed in accordance with the outdoor pool season level of service.

On 16 April 2014, Council made a decision to continue to operate the Foster Pool at a reduced level of service for the 2014/15 and 2015/16 seasons by increasing the opening temperature to 26 degrees, reducing the season length and reducing operating hours during the school term and to defer any future non-essential expenditure. Council made a commitment to the Foster Pool Committee and community that it would work with them to look at alternate and sustainable options for the future management and ownership of Foster Pool with a report to Council by the end of 2014. It was also agreed to bring forward the review the Strategic Direction of Aquatic Facilities in South Gippsland to 2015/16.

3. Coal Creek

There are diverse views about Coal Creek across the community. While many people in the community feel that money spent on Coal could be used elsewhere, there also many in the community who feel that Coal Creek is a worthwhile community asset and should be supported. There has been much work over the past few years to look at ways to make Coal Creek more cost effective and there is now a project underway to rationalise the buildings in Coal Creek to reduce maintenance costs. There is also a plan to rationalise the route used by visitors to the park and seek further ways to increase revenue to offset the impact to the ratepayer. These initiatives will take some time and involve further investment and therefore Council scrutinise the projects closely before approval to ensure that the investment will be realised through cost savings. Council will also be considering the overall strategic direction of Coal Creek in the coming months.

4. Visitor Information Centres

Visitor information is provided at many destinations such as Wilsons Promontory and accommodation providers as well as the Visitor Information Centres. Businesses that are members of Prom Country Regional Tourism

receive marketing material directly and non-members can obtain the information.

The Visitor Information Centres are linked with attractions. Korumburra is located with Coal Creek, our major heritage attraction and Foster is co-located with Stockyard Gallery and next to Foster Museum.

5. Charges for library internet usage and book borrowings.

The West Gippsland Regional Library Corporation runs library services across South Gippsland, Baw Baw and Bass Coast Shire Councils.

The service operates under a policy of free membership and borrowing of books (both print and digital), audio-visual materials and access to the internet. It also provides free educative sessions for children and adults including lessons for the use of technological devices. Free use of library services reflects Council's commitment and investment in early years learning and education more broadly. A charge for using the libraries would exclude access for many users who depend on the services provided being one of few that does not incur a fee.

6. Roadside weed management & drainage

Council is now legally responsible for regionally controlled weed species eg. blackberries, ragwort etc. The Council has not considered introducing a special roadside weed control levy against individual properties.

Council has previously obtained funding from the State Government to control roadside weeds. This funding expires at the end of the 2014/15 financial year and it is unclear if future funding will be made available to Council. Unfortunately, this funding is not adequate to cover the control of weeds over the entire road network but only equates to approximately 10% of vegetation control.

Council's Roadside Weed Management is guided by the Roadside Management Manual and this manual is specific to protecting our low, medium and high conservation habitats. One of the main attractions for travellers in South Gippsland is the diversity of scenery, from the Strzelecki Ranges through farmland to the coast. This diversity is reflected in the indigenous vegetation growing on roadsides, from wet forests on the Grand Ridge Road through Messmate Peppermint Gum forests to coastal heaths and Banksia.

Council is very strict when it comes to vegetation removal as South Gippsland has numerous protected flora species which are not allowed to be removed without an appropriate permit. Council's objective of vegetation control on Council roads is to ensure a clear path for commercial traffic utilising the road pavement and to minimise site distance problems around corners and obstruction of signs.

Vegetation slashing is undertaken annually on identified fire break roads in readiness for the summer season.

Council must also meet the service level standards as contained in the adopted Road Management Plan (adopted on 26 June 2013) regarding vegetation and drainage maintenance.

Referral Document No. 5 details the minimum levels of service Council must meet regarding vegetation and drainage maintenance. Please feel free to visit Council's website for a copy of the Road Management Plan and its referral documents.

This can be accessed on Council's website www.southgippsland.vic.gov.au > [Roads & Infrastructure > Road Management Plan](#).

For more information pertaining to drain maintenance, refer to item 7 maintenance.

7. Road conditions and drainage

Unfortunately the condition of the road network has worsened with the numerous extreme rain events we have experienced over the past three years. These have caused considerable damage to our roads and associated infrastructure, however Council has taken the following measures to make improvements to our roads:

- Council has approved an extra \$500,000 in the 2014/15 budget towards the Resheet Program.
- Council is working closely with VicRoads to improve road and roadside maintenance on both arterial and local road networks. These discussions have also focused on collaborative opportunities for routine works and for dealing with natural disasters, including preparation, response and recovery.
- VicRoads has allocated \$1 million to Council over four years (2011/12 to 2014/15) for the high priority maintenance of Council's road infrastructure, including drainage maintenance.
- A Long Term Drainage Program is being implemented that aims to clean approximately 120km per year.
- All roads are inspected over a two month period (rather than just certain class roads).

8. Promoting our attractions

Significant tourism promotion of the area is undertaken. Council partners with Prom Country Regional Tourism (PCRT) and Destination Gippsland to produce a range of marketing materials and promotional campaigns to market the area. Our Official Visitors Guide and Touring map is distributed in Visitor

Information Centres throughout Victoria and NSW. PCRT have released a smart phone/mobile computer application that includes information on events and attractions. Council also directly promotes the area through participation in the Caravan and Camping Show and the Regional Living Expo.

The area attracts around one million visitors per year but Council is keen to grow this market and is also working to improve the visitor experience with the extension to the rail trail and improvements of Agnes Falls. The rail trail attracts many more than 6,000 users and the extended trail will be a key asset to increase visitation to the area.

With regards to promoting events and attractions for our area, Council notifies the community via our website, media releases, visitor information centres, and also houses attractions on the “Visit Prom Country” website <http://www.visitpromcountry.com.au>. This website is constantly updated with upcoming community events and attractions for the benefit of residents and tourists.

Your suggestion to utilise caravan parks as a source to house information pertaining to upcoming events and attractions will be taken on board. Council will work with the South Gippsland Caravan Parks to assist in promoting these events which attracts thousands of visitors to the area and is good for our local businesses and the economy.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION
VARIOUS BUDGET CONCERNS



1 Hilltop Close,
LEONGATHA. 3953
22nd May, 2014.

Chief Executive Officer,
South Gippsland Shire Council,
Private Bag 4,
LEONGATHA. 3953

Re: Proposed Annual Budget 2014-2015

Dear Sir,

With regard to the budget, it is all about living within the Shire's means and providing the services the ratepayers are prepared to fund.

It seems that too much money is being spent by businesses and government to consultants and to pay for people to prepare paperwork for "pie-in-the-sky ideas". From the point of view that we need a community centre and new Shire Office at an unknown absorbent cost is probably not what ratepayers want from their contributions.

The Shire Offices may not be big enough and it may be a cost to lease the library but borrowing or cutting more essential services to fund new buildings is perhaps not affordable at this stage.

There seemed to be a focus at the community budget meeting on the swimming pools. I am of the opinion we need the pools to educate and provide swimming opportunities for our young children. We need to attract young families to work, provide jobs in education and spend in our towns. In looking to move from the city people would look at what facilities are provided for them. Sporting, education, medical, arts, etc. If we stop providing swimming pools, being either funded by the Shire or communities we are on a downward spiral. Foster seems to be likely to go. In the Sentinel: in 2012-13 they had 6180 attendances. Under this article the Shire had decided to give \$500,000 to the Rail Trail. The Rail Trail may attract tourism and perhaps Leongatha to Koonwarra many people use it but 6000 paying people per year, I doubt it. There has been a lot of money poured into this venture as is going to be the Welshpool Jetty. Will it attract 6000 paying visitors, not likely. The other problem being Toora, Leongatha and Korumburra apparently are hard to get into for lessons, so what will happen if these other pools are closed. It is fine to say Mirboo North will go to Morwell and Foster to Toora but it is short term thinking. Previous generations obviously had a better plan for the future when they built these pools 50 or so years ago. The Leongatha pool was built including a lot of donations. To provide the upgrades to these pools we should be looking to start fund-raising. IGA donates to lots of community organisations through its reward points, it could be a starting point.

Coal Creek has been a thorn in the Shire's side for well near 40 years that I can remember, the demolishing of buildings in the underhand way it was done by a previous Shire Council was perhaps needed, but it still keeps on going. The Korumburra community with its markets and programs are to be commended for their resilience. It obviously attracts visitors to stop in Korumburra, it protects our heritage and is used for education of our young students. Will it ever be profitable? Who knows?

...2

2...

The tourism centres provide good information, but having travelled around Australia for several years, I note that when you reach your destination you look in the information stands at the caravan parks or motels to see what there is to do in the short time you may be in a town. This information is lacking in our caravan parks. If you were staying at the Prom. or Walkerville would you stop at Korumburra or Foster to look for information on what to do when you arrive? I doubt it. Some tourist information places have an attraction. We have the opportunity to display our fossils, show our history and the dairying industry and make it an informative attraction. I went to the Wonthaggi Coal Mine and was impressed with their display, part of our history.

The cost of providing services to people should be met more by the people using the services, not the rest of the ratepayers.

The libraries should charge for using the internet, and printing. A small charge for borrowing books and e-books surely is appropriate.

Roadside weed management: Council should keep the roadside and drains clear to protect the road surfaces from water erosion. The land area which fronts properties should be charged to the owners for spraying noxious weeds. In the past it was the responsibility of the owners and the ratepayers should not have to pay for someone else's maintenance.

In travelling this great country I have met many people and tried to describe where I live. I mention the Prom. (the bit that hangs off the bottom of Victoria), they have no idea, the penguins at Cowes, often gets a response, they know about the Great Ocean Road and Melbourne.

If we want to promote our wonderful beaches and beautiful countryside we need to advertise, sure it will cost but the benefits are enormous.

Lastly our roads are appalling, drive north of Melbourne and see how different the roads are. Sure use the excuse it has been wet, but never in the past have we had continual fixing of the same potholes week in week out. The methods being used now don't last and cause angst to many people. I spoke to someone who on travelling to Leongatha on business had damaged his car on the hill coming into Leongatha. It is no good that the Victorian Government are spending so much on infrastructure in the city and that the trucks taking the produce to the wharves and markets have to drive on such shocking roads putting peoples lives at risk.

The Shire needs to listen and act on the communities concerns, not just put them in the "too hard basket", and continue to raise the rates with little regard for the communities ability to pay. Business and families have to work within their budgets and so should local and State and Federal Governments.

Yours sincerely,

Jennifer Williams.

C.21S223 #21 RATE INCREASE ON VACANT LAND

Pathway/TRIM D2354814 Date 25 May 2014 Wish to be heard N
From T Steele & L Marshall

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate
 Development Services Directorate

SUMMARY OF ISSUES RAISED

- Rates and charges are excessive given service levels and when compared to metropolitan rates and charges.
- Questioning what is being done to encourage economic development and interest in Korumburra.
- Rate increases are unjustifiable for vacant land owners.

MANAGEMENT RESPONSE

- Council's Strategy is to: 'Actively plan for growth and economic development'. Council's Objective 4.1 is to 'Improve the financial sustainability of Council, including diversifying income streams'. The Vacant Land differential has been increased as an incentive to encourage developers and land owners to develop their land. This, in turn, will increase population growth, employment and business opportunities and add to the vibrancy and sustainability of the Shire. A greater number of rate payers in the Shire, allows the rate burden to be spread across a greater number of people.
- Each individual municipality differs in its make up of its physical area, property type mix and number of assessments. As a comparison, City of Whitehorse has approximately 65,000 rateable assessments and an area of 65sq km, whilst South Gippsland Shire has just over 19,000 assessments and area of 3,200 sq km. As a result South Gippsland has to charge a higher level of rates to cover the cost of providing its services and in particular, maintaining and replacing its roads.

- Council has a strong program of encouraging development throughout the Shire. Council has developed town specific marketing material and participates annually at the Regional Living Expo for 3 days in Melbourne. This attracts about 10,000 people looking to relocate and or start businesses and we follow up with bringing a number of these visitors on a tour of the Shire. The Korumburra promotional material proved particularly popular.
- Council also managed to gain a special promotion on Korumburra last year on the television program Coxy's Big Break. The population of Korumburra continues to grow with about 500 new residents or 2.5% growth from 2006 to 2011 and is forecast for similar growth to 2016. The town is also attracting major new business investment. The town's largest business, Burra Foods, opened a \$22 million infant formula plant last week that will employ an additional 25 people.
- Council's Strategy is to: 'Actively plan for growth and economic development'. Council's Objective 4.1 is to 'Improve the financial sustainability of Council, including diversifying income streams'. The Vacant Land differential has been increased as an incentive to encourage developers and land owners to develop their land. This, in turn, will increase population growth, employment and business opportunities and add to the vibrancy and sustainability of the Shire. A greater number of rate payers in the Shire, allows the rate burden to be spread across a greater number of people.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATE INCREASE ON VACANT LAND

Linda Marshall
Terence Steele

22 Toorong Road, Malvern East,
Victoria 3145 (03) 9571 3384

25 May 2014

Tim Tamlin
Chief Executive Officer
South Gippsland Shire
9 Smith Street
Leongatha VIC 3953
Via email council@southgippsland.vic.gov.au

Re: Proposed Rating Strategy 2014 – 2018

Dear Tim,

We'd like to take this opportunity to convey our shock and concern at the proposed increase to the rate charge for vacant land.

Refer to 1.2 Key elements, point 10

That the Vacant Land category have a 200% differential rate and be phased in over two years, 175% in 2014/15 and 200% in 2015/16 as well as the municipal charge being phased to 10% in 2014/15 and 0% in 2015/16. Proposed Rating Strategy 2014 – 2018

We own a one-acre vacant block of land at Rill Court, Korumburra and consider that our fees are presently extreme given the minimal Council services used and compared with our Melbourne metro council rates.

We now own a larger acreage just outside of Korumburra with the intention to eventually move permanently to the area. We mention this as we are hoping to be committed to the district for many years to come and contributing to the economic prosperity of the area.

With the purchase of the larger acreage we placed the Rill Court property on the market. It has been on the market listed with two Korumburra-based real estate agents for over 18 months without **any** interest or offers. Not one substantial inquiry. According to the real estate agents, the property at Rill Court is premium and highly marketable, however, they say that the interest in the entire area is minimal, depressed and it is extremely difficult to sell any property. We'd like to ask what is the Council doing about encouraging economic development and interest in Korumburra?

Our perception is that it is dying town and in the meantime, we've paying exorbitant shire rates, land tax, water rates and much personal time maintaining the property.

The idea of having to finance the extreme increase of 175% in the next financial year and then 200% in the following is a serious concern and hardship to us, and will exacerbate an almost impossible prospect of selling the land.

We understand that there is an underlying incentive for people to develop land with major rating penalties imposed on those that don't develop but how can you justify an

increase when the area is economically depressed and there is a plethora of vacant land on the market with no buyers in the pipeline?

We look forward to your prompt response on how this increase can be justified.

Regards,

Terence Steele Linda Marshall

C.22 S223 #22 RESIDENTIAL RATE INCREASE CONCERN

Pathway/TRIM D2356714 Date 24 May 2014 Wish to be heard N

From Gay and Frank Costin

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation

Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams

Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure

Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Rates increasing substantially over recent years and services to area have diminished.
- Upcoming rate increase unjustified.
- Local tip in Sandy Point closed.

MANAGEMENT RESPONSE

Council provides 120 services to the community. Not everyone uses them all of the time, however, over the span of a lifetime, people often use them as their circumstances change.

Often Community members are using services provided by Council unknowingly. Many of the rural towns and villages are serviced by Council's extensive road network of 800 kilometres of sealed and 1200 kilometres of unsealed roads. The road network includes a large number of bridges and drainage infrastructure that ratepayers are unaware of, yet this infrastructure is expensive to provide and maintain.

While services may seem to be limited to local areas, compared to metropolitan areas that have a greater number of rate payers, Council has many services duplicated to meet local needs in each of its 23 townships. For example, South Gippsland Shire Council supports 14 Community halls/centres and 6 swimming pools, compared to often one of each in metropolitan areas. Public amenities (33), libraries (5), preschools (11) and indoor sports centres (5) are also supported by the Council.

This provision of multiple facilities, along with council's extensive local road network and associated infrastructure to service so many small towns, come at increasing costs each year.

Rationalising services is occasionally required to keep rates as low as possible, closure of the Sandy Point tip is one example. The decision to close the Sandy Point transfer station was based on a number of factors relating to service viability and community usage rates. Sandy Point residents are able to access transfer station services at the Walkerville transfer station which is located approximately 20 kilometres from Sandy Point. Greenwaste fees were implemented in order to recover the cost of providing the service from those that use the service rather than the previous arrangement where costs were recovered through general rates, meaning that all ratepayers were subsidising the cost to provide the services.

Council has worked hard to contain costs, and the efforts this year have reduced the rate rise forecast in 2013-2014 of 6.25% to 4.13%.

Council is reviewing a range of services in 2014-2015 and continues to seek ways to provide services as efficiently and effectively as possible.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RESIDENTIAL RATE INCREASE CONCERN

Email sent to Council Sat 24 May 2014

Attention: The Chief Executive Officer,
South Gippsland Shire Council,

Dear Sir/Madam,

We are the owners of 20 The Boulevard, Sandy Point, Vic.

We purchased this house and land in 1993 and have been regular visitors to Sandy Point since 1966, before it was fully developed.

The rates have been increasing substantially over recent years and services to the area have diminished. For example, the local tip has been closed. This service was used by homeowners especially when they had to clean up tea tree or other foliage that was known to be a fire hazard.

We do not feel that the upcoming rate increase is justified, as the council has already increased it sufficiently over the previous years. If you wish to discuss this further, please do not hesitate to contact us on 0438586100.

Yours sincerely,

Gay and Frank Costin
14 Nola Court,
Bundoora, Vic, 3083

C.23 S223 #23 WASTE MANAGEMENT AT SANDY POINT

Pathway/TRIM D2383914 Date 27 May 2014 Wish to be heard Y
From Stewart Homer

COUNCIL PLAN / STRATEGY / STUDY

Outcome 1. A Prosperous Shire
Objective 1.3: Improve the sustainability of the local and regional environment.
Strategy 1.3.2: We will promote sustainable waste management practices, energy efficiency and management of our natural resources.
Responsible unit Community Services

SUMMARY OF ISSUES RAISED

- Comparison of waste collection in Melbourne including collection type and frequency.
- Availability of hard waste collection.
- Closure of transfer station at Sandy Point.
- Introduction of a regular green waste collection service.

MANAGEMENT RESPONSE

- A weekly kerbside garbage service and fortnightly recycling collection service is provided in Sandy Point. In addition residents are able to book an annual hard waste collection service on the basis of user pays. This service is provided in September or October each year.
- Council's decision to close the Sandy Point transfer station was based on a number of factors relating to service viability and community usage rates. Sandy Point residents are able to access transfer station services at the Walkerville transfer station which is located approximately 20 kilometres from Sandy Point.
- The potential to introduce a kerbside green waste collection service is currently being investigated, with a briefing to council on the subject scheduled for 4 June. Following the briefing, a report proposing various service options will be prepared for the consideration of Council later this year.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

WASTE MANAGEMENT AT SANDY POINT

Cr. James Fawcett,

Submission re Proposed Annual Budget and Rates

My wife and I purchased a property at 36 banksia Ave, Sandy Point, in 1987. Previous to that, I had taught at Foster High School from 1964 - 1968.

I was very happy while I lived and worked in Foster, and enjoyed the people and the area so much that my wife and I decided to buy a holiday home in Sandy Point. We have experienced many happy holidays at Sandy Point and our children and their children are now sharing our enjoyment of the area.

Promotion was limited at Foster, and being ambitious, I applied for a higher position in a school back in Melbourne. We travelled to Sandy Point at every opportunity after we purchased the house in Sandy Point.

Over the years, our rates in South Gippsland have slowly caught up with those which we pay here in Melbourne. However, we feel that we receive much more for our rates which we pay in Melbourne than is the case with the services which we receive in South Gippsland. This makes any rate increase in South Gippsland so much harder to accept.

Our major concern is this perception that we are getting better value from the Council here in Melbourne for our rates.

One example is the clearance service of our waste. In Melbourne, we receive a weekly collection of household garbage, and recycling material, and a fortnightly collection of green waste. In addition, our Moreland City Council provides us with an annual hard waste collection.

We were very disappointed to discover that Council had decided to do away with the green waste site at Sandy Point in favour of Walkerville, based on cost. However, this arrangement falls far short of our present situation here in Melbourne. Given the current high fire risk rating that has been chosen for Sandy Point, this facility was very important to the well being of this community.

My family would therefore ask that your Council investigates the option of a regular green waste collection for the Sandy Point community, (Ideally, a fortnightly collection would suit, but even a monthly collection would go a long way to assisting in this life and death matter)

In this way, we would be much more accepting of any proposed rate rise.

I would be more than happy to speak with any of your officers in support of this proposal should you think this helpful.

Yours sincerely,

Stewart Homer
20 Greenbank Crescent
Pascoe Vale South 3044
(36 Banksia Ave. Sandy Point)

C.24 S223 #24 FUNDING FOR COMMUNITY INFORMATION, ADVOCACY & REFERRAL SERVICES AND FOODBANK SERVICES

Pathway/TRIM D2377814 Date 27 May 2014 Wish to be heard N

From Milpara Community House

COUNCIL PLAN / STRATEGY / STUDY

Outcome 2. Closely Connected Communities
Objective 2.1: Engage and work collaboratively with our community
Strategy 2.1.3: We aim to minimise barriers and find ways to support our volunteers, community groups and committees to provide services beyond those that Council, by itself, can provide.
Responsible unit Community Services Directorate

SUMMARY OF ISSUES RAISED

- Seeking a partnership with Council.
- Contribution sought to pay staff to deliver community information, advocacy & referral services and foodbank services.
- Request for \$14,000 annually to bring in line with 79.5% of the Victorian Community Houses.
- Currently underfunded to cope with the demand on services provided by Milpara Community House.

MANAGEMENT RESPONSE

- Milpara is one of 4 Community Houses in the Shire, with all experiencing funding pressures.
- Funding Milpara Community House operations would set a precedent.
- Milpara provides a unique service through its Food Bank to the most vulnerable people in the community and demand for assistance from the Food Bank is growing.
- The Food Bank is supported through Emergency Relief Victoria and the community.
- Council currently leases the building to Milpara House for \$1 per year and this will increase to \$104 when the lease is renewed.

- In 2011-12 approximately \$10,000 was invested in maintenance at Milpara House by Council.
- Council's contribution through a peppercorn rent and maintenance services fits well within the benchmarking used of median funding of \$13,200 per annum from 79.5% of neighbourhood houses in Victoria.
- Milpara is one of the 4 community houses that is part of a Community House Network established and supported by the Community Strengthening department.
- Council works with a range of other local and regional grant giving groups, and Council officers could assist the Milpara House committee with information on potential supporters.
- Milpara House will be encouraged to send representatives to the annual community engagement conference to talk to grant givers and colleague organisations.
- Council will encourage Milpara House to consider applying for Council community grants where appropriate.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

FUNDING FOR COMMUNITY INFORMATION, ADVOCACY & REFERRAL SERVICES AND FOODBANK SERVICES

Commercial In Confidence



MILPARA COMMUNITY HOUSE INC.

Funding Submission to the South Gippsland Shire Council

PURPOSE

This document is a submission to South Gippsland Shire Council for funding to contribute to the paid work undertaken in providing Community Information, Advocacy and Referral Services, and Foodbank support to Korumburra and surrounding areas by Milpara Community House Inc. Requests for support referral and food by people experiencing crisis is increasing. Consequently time taken to assist clients and refer them to the appropriate support agency is also increasing. Milpara is the only organisation in Korumburra providing these services. We are requesting \$14,000 per annum to bring us in line with the 79.5% of Victorian Community Houses which receive local Council funding (median calculated at \$13,200).

BACKGROUND

Milpara Community House commenced operation in 1980 providing childcare and a playgroup. Today Milpara is an integral part of the Korumburra community with 10,266 recorded visitors to the Community House (an average of 197 people per week) for 2012/13 year.

Hours of operation are determined by funding through Department of Human Services and Adult Community & Further Education and other grants/donations. The contribution by volunteers is often a significant factor in determining what services can be offered. In dollar figures the contribution of volunteers to Milpara Community House based on a median rate of 1785 Volunteer Hours of per annum is estimated to be \$50,943.90

The premises at 21 Shellcotts Road is owned and maintained by the South Gippsland Shire Council and is leased to Milpara for community support activities, adult education and children's activities. The current lease expires in 2015.

Milpara is open during school terms Monday to Friday from 9:30am to 4:30pm and there are often two or three activities operating every week at night.

There is a committee of management elected at a public annual meeting. Two coordinators report to the committee. As appropriate, the coordinators engage numerous sessional tutors, a cleaner, childcare workers, administration workers and volunteers to assist in day to day administrative work.

Milpara has been a provider of adult and community education since 1984. Education classes are both formal and informal and include computers, photography, first aid, craft, creative writing, yoga, English as a second language and food safety courses.

Milpara also provides a venue for the following services and support networks in Korumburra –

- ✓ Uniting Care Gippsland
- ✓ Work Solutions Gippsland
- ✓ Vision Australia volunteers to record the Sentinel Times
- ✓ Country Women's Association
- ✓ Australian Breastfeeding Association
- ✓ Korumburra Playgroup

Commercial In Confidence

- ✓ Milpara Men's Shed
- ✓ Emergency Foodbank
- ✓ Men's Group

In 2001 Milpara was officially appointed as Centrelink agency. The Centrelink agency provides access to Centrelink and Medicare via telephone, fax and the Internet. Funding is currently for ten hours per week with Milpara open for Centrelink business 10am to 2pm Tuesday and 10am to 1pm Wednesdays and Thursdays.

Offshoots of the Centrelink Agency are requests for food, referral and support. Milpara has an Emergency Foodbank funded by donations and specific philanthropic grants, and referrals for people experiencing a crisis are made to the appropriate support agency. The demand for these services is increasing. Statistics are collected during Term 3 of each year as a snapshot of the use of the Foodbank. In this term, 186 people (including 86 children) benefited from the food supplies available at the House which if costed separately is valued at \$9,418.20 per annum.

OVERLOADED/UNDERFUNDED ADMINISTRATION PROCESSES

The burden on staff to deal with the increasing number of activities and personnel has reached a level where funding limitations restrict the quality of service delivery. Following is a list of activities likely to occur at any given time:

- in-person visits and general enquiries
- telephone enquiries
- Centrelink enquiries and form lodgement out of hours
- food bank distribution and re-stocking
- visits requiring information, advocacy and referral
- crisis intervention
- course enquiries and student enrolments
- student & tutor requests
- sign-in diary
- room bookings
- fee payments
- photocopying service and payment
- book keeping
- wage payments
- committee meeting preparation and report writing
- statistical reporting
- funding applications and acquittals
- attending to children's supervision
- volunteer training and supervision

Visits requiring information, advocacy, referral, crisis intervention and Foodbank support are increasing and their unpredictable nature impacts with day to day running of the community house. Because Milpara is often the first organisation in Korumburra to be contacted when people are seeking support, the impact on Milpara's core business is greater than it might be in other towns where the range of support services is greater.

Commercial In Confidence

ENHANCING COMMUNITY WORK IN PARTNERSHIP WITH COUNCIL

We would like to enhance the community work already undertaken by council by working in partnership particularly in the area of community information, advocacy and referral. Milpara is already participating in this area but resources are stretched as the coordinators time has to be shared with other commitments in the area of adult education and community support. It is envisaged that such an approach to provide these services would meet both our community house aims and those of Council. A council contribution of \$14,000 per annum would contribute 560 hours at \$25 an hour towards providing the service mentioned above.

Many of the outcomes in the Council's annual plan are also reflected in the business plans and mission statements of the Milpara Community House - In particular the areas of community engagement and strengthening; social equity and community health.

Milpara performs a crucial role in identifying and interpreting local community objectives. This is evident by the number of visits to the House by individuals who say they feel welcome, have a sense of belonging and are better connected to their communities as a result of engaging with their community house. The practice of Milpara to engage directly 'at the grassroots' with a broad cross-section of community leads to further engaging hard-to-reach, isolated people in the community.

Milpara staff and volunteers provide representation on the following committee and organisations

- Korumburra Rotary Club
- Korumburra Round Table
- Korumburra Secondary College School Council
- South Gippsland Community Houses Network
- Gippsland Regional Neighbourhood Houses Group
- South Gippsland Men's Shed Network
- South Gippsland Parenting Network
- Southern Business Women's Network
- South Gippsland Shire Council Active Retirees Advisory Committee

CONCLUSION

This submission requests the South Gippsland Shire Council contribution of \$14,000 per annum towards funding resources to supply community information, advocacy and referral and Foodbank support to the Korumburra and surrounding areas through Milpara Community House Inc.

**C.25 S223 #25 REQUEST FOR COUNCIL FUNDING KORUMBURRA ROUND
TABLE**

Pathway/TRIM	D2361314	Date	29/5/2014	Wish to be heard	Y
From	Korumburra Round Table – John Davies				

COUNCIL PLAN / STRATEGY / STUDY

Outcome	2. Closely Connected communities
Strategic Objective	2.1: Engage and work collaboratively with our community
Strategy	2.1.2: We will develop an integrated approach to planning with the community incorporating budgeting/funding strategies and project development. 2.1.3: We aim to minimise barriers and find ways to support our volunteers, community groups and committees to provide services beyond those that Council, by itself, can provide
Responsible unit	Development Services Directorate

SUMMARY OF ISSUES RAISED

- Korumburra Round Table (KRT) is a community driven committee, initiated by Council in March 2013 “to advocate and express the needs and aspirations of the Korumburra Community”.
- Request for \$20,000 to address signage issues at western entrance to Korumburra.
- View that this work will then direct and inform further work at other town entrances – addressing uniformity of signage, reducing signage clutter and creating and adopting town branding etc. These activities will require further funding.
- These actions respond, in part, to initiatives in the Korumburra Town Centre Framework Plan.

MANAGEMENT RESPONSE

- KRT have identified this project as a ‘low cost, high impact’ activity that they hope will demonstrate to the Korumburra community that the KRT is achieving results and ‘getting the job done’.

- Council is committed to the KRT as a pilot model of Council-Community engagement and communication that could then be rolled out to other communities.
- Project management would require advice, consultation and support from Council, adhering to necessary VicRoads planning and permission requirements.
- Could set a precedent that other communities will expect cash support for priority projects identified through their Community Plans.
- While this project does, in part, fit with some activities identified in the Korumburra Town Centre Framework Plan – could the time, funds and energy be better served by an amalgamated Community Project, driven by KRT, effectively packaging or bundling similar priority projects from the Town Centre Framework Plan and working with Council on a large-scale submission for funds through RDV?
- SGSC 2014-2015 Proposed Annual Budget, incorporating the 15 year Long Term Financial Plan and 4 year Strategic Resource Plan – states (on p20) *“The Korumburra Town Centre Framework Plan directions will be prioritised for the 2015/16 Budget, in partnership with the Korumburra Roundtable Committee. Projects will be reviewed, prioritised and presented to Council for inclusion in the 15 year Capital Works Budget for funding consideration. The Korumburra Town Centre Framework Plan aims to provide the environment for investment into the town centre of Korumburra and encourage the reinvigoration of the township.”*

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | ✓ |
| b) No change | |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Refer \$20,000 as contribution towards Korumburra Signage Project to the 2014/15 budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

REQUEST FOR COUNCIL FUNDING KORUMBURRA ROUND TABLE

TOWN CENTRE GATEWAYS AND SIGNAGE PROJECT

SUBMISSION TO:

South Gippsland Shire Council
9 Smith Street, Leongatha, Victoria, 3953,

SUBMISSION FROM:

Korumburra Round Table (KRT)
John Davies – Chair
Tel: 0411 485 113

THE KORUMBURRA ROUND TABLE

The KRT was formed in October 2013 as an initiative of the South Gippsland Shire Council to advocate and express the needs and aspirations of the Korumburra community.

FUNDING PROPOSAL

The KRT seeks an allocation of \$20,000 in the 2014-2015 budget to complete the Korumburra Town Centre Gateway and Signage project as recommended in both the KTCFP and the proposed Amendment C93

PROJECT DETAILS:

The "Gateway Entrances" to Korumburra from all four directions lacks visual impact. Existing signs and flags are faded, damaged and cluttered. They do not present an aesthetically appealing first impression nor encourage or entice visitors to stop in the town Centre.

Korumburra Town Centre Framework Plan (KTCFP):

- Page 46 table 02 Q3 recommends the removal of signage clutter along South Gippsland Highway and replace with integrated signage.
- Page 48 Direction 1.7 Undertake projects to stimulate economic activity in Korumburra for example; Town Centre Branding, Colour Palette, Marketing and Advertising

Proposed Amendment 93

- Clause 22.01 – Advertising Signs: The objectives of this clause are "to encourage signs that will enhance the visual amenity of the built and natural environment:

The members of the KRT agreed at its meeting 26th February 2014 that the first project from the KTCFP would be the Town Centre Gateways and Signage Project. Completion of this project will fulfil the afore mentioned recommendations.

A project team of 4 members was established and concept plans were presented to the KRT were agreed upon at the meeting 27th March 2014.

PROJECT OBJECTIVES

The objectives of the Town Centre Gateways and Signage Project are:

- Removal of all “signage clutter “at all 4 entrances to the town;
- Adopt a uniformed signage style and theme;
- Adopt a colour palette and town centre branding;
- Create ‘Gateway Entrances’ to the town centre that entice visitors to spend time in Korumburra;
- Create signage that promotes community events and activities;
- Installation of garden beds that are visually appealing, enhancing the signage without distracting from the message;
- Adopt a signage policy which is endorsed by South Gippsland Shire;
- Encourage the Shire to enforce current and future breaches of existing and future signage by-laws;
- Gateway entrances that are illuminated at night and positioned appropriately for optimum effect and impact;
- The Lions Club event flags and poles are repaired and repainted to match agreed colour palette.

PROJECT PLANNING

The planning of the project will be by the project team members with support from the KRT members.

The project team have set a timeline for completion of the project at 6 months (August 2014). This timeline is achievable with the support of the South Gippsland Shire. The KRT would like to demonstrate to the Korumburra community that is achieving results and “getting the job done”.

The project will require advice and consultation from Council and Vic Roads. All Landscaping plans and works will be completed by Project members and volunteers.

Initially this proposal is for one “Gateway Entrance” located on the Melbourne side of Korumburra on the South Gippsland Hwy with a view to establishing the remaining 3 gateways as future funding is made available.

PROPOSED PROJECT TIMELINE

Feb 2014	Project determined and project team established
Mar 2014	Concept plan agreed and funding grant applications completed
April 2014	Funding granted and all ‘in-kind’ called in
May 2014	Marketing/graphic design consultant engaged. Engineers

	and surveyors reports if required
June 2014	Final plans approved, planning permit granted and works commence
July- August 2014	Project works completed

BUDGET			
EXPENSES		INCOME	
Marketing Consultant and/or Graphic Services	Artist	\$10,000	Shire Council Budget Allocation 2014-2015 \$20,000
Engineers & Reports	Surveyors	\$ 750	Local Service Providers "In Kind" see notes below \$5,850
Professional Signage Plans		\$ 700	
Construction & erection of sign		\$ 7000	
Solar lighting supplied and installed		\$ 1000	
Fencing materials, construction & Installation		\$ 2500	
Landscape Materials (Soil improvements, Mulch, Plants)		\$ 900	
Landscape Labour		\$ 2000	
Contingencies		\$ 1000	
TOTAL PROJECT COST		\$25850	\$25850

Letters of support from Korumburra service providers include:

- Korumburra Lions club,
- Korumburra Agricultural and Pastoral Society
- Korumburra Business Association,

"In kind" includes labour, financial contributions and materials.

SUMMARY STATEMENT

The KRT has nominated the 'Gateway Signage' as a 'low cost, yet high impact' priority project within the Korumburra Town Centre Framework Plan (KTCFP).

**C.26 S223 #26 NEW OFFICES, ART CENTRES, INFRASTRUCTURE
MAINTENANCE, ROAD FUNDING, SWIMMING POOLS, SERVICES AND
EMPLOYMENT**

Pathway/TRIM D2385714 Date 27 May 2014 Wish to be heard N
From Mr Jason Pincini

COUNCIL PLAN / STRATEGY / STUDY

Outcome 3.0: Integrated Services and Infrastructure.
Strategic Objective 3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.
Strategy 3.1.1: We will deliver Council and community projects and leverage project funds to attract investment from external sources.
3.1.3: We will develop an integrated planning approach for our townships and villages, so that facilities are located in areas where they are most appropriate.
Responsible unit Engineering Services / Recreation / Finance

SUMMARY OF ISSUES RAISED

1. New Offices / Art Centre.
2. Maintenance of Inherited Infrastructure.
3. Road Network.
4. Swimming Pool Budget Increase.
5. Adequate Services.
6. Employment Forecast 261.49 in 2017.

MANAGEMENT RESPONSE

- **New Offices / Art Centre**

The purpose of this investigation is to understand what opportunities exist to consolidate and upgrade our accommodation as well as include the potential integration of services such as a library (lease expires in 2017), performing arts centre/space, community centre etc which is often raised by the community.

- **Maintenance of Inherited Infrastructure**

Council has in place Asset Management Plans which demonstrate how Council manage our assets in order to deliver the agreed level of service which has the least cost to the community. These plans are internal working documents and are reviewed annually.

Council has provided sufficient funds in the Long Term Financial Plan to maintain / manage its infrastructure assets as proposed in our Asset Management Plans

- **Road Network**

Unfortunately the condition of the road network has worsened with the numerous extreme rain events we have experienced over the past three years. These have caused considerable damage to the roads in South Gippsland and associated infrastructure. Many of the sealed local roads between towns are actually the responsibility of VicRoads. Council has however, taken the following measures together with VicRoads to make improvements to our roads:

- Council has approved an extra \$500,000 in the 2014/15 budget towards the Resheet Program.
- Council is working closely with VicRoads to improve road and roadside maintenance on both arterial and local road networks. These discussions have also focused on collaborative opportunities for routine works and for dealing with natural disasters, including preparation, response and recovery.
- VicRoads has allocated \$1 million to Council over four years (2011/12 to 2014/15) for the high priority maintenance of Council's road infrastructure, including drainage maintenance.
- A Long Term Drainage Program is being implemented that aims to clean approximately 120km per year.
- All roads are inspected over a two month period (rather than just certain class roads).

- **Swimming Pool Budget Increase**

The proposed 2016/17 has funds allocated approximately \$2M for a major refurbishment / renewal of the Mirboo North Aquatic Facility and capital funding for approximately \$2M has been allocated for the South Gippsland SPLASH Leongatha Stage 3 Hydrotherapy Pool.

- **Adequate Services**

Social Community Infrastructure Project

Council committed to the development of a Social Community Infrastructure project in December 2013. The aim of the project is to develop an integrated planning approach for the location of infrastructure such as facilities, recreation spaces and walkway/bike paths in townships and villages in South Gippsland to ensure they are located in the most appropriate areas for future growth of the Shire. Financial and environmental sustainability of our social infrastructure is a critical part of this planning.

A consultant was appointed in February 2014 to work with a Social Community Infrastructure Committee to develop a draft blueprint of community infrastructure as Stage 1 of the project. Parameters have been established, considerable research undertaken, data collected and consultation with community groups from each town completed.

A draft blueprint will be presented at the July 2014 Council Meeting to commence the public exhibition process.

Social Infrastructure

Individual community infrastructure plans have been developed over the 2013 – 2014 financial year for five towns expecting considerable growth in South Gippsland. Growth in Korumburra, Leongatha and Nyora in particular will place pressure on current social infrastructure to accommodate the needs of a larger population.

Best practice recommends multi-purpose community facilities accommodating a range of services in place of previous single use facilities. When these facilities include a key anchor such as library or community house and are open freely to the public, they form a central meeting place for a town and become an efficient facility used by a range of people.

- **Employment Forecast 261.49 in 2017**

The current Council Plan and accompanying Strategic Resource Plan and Long Term Financial Plan do not allow for any further staff increases.

BUDGET CONCLUSION

- | | |
|--------------------------------|-------------------------------------|
| a) Amend | <input type="checkbox"/> |
| b) No change | <input checked="" type="checkbox"/> |
| c) Further discussion required | <input type="checkbox"/> |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

NEW OFFICES, ART CENTRES, INFRASTRUCTURE MAINTENANCE, ROAD FUNDING, SWIMMING POOLS, EMPLOYMENT

From: [Jason Pincini](#)
To: [Council](#)
Subject: proposed annual budget-comment
Date: Tuesday, 27 May 2014 12:27:03 PM

The council,s success in paying down debt is to be commended, however to float ideas such as brand new offices, and art centres -that involve major new financial commitments, when all indications are given at crowded public meetings, that the council is not willing/able to maintain infrastructure that it inherited, and that the community clearly indicates that it wants to retain, is of concern to many ratepayers.

The road network is clearly -according to the balance sheet, the councils biggest asset ,and once the balance sheet is improved , as per the the future 2014-2017 forecasts, hopefully will be able to be given increased funding priority.

The large increase in pool spending from \$518,000 current to \$4,184000 in 2016/2017 I could not find an explanation for.

I am a 5th generation resident of the shire , and would like to think that people now and in the future ,who "come for the beauty and stay for the lifestyle" and choose to live in the smaller towns in the shire, will have adequate services to enjoy that lifestyle .

I am also hoping to see the forecast of 261.49 employees in 2017 met successfully.

Yours kindly :Jason Pincini

C.27 S223 #27 RATE INCREASE AND LACK OF SERVICES VENUS BAY

Pathway/TRIM D2405814 Date 28 May 2014 Wish to be heard N

From Mr Robert Gayner

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4.0: A Leading Organisation

Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams

Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure

Responsible unit Corporate Services, Engineering Services, Development Services

SUMMARY OF ISSUES RAISED

1. Concern about the level of services provided to Venus Bay:
 - a. Peak season parking supervision;
 - b. Public parking spaces provision near beach access so that visitors can park legally and safely;
 - c. Prioritised parking provision for residents/ratepayers;
 - d. Road maintenance and regular inspections of sealed roads;
 - e. No supervision, enforcement or inspections of old septic systems;
 - f. Noxious weeds program;
 - g. No yearly hard rubbish collection;
 - h. No fortnightly free green waste collection;
 - i. No street lighting in most areas or even at intersections; and
 - j. No public amenities in the Second Estate.

2. Concern about unsustainable rate increases and that Council should consider restricting rate increases to the Consumer Price index.

MANAGEMENT RESPONSE

1. Concern about the level of services provided to Venus Bay

a. *Peak season parking supervision.*

The roadway accessing Beach No 1 via the continuation of Surf Parade (west of no 4 Surf Parade) is Coastal Reserve which is Crown Land under the management of Parks Victoria and the Department of Environment, Planning and Infrastructure (DEPI). Council is not responsible for the provision of parking areas within this Coastal Reserve.

Parks Victoria and Council regularly attend the Venus Bay Community Reference Group to look at ways to address peak season management of visitors.

b. *No provision of public parking spaces near beach access so that visitors can park legally and safely.*

Council does not provide this service as these areas are controlled by Parks Victoria.

c. *No prioritised parking provision of for residents/ratepayers as is provided by bayside councils who recognise that those who pay for facilities should be given some preference over those who don't.*

Council does not provide this service as these areas are controlled by Parks Victoria.

d. *Lack of road maintenance and regular inspections of sealed roads to repair obvious washouts and potholes.*

Roads within Council responsibility are inspected and maintained in accordance with the South Gippsland Shire Council Road Management Plan. All Council Roads other than Access Tracks are inspected on an eight week cycle. The roads are assessed against the service levels outlined the Road Management Plan and any defects identified are prioritised and addressed according to the level of risk presented. Council is not responsible for all the roads in Venus Bay, some are the responsibility of VicRoads and some are the responsibility of Parks Victoria.

The South Gippsland Shire Council Road Management Plan including the register of Council roads and a list of VicRoads roads are available on Council's home page www.southgippsland.vic.gov.au > [report a road defect](#) including an online form to report a road defect.

Unfortunately the condition of the road network has worsened with the numerous extreme rain events we have experienced over the

past three years. These have caused considerable damage to the roads in South Gippsland and associated infrastructure. Many of the sealed local roads between towns are actually the responsibility of VicRoads. Council does not maintain these roads. Council has however, taken the following measures together with VicRoads to make improvements to our roads:

- Council has approved an extra \$500,000 in the 2014/15 budget towards the Resheet Program.
- Council is working closely with VicRoads to improve road and roadside maintenance on both arterial and local road networks. These discussions have also focused on collaborative opportunities for routine works and for dealing with natural disasters, including preparation, response and recovery.
- VicRoads has allocated \$1 million to Council over four years (2011/12 to 2014/15) for the high priority maintenance of Council's road infrastructure, including drainage maintenance.
- A Long Term Drainage Program is being implemented that aims to clean approximately 120km per year.
- All roads are inspected over a two month period (rather than just certain class roads).

e. No supervision, enforcement or inspections of old septic systems.

Council responds to and investigates complaints about the use of septic tank systems. A proactive monitoring and enforcement program for waste water systems will be considered by Council as part of its review of the Domestic Wastewater Management Plan (DWMP). This review is proposed to be completed by the end of the 2014/15 financial year and will be put on public exhibition for comment.

f. Noxious weeds program to destroy noxious from road verges.

Council is now responsible for the control of declared weeds on Council managed roads, due to a transfer of responsibility to Local Government in November 2013. Some State Government funding assistance has been provided in the short term to assist with the associated costs, but even with this assistance, Council has very limited funds to manage roadside weeds. To ensure that the most benefit from the funding is achieved, roads are prioritised for treatment based on roadside vegetation conservation value and extent/species of weed infestation.

g. No yearly hard rubbish collection.

Residents are able to book an annual hard waste collection service on the basis of user pays. This service is provided during September and October each year. In addition, in February 2013 an optional kerbside garbage collection and recycling service was made available in Venus Bay. The services is offered on the basis of user pays with each property owner able to choose whether or not they would like to use the service. Residents who choose to take up the service are able to receive either a full year service or a 6 month service (November to April each year) at their option. Residents who choose not to register for a service will not incur a garbage charge and may continue using the transfer station to dispose of their waste and recyclables.

h. No fortnightly free green waste collection as provided by some councils.

The potential to introduce a kerbside green waste collection service is currently being investigated, with a briefing to council on the subject scheduled for 4 June 2014. Following the briefing, a report proposing various service options will be prepared for the consideration of Council later this year.

i. No street lighting in most areas or even at intersections.

The installation of street lighting within townships may occur after either of the following:

- A resident request, or
- Council initiated due to public safety concerns.

Resident requests are investigated and if deemed warranted, appropriate street lighting will be budgeted and subsequently installed. In the case of coastal / holiday towns, such as Venus Bay, residents who may be impacted by the installation of a new street light are sent letters to advise of the request / proposal and to seek feedback. This is due to the impact of lighting in areas of designated high conservation value. If a majority of impacted residents oppose to the installation of a new light, Council will not install one.

If Council believes a light is required for other reasons, such as public safety, impacted residents will be notified. Where any constructed footpath exists and lighting is warranted, it shall be provided to the standard defined for a residential area.

Council has a webpage which discusses the process to request a new street light. This form is available to download or can be

completed online at www.southgippsland.vic.gov.au > [Roads & Infrastructure](#) > [Street Lighting](#).

j. No public amenities whatsoever in the Second Estate.

There are public toilets, BBQ's and playground facilities managed by Council on Fishermans Road, Venus Bay which is located in the Second Estate. Parks Victoria also provides a public toilet adjacent to Beach No. 5 which is also located in the Second Estate.

Council currently have no plans to increase the number of public amenities it provides within Venus Bay.

2. Concern about unsustainable rate increases and that Council should consider restricting rate increases to the Consumer Price Index

- The financial modelling used in the Long Term Financial Plan utilises both Commsec and the Reserve Bank's economic forecasts. Where an inflation movement has been used in material and consumable calculations, it has been modelled at being 2.5% in 2014/15. In the following years, the default inflation index in the Long Term Financial Plan has been modelled to remain at 2.5% per annum. (CommSec forecasts that inflation will be 2.7% for 2014/15, increasing in the following financial year to 2.9%).
- Council is party to an Enterprise Agreement that remains in force until June 2016. The quantum and timing of salary increases under the agreement is an increase of 4% or \$40 per week, whichever is the greater payable September each year. Commsec Wages Prices Index project a 3.4% movement to occur in 2014/15 and then to increase to 3.8% in following years.
- Program service delivery areas that include construction type projects will have a tendency to have costs that increase more than CPI. The budgeting methodology used in the capital works program depends on the nature and timing of the projects. For the majority of infrastructure projects that occur yearly, such as roads, bridges culverts and drains, the costing in future years is based on an indexed increase of 4.25% per annum. The Australian Bureau of Statistics showed that the Road Bridge Construction Index for Victoria increased by 3.3% for the year on year period ending December 2013. The increase over and above the Road Bridge Construction Index allows for regional cost impacts of the closed quarry and creates a conservative buffer for the forward capital works program.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATE INCREASE AND LACK OF SERVICES VENUS BAY

Email sent to Council 28 May 2014

It is time that the South Gippsland Shire Council stopped using the ratepayers of Venus Bay as a cash cow for the rest of the municipality. The council provides very little for those who live or have homes at Venus Bay. I can't name anything of any importance, let alone a list. I do however have a list of services that the council *doesn't* provide:

- No supervision of parking during peak season pipi hunting to ensure that drivers park legally and not obstruct driveways.
- No provision of public parking spaces near beach access so that visitors can park legally and safely.
- No provision of prioritised parking for residents/ratepayers as is provided by bayside councils who recognise that those who pay for facilities should be given some preference over those who don't.
- No adequate road maintenance other than dumping a load of screenings on a dirt track. No regular inspection of sealed roads to repair obvious washouts and potholes.
- No supervision or inspection of old septic systems or enforcement of quarterly maintenance checks on aerated two tank septic systems to ensure that ground water isn't polluted by untreated waste.
- No eradication program to destroy noxious weeds from road verges.
- No yearly hard rubbish collection.
- No fortnightly free green waste collection as provided by some councils.
- No street lighting in most areas or even at intersections.
- No public amenities whatsoever in the Second Estate.

The council also needs to stop treating the ratepayers of South Gippsland as simpletons. To increase rates by 132% over ten years is monstrous and unsustainable. The council's empire building and lavish salaries cannot continue. It was not that long ago that Town Clerks were installed to oversee the daily running of councils, being paid a modest salary. Now we need an executive group that vies with other councils to see how much they can pay themselves and what perks they can provide to themselves.

I'm expecting the rates at Venus Bay to *fall* as property values decline. The double storey house on one side of us has been on the market for over four years. In that time its price has been reduced from \$398k to \$275k and is still yet to find a buyer. The cottage on the other side has been on the market for over two years and its asking price has fallen from \$269k to \$229k with no buyers in sight. Were they overpriced to begin with? The owners didn't think so. There would be another five houses for sale in very close proximity to us that remain empty and unsold after a considerable time.

It's time for a rethink by both elected representatives and council staff. It's time that the state government legislated to restrict local rate increases to the Consumer Price Index. The CPI is regarded as an appropriate measure by which to increase state pensions and the federal government is about to also use it when reviewing the Age Pension, so why not local council rates. The current policy of imposing whatever increases councillors and compliant staff think that they can get away with must come to an end.

Robert Gayner
110 McIndoe Avenue
Venus Bay 3956

C.28 PROPERTY VALUES VS REFLECTING CAPACITY TO PAY

Pathway/TRIM D2405914 Date 27 May 2014 Wish to be heard N

From Anja van der Geest

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation

Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams

Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure

Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Concern that key element ‘property values, which reflect capacity to pay’ does not reflect ratepayers level of wealth and / or capacity to pay.

MANAGEMENT RESPONSE

- Property rates are a general purpose levy not linked to ‘user pays’, or ability to pay principles. Other charges such as waste service fees are liable to be linked to costs associated with a direct service benefitting specific rate payers and thus are ‘user pays’ based.
- Council acknowledges that the existing system of raising rates using the property wealth tax valuation methodology is imperfect; however, the application of an alternate rating model (e.g. income tax) is not available within the constraints of the existing legislation.
- Council can however modify certain aspects of the rating system in accordance with the legislation, including the application of differential rates in the dollar (or differential rates) to different classifications of properties.
- Council acknowledges that property rates do not recognise that individual ratepayers within a class of properties can be ‘asset rich’ and ‘income poor’. In some cases ratepayers may have considerable wealth reflected in property they own but have a low level of income.
- While income and goods and services taxes are more reflective of capacity to pay, it is not possible to expect a property rating system to deal practically with all aspects of capacity to pay based on individual households and businesses. Given this, Council can provide flexible

payment options to ratepayers experiencing genuine hardship upon request.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

PROPERTY VALUES VS REFLECTING CAPACITY TO PAY

Email sent to Council 27 May 2014

To Whom it May Concern,

After viewing the documents I was not able to find specifications in regard to the Rating Structure (12.3) which Council has established. One of the key elements includes: Property values, which reflect capacity to pay.

Property valuation does not reflect ratepayers level of wealth and/or capacity to pay.

How does Council will determine which properies are going to reflect capacity to pay?

Dealing with increasing living expenses may cause hardship for many low income property owners.

Kind regards,

Anja van der Geest
Koonwarra

C.29 S223 #29 EMPLOYEE COSTS AND SERVICE DELIVERY

Pathway/TRIM D2406114 Date 28 May 2014 Wish to be heard N
From Fred Couper

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Concern about scaling back capital works program will only provide short term gains.
- Comparing employee costs of South Gippsland to Baw Baw Council.
- Request that Council undertake a philosophical shift in respect to how those services are delivered.

MANAGEMENT RESPONSE

- Expenditure allocated to renewals and upgrades is given priority to that allocated to extension works. The capital expenditure program for 2014/15 has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. There are no asset renewal primary funding gaps for all major classes of assets. There are adequate funds for recurrent cost requirements for all major asset classes for the current defined service levels as documented in Asset Management Plans.
- South Gippsland and Baw Baw's councils employee costs are both around 39% of the expenses in the Budgeted Income Statement.
- In 2014-2015 Council is commencing a program of detailed reviews for Council services. The first four to be reviewed are Home and Community Care, Swimming Pools, Coal Creek and Economic Development/Tourism/Visitor Information Centres. Seven principles have been established to guide the reviews that are aimed at challenging the current way each service is delivered. These include:

1. User Pays Principle – are there components that could be user pays or cost recovery?
2. Efficiency Principle – are there efficiency gains to be made? If so how are these to be made?
3. Compliance Principle – is Council obligated to undertake this service? Can we give it to someone else and if so to what level? If we have to do it, where does the funding come from and how much is covered?
4. Cost Shifting Principle - If it is cost shifting, does Council want to keep doing it?
5. Community Good / Social Justice Principle – is it something that Council has to do for the benefit of the community?
6. Change to the service levels – are changes to the levels required?
7. Effective use of time investment relative to potential savings - consider the workload to do this work for the savings likely to be achieved.

The suggestions aimed at encouraging greater community ownership and considering alternate approaches in the delivery of services can be considered as part of each review. Partnerships, Friends Groups and other shared approaches can provide alternative thinking to deliver services.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

EMPLOYEE COSTS AND SERVICE DELIVERY

Re. Proposed 2014/2015 budget

Dear Sirs/Madams,

I don't intend for this to be a long submission and I thank you for taking the time to read it.

I appreciate the difficulties that you face in the current economic climate to try and keep rate rises down and at the same time meet the expectations of the community, but it seems to me that your main focus of doing so is by reducing capital expenditure in the short term and trying to identify services which can be scaled back or even cut completely, such as pools and areas related to community care. While I am not arguing that either issue shouldn't be on the agenda, I believe that they are only short term gains to be had, or will only actually have a minimal effect on the bottom line, for example total expenditure on the pools is approximately 1.25% of the total budget.

The budget estimates that in 2014/15 total employee costs will be \$22,218,000, or approximately 49% of the total Council expenditure (in comparison the Baw Baw Shire's proposed employee costs for the same period is approximately 39% of their total expenditure). There are two initial points I would like to make on the Council's employee costs:

While employee costs absorb nearly half of total council expenditure then I think that the type of debate that currently dominates any discussion that is had about the Council budget is going to be with us forever as are annual rate rises of 4% or more.

The Council needs to do a much better job at explaining this situation and release the benchmarking and other associated figures which you constantly argue justify current employee costs.

However the main purpose of this submission isn't to talk about employee costs from that perspective. Rather I believe that as a Council and a community we need a philosophical shift with respect to how these services are delivered, the focus of which isn't about cutting wages but rather how to deliver those services making greater use of the resource which has the most to gain from all this, the community itself. Why is it that the Council considers they need to be responsible for every park and garden in the Shire? Why shouldn't the community be responsible for these? Why not provide the equipment (the mowers etc.) to maintain some of these facilities and put the responsibility on the community to provide the labour. The simple fact is that when the Council gets involved costs increase, whether that be renovating buildings, mowing a park or providing lifeguards for pools. I appreciate that is because of the various regulatory frameworks in which you have to operate in and abide by, but rather than simply accepting that framework isn't it possible to consider how to achieve yours and the community's goals but outside of that framework?

As I said I do understand that this is a very complex issue and realise that I have only presented a very brief response to it, but it does seem to me that every year the same arguments are being presented, the same 'hard decisions' are being considered, when actually what is needed is for a new approach to be taken to how a Council actually operates.

I wish you well in your deliberations.

Regards,
Fred Couper
Trembath's Rd, Mirboo Nth.

C.30 S223 #30 OBJECTION TO RATES INCREASE

Pathway/TRIM D2435714 Date 28 May 2014 Wish to be heard N
From Jackie Wilson

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

Against the proposed increase in rates in the 2014-2015 budget - South Gippsland Shire needs to stop spending money on projects that are not the shire's responsibility.

MANAGEMENT RESPONSE

South Gippsland Shire provides in excess of 120 separate services. A majority of these services are required by legislation and therefore are required to be delivered by Council. A proportion of services are provided through grants provided by other levels of government. Many of these have tight constraints and legislative and regulatory controls that need to be met. The number of discretionary services provided by Council is quite limited.

Where Council is able to set the standards or level of service provision and determine if various discretionary services should continue, there are often conflicting community opinions on these services. While some people advocate terminating the provision of some services, many others equally as strongly advocate for them to continue.

Council is aware that many of the areas proposed by this submitter for cutting are valued highly by others in the community. A number of these services and plans have been included at the request of local communities in an endeavour to improve their local environments.

As a result of all these factors Council is faced with significant challenges in establishing the annual budget and deliberates seriously over the decisions made on behalf of the community.

Council is very aware of the community's concern with the costs associated with Council provided services. To this end it established a Financial Sustainability Steering Committee consisting of all Councillors in August 2013. This Committee has met monthly to undertake a zero based budget review, consider shared service opportunities and review the capital works program.

As a result of Council and staff efforts, efficiencies have been introduced that are resulting in reduced printing costs and reduced fleet costs. Improved efficiencies have been introduced by reducing manual processes for procurement activities. Council has also utilised shared purchasing agreements for awarding various tenders that has led to reduced costs than would have been possible if Council had tendered for the services on its own.

Council will be continuing detailed reviews of services in the coming year, commencing with Coal Creek, Swimming Pools, Home and Community Care and Economic Development/ Tourism.

Council has a specific financial strategy' target consistent underlying surpluses that provide sufficient funds for both recurrent service level and asset renewal and upgrade requirements'. The Long Term Financial Plan indicates that Council will generate underlying surpluses from 2015/16 onwards.

Local Government is now a highly complex business. Council not only provides 120 services in its own right, it provides practical and greatly needed support to local Community Groups and Business Networks so that together the ever increasing needs of local communities are met.

Global and national events and impacts such as 911, the global recession, increased fraud management requirement, increased risk management requirements, increased legislative responsibilities, transferred responsibilities from the community and other levels of government and continually increasing community expectations, together have changed the 'environment' in which Council must operate in.

Council's reality is that management practices and low cost staffing arrangements of a decade ago no longer suit the fast paced, technological based and competitive labour market that now exist. Council is committed to working with staff, community members and groups, businesses, other levels of government and interested stakeholders to find more effective and efficient ways to deliver the wide ranging mix of services and facilities needed within the South Gippsland Shire and region.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION
OBJECTION TO RATES INCREASE

28/05/2014

To: Chief Executive Officer

Re: Budget 2014/2015

There is no need for rates to increase at all. South Gippsland Shire needs to stop spending our money on projects that are not shires responsibility. Times are tough at the moment and this is one increase that is unnecessary and we can do without.

Some suggestions on where to make cost savings are:

Pay off the debt (faster)

Keep Cash in hand to <\$10 million

Scrap or reduce spending in the following areas

Coastal Township Seasonal Population Change Study

Integrating Climatic Impacts

Great Southern Rail Trail

Coal Creek

Community strengthening

People and Culture Projects.

Town gardening.

The Shire is doing too much of what belongs to community groups. The basics need to be covered and covered adequately. There is more than enough money to do this without this proposed raise.

As for the ongoing proposal to keep increasing rates, I think it is preposterous.

I am against the proposed increase in rates in the 2014-2015 budget for the South Gippsland Shire Council.

Regards,

Jackie Wilson
Ruby

P.S. On the letter sent out to rate payers inviting feedback, I would have thought that it was well known that names are spelt with capital letters. Apologies to Cr. James fawcett.....

C.31 S223 #31 OBJECTION TO RATES INCREASE

Pathway/TRIM D2435614 Date 28 May 2014 Wish to be heard N
From Neil Shaw

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

1. Opposed to the rate rise applicable to this submitters property.
2. Cut expenditure, reduce overheads.
3. Stop expanding the staffing profile and all attrition to reduce staffing levels.
4. Stop excessive increases in rates.

MANAGEMENT RESPONSE

1. Opposed to the rate rise applicable to this submitters property

The proposed changes to the 2014-2015 Rating Strategy will see an adjustment in equity of rates paid by ratepayers across the Shire according to land type and land valuation. In summary, lower valued properties in all classes of land will receive some rate relief in the coming financial year, while higher valued properties will increase.

The Municipal Charge was considered a regressive tax. The removal of the charge over next two financial years has been endorsed to bring greater equity to all properties across the Shire. The adjustments have been spread over two financial years to provide a buffer to higher valued properties that will be impacted by the change.

2. Cut expenditure, reduce overheads

South Gippsland Shire provides in excess of 120 separate services. The majority of these services are required by legislation and therefore are required to be delivered by Council. A proportion of services are provided

through grants provided by other levels of government. Many of these have tight constraints and legislative and regulatory controls that need to be met. The number of discretionary services provided by Council is quite limited.

Where Council is able to set the standards or level of service provision and determine if various discretionary services should continue, there are often conflicting community opinions on these services. While some people advocate terminating the provision of some services, many others equally as strongly advocate for them to continue.

Council established a Financial Sustainability Steering Committee consisting of all Councillors in August 2013. This Committee has met monthly to undertake a zero based budget review, consider shared service opportunities and review the capital works program.

As a result of Council and staff efforts, efficiencies have been introduced that are resulting in reduced printing costs and reduced fleet costs. Improved efficiencies have been introduced by reducing manual processes for procurement activities. Council has also utilised shared purchasing agreements for awarding various tenders that has led to reduced costs than would have been possible if Council had tendered for the services on its own.

Council will be continuing detailed reviews of services in the coming year, commencing with Coal Creek, Swimming Pools, Home and Community Care and Economic Development/ Tourism.

3. Stop expanding the staffing profile and all attrition to reduce staffing levels

The majority of Council services are labour intensive and need to be delivered by trained competent staff. Council is legislated to provide an extensive number of services and these must be delivered regardless of the number of ratepayers within the Shire/City Council. The 120 services are delivered by 261 EFT, effectively 1 service provided per 2.1 EFT.

The Council has reviewed several outsourced services in the past two years. The review of the waste transfer service and two caravan parks has determined that these services will be managed more effectively by bringing them back in-house. The Caravan Parks will also be a source of income for Council in future years. Both services have resulted in an increase in the total number of staff; without these services Council EFT would have been reduced in both 2013-2014 and 2014-2015.

4. Stop excessive increases in rates

Program service areas for Council have a tendency to have costs that increase more than CPI. Victorian councils also have substantial infrastructure assets that have to be maintained and periodically replaced. Most Victorian councils have identified that they have asset renewal funding gaps.

Council since 2003/04 strategically identified and prioritised funding for its asset renewal requirements. As a result there is no asset renewal funding gaps for all major classes of assets. There are adequate funds for recurrent cost requirements for all major asset classes for the current defined service levels as documented in Asset Management Plans.

In the past 10 years Council's overall rates and charge rises have been lower than the average rate rises for large rural councils in all but two years. Council is faced with significant challenges in establishing the annual budget and deliberates seriously over the decisions made on behalf of the community. Council is mindful of the impact on the community from rate rises and has managed to lower the 2013-2014 forecast rate rise of 6.25% down to 4.13%.

BUDGET CONCLUSION

- a) Amend
- b) No change
- c) Further discussion required

✓

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION
OBJECTION TO RATES INCREASE

28 May, 2014

South Gippsland Shire Council

Leongatha, Vic.

RE: Objection to increased rates

Attention CEO Tim Tamlin and Councillors

Dear Sir

I wish to lodge my objection to the size of the increase in Rates for my property at Sandy Point.

At a time when other governments, such as the Federal Government are cutting thousands of staff and reducing budgets you are going the other way and increasing staff and raising our taxes.

I urge you to take a more responsible approach and

- cut expenditure, even if this means a reduction in selected services
- reduce overheads,
- stop expanding the staffing profile & allow attrition to reduce staffing levels,
- stop excessive increases in rates, currently well above CPI levels.

It appears that Councillors are not willing to take the politically difficult decisions aimed at significantly reducing costs. Instead you appear to be locked into a spiralling increase in the bureaucracy with on-going increases in overheads.

Yours sincerely

Dr Neil Shaw

33 Beach Parade,
Sandy Point, 3959

C.32 S223 #32 POOR SERVICES DELIVERY FROM COUNCIL

Pathway/TRIM D2435814 Date 28 May 2014 Wish to be heard N

From Sam Bryce-Johnson

COUNCIL PLAN / STRATEGY / STUDY

Outcome	4.0: A Leading Organisation
Strategic Objective	4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy	4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit	Engineering Services Directorate, Development Services, Directorate, Community Services Directorate, Corporate Services Directorate.

SUMMARY OF ISSUES RAISED

1. Local roads are dangerous and badly maintained.
2. No Council inspectors on main beach area (Sandy Point) monitoring dogs running unleashed at peak times.
3. Close down Coal Creek or outsource it to a third party.
4. No green waste or hard rubbish collection resulting in the need to pay exorbitant tip fees and having to drive 20 kms to the nearest tip.
5. Rate increases in the past and the proposed 2014-2015 strategy clearly out-strip the official CPI.

MANAGEMENT RESPONSE

1. Local roads are dangerous and badly maintained

Unfortunately the condition of the road network has worsened with the numerous extreme rain events we have experienced over the past three years. These have caused considerable damage to the roads in South Gippsland and associated infrastructure. Many of the sealed local roads between towns, including the road between Fish Creek and Sandy Point, are actually the responsibility of Vic Roads. Council does not maintain these roads. Council has however, taken the following measures together with VicRoads to make improvements to our roads:

- Council has approved an extra \$500,000 in the 2014/15 budget towards the Resheet Program.

- Council is working closely with VicRoads to improve road and roadside maintenance on both arterial and local road networks. These discussions have also focused on collaborative opportunities for routine works and for dealing with natural disasters, including preparation, response and recovery.
- VicRoads has allocated \$1 million to Council over four years (2011/12 to 2014/15) for the high priority maintenance of Council's road infrastructure, including drainage maintenance.
- A Long Term Drainage Program is being implemented that aims to clean approximately 120km per year.
- All roads are inspected over a two month period (rather than just certain class roads).

2. No Council inspectors on main beach area (Sandy Point) monitoring dogs running unleashed at peak times

The Shire is not responsible for enforcement activities of this nature on the subject beaches. There are no dogs-on-leash laws within the South Gippsland Shire municipal district and the beaches at Sandy Point have a Committee of Management in place.

3. Close down Coal Creek or outsource it to a third party

Council considered the future strategic direction of Coal Creek Community Park and Museum at its ordinary meeting of 28 May 2014, and resolved to defer this decision to November 2014 in order to further consider the future long term options for the Park.

4. No green waste or hard rubbish collection resulting in the need to pay exorbitant tip fees and having to drive 20 kms to the nearest tip

Residents in Sandy Point are able to book an annual hard waste collection service on the basis of user pays. This service is provided in September or October each year.

Council's decision to close the Sandy Point transfer station was based on a number of factors relating to service viability and community usage rates. Sandy Point residents are able to access transfer station services at the Walkerville transfer station. There are currently six transfer stations located across the Shire for the convenience of residents. Unfortunately due to cost implications, it is not possible to establish a transfer station in each town. Waste disposal fees are necessary to recover some of the costs of operating the transfer stations.

The potential to introduce a kerbside green waste collection service is currently being investigated, with a briefing to council on the subject scheduled for 4 June. Following the briefing, a report proposing various

service options will be prepared for the consideration of Council later this year.

5. Rate increases in the past and the proposed 2014-2015 strategy clearly out-strip the official CPI

The financial modelling used in the Long Term Financial Plan utilises both Commsec and the Reserve Bank's economic forecasts. Where an inflation movement has been used in material and consumable calculations, it has been modelled at being 2.5% in 2014/15. In the following years, the default inflation index in the Long Term Financial Plan has been modelled to remain at 2.5% per annum. (CommSec forecasts that inflation will be 2.7% for 2014/15, increasing in the following financial year to 2.9%).

Council is party to an Enterprise Agreement that remains in force until June 2016. The quantum and timing of salary increases under the agreement is an increase of 4% or \$40 per week, whichever is the greater payable September each year. Commsec Wages Prices Index project a 3.4% movement to occur in 2014/15 and then to increase to 3.8% in following years.

Program service delivery areas that include construction type projects will have a tendency to have costs that increase more than CPI. The budgeting methodology used in the capital works program depends on the nature and timing of the projects. For the majority of infrastructure projects that occur yearly, such as roads, bridges culverts and drains, the costing in future years is based on an indexed increase of 4.25% per annum. The Australian Bureau of Statistics showed that the Road Bridge Construction Index for Victoria increased by 3.3% for the year on year period ending December 2013. The increase over and above the Road Bridge Construction Index allows for regional cost impacts of the closed quarry and creates a conservative buffer for the forward capital works program.

South Gippsland Shire provides 120 separate services. A majority of these services are required by legislation and therefore are required to be delivered by Council. A proportion of services are provided through grants provided by other levels of government. Many of these have tight constraints and legislative and regulatory controls that need to be met. The number of discretionary services provided by Council is quite limited.

Where Council is able to set the standards or level of service provision and determine if various discretionary services should continue, there are often conflicting community opinions on these services. While some people advocate terminating the provision of some services, many others equally as strongly advocate for them to continue.

The majority of Council services are labour intensive and need to be delivered by trained competent staff. Council is legislated to provide an

extensive number of services and these must be delivered regardless of the number of ratepayers within the Shire/City Council. The 120 services are delivered by 261 EFT, effectively 1 service provided per 2.1 EFT.

As a result of all these factors Council is faced with significant challenges in establishing the annual budget and deliberates seriously over the decisions made on behalf of the community. Council is mindful of the impact on the community from rate rises and has managed to lower the 2013-2014 forecast rate rise of 6.25% down to 4.13%.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

POOR SERVICES DELIVERY FROM COUNCIL

Email sent to Council 28 May 2014

May 2014

To: The Chief Executive Officer
South Gippsland Shire Council

Dear Chief Executive Officer,

I am the owner of the property at 1, Park Avenue Sandy Point. Having owned this property for fourteen years, in this time we have seen the services provided by council diminish, degrade & disappear, **where the only thing increasing**, apart of course from the massive rates hike proposed, is the worsening & deplorable condition of our local roads, where potholes are expanding and people must every day take their life in their hands just driving between Fish Creek & Sandy Point.

Your proposed budget flies in the face of common sense, and is an outrageous & absolute insult to the many hardworking ratepayers who must pay for it, while living within their means.

The picture which is emerging is that of a **self indulgent Council who appear completely out of touch with economic reality**.

I refer also to the numerous Residential Rate increases over the last decade, well in excess of CPI, combined with almost no council services provided for Sandy Point.

In case you are not aware, yourself and the rest of the good staff of Council (including the various Councillors who vote for this exorbitant increase & who will be receiving a shock at the next election)

do not, any of them, work for the "Council". **You work for us, the Ratepayers.**

If that reality is unacceptable & Council persist with this **extravagant rates feast**, then they should be advised to please be prepared for the inevitable highly unfavorable reaction & impact at the next council elections, together with public examination.

Please **start managing your budget & living within it** so it does not inflict unnecessary hardship, & not just increase rates at any opportunity.

In Summary:

The local roads are dangerous and badly maintained.

Despite signs on the beach banning dogs at various times, there are never any inspectors visible to enforce it. Have never seen even one. Should Council perhaps need extra revenue, just have a look around on a summers day at the many dogs running unleashed at peak times on the main beach.

We have no green waste collection let alone hard rubbish collection, with absolutely exorbitant tip fees for the privilege of driving 20 k's to the nearest tip.

The rates increases in the past and the proposed 2014 - 2018 strategy clearly out-strip the official CPI.

It has also been brought to our attention that the ratio of wages to our Rates revenue indicate the Council is clearly over staffed.

The losses at Coal Creek are just ridiculous. May we suggest either close it down or outsource it to a third party who will actually provide revenue not lose money for your Ratepayers, being the people who pay your wages, at a rate of over \$500,000 a year.

Your review & response to this submission would be most appreciated.

Yours faithfully,

Sam Bryce-Johnson

C.33 S223 #33 RATES INCREASE ON FARMING LAND CONCERN

Pathway/TRIM D2441314 Date 28 May 2014 Wish to be heard N
From Anne Bowden

COUNCIL PLAN / STRATEGY / STUDY

Outcome 4. A Leading Organisation
Strategic Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams
Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure
Responsible unit Corporate Services Directorate

SUMMARY OF ISSUES RAISED

- Concerns of increase of rates on farming land.

MANAGEMENT RESPONSE

The proposed 2014-2018 Rating Strategy has been developed with community input via the Rating Strategy Review Steering Committee and public feedback and submissions. Proposed changes to the rating structure, as detailed in the Rating Strategy, achieve a more equitable distribution of the rate burden. It will increase the amount paid by some properties and decrease the amount paid by others. Rates are primarily a property wealth tax. Farms by their nature have a high rateable valuation relative to Residential, Commercial and Industrial premises.

The Rating Strategy Steering Committee and Council have been mindful of the concerns farmers have raised in regard to their increasing rate costs. From a capacity to pay perspective, ratepayers with higher value properties generally have a higher wealth and a greater capacity to pay. However from a farming industry perspective it can be argued that rates are in fact levied on unrealised wealth in the form of real property. Therefore the nexus with ratepayers' capacity to pay becomes somewhat tenuous. Farmers may be asset rich and income poor. On the other hand, farms more so than other types of businesses can realise the inherent capital value of their properties at the end of their working lives if they choose to do so. Farms effectively include a residential and business component. Farm rates are paid from pre-tax money and this includes the residential component of the farm. At a tax rate of 30% (current company tax rate) this amounts to a benefit of 43%. It is considered appropriate from a capacity to pay principle

perspective that this be taken into account when determining a differential rate for the Farm Properties Category.

Farming is considered to be a key industry and Council has considered it is appropriate to provide some incentive to encourage farmers by moderating the rate impact. Decreasing the differential rate from 90% to 70% provides some rate relief to farmers after taking into consideration the property wealth, capacity to pay and incentive principles.

The Farms are one of the categories significantly impacted by the removal of the Municipal Charge. To modify the extent of this impact and provide an incentive to retain existing and new Farm businesses, a decrease of 30% compared to the Residential rate has been endorsed by Council.

The changes to the rating structure this year add a greater level of complexity with the Municipal Charge being reduced and the Waste Charge being adjusted. As a result of the changes many lower valued properties will gain some rate relief, while higher valued properties will incur an increase. The 70% differential for Farm properties proposed will actually see many Farm properties experiencing a decrease in their rates. This anticipated reduction may however still be minimised to some extent if properties values have increased in the 2014 revaluation of all Shire properties.

Any further reduction in the rate burden to Farms would result in an increased rate burden to other land categories. The 70% differential for Farms is considered a reasonable level in the new rating structure for the Shire.

BUDGET CONCLUSION

- | | |
|--------------------------------|---|
| a) Amend | |
| b) No change | ✓ |
| c) Further discussion required | |

RECOMMENDATION

That Council:

- 1. Receive and note the submission.**
- 2. Note that no change be made to the budget.**
- 3. Advise the submitter/s in writing of this decision including the reason/s for the decision.**

SUBMISSION

RATES INCREASE ON FARMING LAND CONCERN

75 McKays Rd
Agnes
3962

SOUTH GIPPSLAND
SHIRE COUNCIL
29 MAY 2014

To The Chief Executive Officer

I have been unable to get into the shire office to look at the proposed rating strategy. However I would like to voice my strong opposition to rate increases. Since purchasing this farm we are being rated out of existence. When we first took it over the rates were \$1,630.80 in six years they have gone to \$2,789. This is far more than C.P.I.

As a farmer we do not get that increase in our income. Please I would like you to think very carefully before you raise the rates on farming land. This is history repeating itself in our family. My father farmed at St Andrews with in the 50's 60's + 70's till the rate became so unreasonably high he had to sell. It is still a green wedge and we saw how it could burn.

Yours sincerely
Anne Bowden.

SECTION D - MEETING CLOSED

NEXT MEETING

The next Ordinary Council Meeting open to the public will be held on Wednesday, 25 June 2014 commencing at 2pm in the Council Chambers, Leongatha.